WEST COAST DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

General Information

Mayoral committee	Cllr. J H Cleophas (Executive Mayor) Ald. J J Josephus (Deputy executive Mayor) Cllr. A Kruger (Speaker) Cllr. B J Stanley Cllr. A P Mouton Cllr W D Loff Cllr. M Koen
Other Councillors	Cllr. J Swart Cllr. R Skei Cllr. J Barnard Cllr. N G Delport Cllr. C H Heyns Ald. E Plaatjies Cllr. M Smit Cllr. C J Snyders Cllr. S R Claassen Cllr. E L Mgingqi Cllr. J J Fransman Ald. N V Mgoqi Cllr. J J Cillie Cllr. S T Vries Ald. N J A Rust Cllr. N S Zatu Cllr. A Sindyamba
Grading of local authority	Grade 4
Auditors	AUDITOR GENERAL Registered Auditors
Bankers	FIRST NATIONAL BANK 62001436014 FIRST NATIONAL BANK 53060007920
Credit rating	LONG TERM : A- SHORT TERM : A1-
Registered office	58 LONG STREET MOORREESBURG 7310
Postal address	P O BOX 242 MOORREESBURG 7310
Telephone	022 - 433 8400
Fax	086 692 6113
Accounting Officer	H F Prins
Chief Finance Officer (CFO)	J Koekemoer

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I AM RESPONSIBLE FOR THE PREPARATION OF THESE ANNUAL FINANCIAL STATEMENTS, WHICH ARE SET OUT ON PAGE 3 TO 78, 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 20 OF THESE ANNUAL FINANCIAL STATEMENTS ARE WITHIN THE UPPER LIMITS OF THE FRAMEWORK ENVISAGE IN SECTION 219 OF THE CONSTITUTION, READ WITH THE REMUNERATION OF PUBLIC OFFICE BEARERS ACT AND THE MINISTER OF PROVINCIAL AND LOCAL GOVERNMENT'S DETERMINATION IN ACCORDANCE WITH THIS ACT.

H F Prins
Municipal Manager - 28 November 2014

J Koekemoer
Chief Financial Officer - 28 November 2014

Statement of Financial Position as at 30 June 2014

Figures in Rand	Note(s)	2014	2013 (Restated)
Current Assets			
Inventories	12	1 618 708	1 672 263
Other trade receivables from non-exchange transactions	14	11 831 018	9 992 279
VAT receivable	15	563 229	-
Trade receivables from exchange transactions	13	7 637 980	7 688 280
Cash and cash equivalents	16	169 038 492	159 236 940
		190 689 427	**178 589 762**
Non-Current Assets			
Investment property	10	4 673 357	4 811 974
Property, plant and equipment	9	351 236 928	346 000 325
Intangible assets	11	226 753	320 056
		356 137 038	**351 132 355**
Non-Current Assets		356 137 038	351 132 355
Current Assets		190 689 427	178 589 762
Non-current assets held for sale (and) (assets of disposal groups)		-	-
Total Assets		**546 826 465**	**529 722 117**
Liabilities			
Current Liabilities			
Trade payables from exchange transactions	7	22 903 686	23 708 536
VAT payable	46	-	138 459
Unspent conditional grants and receipts	45	471 929	1 725 270
Short-term portion of Employee benefits	5	7 022 837	5 825 508
Current portion of long-term liabilities	4	12 944 312	10 915 703
		43 342 764	**42 313 476**
Non-Current Liabilities			
Long-term portion of Medical aid benefits	6	55 449 911	69 041 911
Long-term portion of Long Service Awards	3	6 482 000	5 615 000
Long-term liability	4	86 865 986	100 755 766
		148 797 897	**175 412 677**
Non-Current Liabilities		148 797 897	175 412 677
Current Liabilities		43 342 764	42 313 476
Liabilities of disposal groups		-	-
Total Liabilities		**192 140 661**	**217 726 153**
Assets		546 826 465	529 722 117
Liabilities		(192 140 661)	(217 726 153)
Net Assets		**354 685 804**	**311 995 964**
Accumulated surplus	28	354 685 804	311 995 964

Statement of Financial Performance

Figures in Rand	Note(s)	2014	2013 (Restated)
Revenue			
Revenue from exchange transactions			
Service charges	17	92 630 349	88 353 178
Roads Agency Services		91 896 102	70 094 500
Other Revenue	18	5 672 339	6 038 473
Fees earned		20 000	402 000
Interest received - investment		10 024 930	8 898 704
Total revenue from exchange transactions		**200 243 720**	**173 786 855**
Revenue from non-exchange transactions			
Government grants & subsidies	8	87 872 135	82 061 757
Actuarial gains recognised Employee Benefits		18 854 759	-
Other revenue	18	2 211 888	1 039 121
Total revenue from non-exchange transactions		**108 938 782**	**83 100 878**
		200 243 720	173 786 855
		108 938 782	83 100 878
Total revenue		**309 182 502**	**256 887 733**
Expenditure			
Employee related costs	19	(117 762 956)	(110 880 591)
Remuneration of councillors	20	(4 907 601)	(4 690 543)
Depreciation and amortisation		(12 520 890)	(12 485 462)
Finance costs	22	(11 726 379)	(10 793 408)
Repairs and maintenance	21	(42 686 731)	(25 881 665)
Bulk purchases	23	(9 968 999)	(8 719 712)
General Expenses	24	(67 230 879)	(77 566 176)
Total expenditure		**(266 804 435)**	**(251 017 557)**
		-	-
Total revenue		309 182 502	256 887 733
Total expenditure		(266 804 435)	(251 017 557)
Operating surplus		**42 378 067**	**5 870 176**
Loss on disposal of assets and liabilities		(702 456)	(11 345)
Surplus before taxation		41 675 611	5 858 831
Taxation		-	-
Surplus for the year		**41 675 611**	**5 858 831**

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Restated balance at 01 July 2012	**291 121 789**	**291 121 789**
Changes in net assets		
Adjustments	2 280 000	2 280 000
Correction of Error (Note 25)	9 460 000	9 460 000
Correction of Error (Note 25)	3 275 344	3 275 344
Net income (losses) recognised directly in net assets	15 015 344	15 015 344
Surplus for the year	5 858 831	5 858 831
Total recognised income and expenses for the year	20 874 175	20 874 175
Total changes	20 874 175	20 874 175
Balance at 01 July 2013 Restated	**311 995 963**	**311 995 963**
Changes in net assets		
Other fair value gains (losses) Note 26	613 813	613 813
Correction of Error - Depreciation - (Note 25)	94 094	94 094
Correction of Error - Property, Plant and Equipment - (Note 25)	706 017	706 017
Correction of Error - Leases (Note 25)	(399 696)	(399 696)
Net income (losses) recognised directly in net assets	1 014 228	1 014 228
Surplus for the year	41 675 613	41 675 613
Total recognised income and expenses for the year	42 689 841	42 689 841
Total changes	42 689 841	42 689 841
Balance at 30 June 2014	**354 685 804**	**354 685 804**

Cash Flow Statement

Figures in Rand	Note(s)	2014	2013
Cash flows from operating activities			
Receipts			
Taxation		298 685 103	250 107 039
Interest income		10 024 930	8 898 704
		308 710 033	259 005 743
Payments			
Employee costs		(257 186 998)	(198 314 989)
Finance costs		(11 726 379)	(10 793 408)
		(268 913 377)	(209 108 397)
Total receipts		308 710 033	259 005 743
Total payments		(268 913 377)	(209 108 397)
Net cash flows from operating activities	29	**39 796 656**	**49 897 346**
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(18 068 032)	(45 703 343)
Proceeds from sale of property, plant and equipment	9	-	240 240
Purchase of other intangible assets	11	(65 900)	(24 162)
Proceeds from sale of other intangible assets	11	-	5 428
Net cash flows from investing activities		**(18 133 932)**	**(45 481 837)**
Cash flows from financing activities			
Movement in long-term liability		(11 861 172)	20 580 985
Net increase/(decrease) in cash and cash equivalents		**9 801 552**	**24 996 494**
Cash and cash equivalents at the beginning of the year		159 236 940	134 240 446
Cash and cash equivalents at the end of the year	16	**169 038 492**	**159 236 940**

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP) prescribed by the Minister of Finance in terms of Section 91 of the Public Finance Management Act, 1999 (Act number 1 of 1999) including any interpretations, guidlines and durectives issued by the Accounting Standards Board in terms of Section 89 where applicable.

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..

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

- GRAP 1 — Presentation of financial statements
- GRAP 2 — Cash flow statement
- GRAP 3 — Accounting policies, changes in accounting estimates and errors
- GRAP 4 — The Effects of Changes in Foreign Exchange Rates
- GRAP 5 — Borrowing Cost
- GRAP 6 — Consolidated and Separated Financial Statementst
- GRAP 7 — Investments in Associates
- GRAP 8 — Investments in Joint Ventures
- GRAP 9 — Revenue from Exchange Transactions
- GRAP 10 — Financial Reporting in Hyperinflationary Economies
- GRAP 11 — Construction Contracts
- GRAP 12 — Inventories
- GRAP 13 — Leases
- GRAP 14 — Events After the Reporting Date
- GRAP 16 — Investments Property
- GRAP 17 — Property, Plant and Equipment
- GRAP 19 — Provisions, Contingent Liabilities and Contingent Assets
- GRAP 21 — Impairment of Non-cash-generating Assets
- GRAP 23 — Revenue from Non-exchange Transactions
- GRAP 24 — Presentation of Budget Information in Financial Statements
- GRAP 25 — Employee Benefits
- GRAP 26 — Impairment of Cash-generating assets
- GRAP 27 — Agriculture
- GRAP 31 — Intangible Assets
- GRAP 100 — Non-Current Assets Held for Sale and Discontinued Operations
- GRAP 103 — Heritage Assets
- GRAP 104 — Financial Instruments

The accounting policies for transactions and events that are not specifically covered by the GRAP standards listed above have been developed in accordance with the requirements of paragraphs 7, 11 and 12 of GRAP 3 and the guidance as set out in Directive 5.

These accounting policies and the applicable disclosures have been based on the South African Statements of Generally Accepted Accounting Practices (SA GAAP) including any interpretations of such Statements issued by the Accounting Practice Board.

The standards are summarised as follows:

- IAS 19 (AC 116) — Employee benefits - Defined benefit accounting as far as it relates to defined benefit plans accounted for as defined contribution plans and the defined benefit obligation disclosed by narrative information (IAS 19.29,48 - 119 and 120A (c) - (q))
- IAS 32 (AC 125) — Financial Instruments : Presentation
- IAS 39 (AC 129) — Financial Instruments : Recognition and measurement - Intially measuring financial assets and liabilities at fair value. (IAS 39.43, AG 79, AG 64 - AG 65 and SAICA circular 9/06)

Accounting Policies

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality. All financial information has been rounded to the nearest Rand.

1.2 Going concern assumption

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

1.3 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:
- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Cost model

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value over the useful life of the property, which is as follows:

Item	Useful life
Property - beach development	25 to 30

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

1.4 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one reporting period.

Property, plant and equipment is initially measured at cost.

Accounting Policies

1.4 Property, plant and equipment (continued)

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories. Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery of the asset 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 are expensed. The enhancement of an existing asset so that its use is expanded or the further development of an asset so that its original life is extended are examples of subsequent expenditure which should be capitalised.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

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

Property, plant and equipment under construction. The cost includes all expenditure related directly to specific projects still in progress at period end. Incomplete construction work is stated as historical cost.

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.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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 are depreciated on the straight line basis over their expected useful lives. Assessment of residual values are performed at acquisition date. Assets under construction are only depreciated once fully completed.

The useful lives of items of property, plant and equipment have been assessed as follows:

ASSETS	**ESTIMATED USEFULE LIFE**
Land	0
Buildings	25 to 30
Other Structures (Infrastructure)	0 to 100
Investment property	0

Accounting Policies

1.4 Property, plant and equipment (continued)

Intangible Assets	5
Heritage	0
Other	2 to 22

The residual value, the useful life and depreciation method of each asset are reviewed at least at of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use or disposal of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Borrowing costs are treated in accordance with the provisions of GRAP 5. In accordance with these provisions borrowing costs are interest and other costs incurred in connection with the borrowing of money. Borrowing costs directly attributed to the acquisition, construction or production of a qualifying asset can be capitalised. Borrowing costs incurred other than on qualifying assets must be recognised as an expense in surplus or deficit when incurred. The amount of borrowing costs capitalised is limited to the actual borrowing costs incurred on the borrowing less any investment income on the temporary investment of those borrowings.

Accounting Policies

1.5 Intangible assets

An asset is identifiable if it either:
- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:
- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management’s best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	**Useful life**
Other intangible assets	5 years

1.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

1.6 Financial instruments (continued)

Derecognition is the removal of a previously recognised financial asset or financial liability from a municipality's statement of financial position.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Accounting Policies

1.6 Financial instruments (continued)

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:
- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:
- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:
- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
  - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
  - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
  - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
  - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Accounting Policies

1.6 Financial instruments (continued)

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Trade and other receivables	Financial asset measured at fair value
Cash and Cash equivalents	Financial asset measured at fair value

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Trade and other payables	Financial liability measured at fair value
Deferred Grants	Financial liability measured at fair value
Long term liabilities	Financial liability measured at amortised cost

Trade and other payables are initially measured at fair value plus transaction costs that are directly attributed to the acquisition and are subsequently measured at amortised cost using the effective interest rate method.

Trade and other receivables are initially recognised at fair value plus transaction cost that directly attributed to the acquisition and subsequently stated at amortised cost, less provision for impairment. This provision is based on a review of all outstanding amounts at year end and is establised when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms. The amount of the provision is the effective interest rate. Bad debts are written off during the year in which they are identified. Subsequent recoveries of amounts previously written off are credited against the relevant revenue stream in the statement of financial performance.

Long term financial liabilities are classified as financial liabilities that are measured at amortised cost.

Cash and cash equivalents includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions 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 investments in financial instruments, net bank overdrafts. Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred.

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The entity measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value].

The entity first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan into its component parts and accounts for each component separately. The entity accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

Accounting Policies

1.6 Financial instruments (continued)

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:
- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm’s length exchange motivated by normal operating considerations. Valuation techniques include using recent arm’s length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, an municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

Impairment and uncollectibility of financial assets

The entity assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset’s original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Accounting Policies

1.6 Financial instruments (continued)

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:
- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity :
  - derecognise the asset; and
  - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

If the entity transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognise either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognise the new financial asset, financial liability or servicing liability at fair value.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity continue to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the entity recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

Accounting Policies

1.6 Financial instruments (continued)

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

1.7 Value added tax

The municipality accounts for Value Added Tax on the cash basis. The Municipality is liable to account for Value Added Tax at the standard rate (14%) in terms of section 7 (1) (a) of the VAT Act, in respect of the supply of goods or services except where the supplies are specifically zero-rated in terms of section 11, exempted in terms of section 12 of the VAT Act or out of scope for VAT purposes. The timing of payments to / from the South African Revenue Services is on twenty fifth day of each of the twelve months of the financial year.

1.8 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.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Operating leases - municipality as lessor

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

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - municipality as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.9 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;
- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

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

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

Accounting Policies

1.9 Inventories (continued)

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Water inventory represent water housed in dams within the municipal area and is measured at the lower of cost, which is deemed to be fair value, and net realisable value. In the absence of a market that trades in water outside of local government, the fair value utilised to quantify water inventory is based on the unit reference value. The unit reference value is determined by a formula that is utilised in the engineering department to calculate the development cost of new water resources.

The water levels in the dams are based on cubic meter capacity taking into account the capacity of the dam, based on land surveying reports and the curve of the dam. Readings of water levels are taken at year-end, which is quantified at the above fair value. Water and purified effluent are measured at the lower of purified cost and net realisable value insofar as it is stored and controlled in reservoirs at year-end.

1.10 Impairment of cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset’s future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm’s length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:
- (a) the period of time over which an asset is expected to be used by the municipality; or
- (b) the number of production or similar units expected to be obtained from the asset by the municipality.

1.11 Impairment of non-cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

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

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset’s future economic benefits or service potential through depreciation (amortisation).

Accounting Policies

1.11 Impairment of non-cash-generating assets (continued)

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:
- (a) the period of time over which an asset is expected to be used by the municipality; or
- (b) the number of production or similar units expected to be obtained from the asset by the municipality.

1.12 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:
- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are 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.

Other long-term employee benefits are 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.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Accounting Policies

1.12 Employee benefits (continued)

Short-term employee benefits

Short-term employee benefits are 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.

Short-term employee benefits include items such as:
- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:
- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measure the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognise the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Multi-employer plans are 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 entity that employs the employees concerned.

1.12 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans. According to the rules of the medical aid funds, with which municipality is associated, a member (who is on the current condition 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% or 40% of the medical aid membership fee, and the municipality for the remaining 70% or 60%. The municipality adopted a policy whereby the age of staff appointed under the new conditions of service would determine their portion of contribution to the medical aid on retirement.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the entity recognise actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting entity) that are held by an entity (a fund) that is legally separate from the reporting entity and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting entity's own creditors (even in liquidation), and cannot be returned to the reporting entity, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity; or
- the assets are returned to the reporting entity to reimburse it for employee benefits already paid.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognise past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The entity account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices. Informal practices give rise to a constructive obligation where the entity has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the entity's informal practices would cause unacceptable damage to its relationship with employees.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). The entity measure the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

1.12 Employee benefits (continued)

Any adjustments arising from the limit above is recognised in surplus or deficit.

The entity determine the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The entity uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, an entity shall attribute benefit to periods of service under the plan’s benefit formula. However, if an employee’s service in later years will lead to a materially higher level of benefit than in earlier years, an entity shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The entity recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the entity re-measure the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is [OR is not] presented as the net of the amount recognised for a reimbursement.

The entity offsets an asset relating to one plan against a liability relating to another plan when the entity has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Accounting Policies

1.12 Employee benefits (continued)

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:
- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
- those changes were enacted before the reporting date; or
- past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs. An Actuarial valuation was performed and a liability was determined as a result of the actuarial valuation. The actuarial valuation will be revised on a annual basis. The valuation was calculated based on the following assumptions: Discount rate of 8.94%, Health care cost inflation rate 8.05% and a net effective discount of 0.82%

1.13 Provisions

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

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 41.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Accounting Policies

1.13 Provisions (continued)

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, an municipality recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

Accounting Policies

1.13 Provisions (continued)

Site restoration

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, is accounted for as follows:

If the related asset is measured using the cost model:
- changes in the liability is added to, or deducted from, the cost of the related asset in the current period.
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit.
- if the adjustment results in an addition to the cost of an asset, the entity consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the entity test the asset for impairment by estimating its recoverable amount or recoverable service amount, and account for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy 1.10 and 1.11.

If the related asset is measured using the revaluation model:
- changes in the liability alter the revaluation surplus or deficit previously recognised on that asset, so that:
  - a decrease in the liability is credited directly to revaluation surplus in net assets, except that it is recognised in surplus or deficit to the extent that it reverses a revaluation deficit on the asset that was previously recognised in surplus or deficit; and
  - an increase in the liability is recognised in surplus or deficit, except that it is debited directly to revaluation surplus in net assets to the extent of any credit balance existing in the revaluation surplus in respect of that asset;
- in the event that a decrease in the liability exceeds the carrying amount that would have been recognised had the asset been carried under the cost model, the excess is recognised immediately in surplus or deficit;
- a change in the liability is an indication that the asset may have to be revalued in order to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Any such revaluation is taken into account in determining the amounts to be taken to surplus or deficit and net assets. If a revaluation is necessary, all assets of that class is revalued; and
- the Standard of GRAP on Presentation of Financial Statements requires disclosure on the face of the statement of changes in net assets of each item of revenue or expense that is recognised directly in net assets. In complying with this requirement, the change in the revaluation surplus arising from a change in the liability is separately identified and disclosed as such.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur. This applies under both the cost model and the revaluation model.

The periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.

1.14 Revenue recognition

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction.

Revenue from exchange transactions

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

1.14 Revenue recognition (continued)

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

Service charges relating to distribution of electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption based on the consumption history, are made on a monthly basis when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without it being invoiced. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is raised based on the average monthly consumption. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters are read. These adjustments are recognised as revenue in the invoicing period.

Service charges relating to refuse removal are recognised on a monthly basis by applying the approved tariff to each property receiving services. Tariffs are determined per category of property and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service charges relating to sewerage and sanitation services are based on the type of service and the number of sewer connections on all developed property, using the tariffs approved by Council. Revenue is recognised on a monthly basis.

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends or similar distributions are recognised, in surplus or deficit, when the municipality’s right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

Interest is recognised, in surplus or deficit as is accrues, using the effective interest method. Rental income from operating leases is recognised on a straight line basis over the lease term.

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

Commission for agency servises is recognised when a actual expense incure. This is due to a change in the policy by the agent.

1.15 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

1.15 Revenue from non-exchange transactions (continued)

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Revenue from rates, including collection charges and penalty interest, is recognised on a monthly basis when the taxes are levied as this is regarded to be the date when it is probable that the economic benefits or service potential will flow to the municipality, the amount of the revenue can be measured reliably and there has been compliance with the relevant legal requirements.

Revenue from donations is recognised when it is probable that the economic benefits or service potencial will flow to the municipality, the amount of the revenue can be measured reliably and any restrictions associated with the donation have been met.

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

Revenue from unconditional grants is recognised when it is probable that the economic benefits or service potential will flow to the municipality the amount of the revenue can be measured reliably. Since these grants are unconditional and there are no attached stipulations, the grants are recognised as revenue or, if the recognition criteria had been met, as assets in the reporting period in which they are recieved or receivable.

Revenue from conditional grants is recognised when it is probable that the economic benefits or service potential will flow to the municipality the amount of the revenue can be measured reliably and to the extent that there has been compliance with any restrictions associated with the grant.

Accounting Policies

1.15 Revenue from non-exchange transactions (continued)

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality 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 reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Taxes

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources. Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured. The degree of probability attached to the inflow of resources is determined on the basis of evidence available at the time of initial recognition, which includes, but is not limited to, disclosure of the taxable event by the taxpayer.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

The taxable event for income tax is the earning of assessable income during the taxation period by the taxpayer.

The taxable event for value added tax is the undertaking of taxable activity during the taxation period by the taxpayer.

The taxable event for customs duty is the movement of dutiable goods or services across the customs boundary.

The taxable event for estate duty is the death of a person owning taxable property.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

Transfers

Apart from Services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Accounting Policies

1.15 Revenue from non-exchange transactions (continued)

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Services in-kind

Services in-kind are recognised as revenue and as assets. Revenue from unconditional grants is recognised when it is propable that the economic benefits or service potential will flow to the municipality the amount of the revenue can be measured reliably. Since these grants are unconditional and there are no attached stipulations, the grants are recognised as revenue or, if the recognition criteria had been met, as assets in the reporting period in which they are received or receivable.

1.16 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any investment income on the temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the municipality on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

When the municipality completes the construction of a qualifying asset in parts and each part is capable of being used while construction continues on other parts, the entity ceases capitalising borrowing costs when it completes substantially all the activities necessary to prepare that part for its intended use or sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.17 Comparative figures and prior period errors

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

Prior period errors have been corrected in terms of GRAP 3, Accounting policies changes in accounting estimates and errors, in the period in which they occured, or the earliest period reported.

1.18 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.19 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.20 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -
- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

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 economic entity'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.

1.21 Capital commitments

Capital commitments disclosed in the financial statements represents the balance committed to capital projects on reporting date that will be incurred in the period subsequent to the specific reporting date.

1.22 Budget information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a cash basis and presented by functional classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2013/07/01 to 2014/06/30.

Accounting Policies

1.22 Budget information (continued)

The budget for the economic entity includes all the entities approved budgets under its control.

The annual financial statements and the budget are not on the same basis of accounting therefore a reconciliation between the statement of financial performance and the budget have been included in the annual financial statements.

Accounting Policies

1.23 Critical accounting estimates and judgements

The provisions represents management's best estimate of the municipality's exposure. The probability that an outflow of economic resources will be required to settle the obligation must be assessed and a reliable estimate must be made of the amount of the obligation. Actual results may, however, differ from these estimates.

Management has made estimates of the selling price and direct cost to sell of certain inventory items to calculate the allowance to write stock down to the lower of cost or net realisable value. The write down is zero.

The present value of the post retirement obligation depends on a number of factors that are determined on a actuarial basis using a number of assumptions, which include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

The estimation of the useful lives of assets is based on management's judgement. Any material adjustments to the estimated remaining useful lives of items of items of property, plant and equipment will have an impact on the carrying value of these items.

Where impairment indicators exist, the determination of the recoverable amount of assets or cash generating units require management to make assumptions to determine the fair value less costs to sell. Key assumptions on which management has based its determination of fair values less costs to sell include projected revenues, earnings multiple, capital expenditure and market share. The judgements, assumptions and methodologies used can have a material impact on the fair value and ultimately the amount of the impairment.

Where impairment indicators exist, the determination of the recoverable service amount of a non-cash generating asset requires management to make assumptions to determine the fair value less costs to sell and the value in use based on the depreciated replacement cost model. Key assumptions include the current replacement cost of non-cash generating assets and in certain instances an assumption about the commissioning date which determines the depreciated replacement cost of the non-cash generating asset.

An estimate for the impairment of receivables is made when collection of the full amount is no longer probable. The provision for doubtful debt shall be calculated on trade receivables only, i.e. service debtors, housing rentals and other debtors. The total impairment provision of the municipality shall be calculated per risk category.

1.24 Events after the reporting date

Events after the reporting date that are classified as adjusting events are accounted for in the Annual Financial Statements. The events after the reporting date that are classified as non-adjusting events after the reporting date are disclosed in the notes to the Annual Financial Statements.

Figures in Rand	2014	2013

2. New standards and interpretations not effective

The aggregate impact of the initial application of the statements and interpretations on the municipality's annual financial statements is expected to be as follows: The municipality has not applied the following standards and interpretations, which have been publised and are mandatory for the Municipality's accounting periods beginning on or after 1 July 2014 or late periods.

GRAP 105: Transfers of functions between entities under common control

The objective of this Standard is to establish accounting principles for the acquirer and transferor in a transfer of functions between entities under common control. It requires an acquirer and a transferor that prepares and presents financial statements under the accrual basis of accounting to apply this Standard to a transaction or event that meets the definition of a transfer of functions. It includes a diagram and requires that entities consider the diagram in determining whether this Standard should be applied in accounting for a transaction or event that involves a transfer of functions or merger.

It furthermore covers Definitions, Identifying the acquirer and transferor, Determining the transfer date, Assets acquired or transferred and liabilities assumed or relinquished, Accounting by the acquirer and transferor, Disclosure, Transitional provisions as well as the Effective date of the standard.

The effective date of the standard is for years beginning on or after 01 April 2014.

The municipality expects to adopt the standard for the first time in the 2015 annual financial statements.

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

GRAP 18: Segment Reporting

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 municipality. 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 municipality'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 no 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 un 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 01 April 2016.

The municipality expects to adopt the standard for the first time in the 2017 annual financial statements.

The adoption of this standard is not expected to impact on the results of the municipality, but may result in more disclosure than is currently provided in the annual financial statements.

Notes to the Annual Financial Statements

2. New standards and interpretations not effective (continued)

GRAP 106: Transfers of functions between entities not under common control

The objective of this Standard is to establish accounting principles for the acquirer in a transfer of functions between entities not under common control. It requires an entity that prepares and presents financial statements under the accrual basis of accounting to apply this Standard to a transaction or other event that meets the definition of a transfer of functions. It includes a diagram and requires that entities consider the diagram in determining whether this Standard should be applied in accounting for a transaction or event that involves a transfer of functions or merger.

It furthermore covers Definitions, Identifying a transfer of functions between entities not under common control, The acquisition method, Recognising and measuring the difference between the assets acquired and liabilities assumed and the consideration transferred, Measurement period, Determining what is part of a transfer of functions, Subsequent measurement and accounting, Disclosure, Transitional provisions as well as the Effective date of the standard.

The effective date of the standard is for years beginning on or after 01 April 2014.

The municipality expects to adopt the standard for the first time in the 2015 annual financial statements.

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

GRAP 107: Mergers

The objective of this Standard is to establish accounting principles for the acquirer in a transfer of functions between entities not under common control. It requires an entity that prepares and presents financial statements under the accrual basis of accounting to apply this Standard to a transaction or other event that meets the definition of a transfer of functions. It includes a diagram and requires that entities consider the diagram in determining whether this Standard should be applied in accounting for a transaction or event that involves a transfer of functions or merger.

It furthermore covers Definitions, Identifying a transfer of functions between entities not under common control, The acquisition method, Recognising and measuring the difference between the assets acquired and liabilities assumed and the consideration transferred, Measurement period, Determining what is part of a transfer of functions, Subsequent measurement and accounting, Disclosure, Transitional provisions as well as the Effective date of the standard.

The effective date of the standard is for years beginning on or after 01 April 2014.

The municipality expects to adopt the standard for the first time in the 2015 annual financial statements.

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

GRAP 20: Related parties

The objective of this standard is to ensure that a reporting entity’s annual financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

An entity that prepares and presents financial statements under the accrual basis of accounting (in this standard referred to as the reporting entity) shall apply this standard in:

- identifying related party relationships and transactions;
- identifying outstanding balances, including commitments, between an entity and its related parties;
- identifying the circumstances in which disclosure of the items in (a) and (b) is required; and
- determining the disclosures to be made about those items.

This standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the reporting entity in accordance with the Standard of GRAP on Consolidated and Separate Financial Statements. This standard also applies to individual annual financial statements.

Disclosure of related party transactions, outstanding balances, including commitments, and relationships with related parties may affect users’ assessments of the financial position and performance of the reporting entity and its ability to deliver agreed services, including assessments of the risks and opportunities facing the entity. This disclosure also ensures that the reporting entity is transparent about its dealings with related parties.

Notes to the Annual Financial Statements

2. New standards and interpretations not effective (continued)

The standard states that a related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to the reporting entity if that person:
  - has control or joint control over the reporting entity;
  - has significant influence over the reporting entity;
  - is a member of the management of the entity or its controlling entity.
- An entity is related to the reporting entity if any of the following conditions apply:
  - the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
  - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
  - both entities are joint ventures of the same third party;
  - one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
  - the entity is controlled or jointly controlled by a person identified in (a); and
  - a person identified in (a)(i) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

The standard furthermore states that related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

The standard elaborates on the definitions and identification of:

- Close member of the family of a person;
- Management;
- Related parties;
- Remuneration; and
- Significant influence

The standard sets out the requirements, inter alia, for the disclosure of:

- Control;
- Related party transactions; and
- Remuneration of management

The effective date of the standard is for years beginning on or after 01 April 2014.

The municipality expects to adopt the standard for the first time in the 2015 annual financial statements.

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

IGRAP 11: Consolidation – Special purpose entities

An entity may be created to accomplish a narrow and well-defined objective (e.g. to effect a lease, research and development activities or a securitisation of financial assets). Such a special purpose entity ('SPE') may take the form of a corporation, trust, partnership or unincorporated entity. SPEs often are created with legal arrangements that impose strict and sometimes permanent limits on the decision-making powers of their management over the operations of the SPE. Frequently, these provisions specify that the policy guiding the ongoing activities of the SPE cannot be modified, other than perhaps by its creator or sponsor (ie they operate on so-called 'autopilot'). The sponsor (or entity on whose behalf the SPE was created) frequently transfers assets to the SPE, obtains the right to use assets held by the SPE or performs services for the SPE, while other parties ('capital providers') may provide the funding to the SPE. An entity that engages in transactions with an SPE (frequently the creator or sponsor) may in substance control the SPE. A beneficial interest in an SPE may, for example, take the form of a debt instrument, an equity instrument, a participation right, a residual interest or a lease. Some beneficial interests may simply provide the holder with a fixed or stated rate of return, while others give the holder rights or access to other future economic benefits or service potential of the SPE's activities. In most cases, the creator or sponsor (or the entity on whose behalf the SPE was created) retains a significant beneficial interest in the SPE's activities, even though it may own little or none of the SPE's net assets.

Notes to the Annual Financial Statements

2. New standards and interpretations not effective (continued)

The Standard of GRAP on Consolidated and Separate Financial Statements requires the consolidation of entities that are controlled by the reporting entity. However, the Standard of GRAP does not provide explicit guidance on the consolidation of SPEs. The issue is under what circumstances an entity should consolidate an SPE. This interpretation of the Standards of GRAP does not apply to post-employment benefit plans or other long-term employee benefit plans to which the Standard of GRAP on Employee Benefits applies.

A transfer of assets from an entity to an SPE may qualify as a sale by that entity. Even if the transfer does qualify as a sale, the provisions of the Standard of GRAP on Consolidated and Separate Financial Statements and this Interpretation of the Standards of GRAP may mean that the entity should consolidate the SPE. This Interpretation of the Standards of GRAP does not address the circumstances in which sale treatment should apply for the entity or the elimination of the consequences of such a sale upon consolidation.

The effective date of this interpretation is dependent on/in conjunction with the effective date of GRAP105, 106 and 107.

The municipality expects to adopt the interpretation for the first time in the 2015 annual financial statements.

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

IGRAP 12: Jointly controlled entities – Non-monetary contributions by ventures

Paragraph .54 in the Standard of GRAP on Interests in Joint Ventures refers to both contributions and sales between a venturer and a joint venture as follows: ‘When a venturer contributes or sells assets to a joint venture, recognition of any portion of a gain or loss from the transaction shall reflect the substance of the transaction’. In addition, paragraph 31 in the Standard of GRAP on Interests in Joint Ventures says that ‘a jointly controlled entity is a joint venture that involves the establishment of a corporation, partnership or other entity in which each venturer has an interest’. There is no explicit guidance on the recognition of gains and losses resulting from contributions of non-monetary assets to jointly controlled entities (‘JCEs’).

Contributions to a JCE are transfers of assets by venturers in exchange for an interest in the net asset in the JCE. Such contributions may take various forms. Contributions may be made simultaneously by the venturers either upon establishing the JCE or subsequently. The consideration received by the venturer(s) in exchange for assets contributed to the JCE may also include cash or other consideration that does not depend on future cash flows of the JCE (‘additional consideration’).

The issues are:

- when the appropriate portion of gains or losses resulting from a contribution of a non-monetary asset to a JCE in exchange for an interest in the net assets in the JCE should be recognised by the venturer in surplus or deficit;
- how additional consideration should be accounted for by the venturer; and
- how any unrealised gain or loss should be presented in the consolidated

This Interpretation of the Standards of GRAP deals with the venturer’s accounting for non-monetary contributions to a JCE in exchange for an interest in the net assets in the JCE that is accounted for using either the equity method or proportionate consolidation.

The effective date of this interpretation is dependent on/in conjunction with the effective date of GRAP105, 106 and 107.

The municipality expects to adopt the interpretation for the first time in the 2015 annual financial statements.

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

GRAP 6 (as revised 2010): Consolidated and Separate Financial Statements

The definition of ‘minority interest’ has been amended to ‘non-controlling interest’, and paragraph .60 was added by the Improvements to the Standards of GRAP issued in November 2010. An entity shall apply these amendments prospectively for annual financial periods beginning on or after the effective date [in conjunction with the effective date to be determined by the Minister of Finance for GRAP 105, 106 and 107]. If an entity elects to apply these amendments earlier, it shall disclose this fact.

Notes to the Annual Financial Statements

2. New standards and interpretations not effective (continued)

Paragraph .59 was amended by Improvements to the Standards of GRAP issued in November 2010. An entity shall apply these amendments prospectively for annual financial periods beginning on or after the effective date [in conjunction with the effective date to be determined by the Minister of Finance for GRAP 105, 106 and 107] from the date at which it first applied the Standard of GRAP on Non-current Assets Held for Sale and Discontinued Operations. If an entity elects to apply these amendments earlier, it shall disclose this fact.

The Standards of GRAP on Transfer of Functions Between Entities Under Common Control, Transfer of Functions Between Entities Not Under Common Control and Mergers amended paragraphs .03, .39, .47 to .50 and added paragraphs .51 to .58 and .61 to .62. An entity shall apply these amendments when it applies the Standards of GRAP on Transfer of Functions Between Entities Under Common Control, Transfer of Functions Between Entities Not Under Common Control and Mergers.

An entity shall apply this amendment for annual financial statements covering periods beginning on or after the effective date [in conjunction with the effective date to be determined by the Minister of Finance for GRAP 105, 106 and 107].

The municipality expects to adopt the amendment for the first time in the 2015 annual financial statements.

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

GRAP 7 (as revised 2010): Investments in Associates

Paragraphs .03 and .42 were amended by the Improvements to the Standards of GRAP issued in November 2010. An entity shall apply these amendments prospectively for annual financial periods beginning on or after the effective date [in conjunction with the effective date to be determined by the Minister of Finance for GRAP 105, 106 and 107]. If an entity elects to apply these amendments earlier, it shall disclose this fact.

The Standards of GRAP on Transfer of Functions Between Entities Under Common Control, Transfer of Functions Between Entities Not Under Common Control and Mergers amended paragraphs .22, .28 and .38 and added paragraph .24. An entity shall apply these amendments and addition when it applies the Standards of GRAP on Transfer of Functions Between Entities Under Common Control, Transfer of Functions Between Entities Not Under Common Control and Mergers.

An entity shall apply this amendment for annual financial statements covering periods beginning on or after the effective date [in conjunction with the effective date to be determined by the Minister of Finance for GRAP 105, 106 and 107].

The municipality expects to adopt the amendment for the first time in the 2015 annual financial statements.

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

GRAP 8 (as revised 2010): Interests in Joint Ventures

Paragraph .04 was amended by the Improvements to the Standards of GRAP issued in November 2010. An entity shall apply these amendments prospectively for annual financial periods beginning on or after the effective date [in conjunction with the effective date to be determined by the Minister of Finance for GRAP 105, 106 and 107]. If an entity elects to apply these amendments earlier, it shall disclose this fact.

The Standards of GRAP on Transfer of Functions Between Entities Under Common Control, Transfer of Functions Between Entities Not Under Common Control and Mergers added paragraph .50 and amended paragraphs .51 and .52. An entity shall apply these amendments and addition when it applies the Standards of GRAP on Transfer of Functions Between Entities Under Common Control, Transfer of Functions Between Entities Not Under Common Control and Mergers.

An entity shall apply this amendment for annual financial statements covering periods beginning on or after the effective date [in conjunction with the effective date to be determined by the Minister of Finance for GRAP 105, 106 and 107].

The municipality expects to adopt the amendment for the first time in the 2015 annual financial statements.

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

GRAP32: Service Concession Arrangements: Grantor

Notes to the Annual Financial Statements

2. New standards and interpretations not effective (continued)

The objective of this Standard is: to prescribe the accounting for service concession arrangements by the grantor, a public sector entity.

It furthermore covers: Definitions, recognition and measurement of a service concession asset, recognition and measurement of liabilities, other liabilities, contingent liabilities, and contingent assets, other revenues, presentation and disclosure, transitional provisions, as well as the effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister set the effective date for the standard.

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

GRAP108: Statutory Receivables

The objective of this Standard is: to prescribe accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables.

It furthermore covers: Definitions, recognition, derecognition, measurement, presentation and disclosure, transitional provisions, as well as the effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister set the effective date for the standard.

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

IGRAP17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset

This Interpretation of the Standards of GRAP provides guidance to the grantor where it has entered into a service concession arrangement, but only controls, through ownership, beneficial entitlement or otherwise, a significant residual interest in a service concession asset at the end of the arrangement, where the arrangement does not constitute a lease. This Interpretation of the Standards of GRAP shall not be applied by analogy to other types of transactions or arrangements.

A service concession arrangement is a contractual arrangement between a grantor and an operator in which the operator uses the service concession asset to provide a mandated function on behalf of the grantor for a specified period of time. The operator is compensated for its services over the period of the service concession arrangement, either through payments, or through receiving a right to earn revenue from third party users of the service concession asset, or the operator is given access to another revenue-generating asset of the grantor for its use.

Before the grantor can recognise a service concession asset in accordance with the Standard of GRAP on Service Concession Arrangements: Grantor, both the criteria as noted in paragraph .01 of this Interpretation of the Standards of GRAP need to be met. In some service concession arrangements, the grantor only controls the residual interest in the service concession asset at the end of the arrangement, and can therefore not recognise the service concession asset in terms of the Standard of GRAP on Service Concession Arrangements: Grantor.

A consensus is reached, in this Interpretation of the Standards of GRAP, on the recognition of the performance obligation and the right to receive a significant interest in a service concession asset.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister set the effective date for the standard.

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

Figures in Rand	2014	2013

3. Long-term portion of Long Service Awards

Long Service Awards		
Provision for Long Service Awards	7 059 000	6 033 000
Less : Transferred to Current Provisions	(577 000)	(418 000)
Net Long Service Awards liability	**6 482 000**	**5 615 000**

A long service award is granted to municipal employees after the completion of fixed periods of continuous service with the municipality. The provision represents an estimation of the awards to which employees in the service of the municipality at 30 June 2014 may become entitled to in future, based on a actuarial valuation performed at that date.

The municipality did an actuarial valuations of the present value of the obligation at 30 June 2014 by ZAQ. Due to this fact only the present value of the fund obligation as at 30 June 2013 was provised. No movements from 30 June 2012 to 30 June 2013 was done except the Present value of the fund as at that reporting date 30 June 2013..

The future service cost for ensuing year is established to be R687 000 whereas the interest-cost for the next year in estimated to be R583 000.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

- Discount Rate - 7.96%
- CPI (Consumer Price Inflation) - 6.33%
- Normal Salary Increase Rate - 7.33%
- Net Effective Discount Rate - 0.59%
- Expected Retirement Age - Female - 65
- Expected Retirement Age - Male - 65

The amount recognised in the Statement of Financial Position are as follows:

Present value of fund obligations	7 059 000	6 033 000

The amount recognised in the Statement of Financial Performance are as follows:

Current service costs	565 000	-
Interest cost	450 000	-
Acturial (gain)/loss on the obligation	429 000	-
Benefits paid	(418 000)	-
	1 026 000	**-**

The movement in the defined benefit obligation over the year is as follows:

Balance at beginning of the year	6 033 000	-
Current service cost	565 000	-
Interest cost	450 000	-
Benefits paid	(418 000)	-
Actuarial (gain)/loss on the obligation	429 000	-
	7 059 000	**-**

4. Long term liabilities

Local Registered Stock Loans	99 810 298	111 671 469
Less : Current portion transferred to current liabilities	(12 944 312)	(10 915 703)
Total External Loans	**86 865 986**	**100 755 766**

The municipality has a unsecured external loan at the Development Bank of South Africa at a fixed rate of 8.60500%. The redeemable date of the loan is 31 October 2022. The loan is redeemed on a half-yearly basis. The amount borrowed in terms of the loan was to provide finance for capital projects within the Water Provisions Department.

4. Long term liabilities (continued)

The municipality has a unsecured external loan at Sanlam. The redeemable date for the loan is 29 June 2018. The loan is redeemed on a half-yearly basis as at 31 December and 30 June of each financial year. The amount borrowed in terms of the loan was to provide finance for capital projects within the Water Provisions Department. The loan is at a fixed rate of 12.54%

The municipality has an unsecured external loan at the Development Bank of South Africa at a fixed rate of 10.87%. The redeemable date for the loan is 30 June 2020. The loan is redeemed on a half-yearly basis as at 31 December and 30 June of each financial year. The amount borrowed in terms of the loan was to provide finance for capital projects within the Water Provisions Department.

The municipality has an unsecured external loan at ABSA at a fixed rate of 11.73%. The redeemable date for the loan is 31 January 2021. The loan is redeemed on a half-yearly basis as at 31 January and 31 July of each financial year. The amount borrowed in terms of the loan was to provide finance for capital projects within the Water Provisions Department.

Refer to Appendix E (1) for more detail on long-term liabilities.

5. Short-term portion of Employee Benefits

Reconciliation of short-term portion of employee benefits - 2014

	Opening Balance	Additions	Utilised during the year	Total
Short-term portion of Medical aid Benefits	2 280 000	3 104 000	(2 280 000)	3 104 000
Short-term portion of Long Service Awards	418 000	577 000	(418 000)	577 000
Short-term portion of Performance Bonus	212 803	256 827	(223 765)	245 865
Short-term portion of Bonus	2 914 705	3 076 779	(2 895 512)	3 095 972
	5 825 508	**7 014 606**	**(5 817 277)**	**7 022 837**

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

6. Long-term portion of Medical aid benefits

The most recent actuarial valuations of the present value of the obligation were carried out at 30 June 2014 by ZAQ.

Defined benefit plan	58 553 911	71 321 911

Change in Liability

Heading		
Opening Balance	71 321 911	56 176 139
Service Cost	3 767 000	1 646 000
Interest Cost	5 088 000	4 537 772
Recognised actuarial (gains) loss	(18 854 759)	11 572 930
Benefits Paid	(2 768 241)	(2 610 930)
Current portion transferred to current liability	(3 104 000)	(2 280 000)
	55 449 911	**69 041 911**

Unrecognised actuarial gains/(losses)		
Corridor Maximum	(18 854 759)	11 572 930
New gains / (losses)	18 854 759	(11 572 930)
	-	-

Statement of Financial Position

Projected Benefit Obligation	71 321 911	56 176 139
Plan Assets	-	-
Net Obligation/(Asset)	(2 768 241)	(2 610 930)
Unrecognised past service cost	-	-
Unrecognised transitional obligation	-	-
Net expense recognised in the statement of financial performance	(9 999 759)	17 756 702
Net Obligation / (Asset) in Statement of Financial Position	**58 553 911**	**71 321 911**

Net expense recognised in the statement of financial performance

Service cost	3 767 000	1 646 000
Interest cost	5 088 000	4 537 772
Recognised actuarial losses/(gains)	(18 854 759)	11 572 930
Total included in employee related costs	**(9 999 759)**	**17 756 702**

Carrying value

Balance at beginning of year	71 321 911	56 176 139
Employer contribution	(2 768 241)	(2 610 930)
Amount recognised in Statement of Financial Performance	(9 999 759)	17 756 702
Closing value	**58 553 911**	**71 321 911**

Current Portion of Employee benefits

Opening balance at beginning of year	2 280 000	1 991 000
Contributions	3 104 000	2 280 000
Expenditure incurred	(2 280 000)	(1 991 000)
Total	**3 104 000**	**2 280 000**

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

6. Long-term portion of Medical aid benefits (continued)

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	8.94 %	7.25 %
Medical inflation rate	8.05 %	6.75 %

It is the relative levels of the discount rate and health care cost inflation to one another that are important, rather than nominal values. The assumption regarding the relative levels of these two rates is the expectation of the long-term average. The rate to be used can be determined by reference to market yields at balance sheet date on high quality corporate bonds. In counrties where there is no deep market in such bonds, the market yields 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 obligation. As such a discount rate of 8.94% per annum has been used. The discount rate was therefore set as the yield of the R209 South African government bond as at the valuation date. In the event that the valuation is performed prior to the effective valuation date, we use the prevailing yield at the time of performing the calculations. The actual yield on the R209 bond was sourced from the RMB Global Markets website on the 30th of June 2014..

The health care cost inflation was taken at a discount of 0.5% to the discount rate of 8.94%. It was used because of the drastic drop in the long yields. This was done in an effort to keep the health care cost inflation above the consumer price inflation, as has been the experience in South Africa since 1999.

Mortality post-employment (for pensioners) has been based on the PA (90) ultimate mortality tables. No explicit assumption was made about additional mortality or health care costs due to AIDS.

The consumer price inflation of 7.05% per annum is obtained from the differential between the long term market yields on the index-linked bond (the R197 at 0.54% per annum) consistent with the estimated term of the liability and those of nominal bond (the R186 at 6.92% per annum)

The basis used to determine normal retirement age is a follows: The assumption was made that the normal retirement age for all active employees will be 65.

The pre-retirement mortality table of SA85-90 and post-retirement table of PA90 was used, however in the latter table the post retirement mortality was rated down by 2 years.

The withdrawal rate was changed to 2% from ages 20 years to 55 years. Tables for withdrawal rates as well as ill-health and other early retirement rates was used. The continuation of the post-employment heath care subsidy would be at 100% of active employees, or their surviving dependants.

A net replacement ratio on retirement of 75% was used. A salary inflation assumption is used to adjust the salary from the current date to the date of retirement.

Sensitivity Analysis

The valuation results are sensitive to change in the underlying assumptions. The valuation basis assumes that the health care cost inflation rate (which manifests itself as the annual increase to the total contribution subsidised bu the employer) will be 0.83% less than the corresponding discount rate, in the long term. The effect of a one percent increase and decrease in the health care cost inflation rate is as follows::

	One percentage point increase	**One percentage point decrease**
Effect on the aggregate of the service cost	2 296 000	1 452 000
Effect on defined benefit obligation	67 120 000	51 575 000
Effect on the aggregate of the interest cost	5 970 000	4 542 000

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

7. Trade payables from exchange tansactions

Trade payables	9 557 368	5 870 030
Payments received in advanced - contract in process	589 478	164 016
Accrued leave pay	6 251 741	6 242 422
Retentions	2 450 091	4 705 315
Sundry creditors	4 037 749	6 702 435
Deferred operating lease payments	17 259	24 318
Trade creditors	**22 903 686**	**23 708 536**

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

8. Government grants and subsidies

Conditional and Unconditional

Included in above are the following grants and subsidies received:

RBIG Funds	10 304 662	6 420 684
Prov Management Support Grant	474 739	260 523
RSC Levy Replacement Grant (Equitable Share)	62 908 644	61 074 000
Equitable Share	9 717 356	8 926 000
MSIG	890 000	1 000 000
Financial Management Grant	1 250 000	1 250 000
Asset Management Bulk Water	-	47 141
ACIP Grant	-	850 000
EPWP Grant	1 000 000	1 063 000
Ignite Assist	-	45 548
Donations Mayor	55 770	46 431
Department of the Premier : Mandela	150 000	-
Financial Plan	400 000	-
Greenest M.C.	5 165	-
Other Government Grants and Subsidies	715 799	1 078 430
	87 872 135	**82 061 757**

8.1) RBIG Funds

Balance unspent at the beginning of the year	845 315	462 292
Current year receipts	9 459 347	6 803 707
Current year interest	-	-
Conditions met - transferred to revenue	(10 304 662)	(6 420 684)
Conditions still to be met - transferred to liabilities	**-**	**845 315**

8.2) MSIG

Balance unspent at the beginning of the year	-	-
Current year receipts	890 000	1 000 000
Current year interest	-	-
Conditions met - transferred to revenue	(890 000)	(1 000 000)
Conditions still to be met - transferred to liabilities	**-**	**-**

8.3) Financial Management Grant

Balance unspent at the beginning of the year	-	-
Current year receipts	1 250 000	1 250 000
Current year interest	-	-
Conditions met - transferred to revenue	(1 250 000)	(1 250 000)
Conditions still to be met - transferred to liabilities	**-**	**-**

8.4) Provincial Management Support Grant

Balance unspent at the beginning of the year	871 834	832 357
Current year receipts	-	300 000
Conditions met - transferred to revenue	(474 739)	(260 523)
Conditions still to be met - transferred to liabilities	**397 095**	**871 834**

8.5) Donations Mayor

Balance unspent at the beginning of the year	8 120	20 401
Current year receipts	47 650	34 150
Conditions met - transferred to revenue	(55 770)	(46 431)
Conditions still to be met - transferred to liabilities	**-**	**8 120**

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

8. Government grants and subsidies (continued)

8.6) Ignite Assist

Balance unspent at the beginning of the year	-	45 548
Current year receipts	-	-
Current year interest	-	-
Conditions met - transferred to revenue	-	(45 548)
Conditions still to be met - transferred to liabilities	**-**	**-**

8.7) Asset Management Bulk Water

Balance unspent at the beginning of the year	-	47 141
Current year receipts	-	-
Current year interest	-	-
Conditions met - transferred to revenue	-	(47 141)
Conditions still to be met - transferred to liabilities	**-**	**-**

8.8) ACIP Grant

Balance unspent at the beginning of the year	-	-
Current year receipts	-	850 000
Current year interest	-	-
Conditions met - transferred to revenue	-	(850 000)
Conditions still to be met - transferred to liabilities	**-**	**-**

8.9) EPWP Grant

Balance unspent at the beginning of the year	-	-
Current year receipts	1 000 000	1 063 000
Current year interest	-	-
Conditions met - transferred to revenue	(1 000 000)	(1 063 000)
Conditions still to be met - transferred to liabilites	**-**	**-**

8.10) Financial Plan

Balance unspent at the beginning of the year	-	-
Current year receipts	400 000	-
Current year interest	-	-
Conditions met - transferred to revenue	(400 000)	-
Conditions still to be met - transferred to liabilities	**-**	**-**

8.11) Premier : Mandela

Balance unspent at the beginning of the year	-	-
Current year receipts	150 000	-
Current year interest	-	-
Conditions met - transferred to revenue	(150 000)	-
	-	**-**

8.12) Greenest Municipality

Balance unspent at the beginning of the year	-	-
Current year receipts	80 000	-
Current year interest	-	-
Conditions met - transferred to revenue	(5 165)	-
	74 835	**-**

Summary of Government Grants and Subsidies

PAWC and State Funds : Various Projects (See note 45)	471 929	1 717 150
Public Contributions (See note 45)	-	8 120
	471 929	**1 725 270**

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

9. Property, plant and equipment

	2014			2013		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	24 576 219	-	24 576 219	24 576 218	-	24 576 218
Buildings	56 318 518	(16 507 648)	39 810 870	56 318 518	(15 011 237)	41 307 281
Infrastructure	333 521 301	(61 304 824)	272 216 477	316 875 005	(55 020 208)	261 854 797
Other	52 921 335	(38 287 973)	14 633 362	54 048 771	(35 786 742)	18 262 029
Total	**467 337 373**	**(116 100 445)**	**351 236 928**	**451 818 512**	**(105 818 187)**	**346 000 325**

Borrowing costs capitalised

	2014	2013
Other Structures Infrastructure (Pipeline)	-	1 226 792

Please refer to the detailed schedule B of Property, Plant and Equipment

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

10. Investment property

	2014			2013		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Ganzekraal beach development	5 508 050	(834 693)	4 673 357	5 508 050	(696 076)	4 811 974

	2014	2013
Fair value of investment properties	8 881 850	8 881 850

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.

The municipality owns a beach development (Ganzekraal). The property is 2332.6578 hectares and the municipality receives rental income (camping fees)

11. Intangible assets

	2014			2013		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Intangible assets	1 248 351	(1 021 598)	226 753	1 183 340	(863 284)	320 056

Other information

The municipality acquired intangible assets with finite useful lives of five years. The straight - line method of amortisation will be used to allocate the depreciable amount of an asset on a systematic basis over its useful life.

12. Inventories

	2014	2013
Consumable stores - at cost	814 241	894 025
Water - at cost	804 467	778 238
	1 618 708	**1 672 263**

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

13. Trade receivables from exchange transactions

Electricity	39 463	33 944
Water	7 612 819	7 764 007
Sewerage	7 439	7 160
Other	3 192	3 010
Housing rental	134 834	131 353
	7 797 747	**7 939 474**

Less : Allowance for impairment	(159 767)	(251 192)

Net balance (Allowance for impairment)	(159 767)	(251 192)
Electricity	39 463	33 944
Water	7 612 819	7 764 005
Sewerage	7 439	7 160
Other	3 192	3 010
Housing rental	134 834	131 353
Net balance	**7 637 980**	**7 688 280**

Reconciliation of allowance for impairment		
Balance at beginning of the year	(428 221)	(150 063)
Contributions to provision	(551 245)	(959 558)
Debt impairment written off against provision	718 715	681 400
Transfer to other trade receivables	100 984	177 029
	(159 767)	**(251 192)**

Trade receivables		
Current (0 -30 days)	7 498 289	7 570 513
31 - 60 days	208 553	267 395
61 - 90 days	70 064	61 503
91 - 120 days	17 064	23 446
121 - 365 days	3 777	16 615
Provision for Allowance for Impairment	(159 767)	(251 192)
	7 637 980	**7 688 280**

Service Debtors		
Current (0 -30 days)	7 413 503	7 490 084
31 - 60 days	177 921	231 050
61 - 90 days	52 838	52 740
91 - 120 days	15 227	19 249
121 - 365 days	3 424	14 998
	7 662 913	**7 808 121**

Housing Rental		
Current (0 -30 days)	84 786	80 429
31 - 60 days	30 631	36 345
61 - 90 days	17 226	8 763
91 - 120 days	1 838	4 197
121 - 365 days	353	1 619
	134 834	**131 353**

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

13. Trade receivables from exchange transactions (continued)

Summary of debtors by customer classification

Consumers		
Current (0 -30 days)	7 498 289	7 570 511
31 - 60 days	208 553	267 395
61 - 90 days	70 064	61 503
91 - 120 days	17 064	23 446
121 - 365 days	3 777	16 617
> 365 days	-	-
	7 797 747	7 939 472
Less: Allowance for impairment	(159 767)	(251 192)
	7 637 980	**7 688 280**

Reconciliation of allowance for impairment		
Balance at beginning of the year	(428 221)	(150 063)
Contributions to allowance	(551 245)	(959 558)
Debt impairment written off against allowance	718 715	681 400
Transfer to other trade receivables	100 984	177 029
	(159 767)	**(251 192)**

The maximum exposure to credit risk at the reporting date is the fair value of each class.

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

14. Other trade receivables

Net Balance (Allowance for Impairment)	(100 984)	(177 029)
Water : Sales	3 423 784	-
Desalination	6 428 820	-
Advance payments : Members fees	830 185	-
Saldanha : Fire	422 761	-
Other	826 452	10 067 873
Insurance claim	-	101 435
Total other debtors	**11 831 018**	**9 992 279**

Reconcilliation of allowance for impairment

Transferred from trade receivables	(100 984)	(177 029)

15. VAT receivable

VAT	563 229	-

VAT is payable on a receipt basis. Only once payment is received from debtors than is VAT paid to SARS.

Reconciliation of VAT accounts

VAT 201 returns as at 30 June	1 004 110	-
VAT not claimed on VAT 201 return	571 146	-
VAT Output	(1 012 027)	-
	563 229	**-**

16. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash book balances	7 111 863	10 022 730
Short-term investments	161 926 179	149 213 760
Floats	450	450
Total cash and cash equivalents	**169 038 492**	**159 236 940**

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

16. Cash and cash equivalents (continued)

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2014	30 June 2013	30 June 2012	30 June 2014	30 June 2013	30 June 2012
First National Bank - Current Account	6 617 752	8 672 125	8 011 164	6 620 082	8 672 125	8 011 164
First National Bank - Current Account	514 384	1 629 790	812 866	491 781	1 350 605	772 686
Floats	450	450	450	450	450	450
Short-term investments	161 926 179	149 213 760	125 456 146	161 926 179	149 213 760	125 456 146
Total	**169 058 765**	**159 516 125**	**134 280 626**	**169 038 492**	**159 236 940**	**134 240 446**

The short-term investments included are as follows :		
First National Bank	9 151 141	33 922 003
Investec	20 417 863	10 122 050
ABSA Bank	62 942 366	59 417 523
Nedcor	37 702 286	35 632 274
Investec	31 712 523	10 119 910
	161 926 179	**149 213 760**

Average Rate of Return on Investments	5.90%	5.64%

Fixed deposits amounting to R12 944 312 (2013 : R10 915 703) has been ring - fenced for the purpose of repaying long - term liabilities as set out in Note 30.

17. Service charges

Fire fighting services	249 515	678 444
Sale of electricity	388 878	318 160
Sale of water	91 902 750	87 276 386
Sewerage and sanitation charges	89 206	80 188
	92 630 349	**88 353 178**

18. Other revenue

Non - exchange transactions	-	-
Sundry overpayments	908 025	5 201
Interest on debtors	67 784	44 366
Permit fees (inland water)	74 750	53 820
Building plan fees	12 338	116 230
Search fees	-	3
Other income	1 148 991	819 501
	2 211 888	**1 039 121**

Exchange transactions		
Resort income	2 514 439	2 790 314
Rent	2 615 782	2 538 692
Water Services	542 118	709 467
	5 672 339	**6 038 473**

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

19. Employee related costs

EMPLOYEE RELATED COSTS	-	-
Employee related costs - Salaries and Wages	70 463 212	64 564 753
Employee related costs - Contributions for UIF, pensions and medical aids	16 166 259	10 617 543
Bonus	1 396 958	1 431 421
Bonus (Roads)	671 355	903 065
Travel, motor car, accommodation, subsistence and other allowances	7 901 540	8 489 467
Other payroll levies (Roads)	-	835 307
Overtime payments	3 565 065	4 396 463
Long-service awards	119 981	185 179
Contributions to Employee Benefits	13 246 655	15 025 473
Long-service awards (Roads)	247 883	238 241
Special allowances	3 672 111	3 683 882
Housing benefits and allowances	311 937	509 797
	117 762 956	**110 880 591**

Remuneration of Municipal Manager (This expense forms part of Employee related costs)

Annual Remuneration	1 356 485	1 254 352
Car Allowance	195 576	195 577
Performance Bonuses	59 387	55 485
Contributions to UIF, Medical and Pension Funds	34 165	31 052
Telephone Allowance	15 984	15 984
Other	4 200	4 200
	1 665 797	**1 556 650**

Remuneration of Chief Financial Officer (This expense forms part of Employee related costs)

Annual Remuneration	886 461	827 388
Car Allowance	26 877	26 876
Performance Bonuses	41 571	38 839
Contributions to UIF, Medical and Pension Funds	197 020	182 423
Telephone Allowance	15 984	15 984
Other	4 200	4 200
	1 172 113	**1 095 710**

Remuneration of individual executive directors - Technical Services (This expense forms part of Employee related costs)

Annual Remuneration	946 417	800 371
Car Allowance	120 000	83 410
Performance Bonuses	27 714	38 839
Contributions to UIF, Medical and Pension Funds	43 941	91 004
Telephone Allowance	15 984	14 652
Other	4 200	3 850
	1 158 256	**1 032 126**

Remuneration of individual executive directors - Corporate and Community Services (This expense forms part of Employee related costs)

Annual Remuneration	878 387	816 822
Car Allowance	72 000	72 000
Performance Bonuses	41 571	38 839
Contributions to UIF, Medical and Pension Funds	159 971	147 865
Telephone Allowance	15 984	15 984
Other	4 200	4 200
	1 172 113	**1 095 710**

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

20. Remuneration of councillors

	2014	2013
Executive Mayor	497 022	484 098
Deputy Executive Mayor	584 232	556 101
Mayoral Committee Members	1 957 375	2 417 312
Speaker	364 053	350 040
Councillors and Secretarial support	1 352 633	749 612
Councillors' pension contribution	152 286	133 380
	4 907 601	**4 690 543**

In-kind benefits

The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

21. Repairs and maintenance

Repairs and Maintenance consist of the following :		
Executive and Council	1 438	263
Finance and Administration	313 587	666 405
Health	10 588	8 493
Community and Social Services	274 902	330 425
Housing	193 588	707 572
Public Safety	1 045 381	965 098
Road Transport	37 516 390	20 350 194
Water Services	3 330 857	2 853 215
	42 686 731	**25 881 665**

22. Finance costs

Long term liabilities	11 726 379	10 793 408

23. Bulk purchases

Water	9 968 999	8 719 712

24. General expenses

Advertising	632 744	439 539
Assessment rates & municipal charges	324 628	315 938
Auditors remuneration	1 955 933	1 658 298
Computer expenses	793 803	676 413
Consulting and professional fees	1 014 790	-
Delivery expenses	102 075	161 433
Insurance	194 627	136 168
Rental Offices	1 537 529	1 517 762
Water Demand Management	193 013	300 000
Lease rentals on operating lease	460 767	1 006 623
Magazines, books and periodicals	24 931	30 956
Motor vehicle expenses	157 966	154 009
Contribution to free municipal services	575 016	568 427
Fuel and oil	2 523 035	2 647 605
Printing and stationery	736 336	784 432
Project maintenance costs	1 024 279	982 576
Security (Guarding of municipal property)	330 600	268 950
Subscriptions and membership fees	274 649	251 561
Telephone and fax	1 111 990	979 629
Transport and freight	3 239 271	3 069 430
Training	453 355	-
Travel - local (Subsistance Allowance)	721 491	654 960
Electricity	16 757 333	15 303 056
Water	28 038	21 383
Water and milk samples	244 896	248 381
Uniforms	1 976 905	154 863
Chemicals	7 873 058	19 626 523
Skills development levy	843 747	2 209 695
Sundry Expenses	164 403	2 631 671
Exhibitions	395 589	626 079
Contributions and grants	227 349	598 800
Professional services	566 729	2 274 535
Housing operators	370 549	351 059
Other operating expenses	19 399 455	16 915 422
	67 230 879	**77 566 176**

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

25. Correction of error

The correction of the error(s) results in adjustments as follows:

Accumulated Surplus 30 June 2013	Opening balance before adjustment	Adjustment	Balance after adjustment
Balance at 30 June 2013	303 087 482	8 908 481	311 995 963
Agency Income	-	-	-
During the current financial year the municipality corrected an error. An amount of R1 551 000 relating to Agency (Roads) revenue was receipted to the finance department.	-	(1 551 000)	-
Levies and Expenses	-	-	-
During the current financial year the municipality corrected an error. An account was incorrectly levied amouting to R483 660 relating to 2013 financial year.	-	(483 660)	-
During the current financial year the municipality corrected an error. An expense related to the first time implementation of long service awards to agency service amounting to R1 960 797.	-	1 960 797	-
During the current financial year the municipality corrected an error. An expense related to the first time implementation of a Long Service Awards Provision amounting to R6 033 000	-	(6 033 000)	-
The municipality made an adjustment in the 2012/13 financial statements due to the short-term portion of the Employee Benefits (Medical) Provision not classified correctly.	-	2 280 000	-
The municipality made an adjustment in the 2012/13 financial statements due to the reversal of the lease transaction. (West Coast Financing Partnership)	-	3 275 344	-
The municipality corrected an error related the Property, plant and equipment leased from the West Coast Financing Partnership.	-	9 460 000	-
	303 087 482	**8 908 481**	**311 995 963**

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

25. Correction of error (continued)

Accumulated depreciation	Opening balance before adjustment	Adjustment	Balance after adjustment
Balance as at 30 June 2013	(107 377 545)	94 094	(107 283 451)
During the current financial year the municipality corrected an error. Depreciation of R94 096 was incorrectly deducted in the annual financial statements. (Implementation of GRAP 17)	-	94 094	-
	(107 377 545)	**94 094**	**(107 283 451)**

During the current financial year the municipality corrected an error in Note 44 (Reconcilliation between the budget and financial statements.) The municipality adjusted the amounts to correspond to the approved budget for 2012/2013 and all restatements.

Reconcilliation between the budget and financial statements -NOTE 44	Balance previously reported	Adjustment	Balance after adjustment
Net surplus (deficit) per the statement of financial performance	8 093 682	(5 234 571)	2 859 111
Service charges	(202 989)	172 461	(30 528)
Investment revenue	898 704	(1 797 408)	(898 704)
Transfer recognised - operational	1 729 560	(1 438 317)	291 243
Other own revenue	52 184 886	(53 296 572)	(1 111 686)
Employee costs	(8 355 228)	5 791 616	(2 563 612)
Depreciation & asset impairment	11 215 927	(22 431 854)	(11 215 927)
Finance charges	1 214 700	(3 656 192)	(2 441 492)
Materials and bulk purchases	(269 711)	(7 787 771)	(8 057 482)
Other expenditure	(49 349 097)	70 318 304	20 969 207
	17 160 434	**(19 360 304)**	**(2 199 870)**

Property, Plant and Equipment	Opening balance before adjustment	Adjustment	Balance after adjustment
During the current financial year the municipality corrected an error. The amount related to leasled property recognised. The property are : Portion of farm Yzervarkenrug number 127 and Portion 3 of farm number 91. The municipality sublease the property from the West Coast Financing Partnership.	15 116 218	9 460 000	24 576 218

The following adjustment were made to amounts previously reported in the annual financial statements of the municipality arising from general expenditure transferred to employee related costs. This was due to a change in the reporting of road expenses to the Department of Transport and Public Works and contributions made to employee related provisions.

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

25. Correction of error (continued)

2013 Employee related costs - Note 19	Previously Reported	Adjustment	Balance after adjustment
Employee related costs - Salaries and Wages	46 590 343	17 974 410	64 564 753
Employee related costs - Contributions for UIF, pensions and medical aids	12 622 287	(2 004 744)	10 617 543
Bonus	1 431 421	-	1 431 421
Bonus (Roads)	560 878	342 187	903 065
Travel, motor car, accommodation, subsistence and other allowances	13 744 828	(5 255 361)	8 489 467
Other payroll levies (Roads)	-	835 307	835 307
Overtime payments	4 396 463	-	4 396 463
Long-service awards	185 179	-	185 179
Long-service awards (Roads)	238 241	-	238 241
Housing benefits and allowances	339 098	170 699	509 797
Special allowance	3 683 882	-	3 683 882
Contributions to provisions	-	15 025 473	15 025 473
Less : Employee related costs included in other expenses	(16 641 358)	16 641 358	-
	67 151 262	**43 729 329**	**110 880 591**

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

26. Change in accounting estimate

The following change in estimate amounting to R613 813 (2013 : R533 499 was made to cost reported in the financial statements of this Municipality and is applied prospectively.

The change in accounting estimate is due to the efforts of this Municipality to comply with GRAP 17. The municipality had noted that these assets had a zero book value at year-end and then re-assessed the value and useful lives of these assets.

	2014	2013
Cost Adjustment	613 813	533 499

27. Reclassification to Property, Plant and Equipment

The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP 17.

Property, plant and equipment	**Opening Balance**	**Adjustment**	**Balance After Adjustment**
Land (10000)	15 116 218	-	15 116 218
Buildings (20000)	56 318 518	-	56 318 518
Other Structures (Infrastructure) (30000)	316 875 004	10 077	317 591 099
Other (40000)	54 048 770	(11 780)	53 330 972
Intangible Assets (70000)	1 183 341	1 703	1 185 044
Investment Property (80000)	5 508 050	-	5 508 050
	449 049 901	**-**	**449 049 901**

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

28. Accumulated surplus

Heading		
Balance as at 1 July	311 995 964	290 588 292
Adjustment Refer to note 25	-	2 280 000
Ajustment Refer to note 25	-	1 960 797
Adjustments Refer to note 25	706 017	9 460 000
Adjustments Refer to note 25	94 094	(6 134 000)
Adjustment Refer to note 25	(399 696)	3 275 344
Adjustments Refer to note 25	-	(1 551 000)
Adjustment Refer to note 25	-	(483 660)
Adjustment Refer to note 26	613 813	533 499
Adjustment Long Service Awards	-	101 000
Net income / loss for the period	41 675 611	11 965 692
	354 685 803	**311 995 964**

29. Cash generated from operations

Surplus	41 675 613	5 858 831
Adjustments for:		
Depreciation and amortisation	12 520 890	12 485 462
Loss on PPE	702 456	11 345
Adjustment - Refer to Note 25 and 26	920 136	8 197 253
Changes in working capital:		
Inventories	53 555	(423 764)
Debtors	50 300	(709 839)
Other debtors	(1 838 740)	(2 314 585)
Vat	-	(138 458)
Trade payables from exchange tansactions	(804 850)	1 152 411
VAT	(563 229)	1 796 332
Benefits accrual	-	2 904 056
Other payables - unspent conditional grants and receipts	(1 253 341)	317 531
VAT	(138 458)	-
Other liability	1 215 324	-
Employee benefit	(12 743 000)	20 760 771
	39 796 656	**49 897 346**

30. Utilisation of Long-term liabilities reconciliation

Long - term liabilities (see Note 4)	99 810 297	111 671 469
Used to finance property, plant and equipment	(99 810 297)	(111 671 469)
Cash set aside for the repayment of long-term liabilities	12 944 312	10 915 703
Cash invested for repayment of long - term liabilities	**12 944 312**	**10 915 703**

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that long-term liabilities can be repaid on redemption date.

31. Unauthorised expenditure

Reconciliation of Unauthorised expenditure	-	-
Opening balance	-	-
Unauthorised expenditure current year	-	-
Approved by Council or condoned	-	-
Unauthorised expenditure awaiting authorisation	**-**	**-**

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

32. Fruitless and wasteful expenditure

Reconciliation of Fruitless and wasteful expenditure	-	-
Opening balance	-	-
Fruitless and wasteful expenditure current year	-	7 053
Condoned or written off by Council	-	(7 053)
Fruitless and wasteful expenditure awaiting condonement	**-**	**-**

The above expenditure was for the remuneration of fines for late registration of a used water tanker. The municipality bought the water tanker from The Provincial Administration Western Cape (Roads Department) in December 2012 at an amount of R45 671. The vehicle could not be transferred to the municipality due to mechenical faults. Because of the festive season the vehicle was repaired in February 2014 to complete the transfer from the Provincial Administration Western Cape to the municipality. The expenditure was condoned by the Mayoral Committee held on 22 April 2013 item BM/13/04/22/7.2.1.1.

33. Irregular expenditure

Opening balance	13 155	-
Add: Irregular Expenditure - current year	-	13 155
Less: Condoned or written off by Council	(13 155)	-
Irregular expenditure current year	-	-
Less: Condoned or written off by Council	-	-
Irregular expenditure awaiting condonement	**-**	**13 155**

The above expenditure was procured from Makro Milnerton and no supplier declaration was submitted as part of the procurement awarding process. The irregular expenditure is condoned by the Mayoral Committee item number BM/14/08/11/7.1.1

34. Additional disclosure in terms of Municipal Finance Management Act

34.1) Contributions to organised local government

Opening balance	-	-
Council subscriptions	830 184	584 530
Amount paid - current year	(830 184)	(584 530)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	**-**	**-**

34.2) Audit fees

Opening balance	-	-
Current year audit fee	1 955 932	1 658 298
Amount paid - current year	(1 955 932)	(1 658 298)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	**-**	**-**

34.3) PAYE and UIF

Opening balance	-	-
Current year payroll deductions	14 005 974	12 182 367
Amount paid - current year	(14 005 974)	(12 182 367)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	**-**	**-**

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

34. Additional disclosure in terms of Municipal Finance Management Act (continued)

34.4) Pension and Medical Aid Deductions

Opening balance	-	-
Current year payroll deductions and Council Contributions	11 754 837	14 164 189
Amount paid - current year	(11 754 837)	(14 164 189)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	**-**	**-**

34. Additional disclosure in terms of Municipal Finance Management Act (continued)

34.5) VAT

	2014	2013
VAT receivable	563 229	-
VAT payable	-	138 459
	563 229	**138 459**

VAT output payables and VAT input receivables are shown in note 15 and 48.

All VAT returns have been submitted by the due date throughout the year.

34.6) Particulars of non-compliance

2013 - In terms of section 65 (e) of the Municipal Finance Management Act no 56 of 2003 all money owing by the municipality must be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure. The following expenses where paid outside of the prescribed period :

Bandkorp was not paid due to an incorrect invoice sent to the municipality. Payment was made on the receipt date of the correct invoice. Payment was made per ACB - 163277 on 3 October 2012.

CMS Truck Centre - The municipality could not make payment because of the late receipt of CMS Truck Centre's original bank letter. The municipality made numerous calls to CMS Truck Centre to provide the required information. Payment was made per cheque - 50423 on 2 October 2012.

Incident	2014	2013
Bandkorp	-	9 910
CMS Truck Centre	-	13 817
	-	**23 727**

35. Capital Commitments

Authorised capital expenditure

Approved and contracted for	2014	2013
• Other Structures (Infrastucture)	5 964 224	3 231 250

This expenditure will be funded from the Accumulated Surplus. Capital commitments are specific capital projects approved per tender and budget but still in progress at period end.

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

36. Retirement Benefit Information

The municipality provides retirement benefits for all its permanent employees through a defined contribution plan, which is subject to the Pension Fund Act, 1956 as amended. The Contributions to the plan during the year were:

Cape Joint Pension Fund	605 596	370 749
Cape Joint Pension Fund shortfall	-	-
Cape Joint Retirement Fund	16 573 690	14 910 010
Councillors Pension Fund	386 384	347 857
	17 565 670	**15 628 616**

Cape Joint Pension fund, which is a defined multi - employer contribution fund. Contribution ratio employees 9% and Council 18%

Councillors of the West Coast District Municipality are members of the Municipal Councillors Pension Fund, which is a defined contribution plan. Contribution ratio Councillors 13.75% and Council 15%.

Multi employer funds are treated as defined contribution funds.

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

37. Related parties

The following related parties exist:
National Treasury
Provincial Treasury
Department of Water Affairs and Forestry
H F Prins (Municipal Manager)
J Koekemoer (Chief Financial Officer)
W Markus (Director: Corporate and Community Services)
H Matthee (Director: Technical Services)
Cllr J H Cleophas (Executive Mayor)
Ald J J Josephus (Deputy Executive Mayor)
Cllr A Kruger (Speaker)
Cllr A P Mouton (Mayoral Committee Member)
Cllr I F Julies (Mayoral Committee Member)
Cllr W D Loff (Mayoral Committee Member)
Cllr B J Stanley (Mayoral Committee Member)
Other Councillors
Cllr J Swart
Cllr R Skei
Cllr J Barnard
Cllr N G Delport
Cllr C H Heyns
Ald. E Plaatjies
Cllr M Smit
Cllr C J Snyders
Cllr S R Claassen
Cllr E L Mqingqi
Cllr J J Fransman
Ald. N V Mgoqi
Cllr J J Cillie
Cllr S T Vries
Ald. N J A Rust
Cllr N S Zatu
Cllr C Ovies

The Chief Financial Officer (Mr J Koekemoer) is a trustee in the operating lease transaction that exists between the Council and the West Coast Financing Partnership. Payments are payable every six months. The properties involved in this transaction are section 36 of the farm Yzervarkensrug number 125 and section 3 of division Malmesbury farm number 91. The transactions are disclosed below :

Related party balances

	2014	2013
Grants received from related parties		
National Treasury	3 403 000	3 313 000
Provincial Treasury	970 515	1 340 514
Department of Water Affairs and Forestry	6 405 516	8 910 926
Purchases of goods and services from related parties		
Department of Water Affairs and Forestry	9 232 565	8 719 712
Sub - Lease transaction from related parties		
West Coast Financing Partnership	50 887 508	57 396 816

Related party transactions

	2014	2013
Sub - Lease payments paid to related parties		
West Coast Financing Partnership	6 509 308	5 811 882
Sub - Lease distibutions received from) related parties		
West Coast Financing Partnership	6 252 037	5 012 853

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

38. Leases

The total future minimum operating lease payments payable under existing operating lease arrangements are categorised as follows :

	2014	2013
a) Within one year of the reporting date	355 100	403 548
b) More than one year but less than five years of the reporting date, and	64 056	376 107
	419 156	**779 655**

The municipality entered into an operating lease for the rental of photocopiers for five years with Mduli Sharp. There are no escalation clause.

The municipality entered into an operating lease for the rental of photocopiers for three years with Konica Minolta. There are no escalation clause.

The municipality entered into an operating lease for the rental of two photocopiers and 1 fax machines for five years with Mdluli Sharp. The date of inception was December 2007 with no escalation clause. The equipment numbers of the photocopiers are AR 1161.

The municipality entered into an operating lease for the rental of photocopiers with Cape Office Machines. The serial numbers of the photocopiers are 3639688703 and 3639688720. There are no escalation clause.

The municipality entered into an operating lease for the rental of two offices. The lease is between Frank Family Trust and the Municipality. The contract is for a one year period. The property involved is Voortrekker Road 47 Malmesbury.

The municipality entered into an operating lease for the rental of offices. The lease is between J F J Swart and the Municipality. The contract os for a 3 year period. The property involved is erf 1472 Clamwilliam.

The municipality entered into an operating lease for the rental of offices. The lease is between Pelican Harbour and the Municipality. The contract is for a 2 year period. The property involved is site number 4.

The municipality entered into an operating lease for the rental of offices. The lease is between Bennitt Joubert Family Trust and the Municipality. The contract is for a 3 year period. The property involved is site West Coast Farmstal corner of R27 and R315 Yzerfontein.

The municipality entered into two operating lease agreements with Telkom SA. The contract is for a 5 year period with no escalation clause.

The municipality entered into an operating lease for the rental of storage capacity. The lease is between D Joubert and the Municipality. The contract is for a 12 month period. The property involved is erf 858 Riebeek-West.

The municipality entered into an operating lease for the rental of offices. The lease is between Saldanha Municipality and this Municipality. The contract is for a month to month period. The property involved is erf 860 Langebaan.

The municipality entered into an operating lease agreement with Business Engineering. The contract involves the Collaborator Foundation System and is for a 12 Month period.

An operating lease transaction exists between the Council and G R Damp for the period not later than 30 June 2015. The property is Swawelberg, Malmesbury (Section 5 of farm 619 Malmesbury road).

The municipality entered into an operating lease for the rental of storage capacity. The lease is between Petersfield trust and the municipality. The contract is for a 2 year period. The property involved is Petersfield 455, Voortrekker Street, Citrusdal, Section Clamwilliam.

Figures in Rand	2014	2013

39. Financial Risk management

Overview

The municipality’s activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The municipality’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality’s financial performance. The municipality uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by a central treasury department (entity treasury) under policies approved by the . Municipality treasury identifies, evaluates and hedges financial risks in close co-operation with the municipality’s operating units. The provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Liquidity risk

The municipality’s risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Credit risk

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

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Market risk

Interest rate risk

The municipality’s interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the municipality to cash flow interest rate risk. Borrowings issued at fixed rates expose the municipality to fair value interest rate risk.

40. Financial Instruments

40.1) Credit Risk

The carrying amount of receivables and loans represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

40. Financial Instruments (continued)

	2014	2013
Trade and other receivables	22 887 188	19 029 996

The ageing of trade and other receivables at the reporting date was:	2014	2013
Current	22 747 497	18 912 227
30 Days	208 553	267 395
60 Days	70 064	61 503
90 Days	17 064	23 446
120 Days plus	3 777	16 617
Less : Provision for bad debt	(159 767)	(251 192)
	22 887 188	**19 029 996**

The movement in the allowance for bad debt in respect of trade receivables over the year was :	2014	2013
Balance at the beginning of the year	428 221	150 063
Contributions to provisions	551 245	945 361
Interest on Investments	-	14 197
Expenditure incurred	(718 715)	(681 400)
Balance at the end of the year	**260 751**	**428 221**

The allowance for bad debts in respect of trade receivables is used to record impairment losses until the municipality is satisfied that no recovery of the amount owing is possible. At that point the amount is considered irrecoverable and written off directly against the financial assets.

40.2) Liquidity risk

The following are contractual maturities of financial liabilities, including interest payments and excludes the impact of netting agreements:

Non - derivative financial assets 2014	**Carrying Amount**	**Contractual Cash Flows**	**Within 1 Year**	**2 - 5 Years**
Trade and other receivables	22 887 188	22 887 188	22 887 188	-
Cash and Cash equivalents	169 038 492	169 038 492	169 038 492	-
	191 925 680	**191 925 680**	**191 925 680**	**-**

Non - derivative financial liabilities 2014	**Carrying Amount**	**Contractual Cash Flows**	**Within 1 Year**	**2 - 5 Years**	**More than 5 Years**
Trade and other payables	-	-	-	-	-
Deferred Grants	471 929	471 929	471 929	-	-
Long term liabilities	99 810 298	99 810 298	12 944 312	79 365 986	7 500 000
	100 282 227	**100 282 227**	**13 416 241**	**79 365 986**	**7 500 000**

40.3) Interest rates risks

Interest Rate Risk is defined as the risk that the fair value or future cash flows associate with a financial instrument will fluctuate in amount as a result of market interest changes. Potential concentrations of interest rate risk consist mainly of variable rate deposits investments, long-term debtors, consumer debtors, other debtors and bank and cash balances. The Municipality is exposed to interest rate risk as the municipality borrows funds at a fixed interest rate. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the municipality can be required to pay. The financial assets are based on the interest rate provided by the banks and National Government at the reporting date. The municipality's exposure to interest rate risk and the effective interest rates on financial instruments at balance sheet date are as follows:

Non-derivative financial assets 2014	**Within 1 Year**	**2 - 5 Years**	**More than 5 Years**
Assets	-	-	-

Notes to the Annual Financial Statements

Figures in Rand		2014	2013

40. Financial Instruments (continued)

Trade and other receivables (8.5%)	22 887 188	-	-
Cash and cash equivalents - short term investments (5.90%)	161 926 179	-	-
Cash and cash equivalents - Cash book balances (3.5% floating)	7 111 863	-	-
	191 925 230	**-**	**-**

Non-derivative financial liabilities 2014	**Interest Rate**	**Within 1 Year**	**2 - 5 Years**	**More than 5 years**
Liabilities	-	-	-	-
Trade and other payables (Interest free)	31 113 102	-	-	-
Deferred Grants (Interest free)	471 929	-	-	-
Long term liabilities (12.54%, 11.73%, 8.60500% and 10.87%)	12 944 312	79 365 986	7 500 000	-
	44 529 343	**79 365 986**	**7 500 000**	**-**

Sensitivity analysis

An increase of 1% in interest rates at 30 June would have increased / (decreased) financial assets and profit or loss by the amounts shown below. A decrease of 1% in interest rates at 30 June would have had the equal but opposite effect on the above financial instruments, on the basis that all other variables remain constant. There were no changes in the Municipality's approach from the prior year.

Non-derivative financial liabilities 2014	**Statement of Financial Position**	**Profit or loss**
Trade and other receivables	22 887 188	228 872
Cash and cash equivalents - Short term investments	161 926 179	1 619 262
Cash and cash equivalents - Cash book balances	7 111 863	71 119
	191 925 230	**1 919 253**

40.4) Fair values

Due to their short maturities the fair values of all financial instruments are substantially identical to the values reflected in the balance sheet.

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

41. Contingent Liabilities

The municipality is being sued by M J Visagie for injuries sustained in an accident in 2004. Council is contesting the claim based on legal advice. The legal experts believe that the Municipality has a reasonable change of success. The case number is 8872 and 8872/2002.

The municipality is being sued by P Juries. Council is contesting the claim based on legal advice. The case number is 16035/2010. The legal experts believe the municipality has a reasonable change of success.

The municipality is being sued by Tredoux, wife and on behalf of her minor (child) for injuries sustained in an accident within the boundries of the WCDM. Council is contesting the claim based on legal advice. The legal experts believe that the municipality has a reasonable change of success. The case number is 6660/08. This is a High Court matter.

The municipality is being sued by Mr J A Kock an ex-worker for injuries contained while in the service of the municipality. Council is contesting the claim based on legal advice. The legal experts believe the municipality has a strong change of success.

The municipality is being sued by Brochenbach and five others. The case number is 3754/2012. The legal expert believes that the municipality has no risk in this matter.

The municipality is being sued by Destiny Tashmeen Henson. The case number is 19918/2013. This matter is now in the hands of the Insurers.

Based on an assessment done by the legal expert the municipality has no risk in all of the above mentioned matters. Due to this fact no amounts was disclosed by the legal expert. The municipality did not disclose any amounts in the annual financial statements of any of the applicants.

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

42. Additional Disclosures in terms of supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the and includes a note to the annual financial statements. Reasons are only provided for deviations above one hundred thousand rand in this financial statements. Reasons for deviations below one hundred thousand rand can be viewed at the Supply Chain Management Offices.

Naledi Trading (Pty) Ltd	32 012	-
Flex-it Engineering	28 169	-
IMFO	4 571	-
High Power Equipment Africa	6 213	-
Clanwilliam Exhaust & Tyre	2 203	-
Maxal Projects	12 121	-
IMPSA	5 500	-
BTSA	39 189	-
SALGA	4 198	-
Business Engineering - Goods or services have already been acquired by the municipality from a specific supplier or service provider and subsequent maintenance, amendments, or modifications by other suppliers or service providers are prohibited, restricted or impossible.	265 583	-
IMFO	23 960	-
Wear Check Africa	9 370	-
IMESA	14 250	-
Imperial Trucks	7 505	-
UNISA	2 420	-
Labour Law Club	4 863	-
President Hotel (Pty) Ltd	2 375	-
Steve's Electrical	3 900	-
Bobcock Equipment	5 781	-
Microsoft - Sole Supplier	756 165	-
Kimru IT Logix	3 075	-
Sibathatu Mining	30 000	-
JB's Nissan	5 641	-
Outdoor Exhibition Organisers	11 918	-
IMASA	8 100	-
GP Enterprices Trust	5 990	-
SAACE	11 800	-
Steve's Electrical	3 000	-
Two Ocean Aquarium	992	-
Procedo Training Providers	3 119	-
CI Motoringeneurswerke	28 828	-
Barloworld Equipment	3 257	-
AAE Services	9 479	-
CT Lab	11 628	-
Institute of Internal Auditors	16 800	-
Maxal Projects	7 496	-
Periexpo	4 667	-
Groter Cederberg Brandbeskerming	6 222	-
Steve's Electrical	5 513	-
The Conference Zone	6 838	-
Stephen Du Plessis Grondverskuiwing	46 800	-
SSE Cape	5 529	-
Ducharme Consulting (Pty) Ltd	7 581	-
Global Africa Network - Goods and services have already been acquired by the municipality from specific supplier or service provider and subsequent maintenance, amendments, or modifications by other supplier or service provider are prohibited, restricted or impossible.	188 340	-
Patin Trading	2 282	-

Notes to the Annual Financial Statements

Figures in Rand	2014	2013
42. Additional Disclosures in terms of supply chain management regulations (continued)		
Marine and General Cleaning Services	5 856	-
Kurt Joshua & Associates	15 729	-
GJ Towing & Recovery	7 033	-
Steve's Electrical	15 583	-
SAESI	3 680	-
University of Stellenbosch - Exceptional case and it is impractical or impossible to follow the official procurement processes	298 650	-
Steve's Electrical	2 000	-
Omnicon	3 546	-
Drager SA	16 829	-
De Berge Gastehuis	3 000	-
IEC Solutions	2 000	-
Hitachi Constuction Machinery	27 305	-
CJ Towing & Recovery	3 991	-
Van Der Spuy & Vennote - Exceptional case and it is impractical or impossible to follow the official procument processess.	100 000	-
Steve's Electrical	2 000	-
Steve's Electrical	18 405	-
Riaan Wiese	6 000	-
Britz Motors	11 400	-
LH Marthinusen	9 303	-
ELB Equipment Ltd	8 274	-
FFA Aviation (Pty) Ltd - Emergency	215 000	-
Groter Cederberg Brand Beskerming	13 000	-
CSX Customer Services	2 193	-
Beeld Holiday Makers	34 371	-
Ramsay. Son & Parker	16 364	-
SSE Cape	41 266	-
Clanwilliam Exhaust & Tyre	2 942	-
Southern African Expo Solution	6 110	-
Aqua Leisure	5 448	-
Trac-tech	3 679	-
Bytes System Integrations	26 500	-
Ignite Advisory Services	31 692	-
UNISA	17 200	-
SAESI	10 800	-
UNISA	13 306	-
University of Stellenbosch	42 065	-
CSX Customer Services	9 963	-
FFA Aviation	2 239	-
Wear Check Africa	9 371	-
PWC - Goods or services have already been acquired by the municipality from a specific supplier or service provider and subsequent maintenance, amendments, or modifications by other suppliers or service providers are prohibitedm restricted or impossible3	753 620	-
University of Stellenbosh	40 000	-
GLS Consulting - Goods and services have already been acquired by the municipality from a specific supplier or service provider and subsequent maintenance, amendments, or modifications by other suppliers or service providers are prohibited, resyticted or impossible.	194 904	-
GLS Consulting (Pty) Ltd	79 044	-
Barloworld Equipment	11 771	-
Namibia Tourism Expo	16 326	-
Rent-A-Garden	5 054	-
Wesgro - Goods or services have already been acquired by the municipality from a specific supplier or service provider and subsequent maintenance, amendments, or modifications by other suppliers or service providers are prohibited, restricted or impossible.	138 566	-
Aurecon SA (Pty) Ltd	85 501	-
Expo Studio Namibia CC	5 291	-
SSE Cape	13 532	-

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

42. Additional Disclosures in terms of supply chain management regulations (continued)

Bytes Universal Systems	2 026	-
Multichoice	8 152	-
Bell Equipment	44 045	-
Visser Engineering Works	10 560	-
Perdeberg Motors	3 243	-
Groter Cederberg Brandbeskerming	2 199	-
Tour and Safari Assiciation Namibia	4 500	-
Cadek Media	3 500	-
Adenco Electrical Equipment	80 000	-
Bytes Universal Systems	2 475	-
Electro Diesel Motolek	3 668	-
Institute of Internal Auditors	7 524	-
BP Atlantic	44 823	-
Institute of Internal Auditors	7 524	-
Capman	12 540	-
Telkom	6 714	-
Hydraberg	2 148	-
Centeq Networking CC	7 000	-
Deloitte Consulting (Pty) Ltd	42 181	-
Smit Ingenieurswerke	20 521	-
Perdeberg Motors	6 052	-
CSX Customer Services	4 307	-
Perdeberg Motors	27 157	-
Bytes Universal Systems - Goods or services have already been acquired by the municipality from a specific supplier or service provider and subsequent maintenance, amendments, or modifications by other suppliers or service providers are prohibited, restricted or impossible.	280 864	-
Nicsans Roller Shutter Doors	5 441	-
VI Instruments	-	4 560
Vissershok Waste Management	-	28 000
Lexis Nexis	-	5 990
GLS Consulting - Good or services already acquired from specific supplier and will be impractical or uneconomical to aquire similar goods or services from another supplier.	-	972 762
The State Publisher	-	40 000
Capman (PTY) Ltd	-	13 588
Supa Quick Moorreesburg	-	2 251
Kimru IT Logix (Pty) Ltd	-	2 133
Bester Technical Services	-	3 078
Labour Law Club	-	4 863
Bytes Systems Integrations	-	17 010
Protea Hotel OR Tambo	-	2 008
Electro Diesel Motolek	-	2 850
Imasa	-	7 110
Enviroserve	-	5 000
High Angle Rescue and Access	-	22 572
Bell Equipment	-	14 327
Intelligence Transfer Centre	-	13 678
Bell Equipment	-	4 375
Institute of Fire Engineers	-	5 700
Sibathatu	-	75 910
IRCA Cape Town	-	2 052
Wacker SA (Pty) Ltd	-	9 617
Trentyre	-	3 946
Babcock	-	6 910
Ignite Advisory Services - Goods and services already acquired from specific supplier and will be impractical or uneconomical to aquire similar goods or services from another supplier.	-	199 500
Atlas Copco	-	22 245
High Angle Rescue and Access	-	22 572
JB's Nissan	-	2 472
African Centre for Disaster Management	-	3 950

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

42. Additional Disclosures in terms of supply chain management regulations (continued)

Roux & Van Dyk	-	45 987
Flex-It Engineering	-	12 000
FES Manufacturing	-	15 000
Ian Dickie	-	2 012
Atlas Copco	-	22 245
Marine & General Cleaning Services	-	8 373
Barloworld Equipment	-	9 241
Spar Clanwilliam	-	2 270
SSE Cape	-	3 550
ICASA	-	5 850
Drager	-	42 000
Hazard Bonako Cape (Pty) Ltd	-	4 299
Beeld Holiday Makers Expo	-	37 801
Unisa	-	6 877
Marine & General Cleaning Services	-	5 920
SAIEH	-	3 200
Working on fire	-	7 900
Sandveld Dienste BK	-	5 630
Supa Quick Moorreesburg	-	2 326
Smit Ingenieurswerke & Transport	-	6 555
Drager	-	10 944
FES Manufacturing	-	35 580
Enviroserve	-	5 000
FES Manufacturing	-	44 440
Angus Fire	-	79 515
Cape Peninsula Univercity of Technology	-	8 000
Adroit Technologies	-	9 690
Stemmet Vervoer	-	39 672
Barloworld Equipment	-	5 471
Bell Equipment	-	11 283
Enviroserve	-	5 000
Groter Cederberg Brandbeskermingsvereniging	-	6 000
J B's Nissan	-	2 314
Enviroserve	-	5 000
African Oxygen Ltd	-	3 257
Capman (Pty) Ltd	-	46 498
Total Laboutique	-	2 065
Buchuberg Exploration & Farming	-	34 058
Oasys Exhibitions	-	8 692
Ice Solutions	-	2 223
Bytes System Integrations	-	7 923
Groter Cederberg Brandbeskermingsvereniging	-	12 386
Hyflo Southern Africa	-	13 777
IMFO	-	3 370
De Kelder	-	2 223
Emil's Place	-	7 495
Flex-it Engineering	-	38 386
Procedo Training Providers	-	3 168
Institute of Internal Auditors	-	2 090
Ramsay, Son & Parker	-	30 267
Heuningvlei Tourism	-	2 600
Waste Tech	-	6 000
Namibia Tourism Expo	-	13 386
Capman (Pty) Ltd	-	15 675
SALGA	-	6 000
FFA Aviation (Pty) Ltd	-	14 108
FFA Aviation (Pty) Ltd - Emergency	-	130 380
FFA Aviation (Pty) Ltd - Emergency	-	468 274
FFA Aviation (Pty) Ltd - Emergency	-	146 419
FFA Aviation (Pty) Ltd	-	2 117
FFA Aviation (Pty) Ltd	-	75 591

Notes to the Annual Financial Statements

Figures in Rand	2014	2013
42. Additional Disclosures in terms of supply chain management regulations (continued)		
FFA Aviation (Pty) Ltd	-	3 690
FFA Aviation (Pty) Ltd - Emergency	-	177 491
FFA Aviation (Pty) Ltd - Emergency	-	119 359
Breede River Resort & Fishing Lodge	-	14 925
FFA Aviation (Pty) Ltd - Emergency	-	102 207
J' Chainnie TV & CD Productions	-	9 000
Nelson Mandela Metropolitan University	-	11 940
Unisa	-	14 540
Unisa	-	3 630
Southern Business School	-	7 550
University of Western Cape	-	28 490
Stellenbosch University	-	99 550
Groter Cederberg Brandbeskermingsvereniging	-	6 000
Wesgro - Goods or services already from specific suppliers and will be impractical or uneconomical to aquire similar goods or services from another supplier.	-	166 657
Porterville Tyre & Exhaust	-	3 145
Wear Check Africa	-	17 155
Southern African Expo Solution	-	8 211
Multichoice Africa	-	12 120
Boubel Bk	-	21 546
Business Engineering	-	26 400
Babcock Equipment	-	12 223
FFA Operations (Pty) Ltd	-	5 446
Enviroserve	-	5 000
Piketberg Motors	-	5 135
Runette Louw Design Consultancy	-	18 810
Barloworld Equipment	-	10 200
Maxal Projects	-	4 779
Propfran 120CC	-	2 910
Capman	-	28 500
ELB Equipment	-	2 750
City Lodge Pinelands	-	4 197
College of Cape Town	-	3 036
ICC Durban	-	4 200
Unisa	-	4 400
Tramco (Pty) Ltd	-	10 151
Rent-A-Garden	-	4 813
Tour and Safari Association	-	3 589
Expo Studio Namibia CC	-	4 254
Spannies	-	2 977
Emil's Place	-	20 256
IMFO	-	3 810
SSE Cape	-	12 077
Maxal Projects	-	3 509
Komatsu	-	7 720
Enviroserve	-	5 000
Vetties Maintenance & Cleaning	-	1 620
Bell Equipment	-	5 126
Riviera Hotel	-	2 575
SAESI	-	11 000
Steve's Electrical	-	9 252
Simply IT	-	54 108
Pricewaterhouse Coopers	-	4 845
Simply IT	-	25 650
Enviroserve	-	5 000
Truck City	-	11 754
Bytes System Integrations	-	14 550
ELB	-	5 399
University of Stellenbosh	-	4 000
Centeq Networking CC	-	4 856
Institute of Internal Auditors	-	3 795

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

42. Additional Disclosures in terms of supply chain management regulations (continued)

SSE Cape	-	17 750
Capman	-	5 130
Kemach Equipment	-	29 918
Ignite Advisory Services	-	46 170
FES Manufacturing	-	6 569
Fire Raiders	-	40 459
West Coast Communications	-	2 200
Barloworld Equipment	-	3 775
ELB Equipment	-	2 131
West Coast Communications	-	1 117
Smitties Engineering Works	-	2 276
Simply IT	-	7 467
Mzantsi Koloni Electronics	-	26 125
Mzantsi Koloni Electronics	-	50 000
Augustyn Springworks	-	6 325
Malmesbury Superspar	-	5 000
Sitrus Motors	-	6 335
Ignite Advisory Services	-	17 200
Pex Hydrualics	-	7 012
PWC - Combined Systems - Goods or services already acquired from specific supllier and will be impractical or uneconomical to aquire similar goods or services from another supplier.	-	866 494
Makro	-	13 155
Mouton and Ass.	-	39 313
	4 712 109	**5 545 201**

In terms of the Supply Chain Regulations No. 27636 - 30 May 2005 section 45 the municipalty is allowed to make awards to close family members of persons in the service of the state, or who have been in the service of the state in the previous twelve months. As per the reporting period the municipality made the following awards :

The transactions were concluded in full compliance with the municipality's Supply Chain Management Policy and the transactions are considered to be at arm's lenght.

Fasfacts - Mrs Nelly Fanie - Teacher - Marcus Mbetha Secure School	17 000	-
FFA Training (Pty) Ltd - Mr John Shongwe -Coordinator - University of Mpumalanga	12 313	-
FAMSA - Mrs Joy Warries - Clerk - City of Cape Town	16 784	-
MOGWE (Pty) Ltd - Mrs N Engelbrecht - Clerk - Saldanhabay Municipality	56 101	-
Brainwaye Projects 473 t/a Kuthelayo Contracts - Mr A Samuels - Clerk - Department of Transport and Public Works	210 000	-
Distinctive Moves - Mr Morne Fourie - Clerk - Department of Education	2 470	-
Zero Sparks Electrical CC - Mr M Smal - Constable - SAPS	1 992	-
Kemnzi (Pty) Ltd - Mr J N du Toit - Trafic Officer - City of Cape Town	1 446 686	-
Hughie Avaontuur Constuction - Mrs I S Avontuur - Teacher - Department of Education	324 338	-
Sivad Trading (Pty) Ltd - Mrs Yvonne Davis Michaels - Clerk - Department of International Relations	20 143	-
Cummins South Africa (Pty) Ltd - Mr Xavier Borei - MPU Parks and Tourism - Clerk	9 196	864
Anka Spyseniering - Mr Andre Frans - West Coast District Municipality - Fire Fighter	-	1 800
Blackbird Trading CC - Mrs Marlene Smit - Swartland Municipality - Snr Clerk	32 400	27 000
Liplekker Takeaways - Mr Elvin Pedro - Emergency Services - Chief EMS	41 529	49 823
Golden Rewards 1873 CC - Mr Raynard De Jager - WC : Department of Education - Teacher	53 700	1 350
Elain's Take Aways & Catering - Mr Edward Marais - West Coast District Municipality - Registration Clerk	-	12 730
Ithuba Industries - Mrs De Morney - Sir Lowry's Pass Primary - Teacher	289 239	488 939
SizweNtsalubaGobodo - Mr D Manana - Department of Trade and Industry - Consultant	-	159 388
JB's Nissan - Mr R Kortje - Wesbank Secondary School - Teacher	127 113	27 016
M C Bakwerke - Mrs R Mckrieling - West Coast District Municipality - Clerk	-	20 175
Kerr Frames CC - Mrs J van Rooyen - D F Malan High School - Teacher	-	2 759

Figures in Rand	2014	2013

42. Additional Disclosures in terms of supply chain management regulations (continued)

	2 661 004	**791 844**

43. Reticulation Losses

Water		
Kiloliters purchased - after purification	24 896 806	24 426 722
Kiloliters sold	(23 662 082)	(23 328 832)
Reticulation loss	**1 234 724**	**1 097 890**
Percentage	4.96%	4.49%

The norm for water losses is 10%. The losses occurred due to burst pipes and leaks from the reservoirs to consumers.

Electricity

No electricity losses were incurred

44. Reconciliation between budget and statement of financial performance

Reconciliation of budget surplus/deficit with the surplus/deficit in the statement of financial performance:

Net surplus per the statement of financial performance	41 675 611	5 858 831
Adjusted for:		
Services charges	3 880 161	(30 528)
Investment revenue	(2 024 930)	(898 704)
Tranfers recognised - operational	(1 111 135)	291 243
Other own revenue	(35 818 827)	(1 111 686)
Employee cost	40 927 777	(2 563 612)
Depreciation & Asset Impairment	(12 242 700)	(11 215 928)
Finance Charges	(1 204 001)	(2 441 492)
Materials and bulk purchases	10 756 260	(8 057 482)
Other Expenditure	(34 217 346)	16 969 485
Net surplus (deficit) per approved budget	**10 620 870**	**(3 199 873)**

45. Other payables - unspent conditional grants and receipts

See note 8 for reconcilliation of grants from other spheres of government.

These amounts are invested in a ring-fenced investment until utilised.

Unspent conditional grants and receipts comprices of :		
Provincial Management Support Grant	397 094	871 834
Donations Mayor	-	8 120
RBIG Funds	-	845 316
Greenest Municipality	74 835	-
	471 929	**1 725 270**

46. VAT payable

Tax refunds payables	-	138 459

VAT is payable on the receipts basis. Only once payments is recieved from debtors is VAT paid over to SARS.

Notes to the Annual Financial Statements

Figures in Rand	2014	2013

46. VAT payable (continued)

Reconciliation of VAT accounts		
VAT 201 return as at 30 June	-	929 947
VAT not claimed on VAT 201 return	-	786 699
VAT Output	-	(1 855 105)
	-	**(138 459)**

Actual versus Budget(Revenue and Expenditure) for the year ended 30 June 2014

	Current year 2014 Act. Bal. Rand	Current year 2014 Bud. Amt Rand	Variance Rand	Var	Explanation of Significant Variances greater than 10% versus Budget
Revenue					
Service charges	92 630 349	96 510 510	(3 880 161)	(4.0)	
Rental of facilities and equipment	5 445 406	5 279 300	166 106	3.1	
Interest received	10 024 930	8 000 000	2 024 930	25.3	Higher interest rate then expected
Actuarial gains recognised Employee Benefits	18 854 759	-	18 854 759	-	
Income from agency services	91 896 102	80 370 000	11 526 102	14.3	More revenue recieved from the Department
Licences and permits	74 750	120 120	(45 370)	(37.8)	Less income than expected
Government grants	87 872 135	86 761 000	1 111 135	1.3	
Other Revenue	2 384 071	2 867 500	(483 429)	(16.9)	More revenue than expected
	309 182 502	279 908 430	29 274 072	10.5	
Expenses					
Employee costs	(117 762 956)	(76 958 960)	(40 803 996)	53.0	
Remuneration of councillors	(4 907 601)	(4 783 820)	(123 781)	2.6	
Depreciation	(12 520 890)	(24 763 590)	12 242 700	(49.4)	Less expenses than expected (Swartland Pipeline)
Finance costs	(11 726 379)	(12 930 380)	1 204 001	(9.3)	
Repairs and maintenance - General	(42 686 731)	(32 038 320)	(10 648 411)	33.2	Less expenses in water services department
Bulk purchases	(9 968 999)	(9 861 150)	(107 849)	1.1	
General Expenses	(67 933 335)	(107 951 340)	40 018 005	(37.1)	Increase in agency expense (roads)
	(267 506 891)	(269 287 560)	1 780 669	(0.7)	
Other revenue and costs					
Net surplus/ (deficit) for the year	41 675 611	10 620 870	31 054 741	292.4	

West Coast District Municipality

West Coast District Municipality

Appendix B

Analysis of property, plant and equipment as at 30 June 2013

	Cost/Revaluation							Accumulated depreciation						
	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	WIP Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Land and buildings														
Land	12 382 064	9 460 000	(898)	(124 248)	-	-	**21 716 918**	-	-	-	-	-	-	21 716 918
Undeveloped land	2 859 300	-	-	-	-	-	**2 859 300**	-	-	-	-	-	-	2 859 300
	15 241 364	**9 460 000**	**(898)**	**(124 248)**	**-**	**-**	**24 576 218**	**-**	**-**	**-**	**-**	**-**	**-**	**24 576 218**
Infrastructure														
Roads, Pavements & Bridges	43 109	-	-	182 318	-	-	**225 427**	(10 511)	-	(61 169)	(7 509)	-	**(79 189)**	146 238
Electricity supply / Reticulation	21 521	-	-	-	-	-	**21 521**	(7 536)	-	-	(1 075)	-	**(8 611)**	12 910
Transformers	257 896	-	-	-	-	-	**257 896**	(63 220)	-	-	(5 154)	-	**(68 374)**	189 522
Cables	181 753	-	-	-	-	-	**181 753**	(13 659)	-	-	(4 036)	-	**(17 695)**	164 058
Mini sub stations	200 624	-	-	-	-	-	**200 624**	(72 601)	-	-	(6 683)	-	**(79 284)**	121 340
Water Purification	22 145 529	1 024 785	-	12 929 436	-	-	**36 099 750**	(9 192 720)	-	(2 136 891)	(660 531)	-	**(11 990 142)**	24 109 608
Water Reticulation	90 359 135	1 268 370	(2 010)	(3 627 706)	71 599 417	-	**159 597 206**	(19 020 755)	1 423	(184 491)	(2 439 516)	-	**(21 643 339)**	137 953 867
Dams	5 652 693	-	-	(5 542 346)	-	-	**110 347**	(1 186 093)	-	1 167 663	(1 811)	-	**(20 241)**	90 106
Pump Stations	8 760 885	-	-	349 895	-	-	**9 110 780**	(1 324 448)	-	(336 453)	(227 640)	-	**(1 888 541)**	7 222 239
Reservoirs	106 771 180	-	-	(1 823 970)	-	-	**104 947 210**	(17 623 066)	-	606 557	(1 459 486)	-	**(18 475 995)**	86 471 215
Waste Purification	3 567 349	-	-	1 672 876	-	-	**5 240 225**	(320 303)	-	(319 954)	(108 540)	-	**(748 797)**	4 491 428
Landfill Sites	882 266	-	-	-	-	-	**882 266**	-	-	-	-	-	**-**	882 266
	238 843 940	**2 293 155**	**(2 010)**	**4 140 503**	**71 599 417**	**-**	**316 875 005**	**(48 834 912)**	**1 423**	**(1 264 738)**	**(4 921 981)**	**-**	**(55 020 208)**	**261 854 797**
Buildings														
Residences (Personnel)	5 238 909	-	(29 591)	222 042	-	-	**5 431 360**	(1 789 880)	13 202	(48 940)	(181 366)	-	**(2 006 984)**	3 424 376
Clinics and community health	2 306 271	-	-	(380 452)	-	-	**1 925 819**	(621 169)	-	93 149	(61 344)	-	**(589 364)**	1 336 455
Community halls	1 137 338	-	-	(177 319)	-	-	**960 019**	(378 349)	-	58 834	(31 979)	-	**(351 494)**	608 525
Fire stations	37 328 032	-	-	(4 386 841)	-	-	**32 941 191**	(7 262 985)	-	919 789	(1 061 854)	-	**(7 405 050)**	25 536 141
Recreational facilities	226 944	-	-	-	-	-	**226 944**	(38 676)	-	-	(7 560)	-	**(46 236)**	180 708
Hospitals and ambulance stations	657 487	-	-	2 591 954	-	-	**3 249 441**	(54 052)	-	(631 979)	(103 860)	-	**(789 891)**	2 459 550
Laboratories	1 728	-	-	(1 728)	-	-	**-**	(58)	-	58	-	-	**-**	-
Office buildings	7 855 637	-	-	(1 167 697)	-	-	**6 687 940**	(2 237 220)	-	94 487	(217 620)	-	**(2 360 353)**	4 327 587
Public parking	571 384	-	-	38 480	-	-	**609 864**	(190 375)	-	(10 467)	(20 314)	-	**(221 156)**	388 708
Warehouses	1 026 736	-	-	529 408	-	-	**1 556 144**	(340 614)	-	(152 347)	(49 371)	-	**(542 332)**	1 013 812
None residential perimeter protection	741 608	-	-	(292 425)	-	-	**449 183**	(339 117)	-	110 998	(9 356)	-	**(237 475)**	211 708
Ablution / public facilities	105 796	-	-	(30 796)	-	-	**75 000**	(36 482)	-	13 202	(1 999)	-	**(25 279)**	49 721
Other	2 205 613	-	-	-	-	-	**2 205 613**	(371 651)	-	-	(63 972)	-	**(435 623)**	1 769 990
	59 403 483	**-**	**(29 591)**	**(3 055 374)**	**-**	**-**	**56 318 518**	**(13 660 628)**	**13 202**	**446 784**	**(1 810 595)**	**-**	**(15 011 237)**	**41 307 281**

Analysis of property, plant and equipment as at 30 June 2013

	Cost/Revaluation							Accumulated depreciation						
	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	WIP Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Other assets														
General vehicles	31 038 581	925 169	(1 444 302)	1 167 508	-	-	**31 686 956**	(19 721 272)	1 336 413	(36 738)	(3 276 164)	-	**(21 697 761)**	9 989 195
Audiovisual equipment	439 281	40 072	(2 719)	94 515	-	-	**571 149**	(261 052)	2 402	(14 029)	(78 296)	-	**(350 975)**	220 174
Computer Equipment	3 804 229	308 258	(264 053)	13 337	-	-	**3 861 771**	(2 642 866)	221 194	130 337	(338 522)	-	**(2 629 857)**	1 231 914
Domestic equipment	46 912	1 007	(3 837)	468	-	-	**44 550**	(33 264)	3 311	3 050	(5 594)	-	**(32 497)**	12 053
Electrical wire and power distribution	3 119 516	1 752	-	(3 108 335)	-	-	**12 933**	(2 651 183)	-	2 646 834	(2 188)	-	**(6 537)**	6 396
Office Equipment	1 281 272	24 102	(7 541)	(972 648)	-	-	**325 185**	(528 537)	5 808	349 245	(36 586)	-	**(210 070)**	115 115
Emergency / rescue equipment	248 608	200 339	-	351 096	-	-	**800 043**	(46 323)	-	(133 830)	(58 607)	-	**(238 760)**	561 283
Elevator systems	6 398	-	-	-	-	-	**6 398**	(5 678)	-	-	(80)	-	**(5 758)**	640
Fire fighting equipment	2 722 278	725 092	-	(726 449)	-	-	**2 720 921**	(830 104)	-	144 865	(434 793)	-	**(1 120 032)**	1 600 889
Gardening equipment	86 836	58 908	(3 578)	2 670	-	-	**144 836**	(65 861)	3 338	(248)	(10 012)	-	**(72 783)**	72 053
Security equipment and systems	102 722	717	-	-	-	-	**103 439**	(43 755)	-	-	(16 108)	-	**(59 863)**	43 576
Kitchen appliances	449 431	22 954	(45 749)	16 562	-	-	**443 198**	(278 734)	27 831	10 940	(43 140)	-	**(283 103)**	160 095
Laboratory equipment	370 117	69 098	-	134 063	-	-	**573 278**	(170 561)	-	(116 354)	(57 806)	-	**(344 721)**	228 557
Medical and allied equipment	215 715	9 080	-	(103 911)	-	-	**120 884**	(131 841)	-	99 428	(21 386)	-	**(53 799)**	67 085
Pumps / pluming	280 277	-	-	(255 550)	-	-	**24 727**	(145 752)	-	124 761	(2 144)	-	**(23 135)**	1 592
Radio equipment	1 607 852	263 995	-	(2 350)	-	-	**1 869 497**	(690 254)	-	11 634	(249 284)	-	**(927 904)**	941 593
Road construction and maintenance	24 877	-	-	(24 877)	-	-	**-**	(13 534)	-	13 534	-	-	**-**	-
Office furniture	5 946 560	115 863	(82 670)	(1 722 096)	-	-	**4 257 657**	(4 346 951)	63 327	1 428 077	(267 437)	-	**(3 122 984)**	1 134 673
Workshop equipment and loose tools	786 036	250 183	-	2 288 172	-	-	**3 324 391**	(592 227)	-	(1 636 322)	(226 942)	-	**(2 455 491)**	868 900
Air conditioners	518 606	33 442	-	153 257	-	-	**705 305**	(313 934)	-	(68 739)	(82 124)	-	**(464 797)**	240 508
Other	827 135	27 486	(102 878)	1 699 908	-	-	**2 451 651**	(326 423)	68 440	(1 168 037)	(259 893)	-	**(1 685 913)**	765 738
	53 923 239	**3 077 517**	**(1 957 327)**	**(994 660)**	**-**	**-**	**54 048 769**	**(33 840 106)**	**1 732 064**	**1 788 408**	**(5 467 106)**	**-**	**(35 786 740)**	**18 262 029**
Intangible assets														
Computer software	1 164 606	24 162	(5 428)	-	-	-	**1 183 340**	(719 151)	2 875	-	(147 008)	-	**(863 284)**	320 056
	1 164 606	**24 162**	**(5 428)**	**-**	**-**	**-**	**1 183 340**	**(719 151)**	**2 875**	**-**	**(147 008)**	**-**	**(863 284)**	**320 056**
Investment properties														
Investment property (Ganzekraal)	5 474 271	-	-	33 779	-	-	**5 508 050**	(543 110)	-	(14 194)	(138 772)	-	**(696 076)**	4 811 974
	5 474 271	**-**	**-**	**33 779**	**-**	**-**	**5 508 050**	**(543 110)**	**-**	**(14 194)**	**(138 772)**	**-**	**(696 076)**	**4 811 974**
Total														
Land and buildings	15 241 364	9 460 000	(898)	(124 248)	-	-	**24 576 218**	-	-	-	-	-	**-**	24 576 218
Infrastructure	238 843 940	2 293 155	(2 010)	4 140 503	71 599 417	-	**316 875 005**	(48 834 912)	1 423	(1 264 738)	(4 921 981)	-	**(55 020 208)**	261 854 797
Buildings	59 403 483	-	(29 591)	(3 055 374)	-	-	**56 318 518**	(13 660 628)	13 202	446 784	(1 810 595)	-	**(15 011 237)**	41 307 281
Other assets	53 923 239	3 077 517	(1 957 327)	(994 660)	-	-	**54 048 769**	(33 840 106)	1 732 064	1 788 408	(5 467 106)	-	**(35 786 740)**	18 262 029
Intangible assets	1 164 606	24 162	(5 428)	-	-	-	**1 183 340**	(719 151)	2 875	-	(147 008)	-	**(863 284)**	320 056
Investment properties	5 474 271	-	-	33 779	-	-	**5 508 050**	(543 110)	-	(14 194)	(138 772)	-	**(696 076)**	4 811 974
	374 050 903	**14 854 834**	**(1 995 254)**	**-**	**71 599 417**	**-**	**458 509 900**	**(97 597 907)**	**1 749 564**	**956 260**	**(12 485 462)**	**-**	**(107 377 545)**	**351 132 355**

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Analysis of property, plant and equipment as at 30 June 2014

	Cost/Revaluation							Accumulated depreciation						
	Opening Balance Rand	Additions Rand	Disposals Rand	WIP Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	WIP Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Land and buildings														
Land (Separate for AFS purposes)	24 576 218	-	-	-	-	-	**24 576 218**	-	-	-	-	-	-	24 576 218
	24 576 218	**-**	**-**	**-**	**-**	**-**	**24 576 218**	**-**	**-**	**-**	**-**	**-**	**-**	**24 576 218**
Infrastructure														
Roads, Pavements & Bridges	225 425	-	-	-	-	-	**225 425**	(79 189)	-	-	(5 851)	-	**(85 040)**	140 385
Electricity supply / Reticulation	21 521	-	-	-	-	-	**21 521**	(8 613)	-	-	(923)	-	**(9 536)**	11 985
Transformers	257 896	-	-	-	-	-	**257 896**	(68 376)	-	-	(4 193)	-	**(72 569)**	185 327
Cables	181 753	-	-	-	-	-	**181 753**	(17 696)	-	-	(4 033)	-	**(21 729)**	160 024
Mini sub stations	200 624	-	-	-	-	-	**200 624**	(79 286)	-	-	(4 855)	-	**(84 141)**	116 483
Water purification	46 432 726	17 167	(38 568)	-	-	-	**46 411 325**	(11 985 209)	13 505	-	(643 090)	-	**(12 614 794)**	33 796 531
Water Reticulation	139 122 482	6 155 061	(127 010)	16 725 345	-	-	**161 875 878**	(21 640 897)	81 133	-	(2 503 515)	-	**(24 063 279)**	137 812 599
Dams	110 344	-	-	-	-	-	**110 344**	(20 238)	-	-	(1 657)	-	**(21 895)**	88 449
Pump Stations	9 117 590	40 402	-	-	-	-	**9 157 992**	(1 896 255)	-	-	(199 285)	-	**(2 095 540)**	7 062 452
Reservoirs	108 671 547	-	-	-	-	-	**108 671 547**	(19 188 844)	-	-	(2 198 312)	-	**(21 387 156)**	87 284 391
Waste Purification	5 240 224	284 506	-	-	-	-	**5 524 730**	(748 796)	-	-	(100 349)	-	**(849 145)**	4 675 585
Landfil Sites	882 265	-	-	-	-	-	**882 265**	-	-	-	-	-	**-**	882 265
	310 464 397	**6 497 136**	**(165 578)**	**16 725 345**	**-**	**-**	**333 521 300**	**(55 733 399)**	**94 638**	**-**	**(5 666 063)**	**-**	**(61 304 824)**	**272 216 476**
Community Assets														
Residences (Personnel)	5 431 361	-	-	-	-	-	**5 431 361**	(2 006 985)	-	-	(139 003)	-	**(2 145 988)**	3 285 373
Warehouses	1 556 144	-	-	-	-	-	**1 556 144**	(542 332)	-	-	(44 369)	-	**(586 701)**	969 443
Community halls	960 019	-	-	-	-	-	**960 019**	(351 494)	-	-	(24 340)	-	**(375 834)**	584 185
Office Buildings	6 687 939	-	-	-	-	-	**6 687 939**	(2 360 353)	-	-	(172 857)	-	**(2 533 210)**	4 154 729
Recreational facilities	226 945	-	-	-	-	-	**226 945**	(46 235)	-	-	(7 530)	-	**(53 765)**	173 180
Clinics	1 925 819	-	-	-	-	-	**1 925 819**	(589 364)	-	-	(57 273)	-	**(646 637)**	1 279 182
Non residencial perimeter protection	449 182	-	-	-	-	-	**449 182**	(107 049)	-	-	(12 542)	-	**(119 591)**	329 591
Ablution / Public Facilities	75 000	-	-	-	-	-	**75 000**	(25 280)	-	-	(2 762)	-	**(28 042)**	46 958
Workshops / Store Rooms	2 205 613	-	-	-	-	-	**2 205 613**	(435 624)	-	-	(69 461)	-	**(505 085)**	1 700 528
Public Parking	609 863	-	-	-	-	-	**609 863**	(221 155)	-	-	(15 548)	-	**(236 703)**	373 160
Fire, safety & emergency	36 190 633	-	-	-	-	-	**36 190 633**	(8 194 939)	-	-	(1 081 153)	-	**(9 276 092)**	26 914 541
	56 318 518	**-**	**-**	**-**	**-**	**-**	**56 318 518**	**(14 880 810)**	**-**	**-**	**(1 626 838)**	**-**	**(16 507 648)**	**39 810 870**

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Analysis of property, plant and equipment as at 30 June 2014

	Cost/Revaluation							Accumulated depreciation						
	Opening Balance Rand	Additions Rand	Disposals Rand	WIP Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	WIP Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Other assets														
General vehicles	31 674 573	213 951	(613 183)	-	-	**-**	**31 275 341**	(21 649 259)	606 338	-	(2 907 756)	-	**(23 950 677)**	7 324 664
Audiovisual Equipment	508 299	2 395	(109 881)	-	-	**-**	**400 813**	(309 928)	79 932	-	(59 907)	-	**(289 903)**	110 910
Computer Equipment	3 766 111	1 239 935	(548 255)	-	-	**-**	**4 457 791**	(2 511 959)	409 912	-	(315 385)	-	**(2 417 432)**	2 040 359
Domestic Equipment	44 550	1 401	(6 471)	-	-	**-**	**39 480**	(32 496)	5 766	-	(4 522)	-	**(31 252)**	8 228
Electrical wire and power distribution	5 431	-	(5 080)	-	-	**-**	**351**	(2 657)	2 587	-	(70)	-	**(140)**	211
Emergency / Rescue equipment	790 246	84 931	(76 830)	-	-	**-**	**798 347**	(237 098)	26 671	-	(56 761)	-	**(267 188)**	531 159
Elevator Systems	6 398	-	-	-	-	**-**	**6 398**	(5 757)	-	-	(80)	-	**(5 837)**	561
Fire Fighting Equipment	2 731 618	399	(271 562)	-	-	**-**	**2 460 455**	(1 127 360)	125 639	-	(466 343)	-	**(1 468 064)**	992 391
Gardening Equipment	172 849	9 676	(10 398)	-	-	**-**	**172 127**	(93 877)	7 840	-	(26 357)	-	**(112 394)**	59 733
Kitchen Appliances	443 198	41 069	(54 650)	-	-	**-**	**429 617**	(282 570)	33 844	-	(37 061)	-	**(285 787)**	143 830
Laboratory Equipment	581 379	19 704	(58 125)	-	-	**-**	**542 958**	(320 503)	35 568	-	(56 329)	-	**(341 264)**	201 694
Medical and Allied Equipment	120 883	35 423	(1 400)	-	-	**-**	**154 906**	(53 776)	525	-	(28 516)	-	**(81 767)**	73 139
Pumps / puming	24 726	-	(7 488)	-	-	**-**	**17 238**	(18 480)	6 253	-	(1 273)	-	**(13 500)**	3 738
Radio Equipment	1 892 977	28 234	(100 419)	-	-	**-**	**1 820 792**	(920 116)	64 797	-	(240 963)	-	**(1 096 282)**	724 510
Security Equipment	103 439	-	(101 360)	-	-	**-**	**2 079**	(59 862)	58 634	-	(282)	-	**(1 510)**	569
Workshop Equipment	3 289 990	66 640	(70 821)	-	-	**-**	**3 285 809**	(2 260 721)	23 030	-	(240 649)	-	**(2 478 340)**	807 469
Air conditioners	705 303	43 959	(6 962)	-	-	**-**	**742 300**	(464 795)	3 334	-	(77 022)	-	**(538 483)**	203 817
Office Furniture	4 305 078	75 503	(141 233)	-	-	**-**	**4 239 348**	(3 127 092)	97 613	-	(259 348)	-	**(3 288 827)**	950 521
Domestic and Hostel Furniture	1 623 798	8 608	(31 684)	-	-	**-**	**1 600 722**	(1 237 231)	22 397	-	(118 252)	-	**(1 333 086)**	267 636
Other	540 125	100 425	(166 086)	-	-	**-**	**474 464**	(394 176)	140 283	-	(32 346)	-	**(286 239)**	188 225
	53 330 971	**1 972 253**	**(2 381 888)**	**-**	**-**	**-**	**52 921 336**	**(35 109 713)**	**1 750 963**	**-**	**(4 929 222)**	**-**	**(38 287 972)**	**14 633 364**

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Analysis of property, plant and equipment as at 30 June 2014

	Cost/Revaluation							Accumulated depreciation						
	Opening Balance Rand	Additions Rand	Disposals Rand	WIP Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	WIP Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Total property plant and equipment														
Land and buildings	24 576 218	-	-	-	-	-	24 576 218	-	-	-	-	-	-	24 576 218
Infrastructure	310 464 397	6 497 136	(165 578)	16 725 345	-	-	333 521 300	(55 733 399)	94 638	-	(5 666 063)	-	(61 304 824)	272 216 476
Community Assets	56 318 518	-	-	-	-	-	56 318 518	(14 880 810)	-	-	(1 626 838)	-	(16 507 648)	39 810 870
Other assets	53 330 971	1 972 253	(2 381 888)	-	-	-	52 921 336	(35 109 713)	1 750 963	-	(4 929 222)	-	(38 287 972)	14 633 364
	444 690 104	8 469 389	(2 547 466)	16 725 345	-	-	467 337 372	(105 723 922)	1 845 601	-	(12 222 123)	-	(116 100 444)	351 236 928
Intangible assets														
Computers - software & programming	1 185 044	65 900	(2 593)	-	-	-	1 248 351	(863 451)	2 001	-	(160 148)	-	(1 021 598)	226 753
	1 185 044	65 900	(2 593)	-	-	-	1 248 351	(863 451)	2 001	-	(160 148)	-	(1 021 598)	226 753
Investment properties														
Investment property	5 508 050	-	-	-	-	-	5 508 050	(696 075)	-	-	(138 618)	-	(834 693)	4 673 357
	5 508 050	-	-	-	-	-	5 508 050	(696 075)	-	-	(138 618)	-	(834 693)	4 673 357
Total														
Land and buildings	24 576 218	-	-	-	-	-	24 576 218	-	-	-	-	-	-	24 576 218
Infrastructure	310 464 397	6 497 136	(165 578)	16 725 345	-	-	333 521 300	(55 733 399)	94 638	-	(5 666 063)	-	(61 304 824)	272 216 476
Community Assets	56 318 518	-	-	-	-	-	56 318 518	(14 880 810)	-	-	(1 626 838)	-	(16 507 648)	39 810 870
Other assets	53 330 971	1 972 253	(2 381 888)	-	-	-	52 921 336	(35 109 713)	1 750 963	-	(4 929 222)	-	(38 287 972)	14 633 364
Intangible assets	1 185 044	65 900	(2 593)	-	-	-	1 248 351	(863 451)	2 001	-	(160 148)	-	(1 021 598)	226 753
Investment properties	5 508 050	-	-	-	-	-	5 508 050	(696 075)	-	-	(138 618)	-	(834 693)	4 673 357
	451 383 198	8 535 289	(2 550 059)	16 725 345	-	-	474 093 773	(107 283 448)	1 847 602	-	(12 520 889)	-	(117 956 735)	356 137 038

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Analysis of property, plant and equipment as at 30 June 2011

	Cost/Revaluation							Accumulated depreciation						
	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Land and buildings														
Infrastructure														
Community Assets														

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Analysis of property, plant and equipment as at 30 June 2011

	Cost/Revaluation							Accumulated depreciation						
	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Heritage assets														
Specialised vehicles														
Other assets														

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Analysis of property, plant and equipment as at 30 June 2011

	Cost/Revaluation							Accumulated depreciation						
	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Total property plant and equipment														
Agricultural/Biological assets														
Intangible assets														
Investment properties														
Total														

West Coast District Municipality
Appendix C
June 2014

Segmental analysis of property, plant and equipment as at 30 June 2014

	Cost/Revaluation							Accumulated Depreciation						
	Opening Balance Rand	**Additions Rand**	**Disposals Rand**	**WIP Rand**	**Revaluations Rand**	**Other changes, movements Rand**	**Closing Balance Rand**	**Opening Balance Rand**	**Disposals Rand**	**WIP Rand**	**Depreciation Rand**	**Impairment deficit Rand**	**Closing Balance Rand**	**Carrying value Rand**
Municipality														
Executive & Council/Mayor and Council	935 770	59 747	(1 499)	-	-	**-**	**994 018**	(622 978)	359	-	(99 161)	-	**(721 780)**	272 238
Finance & Admin/Finance	73 187 313	532 832	(1 063 085)	-	-	**-**	**72 657 060**	(24 763 288)	640 118	-	(2 010 459)	-	**(26 133 629)**	46 523 431
Health/Clinics	2 845 531	335 358	(12 390)	-	-	**-**	**3 168 499**	(1 027 249)	6 937	-	(144 040)	-	**(1 164 352)**	2 004 147
Comm. & Social/Libraries and archives	5 514 788	17 457	(5 693)	-	-	**-**	**5 526 552**	(2 986 395)	4 103	-	(700 550)	-	**(3 682 842)**	1 843 710
Public Safety/Police	43 579 784	1 270 219	(675 203)	-	-	**-**	**44 174 800**	(18 574 180)	634 665	-	(3 303 371)	-	**(21 242 886)**	22 931 914
Sport and Recreation	53 529	-	-	-	-	**-**	**53 529**	(8 743)	-	-	(2 133)	-	**(10 876)**	42 653
Waste Water Management/Sewerage	957 265	839	-	-	-	**-**	**958 104**	(7 886)	-	-	(1 889)	-	**(9 775)**	948 329
Road Transport/Roads	255 689	2 514	(14 537)	-	-	**-**	**243 666**	(194 644)	10 924	-	(14 385)	-	**(198 105)**	45 561
Water/Water Distribution	321 514 828	6 313 248	(733 253)	16 728 345	-	**-**	**343 823 168**	(58 100 887)	519 391	-	(5 969 546)	-	**(63 551 042)**	280 272 126
Electricity /Electricity Distribution	2 535 504	3 075	(44 399)	-	-	**-**	**2 494 180**	(995 095)	31 107	-	(275 110)	-	**(1 239 098)**	1 255 082
Other/Air Transport	3 197	-	-	-	-	**-**	**3 197**	(2 104)	-	-	(246)	-	**(2 350)**	847
	451 383 198	**8 535 289**	**(2 550 059)**	**16 728 345**	**-**	**-**	**474 096 773**	**(107 283 449)**	**1 847 604**	**-**	**(12 520 890)**	**-**	**(117 956 735)**	**356 140 038**
Municipal Owned Entities														
Total														
Municipality	451 383 198	8 535 289	(2 550 059)	16 728 345	-	**-**	**474 096 773**	(107 283 449)	1 847 604	-	(12 520 890)	-	**(117 956 735)**	356 140 038
	451 383 198	**8 535 289**	**(2 550 059)**	**16 728 345**	**-**	**-**	**474 096 773**	**(107 283 449)**	**1 847 604**	**-**	**(12 520 890)**	**-**	**(117 956 735)**	**356 140 038**

West Coast District Municipality
Appendix D
June 2014

Segmental Statement of Financial Performance for the year ended

30 June 2013 Actual Income Rand	30 June 2013 Actual Expenditure Rand	30 June 2013 Surplus /(Deficit) Rand		30 June 2014 Actual Income Rand	30 June 2014 Actual Expenditure Rand	30 June 2014 Surplus /(Deficit) Rand
			Municipality			
751 676	12 839 671	(12 087 995)	Executive & Council/Mayor and Council	2 779 406	15 524 505	(12 745 099)
81 759 517	44 155 811	37 603 706	Finance & Admin/Finance	93 931 128	26 649 332	67 281 796
25 777	2 620 555	(2 594 778)	Planning and Development/Economic Development/Plan	27 000	2 632 451	(2 605 451)
5 108 845	13 746 834	(8 637 989)	Health/Clinics	5 056 982	15 954 083	(10 897 101)
1 602 275	983 040	619 235	Housing	1 760 965	527 888	1 233 077
5 557 060	26 760 647	(21 203 587)	Public Safety/Police	6 084 018	27 123 517	(21 039 499)
2 820 623	3 500 546	(679 923)	Sport and Recreation	2 557 894	3 779 351	(1 221 457)
70 094 500	69 684 651	409 849	Road Transport/Roads	91 896 102	91 896 103	(1)
89 167 317	75 228 689	13 938 628	Water/Water Distribution	105 089 007	83 419 661	21 669 346
143	1 508 458	(1 508 315)	Other/Air Transport	-	-	-
256 887 733	**251 028 902**	**5 858 831**		**309 182 502**	**267 506 891**	**41 675 611**
			Municipal Owned Entities			
			Other charges			
256 887 733	251 028 902	5 858 831	Municipality	309 182 502	267 506 891	41 675 611
256 887 733	**251 028 902**	**5 858 831**	**Total**	**309 182 502**	**267 506 891**	**41 675 611**

West Coast District Municipality
Appendix E (1)
June 2014

Schedule of external loans as at 30 June 2014

	Loan Number	Redeemable	Balance at 30 June 2013 Rand	Received during the period Rand	Redeemed written off during the period Rand	Balance at 30 June 2014 Rand	Carrying Value of Property, Plant & Equip Rand	Other Costs in accordance with the MFMA Rand
External Loans								
Sanlam Credit Conduit (Pty) Ltd	1	30/06/2018	19 854 111	-	3 057 184	16 796 927	-	-
DBSA	1	30/06/2020	32 704 705	-	3 236 871	29 467 834	-	-
ABSA	1	31/12/2021	30 612 654	-	2 567 117	28 045 537	-	-
DBSA	1	31/10/2022	28 500 000	-	3 000 000	25 500 000	-	-
			-	-	-	-	-	-
			111 671 470	**-**	**11 861 172**	**99 810 298**	**-**	**-**
Structured loans			-	-	-	-	-	-
Funding facility			-	-	-	-	-	-
Development Bank of South Africa			-	-	-	-	-	-
Bonds			-	-	-	-	-	-
Other loans			-	-	-	-	-	-
Lease liability			-	-	-	-	-	-
Annuity loans			-	-	-	-	-	-
Government loans			-	-	-	-	-	-
Total external loans								
External Loans			111 671 470	-	11 861 172	99 810 298	-	-
Structured loans			-	-	-	-	-	-
Funding facility			-	-	-	-	-	-
Development Bank of South Africa			-	-	-	-	-	-
Bonds			-	-	-	-	-	-
Other loans			-	-	-	-	-	-
Lease liability			-	-	-	-	-	-
Annuity loans			-	-	-	-	-	-

West Coast District Municipality
Appendix E (1)
June 2014

Schedule of external loans as at 30 June 2014

	Loan Number	Redeemable	Balance at 30 June 2013 Rand	Received during the period Rand	Redeemed written off during the period Rand	Balance at 30 June 2014 Rand	Carrying Value of Property, Plant & Equip Rand	Other Costs in accordance with the MFMA Rand
Government loans			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			111 671 470	**-**	**11 861 172**	**99 810 298**	**-**	**-**

West Coast District Municipality
Appendix E(2)
June 2014

Budget Analysis of Capital Expenditure as at 30 June 2014

	Additions Rand	Revised Budget Rand	Variance Rand	Variance %	Explanation of significant variances from budget
Municipality					
Finance & Admin/Finance	1 318 378	670 000	(648 378)	**(97)**	GRAP Implementation
Comm. & Social/Libraries and archives	30 000	30 000	-	**-**	
Public Safety/Police	325 828	400 000	74 172	**19**	Savings on projects
Water/Water Distribution	16 459 726	15 200 000	1 259 726)	**(8)**	
	18 133 932	**16 300 000**	**1 833 932)**	**(11)**	

West Coast District Municipality
Appendix F
Disclosures of Grants and Subsidies in terms of Section 123 MFMA, 56 of 2003
June 2014

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts					Quarterly Expenditure					Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act
												Yes/ No
Provincial Management Grant		340 515	-	-	-	-	40 515	-	300 000	-	-	Yes
EPWP Grant		363 000	-	300 000	300 000	300 000	461 473	-	284 096	129 183	385 563	Yes
ACIP Grant		355 634	-	-	-	-	-	355 634	-	-	-	Yes
RBIG Grant		3 375 004	-	1 114 271	568 193	1 348 058	646 842	-	378 254	1 171 382	2 355 682	Yes
FMG Grant		-	-	1 250 000	-	-	360 287	-	317 981	183 393	96 225	Yes
Greenest Mun		-	-	-	-	80 000	-	-	-	-	-	Yes
Mayor Fund		-	-	47 650	-	-	6 074	-	4 050	36 265	4 200	Yes
Premier Mandela		-	-	-	150 000	-	-	-	-	-	150 000	Yes
Financial Plan		-	-	-	-	400 000	-	-	-	-	-	Yes
MSIG		-	-	-	890 000	-	498 315	-	-	856 411	33 589	Yes
Ignite Assist		-	-	-	-	-	410	-	-	-	-	Yes
		4 434 153	-	2 711 921	1 908 193	2 128 058	2 013 916	355 634	1 284 381	2 376 634	3 025 259	