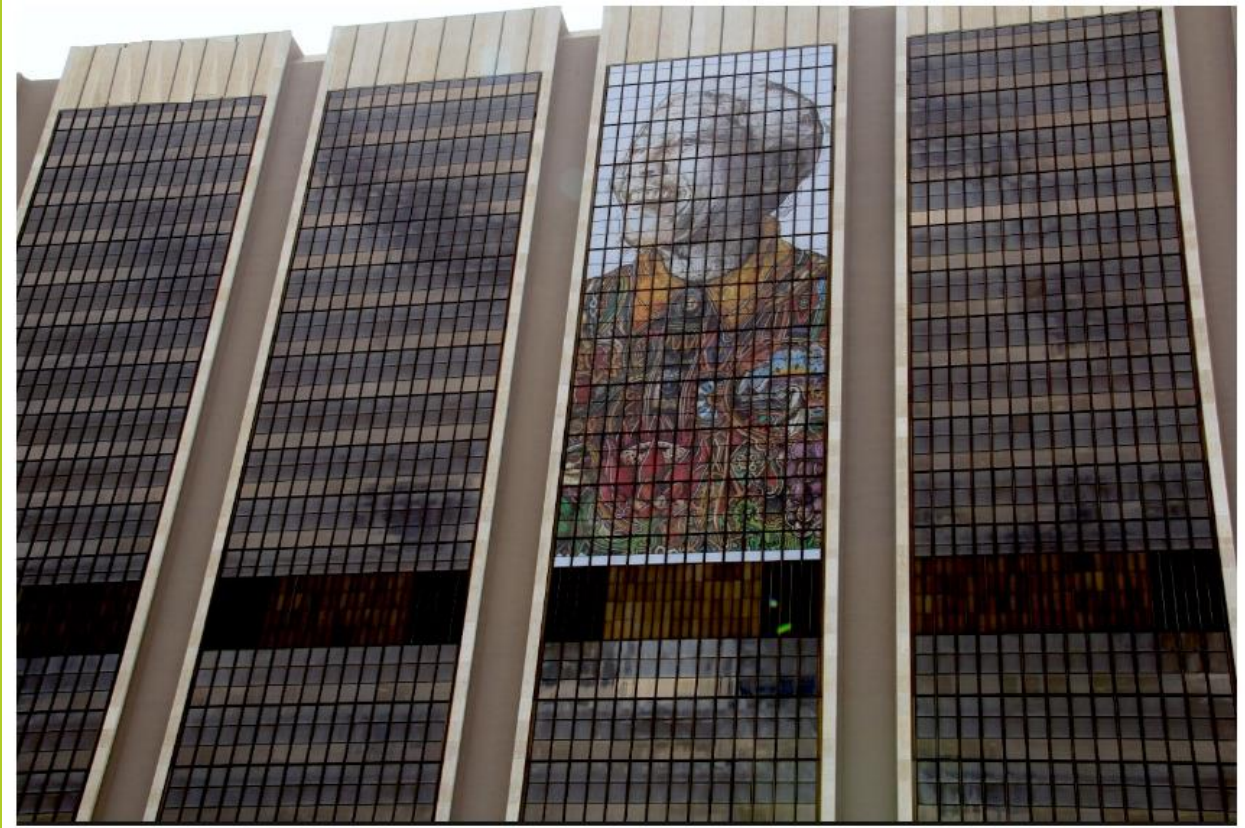


# City of Cape Town



## UNAUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

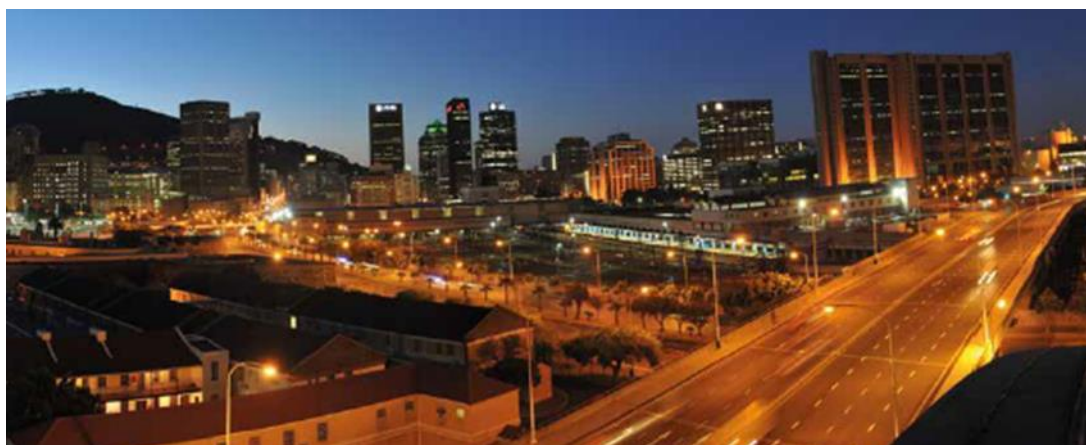


CITY OF CAPE TOWN  
ISIXEKO SASEKAPA  
STAD KAAPSTAD

Making progress possible. Together.

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## Reporting entity's mandate

The reporting entity (hereinafter 'the Entity') is a high-capacity, category A local authority established in terms of section 151 of the Constitution of the Republic of South Africa (Act 108 of 1996).

The principal activities of the Entity are to:

- provide democratic and accountable government to the local communities;
- ensure sustainable service delivery to communities;
- promote social and economic development;
- promote a safe and healthy environment; and
- encourage the involvement of communities and community organisations in the matters of local government.

The Entity's operations are governed by the Local Government: Municipal Finance Management Act (MFMA) (Act 56 of 2003), Municipal Structures Act (Act 117 of 1998), Municipal Systems Act (Act 32 of 2000) and various other acts and regulations.

**Approval of the consolidated annual financial statements**

I am responsible for the preparation of these consolidated annual financial statements for the year ended 30 June 2015, as set out on pages 11 to 87 in terms of section 126(1) of the Municipal Finance Management Act, and have accordingly signed the statements on behalf of the City.

I certify that the salaries, allowances and benefits of councillors as disclosed in note 30 to these annual financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution of the Republic of South Africa, read with the Remuneration of Public Office Bearers Act (Act 20 of 1998) and the Minister of Provincial and Local Government's determination in accordance with the Act.



**Achmat Ebrahim**  
City Manager

30 September 2015



**Executive Mayor**  
Alderman De Lille, P

**Speaker**  
Alderman Smit, JD  
**Chief Whip**  
Alderman Serritslev, AM



**Executive Deputy Mayor**  
Alderman Neilson, ID

**Members of the Mayoral Committee**

- Alderman Neilson, ID Finance
- Alderman Limberg, XT Corporate Services
- Alderman Smith, JP Safety and Security
- Alderman Walker, B Community Services and Special Projects
- Councillor Bloor, G Tourism, Events and Economic Development\*
- Councillor Herron, BN Transport for Cape Town
- Councillor Little, S Social Development and Early Childhood Development
- Councillor Mamkeli, S Health
- Councillor Sonnenberg, EJ Utility Services
- Councillor Van der Merwe, J Energy, Environmental and Spatial Planning\*\*
- Councillor Van Minnen, B Human Settlements

Previously known as:

\*Tourism, Events and Marketing

\*\* Economic, Environment and Spatial Planning

**Members of the Audit Committee**

- Harris, G Chairperson (appointed 25/03/2015)
- Fisher, S Member
- Gunther, J Member
- Roos, M Member
- Naidu, S Member
- Manjra, Z Member (contract ended 31/03/2015)

**Auditors**

The Auditor-General of South Africa  
No. 17 Park Lane Building  
Park Lane  
Century City  
7441

Private Bag X1  
Chempet  
7442

**Bankers**

ABSA Capital  
1<sup>st</sup> floor  
163 Uys Krige Street  
Platteklouf  
7500

PO Box 4110  
Tyger Valley  
7536

**Registered office**

12 Hertzog Boulevard  
Cape Town  
8001

PO Box 655  
Cape Town  
8000



**City Manager**  
Ebrahim, A



**Chief Financial Officer**  
Jacoby, K

## Council members of the City of Cape Town Councillor/Alderman

Abrahams, A	Griesel, AJ	Mangali, T	Goba, ZL
Abrahams, AN	Grose, NE	March, GW	Qually, DL
Abrahams, FL	Gwangxu, X	Marman, PI	Rass, B
Abrahams, MM	Gympies, SC	Martlow, J	Rau, R
Adams, A	Hadebe, B	Matanzima, V	Raymond, FHL
Adams, Y	Hansen, B	Matha, MS	Rossouw, SJ
Akim, WJ	Haskin, GC	Maxheke, JJ	Sakathi, T
Alexander, B	Hassiem, W	Maxiti, P	Scheepers, CJ
Amira, D	Haywood, M	Mbandezi, S	Serritslev, AM
Andrews, EP	Hebe, LA	Mbonde, ME	Sikhakhane, N
Anstey, E	Herron, BN	McBride, LVP	Siljeur, GR
Arendse, MT	Heuvel, JA	McCarthy, J	Simons, RS
Arendse, R	Heynes, PC	Mfusi, VN	Slabbert, JD
Arendse, SWP	Honono, TT	Middleton, JH	Smit, JD
August, SN	Hoon, RM	Mkutswana, MA	Smith, J
Badela, DE	Hoosain, J	Mngxunyeneni, PM	Sonnenberg, EJ
Basson, JA	Isaacs, LI	Mofoko, NM	Sono, NP
Bazier, R	Isaacs, VR	Moolman, GA	Sopaqa, MM
Beneke, R	Iversen, I	Morkel, KH	Sotashe, X
Bent, NL	Jacobs, BM	Moses, AC	Southgate, KG
Bew, CB	Jacobs, J	Moshani, NA	Taylor, MJ
Bloor, GM	Jaffer, L	Mphila, D	Thomas, CR
Brady, WE	Jaffha, WD	Mpondwana, M	Thomas, GHJ
Bredenhand, JC	Janse van Rensburg, C	Msindwana, ME	Thompson, TB
Brenner, HI	Jansen, E	Mxolose, WS	Thuynsma, J
Britz, MT	Jefferies, IK	Mzalisi, MN	Timm, G
Brunette, EN	Jordaan, C	Ndamase, T	Toko, MS
Bryant, DW	Jordaan, LD	Ndongeni, AX	Twigg, GG
Brynard, CA	Justus, CR	Ndzulwana, N	Uys, TA
Carstens, H	Kannenbergh, ACK	Neilson, ID	Van Dalen, B
Cavanagh, GV	Kempthorne, ML	Ngqame, YA	Van der Merwe, B
Cerfontein, C	Khatshwa, DM	Ngqose, NS	Van der Merwe, CG
Chapple, PH	Kleinschmidt, MRH	Ngqu, PM	Van der Merwe, JFH
Christians, DJ	Kleinsmith, ME	Nguzo, M	Van der Rheede, A
Claasen, CPV	Komeni, AL	Nieuwoudt, MJ	Van der Ross, PE
Clayton, CC	Kopman, NF	Nikelo, M	Van der Walt, ML
Coffee, DG	Krynauw, J	Nkunzana, FM	Van Minnen, BM
Crous, AC	Landingwe, NJ	Nonkeyizana, S	Van Reenen, B
D'Alton, DJ	Lategan, KH	Notana, E	Van Wyk, CHS
Davids, MM	Leputhing, CN	Nqavashe, ML	Velem, M
De Lille, P	Le Roux, B	Nqulwana, M	Venter, JD
Diamond, SP	Liell-Cock, SP	Ntotoviyane, C	Viljoen, R
Dube, AJ	Limberg, XT	Ntsodo, A	Visser, J
Dudley, DK	Little, SA	Nyakatya, NC	Vokwana, PP
Dyantyi, VD	Mabandla, M	O'Connell, RA	Vuba, ST
East, PA	Maci, L	Oliver, MJ	Walker, B
Ehrenreich, AJ	Mack, CJ	Pakela-Mapasa, XB	Watkyns, BRW
Else, D	Madikane, BC	Peter, XG	Weavers, M
Esau, CJ	Majingo, BM	Petersen, MJ	Weber, JD

**Council members of the City of Cape Town - continued**  
**Councillor/Alderman**

Fourie, A	Makanda, MN	Philander, S	Williams, A
Fourie, GD	Makasi, N	Pienaar, S	Yalezo, S
Francke, P	Makeleni, K	Pietersen, MP	Yozi, SK
Gabier, A	Makeleni, LC	Pretorius, IJ	Zondani, LG
Gabriel, PJ	Malong, BC	Pringle, SB	
Gabuza, A	Mamba, KC	Pupa, T	
Green, AM	Mamkeli, S	Purchase, F	

During the reporting period, the following councillors ceased to be political office-bearers:

Jansen Van Vuuren, M	10/08/2014
Sitonga, M	31/08/2014
Nkohla, L	30/09/2014
Mhlanga, C	06/01/2015
Burger, J	31/01/2015

	Note	Economic entity		Municipality of Cape Town	
		2015 R'000	2014 R'000	2015 R'000	2014 R'000
			Restated <sup>1</sup>		Restated <sup>1</sup>
<b>ASSETS</b>					
<b>Non-current assets</b>		<b>38 493 874</b>	<b>34 840 463</b>	<b>38 578 872</b>	<b>34 817 678</b>
Property, plant and equipment	1	33 716 758	30 750 411	33 443 104	30 538 858
Heritage assets	2	9 062	9 111	9 062	9 111
Investment property	3	589 382	190 849	589 382	190 849
Intangible assets	4	708 383	729 507	708 383	729 507
Investments	5	3 394 961	3 056 273	3 753 617	3 245 041
Long-term receivables	6	75 324	104 312	75 324	104 312
Deferred taxation	37	4	-	-	-
<b>Current assets</b>		<b>11 167 435</b>	<b>10 298 049</b>	<b>10 571 363</b>	<b>9 901 582</b>
Inventory	7	282 082	270 351	280 316	269 283
Receivables	8	4 617 194	4 308 354	4 618 497	4 309 649
Receivables from exchange transactions		3 032 457	3 064 236	3 032 457	3 064 236
Receivables from non-exchange transactions		1 584 737	1 244 118	1 586 040	1 245 413
Other receivables	9	709 239	425 014	707 217	414 535
Other receivables from exchange transactions		215 503	126 435	213 481	115 956
Other receivables from non-exchange transactions		493 736	298 579	493 736	298 579
Investments	5	1 746 347	2 621 906	1 746 347	2 621 906
Current portion of long-term receivables	6	19 838	19 650	19 838	19 650
Cash and cash equivalents	10	3 792 735	2 652 774	3 199 148	2 266 559
<b>TOTAL ASSETS</b>		<b>49 661 309</b>	<b>45 138 512</b>	<b>49 150 235</b>	<b>44 719 260</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>		<b>12 053 512</b>	<b>12 466 786</b>	<b>12 040 207</b>	<b>12 450 101</b>
Borrowings	11	6 428 804	6 680 623	6 415 499	6 666 139
Provisions	12	5 624 708	5 783 962	5 624 708	5 783 962
Deferred taxation	37	-	2 201	-	-
<b>Current liabilities</b>		<b>8 730 711</b>	<b>8 218 660</b>	<b>8 658 025</b>	<b>8 155 256</b>
Deposits	13	308 687	398 525	272 258	370 217
Provisions	14	1 130 646	1 081 799	1 127 282	1 078 550
Payables from exchange transactions	15	5 328 443	4 793 980	5 297 880	4 763 375
Unspent conditional grants and receipts	16	1 529 116	1 495 768	1 529 116	1 495 768
Value-added tax	17	85 807	79 021	85 807	79 021
Taxation		1 059	31	-	-
Current portion of borrowings	11	346 953	369 536	345 682	368 325
<b>Total liabilities</b>		<b>20 784 223</b>	<b>20 685 446</b>	<b>20 698 232</b>	<b>20 605 357</b>
<b>NET ASSETS</b>					
<b>Total net assets</b>		<b>28 877 086</b>	<b>24 453 066</b>	<b>28 452 003</b>	<b>24 113 903</b>
Housing development fund	18	396 385	468 419	396 385	468 419
Reserves	19	2 393 879	1 751 497	2 393 879	1 751 497
Accumulated surplus	20	25 788 156	21 998 203	25 661 739	21 893 987
Non-controlling interest	21	298 666	234 947	-	-
<b>TOTAL NET ASSETS AND LIABILITIES</b>		<b>49 661 309</b>	<b>45 138 512</b>	<b>49 150 235</b>	<b>44 719 260</b>

<sup>1</sup> Comparative restated: see note 46 for more details.

## Statement of financial performance for the year ended 30 June 2015

	Note	Economic entity		Municipality of Cape Town	
		2015 R'000	2014 R'000 Restated <sup>1</sup>	2015 R'000	2014 R'000 Restated <sup>1</sup>
<b>REVENUE</b>					
<b>Exchange revenue</b>					
		<b>17 146 943</b>	<b>15 603 423</b>	<b>16 785 807</b>	<b>15 300 845</b>
Service charges	22	15 374 112	14 063 470	15 197 370	13 903 680
Rental of letting stock and facilities	23	369 121	317 890	369 121	317 890
Finance income	24	705 265	594 147	672 838	581 877
Licences and permits		43 110	44 386	43 110	44 386
Agency services		168 519	150 256	168 519	150 256
Other income	25	398 948	368 368	247 040	237 850
Gains on disposal of property, plant and equipment		87 868	64 906	87 809	64 906
<b>Non-exchange revenue</b>					
		<b>14 810 215</b>	<b>12 767 071</b>	<b>14 949 231</b>	<b>12 890 079</b>
Finance income	24	68 747	71 488	68 747	71 488
City improvement districts (CIDs)	25	-	-	134 172	118 487
Property rates	26	6 013 891	5 542 203	6 018 735	5 546 774
Fuel levy		2 002 938	1 895 992	2 002 938	1 895 992
Fines		988 017	729 140	988 017	729 140
Government grants and subsidies	27	5 674 639	4 442 190	5 674 639	4 442 190
Public contributions	28	61 983	86 058	61 983	86 008
<b>Total revenue</b>		<b>31 957 158</b>	<b>28 370 494</b>	<b>31 735 038</b>	<b>28 190 924</b>
<b>EXPENDITURE</b>					
Employee-related costs	29	8 177 924	8 691 018	8 124 734	8 640 854
Remuneration of councillors	30	128 767	120 153	128 411	119 708
Impairment costs	31	1 540 214	1 327 820	1 540 200	1 328 226
Collection costs		172 518	174 129	172 518	174 129
Depreciation and amortisation expenses	32	1 925 535	1 774 683	1 900 718	1 752 270
Finance costs	33	781 262	808 782	779 929	807 283
Bulk purchases	34	7 108 843	6 591 232	7 108 843	6 591 232
Contracted services		3 684 196	3 405 865	3 576 198	3 312 529
Grants and subsidies paid	35	136 504	115 034	136 487	115 021
General expenses	36	3 888 280	3 668 467	3 925 804	3 691 021
Losses on disposal of property, plant and equipment		3 235	2 443	3 096	1 944
<b>Total expenditure</b>		<b>27 547 278</b>	<b>26 679 626</b>	<b>27 396 938</b>	<b>26 534 217</b>
<b>Surplus from operations</b>		<b>4 409 880</b>	<b>1 690 868</b>	<b>4 338 100</b>	<b>1 656 707</b>
<b>Taxation</b>	37	(18 576)	(8 487)	-	-
<b>Surplus after taxation</b>		<b>4 391 304</b>	<b>1 682 381</b>	<b>4 338 100</b>	<b>1 656 707</b>
Attributable to owners of the controlling entity		<b>4 377 457</b>	<b>1 674 368</b>		
Attributable to non-controlling interest	21	13 847	8 013		
<b>SURPLUS FOR THE YEAR</b>		<b>4 391 304</b>	<b>1 682 381</b>		

<sup>1</sup> Comparative restated: see note 46 for more details.





## Statement of change in net assets for the year ended 30 June 2015

## Economic Entity

	Housing development fund R'000	Capital replacement reserve R'000	Self-insurance reserve R'000	Accumulated surplus R'000	Non-controlling interest R'000	Total R'000
2014						
Balance as at 30 June 2013	504 356	1 281 721	511 743	20 279 133	144 658	22 721 611
Restated surplus <sup>1</sup>	-	-	-	1 674 368	8 013	1 682 381
Surplus as previously reported	-	-	-	1 677 137	-	-
Correction of error	-	-	-	(2 769)	-	-
Share purchases by non controlling interest holders	-	-	-	-	49 074	49 074
Transfer (from)/to for share purchases	-	-	-	(33 202)	33 202	-
Transfer(from)/to	(13 848)	419 180	51 761	(457 093)	-	-
Property, plant and equipment purchased	(22 089)	(512 908)	-	534 997	-	-
<b>Balance as at 30 June 2014</b>	<b>468 419</b>	<b>1 187 993</b>	<b>563 504</b>	<b>21 998 203</b>	<b>234 947</b>	<b>24 453 066</b>
2015						
Surplus for the year	-	-	-	4 377 457	13 847	4 391 304
Share purchases by non controlling interest holders	-	-	-	-	32 716	32 716
Transfer (from)/to for share purchases	-	-	-	(17 156)	17 156	-
Transfer (from)/to	(3 503)	1 122 870	(34 744)	(1 084 623)	-	-
Property, plant and equipment purchased	(68 531)	(445 744)	-	514 275	-	-
<b>Balance as at 30 June 2015</b>	<b>396 385</b>	<b>1 865 119</b>	<b>528 760</b>	<b>25 788 156</b>	<b>298 666</b>	<b>28 877 086</b>

<sup>1</sup> Comparative restated: see note 46.1 for more details.

## Municipality of Cape Town

	Housing development fund R'000	Capital replacement reserve R'000	Self-insurance reserve R'000	Accumulated surplus R'000	Total R'000
2014					
Balance as at 30 June 2013	504 356	1 281 721	511 743	20 159 376	22 457 196
Restated surplus <sup>1</sup>	-	-	-	1 656 707	1 656 707
Surplus as previously reported	-	-	-	1 659 476	-
Correction of error	-	-	-	(2 769)	-
Transfer (from)/to	(13 848)	419 180	51 761	(457 093)	-
Property, plant and equipment purchased	(22 089)	(512 908)	-	534 997	-
<b>Balance as at 30 June 2014</b>	<b>468 419</b>	<b>1 187 993</b>	<b>563 504</b>	<b>21 893 987</b>	<b>24 113 903</b>
2015					
Surplus for the year	-	-	-	4 338 100	4 338 100
Transfer (from)/to	(3 503)	1 122 870	(34 744)	(1 084 623)	-
Property, plant and equipment purchased	(68 531)	(445 744)	-	514 275	-
<b>Balance as at 30 June 2015</b>	<b>396 385</b>	<b>1 865 119</b>	<b>528 760</b>	<b>25 661 739</b>	<b>28 452 003</b>



	Economic entity		Municipality of Cape Town	
	2015 R'000	2014 R'000	2015 R'000	2014 R'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Cash receipts from ratepayers, government and other	29 013 097	26 644 178	28 815 012	26 473 343
Cash paid to suppliers and employees	(22 906 792)	(22 056 756)	(22 782 130)	(21 937 504)
Cash generated from operations	38 6 106 305	4 587 422	6 032 882	4 535 839
Finance income	767 725	741 644	735 298	729 374
Finance costs	(710 788)	(751 138)	(709 455)	(749 639)
Taxation	(19 753)	(11 871)	-	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>6 143 489</b>	<b>4 566 057</b>	<b>6 058 725</b>	<b>4 515 574</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Additions to property, plant and equipment and other	(5 338 941)	(4 544 893)	(5 251 742)	(4 502 293)
Adjustment on property, plant and equipment cost <sup>2</sup>	51 249	-	51 249	-
Proceeds on disposal of assets	91 620	71 479	91 419	71 458
Decrease/(increase) in long-term receivables	28 800	(1 751)	28 800	(1 751)
Decrease/(increase) in investments	531 837	(2 113 558)	361 949	(2 263 558)
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(4 635 435)</b>	<b>(6 588 723)</b>	<b>(4 718 325)</b>	<b>(6 696 144)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from borrowings	201	86	-	-
Repayment of borrowings	(311 172)	(346 397)	(309 852)	(345 067)
Share purchases by minority interest holders	32 716	49 074	-	-
(Decrease)/increase in deposits	(89 838)	65 237	(97 959)	62 000
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(368 093)</b>	<b>(232 000)</b>	<b>(407 811)</b>	<b>(283 067)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>39 1 139 961</b>	<b>(2 254 666)</b>	<b>932 589</b>	<b>(2 463 637)</b>
Cash and cash equivalents at the beginning of the year	2 652 774	4 907 440	2 266 559	4 730 196
<b>Cash and cash equivalents at the end of the year</b>	<b>3 792 735</b>	<b>2 652 774</b>	<b>3 199 148</b>	<b>2 266 559</b>

<sup>1</sup> Comparative restated: See note 46.1 for more details.

<sup>2</sup> See note 46.3 for more detail.



## Statement of comparison of budget and actual amounts for the year ended 30 June 2015 – Economic Entity

Note	Actuals	Approved budget	Final budget	Variance: Final budget and actual amounts	Variance
	R'000	R'000	R'000	R'000	%
<b>STATEMENT OF FINANCIAL POSITION 41.2.1</b>					
Total non-current assets	38 493 874	37 639 154	37 230 934	(1 262 940)	(3,39)
Total current assets	11 167 435	10 530 544	10 897 328	(270 107)	(2,48)
<b>Total assets</b>	<b>49 661 309</b>	<b>48 169 698</b>	<b>48 128 262</b>	<b>(1 533 047)</b>	<b>(3,19)</b>
Total non-current liabilities	12 053 512	13 001 051	13 881 057	1 827 545	13,17
Total current liabilities	8 730 711	7 321 816	7 179 861	(1 550 850)	(21,60)
<b>Total liabilities</b>	<b>20 784 223</b>	<b>20 322 867</b>	<b>21 060 918</b>	<b>276 695</b>	<b>1,31</b>
Total net assets	28 877 086	27 846 831	27 067 344	(1 809 742)	(6,69)
<b>Total net assets and liabilities</b>	<b>49 661 309</b>	<b>48 169 698</b>	<b>48 128 262</b>	<b>(1 533 047)</b>	<b>(3,19)</b>
<b>STATEMENT OF FINANCIAL PERFORMANCE 41.2.2</b>					
Service charges	15 374 112	15 436 107	15 361 434	(12 678)	(0,08)
Rental of letting stock and facilities	369 121	358 711	358 438	(10 683)	(2,98)
Finance income	774 012	501 012	493 377	(280 635)	(56,88)
Licences and permits	43 110	40 388	40 988	(2 122)	(5,18)
Agency services	168 519	150 439	153 993	(14 526)	(9,43)
Other income	398 948	349 195	349 273	(49 675)	(14,22)
Gains on disposal of property, plant and equipment	87 868	120 500	120 500	32 632	27,08
Property rates	6 013 891	5 942 513	5 964 279	(49 612)	(0,83)
Fuel levy	2 002 938	2 002 938	2 002 938	-	-
Fines	988 017	175 648	916 392	(71 625)	(7,82)
Government grants and subsidies	5 674 639	6 279 282	6 603 826	929 187	14,07
Public contributions	61 983	101 740	94 971	32 988	34,73
<b>Total revenue</b>	<b>31 957 158</b>	<b>31 458 473</b>	<b>32 460 409</b>	<b>503 251</b>	<b>1,55</b>
Employee-related costs	8 177 924	9 004 196	8 874 899	696 975	7,85
Remuneration of councillors	128 767	133 619	133 619	4 852	3,63
Impairment costs	1 540 214	950 814	1 714 815	174 601	10,18
Collection costs	172 518	201 630	186 652	14 134	7,57
Depreciation and amortisation expenses	1 925 535	2 182 398	2 019 704	94 169	4,66
Finance costs	781 262	919 247	912 405	131 143	14,37
Bulk purchases	7 108 843	7 050 011	7 086 261	(22 582)	(0,32)
Contracted services	3 684 196	4 315 432	4 043 884	359 688	8,89
Grants and subsidies paid	136 504	125 354	145 709	9 205	6,32
General expenses	3 888 280	3 956 039	4 351 203	462 923	10,64
Losses on disposal of property, plant and equipment	3 235	-	-	(3 235)	(100,00)
<b>Total expenditure</b>	<b>27 547 278</b>	<b>28 838 740</b>	<b>29 469 151</b>	<b>1 921 873</b>	<b>6,52</b>
<b>Surplus for the year</b>	<b>4 409 880</b>	<b>2 619 733</b>	<b>2 991 258</b>	<b>(1 418 622)</b>	<b>(47,43)</b>
<b>CASH FLOW STATEMENT 41.2.3</b>					
Net cash from (used) operating	6 143 489	5 618 991	5 297 911	(845 578)	(15,96)
Net cash from (used) investing	(4 635 435)	(6 478 138)	(7 101 516)	(2 466 081)	34,73
Net cash from (used) financing	(368 093)	1 224 051	1 224 443	1 592 536	130,06
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1 139 961</b>	<b>364 904</b>	<b>(579 162)</b>	<b>(1 719 123)</b>	<b>296,83</b>
<b>CAPITAL EXPENDITURE 41.2.4</b>					
City Health	20 173	21 966	20 802	629	3,02
City Manager	13 920	6 771	14 638	718	4,91
Compliance and Auxiliary Services	3 723	12 376	3 774	51	1,35
Community Services	199 711	203 711	237 145	37 434	15,79
Corporate Services	379 050	359 474	392 444	13 394	3,41
Energy, Environmental and Spatial Planning	56 216	118 119	57 859	1 643	2,84
Finance	90 673	105 509	92 389	1 716	1,86
Safety and Security	82 095	70 559	82 247	152	0,18
Social Development and Early Childhood Development	23 251	18 410	24 258	1 007	4,15
Tourism, Events and Economic Development	36 678	39 227	38 681	2 003	5,18
Transport for Cape Town	1 218 720	1 603 984	1 754 131	535 411	30,52
Human Settlements	962 099	860 855	1 071 754	109 655	10,23
Solid Waste Management	228 009	415 875	228 501	492	0,22
Water and Sanitation	984 909	1 069 211	1 048 234	63 325	6,04
Cape Town Electricity	952 515	1 305 268	1 061 363	108 848	10,26
Subsidaries	87 199	82 222	91 365	4 166	4,56
<b>Total <sup>1</sup></b>	<b>5 338 941</b>	<b>6 293 537</b>	<b>6 219 585</b>	<b>880 644</b>	<b>14,16</b>

<sup>1</sup> The actual capital expenditure amount does not include the contributed assets amount of R4,95 million. See appendix B.



## Statement of comparison of budget and actual amounts for the year ended 30 June 2015 – City of Cape Town

	Note	Actuals R'000	Approved budget R'000	Final budget R'000	Variance: Final budget and actual amounts R'000	Variance %
<b>STATEMENT OF FINANCIAL POSITION 41.2.1</b>						
Total non-current assets		38 578 872	37 639 154	37 230 934	(1 347 938)	(3,62)
Total current assets		10 571 363	10 530 544	10 897 328	325 965	2,99
<b>Total assets</b>		<b>49 150 235</b>	<b>48 169 698</b>	<b>48 128 262</b>	<b>(1 021 973)</b>	<b>(2,12)</b>
Total non-current liabilities	i	12 040 207	13 001 051	13 881 057	1 840 850	13,26
Total current liabilities	ii	8 658 025	7 321 816	7 179 861	(1 478 164)	(20,59)
<b>Total liabilities</b>		<b>20 698 232</b>	<b>20 322 867</b>	<b>21 060 918</b>	<b>362 686</b>	<b>1,72</b>
Total net assets	iii	28 452 003	27 846 831	27 067 344	(1 384 659)	(5,12)
<b>Total net assets and liabilities</b>		<b>49 150 235</b>	<b>48 169 698</b>	<b>48 128 262</b>	<b>(1 021 973)</b>	<b>(2,12)</b>
<b>STATEMENT OF FINANCIAL PERFORMANCE 41.2.2</b>						
Service charges		15 197 370	15 262 264	15 184 641	(12 729)	(0,08)
Rental of letting stock and facilities		369 121	358 711	358 438	(10 683)	(2,98)
Finance income	i	741 585	484 024	472 848	(268 737)	(56,83)
Licences and permits	ii	43 110	40 388	40 988	(2 122)	(5,18)
Agency services	iii	168 519	150 439	153 993	(14 526)	(9,43)
Other income	iv	381 212	335 390	335 468	(45 744)	(13,64)
Gains on disposal of property, plant and equipment	v	87 809	120 500	120 500	32 691	27,13
Property rates		6 018 735	5 942 513	5 964 279	(54 456)	(0,91)
Fuel levy		2 002 938	2 002 938	2 002 938	-	-
Fines	vi	988 017	175 648	916 392	(71 625)	(7,82)
Government grants and subsidies	vii	5 674 639	6 279 282	6 603 826	929 187	14,07
Public contributions	viii	61 983	101 740	94 971	32 988	34,73
<b>Total revenue</b>		<b>31 735 038</b>	<b>31 253 837</b>	<b>32 249 282</b>	<b>514 244</b>	<b>1,59</b>
Employee-related costs	i	8 124 734	8 940 483	8 808 138	683 404	7,76
Remuneration of councillors		128 411	133 619	133 619	5 208	3,90
Impairment costs	ii	1 540 200	950 533	1 714 534	174 334	10,17
Collection costs	iii	172 518	201 630	186 652	14 134	7,57
Depreciation and amortisation expenses		1 900 718	2 154 335	1 991 641	90 923	4,57
Finance costs	iv	779 929	919 232	912 390	132 461	14,52
Bulk purchases		7 108 843	7 050 011	7 086 261	(22 582)	(0,32)
Contracted services	v	3 576 198	4 205 198	3 933 510	357 312	9,08
Grants and subsidies paid	vi	136 487	125 354	145 709	9 222	6,33
General expenses	vii	3 925 804	3 974 974	4 368 161	442 357	10,13
Losses on disposal of property, plant and equipment	viii	3 096	-	-	(3 096)	(100,00)
<b>Total expenditure</b>		<b>27 396 938</b>	<b>28 655 369</b>	<b>29 280 615</b>	<b>1 883 677</b>	<b>6,43</b>
<b>Surplus for the year</b>		<b>4 338 100</b>	<b>2 598 468</b>	<b>2 968 667</b>	<b>(1 369 433)</b>	<b>(46,13)</b>
<b>CASH FLOW STATEMENT 41.2.3</b>						
Net cash from (used) operating	i	6 058 725	5 618 991	5 297 911	(760 814)	(14,36)
Net cash from (used) investing	ii	(4 718 325)	(6 478 138)	(7 101 516)	(2 383 191)	33,56
Net cash from (used) financing	iii	(407 811)	1 224 051	1 224 443	1 632 254	133,31
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>932 589</b>	<b>364 904</b>	<b>(579 162)</b>	<b>(1 511 751)</b>	<b>261,02</b>
<b>CAPITAL EXPENDITURE 41.2.4</b>						
City Health		20 173	21 966	20 802	629	3,02
City Manager		13 920	6 771	14 638	718	4,91
Compliance and Auxiliary Services		3 723	12 376	3 774	51	1,35
Community Services	i	199 711	203 711	237 145	37 434	15,79
Corporate Services		379 050	359 474	392 444	13 394	3,41
Energy, Environmental and Spatial Planning		56 216	118 119	57 859	1 643	2,84
Finance		90 673	105 509	92 389	1 716	1,86
Safety and Security		82 095	70 559	82 247	152	0,18
Social Development and Early Childhood Development		23 251	18 410	24 258	1 007	4,15
Tourism, Events and Economic Development	ii	36 678	39 227	38 681	2 003	5,18
Transport for Cape Town	iii	1 218 720	1 603 984	1 754 131	535 411	30,52
Human Settlements	iv	962 099	860 855	1 071 754	109 655	10,23
Solid Waste Management		228 009	415 875	228 501	492	0,22
Water and Sanitation	v	984 909	1 069 211	1 048 234	63 325	6,04
Cape Town Electricity	vi	952 515	1 305 268	1 061 363	108 848	10,26
<b>Total <sup>1</sup></b>		<b>5 251 742</b>	<b>6 211 315</b>	<b>6 128 220</b>	<b>876 478</b>	<b>14,30</b>

<sup>1</sup> The actual capital expenditure amount does not include the contributed assets amount of R4,95 million. See appendix B.



## ACCOUNTING POLICY

### GENERAL INFORMATION

The address of the economic entity's registered office and principal place of business is disclosed under "General information", while the Entity's principal activities are described under 'Reporting entity's mandate' on page 1 of these annual consolidated financial statements.

### SIGNIFICANT ACCOUNTING POLICIES

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

#### Basis of presentation

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

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

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

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

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

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

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

- **Impairment of receivables**

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

- **Impairment of property, plant and equipment**

The calculation in respect of the impairment of property, plant and equipment is based on an assessment of the extent to which the recoverable amount of the asset has declined below the carrying amount. This was performed across all classes of property, plant and equipment.

- **Provisions and contingent liabilities**

Management's judgement is required when recognising and measuring provisions, as well as when measuring contingent liabilities, as set out in notes 12 and 48 respectively. Provisions are discounted where the effect of discounting is material, using actuarial valuations.

- **Useful lives of property, plant and equipment**

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

- **Budget information**

Variances between budget and actual amounts are regarded as material when a 5% variance exists. All material differences are explained in the notes to the annual financial statements.

- **Cash-generating assets**

The City is not a profit-oriented entity as its primary objective is service delivery. Tariffs and charges are cost reflective to ensure continued financial sustainability. No profit element is included in the determination of a tariff.

As such, management has determined that the City does not control assets that meet the definition of cash-generating assets, and that the GRAP standard for the impairment of non-cash-generating assets will apply to all assets of the City.

### Adoption of new and revised standards

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

The Entity has not adopted any GRAP standard that is not yet effective, but has based its accounting policies on such standards, except for GRAP 18. Effective dates have been given for some of the standards, while for others no effective dates have yet been determined. At the date of submission of these financial statements for the year ended 30 June 2015, the following standards had been issued but were not yet effective:

- **Annual periods commencing on or after 1 April 2015:**

- GRAP 105 - Transfers of functions between entities under common control
- GRAP 106 - Transfers of functions between entities not under common control
- GRAP 107 - Mergers

- **No effective dates provided yet:**

- GRAP 18 - Segment reporting
- GRAP 20 - Related-party disclosures (revised)
- GRAP 32 - Service concession arrangements: Grantor
- GRAP 108 - Statutory receivables
- IGRAP 17 - Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset

All the above standards, where applicable, will be complied with in the financial statements once the standards take effect. Preliminary investigations indicated that, other than additional disclosure, the impact of the standards on the financial statements will be minimal.

### CONSOLIDATION

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

#### Subsidiaries

Subsidiaries are entities controlled by the Entity. The existence and effect of potential voting rights that are currently exercisable or convertible without restriction are considered when assessing whether the Entity controls another entity. Subsidiaries are consolidated from the date that effective control is transferred to the Entity, and are no longer consolidated from the date that effective control ceases.

For certain entities, the Entity has entered into contractual arrangements that afford the Entity power to exercise control over the operations of such entities. Because the City controls such entities in this manner, they are considered to be subsidiaries and are therefore consolidated in the annual financial statements.

All intergroup transactions, balances and unrealised gains and losses are eliminated as part of the consolidated process. The interests of non-controlling shareholders in the consolidated equity and results of the group are shown separately in the consolidated statement of financial position and statement of financial performance respectively. Losses applicable to the non-controlling interest in a subsidiary are allocated to the non-controlling interest, even if doing so causes the non-controlling interest to have a deficit balance. Investments in subsidiaries are stated at cost less impairment losses in the separate financial statements of the Entity with inter group investments eliminated on consolidation.

### HOUSING FUNDS

The housing development fund was established in terms of the Housing Act (Act 107 of 1997).

#### Housing development fund

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

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

#### Unrealised housing proceeds

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

**RESERVES**

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

**Capital replacement reserve (CRR)**

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

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

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

**Insurance reserve**

- **Self-insurance reserve**

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

Reinsurance premiums paid to external reinsurers are regarded as an expense, and are shown as such in the statement of financial performance. The net surplus/deficit on the insurance operating account is transferred to or from the insurance reserve via the statement of changes in net assets.

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

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

The Entity has been exempted from making contributions to the Compensation Commissioner for occupational injuries and diseases in terms of section 84 of the COID Act (Act 130 of 1993).

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

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

**PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses. Where property, plant and equipment are acquired through non-exchange transactions, the cost is deemed to be the item's fair value on the date of acquisition.

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

The Entity maintains and acquires assets to provide a social service to the community, with no intention of disposing of the assets for any economic gain.

The gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value, and is recognised in the statement of financial performance.

**Depreciation rates**

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

	Years		Years
<b>Infrastructure</b>		<b>Other</b>	
Roads and paving	10-50	Buildings	2-50
Electricity	15-50	Other vehicles	4-15
Water	15-30	Office equipment	2-10
Sewerage	15-20	Watercraft	5
Telecommunications	10-30	Bins and containers	5
		Landfill sites	30
<b>Housing</b>	30	Specialised vehicles	8-20
		Library books	1
<b>Community</b>		Furniture and fitting	2-15
Recreational facilities	20-30	Central processing units	4
Security	5-10	Plant and equipment	2-12
		Service concession	10-30

Assets under construction are carried at cost. Depreciation of an asset commences when the asset is ready for its use as intended by management. Freehold land is not depreciable as it has an indefinite useful life. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where appropriate, the term of the relevant lease, and are recognised in the statement of financial performance.

**HERITAGE ASSETS**

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

Heritage assets are stated at cost, less accumulated impairment losses. Where a heritage asset is acquired through a non-exchange transaction, its cost is deemed to be its fair value as at the date of acquisition.

Transfers to heritage assets are made only when the asset meets the definition of a heritage asset and transfers from heritage assets are made only when the asset no longer meets the definition of a heritage asset. Transfers to and from heritage assets are done at the carrying amount of the assets transferred, at the date of transfer.

The gain or loss arising from the disposal or retirement of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying value and is recognised in the statement of financial performance. Heritage assets are not depreciated, since their long economic life and high residual value mean that any depreciation would be immaterial.

**INVESTMENT PROPERTIES**

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

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses. Where investment properties are acquired through non-exchange transactions, the cost is deemed to be the item's fair value on the date of acquisition.

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

An investment property is derecognised upon disposal or when it is permanently withdrawn from use, and when no future economic benefits or service potential are expected from its disposal. Any gain or loss arising from the retirement or disposal is recognised in the statement of financial performance.

Direct income and expenses arising from investment property are disclosed as part of general income and expenses, and are thus not disclosed separately, as they are not material.

**INTANGIBLE ASSETS**

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

Intangible assets are stated at cost, less accumulated depreciation and accumulated impairment losses. Where intangible assets are acquired through non-exchange transactions, the cost is deemed to be the item's fair value on the date of acquisition.

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



**Amortisation rates**

Intangible assets are amortised on the straight-line basis over the useful lives of the assets. The residual value, amortisation method and useful life, if not insignificant, are reassessed annually, with the effect of any changes in estimate accounted for on a prospective basis.

The amortised rates are based on the following estimated useful lives:

	Years
Acquisition of rights	8
Computer software	5-10

**IMPAIRMENT OF NON-CASH-GENERATING ASSETS**

All City of Cape Town assets are classified as non-cash-generating assets.

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

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

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

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

If the recoverable service amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. An impairment loss is recognised immediately in surplus or deficit.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable service amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

**IMPAIRMENT OF CASH-GENERATING ASSETS**

Cash-generating assets are those assets held by the Cape Town International Convention Centre (Pty) Ltd (CTICC) with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by the profit-orientated CTICC, 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).

The 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 flows from continuing use, which are largely independent of the cash inflows from other assets or groups of assets.

The 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 the arm's length transaction between knowledgeable, willing parties, less costs of disposal.

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

Useful life is either:

- the period of time over which an asset is expected to be used by the CTICC; or
- the number of production or similar units expected to be obtained from the assets by the CTICC.

Criteria developed by the CTICC to distinguish cash-generating assets from non-cash-generating assets are as follows:

#### Identification

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

The CTICC assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the CTICC estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the CTICC also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

#### Value-in-use

The value-in-use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value-in-use of an asset, the CTICC estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal, and applies the appropriate discount rate to those future cash flows.

#### Composition of estimates of future cash flows

Estimates of future cash flows include:

- projections of cash inflows from the continuing use of the asset;
- projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use), which can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; and
- net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.

Estimates of future cash flow exclude:

- cash inflows or outflows from financing activities; and
- income tax receipts or payments.

The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the CTICC expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

#### Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

#### Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a re-valued cash-generating asset is treated as a revaluation decrease. When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the CTICC recognises a liability only to the extent that is a requirement in the standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

## CASH AND CASH EQUIVALENTS

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

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any bank overdrafts.

## INVENTORIES

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

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

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

**VALUE-ADDED TAX**

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

**GRANTS AND RECEIPTS**

Grants, transfers and donations received or receivable are recognised as assets when the resources that have been transferred to the Entity, meet the definition and criteria for recognition as assets.

A corresponding liability is recognised to the extent that the grant, transfer or donation recognised as an asset is subject to conditions that require that the Entity either consumes the future economic benefits or service potential of the asset as specified, or that in the event that the conditions are breached, the Entity returns such future economic benefits or service potential to the transferor. The liability is transferred to revenue when the conditions attached to the grants, transfers or donations, are met. Grants, transfers or donations that are not subject to any conditions are recognised as revenue when the assets are initially recognised.

Interest earned on the investment of grants, transfers and donations received is treated in accordance with the stipulations set out in the agreement for the receipt of the grant, transfer or donation invested or where management decided that interest must be capitalised. Where interest applies, it is included in the opening and closing balances.

**PROVISIONS**

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

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

**ENVIRONMENTAL REHABILITATION PROVISIONS**

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

The provision for rehabilitation is recognised as and when the environmental liability arises. In so far as the obligations relate to assets, they are capitalised as part of the cost of those assets. Any unwinding of discount is charged to the statement of financial performance. The discount rate has not been risk-adjusted.

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

The Entity provides retirement benefits for its employees and councillors. Retirement benefits consist of defined-contribution plans and defined-benefit plans.

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

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

**Post-retirement pension funds**

Pensions paid to employees who had not been members of any of the official pension funds and who are entitled to a revenue pension, are recognised as an expense when incurred. Such pension payments are funded from a staff provident fund maintained for this purpose. Entitlement to these ex-gratia pension payments is subject to compliance with an acceptable pre-condition for non-membership of any of the pension funds associated with the Entity.

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

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

Actuarial gains or losses are fully accounted for in the statement of financial performance in the year during which they occur.

**Medical aid: Continued members**

The Entity provides post-retirement benefits by subsidising the medical aid contributions of certain retired staff. According to the rules of the medical aid funds with which the Entity is associated, a member on retirement is entitled to remain a continued member of such medical aid fund, and the Entity will continue to subsidise medical contributions in accordance with the provisions of the employee's employment contract and the Entity's decision on protected rights.

Post-retirement medical contributions paid by the Entity, depending on the employee's contract, could be 60%, 70% or a subsidy indicated on a sliding scale. In each case, the employee is responsible for the balance of post-retirement medical contributions. External appointments after 15 December 2000 do not qualify for a post-retirement medical aid subsidy.

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

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

Actuarial gains or losses are fully accounted for in the statement of financial performance in the year during which they occur. The projected unit credit method has been used to value the obligation.

**Short-term and long-term employee benefits**

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

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

**REVENUE RECOGNITION**

Revenue is recognised net of indirect taxes, rebates and trade discounts, and consists primarily of rates, grants from National and Provincial Government, service charges, rentals, interest received and other services rendered. Revenue is recognised when it is probable that future economic benefits or services potential will flow to the Entity, and when these benefits can be reliably measured. Revenue arising from the application of the approved tariff charges is recognised when the relevant service is rendered, by applying the relevant authorised tariff. This includes the issuing of licences and permits. For the subsidiary Cape Town International Convention Centre (Pty) Ltd (CTICC), revenue comprises the invoiced value of goods and service sales net of value-added tax, rebates and all discounts.

**Revenue from exchange transactions**

Service charges relating to solid waste, sanitation and sewerage are levied in terms of the approved tariffs.

Service charges relating to electricity and water are based on consumption. Meters are read on a periodic basis, and revenue is recognised providing that the benefits can be measured reliably. Estimates of consumption are made every other month based on consumption history. Such estimated consumption is recognised as income when invoiced, and adjusted every following month that the meter is read. An accrual on the basis of a determined consumption factor is made for consumption not measured as at the end of the financial year.

Services provided on a prepayment basis are recognised at the point of sale. An adjustment for an unutilised portion is made at year-end, based on the average consumption history.

Income in respect of housing rental and instalment sale agreements is accrued monthly.

Interest earned on investments is recognised in the statement of financial performance on a time-proportionate basis, which takes into account the effective yield on the investment. Interest may be transferred from the accumulated surplus to the housing development fund or the insurance reserve.

Interest earned on the following investments is not recognised in the statement of financial performance:

- Interest earned on trust funds is allocated directly to the fund.
- Interest earned on unutilised conditional grants is allocated directly to the creditor "Unutilised conditional grants" if the grant conditions or where management made such a determination to indicate that interest is payable to the funder.

Dividends are recognised when the Entity's right to receive payment is established.

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents is earned. The income is recognised in terms of the agency agreement.

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The Entity has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The Entity retains neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.
- The amount of revenue can be reliably measured.
- The costs incurred or to be incurred in respect of the transaction can be reliably measured.
- Prepaid electricity sold is only recognised as income once the related units are consumed.

**Revenue from non-exchange transactions**

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

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

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when the fine is issued.

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

Income from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the MFMA (Act 56 of 2003), and is recognised upon the recovery thereof from the responsible party.

**LEASES****The Entity as lessee**

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

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

Currently, the Entity has no finance lease agreements.

**The Entity as lessor**

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. The subsidiary CTICC accounts for rental received from such leases as a percentage of turnover, and recognises it as it accrues.

**GRANTS-IN-AID**

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

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

These transfers are recognised in the statement of financial performance as expenses in the period during which the events giving rise to the transfer occurred.

**FINANCIAL INSTRUMENTS**

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

**Financial assets**

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

**• Investments at fair value**

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

**• Investments at amortised cost**

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

**• Investments at cost**

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

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

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

**Financial liabilities**

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

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

**PAYABLES**

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

**RECEIVABLES**

Receivables are recognised initially at fair value, which approximates amortised cost less provision for impairment. Bad debts are written off in the year during which they are identified as irrecoverable, subject to the approval by the appropriate delegated authority. Amounts receivable within 12 months from the date of reporting are classified as current.

A provision for impairment of receivables is established when there is objective evidence that the Entity will not be able to collect all amounts due according to the original terms of receivables.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Interest is charged on overdue amounts. An estimate is made for doubtful debt based on past default experience of all outstanding amounts at year-end.

**UNAUTHORISED EXPENDITURE**

Unauthorised expenditure is expenditure that has not been budgeted for; expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state, or expenditure in the form of a grant that is not permitted in terms of the MFMA (Act 56 of 2003).

Unauthorised expenditure is accounted for in the financial statements and, where recovered, is subsequently accounted for as revenue in the same statement.

**IRREGULAR EXPENDITURE**

Irregular expenditure is expenditure that is contrary to the MFMA (Act 56 of 2003), Municipal Systems Act (Act 32 of 2000), and Remuneration of Public Office Bearers Act (Act 20 of 1998), or that is in contravention of the municipality's supply chain management policy.

Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted in the financial statements and, where recovered, is subsequently accounted for as revenue.

**FRUITLESS AND WASTEFUL EXPENDITURE**

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

**FOREIGN-CURRENCY TRANSACTIONS**

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

**BUDGET INFORMATION**

The annual budget figures have been prepared in accordance with the GRAP standards on an accrual basis, and are consistent with the accounting policies adopted by Council for the preparation of these financial statements.

The approved budgets covers the fiscal period from 1 July 2014 to 30 June 2015. The amounts are scheduled as a separate additional financial statement, called the statement of comparison of budget and actual amounts. Explanatory comments on material differences are provided in the notes to the annual financial statements.

The annual budget figures accounted for in the financial statements are for the Entity and all municipal entities as listed in note 49.1. These figures are those approved by Council both at the beginning and during the year, following a period of consultation with the public as part of the Integrated Development Plan (IDP) process.

**OFFSETTING**

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

**BORROWING COSTS**

Borrowing costs that are incurred by the Entity are expensed in the statement of financial performance in the period during which they are incurred, regardless of how the borrowings are applied.

**SERVICES IN KIND**

The Entity does not recognise services in kind as revenue or assets, but separately discloses the nature and type of major classes of services in kind as a note to the financial statements.

**COMPARATIVE INFORMATION**

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

**RELATED PARTIES**

The Entity regards a related party as a person or an entity with the ability to control individual or jointly, or exercise significant influence over the Entity, or vice versa.

Management is regarded as a related party, and comprises the councillors, Executive Mayor, Mayoral Committee members, City Manager, Deputy City Manager and executive directors.



## 1. PROPERTY, PLANT AND EQUIPMENT

	Economic entity						Carrying value R'000
	Opening balance	Transfers/ adjustments	Additions	Disposals	Depreciation	Impairment	
	R'000	R'000	R'000	R'000	R'000	R'000	
<b>As at 30 June 2015</b>							
Land and buildings	2 130 964	70 176	62 112	(46)	(50 116)	(9 931)	2 203 159
Infrastructure	16 829 950	(170 918)	3 139 878	-	(795 832)	-	19 003 078
Community	6 279 252	56 825	285 534	-	(312 440)	(291)	6 308 880
Other	3 258 718	(461 056)	993 351	(5 690)	(508 328)	(6 194)	3 270 801
Service concession	878 412	150 892	257 956	-	(93 282)	-	1 193 978
Housing rental stock	1 373 115	273 347	162 955	(1 242)	(71 313)	-	1 736 862
<b>TOTAL</b>	<b>30 750 411</b>	<b>(80 734)</b>	<b>4 901 786</b>	<b>(6 978)</b>	<b>(1 831 311)</b>	<b>(16 416)</b>	<b>33 716 758</b>

(See Appendix B for more details)

<b>As at 30 June 2014</b>							
Land and buildings	1 844 695	164 821	232 396	(1 366)	(44 334)	(65 248)	2 130 964
Infrastructure	15 066 383	(397 950)	2 842 989	-	(681 472)	-	16 829 950
Community	6 043 963	224 568	296 944	-	(286 223)	-	6 279 252
Other	4 019 897	(1 101 072)	931 969	(3 947)	(588 053)	(76)	3 258 718
Service concession	-	878 098	73 670	-	(73 356)	-	878 412
Housing rental stock	1 017 667	227 456	177 573	(643)	(48 938)	-	1 373 115
<b>TOTAL</b>	<b>27 992 605</b>	<b>(4 079)</b>	<b>4 555 541</b>	<b>(5 956)</b>	<b>(1 722 376)</b>	<b>(65 324)</b>	<b>30 750 411</b>

## Municipality of Cape Town

	Opening balance	Transfers/ adjustments	Additions	Disposals	Depreciation	Impairment	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	<b>As at 30 June 2015</b>						
Land and buildings	1 997 599	70 176	46 023	-	(36 020)	(9 931)	2 067 847
Infrastructure	16 829 950	(170 918)	3 139 878	-	(795 832)	-	19 003 078
Community	6 279 252	56 825	285 534	-	(312 440)	(291)	6 308 880
Other	3 180 530	(461 058)	922 241	(5 453)	(497 607)	(6 194)	3 132 459
Service concession	878 412	150 892	257 956	-	(93 282)	-	1 193 978
Housing rental stock	1 373 115	273 347	162 955	(1 242)	(71 313)	-	1 736 862
<b>TOTAL</b>	<b>30 538 858</b>	<b>(80 736)</b>	<b>4 814 587</b>	<b>(6 695)</b>	<b>(1 806 494)</b>	<b>(16 416)</b>	<b>33 443 104</b>

(See Appendix B for more details)

<b>As at 30 June 2014</b>							
Land and buildings	1 709 798	164 832	220 500	(891)	(31 392)	(65 248)	1 997 599
Infrastructure	15 066 383	(397 950)	2 842 989	-	(681 472)	-	16 829 950
Community	6 043 963	224 568	296 944	-	(286 223)	-	6 279 252
Other	3 962 959	(1 101 072)	901 215	(3 913)	(578 583)	(76)	3 180 530
Service concession	-	878 098	73 670	-	(73 356)	-	878 412
Housing rental stock	1 017 667	227 456	177 573	(643)	(48 938)	-	1 373 115
<b>TOTAL</b>	<b>27 800 770</b>	<b>(4 068)</b>	<b>4 512 891</b>	<b>(5 447)</b>	<b>(1 699 964)</b>	<b>(65 324)</b>	<b>30 538 858</b>

Provision has been made for the estimated cost of rehabilitating waste sites, included in other assets, as described in note 12.

The Entity is required to measure the residual value of all items of property, plant and equipment. Management has determined that none of its infrastructural assets has any active market value, and the value of the amount at the end of their lives would therefore be nil or insignificant. During the financial year under review, the Entity reviewed the estimated useful lives and residual values of property, plant and equipment, where appropriate (see note 46.3).

Fully depreciated assets at an original cost of R655,34 million (2014: R669,82 million) are still in use.

The value-in-use of impaired land is based on an estimate of the percentage of that land that will generate future cash flows or value-in-use. The recoverable amount of impaired assets is R7,12 million (2014: R21,20 million). Impairment losses arise mainly from land purchases that are earmarked for low-cost housing, where the cost of land will not be recovered.

Provision has been made for the integrated rapid transit (IRT) taxi association compensation, as described in note 14.





During the 2014 financial year, the City entered into long-term agreements with three operators to run a high-quality bus-based urban transit or IRT system known as MyCiTi. In terms of these agreements, the City has made available to the operators busses (and related depots) purchased by the City for the purposes of rendering the MyCiTi services. The agreements are for an initial period of 12 years, after which a new tender process will be followed. In terms of the agreements, the City has full control over the nature, timing and extent of the services that the operators have to perform, and the fees for the services rendered are determined as per the operator-specific schedules and annexes that form part of the signed agreements.

#### Impairment consideration for cash-generating assets - CTICC

In line with the Entity's accounting policy for property, plant and equipment and the GRAP Standard for the impairment of assets, non-current assets were assessed during the period for possible indicators of impairment.

Management has confirmed the following:

#### Cash-generating units

Escalators  
Elevators  
Cold rooms  
Air-conditioning system  
Auditorium seating  
Building  
Kitchen and catering

#### TOTAL

	2015 R'000	2014 R'000
Escalators	2 061	2 354
Elevators	2 234	2 790
Cold rooms	953	1 082
Air-conditioning system	12 022	13 140
Auditorium seating	204	661
Building	100 902	94 551
Kitchen and catering	4 695	4 551
<b>TOTAL</b>	<b>123 071</b>	<b>119 129</b>

- The main purpose of establishing the centre was to generate spin-off returns for the region.
- Due to the restrictions imposed on the use of the facility and site, no active market exists within which the value of the centre can be determined through an arm's length transaction between a willing buyer and a willing seller and, as such, the value-in-use of the centre has been used to determine whether the building's carrying value may not be recoverable.
- Since inception, all initial targets for the region (spin-offs) and the operation of the Convention Centre have consistently been exceeded and are forecast to maintain this level of performance for the foreseeable future.
- Despite this, the value-in-use of the centre can only be attributed to the present value of the future cash flows generated within the centre itself, and excludes any value it generates for other entities or business sectors.
- No value could be attached to the centre at the end of its useful life due to its disposal being highly unlikely, with no reliable basis for measuring the disposal value.
- A discount rate of 13,7% (2014: 13,9%) was used, which was calculated using the risk-free rate of the R186 of 8,3%, adjusted by 5,4% for uncertainty regarding the timing and extent of certain of the cash flows.

Based on the calculation of value-in-use, the fair value of R123,9 million was determined. The current carrying value of R123 million was established for the building at date of calculation. This has resulted in a nil reversal of impairment.

## 2. HERITAGE ASSETS

	Economic entity				Carrying value R'000
	Opening balance R'000	Transfers/ adjustments R'000	Additions R'000	Disposals R'000	
<b>As at 30 June 2015</b>					
Assets under construction	-	-	-	-	-
Paintings and museum items	9 111	(38)	-	(11)	9 062
<b>TOTAL</b>	<b>9 111</b>	<b>(38)</b>	<b>-</b>	<b>(11)</b>	<b>9 062</b>
(See Appendix B for more details)					
<b>As at 30 June 2014</b>					
Assets under construction	330	(330)	-	-	-
Paintings and museum items	9 081	-	37	(7)	9 111
<b>TOTAL</b>	<b>9 411</b>	<b>(330)</b>	<b>37</b>	<b>(7)</b>	<b>9 111</b>



## Municipality of Cape Town

	Opening balance	Transfers/ adjustments	Additions	Disposals	Carrying value
	R'000	R'000	R'000	R'000	R'000
<b>As at 30 June 2015</b>					
Assets under construction	-	-	-	-	-
Paintings and museum items	9 111	(38)	-	(11)	9 062
<b>TOTAL</b>	<b>9 111</b>	<b>(38)</b>	<b>-</b>	<b>(11)</b>	<b>9 062</b>

(See Appendix B for more details)

**As at 30 June 2014**

Assets under construction	330	(330)	-	-	-
Paintings and museum items	9 081	-	37	(7)	9 111
<b>TOTAL</b>	<b>9 411</b>	<b>(330)</b>	<b>37</b>	<b>(7)</b>	<b>9 111</b>

Heritage assets are held at cost, as it is impractical to determine their fair value.

**3. INVESTMENT PROPERTY**

## Economic entity

	Opening balance	Transfers/ adjustments	Additions	Depreciation	Carrying value
	R'000	R'000	R'000	R'000	R'000
<b>As at 30 June 2015</b>					
Vacant land	148 574	-	400 175	-	548 749
Land and buildings	42 275	(1)	-	(1 641)	40 633
<b>TOTAL</b>	<b>190 849</b>	<b>(1)</b>	<b>400 175</b>	<b>(1 641)</b>	<b>589 382</b>

(See Appendix B for more details)

**As at 30 June 2014**

Vacant land	148 574	-	-	-	148 574
Land and buildings	43 371	545	-	(1 641)	42 275
<b>TOTAL</b>	<b>191 945</b>	<b>545</b>	<b>-</b>	<b>(1 641)</b>	<b>190 849</b>

## Municipality of Cape Town

	Opening balance	Transfers/ adjustments	Additions	Depreciation	Carrying value
	R'000	R'000	R'000	R'000	R'000
<b>As at 30 June 2015</b>					
Vacant land	148 574	-	400 175	-	548 749
Land and buildings	42 275	(1)	-	(1 641)	40 633
<b>TOTAL</b>	<b>190 849</b>	<b>(1)</b>	<b>400 175</b>	<b>(1 641)</b>	<b>589 382</b>

(See Appendix B for more details)

**As at 30 June 2014**

Vacant land	148 574	-	-	-	148 574
Land and buildings	43 371	545	-	(1 641)	42 275
<b>TOTAL</b>	<b>191 945</b>	<b>545</b>	<b>-</b>	<b>(1 641)</b>	<b>190 849</b>



## 4. INTANGIBLE ASSETS

	Economic entity				Carrying value R'000
	Opening balance	Transfers/ adjustments	Additions	Amortisation	
	R'000	R'000	R'000	R'000	
<b>As at 30 June 2015</b>					
Assets under construction	216 720	(85 951)	-	-	130 769
Acquisition of rights	394 370	85 951	-	(58 905)	421 416
Computer software	118 417	29 526	41 933	(33 678)	156 198
<b>TOTAL</b>	<b>729 507</b>	<b>29 526</b>	<b>41 933</b>	<b>(92 583)</b>	<b>708 383</b>

(See Appendix B for more details)

**As at 30 June 2014**

Assets under construction	631 109	(414 389)	-	-	216 720
Acquisition of rights	-	414 389	-	(20 019)	394 370
Computer software	125 500	811	22 752	(30 646)	118 417
<b>TOTAL</b>	<b>756 609</b>	<b>811</b>	<b>22 752</b>	<b>(50 665)</b>	<b>729 507</b>

## Municipality of Cape Town

	Municipality of Cape Town				Carrying value R'000
	Opening balance	Transfers/ adjustments	Additions	Amortisation	
	R'000	R'000	R'000	R'000	
<b>As at 30 June 2015</b>					
Assets under construction	216 720	(85 951)	-	-	130 769
Acquisition of rights	394 370	85 951	-	(58 905)	421 416
Computer software	118 417	29 526	41 933	(33 678)	156 198
<b>TOTAL</b>	<b>729 507</b>	<b>29 526</b>	<b>41 933</b>	<b>(92 583)</b>	<b>708 383</b>

(See Appendix B for more details)

**As at 30 June 2014**

Assets under construction	631 109	(414 389)	-	-	216 720
Acquisition of rights	-	414 389	-	(20 019)	394 370
Computer software	125 500	811	22 752	(30 646)	118 417
<b>TOTAL</b>	<b>756 609</b>	<b>811</b>	<b>22 752</b>	<b>(50 665)</b>	<b>729 507</b>

## 5. INVESTMENTS

	Economic entity			Total R'000
	Amortised cost	Fair value	Cost	
	R'000	R'000	R'000	
<b>As at 30 June 2015</b>				
RSA Government stock	76 655	-	-	76 655
Sinking-fund deposits – see note 11 and 40	1 788 233	-	-	1 788 233
Other financial instruments	-	110	-	110
Other fixed deposits	2 391 321	-	-	2 391 321
Deposits held with fund managers	-	4 491 371	-	4 491 371
	4 256 209	4 491 481	-	8 747 690
Provision for impairment	(5 319)	-	-	(5 319)
<b>Net investments</b>	4 250 890	4 491 481	-	8 742 371
Current portion transferred to short-term investments	-	(1 746 347)	-	(1 746 347)
Current portion transferred to cash and cash equivalents – see note 10	(2 387 029)	(1 214 034)	-	(3 601 063)
<b>TOTAL</b>	<b>1 863 861</b>	<b>1 531 100</b>	<b>-</b>	<b>3 394 961</b>

**Investments detailed as follows:**

Balance at the beginning of the year	2 770 814	5 314 123	-	8 084 937
Capital invested	26 223 737	110	-	26 223 847
Investments matured	(25 031 067)	(1 130 000)	-	(26 161 067)
Recognised in the statement of financial performance	287 406	307 248	-	594 654
Finance income	287 406	317 643	-	605 049
Losses on valuation of investments	-	(3 746)	-	(3 746)
Transaction cost	-	(6 649)	-	(6 649)
<b>Balance at the end of the year</b>	<b>4 250 890</b>	<b>4 491 481</b>	<b>-</b>	<b>8 742 371</b>



	Economic entity			
	Amortised cost	Fair value	Cost	Total
	R'000	R'000	R'000	R'000
<b>As at 30 June 2014</b>				
RSA Government stock	69 820	-	-	69 820
Sinking-fund deposits – see note 11 and 40	1 631 750	-	-	1 631 750
Other fixed deposits	1 074 572	-	-	1 074 572
Deposits held with fund managers	-	5 314 123	-	5 314 123
	2 776 142	5 314 123	-	8 090 265
Provision for impairment	(5 328)	-	-	(5 328)
<b>Net investments</b>	2 770 814	5 314 123	-	8 084 937
Current portion transferred to short-term investments	(39 556)	(2 582 350)	-	(2 621 906)
Current portion transferred to cash and cash equivalents – see note 10	(1 069 173)	(1 337 585)	-	(2 406 758)
<b>TOTAL</b>	<b>1 662 085</b>	<b>1 394 188</b>	-	<b>3 056 273</b>

**Investments detailed as follows:**

Balance at the beginning of the year	3 725 749	4 534 245	-	8 259 994
Capital invested	24 406 980	1 500 000	-	25 906 980
Investments matured	(25 505 263)	(1 050 000)	-	(26 555 263)
Recognised in the statement of financial performance	143 348	329 878	-	473 226
Finance income	143 348	340 595	-	483 943
Losses on valuation of investments	-	(2 865)	-	(2 865)
Transaction cost	-	(7 852)	-	(7 852)
<b>Balance at the end of the year</b>	<b>2 770 814</b>	<b>5 314 123</b>	-	<b>8 084 937</b>

	Municipality of Cape Town			
	Amortised cost	Fair value	Cost	Total
	R'000	R'000	R'000	R'000
<b>As at 30 June 2015</b>				
RSA Government stock	76 655	-	-	76 655
Sinking-fund deposits – see note 11 and 40	1 788 233	-	-	1 788 233
Other fixed deposits	1 846 459	-	-	1 846 459
Deposits held with fund managers	-	4 491 371	-	4 491 371
Shares in CTICC	-	-	603 998	603 998
	3 711 347	4 491 371	603 998	8 806 716
Provision for impairment	(5 319)	-	(245 232)	(250 551)
<b>Net investments</b>	3 706 028	4 491 371	358 766	8 556 165
Current portion transferred to short-term investments	-	(1 746 347)	-	(1 746 347)
Current portion transferred to cash and cash equivalents – see note 10	(1 842 167)	(1 214 034)	-	(3 056 201)
<b>TOTAL</b>	<b>1 863 861</b>	<b>1 530 990</b>	<b>358 766</b>	<b>3 753 617</b>

**Investments detailed as follows:**

Balance at the beginning of the year	2 422 681	5 314 123	188 767	7 925 571
Capital invested	25 397 600	-	169 999	25 567 599
Investments matured	(24 401 659)	(1 130 000)	-	(25 531 659)
Recognised in the statement of financial performance	287 406	307 248	-	594 654
Finance income	287 406	317 643	-	605 049
Loss on valuation of investments	-	(3 746)	-	(3 746)
Transaction cost	-	(6 649)	-	(6 649)
<b>Balance at the end of the year</b>	<b>3 706 028</b>	<b>4 491 371</b>	<b>358 766</b>	<b>8 556 165</b>



	Municipality of Cape Town			
	Amortised cost	Fair value	Cost	Total
	R'000	R'000	R'000	R'000
<b>As at 30 June 2014</b>				
RSA Government stock	69 820	-	-	69 820
Sinking-fund deposits – see note 11 and 40	1 631 750	-	-	1 631 750
Other fixed deposits	726 439	-	-	726 439
Deposits held with fund managers	-	5 314 123	-	5 314 123
Shares in CTICC	-	-	434 000	434 000
	2 428 009	5 314 123	434 000	8 176 132
Provision for impairment	(5 328)	-	(245 232)	(250 560)
<b>Net investments</b>	2 422 681	5 314 123	188 768	7 925 572
Current portion transferred to short-term investments	(39 556)	(2 582 350)	-	(2 621 906)
Current portion transferred to cash and cash equivalents – see note 10	(721 040)	(1 337 585)	-	(2 058 625)
<b>TOTAL</b>	<b>1 662 085</b>	<b>1 394 188</b>	<b>188 768</b>	<b>3 245 041</b>

**Investments detailed as follows:**

Balance at the beginning of the year	3 573 973	4 534 245	38 768	8 146 986
Capital invested	23 380 360	1 500 000	150 000	25 030 360
Investments matured	(24 675 000)	(1 050 000)	-	(25 725 000)
Recognised in the statement of financial performance	143 348	329 878	-	473 226
Finance income	143 348	340 595	-	483 943
Loss on valuation of investments	-	(2 865)	-	(2 865)
Transaction cost	-	(7 852)	-	(7 852)
<b>Balance at the end of the year</b>	<b>2 422 681</b>	<b>5 314 123</b>	<b>188 768</b>	<b>7 925 572</b>

**Collateral deposits for staff housing loans**

Included in other fixed deposits are fixed deposits with a carrying value of R0,04 million (2014: R0,48 million), which were pledged as security deposits for securing staff home loans with financial institutions.

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

**Compensation for occupational injuries and diseases (COID investments)**

The RSA Government stock (bonds) was purchased at the request of the Department of Labour in terms of the COID Act, (Act 130 of 1993). The Compensation Commissioner is required to hold the physical scrip as security for the City's liabilities under the Act.

**6. LONG-TERM RECEIVABLES**

	Economic entity		Municipality of Cape Town	
	2015	2014	2015	2014
	R'000	R'000	R'000	R'000
Sporting bodies	758	897	758	897
Housing land sales	789	868	789	868
	3 100	2 860	3 100	2 860
Public organisations	5 531	6 075	5 531	6 075
Provision for impairment	(2 431)	(3 215)	(2 431)	(3 215)
	90 515	119 337	90 515	119 337
Housing selling developments	108 375	131 806	108 375	131 806
Provision for impairment	(17 860)	(12 469)	(17 860)	(12 469)
	95 162	123 962	95 162	123 962
Current portion transferred to current receivables	(19 838)	(19 650)	(19 838)	(19 650)
<b>TOTAL</b>	<b>75 324</b>	<b>104 312</b>	<b>75 324</b>	<b>104 312</b>
<b>Reconciliation of impairment provision</b>				
Balance at beginning of the year	15 684	43 385	15 684	43 385
Contributions to/(from) provisions	4 607	(27 701)	4 607	(27 701)
<b>Balance as at 30 June</b>	<b>20 291</b>	<b>15 684</b>	<b>20 291</b>	<b>15 684</b>



**Sporting bodies**

To facilitate the development of sporting facilities, loans were made to provide the necessary financial assistance. These loans attract interest at a rate of 4% to 19% per annum, and are repayable over a maximum period of 20–40 years.

**Housing land sale**

The long-term loan to the Khayelitsha Community Trust (KCT) (sale of portion 1 to 3, erf 58856) is repayable over 18 years. Annual payments are received, with the final payment due in 2024.

**Public organisations**

Loans to public organisations are granted in terms of the National Housing Policy. At present, these loans attract interest at 1%, and are repayable over 30 years. With the implementation of new legislation (the MFMA and the Housing Act), no further loans have been awarded, and the final loan repayments are scheduled for 2032. Examples of public organisations that were granted loans are the National War Memorial and the Alta du Toit School.

**Housing selling development loans**

Housing loans were historically granted to qualifying individuals in terms of the National Housing Policy. These loans currently attract interest at 9,25% (2014: 8,5%) per annum, and are repayable over 20 years. The interest rate is determined by Council policy.

Economic entity		Municipality of Cape Town	
2015	2014	2015	2014
R'000	R'000	R'000	R'000

**7. INVENTORY**

Consumable stores	219 820	218 798	218 054	217 730
Spare parts and meters	29 643	21 313	29 643	21 313
Water	20 168	19 649	20 168	19 649
Other goods held for use/resale	12 451	10 591	12 451	10 591
<b>TOTAL</b>	<b>282 082</b>	<b>270 351</b>	<b>280 316</b>	<b>269 283</b>

Inventory to the value of R1,17 million (2014: R3,27 million) was scrapped during the year. Inventories (excluding bulk water) that were recognised as stores issues during the year amounted to R933,40 million (2014: R995,52 million), of which a portion was capitalised.

**8. RECEIVABLES****Economic entity**

As at 30 June 2015

As at 30 June 2014

Gross balance	Provision for impairment	Net balance	Gross balance	Provision for impairment	Net balance	
R'000	R'000	R'000	R'000	R'000	R'000	
<b>6 659 768</b>	<b>(3 627 311)</b>	<b>3 032 457</b>	<b>6 507 650</b>	<b>(3 443 414)</b>	<b>3 064 236</b>	
Service debtors	5 708 766	(2 888 362)	2 820 404	5 572 972	(2 854 984)	2 717 988
Housing rental stock	615 069	(550 292)	64 777	543 828	(473 022)	70 806
Housing selling stock	183 524	(144 147)	39 377	175 969	(106 031)	69 938
Other exchange debtors	152 409	(44 510)	107 899	214 881	(9 377)	205 504
<b>From non-exchange transactions</b>	<b>2 294 054</b>	<b>(709 317)</b>	<b>1 584 737</b>	<b>2 031 671</b>	<b>(787 553)</b>	<b>1 244 118</b>
Rates debtors	2 262 188	(703 586)	1 558 602	2 002 711	(781 263)	1 221 448
Other non-exchange debtors	31 866	(5 731)	26 135	28 960	(6 290)	22 670
<b>TOTAL</b>	<b>8 953 822</b>	<b>(4 336 628)</b>	<b>4 617 194</b>	<b>8 539 321</b>	<b>(4 230 967)</b>	<b>4 308 354</b>

As at 30 June 2015, the City's receivables balance included an amount of approximately R130,73 million (2014: R143,02 million) owed by National and Provincial Government.

2015	2014
R'000	R'000
4 230 967	4 045 082
802 097	766 563
(4 584)	(5 853)
(691 852)	(574 825)
<b>4 336 628</b>	<b>4 230 967</b>

**Reconciliation of impairment provision**

Balance at beginning of the year	4 230 967	4 045 082
Contributions to provisions	802 097	766 563
Transfers from provisions	(4 584)	(5 853)
Bad debts written off	(691 852)	(574 825)
<b>Balance as at 30 June</b>	<b>4 336 628</b>	<b>4 230 967</b>

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



## Economic entity

## Analysis of receivables' age in days

As at 30 June 2015

As at 30 June 2014

	Gross balance	Allowance for impairment	Net balance	Gross balance	Allowance for impairment	Net balance
	R'000	R'000	R'000	R'000	R'000	R'000
<b>FROM EXCHANGE TRANSACTIONS</b>	<b>6 659 768</b>	<b>(3 627 311)</b>	<b>3 032 457</b>	<b>6 507 650</b>	<b>(3 443 414)</b>	<b>3 064 236</b>
<b>Service debtors</b>	<b>5 708 766</b>	<b>(2 888 362)</b>	<b>2 820 404</b>	<b>5 572 972</b>	<b>(2 854 984)</b>	<b>2 717 988</b>
<b>Electricity</b>	1 388 686	(194 865)	1 193 821	1 303 716	(133 746)	1 169 970
Not due	841 519	(9 341)	832 178	866 720	-	866 720
0-30	141 215	(1 567)	139 648	127 737	-	127 737
31-60	50 952	(566)	50 386	32 317	-	32 317
61-90	32 421	(360)	32 061	21 948	-	21 948
91-365	141 114	(1 566)	139 548	121 248	-	121 248
365+	181 465	(181 465)	-	133 746	(133 746)	-
<b>Water</b>	<b>2 654 722</b>	<b>(1 698 479)</b>	<b>956 243</b>	<b>2 637 398</b>	<b>(1 728 483)</b>	<b>908 915</b>
Not due	322 145	(39 012)	283 133	360 859	(63 944)	296 915
0-30	147 494	(17 862)	129 632	116 261	(20 601)	95 660
31-60	79 630	(9 643)	69 987	70 453	(12 484)	57 969
61-90	66 663	(8 073)	58 590	69 382	(12 295)	57 087
91-365	472 068	(57 167)	414 901	487 706	(86 422)	401 284
365+	1 566 722	(1 566 722)	-	1 532 737	(1 532 737)	-
<b>Waste management</b>	<b>457 590</b>	<b>(266 015)</b>	<b>191 575</b>	<b>439 662</b>	<b>(251 862)</b>	<b>187 800</b>
Not due	45 577	(1 832)	43 745	51 260	(3 224)	48 036
0-30	31 526	(1 267)	30 259	28 022	(1 762)	26 260
31-60	15 880	(639)	15 241	15 387	(968)	14 419
61-90	12 284	(494)	11 790	14 084	(886)	13 198
91-365	94 332	(3 792)	90 540	91 652	(5 765)	85 887
365+	257 991	(257 991)	-	239 257	(239 257)	-
<b>Wastewater management</b>	<b>1 207 768</b>	<b>(729 003)</b>	<b>478 765</b>	<b>1 192 196</b>	<b>(740 893)</b>	<b>451 303</b>
Not due	154 217	(13 787)	140 430	175 050	(24 087)	150 963
0-30	73 407	(6 563)	66 844	57 280	(7 882)	49 398
31-60	40 668	(3 636)	37 032	35 830	(4 930)	30 900
61-90	31 170	(2 786)	28 384	32 182	(4 428)	27 754
91-365	226 307	(20 232)	206 075	222 969	(30 681)	192 288
365+	681 999	(681 999)	-	668 885	(668 885)	-
<b>Housing rental stock</b>	<b>615 069</b>	<b>(550 292)</b>	<b>64 777</b>	<b>543 828</b>	<b>(473 022)</b>	<b>70 806</b>
Not due	40 760	(25 577)	15 183	44 590	(26 558)	18 032
0-30	20 840	(13 077)	7 763	18 058	(10 755)	7 303
31-60	9 685	(6 077)	3 608	9 423	(5 612)	3 811
61-90	9 462	(5 937)	3 525	9 372	(5 582)	3 790
91-365	93 150	(58 452)	34 698	93 645	(55 775)	37 870
365+	441 172	(441 172)	-	368 740	(368 740)	-



## Analysis of receivables' age in days - continued

As at 30 June 2015

As at 30 June 2014

	Gross balance R'000	Allowance for impairment R'000	Net balance R'000	Gross balance R'000	Allowance for impairment R'000	Net balance R'000
<b>Housing selling stock</b>	<b>183 524</b>	<b>(144 147)</b>	<b>39 377</b>	<b>175 969</b>	<b>(106 031)</b>	<b>69 938</b>
Not due	13 818	(2 282)	11 536	28 334	(2 657)	25 677
0-30	7 945	(1 319)	6 626	17 880	(1 637)	16 243
31-60	2 283	(376)	1 907	(2)	-	(2)
61-90	2 112	(348)	1 764	1 090	(103)	987
91-365	21 010	(3 466)	17 544	29 824	(2 791)	27 033
365+	136 356	(136 356)	-	98 843	(98 843)	-
<b>Other exchange debtors</b>	<b>152 409</b>	<b>(44 510)</b>	<b>107 899</b>	<b>214 881</b>	<b>(9 377)</b>	<b>205 504</b>
Not due	77 210	-	77 210	196 113	(1 412)	194 701
0-30	5 498	-	5 498	6 281	(45)	9 236
31-60	3 166	-	3 166	2 920	(21)	2 899
61-90	6 932	-	6 932	475	(4)	471
91-365	15 093	-	15 093	1 206	(9)	1 197
365+	44 510	(44 510)	-	7 886	(7 886)	-
<b>FROM NON-EXCHANGE TRANSACTIONS</b>	<b>2 294 054</b>	<b>(709 317)</b>	<b>1 584 737</b>	<b>2 031 671</b>	<b>(787 553)</b>	<b>1 244 118</b>
<b>Rates debtors</b>	<b>2 262 188</b>	<b>(703 586)</b>	<b>1 558 602</b>	<b>2 002 711</b>	<b>(781 263)</b>	<b>1 221 448</b>
Not due	1 374 657	(72 925)	1 301 732	839 350	(3 446)	835 904
0-30	898	(48)	850	43 208	(177)	43 031
31-60	37 958	(2 012)	35 946	34 301	(140)	34 161
61-90	27 184	(1 440)	25 744	35 301	(145)	35 156
91-365	205 206	(10 876)	194 330	274 321	(1 125)	273 196
365+	616 285	(616 285)	-	776 230	(776 230)	-
<b>Other non-exchange debtors</b>	<b>31 866</b>	<b>(5 731)</b>	<b>26 135</b>	<b>28 960</b>	<b>(6 290)</b>	<b>22 670</b>
Not due	16 776	-	16 776	13 836	-	13 836
0-30	4 672	-	4 672	4 093	-	4 093
31-60	1 349	-	1 349	767	-	767
61-90	614	-	614	604	-	604
91-365	2 724	-	2 724	3 370	-	3 370
365+	5 731	(5 731)	-	6 290	(6 290)	-
<b>TOTAL</b>	<b>8 953 822</b>	<b>(4 336 628)</b>	<b>4 617 194</b>	<b>8 539 321</b>	<b>(4 230 967)</b>	<b>4 308 354</b>

Included in the column 'Not due' are debtors to the value of R800,44 million (2014: R698,80 million) who have made arrangements to repay their outstanding arrear debt over a renegotiated period, as well as amounts billed that were only invoiced after year-end.





## Municipality of Cape Town

As at 30 June 2015

As at 30 June 2014

	<b>Gross balance</b>	<b>Allowance for impairment</b>	<b>Net balance</b>	<b>Gross balance</b>	<b>Allowance for impairment</b>	<b>Net balance</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>From exchange transactions</b>	<b>6 659 768</b>	<b>(3 627 311)</b>	<b>3 032 457</b>	<b>6 507 650</b>	<b>(3 443 414)</b>	<b>3 064 236</b>
Service debtors	5 708 766	(2 888 362)	2 820 404	5 572 972	(2 854 984)	2 717 988
Housing rental stock	615 069	(550 292)	64 777	543 828	(473 022)	70 806
Housing selling stock	183 524	(144 147)	39 377	175 969	(106 031)	69 938
Other exchange debtors	152 409	(44 510)	107 899	214 881	(9 377)	205 504
<b>From non-exchange transactions</b>	<b>2 295 357</b>	<b>(709 317)</b>	<b>1 586 040</b>	<b>2 032 966</b>	<b>(787 553)</b>	<b>1 245 413</b>
Rates debtors	2 263 491	(703 586)	1 559 905	2 004 006	(781 263)	1 222 743
Other non-exchange debtors	31 866	(5 731)	26 135	28 960	(6 290)	22 670
<b>TOTAL</b>	<b>8 955 125</b>	<b>(4 336 628)</b>	<b>4 618 497</b>	<b>8 540 616</b>	<b>(4 230 967)</b>	<b>4 309 649</b>

<b>2015</b>	<b>2014</b>
<b>R'000</b>	<b>R'000</b>

**Reconciliation of impairment provision**

Balance at beginning of the year	4 230 967	4 045 082
Contributions to provisions	802 097	766 563
Transfers from provisions	(4 584)	(5 853)
Bad debts written off	(691 852)	(574 825)
<b>Balance as at 30 June</b>	<b>4 336 628</b>	<b>4 230 967</b>

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

As at 30 June 2015

As at 30 June 2014

	Gross balance R'000	Allowance for impairment R'000	Net balance R'000	Gross balance R'000	Allowance for impairment R'000	Net balance R'000
<b>FROM EXCHANGE TRANSACTIONS</b>	<b>6 659 768</b>	<b>(3 627 311)</b>	<b>3 032 457</b>	<b>6 507 650</b>	<b>(3 443 414)</b>	<b>3 064 236</b>
<b>Service debtors</b>	<b>5 708 766</b>	<b>(2 888 362)</b>	<b>2 820 404</b>	<b>5 572 972</b>	<b>(2 854 984)</b>	<b>2 717 988</b>
<b>Electricity</b>	1 388 686	(194 865)	1 193 821	1 303 716	(133 746)	1 169 970
Not due	841 519	(9 341)	832 178	866 720	-	866 720
Past due						
1-30	141 215	(1 567)	139 648	127 737	-	127 737
31-60	50 952	(566)	50 386	32 317	-	32 317
61-90	32 421	(360)	32 061	21 948	-	21 948
91-365	141 114	(1 566)	139 548	121 248	-	121 248
365+	181 465	(181 465)	-	133 746	(133 746)	-
<b>Water</b>	2 654 722	(1 698 479)	956 243	2 637 398	(1 728 483)	908 915
Not due	322 145	(39 012)	283 133	360 859	(63 944)	296 915
Past due						
1-30	147 494	(17 862)	129 632	116 261	(20 601)	95 660
31-60	79 630	(9 643)	69 987	70 453	(12 484)	57 969
61-90	66 663	(8 073)	58 590	69 382	(12 295)	57 087
91-365	472 068	(57 167)	414 901	487 706	(86 422)	401 284
365+	1 566 722	(1 566 722)	-	1 532 737	(1 532 737)	-
<b>Waste management</b>	457 590	(266 015)	191 575	439 662	(251 862)	187 800
Not due	45 577	(1 832)	43 745	51 260	(3 224)	48 036
Past due						
1-30	31 526	(1 267)	30 259	28 022	(1 762)	26 260
31-60	15 880	(639)	15 241	15 387	(968)	14 419
61-90	12 284	(494)	11 790	14 084	(886)	13 198
91-365	94 332	(3 792)	90 540	91 652	(5 765)	85 887
365+	257 991	(257 991)	-	239 257	(239 257)	-
<b>Wastewater management</b>	1 207 768	(729 003)	478 765	1 192 196	(740 893)	451 303
Not due	154 217	(13 787)	140 430	175 050	(24 087)	150 963
Past due						
1-30	73 407	(6 563)	66 844	57 280	(7 882)	49 398
31-60	40 668	(3 636)	37 032	35 830	(4 930)	30 900
61-90	31 170	(2 786)	28 384	32 182	(4 428)	27 754
91-365	226 307	(20 232)	206 075	222 969	(30 681)	192 288
365+	681 999	(681 999)	-	668 885	(668 885)	-
<b>Housing rental stock</b>	<b>615 069</b>	<b>(550 292)</b>	<b>64 777</b>	<b>543 828</b>	<b>(473 022)</b>	<b>70 806</b>
Not due	40 760	(25 577)	15 183	44 590	(26 558)	18 032
Past due						
1-30	20 840	(13 077)	7 763	18 058	(10 755)	7 303
31-60	9 685	(6 077)	3 608	9 423	(5 612)	3 811
61-90	9 462	(5 937)	3 525	9 372	(5 582)	3 790
91-365	93 150	(58 452)	34 698	93 645	(55 775)	37 870
365+	441 172	(441 172)	-	368 740	(368 740)	-



## Analysis of receivables' age in days - continued

As at 30 June 2015

As at 30 June 2014

	<b>Gross balance R'000</b>	<b>Allowance for impairment R'000</b>	<b>Net balance R'000</b>	<b>Gross balance R'000</b>	<b>Allowance for impairment R'000</b>	<b>Net balance R'000</b>
<b>Housing selling stock</b>	<b>183 524</b>	<b>(144 147)</b>	<b>39 377</b>	<b>175 969</b>	<b>(106 031)</b>	<b>69 938</b>
Not due	13 818	(2 282)	11 536	28 334	(2 657)	25 677
Past due						
1-30	7 945	(1 319)	6 626	17 880	(1 637)	16 243
31-60	2 283	(376)	1 907	(2)	-	(2)
61-90	2 112	(348)	1 764	1 090	(103)	987
91-365	21 010	(3 466)	17 544	29 824	(2 791)	27 033
365+	136 356	(136 356)	-	98 843	(98 843)	-
<b>Other exchange debtors</b>	<b>152 409</b>	<b>(44 510)</b>	<b>107 899</b>	<b>214 881</b>	<b>(9 377)</b>	<b>205 504</b>
Not due	77 210	-	77 210	196 113	(1 412)	194 701
Past due						
1-30	5 498	-	5 498	6 281	(45)	6 236
31-60	3 166	-	3 166	2 920	(21)	2 899
61-90	6 932	-	6 932	475	(4)	471
91-365	15 093	-	15 093	1 206	(9)	1 197
365+	44 510	(44 510)	-	7 886	(7 886)	-
<b>FROM NON-EXCHANGE TRANSACTIONS</b>	<b>2 295 357</b>	<b>(709 317)</b>	<b>1 586 040</b>	<b>2 032 966</b>	<b>(787 553)</b>	<b>1 245 413</b>
<b>Rates debtors</b>	<b>2 263 491</b>	<b>(703 586)</b>	<b>1 559 905</b>	<b>2 004 006</b>	<b>(781 263)</b>	<b>1 222 743</b>
Not due	1 375 960	(72 925)	1 303 035	840 645	(3 446)	837 199
Past due						
1-30	898	(48)	850	43 208	(177)	43 031
31-60	37 958	(2 012)	35 946	34 301	(140)	34 161
61-90	27 184	(1 440)	25 744	35 301	(145)	35 156
91-365	205 206	(10 876)	194 330	274 321	(1 125)	273 196
365+	616 285	(616 285)	-	776 230	(776 230)	-
<b>Other non-exchange debtors</b>	<b>31 866</b>	<b>(5 731)</b>	<b>26 135</b>	<b>28 960</b>	<b>(6 290)</b>	<b>22 670</b>
Not due	16 776	-	16 776	13 836	-	13 836
Past due						
1-30	4 672	-	4 672	4 093	-	4 093
31-60	1 349	-	1 349	767	-	767
61-90	614	-	614	604	-	604
91-365	2 724	-	2 724	3 370	-	3 370
365+	5 731	(5 731)	-	6 290	(6 290)	-
<b>TOTAL</b>	<b>8 955 125</b>	<b>(4 336 628)</b>	<b>4 618 497</b>	<b>8 540 616</b>	<b>(4 230 967)</b>	<b>4 309 649</b>



## 9. OTHER RECEIVABLES

	Economic entity					
	As at 30 June 2015			As at 30 June 2014		
	Gross balance R'000	Provision for impairment R'000	Net balance R'000	Gross balance R'000	Provision for impairment R'000	Net balance R'000
<b>From exchange transactions</b>	<b>281 477</b>	<b>(65 974)</b>	<b>215 503</b>	<b>183 688</b>	<b>(57 253)</b>	<b>126 435</b>
Payments made in advance	57 286	-	57 286	1 652	-	1 652
Property rentals	80 773	(48 102)	32 671	80 237	(42 679)	37 558
Other exchange debtors	143 418	(17 872)	125 546	101 799	(14 574)	87 225
<b>From non-exchange transactions</b>	<b>1 718 931</b>	<b>(1 225 195)</b>	<b>493 736</b>	<b>1 136 685</b>	<b>(838 106)</b>	<b>298 579</b>
Government subsidies	164 141	-	164 141	112 385	-	112 385
Traffic fines	1 539 573	(1 225 195)	314 378	1 002 781	(838 106)	164 675
Other non-exchange debtors	15 217	-	15 217	21 519	-	21 519
<b>TOTAL</b>	<b>2 000 408</b>	<b>(1 291 169)</b>	<b>709 239</b>	<b>1 320 373</b>	<b>(895 359)</b>	<b>425 014</b>

Included in 'Other exchange debtors' is an amount of R1,62 million for VAT owed to the South African Revenue Service (SARS). (2014: R11,75 million restated from R12,12 million).

The 2014 comparative amount of R425,01 million has been restated from R427,78 million (see note 46.1).

**Reconciliation of impairment provision**

	2015 R'000	2014 R'000
Balance at beginning of the year	895 359	54 606
Contributions to provision	626 883	8 820
Transfer (from)/to provisions	(218 870)	834 039
Bad debts written off	(12 203)	(2 106)
<b>Balance as at 30 June</b>	<b>1 291 169</b>	<b>895 359</b>

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

**Economic entity**  
**Analysis of receivables' age in days**

	As at 30 June 2015			As at 30 June 2014		
	Gross balance	Allowance for impairment	Net balance	Gross balance	Allowance for impairment	Net balance
	R'000	R'000	R'000	R'000	R'000	R'000
<b>FROM EXCHANGE TRANSACTIONS</b>	<b>281 477</b>	<b>(65 974)</b>	<b>215 503</b>	<b>183 688</b>	<b>(57 253)</b>	<b>126 435</b>
<b>Payment made in advance</b>	<b>57 286</b>	-	<b>57 286</b>	<b>1 652</b>	-	<b>1 652</b>
Not due	57 286	-	57 286	1 652	-	1 652
<b>Property rentals</b>	<b>80 773</b>	<b>(48 102)</b>	<b>32 671</b>	<b>80 237</b>	<b>(42 679)</b>	<b>37 558</b>
Not due	7 705	(1 047)	6 658	7 142	(141)	7 001
0-30	16 925	(2 300)	14 625	22 934	(452)	22 482
31-60	2 089	(284)	1 805	1 361	(27)	1 334
61-90	11 708	(1 591)	10 117	(4 603)	91	(4 512)
91-365	(618)	84	(534)	11 479	(226)	11 253
365+	42 964	(42 964)	-	41 924	(41 924)	-
<b>Other exchange debtors</b>	<b>143 418</b>	<b>(17 872)</b>	<b>125 546</b>	<b>101 799</b>	<b>(14 574)</b>	<b>87 225</b>
Not due	116 093	(109)	115 984	69 809	(63)	69 746
0-30	8 743	(33)	8 710	14 112	(1 936)	12 176
31-60	849	(9)	840	1 109	(13)	1 096
61-90	365	(10)	355	(1 348)	87	(1 261)
91-365	(219)	(124)	(343)	5 673	(205)	5 468
365+	17 587	(17 587)	-	12 444	(12 444)	-
<b>FROM NON-EXCHANGE TRANSACTIONS</b>	<b>1 718 931</b>	<b>(1 225 195)</b>	<b>493 736</b>	<b>1 136 685</b>	<b>(838 106)</b>	<b>298 579</b>
<b>Government subsidies</b>	<b>164 141</b>	-	<b>164 141</b>	<b>112 385</b>	-	<b>112 385</b>
Not due	164 141	-	164 141	112 385	-	112 385
<b>Traffic fines</b>	<b>1 539 573</b>	<b>(1 225 195)</b>	<b>314 378</b>	<b>1 002 781</b>	<b>(838 106)</b>	<b>164 675</b>
Not due	-	-	-	-	-	-
0-30	70 423	(55 533)	14 890	47 576	(39 180)	8 396
31-60	71 752	(56 582)	15 170	56 150	(46 241)	9 909
61-90	66 226	(52 225)	14 001	54 589	(44 956)	9 633
91-365	593 748	(468 217)	125 531	448 075	(369 003)	79 072
365+	737 424	(592 638)	144 786	396 391	(338 726)	57 665
<b>Other non-exchange debtors</b>	<b>15 217</b>	-	<b>15 217</b>	<b>21 519</b>	-	<b>21 519</b>
Not due	15 217	-	15 217	21 519	-	21 519
<b>TOTAL</b>	<b>2 000 408</b>	<b>(1 291 169)</b>	<b>709 239</b>	<b>1 320 373</b>	<b>(895 359)</b>	<b>425 014</b>



## Municipality of Cape Town

	As at 30 June 2015			As at 30 June 2014		
	Gross balance R'000	Allowance for impairment R'000	Net balance R'000	Gross balance R'000	Allowance for impairment R'000	Net balance R'000
<b>From exchange transactions</b>	<b>279 441</b>	<b>(65 960)</b>	<b>213 481</b>	<b>171 300</b>	<b>(55 344)</b>	<b>115 956</b>
Payments made in advance	56 126	-	56 126	4	-	4
Property rentals	80 773	(48 102)	32 671	80 237	(42 679)	37 558
Other exchange debtors	142 542	(17 858)	124 684	91 059	(12 665)	78 394
<b>From non-exchange transactions</b>	<b>1 718 931</b>	<b>(1 225 195)</b>	<b>493 736</b>	<b>1 136 685</b>	<b>(838 106)</b>	<b>298 579</b>
Government subsidies	164 141	-	164 141	112 385	-	112 385
Traffic fines	1 539 573	(1 225 195)	314 378	1 002 781	(838 106)	164 675
Other non-exchange debtors	15 217	-	15 217	21 519	-	21 519
<b>TOTAL</b>	<b>1 998 372</b>	<b>(1 291 155)</b>	<b>707 217</b>	<b>1 307 985</b>	<b>(893 450)</b>	<b>414 535</b>

**Reconciliation of impairment provision**

Balance at beginning of the year  
 Contributions to provisions  
 Transfers (from)/ to provisions  
 Bad debts written off  
**Balance as at 30 June**

2015	2014
R'000	R'000
893 450	52 147
626 863	469 957
(218 706)	373 452
(10 452)	(2 106)
<b>1 291 155</b>	<b>893 450</b>

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

	As at 30 June 2015			As at 30 June 2014		
	Gross balance R'000	Allowance for impairment R'000	Net balance R'000	Gross balance R'000	Allowance for impairment R'000	Net balance R'000
<b>FROM EXCHANGE TRANSACTIONS</b>	<b>279 441</b>	<b>(65 960)</b>	<b>213 481</b>	<b>171 300</b>	<b>(55 344)</b>	<b>115 956</b>
<b>Payment made in advance</b>	<b>56 126</b>	-	<b>56 126</b>	<b>4</b>	-	<b>4</b>
Not due	56 126	-	56 126	4	-	4
<b>Property rentals</b>	<b>80 773</b>	<b>(48 102)</b>	<b>32 671</b>	<b>80 237</b>	<b>(42 679)</b>	<b>37 558</b>
Not due	7 705	(1 047)	6 658	7 142	(141)	7 001
Past due						
1-30	16 925	(2 300)	14 625	22 934	(452)	22 482
31-60	2 089	(284)	1 805	1 361	(27)	1 334
61-90	11 708	(1 591)	10 117	(4 603)	91	(4 512)
91-365	(618)	84	(534)	11 479	(226)	11 253
365+	42 964	(42 964)	-	41 924	(41 924)	-
<b>Other exchange debtors</b>	<b>142 542</b>	<b>(17 858)</b>	<b>124 684</b>	<b>91 059</b>	<b>(12 665)</b>	<b>78 394</b>
Not due	116 093	(109)	115 984	69 809	(63)	69 746
Past due						
1-30	8 650	(33)	8 617	6 208	(27)	6 181
31-60	166	(9)	157	127	(13)	114
61-90	359	(10)	349	(1 415)	87	(1 328)
91-365	(313)	(110)	(423)	3 886	(205)	3 681
365+	17 587	(17 587)	-	12 444	(12 444)	-
<b>FROM NON-EXCHANGE TRANSACTIONS</b>	<b>1 718 931</b>	<b>(1 225 195)</b>	<b>493 736</b>	<b>1 136 685</b>	<b>(838 106)</b>	<b>298 579</b>
<b>Government subsidies</b>	<b>164 141</b>	-	<b>164 141</b>	<b>112 385</b>	-	<b>112 385</b>
Not due	164 141	-	164 141	112 385	-	112 385
<b>Traffic fines</b>	<b>1 539 573</b>	<b>(1 225 195)</b>	<b>314 378</b>	<b>1 002 781</b>	<b>(838 106)</b>	<b>164 675</b>
Not due	-	-	-	-	-	-
Past due						
1-30	70 423	(55 533)	14 890	47 576	(39 180)	8 396
31-60	71 752	(56 582)	15 170	56 150	(46 241)	9 909
61-90	66 226	(52 225)	14 001	54 589	(44 956)	9 633
91-365	593 748	(468 217)	125 531	448 075	(369 003)	79 072
365+	737 424	(592 638)	144 786	396 391	(338 726)	57 665
<b>Other non-exchange debtors</b>	<b>15 217</b>	-	<b>15 217</b>	<b>21 519</b>	-	<b>21 519</b>
Not due	15 217	-	15 217	21 519	-	21 519
<b>TOTAL</b>	<b>1 998 372</b>	<b>(1 291 155)</b>	<b>707 217</b>	<b>1 307 985</b>	<b>(893 450)</b>	<b>414 535</b>



	Economic entity		Municipality of Cape Town	
	2015	2014	2015	2014
	R'000	R'000	R'000	R'000
<b>10. CASH AND CASH EQUIVALENTS (BANK AND CASH)</b>				
Bank balance	157 106	212 997	108 447	174 987
Year-end accruals	(71)	(26)	(71)	(26)
Interest accrual	367	465	367	465
Bank charges accrual	(438)	(491)	(438)	(491)
Cash on hand and in transit	34 637	33 045	34 571	32 973
Call and short-term deposits	2 387 029	1 069 173	1 842 167	721 040
<b>Amortised cost</b> – see note 5 and 45	<b>2 578 701</b>	<b>1 315 189</b>	<b>1 985 114</b>	<b>928 974</b>
Call and short-term deposits	1 206 089	1 329 160	1 206 089	1 329 160
Bank accounts - fund managers	7 945	8 425	7 945	8 425
<b>Fair value</b> – see note 5 and 45	<b>1 214 034</b>	<b>1 337 585</b>	<b>1 214 034</b>	<b>1 337 585</b>
<b>TOTAL</b>	<b>3 792 735</b>	<b>2 652 774</b>	<b>3 199 148</b>	<b>2 266 559</b>

Cash and cash equivalents comprise cash held and short-term deposit.

<b>11. BORROWINGS</b>				
Marketable bonds	4 275 489	4 275 489	4 275 489	4 275 489
Concessionary loans	1 820 337	1 945 512	1 820 337	1 945 512
Other loans	679 931	829 158	665 355	813 463
Subtotal – see Appendix A for more details	6 775 757	7 050 159	6 761 181	7 034 464
Current portion transferred to current liabilities	(346 953)	(369 536)	(345 682)	(368 325)
<b>TOTAL</b>	<b>6 428 804</b>	<b>6 680 623</b>	<b>6 415 499</b>	<b>6 666 139</b>

A total of R1,79 billion (2014: R1,63 billion) has been ring-fenced for the repayment of long-term liabilities – see note 5 and 40 for more details.

MARKETABLE BONDS	4 275 489	4 275 489	4 275 489	4 275 489
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<b>Marketable bonds</b>	4 275 489	4 275 489	4 275 489	4 275 489
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In terms of the Entity's domestic medium-term note (DMTN) programme, registered on the Johannesburg Stock Exchange (JSE) Limited unsecured bonds totalling R4,20 billion are listed on the JSE. Each of the municipal bonds bears interest at fixed rates ranging between 11,16% and 12,57% per annum. Interest is payable semi-annually, while capital will be redeemed by way of a bullet repayment on the final redemption date. The municipal bonds are repayable on 23 June 2023 (CCT01), 12 June 2024 (CCT02) and 15 March 2025 (CCT03). Sinking funds have been established for the guaranteed repayment of the bonds by once-off lump sum payments with various financial institutions, namely Nedbank (CCT01), Rand Merchant Bank (CCT02) and Liberty Group Limited (CCT03).

CONCESSIONARY LOANS	1 820 337	1 945 512	1 820 337	1 945 512
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<b>Agence Française de Développement (AFD)</b>	1 802 341	1 924 290	1 802 341	1 924 290
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An unsecured loan of R2,38 billion bearing interest at an average fixed rate of 5,76% per annum. The sum is repayable semi-annually in equal instalments of capital, with interest payable on the reducing balance. This loan will be fully paid on 31 March 2028.

<b>Nedcor Bank</b>	25	22	25	22
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An unsecured loan bearing interest at a fixed rate of 1% per annum, payable annually, and loan capital repayable on 31 August 2019.

<b>Development Bank of Southern Africa (DBSA)</b>	17 971	21 200	17 971	21 200
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An unsecured fixed-term concessionary loan bearing interest at a fixed rate of 5% per annum, repayable semi-annually in equal instalments of capital, with interest payable on the reducing balance. This loan will be fully paid on 30 June 2020.





	Economic entity		Municipality of Cape Town	
	2015	2014	2015	2014
	R'000	R'000	R'000	R'000
<b>OTHER LOANS</b>	<b>679 931</b>	<b>829 158</b>	<b>665 355</b>	<b>813 463</b>
<b>FirstRand Bank</b>	147 725	158 723	147 725	158 723
A structured 15-year loan to the value of R220 million, of which, R200 million is repayable semi-annually in equal instalments of capital and fixed-rate interest over 15 years, and the balance of R20 million payable in one instalment, together with fixed interest on 30 June 2017. The loan bears interest at a fixed rate of 12,63% per annum. The bullet repayment of the R20 million capital and interest will be made out of the guaranteed investment portfolios of two 15-year sinking-fund investment policies purchased from Momentum Group.				
As part of the loan structure, the Entity purchased two 15-year sinking-fund policies from Momentum Group for an upfront premium of R220 million. R20 million of the premium was invested in the guaranteed investment portfolio referred to above. The balance of the premium, i.e. R200 million, was invested in a linked investment (unguaranteed) portfolio. The maturity proceeds of this unguaranteed portfolio were sold in advance to FirstRand Bank for R200 million on the acceptance of the policies. The Entity has ceded and pledged the sinking-fund policies to FirstRand Bank as security for the Entity's obligations to FirstRand Bank under the policies and any other debt liability.				
<b>DBSA</b>	348 415	444 308	348 415	444 308
Unsecured loans bearing interest at fixed rates ranging between 9,42% and 12,25% per annum, repayable semi-annually in equal instalments of capital, with interest payable on the reducing balance. These loans have various final redemption dates, ranging from 30 June 2015 to 31 December 2022.				
<b>ABSA Bank</b>	60 000	80 000	60 000	80 000
An unsecured loan bearing interest at a fixed rate of 10,90% per annum, repayable semi-annually in equal instalments of capital, with interest payable on the reducing balance. Final redemption on 30 June 2018.				
<b>FirstRand Bank</b>	109 215	130 432	109 215	130 432
A structured 15-year loan to the value of R300 million bearing interest at a fixed rate of 12,05% per annum, of which, R74,30 million is repayable semi-annually in equal instalments of capital and fixed interest over 15 years, and the balance of R225,70 million payable in one instalment together with capitalised fixed-rate interest on 30 June 2018. The bullet repayment of the R225,70 million capital and interest will be made out of a 15-year sinking-fund investment policy purchased from Momentum Group.				
As part of the loan structure, the Entity purchased a 15-year sinking-fund policy from Momentum Group for a premium of R228,40 million, which was invested in an unguaranteed investment portfolio. The premium is payable semi-annually over 15 years through a series of promissory notes issued by the Entity to Momentum, later sold on to FirstRand Bank and Future Growth. In terms of a put-option agreement, the maturity proceeds of this unguaranteed portfolio were sold in advance to FirstRand Bank for a fixed-option price of R894,60 million, payable on 30 June 2018. The Entity has ceded and pledged the sinking-fund policy to FirstRand Bank as security for the Entity's obligations to FirstRand Bank under the put-option agreement and any other debt liability.				



	Economic entity		Municipality of Cape Town	
	2015	2014	2015	2014
	R'000	R'000	R'000	R'000
<b>OTHER LOANS (continued)</b>				
<b>DBSA – Claremont Road Bypass Company</b>	14 414	15 609	-	-
Interest is charged at a nominal fixed rate of R186 plus 154 basis points per annum.				
Repayable in 28 equal six-monthly instalments, commencing on 30 September 2009.				
Secured by an agreement of cession from Claremont City Improvement District (CID) Company (association incorporated under section 21) (cedent) over their right and title to the levies collected by the City of Cape Town from the Claremont CID ratepayers in terms of the cooperation agreement.				
The cedent, the company and the City of Cape Town concluded a cooperation agreement in terms of which the City of Cape Town undertook to pay to the cedent levies collected from the ratepayers within the Claremont CID.				
<b>Voortrekker Road</b>	-	86	-	-
Instalment sale agreement				
<b>ABSA - Brackenfell Business Improvement District NPC</b>	162	-	-	-
The loan is secured by motor vehicles, bearing interest at 12,25% interest rate and is repayable in monthly instalments over 36 months as agreed upon with ABSA bank.				
<b>TOTAL</b> – see Appendix A for more details	<b>6 775 757</b>	<b>7 050 159</b>	<b>6 761 181</b>	<b>7 034 464</b>

The rates of interest payable on the abovementioned structured loans are based on certain underlying assumptions relating to the lenders' statutory costs, and the admissibility of deductions by the lenders for income tax purposes in connection with these loans. In the event of amendments to, or interpretations of, the Income Tax Act (Act 58 of 1962) or any other relevant legislation that affect the loan structure costs, the lenders have the right to increase or decrease the future rates of interest payable on the loans over their remaining lives, in order to absorb the increase or decrease in costs.

#### SHORT-TERM DEBT FACILITIES

The Municipality had the following short-term debt facilities with the Entity's main banker:

	2015	2014
	R'000	R'000
Performance guarantee and/or letters of credit	15 000	15 000
Business travel card	2 000	2 000
Daylight limit	2 000 000	2 000 000

The short-term debt facilities are reviewed annually and can be explained as follows:

##### Performance guarantee and/or letters of credit

A guarantee issued by the bank is an undertaking that should the Entity fail to fulfil its obligations in terms of a contract or an agreement the bank will pay specific amounts as stated on the guarantee. The monies are due and payable on the written demand from the beneficiary.

A letter of credit is a document issued by the bank, assuring payment to a seller of goods or services, provided that certain documents have been presented to the bank. The documents should prove that the seller has performed the duties specified by an underlying contract, and that the goods/services have been supplied as agreed. In return for these documents, the beneficiary receives payment from the bank that issued the letter.

##### Business travel card

A card issued by the bank that enables the Entity to obtain goods and services on credit. It entails moneys lent and advanced.

##### Daylight limit

A daylight limit is a facility that enables the Entity to transact even if there are insufficient funds during that particular day. It entails moneys lent and advanced during that day, provided it is settled by the end of that business day.



## 12. PROVISIONS (NON-CURRENT)

	Economic entity				
	Long-service leave benefits	Environmental rehabilitation	Post-retirement health care benefits	Post-retirement pension benefits	Total
	R'000	R'000	R'000	R'000	R'000
<b>As at 30 June 2015</b>					
Balance at the beginning of the year	436 627	274 069	5 041 990	31 276	5 783 962
Interest costs	36 188	28 871	492 890	2 877	560 826
Service costs	40 360	21 272	123 343	800	185 775
Benefit payments	(47 352)	-	(171 142)	(1 391)	(219 885)
Actuarial gains	(9 898)	(77 385)	(602 779)	(10 793)	(700 855)
Transferred from current provisions (prior-year)	66 264	28 000	169 684	2 030	265 978
	522 189	274 827	5 053 986	24 799	5 875 801
Transfer to current provision	(58 800)	(2 342)	(187 931)	(2 020)	(251 093)
<b>TOTAL</b>	<b>463 389</b>	<b>272 485</b>	<b>4 866 055</b>	<b>22 779</b>	<b>5 624 708</b>

	Municipality of Cape Town				
	Long-service leave benefits	Environmental rehabilitation	Post-retirement health care benefits	Post-retirement pension benefits	Total
	R'000	R'000	R'000	R'000	R'000
<b>As at 30 June 2015</b>					
Balance at the beginning of the year	436 627	274 069	5 041 990	31 276	5 783 962
Interest costs	36 188	28 871	492 890	2 877	560 826
Service costs	40 360	21 272	123 343	800	185 775
Benefit payments	(47 352)	-	(171 142)	(1 391)	(219 885)
Actuarial gains	(9 898)	(77 385)	(602 779)	(10 793)	(700 855)
Transferred from current provisions (prior-year)	66 264	28 000	169 684	2 030	265 978
	522 189	274 827	5 053 986	24 799	5 875 801
Transfer to current provision	(58 800)	(2 342)	(187 931)	(2 020)	(251 093)
<b>TOTAL</b>	<b>463 389</b>	<b>272 485</b>	<b>4 866 055</b>	<b>22 779</b>	<b>5 624 708</b>

**Long-service leave benefits**

An actuarial valuation has been performed of the Entity's liability for long-service leave benefits relating to vested leave benefits to which employees may become entitled upon completion of 10 years' service and every five years thereafter. The provision is utilised when eligible employees receive the value of the vested benefits.

**Discount rate**

The fund benefit liability as at 30 June 2015 has been discounted at the market yields on government bonds consistent with the estimated term of the liability. The nominal and zero curves as at 30 June 2015 supplied by the JSE was used to determine the discount rates and consumer price index (CPI) assumptions at each relevant time period (2014: 8,10%).

**Key financial assumptions**

Discount rate  
General inflation rate (consumer price index)

Salary increase

	2015	2014
	%	%
Yield curve		8,10
Difference between nominal and real yield curve		6,00
Equal to CPI + 1%		8,00

**Environmental rehabilitation**

Provision is made in terms of the Entity's licensing stipulations on the waste landfill sites, for the estimated cost of rehabilitating waste sites. The provision has been determined on the basis of a recent independent valuation performed by a firm of consulting engineers.

The key cost parameters upon which the valuation is based for the present and previous financial years are briefly as follows:

- An annual inflation rate of 5,85% (2014: 5,90%) and discounted to present values at the average borrowing cost of 10,26% (2014: 10,42%)
- The scheduled dates of total closure and rehabilitation are at present anticipated to be between 2016 and 2023.

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

An actuarial valuation has been performed of the Entity's liability in respect of benefits to its eligible retirees and retrenched employees. The provision is utilised when eligible employees receive the value of the vested benefits – see note 47.4 for more details.



	Economic entity		Municipality of Cape Town	
	2015	2014	2015	2014
	R'000	R'000	R'000	R'000
<b>13. DEPOSITS</b>				
Electricity and water	263 128	364 235	263 128	364 235
Other deposits	45 559	34 290	9 130	5 982
<b>TOTAL</b>	<b>308 687</b>	<b>398 525</b>	<b>272 258</b>	<b>370 217</b>

Guarantees held in lieu of electricity and water deposits were R33,31 million (2014: R79,08 million). Deposits are released when the owner/occupant of a property terminates the contract with the Entity to supply water and electricity to the property, or when certain contractual services are delivered.

#### 14. PROVISIONS (CURRENT)

	Economic entity				Closing balance 2015 R'000
	Opening balance 2015 R'000	Raised R'000	Utilised/ Reversed R'000	Transfers from non-current R'000	
	Other provisions	273 003	208 423	(160 765)	
Insurance claims	20 856	13 858	(20 856)	-	13 858
Post-retirement benefits	171 714	-	(171 714)	189 951	189 951
Environmental rehabilitation	28 000	-	(28 000)	2 342	2 342
Long-service awards	66 264	-	(66 264)	58 800	58 800
Leave benefits	518 713	22 957	-	-	541 670
Performance bonuses	3 249	3 364	(3 249)	-	3 364
<b>TOTAL</b>	<b>1 081 799</b>	<b>248 602</b>	<b>(450 848)</b>	<b>251 093</b>	<b>1 130 646</b>

	Municipality of Cape Town				Closing balance 2015 R'000
	Opening balance 2015 R'000	Raised R'000	Utilised/ Reversed R'000	Transfers from non-current R'000	
	Other provisions	273 003	208 423	(160 765)	
Insurance claims	20 856	13 858	(20 856)	-	13 858
Post-retirement benefits	171 714	-	(171 714)	189 951	189 951
Environmental rehabilitation	28 000	-	(28 000)	2 342	2 342
Long-service awards	66 264	-	(66 264)	58 800	58 800
Leave benefits	518 713	22 957	-	-	541 670
<b>TOTAL</b>	<b>1 078 550</b>	<b>245 238</b>	<b>(447 599)</b>	<b>251 093</b>	<b>1 127 282</b>

##### Insurance and COID claims

Provision has been made for outstanding insurance claims as at 30 June 2015, funded out of the insurance reserve. The assessment of claims is based on the assessed quantum of claims received.

##### Staff leave

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

##### Other provisions

Included in 'Other provisions' is R112,28 million for tuned assessment of skills and knowledge (TASK) backpay pay and an amount of R117,63 million for the taxi associations' compensation relating to the implementation of the expanded IRT routes. The remainder of the balance consists of various other provisions.

##### Performance bonuses

Performance bonuses accrue to staff on an annual basis based on the achievement of predetermined performance standards. The provision is an estimate of the amount due to staff in the service of the CTICC at the reporting date.



Economic entity		Municipality of Cape Town	
2015	2014	2015	2014
R'000	R'000	R'000	R'000

**15. PAYABLES FROM EXCHANGE TRANSACTIONS**

Trade creditors	3 427 115	3 148 906	3 414 989	3 136 700
Payments received in advance	1 145 268	955 238	1 145 268	955 238
Inter-company advances	18 513	27 381	18 513	27 381
Third-party payments	335 221	302 703	335 221	302 703
Other creditors	402 326	359 752	383 889	341 353
<b>TOTAL</b>	<b>5 328 443</b>	<b>4 793 980</b>	<b>5 297 880</b>	<b>4 763 375</b>

Payables are non-interest-bearing and are normally settled on 30-day terms, except for retentions, which are settled in terms of the contract agreement.

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

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

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

National Government	996 069	1 046 140	996 069	1 046 140
Western Cape Government	446 583	382 707	446 583	382 707
<b>Other conditional receipts</b>	86 464	66 921	86 464	66 921
Public contributions	86 464	66 921	86 464	66 921
<b>TOTAL</b>	<b>1 529 116</b>	<b>1 495 768</b>	<b>1 529 116</b>	<b>1 495 768</b>

These amounts are separately invested in terms of section 12 of the MFMA. See note 27 and 28 for more details on grants from National and Provincial Government as well as public contributions.

The unspent portion of the conditional grant will be spent over the next two or three years to the conclusion of the projects for which they were intended.

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

**17. VAT**

VAT payable	248 353	322 429	248 353	322 429
Impairment	133 075	42 858	133 075	42 858
VAT receivable	(295 621)	(286 266)	(295 621)	(286 266)
<b>TOTAL</b>	<b>85 807</b>	<b>79 021</b>	<b>85 807</b>	<b>79 021</b>

The City of Cape Town is registered for VAT on the payment basis. The VAT liability was impaired as a result of impairment against debtors.



	Economic entity		Municipality of Cape Town	
	2015	2014	2015	2014
	R'000	R'000	R'000	R'000
<b>18. HOUSING DEVELOPMENT FUND</b>				
<b>Realised housing proceeds</b>				
Balance at beginning of the year	346 222	384 125	346 222	384 125
Income	48 599	42 155	48 599	42 155
Land sales	12 174	3 116	12 174	3 116
Repayments – long-term debtors	32 479	32 407	32 479	32 407
Repayments – public organisations	601	1 192	601	1 192
Service contributions	3 345	3 467	3 345	3 467
Subsidy refunds and other	-	1 973	-	1 973
Interest	15 893	14 952	15 893	14 952
Expenditure	(101 032)	(89 818)	(101 032)	(89 818)
Funding capital projects	(68 531)	(22 089)	(68 531)	(22 089)
Funding operating projects	(32 501)	(67 729)	(32 501)	(67 729)
Non-cash transfer to provision for impairment	(6 911)	(5 192)	(6 911)	(5 192)
<b>Balance at end of the year</b>	<b>302 771</b>	<b>346 222</b>	<b>302 771</b>	<b>346 222</b>
<b>Unrealised housing proceeds</b>				
Balance at beginning of the year	122 197	120 231	122 197	120 231
Loans realised	(23 976)	(25 734)	(23 976)	(25 734)
Long-term housing loans	(23 432)	(24 138)	(23 432)	(24 138)
Long-term loans – public organisations	(544)	(1 596)	(544)	(1 596)
Transfer (from)/to impairment provision – long-term selling schemes	(5 391)	26 236	(5 391)	26 236
Transfer to impairment provision – long-term public organisations	784	1 464	784	1 464
<b>Balance at end of the year</b>	<b>93 614</b>	<b>122 197</b>	<b>93 614</b>	<b>122 197</b>
<b>TOTAL</b>	<b>396 385</b>	<b>468 419</b>	<b>396 385</b>	<b>468 419</b>
Unrealised housing proceeds represent loan repayments not yet due in terms of the debtor's loan agreement.				
<b>19. RESERVES</b>				
Capital replacement reserve	1 865 119	1 187 993	1 865 119	1 187 993
Insurance reserve	528 760	563 504	528 760	563 504
Self-insurance reserve	460 436	493 849	460 436	493 849
COVID reserve	68 324	69 655	68 324	69 655
<b>TOTAL</b>	<b>2 393 879</b>	<b>1 751 497</b>	<b>2 393 879</b>	<b>1 751 497</b>
The capital replacement reserve and the self-insurance reserve are fully funded and invested in ring-fenced financial instruments.				
<b>20. ACCUMULATED SURPLUS</b>				
Accumulated surplus	<b>25 788 156</b>	<b>21 998 203</b>	<b>25 661 739</b>	<b>21 893 987</b>
Receipts from acquired grant-funded assets to the value of R17,90 billion (2014: R16,35 billion) are included and earmarked to fund the depreciation charges over the assets' useful lives.				
The 2014 comparative amount of R21,99 billion has been restated from R22,00 billion (see note 46.1).				
<b>21. NON-CONTROLLING INTEREST</b>				
Balance at beginning of the year	234 947	144 658		
Share purchases by non-controlling interest holders	32 716	49 074		
Transfer to for share purchases	17 156	33 202		
Share of net surplus attributable to non-controlling interest	13 847	8 013		
<b>TOTAL</b>	<b>298 666</b>	<b>234 947</b>		



	Economic entity		Municipality of Cape Town	
	2015	2014	2015	2014
	R'000	R'000	R'000	R'000
<b>22. SERVICE CHARGES</b>				
Sale of electricity	9 966 593	9 313 459	9 977 027	9 323 247
Sale of water	2 523 671	2 184 898	2 524 635	2 185 812
Waste management (solid waste)	890 741	837 381	890 741	837 381
Wastewater management (sewerage and sanitation)	1 321 307	1 188 106	1 321 307	1 188 106
Other	671 800	539 626	483 660	369 134
<b>TOTAL</b>	<b>15 374 112</b>	<b>14 063 470</b>	<b>15 197 370</b>	<b>13 903 680</b>
<b>23. RENTAL OF LETTING STOCK AND FACILITIES</b>				
Rental agreements	357 239	318 515	357 239	318 515
Hire/rentals	43 650	32 755	43 650	32 755
	400 889	351 270	400 889	351 270
Income forgone*	(31 768)	(33 380)	(31 768)	(33 380)
<b>TOTAL</b>	<b>369 121</b>	<b>317 890</b>	<b>369 121</b>	<b>317 890</b>
<b>24. FINANCE INCOME</b>				
<b>Exchange transactions</b>	705 265	594 147	672 838	581 877
Interest receivable – external investments	646 513	526 691	614 086	514 421
Interest transferred to external funds (conditional grants)	(70 730)	(53 368)	(70 730)	(53 368)
Interest receivable – outstanding service debtors	129 482	120 824	129 482	120 824
<b>Non-exchange transactions</b>				
Interest receivable – outstanding rate debtors	68 747	71 488	68 747	71 488
<b>TOTAL</b>	<b>774 012</b>	<b>665 635</b>	<b>741 585</b>	<b>653 365</b>
<b>25. OTHER INCOME</b>				
<b>Exchange transactions</b>	398 948	368 368	247 040	237 850
Insurance recoveries	888	2 103	813	2 017
Bulk infrastructure levies	104 884	60 054	104 884	60 054
Skills development levy	21 228	20 503	21 228	20 503
Recovery of investment written off	8	-	8	-
Other income	145 079	160 804	127 418	147 844
Gains on foreign-exchange transactions	46	-	46	-
Fair value adjustments	(7 357)	7 432	(7 357)	7 432
City improvement districts	134 172	117 472	-	-
<b>Non-exchange transactions</b>				
City improvement districts	-	-	134 172	118 487
<b>TOTAL</b>	<b>398 948</b>	<b>368 368</b>	<b>381 212</b>	<b>356 337</b>

The Entity received services in kind to an estimated value of R153,07 million (2014: R137,02 million) in the form of volunteers. This amount is not recognised as revenue or as an asset as such in the statement of financial performance.

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



Economic entity		Municipality of Cape Town	
2015	2014	2015	2014
R'000	R'000	R'000	R'000

**26. PROPERTY RATES****Actual**

Residential, commercial and state  
Income forgone\*

7 108 899	6 548 249	7 113 743	6 552 820
(1 095 008)	(1 006 046)	(1 095 008)	(1 006 046)
<b>6 013 891</b>	<b>5 542 203</b>	<b>6 018 735</b>	<b>5 546 774</b>

**TOTAL PROPERTY RATES****Valuations**

Rateable properties  
Non-rateable properties

887 913 413	884 713 852	887 913 413	884 713 852
24 243 373	24 052 160	24 243 373	24 052 160
<b>912 156 786</b>	<b>908 766 012</b>	<b>912 156 786</b>	<b>908 766 012</b>

**Total property rates at commencement of financial year**

Exempt properties are excluded from the property rates valuation.

**Valuations per category**

Residential  
Commercial  
Agriculture  
State  
Municipal

620 887 683	624 049 005	620 887 683	624 049 005
258 159 222	244 438 376	258 159 222	244 438 376
14 227 482	20 747 223	14 227 482	20 747 223
7 751 245	8 407 241	7 751 245	8 407 241
11 131 154	11 124 167	11 131 154	11 124 167

**Total property rates at commencement of financial year**

<b>912 156 786</b>	<b>908 766 012</b>	<b>912 156 786</b>	<b>908 766 012</b>
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The last general valuation came into effect on 1 July 2013, and is based on market-related values. Property valuations adjustments, such as supplementary valuations, objection valuations and Valuation Appeal Board decisions, are processed weekly to take into account changes to individual property values due to alterations and subdivisions. Rates are levied on a daily basis and are payable monthly. Interest is raised monthly on accounts in arrears at prime plus 1% per annum.

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

Equitable share

1 667 298	1 243 270	1 667 298	1 243 270
<b>1 667 298</b>	<b>1 243 270</b>	<b>1 667 298</b>	<b>1 243 270</b>

**Conditional grants**

Provincial health subsidies  
Cape Metropolitan Transport Fund (CMTF)  
National projects  
Provincial projects – other  
Other

4 007 341	3 198 920	4 007 341	3 198 920
174 747	137 078	174 747	137 078
14 405	24 317	14 405	24 317
2 818 154	2 189 119	2 818 154	2 189 119
999 781	836 024	999 781	836 024
254	12 382	254	12 382

**TOTAL**

<b>5 674 639</b>	<b>4 442 190</b>	<b>5 674 639</b>	<b>4 442 190</b>
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The Entity does not foresee a significant decrease in the level of grant funding.

**Unconditional grants**

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

**Analysis of government grants and subsidies**

Operating  
Capital

3 251 460	2 389 432	3 251 460	2 389 432
2 423 179	2 052 758	2 423 179	2 052 758
<b>5 674 639</b>	<b>4 442 190</b>	<b>5 674 639</b>	<b>4 442 190</b>

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





Economic entity		Municipality of Cape Town	
2015	2014	2015	2014
R'000	R'000	R'000	R'000

**Provincial health subsidies**

Balance unspent at beginning of the year	-	-	-	-
Current-year receipts – included in public health vote	(174 747)	(137 078)	(174 747)	(137 078)
Conditions met – transferred to revenue	174 747	137 078	174 747	137 078
<b>Conditions still to be met – transferred to liabilities</b>	-	-	-	-

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

**Provincial projects and CMTF**

Balance unspent at beginning of the year	(382 707)	(269 948)	(382 707)	(269 948)
Regrouping adjustment	56 685	48 740	56 685	48 740
Current-year receipts	(1 044 774)	(937 585)	(1 044 774)	(937 585)
Interest earned	(7 107)	(9 328)	(7 107)	(9 328)
Adjustments	80 802	33 056	80 802	33 056
Conditions met – transferred to revenue	1 014 186	860 341	1 014 186	860 341
Amounts still to be claimed	(163 668)	(107 983)	(163 668)	(107 983)
<b>Conditions still to be met – transferred to liabilities – see note 16</b>	<b>(446 583)</b>	<b>(382 707)</b>	<b>(446 583)</b>	<b>(382 707)</b>

**National Government projects**

Balance unspent at beginning of the year	(1 046 140)	(527 091)	(1 046 140)	(527 091)
Regrouping adjustment	-	60	-	60
Current-year receipts	(2 908 248)	(2 672 459)	(2 908 248)	(2 672 459)
Interest earned	(56 811)	(40 879)	(56 811)	(40 879)
Adjustments	196 976	5 110	196 976	5 110
Conditions met – transferred to revenue	2 818 154	2 189 119	2 818 154	2 189 119
Amounts still to be claimed	-	-	-	-
<b>Conditions still to be met – transferred to liabilities – see note 16</b>	<b>(996 069)</b>	<b>(1 046 140)</b>	<b>(996 069)</b>	<b>(1 046 140)</b>

These grants received from National Government are for operating and capital expenditure, such as budget reform, restructuring, urban renewal, and so forth. Other than the amounts unspent, the conditions of the grants have been met – see Appendix E.

**28. PUBLIC CONTRIBUTIONS**

Public contributions: Consumer connections	32 609	37 423	32 609	37 423
Contributed assets	4 953	33 437	4 953	33 387
Other	24 421	15 198	24 421	15 198
<b>TOTAL</b>	<b>61 983</b>	<b>86 058</b>	<b>61 983</b>	<b>86 008</b>

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

Balance unspent at beginning of the year	(66 871)	(61 517)	(66 921)	(61 517)
Regrouping adjustment	4 343	1 639	4 343	1 639
Current-year receipts	(77 280)	(52 670)	(77 280)	(52 670)
Interest earned	(1 497)	(923)	(1 497)	(923)
Adjustments	(6 619)	(35 056)	(6 619)	(35 056)
Conditions met – transferred to revenue	61 983	86 058	61 983	86 008
Amounts still to be claimed	(473)	(4 402)	(473)	(4 402)
<b>Conditions still to be met – transferred to liabilities – see note 16</b>	<b>(86 414)</b>	<b>(66 871)</b>	<b>(86 464)</b>	<b>(66 921)</b>

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



	Economic entity		Municipality of Cape Town	
	2015	2014	2015	2014
	R'000	R'000	R'000	R'000
<b>29. EMPLOYEE-RELATED COSTS</b>				
Salaries and wages	5 774 525	5 367 580	5 729 979	5 323 227
Social contributions – Unemployment Insurance Fund (UIF), pensions and medical aid	1 519 644	1 399 353	1 513 972	1 394 292
Travel, car, accommodation, subsistence and other allowances	335 069	338 487	335 069	338 487
Housing benefits and allowances	28 439	26 512	28 439	26 512
Overtime payments	394 176	360 168	393 447	359 418
Performance bonus – net contribution	2 243	-	-	-
Contribution and benefits paid: current provisions	75 624	(304 166)	75 624	(304 166)
Contribution: post-retirement and long service benefits	72 988	1 524 847	72 988	1 524 847
Current service costs	164 503	134 111	164 503	134 111
Interest costs	531 955	400 393	531 955	400 393
Actuarial (gains)/losses	(623 470)	990 343	(623 470)	990 343
	8 202 708	8 712 781	8 149 518	8 662 617
Expenditure recharged to capital projects	(24 784)	(21 763)	(24 784)	(21 763)
<b>TOTAL</b>	<b>8 177 924</b>	<b>8 691 018</b>	<b>8 124 734</b>	<b>8 640 854</b>
<b>30. REMUNERATION OF COUNCILLORS</b>				
Executive Mayor	1 219	1 164	1 219	1 164
Deputy Executive Mayor	891	841	891	841
Speaker	891	841	891	841
Chief Whip	817	770	817	770
Mayoral Committee members	8 762	8 097	8 762	8 097
Subcouncil chairpersons	20 201	18 994	20 201	18 994
Portfolio chairpersons	12 424	11 697	12 424	11 697
Councillors	70 735	66 609	70 735	66 609
Councillors' pension contributions	4 692	4 582	4 692	4 582
Board members (CTICC)	356	445	-	-
	120 988	114 040	120 632	113 595
Reimbursement of travel claims	7 779	6 113	7 779	6 113
<b>TOTAL</b>	<b>128 767</b>	<b>120 153</b>	<b>128 411</b>	<b>119 708</b>
<b>31. IMPAIRMENT COSTS</b>				
Allowances for impairment losses	1 523 798	1 295 120	1 523 784	1 295 526
Impairment of property, plant and equipment	16 416	32 700	16 416	32 700
<b>TOTAL</b>	<b>1 540 214</b>	<b>1 327 820</b>	<b>1 540 200</b>	<b>1 328 226</b>
<b>32. DEPRECIATION AND AMORTISATION EXPENSES</b>				
Depreciation of property, plant and equipment	1 831 311	1 722 377	1 806 494	1 699 964
Depreciation of investment property	1 641	1 641	1 641	1 641
Amortisation of intangible assets	92 583	50 665	92 583	50 665
<b>TOTAL DEPRECIATION AND AMORTISATION EXPENSES</b>	<b>1 925 535</b>	<b>1 774 683</b>	<b>1 900 718</b>	<b>1 752 270</b>
– see notes 1, 3, 4 and Appendix B				
Grants-funded assets financed from reserves	(929 605)	(828 615)	(929 605)	(828 615)
<b>NET TOTAL DEPRECIATION AND AMORTISATION</b>	<b>995 930</b>	<b>946 068</b>	<b>971 113</b>	<b>923 655</b>
<b>33. FINANCE COSTS</b>				
Borrowings (amortised cost)	747 357	776 267	746 024	774 768
Losses on valuation of investment	5 034	830	5 034	830
Unwinding of discount	28 871	31 685	28 871	31 685
<b>TOTAL</b>	<b>781 262</b>	<b>808 782</b>	<b>779 929</b>	<b>807 283</b>
<b>34. BULK PURCHASES</b>				
Electricity	6 708 777	6 283 114	6 708 777	6 283 114
Water	400 066	308 118	400 066	308 118
<b>TOTAL</b>	<b>7 108 843</b>	<b>6 591 232</b>	<b>7 108 843</b>	<b>6 591 232</b>



	Economic entity		Municipality of Cape Town	
	2015	2014	2015	2014
	R'000	R'000	R'000	R'000
<b>35. GRANTS AND SUBSIDIES PAID</b>				
Ad hoc	46 595	39 326	46 578	39 313
Community development and upliftment	15 421	1 338	15 421	1 338
Economic development and promotion of tourism	51 072	41 947	51 072	41 947
Education institutions	321	413	321	413
Health forum/health, HIV/Aids and TB programmes	4 027	2 649	4 027	2 649
Senior citizens – facilities for the aged	95	100	95	100
Social development and arts and culture	1 800	-	1 800	-
Sporting bodies	1 468	285	1 468	285
Cape Town World Design Company	11 500	22 800	11 500	22 800
Khayelitsha Community Trust	4 205	6 176	4 205	6 176
<b>TOTAL</b>	<b>136 504</b>	<b>115 034</b>	<b>136 487</b>	<b>115 021</b>
<b>36. GENERAL EXPENSES</b>				
Auditor remuneration	13 444	13 537	11 863	12 126
CIDs levy	-	-	130 146	114 884
Consultants	113 229	130 184	108 473	123 776
Contributions from provisions	(39 840)	(34 246)	(39 840)	(34 246)
Free basic electricity (FBE) – Eskom service areas	113 946	101 730	113 902	101 680
Fair value adjustments	-	(4)	-	(4)
Fuel (petrol, diesel and fuel oil)	239 745	269 653	238 824	268 642
Indigent relief	508 501	469 646	508 501	469 646
Inventory: Scrapping	1 171	3 268	1 171	3 268
Legal fees	56 603	45 664	55 497	42 866
Loss on foreign exchange transactions	3 077	3 009	3 070	3 002
Materials general and consumables	332 011	332 011	323 907	299 153
Security services	346 710	404 240	340 947	398 863
Telecommunications	86 751	97 749	85 015	96 155
Other expenditure (less than 5%)	2 115 051	1 833 798	2 046 447	1 792 982
	3 890 399	3 670 239	3 927 923	3 692 793
Expenditure recharged to capital projects	(2 119)	(1 772)	(2 119)	(1 772)
<b>TOTAL</b>	<b>3 888 280</b>	<b>3 668 467</b>	<b>3 925 804</b>	<b>3 691 021</b>
The 2014 comparative amount of R3,67 billion has been restated from R3,66 billion (see note 46.1).				
<b>37. TAXATION</b>				
<b>Deferred taxation</b>				
<b>CTICC</b>				
Deferred income taxes are calculated on all temporary differences, using a tax rate of 28% (2014: 28%).				
At beginning of the year	2 201	4 640		
Temporary differences	(2 205)	(2 439)		
At end of the year	<b>(4)</b>	<b>2 201</b>		
<b>CIDs</b>				
At beginning of the year	-	57		
Reverse temporary differences on prepayments	-	(57)		
At end of the year	-	-		
<b>The balance comprises</b>				
Capital allowance (non-deductible temporary differences)	(4)	2 201		
Total	<b>(4)</b>	<b>2 201</b>		
<b>Statement of financial performance charge</b>				
Taxation				
Current year: CTICC	18 576	8 252		
CIDs	-	235		
	<b>18 576</b>	<b>8 487</b>		



Economic entity		Municipality of Cape Town	
2015	2014	2015	2014
R'000	R'000	R'000	R'000

**38. CASH GENERATED FROM OPERATIONS**

Surplus for the year	4 409 880	1 690 868	4 338 100	1 656 707
Adjustment for:	2 221 808	3 375 531	2 229 785	3 363 430
Depreciation	1 925 535	1 774 683	1 900 718	1 752 270
Contributed assets	(4 953)	(33 437)	(4 953)	(33 387)
Impairment	16 416	65 324	16 416	65 324
Gains and losses on disposal of assets	(84 633)	(62 463)	(84 713)	(62 962)
Contribution to provisions	(139 278)	461 639	(139 393)	461 079
Contribution to impairment provision	501 471	1 026 638	503 366	1 027 188
Finance income	(774 012)	(665 635)	(741 585)	(653 365)
Finance costs	781 262	808 782	779 929	807 283
<b>Operating surplus before working capital changes</b>	<b>6 631 688</b>	<b>5 066 399</b>	<b>6 567 885</b>	<b>5 020 137</b>
Increase in inventories	(11 731)	(12 682)	(11 033)	(12 733)
Increase in receivables	(408 214)	(399 315)	(408 222)	(399 310)
Increase in other receivables	(680 035)	(961 608)	(690 387)	(965 342)
Increase in unspent conditional grants and receipts	33 348	637 212	33 348	637 212
Increase in payables	534 463	247 886	534 505	246 345
Increase in net VAT	6 786	9 530	6 786	9 530
<b>Cash generated from operations</b>	<b>6 106 305</b>	<b>4 587 422</b>	<b>6 032 882</b>	<b>4 535 839</b>

The 2014 comparative amount has been restated (see note 46).

**39. CASH AND CASH EQUIVALENTS**

Balance at end of the year	3 792 735	2 652 774	3 199 148	2 266 559
Balance at beginning of the year	2 652 774	4 907 440	2 266 559	4 730 196
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1 139 961</b>	<b>(2 254 666)</b>	<b>932 589</b>	<b>(2 463 637)</b>

**40. RECONCILIATION OF UTILISATION OF LONG-TERM BORROWINGS**

Borrowings raised – see Appendix A	201	86	-	-
External Finance Fund (EFF) – earmarked capital expenditure	(7 314 155)	(6 551 825)	(7 314 155)	(6 551 825)
2013/14 and prior years	(5 168 092)	(4 694 936)	(5 168 092)	(4 694 936)
Current year	(2 146 063)	(1 856 889)	(2 146 063)	(1 856 889)
Total EFF (overdrawn)	(7 313 954)	(6 551 739)	(7 314 155)	(6 551 825)
Cash set aside for the repayment of borrowings – see note 5 and 11	1 788 233	1 631 750	1 788 233	1 631 750
<b>Cash overdrawn</b>	<b>(5 525 721)</b>	<b>(4 919 989)</b>	<b>(5 525 922)</b>	<b>(4 920 075)</b>

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

The reasons for the variances between the approved and final budgets are mainly due to virements. The decrease in the expected capital budget is due to the reprioritisation of capital projects, with corresponding changes to funding sources.

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

- i) Non-current liabilities  
Borrowings were much lower than budgeted as no new loans were taken up by the City.
- ii) Current liabilities  
Liabilities owed to suppliers for purchase of goods and services were much higher than expected.
- iii) Net assets  
The net asset variance is directly attributed to the non-current liability variance explanation above.

**41.2.2 Statement of financial performance****Revenue**

- i) Finance income  
The variance is a result of interest earned on higher investment balances due to continuously favourable cash flows during the year.
- ii) Licences and permits  
The variance is due to higher than expected revenue from the issuing of licences and permits.
- iii) Agency services  
The variance is due to higher levels of transactions being processed than expected.
- iv) Other income  
The excess recoveries are due to miscellaneous receipts from unanticipated sources
- v) Gains on disposal of property, plant and equipment  
The shortfall is due to the lower than planned proceeds
- vi) Fines  
The higher than anticipated income is due to more intense law enforcement, which has led to higher incidents of fines.
- vii) Government grants and subsidies  
The variance is due to delays in the implementation of projects, community consultation, tender objections, environmental issues and cancellation due to poor performance.
- viii) Public contributions  
The variance is due to delays in the implementation of projects, community consultation, tender objections, environmental issues and cancellation due to poor performance.

**Expenditure**

- i) Employee-related costs  
The variance is mainly due to the turnaround time in filling vacancies, impact of consequential vacancies and delays in the appointment of non-permanent staff.
- ii) Impairment costs  
The variance is due to lower than anticipated impairment cost resulting from improved collections.
- iii) Collection costs  
Variance due to lower than anticipated commission paid to the collecting agency, which is based on actual income received.
- iv) Finance costs  
The variance is due to the loans not taken up since they were not necessary.
- v) Contracted services  
The variance is due to reduced operating hours in the MyCiTi services and delays in the implementation of projects.
- vi) Grants and subsidies paid  
The variance is due to delays in the implementation of projects.
- vii) General expenses  
The variance is due to reduced operating hours in the MyCiTi services and delays in the implementation of projects.
- viii) Losses on disposal of property, plant and equipment.  
The variance is due to lower than anticipated sale of assets.

**41.2.3 Cash flow statement**

- i) Net cash from (used) operating  
The variance is due to under expenditure as a result of austerity measures and delays in implementation of projects.
- ii) Net cash from (used) investing  
The variance is due to the under spend of the capital budget and movement between short and long term investments.
- iii) Net cash from (used) financing  
The variance is mainly due to the non-taking up of a long term loan no longer needed.



**41.2.4 Capital expenditure**

- i) Community services  
Variance due to delays in the implementation of projects as a result of local community dynamics, industrial action and contractor poor performance.
- ii) Tourism, Events and Economic Development  
Variance due to delays in the implementation of environmental issues and contractor poor performance.
- iii) Transport for Cape Town  
Variance due to delays in the implementation of projects in an ever changing business environment, poor performance of vendors and protracted procurement processes.
- iv) Human Settlements  
Variance due to delay in implementation of projects, poor performance and liquidation of contractors, community dynamics and incidence of flooding.
- v) Water and sanitation  
Variance due to delays in the implementation of projects, contractor poor performance and delay in the supply of equipment.
- vi) Cape Town Electricity  
Variance due to delays in the implementation of projects, contractor poor performance, finalisation of design and planning, non-responsive tenders and the establishment of beneficiaries.

Economic entity		Municipality of Cape Town	
2015	2014	2015	2014
R'000	R'000	R'000	R'000

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

Opening balance	45	-	45	-
Irregular expenditure – supply chain management (SCM) regulations (see incident below)	-	45	-	45
Regularised and ratified	(45)	-	(45)	-
<b>Closing balance</b>	<b>-</b>	<b>45</b>	<b>-</b>	<b>45</b>
<b>Incident</b>				
▪ Business conducted with a supplier of whom a director was in service of the state	-	45	-	45
<b>Incident for the year</b>	<b>-</b>	<b>45</b>	<b>-</b>	<b>45</b>

**42.2 Unauthorised, fruitless and wasteful expenditure**

Opening balance	294	146	294	-
Fruitless expenditure – current year	-	294	-	294
Amount recovered	-	(146)	-	-
<b>Closing balance</b>	<b>294</b>	<b>294</b>	<b>294</b>	<b>294</b>
<b>Incidents</b>				
Fine: non-compliance to Act	Awaiting condonement by Council		-	50
Fine: non-compliance to Act	Awaiting condonement by Council		-	12
ICSID: Payments not in accordance with Agreement	Awaiting condonement by Council		-	232
<b>Incidents for the year</b>	<b>-</b>	<b>294</b>	<b>-</b>	<b>294</b>



Economic entity		Municipality of Cape Town	
2015	2014	2015	2014
R'000	R'000	R'000	R'000

**42.3 Material losses****Water losses**

In the year under review, the material losses were 14,11%. This is made up of 9,98% reticulation losses and 4,13% abnormal production losses (2014: 10,08% - reticulation losses and 0% abnormal production losses). These losses are predominantly due to metering inefficiencies, which constitutes an apparent loss. The production losses amounted to R91,11 million (2014: R90,30 million).

<b>137 373</b>	<b>92 576</b>	<b>137 373</b>	<b>92 576</b>
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**Electricity losses**

In the year under review, the energy losses were 11,25% (2014: 10,78% restated from 10,49%). These losses are the result of theft and vandalism. The production losses amounted to R436,70 million (2014: R408,64 restated from R411,42 million).

<b>314 416</b>	<b>265 186</b>	<b>314 416</b>	<b>265 186</b>
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The 2014 comparative percentage and amount of R265,19 million has been restated from R245,99 million due to additional purchases of kWh included for completeness of small accounts.

**43. COMMITMENTS****43.1 CAPITAL COMMITMENTS**

Commitments in respect of capital expenditure

Approved and contracted for:

Infrastructure

1 858 698	2 203 693	1 858 698	2 203 693
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Community

33 564	92 517	33 564	92 517
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Other

1 418 620	822 865	696 472	781 895
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**TOTAL**

<b>3 310 882</b>	<b>3 119 075</b>	<b>2 588 734</b>	<b>3 078 105</b>
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**43.2 OPERATING LEASE COMMITMENTS****43.2.1 The Entity as lessee**

Future minimum lease payments under non-cancellable operating leases

**Land and buildings**

157 532	41 067	155 460	40 221
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Payable within one year

50 670	38 360	50 188	38 017
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Payable within two to five years

106 862	2 707	105 272	2 204
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**Vehicles and other equipment**

514	831	514	736
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Payable within one year

245	270	245	222
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Payable within two to five years

269	561	269	514
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<b>158 046</b>	<b>41 898</b>	<b>155 974</b>	<b>40 957</b>
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Minimum lease payments recognised as an expense during the period amount to R38,24 million (2014: R49,21 million). Leased premises are contracted for remaining periods of between one and four years, with renewal options available in certain instances.

The 2014 comparative amount of R41,89 million has been restated from R40,96 million (see note 46.1).

**43.2.2 The Entity as lessor**

Future minimum lease income under non-cancellable operating leases

Receivable within one year

25 151	19 502	27 071	21 422
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Receivable within two to five years

96 190	63 484	96 670	65 884
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Receivable after five years

204 434	147 186	204 434	147 186
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**Buildings**

<b>325 775</b>	<b>230 172</b>	<b>328 175</b>	<b>234 492</b>
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The Entity let properties under operating leases. Property rental income earned during the year was R26,09 million (2014: R21,62 million). The tenants, at their cost, maintain the properties. No investment properties have been disposed of since the date of the statement of financial performance.

The impact of charging the escalations in operating leases on a straight-line basis over the term of the lease has been an increase of R16,51 million in current-year income.



**44. ADDITIONAL DISCLOSURES****44.1 MUNICIPAL FINANCE MANAGEMENT ACT****44.1.1 Section 124****Disclosure concerning councillors' municipal accounts in arrears**

As at **30 June 2015** no councillors' were in arrears for more than 90 days for rates or services.

During the **reporting period**, the following councillors were in arrears for more than 90 days.

Honono, T	Nikelo, M
Madikana, B	Nyakatya, N
Makeleni, K	Purchase, F
Moolman, G	

As at **30 June 2014**, the following councillor was in arrears for more than 90 days for rates or services:

As at 30 June 2014	Total	Outstanding	Outstanding
	R'000	≤90 days	>90 days
Madikane, B	208	-	208
<b>Balance outstanding</b>	<b>208</b>	<b>-</b>	<b>208</b>

During the **reporting period**, the following councillors were in arrears for more than 90 days:

Gqada, T	Mamkeli, S
Hassiem, W	Jordaan, C
Lungiswa, J	Van der Merwe, C
Mabandla, M	

**44.1.2** Included in the debtors' arrears is an amount of R67 842 (2014: R1,62 million) outstanding for more than 120 days, owed by the representative political parties to the Entity.

**44.1.3 Section 125****Other compulsory disclosures**

	South African Local Government Association (SALGA) contributions	Audit fees	Pay-as-you- earn (PAYE) and UIF	Pension and medical aid
	R'000	R'000	R'000	R'000
<b>As at 30 June 2015</b>				
Opening balance	-	106	87 963	191 627
Subscriptions/fees	10 541	14 874	1 115 982	2 457 128
Amount paid – current year	(10 541)	(14 569)	(1 022 217)	(2 247 368)
Amount paid – previous years	-	(106)	(87 963)	(191 627)
<b>Balance unpaid (included in payables)</b>	<b>-</b>	<b>305</b>	<b>93 765</b>	<b>209 760</b>
<b>As at 30 June 2014</b>				
Opening balance	-	182	84 887	172 627
Subscriptions/fees	10 400	15 029	1 077 710	2 244 211
Amount paid – current year	(10 400)	(14 923)	(989 747)	(2 052 584)
Amount paid – previous years	-	(182)	(84 887)	(172 627)
<b>Balance unpaid (included in payables)</b>	<b>-</b>	<b>106</b>	<b>87 963</b>	<b>191 627</b>





Economic entity		Municipality of Cape Town	
2015	2014	2015	2014
R'000	R'000	R'000	R'000

#### 44.2 SUPPLY CHAIN MANAGEMENT REGULATIONS

##### 44.2.1 Deviations

In terms of section 36 of the municipal SCM regulations, any deviation from SCM policy needs to be approved by the Accounting Officer and noted by Council. The expenses incurred as listed below have been approved by the Accounting Officer and noted by Council. Deviations have been approved in principle, subject to controls such as unit cost and the availability of costs and budget.

##### Incidents

Appointment of consultants	52 232	64 228	52 232	64 228
Information technology upgrade	59 850	57 078	59 850	57 078
Upgrade of electricity services	30 263	38 657	30 263	38 657
Extension of contract period/sum	426 058	13 637	426 058	13 637
Upgrade of road infrastructure	45 031	260 216	45 031	260 216
Supply and delivery of plant and equipment	66 313	43 670	66 313	43 670
Other	70 092	95 945	62 972	91 239
Deviations less than R200 000	307 920	300 442	307 920	300 442

##### Total amount approved by the Accounting Officer and noted by Council

<b>1 057 759</b>	<b>873 873</b>	<b>1 050 639</b>	<b>869 167</b>
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All deviations considered by the Accounting Officer are processed in terms of the SCM regulations and the SCM policy. This process entails being assessed by the SCM Bid Adjudication Committee in terms of the stipulated criteria of emergency procurements, availability from only one provider, art-historical objects, circumstances where it is impractical or impossible to follow the official procedure, or correction of minor technical breaches.

##### 44.2.2 SCM breaches

Ratification of minor breaches	15 709	14 091	-	-
<b>Total amount regularised and ratified</b>	<b>15 709</b>	<b>14 091</b>	<b>-</b>	<b>-</b>



**44.2.3 Bids awarded to family of employees in service of the state**

In terms of section 45 of the municipal SCM regulation, any award above R2 000 to family of employees in the service of the state must be disclosed in the annual financial statements. The following is a list as recorded in the declaration-of-interest form:

Connected persons	Position held in state	Economic entity	Municipality of Cape Town
		2015 R'000	2015 R'000
Adams, J	Administrative Officer	92	92
Agulhas, M	Artisan	363	363
Arnold, JT	Superintendent	29	29
August, K	Operational Supervisor: Driver	28	28
Barnard, M	Deputy Director: Health Department	3 144	3 144
Basholo, Z	Manager: Water and Demand	442	442
Bowers, ER	Social Worker: Department of Health	6	6
Buitendag, G	Principal Professional Officer	134	134
Cedras, A	Senior Superintendent	1 433	1 433
Christopher, P	Operations Manager: Corporate	578	578
Cilliers, JP	Special Advisor to the Premier	76	76
Danie, S	Project Administrator	387	387
Davids, F	Clerk	119	119
Davids, J	Department of Health	697	697
Davids, M	Operational Supervisor: Driver	172	172
Dolf, N	Clerk	131	131
Du Toit, J	SCM: Assistant Buyer	597	597
Ebrahim, Y	Head: District 5	1 412	1 412
Els, A	South African Police Services	73	73
Fourie, S	HoD: Department of Economic Development and Tourism	49	-
Gordon, C	Clerk	568	568
Gurgess, D	Senior Clerk	1 013	1 013
Hattingh, PM	SCM: Administrative Officer	2 371	2 371
Hector, C	National Health Research Board (NHRB)	2 211	2 211
Henderson, C	Teacher	85	85
Hendricks, F	Administrative Officer	31	31
Ishmail, E	Manager: Valuation Data and Systems	3 030	3 030
Jacobs, E	Senior Clerk	10 808	10 808
Jemane, J	Professional Officer	14	14
Jones, B	Superintendent: Community Services	2	2
Komani, A	Foreman	5	5
Lategan, J	Clerk	337	337
Le Vack, S	Professional Nurse	273	273
Leukes, P	Spokesperson to the Executive Mayor	281	281
Maroof, M	Professional Officer	1 100	1 100
Martin, M	Department of Health	24	24
Mbhalo, N	Clerk	403	403
Melnick, R	Project Administrator	47	47
Merile, SS	Operator: Small Plant	743	743
Meyer, G	Manager: Support	62 073	62 073
Meyer, T	Educator: Western Cape Education Department	4 520	-
Modack, K	Senior Project Administrator	109	109
Monk, FJ	Sub-council Manager	4 213	4 213
Mshweshwe, MC	Statutory Compliance Specialist	635	635
Mtini, V	Worker	36 100	36 100
Mzwanbile, N	SA Ambassador	12	12
Nel, GA	SITA	55	55



Connected persons	Position held in state	Municipality of Cape Town	
		Economic entity	2015
		2015	R'000
Niehaus, H	Senior Manager: Department of Health	22	22
Ntlati, B	Clerk	340	340
Paul, B	Department of Cultural Affairs and Sport (DCAS)	76	76
Phosa, P	Parliament	199 388	199 388
Poole, N	Senior Clerk	24	24
Porsche, S	Forensics	31	31
Rall, A	Hospital Manager	327	327
Rhodes, M	Department of Education	486	486
Ritter, T	Senior Clerk	7	7
Scheepers, C	Councillor	12	12
Scholtz, LM	Secretary	473	473
Siebritz, W	Fire Fighter	38	38
Southgate, K	Councillor	1 097	1 097
Steyn, D	Head: Supplier Management	129	129
Steyn, T	Senior Professional Officer	234	234
Unathi, P	Assistant Professional Officer	61	61
Van Der Heever, V	Teacher	1 407	1 407
Van der Vendt, C	Senior Worker	560	560
Visagie, L	Teacher	141	141
Votersen, MF	Head: Finance Parks	2 969	2 969
Wasserfall, B	Senior Forensics Officer	1 944	1 944
Willemse, S	Administrative Officer	1 396	1 396
Wyngaard, R	SCM: Administrative Officer - Tenders	866	866
AURECON awards	Family Members per schedule	56 863	56 863
<b>Total</b>		<b>409 916</b>	<b>405 347</b>

#### \*Names of family members

Ahlschlager, HC	Legal Representative: Special Investigating Unit
Geldenhuis, N	Mechatronic Engineer: Transnet Port Terminals
Goga, Y	Senior Specialist: Nkosi Albert Luthuli Hospital
Govender, T	Fleet Maintenance Administrator: Umgeni Water
Herholdt, E	Manager: Limpopo Department of Economic Development Environment and Tourism
Heyns, A	Assistant Superintendent: Stellenbosch Municipality
Jacobs, J	Personal Assistant: Eastern Cape Department of Education
Kleynhans, B	Accountant: Hessequa Municipality
Kriegler, BJ	Councillor: Cape Winelands District Municipality and Breede Valley Municipality
Marques, M	Deputy Director: Department of Home Affairs
Nadasen, K	Director: National Department of Public Works
Ntsebeza, D	Buffalo City Metropolitan Municipality
Ntsebeza, M	Intsika Yethu Municipality
Ntsebeza, N	Intsika Yethu Municipality
Pretorius, PS	Sol Plaatje Municipality
Robertson, JM	Roads Engineer: Ekurhuleni Metropolitan Municipality
Vermeulen, PC	Superintendent: City of Cape Town



**45. FINANCIAL RISK MANAGEMENT**

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

The Entity's Risk Management Committee is responsible for overseeing the City's integrated risk management (IRM) policies and activities. The IRM policies were established to ensure a structured approach to the identification and mitigation of risks across the Entity to an acceptable level. The IRM policies and systems are reviewed regularly to ensure that they keep pace with best practices and regulatory requirements. To enable the Audit Committee to comply with their role and responsibilities with regard to risk management, all documentation and reports of Risk Management Committee meetings are supplied to the Audit Committee on a quarterly basis.

The accounting policy for financial instruments was applied to the following items in the statement of financial position:

	Amortised cost R'000	Fair value R'000	Total carrying amount R'000	Fair value R'000
<b>Financial assets</b>				
<b>2015</b>				
Investments	1 863 861	3 277 447	5 141 308	5 138 276
Long-term receivables	95 162	-	95 162	95 162
Receivables	4 617 194	-	4 617 194	4 617 194
Other receivables	651 953	-	651 953	651 953
Cash and cash equivalents	2 578 701	1 214 034	3 792 735	3 792 735
	<b>9 806 871</b>	<b>4 491 481</b>	<b>14 298 352</b>	<b>14 295 320</b>
<b>2014</b>				
Investments	1 701 641	3 976 538	5 678 179	5 725 265
Long-term receivables	123 962	-	123 962	123 962
Receivables	4 308 354	-	4 308 354	4 308 354
Other receivables	423 362	-	423 362	423 362
Cash and cash equivalents	1 315 189	1 337 585	2 652 774	2 652 774
	<b>7 872 508</b>	<b>5 314 123</b>	<b>13 186 631</b>	<b>13 233 717</b>

The 'other receivables' 2014 comparative amount of R423,36 million has been restated from R426,13 million (see note 46.1).

	Amortised cost R'000	Total carrying amount R'000	Fair value R'000
<b>Financial liabilities</b>			
<b>2015</b>			
Borrowings	6 775 757	6 775 757	7 127 878
Payables	4 183 175	4 183 175	4 183 175
	<b>10 958 932</b>	<b>10 958 932</b>	<b>11 311 053</b>
<b>2014</b>			
Borrowings	7 050 159	7 050 159	7 628 288
Payables	3 838 742	3 838 742	3 838 742
	<b>10 888 901</b>	<b>10 888 901</b>	<b>11 467 030</b>



**45.1 Fair values**

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

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

	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
<b>Financial assets</b>				
<b>2015</b>				
Investments	2 832 164	445 283	-	3 277 447
Cash and cash equivalents	-	1 214 034	-	1 214 034
	<b>2 832 164</b>	<b>1 659 317</b>	<b>-</b>	<b>4 491 481</b>
<b>2014</b>				
Investments	3 204 138	772 400	-	3 976 538
Cash and cash equivalents	-	1 337 585	-	1 337 585
	<b>3 204 138</b>	<b>2 109 985</b>	<b>-</b>	<b>5 314 123</b>

**45.2 Liquidity risk**

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

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

An average of 95,64% (2014: 96,35%) of receivable (own billed) income is realised within 30 days after the due date, and payables are settled within 30 days of invoice. National and provincial grant funding is received in terms of the Division of Revenue Act (DoRA).

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

	Up to 1 year R'000	1-5 years R'000	>5 years R'000	Total R'000
<b>2015</b>				
<b>Liabilities</b>				
Borrowings	1 073 380	3 602 900	7 946 124	12 622 404
Capital repayments	346 953	991 487	5 437 317	6 775 757
Interest	726 427	2 611 413	2 508 807	5 846 647
Payables	4 183 175	-	-	4 183 175
Payables	3 427 115	-	-	3 427 115
Sundry creditors	756 060	-	-	756 060
	<b>5 256 555</b>	<b>3 602 900</b>	<b>7 946 124</b>	<b>16 805 579</b>



**45.3 Credit risk**

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

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

	Economic entity		Municipality of Cape Town	
	2015	2014	2015	2014
	R'000	R'000	R'000	R'000
Investments	5 141 308	5 678 179	5 141 198	5 678 179
Long-term receivables – see note 6	95 162	123 962	95 162	123 962
Receivables and other receivables – see note 8 and 9	5 269 147	4 731 716	5 269 588	4 724 180
Cash and cash equivalents – see note 10	3 792 735	2 652 774	3 199 148	2 266 559
<b>Total</b>	<b>14 298 352</b>	<b>13 186 631</b>	<b>13 705 096</b>	<b>12 792 880</b>

The 'receivables and other receivables' 2014 comparative amount of R4,73 billion has been restated from R4,73 billion (see note 46.1).

**Investments and cash and cash equivalents**

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

**Long-term receivables**

Loans are granted and managed in accordance with policies and regulations as set out in note 6. The associated interest rates and repayments are clearly defined and, where appropriate, the Entity obtains certain suitable forms of security when granting loans. Allowances for impairment are made in certain instances.

**Receivables**

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

The Entity's maximum exposure to credit risk is represented by the carrying value of each financial asset in the statement of financial performance. The Entity has no significant concentration of credit risk, with exposure spread over a large number of consumers and not concentrated in any particular sector or geographic area. The Entity establishes an allowance for impairment that represents its estimate of anticipated losses in respect of receivables. The outstanding amounts of the ten largest debtors represent 1,00% (2014: 1,00%) of the total outstanding balance. The average credit period on services rendered is 30 days from date of invoice. Interest is raised at prime plus 1% on any unpaid accounts after the due date. The Entity has provided fully for all receivables outstanding over 365 days. Receivables up to 365 days are provided for based on estimated irrecoverable amounts, determined by reference to past default experience. Additional information relating to the analysis of receivables is given in note 8 and 9.

Consumer debtors with a demonstrable inability to pay are encouraged to apply for potential indigent status as an ongoing customer relationship strategy as well as to enable the City of Cape Town to make adequate provision for such relief.

**45.4 Capital management**

The primary objective of managing the Entity's capital is to see to it that there is sufficient cash available to support the Entity's funding requirements, including capital expenditure, to ensure that the Entity remains financially sound.

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

**45.5 Price risk**

The Entity is exposed to equity securities price risk because of investments held by the Entity and classified as financial instruments carried at fair value. The Entity is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Entity diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Entity. The exposure to price risk is not material to the Entity and consequently is not elaborated on any further.

**45.6 Currency risk**

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

**45.7 Market risk**

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

The effective rates on financial instruments as at 30 June 2015 are as follows:

**Maturity of interest-bearing assets/liabilities**

	Weighted interest rate	1 years or less	1-5 years	>5 years	Total
	%	R'000	R'000	R'000	R'000
<b>Financial assets</b>					
Investments	6,29	2 960 492	1 560 607	1 834 243	6 355 342
Cash and cash equivalents	5,84	2 578 701	-	-	2 578 701
<b>Total financial assets</b>		<b>5 539 193</b>	<b>1 560 607</b>	<b>1 834 243</b>	<b>8 934 043</b>
<b>Financial liabilities</b>					
Borrowings	9,84	346 953	991 487	5 437 317	6 775 757
<b>Total financial liabilities</b>		<b>346 953</b>	<b>991 487</b>	<b>5 437 317</b>	<b>6 775 757</b>

**Interest rate sensitivity analysis****Financial assets**

As at 30 June 2015, if the weighted interest rate at that date had been 100 basis points higher, with all other variables held constant, the fair-value impact on the statement of financial performance would have been R95,14 million, with the opposite effect if the interest rate had been 100 basis points lower.

**Financial liabilities**

As at 30 June 2015, if the interest rate at that date had been 100 basis points higher or lower, with all the other variables held constant, the fair-value liability would have no impact, as all borrowings are at a fixed interest rate.

**46. PRIOR-YEAR ADJUSTMENTS****46.1 Correction of error**

A review of the stock issue data revealed that an error was made by way of not allocating VAT correctly when issuing stock between directorates. The correction of error is a non-cash item.

The review of the CIDs financial statements revealed that the operating lessee disclosure amounts were understated. The correction of the disclosure amounts had no effect in the statement of financial position and statement of performance.

**46.2 Reclassification**

Reclassification between cash generated from operations and finance costs was made as indicated below.

Presented below are those items contained in the statement of financial position, statement of performance and cash flow statement that have been affected by the prior-year adjustment and reclassification.

		Economic entity			
		As previously reported	Correction of error	Reclassification	Restated
		R'000	R'000		R'000
<b>2014</b>	<b>Note</b>				
<b>Statement of financial position</b>					
Other receivables	9	427 783	(2 769)	-	425 014
Accumulated surplus	20	22 000 972	(2 769)	-	21 998 203
<b>Statement of financial performance</b>					
General expenses	36	3 665 698	2 769	-	3 668 467
Total expenditure		26 676 857	2 769	-	26 679 626
Surplus for the year		1 693 637	(2 769)	-	1 690 868
<b>Cash flow statement</b>					
<b>Cash flow from operating activities</b>					
Cash receipts from ratepayers, government and other		26 686 088	-	(41 910)	26 644 178
Cash generated from operations	38	4 629 332	-	(41 910)	4 587 422
Finance costs		(793 048)	-	41 910	(751 138)
<b>Net cash from operating activities</b>		<b>4 566 057</b>	<b>-</b>	<b>-</b>	<b>4 566 057</b>



## Economic entity (continued)

	As previously reported	Correction of error	Reclassification	Restated
	R'000	R'000		R'000
<b>Cash generated from operations</b>				
Surplus for the year	1 693 637	(2 769)	-	1 690 868
Adjustment for:	3 417 441	-	(41 910)	3 375 531
Fair value adjustment – concessionary loan	41 910	-	(41 910)	-
Increase in other receivables	(964 377)	2 769	-	(961 608)
<b>Cash generated from operations</b>	<b>4 629 332</b>	<b>-</b>	<b>(41 910)</b>	<b>4 587 422</b>

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## Municipality of Cape Town

	As previously reported	Correction of error	Reclassification	Restated
	R'000	R'000		R'000
<b>2014</b>				
<b>Statement of financial position</b>				
Other receivables	417 304	(2 769)	-	414 535
Accumulated surplus	21 896 756	(2 769)	-	21 893 987
<b>Statement of financial performance</b>				
General expenses	3 688 252	2 769	-	3 691 021
Total expenditure	26 531 448	2 769	-	26 534 217
Surplus for the year	1 659 476	(2 769)	-	1 656 707
<b>Cash flow statement</b>				
<b>Cash flow from operating activities</b>				
Cash receipts from ratepayers, government and other	26 515 253	-	(41 910)	26 473 343
Cash generated from operations	4 577 749	-	(41 910)	4 535 839
Finance costs	(791 549)	-	41 910	(749 639)
<b>Net cash from operating activities</b>	<b>4 515 574</b>	<b>-</b>	<b>-</b>	<b>4 515 574</b>
<b>Cash generated from operations</b>				
Surplus for the year	1 659 476	(2 769)	-	1 656 707
Adjustment for:	3 405 340	-	(41 910)	3 363 430
Fair value adjustment – concessionary loan	41 910	-	(41 910)	-
Increase in other receivables	(968 111)	2 769	-	(965 342)
<b>Cash generated from operations</b>	<b>4 577 749</b>	<b>-</b>	<b>(41 910)</b>	<b>4 535 839</b>

Note  
9  
20  
36  
38  
38

## 46.3 Changes in accounting estimates

The annual review of the useful lives of assets resulted in a decrease of R53,54 million (2014: R158,04 million) in the depreciation charge to the statement of financial performance. It is impracticable to estimate the effect of these changes in estimate on future periods.

During the 2015 financial year SARS conducted an audit of the Transport of Cape Town directorate and found that a portion of VAT previously paid could be claimed back. An adjustment of R51,24 million was passed on the acquisitions cost of the PPE based on the amount received from SARS.





**47. RETIREMENT BENEFIT INFORMATION**

The Entity makes provision for post-retirement benefits to eligible councillors and employees who belong to different pension schemes. These funds are governed by the Pension Funds Act (Act 24 of 1956) and include both defined-benefit (DB) and defined-contribution (DC) schemes. Contributions of R874,92 million (2014: R804,83 million) to the DB and DC structures are expensed as incurred during the year under review.

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

**47.1 Defined-benefit schemes****Cape Joint Pension Fund (multi-employer fund)**

The DB section is a multi-employer plan, and the contribution rate payable is 27%, i.e. 9% by the members and 18% by their councils. The last actuarial valuation of the fund was performed at 30 June 2013 where the fund was certified by the actuary as being in a sound financial condition. Since the previous valuation date the valuation indicates a R10 million deficit actuarial result, and is 99,7% funded at the financial year-end. The City of Cape Town is included among the local authorities that contribute to the Cape Joint Pension Fund. Included in the rules of the fund is a proviso that the assets provide a minimum return of 5,5% per annum, failing which the local authorities associated with the fund are required to fund the shortfall in direct proportion to the level of contributions made. There have been significant amendments to the pension fund regulations, notably rule 17(5), in terms of which the fund is managing its sustainability risk. The same applies to the defined-contribution schemes.

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

The fund is a DB plan and is financially sound. It was 100% funded as at 1 July 2014, and had remained stable since the previous valuation date.

**47.2 Defined-contribution schemes****Cape Joint Pension Fund (multi-employer fund)**

This scheme was established to accommodate the unique characteristics of contract employees and cost-to-company employees. All existing members were given the option to transfer to the DC plan before 1 July 2003. The last actuarial valuation of the fund was performed at 30 June 2013. Notwithstanding the actuary's recommendation to eliminate a slight shortfall, the nature of assets is suitable for the fund. The fund was certified by the actuary as being in a sound financial condition as at 30 June 2013. The valuation disclosed funding of 99,8%.

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

The contribution rate paid by the members (9%) and their councils (18%) is sufficient to fund the benefits accruing from the fund in future. The actuary certified the fund, a DC plan, as being in a sound financial position as at 30 June 2013.

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

The Municipal Councillors' Pension Fund operates as a DC scheme. The contribution rate paid by the members (13,75%) and their councils (15%) is allocated between the cost of risk benefits deriving from the administration of the fund and members' retirement benefits.

The last actuarial valuation of the fund was performed at 30 June 2012 when the fund was certified by the actuary as being technically not financially sound with a funding level of 99,5%. A statutory valuation will be performed on the 30 June 2015 audited financial statements, once it becomes available.

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

The retirement and pension funds are both DC schemes. According to the actuary's certification, the assets of the fund are sufficient to cover its liabilities. As at 30 June 2014, the valuation disclosed a funding level fluctuating around 100% due to timing differences, a slight mismatch of assets and liabilities, and processing errors.

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

The SAMWU National Provident Fund is a DC scheme. The last actuarial valuation of the fund was performed at 30 June 2014, when the fund was certified as being in a financial sound position.

**Cape Town International Convention Centre Company (Pty) Ltd (Convenco) Provident Fund**

The Convenco Provident Fund operates as a DC scheme. The economic entity has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to the employee service in the current or prior periods.

**47.3 Defined-benefit and defined-contribution scheme****Cape Municipal Pension Fund**

The Cape Municipal Pension Fund operates as both a DB and DC scheme. The fund has been awarded an unqualified audit opinion for the audit of finances for the year ended 30 June 2013. The actuarial valuation of the fund was performed at 30 June 2012, which certified it as being in a financially sound position. The next statutory valuation is due by 30 June 2015.

	Total	DB section	DC section
In-service members	9 632	301	9 331
Pensioners	5 096	3 824	1 272
Membership as at 30 June 2013	<b>14 728</b>	<b>4 125</b>	<b>10 603</b>

	2015	2014
	R'million	R'million
Past-service position – DB section	3 739	3 739
Past-service position – DC section	6 357	6 357
Total liabilities	10 096	10 096
Assets valued at market value	10 109	10 109
Actuarial surplus	-	-

**Key financial assumptions**

	2015	2014
	%	%
Actual employer contribution – DB section	20,25	20,25
Actual employer contribution – DC section	18,00	18,00
Net discount rate: Pre-retirement	0,50	0,50
Post-retirement	1,50	1,50
Normal retirement age	60 years	60 years

**47.4 Post-employment defined benefits****47.4.1 Health-care arrangement assumptions**

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

The members of medical aid schemes entitled to a post-employment medical scheme subsidy as at 30 June 2015 constituted 8 976 (2014: 9 822) in-service members and 6 678 (2014: 6 525) pensioners.

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

It is further assumed that the subsidy will continue until the last survivor's death, for eligible members and their spouses.

**Continuation of membership**

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

**Family profile**

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

**Plan assets**

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

**Discount rate**

The fund benefit liability to the City of Cape Town as at 30 June 2015 has been discounted at a rate determined on the basis of the yield curve (2014: 9,30%) per annum on government bonds.

**47.4.2 Retirement pension benefits**

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

The number of employees who were eligible for a post-retirement pension as at 30 June 2015 was 23 (2014: 37) in-service employees and 94 (2014: 103) pensioners.

**Plan assets**

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

**Discount rate**

The fund benefit liability to the Entity as at 30 June 2015 has been discounted at the yield curve (2014: 8,60%) per annum rate determined on the basis of the market yields on government bonds.



## Post-retirement scheme defined-benefit obligations

	2015			2014		
	Health care benefits	Retirement pension benefits	Total	Health care benefits	Retirement pension benefits	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Present value of unfunded liability	5 053 986	24 799	5 078 785	5 211 674	33 306	5 244 980
Net liability in statement of financial position	<b>5 053 986</b>	<b>24 799</b>	<b>5 078 785</b>	<b>5 211 674</b>	<b>33 306</b>	<b>5 244 980</b>
Interest costs	492 890	2 877	495 767	358 004	5 235	363 239
Service costs	123 343	800	124 143	97 345	2 021	99 366
Actuarial (gains)/losses recognised	(602 779)	(10 793)	(613 572)	1 027 156	(29 518)	997 638
Total included in statement of financial performance	<b>13 454</b>	<b>(7 116)</b>	<b>6 338</b>	<b>1 482 505</b>	<b>(22 262)</b>	<b>1 460 243</b>
Balance at the beginning of the year	5 211 674	33 306	5 244 980	3 882 906	56 774	3 939 680
Net expense recognised in statement of financial performance	13 454	(7 116)	6 338	1 482 505	(22 262)	1 460 243
Contributions paid	(171 142)	(1 391)	(172 533)	(153 737)	(1 206)	(154 943)
Net liability in statement of financial position	<b>5 053 986</b>	<b>24 799</b>	<b>5 078 785</b>	<b>5 211 674</b>	<b>33 306</b>	<b>5 244 980</b>

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

Post-retirement medical aid	Change in assumption	Liability	Service cost	Interest cost
		R'000	R'000	R'000
Assumptions used		<b>5 053 986</b>	<b>93 689</b>	<b>458 651</b>
Health-care inflation	-1% decrease	4 411 460	77 157	399 070
	+1% increase	5 838 031	114 583	531 390
Post-retirement mortality	-20% increase	5 574 745	104 108	506 805
	+20% decrease	4 641 959	85 331	420 546

	2015		2014	
	Health-care benefits	Retirement pension benefits	Health-care benefits	Retirement pension benefits
	%	%	%	%
<b>Key financial assumptions</b>				
Discount rate	Yield curve	Yield curve	9,30	8,60
General inflation rate	Difference between nominal and yield curves	Difference between real and yield curve	6,00	6,00
General salary inflation rate	-	CPI + 2%	-	8,00
Health-care cost inflation rate	CPI + 1%	-	7,50	-
Net effective discount rate	Yield curve based	Curve dependent	1,67	-

#### 48. CONTINGENT LIABILITIES

##### 48.1 Contractual disputes

Various contractual claims by contractors/suppliers and staff are currently in dispute, and are subject to mediation. The potential extent of the liability cannot be determined, since it is subject to litigation, but a provisional estimate based on management assessment is R104,16 million (2014: R259,81 million).

##### 48.2 Outstanding insurance claims

The estimated liability for insurance claims amounts to R75,89 million (2014: R98,77 million). The estimated amount was based on quotations, medical reports and letters of demand received. The merits must still be determined and could result in a lesser or greater amount.



**49. RELATED-PARTY DISCLOSURES****49.1 Municipal entities and special areas**

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

Economic entity		Municipality of Cape Town	
2015	2014	2015	2014
R'000	R'000	R'000	R'000

**CTICC**

The CTICC was established for Cape Town to become host to international conferences, with the objective of promoting Cape Town as a tourism city.

Percentage owned		69,9%	62,79%
Arm's-length transactions for the year			
Receivables		1 303	1 294
Payables		22 747	-
Service charges		19 315	18 111

**CIDs**

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

Percentage owned

Arm's-length transactions between CIDs and the City of Cape Town

	Special rating areas	
Receivables	2	-
Service charges	27	14
Levies	130 146	114 884

Arm's-length transactions have been entered into with members of key management as well as related companies.

Cape Town – Cape Town Partnership

Epping CID – Just For You Business Support Services CC

Groote Schuur CID – Groote Schuur Management NPC

Woodstock CID – Lloyd's Project Management CC

**Management contracts**

-	1 296
1 037	974
487	707
498	462

**Rental contracts**

Observatory CID – Zelkar Investments CC

Voortrekker Road – Greater Tygerberg Partnership NPC

92	93
227	186

**CMTF**

The fund was established to pool funds for road networks and maintenance in the metropolitan area. At year-end, the amount owing by the City of Cape Town to CMTF amounted to R18,51 million (2014: R27,38 million).

Percentage owned

Arm's-length transactions for the year

	Administrator			
Funds held on behalf of CMTF	18 513	27 381	18 513	27 381
Grants and transfers – conditions met	14 405	24 317	14 405	24 317
Interest paid	1 328	2 282	1 328	2 282
Revenue collected	4 387	4 958	4 387	4 958

**Executive management**

No members of the City of Cape Town's management have significant influence over the financial or operating policies of the municipal entities and special rating areas.

No business transactions took place between the City of Cape Town and key management personnel or their close family members.



**49.2 Remuneration of management****49.2.1 Mayoral Committee members****2015**

	<b>Annual salary</b>	<b>Car allowance</b>	<b>Social contribution</b>	<b>Total</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Executive Mayor				
Alderman De Lille, P	1 179	40	-	<b>1 219</b>
Executive Deputy Mayor/Finance				
Alderman Neilson, ID	891	-	102	<b>993</b>
Safety and Security Services				
Alderman Smith, JP	812	24	77	<b>913</b>
Corporate Services				
Councillor Limberg, X	913	-	-	<b>913</b>
Energy, Environmental and Spatial Planning *				
Councillor Van der Merwe, J	816	-	96	<b>912</b>
Social Development and Early Childhood Development				
Councillor Little, S	913	-	-	<b>913</b>
Health				
Councillor Van Minnen, B (until 23/01/2015)	512	-	-	<b>512</b>
Councillor Mamkeli, S (from 24/01/2015)	400	-	-	<b>400</b>
Community Services and Special Projects				
Alderman Walker, B	817	-	96	<b>913</b>
Transport for Cape Town				
Councillor Herron, BN	913	-	-	<b>913</b>
Tourism, Events and Economic Development **				
Councillor Bloor, G	913	-	-	<b>913</b>
Utility Services				
Councillor Sonnenberg, EJ	817	-	96	<b>913</b>
Human Settlements ***				
Councillor Mamkeli, S (until 23/01/2015)	512	-	-	<b>512</b>
Councillor Van Minnen, B (from 24/01/2015)	400	-	-	<b>400</b>
	<b>10 808</b>	<b>64</b>	<b>467</b>	<b>11 339</b>

Previously known as:

\*Economic, Environment and Spatial Planning

\*\*Tourism, Events and Marketing

\*\*\*Housing



**2014**

	Annual salary R'000	Car allowance R'000	Social contribution R'000	Total R'000
<b>Executive Mayor</b>				
Alderman De Lille, P	1 124	40	-	<b>1 164</b>
<b>Executive Deputy Mayor/Finance</b>				
Alderman Neilson, ID	841	-	98	<b>939</b>
<b>Safety and Security Services</b>				
Alderman Smith, JP	729	60	73	<b>862</b>
<b>Corporate Services</b>				
Alderman Qually, DL (until 25/05/2014)	711	-	66	<b>777</b>
Councillor Limberg, X (from 26/05/2014)	86	-	-	<b>86</b>
<b>Economic, Environmental and Spatial Planning</b>				
Councillor Bloor, G (until 15/05/2014)	753	-	-	<b>753</b>
Councillor Van der Merwe, J (from 16/05/2014)	97	-	12	<b>109</b>
<b>Social Development and Early Childhood Development</b>				
Councillor Little, S	862	-	-	<b>862</b>
<b>Health</b>				
Councillor James, LV (until 06/05/2014)	732	-	-	<b>732</b>
Councillor Van Minnen, B (from 16/05/2014)	109	-	-	<b>109</b>
<b>Community Services</b>				
Alderman Walker, B	770	-	92	<b>862</b>
<b>Transport for Cape Town</b>				
Councillor Herron, BN	862	-	-	<b>862</b>
<b>Tourism, Events and Marketing</b>				
Councillor Pascoe, GI (until 06/04/2014)	606	-	55	<b>661</b>
Councillor Bloor, G (from 16/05/2014)	109	-	-	<b>109</b>
<b>Utility Services</b>				
Councillor Sonnenberg, EJ	770	-	92	<b>862</b>
<b>Housing</b>				
Councillor Gqada, T (until 06/05/2014)	732	-	-	<b>732</b>
Councillor Mamkeli, S (from 16/05/2014)	109	-	-	<b>109</b>
	<b>10 002</b>	<b>100</b>	<b>488</b>	<b>10 590</b>

**49.2.2 Councillors/Mayoral Committee members****2015**

	Annual salary R'000	Car allowance R'000	Social contribution R'000	Total R'000
Mayoral committee members	10 808	64	467	<b>11 339</b>
Councillors	104 948	120	4 225	<b>109 293</b>
Subsidiaries: Board members	355	-	-	<b>355</b>
	<b>116 111</b>	<b>184</b>	<b>4 692</b>	<b>120 987</b>

**2014**

Mayoral committee members	10 002	100	488	<b>10 590</b>
Councillors	98 891	20	4 094	<b>103 005</b>
Subsidiaries: Board members	445	-	-	<b>445</b>
	<b>109 338</b>	<b>120</b>	<b>4 582</b>	<b>114 040</b>

Councillors are remunerated according to the Remuneration of Public Office-Bearers Act (Act 20 of 1998) and are not disclosed individually but in aggregate and only have collective executive powers for planning, directing and controlling the activities of the City. There are 221 Council members, whose aggregate remuneration amounted to R120,63 million for the period under review. The average remuneration per councillor is R0,546 million per annum. The Mayoral Committee members have such individual executive powers as granted by their delegation, and are therefore disclosed as such – refer to note 49.2.1. A full list of the councillors is disclosed on pages 5 and 6 as part of the 'General information'.



## 49.2.3 Executive Management

## Analysis of remuneration benefits

	Annual salary	Car Allowance	Performance bonus	Social contribution	Relocation allowance	Travel and subsistence	Total
	R'000	R'000		R'000	R'000	R'000	R'000
<b>2015</b>							
City Manager							
Ebrahim, A	2 240	-	-	308	-	10	<b>2 558</b>
Community Services							
Mtwazi, L	1 469	-	-	221	-	84	<b>1 774</b>
Corporate Services							
Mayimele-Hashatse, F (until 09/01/2015)	1 197	-	-	1	-	-	<b>1 198</b>
Ras, DG (acting from 14/01/2015) *	-	-	-	-	-	-	<b>-</b>
Energy, Environment and Spatial Planning **							
Hugo, J	1 743	-	-	45	-	3	<b>1 791</b>
Finance							
Jacoby, K	1 486	-	-	221	-	82	<b>1 789</b>
Health							
Mahlangu-Mathibela, W	1 503	-	-	191	-	66	<b>1 760</b>
Human Settlements ***							
Maqetuka, S	1 314	-	-	172	-	1	<b>1 487</b>
Bromfield, IK (acting from 14/01/2015)	688	-	-	113	-	62	<b>863</b>
Compliance and Auxiliary Services							
Ras, DG	1 760	-	-	2	-	-	<b>1 762</b>
Safety and Security							
Bosman, R	1 483	-	-	206	-	95	<b>1 784</b>
Social Development and Early Childhood Development							
Bromfield, IK (until 14/01/2015)	807	-	-	133	-	72	<b>1 012</b>
Sass, E (acting from 14/01/2015)	593	-	-	79	-	-	<b>672</b>
Tourism, Events and Economic Development ****							
Groenewald, A	1 772	-	-	2	-	9	<b>1 783</b>
Transport for Cape Town							
Whitehead, M	1 779	-	-	2	-	9	<b>1 790</b>
Utility Services							
Kaiser, G	1 636	-	-	32	-	108	<b>1 776</b>
CTICC							
Ellingson, J (appointed 01/09/2014)	1 671	-	-	-	-	-	<b>1 671</b>
	<b>23 141</b>	<b>-</b>	<b>-</b>	<b>1 728</b>	<b>-</b>	<b>601</b>	<b>25 470</b>

\*Ras, DG acted with no compensation.

Previously known as:

\*\*Economic, Environment and Spatial Planning

\*\*\*Housing

\*\*\*\*Tourism, Events and Marketing



## Analysis of remuneration benefits

	Annual salary	Car Allowance	Performance bonus	Social contribution	Relocation allowance	Travel and Sub-sistence	Total
	R'000	R'000		R'000	R'000	R'000	R'000
<b>2014</b>							
City Manager Ebrahim, A	1 871	-	-	294	-	26	<b>2 191</b>
Deputy City Manager Marsden, M	768	-	-	102	-	-	<b>870</b>
Community Services Mtwazi, L	1 372	-	-	84	-	206	<b>1 662</b>
Corporate Services Mayimele-Hashatse, F (appointed 08/07/2013)	1 568	-	-	2	79	-	<b>1 649</b>
Economic, Environmental and Spatial Planning Hugo, J	1 631	-	-	44	-	-	<b>1 675</b>
Finance Jacoby, K	1 387	81	-	207	-	2	<b>1 677</b>
Health Mahlangu-Mathibela, W	1 426	75	-	150	-	-	<b>1 651</b>
Integrated Human Settlement Services Maqetuka, S	1 475	-	-	195	-	-	<b>1 670</b>
Compliance and Auxiliary Services Ras, D	1 685	-	-	2	-	-	<b>1 687</b>
Safety and Security Bosman, R	1 381	95	-	195	-	-	<b>1 671</b>
Social and Development Early Childhood Development Bromfield, IK	1 283	133	-	235	-	-	<b>1 651</b>
Tourism, Events and Marketing Groenewald, A	1 668	-	-	2	-	11	<b>1 681</b>
Transport for Cape Town Whitehead, M	1 668	-	-	2	-	14	<b>1 684</b>
Utility Services Kaiser, G	1 563	72	-	34	-	-	<b>1 669</b>
CTICC Toefy, R	1 456	-	205	-	-	-	<b>1 661</b>
	<b>22 202</b>	<b>456</b>	<b>205</b>	<b>1 548</b>	<b>79</b>	<b>259</b>	<b>24 749</b>

**50. EVENTS AFTER REPORTING DATE**

At the time of preparing and submitting the annual consolidated financial statements, there were no subsequent events to disclose.



## Appendix A: Schedule of external borrowings as at 30 June 2015

	Contractual interest rate (nacs) %	Loan ID	Redeemable date	Balance as at 30 June 2014 R'000	Received during the year R'000	Net interest accrual during the year R'000	Concessionary loan adjustment R'000	Redeemed/ Written off during year R'000	Balance as at 30 June 2015 R'000
<b>MARKETABLE BONDS</b>									
Municipal Bond CCT01	12,570	830014004	2023	1 002 748	-	-	-	-	1 002 748
Municipal Bond CCT02	11,615	830016003	2024	1 207 236	-	-	-	-	1 207 236
Municipal Bond CCT03	11,160	830017007	2025	2 065 505	-	-	-	-	2 065 505
<b>Total marketable bonds</b>				<b>4 275 489</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4 275 489</b>
<b>CONCESSIONARY LOANS</b>									
Nedcor Bank	1,000	830000920	2019	22	-	-	3	-	25
DBSA	5,000	830012028	2020	21 200	-	-	771	(4 000)	17 971
Agence Française de Développement (AFD)	5,763	830018500	2028	484 203	-	(676)	9 983	(40 000)	453 510
Agence Française de Développement (AFD)	5,730	830018516	2028	483 293	-	(672)	10 083	(40 000)	452 704
Agence Française de Développement (AFD)	5,755	830018530	2028	484 142	-	(675)	10 020	(40 000)	453 487
Agence Française de Développement (AFD)	5,800	830018523	2028	472 652	-	(662)	9 611	(38 961)	442 640
<b>Total concessionary loans</b>				<b>1 945 512</b>	<b>-</b>	<b>(2 685)</b>	<b>40 471</b>	<b>(162 961)</b>	<b>1 820 337</b>
<b>OTHER LOANS</b>									
DBSA	12,250	83001051	2015	25 977	-	-	-	(25 977)	-
FirstRand Bank	12,631	830003504	2017	158 723	-	-	-	(10 998)	147 725
ABSA Bank	10,900	830007011	2018	80 000	-	-	-	(20 000)	60 000
DBSA	10,590	83001050	2018	135 665	-	-	-	(33 916)	101 749
FirstRand Bank	12,046	830009531	2018	130 432	-	(1 217)	-	(20 000)	109 215
DBSA	9,420	830012035	2020	56 000	-	-	-	(9 334)	46 666
DBSA	9,639	830013000	2022	113 333	-	-	-	(13 333)	100 000
DBSA	10,565	830013507	2022	113 333	-	-	-	(13 333)	100 000
<b>Total other loans</b>				<b>813 463</b>	<b>-</b>	<b>(1 217)</b>	<b>-</b>	<b>(146 891)</b>	<b>665 355</b>
<b>Total Municipality of Cape Town</b>				<b>7 034 464</b>	<b>-</b>	<b>(3 902)</b>	<b>40 471</b>	<b>(309 852)</b>	<b>6 761 181</b>
<b>Controlled entities</b>									
<b>OTHER LOANS</b>									
CID Brackenfell	-	-	2017	-	201	-	-	(39)	162
CID Voortrekker Road	-	-	2019	86	-	-	-	(86)	-
CID Claremont Road Co.: DBSA	-	-	2023	15 609	-	-	-	(1 195)	14 414
<b>Total controlled entities</b>				<b>15 695</b>	<b>201</b>	<b>-</b>	<b>-</b>	<b>(1 320)</b>	<b>14 576</b>
<b>TOTAL EXTERNAL LOANS</b>				<b>7 050 159</b>	<b>201</b>	<b>(3 902)</b>	<b>40 471</b>	<b>(311 172)</b>	<b>6 775 757</b>



## Appendix B: Analysis of property, plant and equipment and other as at 30 June 2015

	COST					ACCUMULATED DEPRECIATION					Carrying value R'000		
	Opening balance	Transfers/ adjustments	Additions <sup>1</sup>	Impairments	Disposals	Closing balance	Opening balance	Transfers/ adjustments	Impairments	Additions		Disposals	Closing balance
	R'000	R'000	R'000		R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
<b>Land and buildings</b>													
Land	1 052 312	1 149	28 140	(9 931)	-	1 071 670	(325 488)	-	-	-	-	(325 488)	746 182
Buildings and land	2 349 710	68 742	33 972	-	(3 552)	2 448 872	(945 570)	285	-	(50 116)	3 506	(991 895)	1 456 977
	<b>3 402 022</b>	<b>69 891</b>	<b>62 112</b>	<b>(9 931)</b>	<b>(3 552)</b>	<b>3 520 542</b>	<b>(1 271 058)</b>	<b>285</b>	<b>-</b>	<b>(50 116)</b>	<b>3 506</b>	<b>(1 317 383)</b>	<b>2 203 159</b>
<b>Infrastructure</b>													
Assets under construction	1 436 376	(939 165)	1 900 999	-	-	2 398 210	-	-	-	-	-	-	2 398 210
Telecommunications	39 123	13 006	133 445	-	-	185 574	(241)	7	-	(3 158)	-	(3 392)	182 182
Drains	852 344	84 462	21 403	-	-	958 209	(306 631)	-	-	(31 452)	-	(338 083)	620 126
Roads	8 603 000	225 702	471 417	-	-	9 300 119	(2 335 671)	2 578	-	(313 756)	-	(2 646 849)	6 653 270
Beach improvements	41 179	400	159	-	-	41 738	(21 981)	(1)	-	(888)	-	(22 870)	18 868
Sewerage mains and purification	3 101 350	119 911	128 034	-	-	3 349 295	(1 005 008)	1	-	(161 723)	-	(1 166 730)	2 182 565
Electricity peak load equipment and mains	7 114 217	203 358	231 498	-	-	7 549 073	(2 394 212)	-	-	(150 657)	-	(2 544 869)	5 004 204
Water mains and purification	2 851 314	99 700	233 465	-	-	3 184 479	(1 300 368)	(1)	-	(118 414)	-	(1 418 783)	1 765 696
Reservoirs - water	489 485	19 124	19 458	-	-	528 067	(334 326)	-	-	(15 784)	-	(350 110)	177 957
	<b>24 528 388</b>	<b>(173 502)</b>	<b>3 139 878</b>	<b>-</b>	<b>-</b>	<b>27 494 764</b>	<b>(7 698 438)</b>	<b>2 584</b>	<b>-</b>	<b>(795 832)</b>	<b>-</b>	<b>(8 491 686)</b>	<b>19 003 078</b>
<b>Community assets</b>													
Assets under construction	97 413	(57 384)	72 582	-	-	112 611	-	-	-	-	-	-	112 611
Parks and gardens	239 487	8 093	28 002	-	-	275 582	(28 908)	-	-	(8 726)	-	(37 634)	237 948
Libraries	206 706	1 129	10 217	-	-	218 052	(67 677)	-	-	(3 466)	-	(71 143)	146 909
Recreation facilities	5 455 425	36 526	47 121	-	-	5 539 072	(1 186 676)	-	-	(215 610)	-	(1 402 286)	4 136 786
Civic buildings	2 356 279	68 540	127 612	-	-	2 552 431	(792 797)	(79)	(291)	(84 638)	-	(877 805)	1 674 626
	<b>8 355 310</b>	<b>56 904</b>	<b>285 534</b>	<b>-</b>	<b>-</b>	<b>8 697 748</b>	<b>(2 076 058)</b>	<b>(79)</b>	<b>(291)</b>	<b>(312 440)</b>	<b>-</b>	<b>(2 388 868)</b>	<b>6 308 880</b>
<b>Other assets</b>													
Assets under construction	370 245	(115 037)	382 602	-	-	637 810	(16 091)	-	-	-	-	(16 091)	621 719
Buildings and land	415 295	(414 389)	-	-	-	906	(314)	-	-	(296)	-	(610)	296
Landfill sites	802 945	1 502	6 586	-	-	811 033	(445 308)	(218)	-	(42 891)	-	(488 417)	322 616
Furniture, fittings and equipment	852 240	9 225	81 441	-	(10 036)	932 870	(473 527)	(90)	-	(95 850)	9 095	(560 372)	372 498
Bins and containers	54 611	358	8 774	-	(2)	63 741	(40 220)	-	-	(4 776)	2	(44 994)	18 747
Emergency equipment	39 293	498	3 172	-	(570)	42 393	(35 001)	(1)	-	(1 933)	569	(36 366)	6 027
Motor vehicles and watercraft	1 515 419	36 544	180 288	-	(27 160)	1 705 091	(1 011 471)	(3 101)	(6 194)	(110 171)	23 824	(1 107 113)	597 978
Specialised vehicles	1 133 949	(15 053)	123 718	-	(22 406)	1 220 208	(477 059)	3 124	-	(67 186)	21 778	(519 343)	700 865
Computer equipment	1 696 038	35 547	206 745	-	(21 965)	1 916 365	(1 122 692)	35	-	(185 146)	21 224	(1 286 579)	629 786
Animals	586	-	25	-	(59)	552	(220)	-	-	(79)	16	(283)	269
	<b>6 880 621</b>	<b>(460 805)</b>	<b>993 351</b>	<b>-</b>	<b>(82 198)</b>	<b>7 330 969</b>	<b>(3 621 903)</b>	<b>(251)</b>	<b>(6 194)</b>	<b>(508 328)</b>	<b>76 508</b>	<b>(4 060 168)</b>	<b>3 270 801</b>
<b>Service concession assets</b>													
Busses and depots	1 005 312	153 478	257 956	-	-	1 416 746	(126 900)	(2 586)	-	(93 282)	-	(222 768)	1 193 978
	<b>1 005 312</b>	<b>153 478</b>	<b>257 956</b>	<b>-</b>	<b>-</b>	<b>1 416 746</b>	<b>(126 900)</b>	<b>(2 586)</b>	<b>-</b>	<b>(93 282)</b>	<b>-</b>	<b>(222 768)</b>	<b>1 193 978</b>
<b>Housing rental stock</b>	<b>2 103 325</b>	<b>273 348</b>	<b>162 955</b>	<b>-</b>	<b>(4 562)</b>	<b>2 535 066</b>	<b>(730 210)</b>	<b>(1)</b>	<b>-</b>	<b>(71 313)</b>	<b>3 320</b>	<b>(798 204)</b>	<b>1 736 862</b>
<b>TOTAL PPE (See note 1)</b>	<b>46 274 978</b>	<b>(80 686)</b>	<b>4 901 786</b>	<b>(9 931)</b>	<b>(90 312)</b>	<b>50 995 835</b>	<b>(15 524 567)</b>	<b>(48)</b>	<b>(6 485)</b>	<b>(1 831 311)</b>	<b>83 334</b>	<b>(17 279 077)</b>	<b>33 716 758</b>
<b>Heritage assets (See note 2)</b>	<b>9 111</b>	<b>(38)</b>	<b>-</b>	<b>-</b>	<b>(11)</b>	<b>9 062</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9 062</b>
<b>Investment properties (See note 3)</b>	<b>241 514</b>	<b>(1)</b>	<b>400 175</b>	<b>-</b>	<b>-</b>	<b>641 688</b>	<b>(50 665)</b>	<b>-</b>	<b>-</b>	<b>(1 641)</b>	<b>-</b>	<b>(52 306)</b>	<b>589 382</b>
<b>Intangible assets (See note 4)</b>	<b>1 105 059</b>	<b>29 467</b>	<b>41 933</b>	<b>-</b>	<b>-</b>	<b>1 176 459</b>	<b>(375 552)</b>	<b>59</b>	<b>-</b>	<b>(92 583)</b>	<b>-</b>	<b>(468 076)</b>	<b>708 383</b>
<b>TOTAL OTHER</b>	<b>1 355 684</b>	<b>29 428</b>	<b>442 108</b>	<b>-</b>	<b>(11)</b>	<b>1 827 209</b>	<b>(426 217)</b>	<b>59</b>	<b>-</b>	<b>(94 224)</b>	<b>-</b>	<b>(520 382)</b>	<b>1 306 827</b>
<b>GRAND TOTAL</b>	<b>47 630 662</b>	<b>(51 258)</b>	<b>5 343 894</b>	<b>(9 931)</b>	<b>(90 323)</b>	<b>52 823 044</b>	<b>(15 950 784)</b>	<b>11</b>	<b>(6 485)</b>	<b>(1 925 535)</b>	<b>83 334</b>	<b>(17 799 459)</b>	<b>35 023 585</b>

<sup>1</sup> Includes the contributed assets amount of R4,95 million.



Account numbers		2015	2014	2013	
2015	2014	R'000	R'000	R'000	
<b>MUNICIPALITY OF CAPE TOWN</b>					
<b>Bank accounts held with ABSA</b>					
Main bank account	40-5658-4470	40-5658-4470	108 447	174 987	146 726
Salary bank account	40-5658-4496	40-5658-4496	-	-	-
Cashier's bank account	40-5658-4527	40-5658-4527	-	-	-
General income bank account (primary)	40-5658-4569	40-5658-4569	-	-	-
Traffic fines bank account	40-7261-8663	40-7261-8663	-	-	-
IRT bank account	40-8089-5180	40-8089-5180	-	-	-
<b>Amorised cost - see note 10</b>		<b>108 447</b>	<b>174 987</b>	<b>146 726</b>	
<b>SUBSIDIARIES</b>					
CCTIC					
<b>Bank accounts</b>					
Nedbank - Current Account	1232043850	1232043850	3 118	1 355	131
ABSA Bank - Current	4072900553	4072900553	4 384	2 872	996
ABSA Bank - CTICC East - Current	4072900228	4072900228	1	80	40
ABSA Bank - Exh Serv - Current	4072900731	4072900731	104	498	92
ABSA Bank Treasury	4073731246	4073731246	62	60	57
ABSA Bank Treasury	4073733701	4073733701	2 034	1 930	1 842
<b>Amorised cost</b>		<b>9 703</b>	<b>6 795</b>	<b>3 158</b>	
City improvement districts		<b>38 956</b>	<b>31 215</b>	<b>22 182</b>	
<b>Total bank balances - see note 10</b>		<b>157 106</b>	<b>212 997</b>	<b>172 066</b>	
<b>MUNICIPALITY OF CAPE TOWN</b>					
<b>Bank accounts managed by Fund Managers</b>					
City of Cape Town	5500125800	5500125800	380	690	21
City of Cape Town	5500125801	5500125801	2 047	1 394	1 163
City of Cape Town	5500125802	5500125802	399	549	-
City of Cape Town	5500125803	5500125803	390	1 087	4 889
City of Cape Town	5500125804	5500125804	1 466	1 547	-
City of Cape Town	5500125805	5500125805	260	429	-
City of Cape Town	5500125806	5500125806	1 618	1 888	1 184
City of Cape Town	5500125807	5500125807	546	568	3 174
City of Cape Town	5500125808	5500125808	710	168	345
City of Cape Town	5500125809	5500125809	129	105	862
<b>Fair value - see note 10</b>		<b>7 945</b>	<b>8 425</b>	<b>11 638</b>	
<b>SUBSIDIARIES</b>					
CCTIC					
<b>Investment accounts</b>					
Nedbank - Call Account	03/7881544007/46	03/7881544007/46	-	5 359	2 743
Nedbank - Investment Account	*03/7881544007/000100	03/7881544007/000095	14 366	13 464	12 749
Nedbank - Investment Account	03/7881544007/000101	-	10 066	-	-
Nedbank - Money Market Fund	*(1766000029) (03/7881111917/00006)	(1766000029) (03/7881111917/00002)	41 604	39 117	-
Absa Bank - Call Deposit	4074708347	4074708347	7 295	4 876	11 181
Absa Bank - Fixed Deposit	34942428	34942428	-	-	5 397
Stanlib - Corporate Money Market Fund	000-402-184 (1199539) 551436367	000-402-184 (1199539) 551436367	9 996	7 328	15 798
Stanlib - Corporate Money Market Fund	000-402-184 (1199539) 552166459	000-402-184 (1199539) 552166459	17 032	24 116	-
Standard Bank Investment Account	*(97212) 486008	(97212) 476949	12 473	21 381	20 281
Standard Bank Investment Account	(97212) 486007	-	10 262	-	-
Standard Bank Investment Account	*(97212) 490390	(97212) 478558	12 744	18 293	17 360
Absa Bank - Investment New 2	*(506009 4072900553) 48518474	(506009 4072900553) 36999248	21 962	20 644	19 598
Absa Bank - Investment New 1	(506009 4072900553) 44699506	(506009 4072900553) 36753413	10 308	18 583	17 637
Absa Bank - Investment New 1	(506009 4072900553) 47954355	-	9 453	-	-
Nedbank - Three Month Deposit	*03/7881544007/000102	03/7881544007/000094	15 485	14 560	13 807
Investec - Corporate Money Market Fund	(462097) 1008645	(462097) 1008645	10 113	17 099	15 011
Investec - Corporate Money Market Fund	(462097) 1037793	(462097) 1037793	16 019	23 082	-
ABSA Bank - Call Deposit	*4083941323	4083941322	35 925	19 564	-
Nedgroup - Money Market Fund	(1800167964) 8319631	(1800167964) 8319631	35 370	15 306	-
Nedgroup - Corporate Money Market Fund C2	*(800190652) 8330496	(800190652) 8220496	40 381	18 102	-
Nedgroup - Money Market Fund Class C2	(800190652) 8330497	(800190652) 8330497	35 528	24 119	-
Absa Bank - Fixed Deposit	*506009 4072900553 - 44893640	506009 4072900553 - 38052758	32 025	30 093	-
Absa Bank - Money Market Fund	9295637051	9295637051	21 169	13 046	-
Absa Bank - Guarantee	506009 4072900553 - 43939765	-	125 287	-	-
<b>Amorised cost</b>		<b>544 863</b>	<b>348 132</b>	<b>151 562</b>	

\*A change in the 2015 account numbers.



## Appendix D: Segmental statement of financial performance for the year ended 30 June 2015

2014				2015			
Actual income	Actual expenditure	Actual surplus/(deficit)	Budgeted surplus/(deficit)	Actual income	Actual expenditure	Actual surplus/(deficit)	Budgeted surplus/(deficit)
R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>16 041 640</b>	<b>15 599 024</b>	<b>442 616</b>	<b>504 141</b>	<b>18 562 002</b>	<b>15 607 113</b>	<b>2 954 889</b>	<b>1 138 604</b>
432 299	936 192	(503 893)	(567 918)	496 436	1 033 716	(537 280)	(435 835)
128	12 725	(12 597)	(4 041)	1 542	61 448	(59 906)	(207 351)
162 449	1 904 820	(1 742 371)	(1 726 434)	185 385	2 032 541	(1 847 156)	(1 535 384)
24 609	127 107	(102 498)	(72 688)	10 684	42 178	(31 494)	(514 841)
66 736	284 757	(218 021)	(190 398)	64 195	246 344	(182 149)	(1 637 617)
108 334	647 163	(538 829)	(576 763)	144 110	666 759	(522 649)	(411 866)
1 959 700	1 342 031	617 669	509 355	2 362 250	1 277 734	1 084 516	(40 861)
9 745 393	3 240 969	6 504 424	6 429 922	10 715 195	2 210 338	8 504 857	8 092 659
839 661	2 439 023	(1 599 362)	(1 837 319)	1 127 085	2 806 674	(1 679 589)	(1 464 569)
128	158 366	(158 238)	(160 547)	14 334	206 760	(192 426)	(135 635)
64 931	626 671	(561 740)	(621 089)	28 809	687 840	(659 031)	(622 349)
1 415 099	2 590 514	(1 175 415)	(769 299)	1 696 535	2 840 290	(1 143 755)	(475 625)
1 222 173	1 288 686	(66 513)	91 360	1 715 442	1 494 491	220 951	527 878
<b>18 197 523</b>	<b>16 983 432</b>	<b>1 214 091</b>	<b>949 221</b>	<b>19 848 844</b>	<b>18 465 633</b>	<b>1 383 211</b>	<b>1 830 063</b>
2 371 628	2 127 022	244 606	88 862	2 559 602	2 234 273	325 329	405 805
2 234 857	2 249 155	(14 298)	12 878	2 435 590	2 449 300	(13 710)	227 625
3 350 919	3 208 213	142 706	142 017	3 872 587	3 624 611	247 976	355 371
10 240 119	9 399 042	841 077	705 464	10 981 065	10 157 449	823 616	841 262
<b>312 580</b>	<b>278 419</b>	<b>34 161</b>	<b>3 557</b>	<b>371 609</b>	<b>299 829</b>	<b>71 780</b>	<b>22 591</b>
187 547	161 739	25 808	2 732	228 481	167 762	60 719	19 148
125 033	116 680	8 353	825	143 128	132 067	11 061	3 443
<b>34 551 743</b>	<b>32 860 875</b>	<b>1 690 868</b>	<b>1 456 919</b>	<b>38 782 455</b>	<b>34 372 575</b>	<b>4 409 880</b>	<b>2 991 258</b>
6 181 249	6 181 249	-	-	6 825 297	6 825 297	-	-
<b>28 370 494</b>	<b>26 679 626</b>	<b>1 690 868</b>	<b>1 456 919</b>	<b>31 957 158</b>	<b>27 547 278</b>	<b>4 409 880</b>	<b>2 991 258</b>

2014				2015			
Actual income	Actual expenditure	Actual surplus/(deficit)	Budgeted surplus/(deficit)	Actual income	Actual expenditure	Actual surplus/(deficit)	Budgeted surplus/(deficit)
R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>16 041 640</b>	<b>15 599 024</b>	<b>442 616</b>	<b>504 141</b>	<b>18 562 002</b>	<b>15 607 113</b>	<b>2 954 889</b>	<b>1 138 604</b>
432 299	936 192	(503 893)	(567 918)	496 436	1 033 716	(537 280)	(435 835)
128	12 725	(12 597)	(4 041)	1 542	61 448	(59 906)	(207 351)
162 449	1 904 820	(1 742 371)	(1 726 434)	185 385	2 032 541	(1 847 156)	(1 535 384)
24 609	127 107	(102 498)	(72 688)	10 684	42 178	(31 494)	(514 841)
66 736	284 757	(218 021)	(190 398)	64 195	246 344	(182 149)	(1 637 617)
108 334	647 163	(538 829)	(576 763)	144 110	666 759	(522 649)	(411 866)
1 959 700	1 342 031	617 669	509 355	2 362 250	1 277 734	1 084 516	(40 861)
9 745 393	3 240 969	6 504 424	6 429 922	10 715 195	2 210 338	8 504 857	8 092 659
839 661	2 439 023	(1 599 362)	(1 837 319)	1 127 085	2 806 674	(1 679 589)	(1 464 569)
128	158 366	(158 238)	(160 547)	14 334	206 760	(192 426)	(135 635)
64 931	626 671	(561 740)	(621 089)	28 809	687 840	(659 031)	(622 349)
1 415 099	2 590 514	(1 175 415)	(769 299)	1 696 535	2 840 290	(1 143 755)	(475 625)
1 222 173	1 288 686	(66 513)	91 360	1 715 442	1 494 491	220 951	527 878
<b>18 197 523</b>	<b>16 983 432</b>	<b>1 214 091</b>	<b>949 221</b>	<b>19 848 844</b>	<b>18 465 633</b>	<b>1 383 211</b>	<b>1 830 063</b>
2 371 628	2 127 022	244 606	88 862	2 559 602	2 234 273	325 329	405 805
2 234 857	2 249 155	(14 298)	12 878	2 435 590	2 449 300	(13 710)	227 625
3 350 919	3 208 213	142 706	142 017	3 872 587	3 624 611	247 976	355 371
10 240 119	9 399 042	841 077	705 464	10 981 065	10 157 449	823 616	841 262
<b>312 580</b>	<b>278 419</b>	<b>34 161</b>	<b>3 557</b>	<b>371 609</b>	<b>299 829</b>	<b>71 780</b>	<b>22 591</b>
187 547	161 739	25 808	2 732	228 481	167 762	60 719	19 148
125 033	116 680	8 353	825	143 128	132 067	11 061	3 443
<b>34 551 743</b>	<b>32 860 875</b>	<b>1 690 868</b>	<b>1 456 919</b>	<b>38 782 455</b>	<b>34 372 575</b>	<b>4 409 880</b>	<b>2 991 258</b>
6 181 249	6 181 249	-	-	6 825 297	6 825 297	-	-
<b>28 370 494</b>	<b>26 679 626</b>	<b>1 690 868</b>	<b>1 456 919</b>	<b>31 957 158</b>	<b>27 547 278</b>	<b>4 409 880</b>	<b>2 991 258</b>

<sup>1</sup> Comparative restated: see note 46 for more details.



CITY OF CAPE TOWN  
ISIXEKO SASEKAPA  
STAD KAAPSTAD

## Appendix E: Disclosure of grants and subsidies in terms of section 123 of the MFMA for the year ended 30 June 2015

National and Provincial grant funds 2014/2015									
Description	Source	Balance unspent at beginning of the year <sup>1</sup>	Current year receipts	Adjustments	Conditions met - transferred to revenue		Interest earned	Amounts to be claimed	Balance unspent at the end of the year <sup>1</sup>
		R'000	R'000	R'000	Operating	Capital			R'000
					R'000	R'000			R'000
<b>National Government</b>									
2014 African Nations Championship	Sport and Recreation	(8 852)	-	8 876	(26)	-	-	-	(2)
Accreditation: Development Support	State Housing	(944)	-	-	23	179	-	-	(742)
Budget Reform Funds	National Treasury	(338)	(1 250)	17	973	598	-	-	-
Department of Environmental Affairs and Tourism	Environmental Affairs	(45)	(220)	-	-	265	-	-	-
DME - INEP	Energy	(17 224)	(5 000)	-	-	22 224	-	-	-
Energy Efficiency Electricity Demand Side Management	National Treasury	(6 589)	-	1	599	5 989	-	-	-
Expanded Public Works Incentive Grant	National Treasury	(2 806)	(21 204)	-	23 552	400	-	-	(58)
Health and Hygiene education: Informal Settlements	Water	(11)	-	-	-	-	-	-	(11)
Human Settlements Capacity Grant	State Housing	-	(50 371)	-	18 363	428	-	-	(31 580)
Infrastructure Skills Development	National Treasury	(901)	(2 300)	-	2 763	299	-	-	(139)
Integrated City Development Grant	National Treasury	(9 500)	(57 171)	5 564	3 116	53 517	-	-	(4 474)
LGSETA: Environmental Internship Programme	Environmental Affairs	(17)	-	-	-	-	-	-	(17)
LGSETA: Post Graduate Internship Programme	Environmental Affairs	(522)	-	-	-	-	-	-	(522)
Municipal Disaster Grant	Corporate Governance and Traditional Affairs	(2 172)	-	191	-	1 366	-	-	(615)
Natural Resource Management	Environmental Affairs	(145)	-	-	145	-	-	-	-
Neighborhood Development Programme	National Treasury	(17 884)	(30 784)	19 076	-	9 448	-	-	(20 144)
Public Transport Infrastructure Systems Grant	Transport	-	-	-	-	-	-	-	-
Public Transport Infrastructure Grant	Transport	(291 730)	(1 069 140)	30 584	79 844	842 210	-	-	(408 232)
Public Transport Network Operations Grant	Transport	(135 419)	(307 548)	10 454	367 748	-	-	-	(64 765)
Restructuring Grant - Seed Funding	National Treasury	(4 831)	-	13	-	1 341	-	-	(3 477)
Special Projects	Environmental Affairs	-	(2 982)	-	2 982	-	-	-	-
Terrestrial Invasive Alien Plants	Environmental Affairs	-	(1 199)	-	1 199	-	-	-	-
Tirelo Boshha Programme	Public Service and Administration	-	(200)	-	-	-	-	-	(200)
Urban Renewal	National Treasury	(12 107)	-	-	6 294	1 695	-	-	(4 118)
Urban Settlement Development Grant	National Treasury	(286 547)	(1 358 879)	72 031	162 977	1 246 923	-	-	(163 495)
Water Demand Side	Water	(697)	-	-	697	-	-	-	-
<b>Total Dora allocation</b>		<b>(799 281)</b>	<b>(2 908 248)</b>	<b>146 807</b>	<b>671 249</b>	<b>2 186 882</b>	-	-	<b>(702 591)</b>
2010 FIFA World Cup: Green Point: Interest account		(530)	-	35	-	249	-	-	(246)
LGSETA: Post Graduate Internship Programme: Interest account		(35)	-	-	-	-	(33)	-	(68)
Natural Resource Management: Interest account		(176)	-	-	184	-	(15)	-	(7)
Neighborhood Development Programme: Interest account		(8 802)	-	-	-	-	(1 380)	-	(10 182)
Public Transport Infrastructure Systems Grant: Interest account		(218 046)	-	50 134	7 725	(48 135)	(12 753)	-	(221 075)
Public Transport Infrastructure Grant: Interest account		(13 677)	-	-	-	-	(32 104)	-	(45 781)
Public Transport Network Operations Grant: Interest account		(5 516)	-	-	-	-	(10 486)	-	(16 002)



## Appendix E: Disclosure of grants and subsidies in terms of section 123 of the MFMA for the year ended 30 June 2015

Description	Source	Balance unspent at beginning of the year <sup>1</sup>	Current year receipts	Adjustments	Conditions met - transferred to revenue		Interest earned	Amounts to be claimed	Balance unspent at the end of the year <sup>1</sup>
					Operating	Capital			
					R'000	R'000			
Smart Living Handbook: Interest account		(77)	-	-	-	-	(5)	-	(82)
Special Projects		-	-	-	-	-	(23)	-	(23)
Terrestrial Invasive Alien Plants: Interest account		-	-	-	-	-	(12)	-	(12)
<b>Total interest earned</b>		<b>(246 859)</b>	<b>-</b>	<b>50 169</b>	<b>7 909</b>	<b>(47 886)</b>	<b>(56 811)</b>	<b>-</b>	<b>(293 478)</b>
<b>Total National Government transfers and grants</b>		<b>(1 046 140)</b>	<b>(2 908 248)</b>	<b>196 976</b>	<b>701 382</b>	<b>2 116 772</b>	<b>(56 811)</b>	<b>-</b>	<b>(996 069)</b>
ABET Adult Education	Education	(4)	-	-	-	-	-	-	(4)
Accreditation Assistance	Human Settlements	(35 381)	-	30 019	3 989	-	(1 364)	-	(2 737)
Athlone Stadium General Upgrading	Transport and Public Works	(1 742)	-	1 742	-	-	-	-	-
Atlantis - Wesfleur Ext 13	Human Settlements	(323)	-	-	-	-	-	-	(323)
Atlantis Thusong Multi Purpose Centre	Cultural Affairs and Sport	(197)	-	-	-	-	197	-	-
Bardale High Mast Lighting Project	Human Settlements	(471)	-	-	-	-	-	-	(471)
Belhar Social Housing 629 Units	Human Settlements	-	-	(28 254)	28 254	-	-	-	-
Bokmakierie / Hazendal Infill 3	Human Settlements	(476)	-	-	4	-	-	-	(472)
Broadband	Department of the Premier	(221)	(10 700)	-	-	6 417	-	-	(4 504)
Browns Farm Phase 3,4,5,6	Human Settlements	(11 537)	-	-	1 097	-	-	(217)	(10 657)
CBH Wallacedene Phase 1,3,4,5,6	Human Settlements	(4 753)	-	-	-	-	(285)	-	(5 038)
CBO Freedom Park	Human Settlements	(71)	-	-	-	-	-	-	(71)
Chemical Toilets in Wallacedene	Human Settlements	(28)	-	-	-	-	(2)	-	(30)
Chris Hani Park Housing Project	Human Settlements	(274)	-	-	-	-	-	-	(274)
Clinics : HIV/AIDS & TB Programmes	Health	(13)	-	-	-	-	-	-	(13)
Community Residential Units	Human Settlements	(114 763)	-	(293 200)	43 232	246 461	-	(51 845)	(170 115)
Delft South High Density Housing	Human Settlements	(104)	(104)	104	-	-	-	-	(104)
Delft Sportfield Development	Human Settlements	(20)	-	-	-	-	-	-	(20)
Delft Symphony Way Tra	Human Settlements	(3 289)	-	-	602	-	-	-	(2 687)
Dial-a-Ride	Transport and Public Works	-	-	-	-	-	-	-	-
Disaster Fund - Fire/Flood Kits	Human Settlements	-	-	7 555	28 676	-	-	(36 231)	-
Du Noon Phase 1,3 : Transfers	Human Settlements	(299)	-	-	-	-	-	-	(299)
E Business Project	Treasury	(2 004)	-	710	-	-	1 294	-	-
Echo Road Housing Project	Human Settlements	(4)	(4)	4	-	-	-	-	(4)
Edward Road Energy Efficient Project	Human Settlements	(2 758)	-	-	-	-	(165)	-	(2 923)
EHP Nyanga, Du Noon and Atlantis	Human Settlements	(148)	-	(23 456)	19 725	-	-	(5 968)	(9 847)
EHP Repair and Reconstruct 8 Houses	Human Settlements	(44)	(44)	44	-	-	-	-	(44)
Enkanini Housing Project	Human Settlements	(3 305)	-	-	-	-	-	-	(3 305)



## Appendix E: Disclosure of grants and subsidies in terms of section 123 of the MFMA for the year ended 30 June 2015

Description	Source	Balance unspent at beginning of the year <sup>1</sup>	Current year receipts	Adjustments	Conditions met - transferred to revenue		Interest earned	Amounts to be claimed	Balance unspent at the end of the year <sup>1</sup>
					Operating	Capital			
					R'000	R'000			
Establishment Grants	Human Settlements	(2 020)	(124)	(1 020)	1 218	-	(116)	-	(2 062)
Facilitation Grants	Human Settlements	(616)	-	(271)	275	-	(38)	-	(650)
False Bay Ecology	Economic Development and Tourism	(876)	-	-	-	850	(20)	-	(46)
Finance Management Support Grant	Treasury	-	(300)	-	300	-	(3)	-	(3)
Fire Detection Surveillance Cameras	Human Settlements	(75)	-	-	-	75	(4)	-	(4)
Gabriel Square Restitution	Human Settlements	(37)	(37)	37	-	-	-	-	(37)
Garden Cities/Greenville/Fisantekraal 868	Human Settlements	-	-	(12 348)	-	-	-	-	(12 348)
Global Fund	Health	(2 805)	-	-	-	-	(168)	-	(2 973)
Global Fund Anti Retroviral	Health	-	(37 578)	3 335	33 883	-	-	-	(360)
Global Fund Community Base Response Project	Health	-	(4 278)	943	4 053	-	-	(718)	-
Government Grant Community Development Workers	Human Settlements	(641)	(1 032)	-	741	300	(52)	-	(684)
Green Point Phase 21 Housing	Human Settlements	(863)	-	-	-	-	-	-	(863)
Greenland's Housing Project	Human Settlements	(971)	-	-	-	-	-	-	(971)
Gugulethu Seven Memorial	Cultural Affairs and Sport	(49)	-	22	-	-	27	-	-
Hangberg Housing Project	Human Settlements	(52)	-	-	-	-	-	-	(52)
Hangberg: Appointment of mediator	Human Settlements	(85)	-	-	-	-	-	-	(85)
Happy Valley - Phase 2 Top Structures	Human Settlements	-	-	(2 710)	-	-	-	-	(2 710)
HCE Manuals (Housing Consumer Education)	Human Settlements	(175)	-	-	66	-	(10)	-	(119)
Heideveld Housing Infill	Human Settlements	-	-	619	-	-	-	(619)	-
HIV/AIDS Community Based Response Projects	Health	-	(106 167)	4 456	109 584	-	-	(7 873)	-
Hostels Phase 2 Housing	Human Settlements	(996)	-	-	-	-	-	-	(996)
Housing Settlements Development Grant	Human Settlements	-	(700 823)	724 567	1 924	-	-	(25 668)	-
Imizamo Yethu Phase 2 New Services	Human Settlements	(931)	-	-	-	-	-	-	(931)
Informal Settlements	Human Settlements	(1 652)	-	66	576	-	-	-	(1 010)
Interactive Community Access Network	Economic Development and Tourism	(2 378)	(500)	-	500	2 296	(122)	-	(204)
Jakkelsvlei Canal Upgrading	Human Settlements	(10 427)	-	-	-	-	-	-	(10 427)
Kalkfontein Phase 2	Human Settlements	(395)	-	-	-	-	-	-	(395)
Kanonkop Phase 1 Top Structures	Human Settlements	-	-	(18 333)	13 442	-	-	-	(4 891)
Kewtown Infill Development	Human Settlements	(190)	-	-	-	-	-	-	(190)
Khayelitsha Development of Remembrance Square	Economic Development and Tourism	(20)	-	-	-	-	20	-	-
Khayelitsha Khuyasa Phase 2	Human Settlements	(373)	-	-	-	-	-	-	(373)
Khayelitsha Multi Purpose Centre	Social Development	(922)	-	-	-	-	922	-	-
Khayelitsha Site C Subsidies	Human Settlements	(3 860)	-	-	138	-	(228)	-	(3 950)
Khayelitsha Stadium Site B	Cultural Affairs and Sport	(106)	-	106	-	-	-	-	-
Khayelitsha Vacant Land Study	Environmental Affairs and Development Planning	(4)	-	-	-	-	4	-	-
Kleinvlei Phase 2	Human Settlements	-	-	(2 902)	1 594	-	-	-	(1 308)



## Appendix E: Disclosure of grants and subsidies in terms of section 123 of the MFMA for the year ended 30 June 2015

Description	Source	Balance unspent at beginning of the year <sup>1</sup> R'000	Current year receipts R'000	Adjustments R'000	Conditions met - transferred to revenue		Interest earned R'000	Amounts to be claimed R'000	Balance unspent at the end of the year <sup>1</sup> R'000
					Operating R'000	Capital R'000			
Kuyasa T3V 1 Top Structures	Human Settlements	(202)	-	-	-	-	-	-	(202)
Langa Sportsfield Development	Cultural Affairs and Sport	(105)	-	105	-	-	-	-	-
Law Enforcement Officers	Community Safety	(463)	(19 384)	-	19 384	-	-	-	(463)
Law Enforcement Officers	Human Settlements	-	(2 500)	-	2 500	-	(46)	-	(46)
Local Government Compliance	Local Government	-	(293)	-	467	-	-	(174)	-
Local Spatial Plan	Environmental Affairs and Development Planning	(1)	-	-	-	-	1	-	-
Macassar Treatment Works	Human Settlements	(5 500)	-	-	-	-	-	-	(5 500)
Major Upgrading - Rental Units	Human Settlements	-	-	-	-	2 999	-	(2 999)	-
Mandela Park Sports Fields: Tennis Facilities	Cultural Affairs and Sport	(42)	-	42	-	-	-	-	-
Manenberg Sport Complex Upgrade	Cultural Affairs and Sport	(235)	-	235	-	-	-	-	-
Marconi Beam	Human Settlements	(9)	-	-	-	-	-	-	(9)
Masiphumelele Tra	Human Settlements	(943)	-	-	-	-	(56)	-	(999)
Masiphumelele A makhaya Ngoku	Human Settlements	(14 443)	-	-	-	-	(866)	-	(15 309)
Melkbosch Village	Human Settlements	(90)	-	-	-	-	-	-	(90)
Metropolitan Land Transport Fund	Transport and Public Works	(11 957)	(21 400)	-	17 624	9 890	(1 110)	-	(6 953)
Metropolitan Transport Fund	Transport and Public Works	-	-	(14 406)	12 514	1 892	-	-	-
Mfuleni and Strand 12 Houses	Human Settlements	(126)	-	-	-	-	-	-	(126)
Mfuleni EPH Tra	Human Settlements	(218)	-	-	-	-	-	-	(218)
Mfuleni Ext 3	Human Settlements	(129)	-	-	-	-	-	-	(129)
Mfuleni Ext 4 Housing	Human Settlements	(332)	-	-	-	-	-	-	(332)
Mfuleni Flood Relief Project	Human Settlements	(3 005)	-	-	-	-	-	-	(3 005)
Mfuleni MLS Topstructure	Human Settlements	(213)	-	-	-	-	-	-	(213)
Mitchell's Plain Infill Phase 1	Human Settlements	(4 143)	-	-	-	-	-	-	(4 143)
Mitchell's Plain Youth and Family Development Centre	Social Development	(767)	-	-	-	-	767	-	-
Mitchell's Plain TA2	Human Settlements	(276)	-	-	-	-	-	-	(276)
Morgan Vill3/Western Cape	Human Settlements	(1 101)	-	-	-	-	(66)	-	(1 167)
Netreg Housing Project	Human Settlements	(350)	(350)	350	-	-	-	-	(350)
Nonqubela Ph2/Makhaza	Human Settlements	(164)	-	-	-	-	-	-	(164)
Nutrition Supplement Programme	Health	-	(4 504)	453	4 065	-	-	(14)	-
Pelican Park 2083 Top Structures	Human Settlements	-	-	(65 501)	80 018	-	-	(14 517)	-
Philippi East Top Structures	Human Settlements	-	-	(129)	-	-	-	-	(129)
Philippi East Phase 5	Human Settlements	(638)	-	-	-	-	-	-	(638)
Philippi Park Flooding	Human Settlements	(974)	-	-	-	-	-	-	(974)
Phoenix UISP	Human Settlements	(167)	(167)	167	-	-	-	-	(167)
Peoples Housing Project	Human Settlements	(86 851)	-	(126 825)	121 877	-	(5 265)	(3 063)	(100 127)
Phumlani Transfers	Human Settlements	(22)	-	-	-	-	-	-	(22)
Provision of Security Improvements at Rail Park and Ride Facilities	Transport and Public Works	(197)	-	-	-	-	(12)	-	(209)
Public Library Fund	Cultural Affairs and Sport	(2 524)	(40 000)	-	28 874	8 027	(910)	-	(6 533)
Redhill Informal Settlement	Human Settlements	(285)	-	-	-	-	(17)	-	(302)





## Appendix E: Disclosure of grants and subsidies in terms of section 123 of the MFMA for the year ended 30 June 2015

Description	Source	Balance unspent at beginning of the year <sup>1</sup> R'000	Current year receipts R'000	Adjustments R'000	Conditions met - transferred to revenue		Interest earned R'000	Amounts to be claimed R'000	Balance unspent at the end of the year <sup>1</sup> R'000
					Operating R'000	Capital R'000			
					River Clean and Green Project	Environmental Affairs and Development Planning			
Rondevlei Housing Project	Human Settlements	(123)	-	-	51	-	-	-	(72)
Scottsdene 350 Top Structures	Human Settlements	(680)	-	-	-	-	-	-	(680)
Scottsdene 550 Top Structures	Human Settlements	-	-	(5 463)	-	-	-	-	(5 463)
Scottsdene Social Housing Project	Human Settlements	-	-	(53 816)	65 853	-	-	(12 037)	-
Social Economic Facilities Programme	Human Settlements	(2 347)	-	(6 407)	-	4 495	-	-	(4 259)
Sercor Park	Human Settlements	(704)	-	-	-	-	-	-	(704)
Silvertown Khayelitsha 2000 Structures	Human Settlements	(1 142)	-	-	-	-	-	-	(1 142)
Sir Lowry's Pass Village Tra	Human Settlements	-	-	(4 701)	127	-	-	-	(4 574)
Site C Survey and Subdivision	Human Settlements	-	-	135	-	-	-	(135)	-
Somerset West Housing Project	Human Settlements	(4 164)	-	-	-	-	-	-	(4 164)
Spandau Project 384 Houses	Human Settlements	(36)	-	-	-	-	-	-	(36)
Table Mountain Biosphere	Environmental Affairs and Development Planning	(7)	-	-	-	-	7	-	-
Tafelsig Area: Silver City	Human Settlements	(202)	-	-	-	-	-	-	(202)
Tambo Square	Human Settlements	(42)	-	-	-	-	-	-	(42)
TB Crisis Plan	Health	(8 303)	(25 813)	16 910	17 206	-	-	-	-
Temperance Town	Human Settlements	-	-	(55)	-	-	-	-	(55)
Three Anchor Bay Tennis Court	Cultural Affairs and Sport	-	(250)	-	-	139	(3)	-	(114)
Upgrade Bishop Lavis Sports Complex	Cultural Affairs and Sport	-	-	-	-	-	-	-	-
Upgrade Heinz Park Hall	Cultural Affairs and Sport	(124)	-	124	-	-	-	-	-
Urban Renewal: Improvement Stn	Environmental Affairs and Development Planning	(25)	-	25	-	-	-	-	-
Vaccines	Health	-	(68 422)	4 395	65 565	-	-	(1 538)	-
Vehicle Impound Facility Maitland	Transport and Public Works	(286)	-	-	-	343	(5)	(52)	-
Vrygrond	Human Settlements	(33)	-	-	-	-	-	-	(33)
Vrygrond (EPH)	Human Settlements	(224)	-	-	-	-	(13)	-	(237)
Wallacedene Phase 3,4,5,6,7,8,9,10	Human Settlements	(13 261)	-	14	4	-	-	-	(13 243)
Watergate Phase A	Cultural Affairs and Sport	(179)	-	-	-	-	179	-	-
Witsand Housing Project Phase 1,2	Human Settlements	(184)	-	-	-	-	-	-	(184)
<b>Total Provincial Government transfers and grants</b>		<b>(382 707)</b>	<b>(1 044 774)</b>	<b>137 487</b>	<b>730 002</b>	<b>284 184</b>	<b>(7 107)</b>	<b>(163 668)</b>	<b>(446 583)</b>
<b>Analysis of grants and subsidies</b>									
Total National Government transfers and grants		(1 046 140)	(2 908 248)	196 976	701 382	2 116 772	(56 811)	-	(996 069)
Total Provincial Government transfers and grants		(382 707)	(1 044 774)	137 487	730 002	284 184	(7 107)	(163 668)	(446 583)
		<b>(1 428 847)</b>	<b>(3 953 022)</b>	<b>334 463</b>	<b>1 431 384</b>	<b>2 400 956</b>	<b>(63 918)</b>	<b>(163 668)</b>	<b>(1 442 652)</b>
<sup>1</sup> The balance unspent at beginning and end of the year excludes VAT.									



Appendix F: Appropriation statement (Reconciliation: Budget and in-year performance) in terms of National Treasury (NT), MFMA circular no. 67  
for the year ended 30 June 2015

	2014/2015											2013/2014			
	Original budget <sup>1</sup> R'000	Budget adjustments (i.t.o. s28 and s31 of the MFMA) R'000	Final adjustments budget R'000	Shifting of funds (i.t.o. s31 of the MFMA) R'000	Virement (i.t.o. Council approved policy) R'000	Final budget <sup>1</sup> R'000	Actual outcome R'000	Unauthorised expenditure R'000	Variance R'000	Actual outcome as % of final budget %	Actual outcome as % of original budget %	Reported unauthorised expenditure R'000	Expenditure authorised in terms of section 32 of MFMA R'000	Balance to be recovered R'000	Restated audited outcome R'000
<b>Financial performance</b>															
Property rates	5 942 513	21 766	5 964 279	-	-	5 964 279	6 013 890	-	-	101	101	-	-	-	-
Service charges	15 436 106	(74 672)	15 361 434	-	-	15 361 434	15 374 112	-	-	100	100	-	-	-	-
Investment revenue	292 750	3 541	296 291	-	-	296 291	575 783	-	-	197	197	-	-	-	-
Transfers recognised - operational	3 498 169	19 960	3 518 129	-	-	3 518 129	3 251 460	-	-	92	93	-	-	-	-
Other own revenue	3 406 082	733 526	4 139 608	-	-	4 139 608	4 256 751	-	-	103	125	-	-	-	-
<b>Total revenue (excluding capital transfers and contributions)</b>	<b>28 575 620</b>	<b>704 121</b>	<b>29 279 741</b>	<b>-</b>	<b>-</b>	<b>29 279 741</b>	<b>29 471 996</b>	<b>-</b>	<b>-</b>	<b>101</b>	<b>103</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Employee costs	9 004 196	(130 542)	8 873 654	-	1 245	8 874 899	8 177 925	-	-	92	91	-	-	-	-
Remuneration of councillors	133 619	-	133 619	-	-	133 619	128 767	-	-	96	96	-	-	-	-
Debt impairment	950 814	740 801	1 691 615	-	-	1 691 615	1 540 214	-	-	91	162	-	-	-	-
Depreciation and asset impairment	2 182 398	(139 494)	2 042 904	-	-	2 042 904	1 925 535	-	-	94	88	-	-	-	-
Finance charges	919 247	(6 991)	912 256	-	149	912 405	781 262	-	-	85	85	-	-	-	-
Materials and bulk purchases	7 437 128	2 368	7 439 496	-	(353 235)	7 086 261	7 108 843	-	-	100	96	-	-	-	-
Transfers and grants	125 354	14 455	139 809	-	5 901	145 710	136 504	-	-	94	109	-	-	-	-
Other expenditure	8 085 984	199 814	8 285 798	-	295 940	8 581 738	7 748 228	-	-	90	96	-	-	-	-
<b>Total expenditure</b>	<b>28 838 740</b>	<b>680 411</b>	<b>29 519 151</b>	<b>-</b>	<b>(50 000)</b>	<b>29 469 151</b>	<b>27 547 278</b>	<b>-</b>	<b>-</b>	<b>94</b>	<b>96</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus/(deficit)</b>	<b>(263 120)</b>	<b>23 710</b>	<b>(239 410)</b>	<b>-</b>	<b>50 000</b>	<b>(189 410)</b>	<b>1 924 718</b>	<b>-</b>	<b>-</b>	<b>(874)</b>	<b>(652)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transfers recognised - capital	2 817 627	311 032	3 128 659	-	(1)	3 128 658	2 423 179	-	-	77	86	-	-	-	-
Contributions recognised - capital and contributed assets	65 226	(13 216)	52 010	-	-	52 010	61 983	-	-	119	95	-	-	-	-
<b>Surplus/(deficit) after capital transfers and contributions</b>	<b>2 619 733</b>	<b>321 526</b>	<b>2 941 259</b>	<b>-</b>	<b>49 999</b>	<b>2 991 258</b>	<b>4 409 880</b>	<b>-</b>	<b>-</b>	<b>146</b>	<b>167</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Share of surplus/(deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(deficit) for the year</b>	<b>2 619 733</b>	<b>321 526</b>	<b>2 941 259</b>	<b>-</b>	<b>49 999</b>	<b>2 991 258</b>	<b>4 409 880</b>	<b>-</b>	<b>-</b>	<b>146</b>	<b>167</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital expenditure and funds sources</b>															
<b>Capital expenditure</b>															
Transfers recognised - capital	2 809 834	320 112	3 129 946	-	-	3 129 946	2 473 313	-	-	79	88	-	-	-	-
Public contributions and donations	73 019	(22 296)	50 723	-	-	50 723	44 219	-	-	87	61	-	-	-	-
Borrowing	2 350 301	(73 145)	2 277 156	-	-	2 277 156	2 152 377	-	-	95	92	-	-	-	-
Internally generated funds	1 060 383	(298 623)	761 760	-	-	761 760	669 032	-	-	87	59	-	-	-	-
<b>Total sources of capital funds<sup>2</sup></b>	<b>6 293 537</b>	<b>(73 952)</b>	<b>6 219 585</b>	<b>-</b>	<b>-</b>	<b>6 219 585</b>	<b>5 338 941</b>	<b>-</b>	<b>-</b>	<b>86</b>	<b>85</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash flows</b>															
Net cash from (used) operating	5 618 991	(321 080)	5 297 911	-	-	5 297 911	6 143 489	-	-	114	108	-	-	-	-
Net cash from (used) investing	(6 478 138)	(623 378)	(7 101 516)	-	-	(7 101 516)	(4 635 435)	-	-	66	73	-	-	-	-
Net cash from (used) financing	1 224 051	392	1 224 443	-	-	1 224 443	(368 093)	-	-	(33)	(33)	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>364 904</b>	<b>(944 066)</b>	<b>(579 162)</b>	<b>-</b>	<b>-</b>	<b>(579 162)</b>	<b>1 139 961</b>	<b>-</b>	<b>-</b>	<b>(161)</b>	<b>256</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>1</sup> The classification of categories for revenue and expenditure differs from the statement of financial performance and the statement of comparison of budget and actuals as the classifications required by NT is different from accounting practice.

<sup>2</sup> The actual capital outcome amount does not include the contributed assets amount of R4,95 million. See appendix B.

AFD	Agence Française de Développement
ASB	Accounting Standards Board
CIDs	city improvement district
CMTF	Cape Metropolitan Transport Fund
COID	compensation for occupational injuries and diseases
CPI	consumer price index
CRR	capital replacement reserve
CTICC	Cape Town International Convention Centre (Pty) Ltd
DB	defined-benefit (scheme)
DBSA	Development Bank of Southern Africa
DC	defined-contributions (scheme)
DoRA	Division of Revenue Act
EFF	External Finance Fund
FBE	free basic electricity
GRAP	Generally Recognised Accounting Practice
ICSID	International Council of Societies of Industrial Design
IDP	Integrated Development Plan
IRM	integrated risk management
IRT	integrated rapid transit
JSE	Johannesburg Stock Exchange
KCT	Khayelitsha Community Trust
MAYCO	Mayoral Committee
MFMA	Municipal Finance Management Act
NACS	Nominal Annual Compounded Semi-annually <sup>50</sup>
PAYE	pay-as-you-earn
PPE	property, plant and equipment
SALGA	South African Local Government Association
SARS	South African Revenue Service
SCM	supply chain management
TASK	tuned assessment of skill and knowledge
UIF	Unemployment Insurance Fund
VAT	value-added tax



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