



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD



UNAUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017



Contents

- 2 Reporting entity's mandate**
- 3 Approval of the consolidated annual financial statements**
- n/a Report of the Auditor-General**
- 5 General information**
- Financial statements and policy**
- 10** Statement of financial position
- 11** Statement of financial performance
- 12** Statement of changes in net assets
- 13** Cash flow statement
- 14** Statement of comparison of budget and actual amounts – economic entity
- 16** Statement of comparison of budget and actual amounts – Municipality of Cape Town
- 18** Accounting policies
- 30** Notes to the consolidated annual financial statements for the year ended 30 June 2017
- Annexures**
- 81** A: Schedule of external borrowings
- 82** B: Analysis of property, plant and equipment and other assets
- 84** C: Disclosure of bank accounts and investments in terms of section 125(2)(a) and (b) of the MFMA
- 86** D: Segmental statement of financial performance
- 87** E: Disclosure of grants and subsidies in terms of section 123 of the MFMA
- 92** F: Appropriation statement (reconciliation: budget and in-year performance)
- 93** G: Bids awarded to family of employees in service of the state – 2016
- 95 Glossary of abbreviations**



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, 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 Systems Act, Act 32 of 2000, Local Government: Municipal Structures Act, Act 117 of 1998, the Local Government: Municipal Finance Management Act, Act 56 of 2003, 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 2017, as set out on pages 10 to 95 in terms of section 126(1) of the Local Government: Municipal Finance Management Act, Act 56 of 2003, 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 32 to these consolidated 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 this Act.



Achmat Ebrahim
City Manager

29 September 2017



General information



Executive Mayor

Ald P de Lille

Deputy Executive Mayor

Ald ID Neilson



Speaker

Ald JD Smit

Chief Whip

Cllr S August



Finance Mayoral Committee member

Cllr J van der Merwe

City Manager

A Ebrahim



Chief financial Officer

K Jacoby

MAYORAL COMMITTEE MEMBERS

Current

Ald P de Lille Executive Mayor
Ald ID Neilson Deputy Executive Mayor

Members

Cllr R Arendse
Cllr S Diamond
Cllr X Limberg

Portfolio

Corporate Services: **appointed with effect of 1 January 2017**
Assets and Facilities Management: **appointed with effect of 1 January 2017**
Informal Settlements, Water and Waste Services, Energy: **appointed with effect of 1 January 2017**

Cllr B Herron Transport and Urban Development: as from 1 January 2017
Ald JP Smith Safety and Security, Social Services: as from 1 January 2017
Cllr J van der Merwe Finance: as from 1 January 2017

Members

Cllr E Andrews
Cllr A Ntsodo

Area-based

Area-based Oversight (South): **appointed with effect of 1 January 2017**
Area-based Oversight (East): **appointed with effect of 1 January 2017**

Cllr S Little Area-based Oversight (North): as from 1 January 2017
Cllr S Mamkeli Area-based Oversight (Central): as from 1 January 2017

Former (prior Organisational Development and Transformation Plan (ODTP))

Ald P de Lille Executive Mayor
Ald ID Neilson Deputy Executive Mayor

Members

Cllr B Herron
Ald X Limberg
Cllr S Little
Cllr S Mamkeli
Ald ID Neilson
Ald JP Smith
Cllr B van Minnen
Cllr J van der Merwe

Portfolio

Transport for Cape Town
Corporate Services
Social Development and Early Childhood Development
City Health
Finance
Safety and Security Services
Human Settlements
Energy, Environmental and Spatial Planning

Cllr E Andrews Tourism, Events and Economic Development: **appointed with effect of 11 August 2016**
Cllr G Bloor Tourism, Events and Economic Development: **resigned and ended membership 9 August 2016**
Cllr A Ntsodo Community Service: **appointed with effect of 11 August 2016**
Cllr AE Sonnenberg Utility Services: **resigned and ended membership 31 December 2016**
Ald B Walker Community Services and Special Projects: **resigned and ended membership 9 August 2016**

AUDIT COMMITTEE MEMBERS

G Harris	Chairperson
S Naidu	Member
A Rhoda	Member
D Singh	Member
M Roos	Member (contract ended 31 January 2017)

OTHER INFORMATION

Auditors

The Auditor-General of South Africa No 17 Park Lane Building Park Lane Century City 7441	Private Bag X1 Chempet 7442
--	-----------------------------------

Bankers

ABSA Bank Limited Bridge Park East Bridge Way Century City 7446	PO Box 3264 Cape Town 8001
---	----------------------------------

Registered office

12 Hertzog Boulevard Cape Town 8001	PO Box 655 Cape Town 8000
---	---------------------------------



Council members of the City of Cape Town

Cllr A Abrahams	Cllr DG Cottee	Ald CR Justus	Cllr NA Moshani
Cllr FL Abrahams	Cllr SA Cottle	Cllr ML Kempthorne	Cllr T Mpengezi
Cllr MR Abrahams	Cllr AC Crous	Cllr DM Khatshwa	Cllr NL Mquqwana
Cllr MF Achmat	Cllr J Cupido	Cllr MRH Kleinschmidt	Cllr S Mzobe
Cllr A Adams	Cllr T Dasa	Cllr ME Kleinsmith	Cllr PS Mzolisa
Cllr A Adams	Cllr HS Davids	Cllr AL Komeni	Cllr N Ndalen
Cllr R Adams	Cllr MM Davids	Cllr NF Kopman	Cllr XA Ndongeni
Cllr Y Adams	Ald P De Lille	Cllr GPG Kriel	Ald ID Neilson
Cllr M Adonis	Cllr SP Diamond	Cllr AE Kuhl	Cllr K Nethi
Cllr ZC Adonis	Cllr NN Dilima	Cllr MD Kumeke	Cllr BP Ngcani
Cllr FK Ah-Sing	Cllr WB Dlulane	Ald NJ Landingwe	Cllr B Ngcombolo
Cllr WJ Akim	Cllr WP Doman	Cllr AN Leitch	Cllr PM Ngqu
Ald D Amira	Cllr DK Dudley	Cllr SP Liell-Cock	Cllr D Ngubelanga
Cllr EP Andrews	Cllr PA East	Cllr A Lili	Cllr S Ngxumza
Cllr E Anstey	Cllr CJ Esau	Cllr XT Limberg	Ald MJ Nieuwoudt
Cllr R Arendse	Cllr JP Fitz	Cllr SA Little	Cllr M Nikelo
Cllr SWP Arendse	Cllr E Fortune	Cllr CO Mabona	Cllr S Nkomiyahlaba
Cllr A Arnolds	Cllr GD Fourie	Cllr BC Madikane	Cllr FM Nkuzana
Cllr SN August	Cllr P Francke	Cllr N Mahango	Cllr X Nofemele
Cllr DE Badela	Cllr A Gabuza	Cllr N Mahlati	Cllr SM Noludwe
Cllr ZA Badroodien	Cllr BC Golding	Cllr BM Majingo	Cllr S Nonkeyizana
Cllr MK Bafo	Cllr GE Gordon	Cllr N Makamba-Botya	Cllr SP Nqamnduku
Cllr UM Barends	Cllr AJ Griesel	Cllr N Makasi	Cllr ML Nqavashe
Cllr GG Barnardo	Cllr CD Groenewoud	Cllr LC Makeleni	Cllr M Nqulwana
Cllr AJG Basson	Cllr NE Grose	Cllr S Mamkeli	Cllr A Ntsodo
Cllr S Batala	Cllr LA Gungxe	Cllr SK Manata	Cllr P Nyakaza-Sandla
Cllr TM Batembu	Cllr B Hadebe	Ald GW March	Cllr SF Oerson
Cllr R Beneke	Cllr B Hansen	Cllr RP Mare	Ald MJ Oliver
Cllr CB Bew	Cllr W Harris	Cllr PI Marman	Cllr XB Pakela-Mapasa
Cllr N Bolitye	Cllr GCR Haskin	Cllr J Martlow	Cllr GC Peck
Cllr M Boo	Cllr MGE Hendricks	Cllr V Matanzima	Cllr XG Peter
Cllr G Bosman	Cllr BN Herron	Cllr JJ Maxheke	Cllr MJ Petersen
Cllr FR Botha-Rossouw	Cllr PC Heynes	Cllr P Maxifi	Cllr S Philander
Cllr R Bresler	Cllr ND Hlangisa	Cllr S Mbandezi	Cllr MP Pietersen
Cllr EN Brunette	Cllr MW Hlazo	Cllr LM Mbele	Ald SB Pringle
Cllr DW Bryant	Cllr TT Honono	Cllr JS Mbolompo	Cllr CB Punt
Ald CA Brynard	Cllr RM Hoorn	Cllr NV Mbombo	Ald FA Purchase
Cllr KR Carls	Cllr VR Isaacs	Cllr LVP McBride	Cllr RM Quintas
Cllr H Carstens	Cllr IR Iversen	Cllr J McCarthy	Cllr SA Ramsay
Cllr MA Cassiem	Cllr BM Jacobs	Cllr AP McKenzie	Cllr B Rass
Cllr MF Cassim	Cllr HW Jacobs	Cllr MPJ Menisi	Cllr R Rau
Ald GV Cavanagh	Cllr WD Jaftha	Cllr SS Mfecane	Cllr FHL Raymond
Cllr CS Cerfontein	Cllr L Jali	Cllr NE Mgolombane	Cllr N Rheeder
Cllr PH Chapple	Cllr C Janse van Rensburg	Cllr JH Middleton	Cllr SJ Rossouw
Cllr MN Chitha	Cllr E Jansen	Cllr PM Mngxunyeni	Cllr T Sakathi
Cllr DJ Christians	Cllr S John	Cllr S Moodley	Cllr R Saralina
Cllr CC Clayton	Cllr C Jordaan	Cllr AC Moses	Cllr N Silas

General information (continued)

Council members of the City of Cape Town (continued)

Cllr RZ Simbeku	Cllr PS Swart	Cllr ML van der Walt	Cllr PP Vokwana
Cllr F Simons	Cllr EAJ Theron	Cllr BM van Minnen	Cllr FC Walker
Cllr RS Simons	Cllr G Timm	Cllr B van Reenen	Ald BRW Watkyns
Ald JD Smit	Cllr LE Tshwete	Cllr CHS van Wyk	Cllr C Williams
Ald J Smith	Ald GG Twigg	Cllr A van Zyl	Cllr JJ Witbooi
Cllr NP Sono	Cllr TA Uys	Cllr M Velem	Cllr J Woodman
Cllr X Sotashe	Cllr B van der Merwe	Cllr R Viljoen	Cllr M Xego
Cllr KG Southgate	Cllr JFH van der Merwe	Cllr DA Visagie	Cllr SK Yozi
Cllr T Stemele	Cllr A van der Rhee	Cllr CL Visser	Cllr LG Zondani
Cllr Z Sulelo	Cllr PE van der Ross	Cllr J Visser	

In the course of the reporting period, the following councillors ceased to be political office-bearers:

Cllr L Isaacs	5/07/2016	Cllr C Marais	11/01/2017
Cllr S Gympies	19/07/2016	Cllr C Claasen	3/03/2017
Cllr F Christians	8/08/2016	Cllr T Jaffa	12/05/2017
Cllr A Fourie	10/08/2016	Cllr X Gwangxu	21/06/2017
Cllr R Bazier	16/08/2016	Cllr T Mgxekeni	21/06/2017
Ald E Sonnenberg	31/12/2016		

Statement of financial position as at 30 June 2017

	Note	Economic entity		Municipality of Cape Town	
		2017 R'000	Restated ¹ 2016 R'000	2017 R'000	2016 R'000
ASSETS					
Non-current assets		46 956 442	42 343 852	46 570 423	42 136 829
Property, plant and equipment	2	41 348 729	37 522 615	40 377 585	36 892 544
Heritage assets	3	8 904	9 049	8 904	9 049
Investment property	4	586 427	588 191	586 427	588 191
Intangible assets	5	678 871	629 162	678 871	629 162
Investments	7	4 288 961	3 540 486	4 877 663	3 966 188
Long-term receivables	8	40 973	51 695	40 973	51 695
Deferred taxation	39	3 577	2 654	-	-
		12 587 638	12 216 492	12 250 660	11 726 952
Current assets					
Inventory	9	325 734	258 533	324 536	257 273
Receivables	10	5 721 738	5 105 255	5 724 863	5 106 634
Receivables from exchange transactions		3 497 731	3 247 000	3 497 731	3 247 000
Receivables from non-exchange transactions		2 224 007	1 858 255	2 227 132	1 859 634
Other receivables	11	1 089 975	876 510	1 077 455	858 306
Other receivables from exchange transactions		339 959	233 597	327 439	215 393
Other receivables from non-exchange transactions		750 016	642 913	750 016	642 913
Investments	7	1 654 114	2 155 177	1 654 114	2 155 177
Taxation		3 002	-	-	-
Current portion of long-term receivables	8	14 201	17 093	14 201	17 093
Cash and cash equivalents	12	3 778 874	3 803 924	3 455 491	3 332 469
TOTAL ASSETS		59 544 080	54 560 344	58 821 083	53 863 781
LIABILITIES					
Non-current liabilities		11 909 149	12 165 084	11 898 945	12 153 259
Borrowings	13	5 799 820	6 048 731	5 789 616	6 036 906
Provisions	15	6 109 329	6 116 353	6 109 329	6 116 353
Current liabilities		8 848 579	9 005 551	8 766 304	8 859 316
Deposits	16	371 397	371 253	351 710	324 633
Provisions	17	969 252	1 072 815	964 292	1 069 277
Payables from exchange transactions	18	6 019 191	5 813 983	5 963 079	5 720 744
Unspent conditional grants and receipts	19	1 054 374	1 199 955	1 054 374	1 199 955
Value-added tax	20	93 366	74 771	93 366	74 771
Taxation		-	1 447	-	-
Current portion of borrowings	13	335 701	471 327	334 185	469 936
Bank overdraft	12	5 298	-	5 298	-
TOTAL LIABILITIES		20 757 728	21 170 635	20 665 249	21 012 575
NET ASSETS					
Total net assets		38 786 352	33 389 709	38 155 834	32 851 206
Housing development fund	21	331 568	340 096	331 568	340 096
Reserves	22	3 441 617	2 664 339	3 441 617	2 664 339
Accumulated surplus		34 605 388	30 025 858	34 382 649	29 846 771
Non-controlling interest	23	407 779	359 416	-	-
TOTAL NET ASSETS AND LIABILITIES		59 544 080	54 560 344	58 821 083	53 863 781

¹ Comparative restated: see note 44 for more details.

Statement of financial performance for the year ended 30 June 2017

	Note	Economic entity		Municipality of Cape Town	
		2017 R'000	Restated ¹ 2016 R'000	2017 R'000	Restated ¹ 2016 R'000
REVENUE					
Exchange revenue		21 023 856	19 423 674	20 607 688	19 028 104
Service charges	24	18 815 940	17 552 069	18 619 105	17 363 596
Rental of letting stock and facilities	25	358 497	350 954	358 497	350 954
Finance income	26	997 390	830 188	965 283	792 666
Licences and permits		47 741	41 494	47 741	41 494
Agency services		188 238	183 259	188 238	183 259
Other income	27	429 116	339 164	242 040	169 634
Gains on disposal of property, plant and equipment		186 934	126 546	186 784	126 501
Non-exchange revenue		17 380 594	15 796 907	17 554 658	15 952 812
Finance income	26	81 005	71 571	81 005	71 571
City improvement districts (CIDs)	27	-	-	169 260	150 645
Property rates	28	8 100 322	6 739 787	8 105 126	6 745 047
Fuel levy		2 197 740	2 060 211	2 197 740	2 060 211
Fines, penalties and forfeits		1 241 128	1 112 956	1 241 128	1 112 956
Government grants and subsidies	29	5 648 752	5 721 128	5 648 752	5 721 128
Public contributions	30	111 647	91 254	111 647	91 254
Total revenue		38 404 450	35 220 581	38 162 346	34 980 916
EXPENDITURE					
Employee-related costs	31	9 728 886	9 415 890	9 659 300	9 357 740
Remuneration of councillors and board members	32	138 951	135 094	138 373	134 637
Impairment costs	33	2 423 344	1 907 719	2 423 157	1 907 301
Collection costs		198 278	187 417	198 278	187 417
Depreciation and amortisation expenses	34	2 241 142	2 136 991	2 213 796	2 108 510
Finance costs	35	732 912	748 479	731 823	747 256
Bulk purchases	36	8 438 102	8 073 336	8 438 102	8 073 336
Contracted services		4 300 046	3 886 305	4 171 123	3 766 255
Grants and subsidies paid	37	111 829	148 246	111 829	148 246
General expenses	38	4 701 576	4 199 719	4 764 561	4 252 445
Losses on disposal of property, plant and equipment		8 563	8 303	7 376	8 118
Total expenditure		33 023 629	30 847 499	32 857 718	30 691 261
Surplus from operations		5 380 821	4 373 082	5 304 628	4 289 655
Taxation	39	(14 178)	(20 007)	-	-
Surplus for the year		5 366 643	4 353 075	5 304 628	4 289 655
Attributable to owners of the controlling entity		5 354 143	4 338 448		
Attributable to non-controlling interest	23	12 500	14 627		
SURPLUS FOR THE YEAR		5 366 643	4 353 075		

¹ Comparative restated: see note 44 for more details.

Statement of changes in net assets for the year ended 30 June 2017

Economic entity

	Housing development fund R'000	Capital replacement reserve R'000	Insurance reserves R'000	Accumulated surplus R'000	Non-controlling interest R'000	Total R'000
2016						
Balance as at 30 June 2015	396 385	1 865 119	528 760	25 897 704	298 666	28 986 634
Restated surplus	-	-	-	4 338 448	14 627	4 353 075
Surplus as previously reported	-	-	-	4 336 953	13 918	-
Correction of errors	-	-	-	1 495	709	-
Share purchases by non-controlling interest holders	-	-	-	-	50 000	50 000
Transfer to/(from) for share purchases	-	-	-	3 877	(3 877)	-
Transfer (from)/to	(36 612)	938 590	16 397	(918 375)	-	-
Property, plant and equipment purchased	(19 677)	(684 527)	-	704 204	-	-
Restated balance as at 30 June 2016 ¹	340 096	2 119 182	545 157	30 025 858	359 416	33 389 709
2017						
Surplus for the year	-	-	-	5 354 143	12 500	5 366 643
Share purchases by non-controlling interest holders	-	-	-	-	30 000	30 000
Transfer to/(from) for share purchases	-	-	-	(5 863)	5 863	-
Transfer to/(from)	9 522	1 586 966	16 139	(1 612 627)	-	-
Property, plant and equipment purchased	(18 050)	(825 827)	-	843 877	-	-
Balance as at 30 June 2017	331 568	2 880 321	561 296	34 605 388	407 779	38 786 352

¹ Comparative restated: see note 44 for more details.

Municipality of Cape Town

	Housing development fund R'000	Capital replacement reserve R'000	Insurance reserves R'000	Accumulated surplus R'000	Total R'000
2016					
Balance as at 30 June 2015	396 385	1 865 119	528 760	25 771 287	28 561 551
Surplus for the year	-	-	-	4 289 655	4 289 655
Transfer (from)/to	(36 612)	938 590	16 397	(918 375)	-
Property, plant and equipment purchased	(19 677)	(684 527)	-	704 204	-
Balance as at 30 June 2016	340 096	2 119 182	545 157	29 846 771	32 851 206
2017					
Surplus for the year	-	-	-	5 304 628	5 304 628
Transfer to/from	9 522	1 586 966	16 139	(1 612 627)	-
Property, plant and equipment purchased	(18 050)	(825 827)	-	843 877	-
Balance as at 30 June 2017	331 568	2 880 321	561 296	34 382 649	38 155 834

Cash flow statement for the year ended 30 June 2017

	Note	Economic entity		Municipality of Cape Town	
		2017 R'000	Restated ¹ 2016 R'000	2017 R'000	Restated ¹ 2016 R'000
CASH FLOW FROM OPERATING ACTIVITIES					
Cash receipts from ratepayers, government and other		33 207 927	30 834 458	32 990 837	30 648 884
Cash paid to suppliers and employees		(26 895 035)	(24 544 400)	(26 723 290)	(24 481 825)
Cash generated from operations	40	6 312 892	6 290 058	6 267 547	6 167 059
Finance income		1 031 929	878 939	999 822	841 417
Finance costs		(667 252)	(688 486)	(666 163)	(687 263)
Taxation		(19 550)	(22 269)	-	-
NET CASH FROM OPERATING ACTIVITIES		6 658 019	6 458 242	6 601 206	6 321 213
CASH FLOW FROM INVESTING ACTIVITIES					
Additions to property, plant and equipment and other		(6 274 301)	(5 874 989)	(5 904 620)	(5 489 832)
Proceeds on disposal of assets		198 967	130 308	198 742	130 189
Decrease in long-term receivables		13 614	26 374	13 614	26 374
Increase in investments		(247 412)	(554 355)	(410 412)	(621 401)
NET CASH FROM INVESTING ACTIVITIES		(6 309 132)	(6 272 662)	(6 102 676)	(5 954 670)
CASH FLOW FROM FINANCING ACTIVITIES					
Repayment of borrowings		(409 379)	(286 957)	(407 883)	(285 597)
Share purchases by minority interest holders		30 000	50 000	-	-
Increase in deposits		144	62 566	27 077	52 375
NET CASH FROM FINANCING ACTIVITIES		(379 235)	(174 391)	(380 806)	(233 222)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	41	(30 348)	11 189	117 724	133 321
Cash and cash equivalents at the beginning of the year		3 803 924	3 792 735	3 332 469	3 199 148
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		3 773 576	3 803 924	3 450 193	3 332 469

¹ Comparative restated: See note 44 for more details.



Statement of comparison of budget and actual amounts for the year ended 30 June 2017 – economic entity

Note	Approved budget ⁴ R'000	Final budget ⁴ R'000	Actual per annual financial statements classification R'000	Classification differences R'000	Actual per budget classification ¹ R'000	Variance: Final budget and actual amounts R'000	Variance %
STATEMENT OF FINANCIAL POSITION							
45.2.1							
Total non-current assets	46 831 959	46 831 959	47 535 750	-	47 535 750	(703 791)	(1,50)
Total current assets	12 839 193	12 839 193	12 519 283	-	12 519 283	319 910	2,49
Total assets	59 671 152	59 671 152	60 055 033	-	60 055 033	(383 881)	(0,64)
Total non-current liabilities	14 498 610	14 498 610	11 898 945	-	11 898 945	2 599 665	17,93
Total current liabilities	8 901 981	8 901 981	8 847 350	-	8 847 350	54 631	0,61
Total liabilities	23 400 591	23 400 591	20 746 295	-	20 746 295	2 654 296	11,34
Total net assets	36 270 561	36 270 561	39 308 738	-	39 308 738	(3 038 177)	(8,38)
Total net assets and liabilities	59 671 152	59 671 152	60 055 033	-	60 055 033	(383 881)	(0,64)
STATEMENT OF FINANCIAL PERFORMANCE							
45.2.2							
Property rates	7 577 601	7 577 601	8 105 126	(4 804)	8 100 322	(522 721)	(6,90)
Service charges	18 783 991	18 783 991	18 619 105	196 834	18 815 939	(31 948)	(0,17)
Investment revenue	619 315	619 315	1 046 288	(245 957)	800 331	(181 016)	(29,23)
Transfers recognised - operational	4 308 324	4 308 324	3 633 883	32 822	3 666 705	641 619	14,89
Other own revenue	4 435 868	4 435 868	4 631 428	296 031	4 927 459	(491 591)	(11,08)
Total revenue (excluding capital transfers and contributions)	35 725 099	35 725 099	36 035 830	274 926	36 310 756	(585 657)	(1,64)
Employee costs	10 452 284	10 436 133	9 659 300	69 586	9 728 886	707 247	6,78
Remuneration of councillors	146 941	146 941	138 373	578	138 951	7 990	5,44
Depreciation and asset impairment	2 467 175	2 467 175	2 213 796	127 024	2 340 820	126 355	5,12
Finance charges	896 806	896 806	731 823	3 309	735 132	161 674	18,03
Materials and bulk purchases	9 034 388	9 017 306	8 438 102	476 049	8 914 151	103 155	1,14
Transfers and grants	121 353	117 599	111 829	-	111 829	5 770	4,91
Other expenditure	12 594 064	12 631 051	11 564 495	(510 635)	11 053 860	1 577 191	12,49
Total expenditure	35 713 011	35 713 011	32 857 718	165 911	33 023 629	2 689 382	7,53
Surplus	12 088	12 088	3 178 112	109 015	3 287 127	(3 275 039)	
Transfers recognised - capital	2 205 071	2 205 071	2 014 869	(9 572)	2 005 297	199 774	9,06
Contributions recognised - capital and contributed assets	87 941	87 941	111 647	(23 250)	88 397	(456)	(0,52)
Surplus after capital transfers and contributions	2 305 100	2 305 100	5 304 628	76 193	5 380 821	(3 075 721)	(133,43)



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

Statement of comparison of budget and actual amounts for the year ended 30 June 2017 – economic entity (continued)

	Note	Approved budget ⁴ R'000	Final budget ⁴ R'000	Actual per annual financial statements classification R'000	Classification differences R'000	Actual per budget classification ¹ R'000	Variance: Final budget and actual amounts R'000	Variance %
CASH FLOW STATEMENT								
Net cash from operating	45.2.3 i	4 265 068	4 265 068	6 631 085	-	6 631 085	(2 366 017)	(55,47)
Net cash from investing		(6 181 639)	(6 181 639)	(6 472 132)	-	(6 472 132)	290 493	(4,70)
Net cash from financing	ii	2 281 854	2 281 854	(189 301)	-	(189 301)	2 471 155	108,30
Net increase in cash and cash equivalents		365 283	365 283	(30 348)	-	(30 348)	395 631	108,31
CAPITAL EXPENDITURE ²								
Area-Based Service Delivery	45.3.1	12 375	12 375	12 195	-	12 195	180	1,45
Assets and Facilities Management	i	388 008	388 008	358 129	-	358 129	29 879	7,70
City Manager		322	322	321	-	321	1	0,31
Corporate Services		257 408	257 408	244 883	-	244 883	12 525	4,87
Directorate of the Mayor		22 341	22 341	22 022	-	22 022	319	1,43
Energy	ii	1 376 327	1 376 327	1 248 888	-	1 248 888	127 439	9,26
Finance		24 379	24 379	24 178	-	24 178	201	0,82
Informal Settlements, Water and Waste Services	iii	1 949 978	1 949 978	1 828 615	-	1 828 615	121 363	6,22
Safety and Security		119 749	119 749	115 122	(306)	114 816	4 933	4,12
Social Services	iv	264 684	264 684	260 125	(16 207)	243 918	20 766	7,85
Transport and Urban Development Authority	v	1 943 836	1 943 836	1 806 658	(3)	1 806 655	137 181	7,06
Subsidiaries	vi	415 053	415 053	369 681	-	369 681	45 372	10,93
Total ³		6 774 460	6 774 460	6 290 817	(16 516)	6 274 301	500 159	7,38

¹ The format and classification schemes adopted for presentation of the approved budget for the financial year differ from the format and classification adopted for the financial statements. The classification differences are mainly due to the budget phasing in the Municipal Standard Chart of Accounts (mSCOA) classification in preparation of the mSCOA that will take effect on 1 July 2017.

² The City embarked on an ODTP during the 2016/17 financial year which resulted in the restructuring and realignment of the organisational structure.

³ The classification differences relate to the contributed assets. See annexure B.

⁴ The difference between the approved budget and final budget are due to variances in terms of the Council approved policy.



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

Statement of comparison of budget and actual amounts for the year ended 30 June 2017 – Municipality of Cape Town

	Note	Approved budget ⁴ R'000	Final budget ⁴ R'000	Actual per annual financial statements classification R'000	Classification differences R'000	Actual per budget classification ¹ R'000	Variance: Final budget and actual amounts R'000	Variance %
STATEMENT OF FINANCIAL POSITION								
Total non-current assets	45.2.1	45 831 675	45 831 675	46 570 423	-	46 570 423	(738 748)	(1,61)
Total current assets		12 586 022	12 586 022	12 250 660	-	12 250 660	335 362	2,66
Total assets		58 417 697	58 417 697	58 821 083	-	58 821 083	(403 386)	(0,69)
Total non-current liabilities	i	14 458 485	14 458 485	11 898 945	-	11 898 945	2 559 540	17,70
Total current liabilities		8 814 994	8 814 994	8 766 304	-	8 766 304	48 690	0,55
Total liabilities		23 273 479	23 273 479	20 665 249	-	20 665 249	2 608 230	11,21
Total net assets		35 144 218	35 144 218	38 155 834	-	38 155 834	(3 011 616)	(8,57)
Total net assets and liabilities		58 417 697	58 417 697	58 821 083	-	58 821 083	(403 386)	(0,69)
STATEMENT OF FINANCIAL PERFORMANCE								
Property rates	45.2.2	7 577 601	7 577 601	8 105 126	-	8 105 126	(527 525)	(6,96)
Service charges		18 593 298	18 593 298	18 619 105	-	18 619 105	(25 807)	(0,14)
Investment revenue	i	595 694	595 694	1 046 288	(278 064)	768 224	(172 530)	(28,96)
Transfers recognised - operational	ii	4 308 324	4 308 324	3 633 883	32 822	3 666 705	641 619	14,89
Other own revenue	iii	4 431 231	4 431 231	4 631 428	278 064	4 909 492	(478 261)	(10,79)
Total revenue (excluding capital transfers and contributions)		35 506 148	35 506 148	36 035 830	32 822	36 068 652	(562 504)	(1,58)
Employee costs		10 357 614	10 341 463	9 659 300	-	9 659 300	682 163	6,60
Remuneration of councillors		146 004	146 004	138 373	-	138 373	7 631	5,23
Depreciation and asset impairment		2 433 315	2 433 315	2 213 796	99 678	2 313 474	119 841	4,93
Finance charges	iv	895 848	895 848	731 823	2 220	734 043	161 805	18,06
Materials and bulk purchases		9 034 388	9 017 306	8 438 102	476 049	8 914 151	103 155	1,14
Transfers and grants		121 353	117 599	111 829	-	111 829	5 770	4,91
Other expenditure	v	12 517 626	12 554 613	11 564 495	(577 947)	10 986 548	1 568 065	12,49
Total expenditure		35 506 148	35 506 148	32 857 718	-	32 857 718	2 648 430	7,46
Surplus		-	-	3 178 112	32 822	3 210 934	(3 210 934)	
Transfers recognised - capital		2 205 071	2 205 071	2 014 869	(9 572)	2 005 297	199 774	9,06
Contributions recognised - capital and contributed assets		87 941	87 941	111 647	(23 250)	88 397	(456)	(0,52)
Surplus after capital transfers and contributions		2 293 012	2 293 012	5 304 628	-	5 304 628	(3 011 616)	(131,34)



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

Statement of comparison of budget and actual amounts for the year ended 30 June 2017 – Municipality of Cape Town

(continued)

	Note	Approved budget ⁴ R'000	Final budget ⁴ R'000	Actual per annual financial statements classification R'000	Classification differences R'000	Actual per budget classification ¹ R'000	Variance: Final budget and actual amounts R'000
CASH FLOW STATEMENT							
Net cash from operating	45.2.3 i	4 276 786	4 276 786	6 601 206	-	6 601 206	(2 324 420)
Net cash from investing		(5 769 691)	(5 769 691)	(6 102 676)	-	(6 102 676)	332 985
Net cash from financing	ii	2 041 248	2 041 248	(380 806)	-	(380 806)	2 422 054
Net increase in cash and cash equivalents		548 343	548 343	117 724	-	117 724	430 619
CAPITAL EXPENDITURE ²							
Area-Based Service Delivery	45.3.1	12 375	12 375	12 195	-	12 195	180
Assets and Facilities Management	i	388 008	388 008	358 129	-	358 129	29 879
City Manager		322	322	321	-	321	1
Corporate Services		257 408	257 408	244 883	-	244 883	12 525
Directorate of the Mayor		22 341	22 341	22 022	-	22 022	319
Energy	ii	1 376 327	1 376 327	1 248 888	-	1 248 888	127 439
Finance		24 379	24 379	24 178	-	24 178	201
Informal Settlements, Water and Waste Services	iii	1 949 978	1 949 978	1 828 615	-	1 828 615	121 363
Safety and Security		119 749	119 749	115 122	(306)	114 816	4 933
Social Services	iv	264 684	264 684	260 125	(16 207)	243 918	20 766
Transport and Urban Development Authority	v	1 943 836	1 943 836	1 806 658	(3)	1 806 655	137 181
Total ³		6 359 407	6 359 407	5 921 136	(16 516)	5 904 620	454 787



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

ACCOUNTING POLICIES

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 2 of these consolidated annual 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 44, 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 outlines 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'.

Use of judgements and estimates

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. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively:

- **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. The concentration of credit risk is limited, as the customer base is large and unrelated. Accordingly, management believes that no further credit provisions are required in excess of the present allowance for doubtful debts.

- **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.

- **Significant delays in Assets under construction**

The Entity regarded disclosure of significant delay in Assets under construction that is more than one year.

- **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 15, 17 and 43 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 there is a variance of:

- 10% in the statement of financial position, statement of financial performance and the cash flow statement; and
- 5% in capital expenditure.

All material differences are explained in note 45 to the consolidated annual financial statements.

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

• 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 following amendments to Standards of GRAP 21 Impairment of non-cash-generating assets and GRAP 26 Impairment of cash-generating assets are effective for annual periods beginning after 1 April 2018 to be applied prospectively:

- Amendments were made to the definition of cash-generating assets and explanatory commentary was added to the Standards.
- The Entity is assessing the potential impact on its financial statements resulting from these amendments. So far, the Entity does not expect any significant impact. Where the application of the amendments result in the redesignation of existing assets from cash-generating asset to non-cash generating asset or from non-cash-generating asset to a cash-generating asset, the Entity shall assess whether that redesignation triggers an impairment test or a reversal of an impairment loss.
- The Entity has not early adopted the amended standards in preparing these financial statements.

At the date of submission of these financial statements for the year ended 30 June 2017, the following approved Standards of GRAP were issue for which no effective dates have been determined yet:

- GRAP 18 - Segment reporting
- GRAP 20 - Related-party disclosures (revised)
- GRAP 32 - Service concession arrangements: Grantor
- GRAP 34 - Separate financial statements
- GRAP 35 - Consolidated financial statements
- GRAP 36 - Investments in associates and joint ventures
- GRAP 37 - Joint arrangements
- GRAP 38 - Disclosure of interest in other entities
- GRAP 108 - Statutory receivables
- GRAP 109 - Accounting by principals and agents
- GRAP 110 - Living and non-living resources
- IGRAP 17 - Service concession arrangements where a grantor controls a significant residual interest in an asset
- IGRAP 18 - Recognition and derecognition of land

The Entity has not adopted any GRAP standard that is not yet effective, but has based its accounting policies on GRAP 20, 32, 108, 109 and IGRAP 17.

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 Entity 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 intergroup investments eliminated on consolidation.

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

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 sections 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 property, plant and equipment and other assets from internal sources, cash amounts are transferred from the accumulated surplus to the CRR.

The following guidelines 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 reserves

• 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 the 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.

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

• Compensation for occupational injuries and diseases (COID) reserve

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 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.

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

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
Infrastructure		Other	
Roads and paving	10-50	Buildings	2-50
Electricity	15-50	Other vehicles	4-15
Water	15-30	Office equipment	2-16
Sewerage	15-20	Watercraft	5
Telecommunications	10-30	Bins and containers	5
		Landfill sites	30
Housing	30	Specialised vehicles	10-20
		Library books	1
Community		Furniture and fittings	2-15
Community and recreational facilities	20-50	Computer equipment	2-9
Security	5-10	Plant and equipment	2-19
		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.

INVESTMENT PROPERTIES

Investment properties are immovable land and/or buildings that are held to earn rental income and/or for capital appreciation. 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 of investment property is included in the surplus or deficit in the period of the retirement or disposal.

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.

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

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. Costs incurred to enhance or restore the heritage asset to preserve its indefinite useful life are capitalised as incurred. Day-to-day costs incurred to maintain a heritage asset are expensed.

Transfers to heritage assets are made only when the asset meets the definition of a heritage asset, and transfers from heritage assets are only made 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.

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 the 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.

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

IMPAIRMENT OF CASH-GENERATING ASSETS

Cash-generating assets are those assets held by the Cape Town International Convention Centre Company SOC Limited (RF) (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.

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

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.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the entity recognises a liability only to the extent that it 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 is registered for value-added tax (VAT) on the payment basis.

GRANTS AND TRANSFERS

Grants and transfers 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 and transfer 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 and transfers are met. Grants and transfers that are not subject to any conditions are recognised as revenue when the assets are initially recognised.

Interest earned on the investment of grants and transfers received is treated in accordance with the stipulations set out in the agreement for the receipt of the grant and transfer invested, or where management has 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.

ENVIRONMENTAL REHABILITATION PROVISIONS

Estimated long-term environmental provisions, comprising rehabilitation of environmental damage and landfill site closure, cost, 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 terms of legislation. Changes in the measurement of existing environmental liabilities resulting from changes in the estimated timing or amount of the outflow of resources required to settle the obligation, or a change in the discount rate, shall be added to, or deducted from, the cost of the related asset in the current period. The amount deducted from the cost of the asset shall not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess shall be recognised immediately in surplus or deficit. Any unwinding of discount is charged to the statement of financial performance as a finance cost.

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

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 triennially 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.

The Entity does not apply defined benefit accounting to the defined benefit plans that are classified as multi-employer plans, as sufficient information is not available to apply the principles involved. As a result, such plans are accounted for as defined contribution plans.

Post-retirement pension funds

Pensions paid to employees who had not been members of any of the official pension funds, but 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 fund contributions on a monthly basis, 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.

Any unwinding of discount is charged to the statement of financial performance as an employee-related cost. 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 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.

Any unwinding of discount is charged to the statement of financial performance as an employee-related cost. 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 in 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. Any unwinding of discount is charged to the statement of financial performance as an employee-related cost. Actuarial gains and losses on the long-term incentives are fully accounted for in the statement of financial performance. The projected unit credit method has been used to value the obligation.

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

REVENUE RECOGNITION

Revenue is recognised net of indirect taxes, rebates and trade discounts, and consists primarily of rates, grants from National Government and the Western Cape Provincial Government ('Province'), 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.

Revenue from exchange transactions

Exchange transactions are transactions in which the Entity receives assets or services, or has liabilities extinguished and directly gives approximately equal value to another entity in exchange.

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. Credit 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.

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

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

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

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

- Interest earned on trust funds is allocated directly to the fund.
- Interest earned on unutilised conditional grants is allocated directly to the creditor 'Unutilised conditional grants' if the grant conditions indicate, or where management has determined, that interest is payable to the funder.

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

Income for agency services, whereby the Entity acts as an agent, is recognised on a monthly basis once the income collected on behalf of principals 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

Non-exchange transactions are transactions where the Entity receives revenue from another entity without giving approximately equal value in exchange.

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 when recovered from the responsible party.

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

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 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.

Non-derivative 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.

Non-derivative 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.

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

Derivative financial instruments

The Entity holds derivative financial instruments to hedge against its foreign-currency risk exposures. Derivatives are initially measured at fair value; any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes are generally recognised in profit or loss

PAYABLES

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

RECEIVABLES

Receivables are recognised initially at fair value plus transaction costs, 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.

IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is in contravention of, or that is not in accordance with, a requirement of the MFMA, Act 56 of 2003, Municipal Systems Act, Act 32 of 2000, Remuneration of Public Office Bearers Act, Act 20 of 1998 or the municipality's supply chain management (SCM) policy.

Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for 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 exchange rate 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 budget covers the fiscal period from 1 July 2016 to 30 June 2017. The approved budget is the most recent adjustments budget approved by Council. The final budget is the most recently approved budget, adjusted for changes made to the budget in terms of legislation that may not be formally approved again by Council. Where entities are required to have the budget(s) approved again for any subsequent adjustments, the most recently approved budget becomes the final budget for purposes of this disclosure.

The amounts are presented as a separate additional financial statement, called the statement of comparison of budget and actual amounts. Explanatory comments to material differences are provided in the notes to the annual financial statements.

These figures are those approved by Council both before and during the year, following a period of consultation with the public as part of the Integrated Development Plan (IDP) process.

Comparative information is not required and has not been presented for the statement of comparison of budget and actual amounts.

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

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 has included in note 27 the nature and type of major classes of services in kind.

COMPARATIVE INFORMATION

When the presentation or classification of items in the consolidated annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

RELATED PARTIES

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

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



Notes to the consolidated annual financial statements

for the year ended 30 June 2017

1. 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 aforesaid risks, its policies and processes for measuring and managing risk, as well as its management of capital. Further quantitative disclosures are provided 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 so as to identify and mitigate 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 and Performance Audit Committee to comply with its role and responsibilities with regard to risk management, all documentation and reports of Risk Management Committee meetings are supplied to the Audit and Performance Audit Committee and the Speaker 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
Financial assets				
2017				
Investments	2 136 131	3 812 263	5 948 394	5 963 787
Long-term receivables	55 174	-	55 174	55 174
Receivables	5 721 738	-	5 721 738	5 721 738
Other receivables	999 832	-	999 832	999 832
Cash and cash equivalents	2 869 606	898 651	3 768 257	3 768 257
TOTAL	11 782 481	4 710 914	16 493 395	16 508 788
Derivative financial assets				
Forward exchange contracts	190	-	190	190
2016				
Investments	2 042 944	3 652 719	5 695 663	5 697 793
Long-term receivables	68 788	-	68 788	68 788
Receivables	5 105 255	-	5 105 255	5 105 255
Other receivables	843 074	-	843 074	843 074
Cash and cash equivalents	2 975 682	828 242	3 803 924	3 803 924
TOTAL	11 035 743	4 480 961	15 516 704	15 518 834
Derivative financial assets				
Forward exchange contracts	-	-	-	-
2017				
Non-derivative financial liabilities				
Borrowings	6 135 521		6 135 521	6 832 113
Payables	4 654 836		4 654 836	4 654 836
TOTAL	10 790 357		10 790 357	11 486 949
Derivative financial liabilities				
Forward exchange contracts	-		-	-
2016				
Non-derivative financial liabilities				
Borrowings	6 520 058		6 520 058	6 832 113
Payables	4 578 535		4 578 535	4 578 535
TOTAL	11 098 593		11 098 593	11 410 648
Derivative financial liabilities				
Forward exchange contracts	152		152	152

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

1. FINANCIAL RISK MANAGEMENT (continued)

1.1 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
2017				
Financial assets				
Investments	2 059 987	1 752 276	-	3 812 263
Cash and cash equivalents	-	898 651	-	898 651
TOTAL	2 059 987	2 650 927	-	4 710 914
Derivative financial assets				
Forward exchange contracts	190	-	-	190
Derivative financial liabilities				
Forward exchange contracts	-	-	-	-
2016				
Financial assets				
Investments	2 179 591	1 473 128	-	3 652 719
Cash and cash equivalents	-	828 242	-	828 242
TOTAL	2 179 591	2 301 370	-	4 480 961
Derivative financial assets				
Forward exchange contracts	-	-	-	-
Derivative financial liabilities				
Forward exchange contracts	152	-	-	152

1.2 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.

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
2017				
Non-derivative financial liabilities	5 664 855	3 098 567	6 443 659	15 207 081
Borrowings	1 010 019	3 098 567	6 443 659	10 552 245
Capital repayments	336 161	691 769	5 107 591	6 135 521
Interest	673 858	2 406 798	1 336 068	4 416 724
Payables	4 654 836	-	-	4 654 836
Trade payables	4 257 123	-	-	4 257 123
Sundry creditors	397 713	-	-	397 713
Derivative financial liabilities				
Forward exchange contracts	-	-	-	-
	5 664 855	3 098 567	6 443 659	15 207 081

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

1. FINANCIAL RISK MANAGEMENT (continued)

1.3 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, 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	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Investments	5 948 394	5 695 663	5 948 330	5 695 599
Long-term receivables – see note 8	55 174	68 788	55 174	68 788
Receivables and other receivables	6 721 570	5 948 329	6 713 897	5 932 436
Cash and cash equivalents	3 768 257	3 803 924	3 444 874	3 332 469
TOTAL	16 493 395	15 516 704	16 162 275	15 029 292

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 were granted and are managed in accordance with policies and regulations as set out in note 8. 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. No further loans have been awarded.

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 position. 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 0,89% (2016: 1,23%) 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 10 and 11.

The payment of accounts of consumer debtors who are unable to pay is renegotiated as an ongoing customer relationship in response to adverse changes in customers' circumstances. Traffic fines can be contested in writing and can lead to a renegotiated fine.

1.4 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.

1.5 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.

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

1. FINANCIAL RISK MANAGEMENT (continued)

1.6 Market risk

Market risk is the risk of changes in market prices such as interest rates and foreign-exchange 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.

1.6.1 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Entity's exposure to the risk of changes in market rates relates primarily to the Entity's investments with floating interest rates.

The effective rates on financial instruments as at 30 June 2017 were as follows:

	Maturity of interest-bearing assets/liabilities				Total R'000
	Weighted average interest rate %	1 year or less R'000	1-5 years R'000	>5 years R'000	
Financial assets					
Investments	8,48	2 552 829	2 164 945	2 129 271	6 847 045
Cash and cash equivalents	7,43	2 874 925	-	-	2 874 925
TOTAL		5 427 754	2 164 945	2 129 271	9 721 970
Financial liabilities					
Borrowings	9,95	336 161	691 769	5 107 591	6 135 521
TOTAL		336 161	691 769	5 107 591	6 135 521

Sensitivity analysis

Financial assets

As at 30 June 2017, if the weighted average 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 R100,14 million, with the opposite effect if the interest rate had been 100 basis points lower.

The sensitivity analysis is performed by dividing the total investment interest earned for the year by the average interest rate earned to give the effect of a one percent movement in interest rates.

Financial liabilities

Changes in the interest rate as at 30 June 2017 would have had no impact on the statement of financial performance, as all borrowings are at a fixed interest rate.

1.6.2 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.

Sensitivity analysis

As at 30 June 2017, if the foreign-exchange rate at that date had been 5% higher, with all other variables held constant, the surplus for the year would have increased by R208 575,95 due to the changes in the carrying value of the monetary liability at the reporting date, with the opposite effect if the foreign exchange rate had been 5% lower.

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

2. 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	
As at 30 June 2017							
Land and buildings	2 290 805	122 333	366 329	(7 060)	6 448	(98 495)	2 680 360
Infrastructure	21 590 520	27 875	4 054 039	(425)	(1 023 678)	-	24 648 331
Community	6 227 840	116 283	438 885	(114)	(348 997)	-	6 433 897
Other	4 346 021	(578 805)	1 289 500	(8 245)	(548 743)	(1 180)	4 498 548
Service concession	1 073 461	(1 085)	-	-	(116 835)	-	955 541
Housing rental stock	1 993 968	169 490	62 596	(4 700)	(89 302)	-	2 132 052
TOTAL	37 522 615	(143 909)	6 211 349	(20 544)	(2 121 107)	(99 675)	41 348 729

(See annexure B for more details.)

As at 30 June 2016							
Land and buildings	2 203 159	50 809	94 651	(75)	(52 561)	(5 178)	2 290 805
Infrastructure	19 003 078	(228 369)	3 703 860	-	(888 049)	-	21 590 520
Community	6 308 880	21 114	228 507	-	(330 661)	-	6 227 840
Other	3 270 801	(129 616)	1 772 181	(8 922)	(558 423)	-	4 346 021
Service concession	1 193 978	492	-	(112)	(117 250)	(3 647)	1 073 461
Housing rental stock	1 736 862	225 753	114 305	(2 951)	(80 001)	-	1 993 968
TOTAL	33 716 758	(59 817)	5 913 504	(12 060)	(2 026 945)	(8 825)	37 522 615

The 2016 comparative amount has been restated see note 44

	2017 R'000	2016 R'000
Assets under construction – Carrying value		
Infrastructure	3 441 462	2 772 766
Community	123 887	64 318
Other	1 171 989	1 265 222

	Municipality of Cape Town						Carrying value R'000
	Opening balance	Transfers/ adjustments	Additions	Disposals	Depreciation	Impairment	
	R'000	R'000	R'000	R'000	R'000	R'000	
As at 30 June 2017							
Land and buildings	2 154 183	122 598	350 711	(6 651)	22 909	(98 495)	2 545 255
Infrastructure	21 590 520	27 875	4 054 039	(425)	(1 023 678)	-	24 648 331
Community	6 227 840	116 283	438 885	(114)	(348 997)	-	6 433 897
Other	3 852 572	(579 070)	935 437	(7 392)	(537 858)	(1 180)	3 662 509
Service concession	1 073 461	(1 085)	-	-	(116 835)	-	955 541
Housing rental stock	1 993 968	169 490	62 596	(4 700)	(89 302)	-	2 132 052
TOTAL	36 892 544	(143 909)	5 841 668	(19 282)	(2 093 761)	(99 675)	40 377 585

As at 30 June 2016							
Land and buildings	2 067 847	50 810	79 493	(75)	(38 714)	(5 178)	2 154 183
Infrastructure	19 003 078	(228 369)	3 703 860	-	(888 049)	-	21 590 520
Community	6 308 880	21 114	228 507	-	(330 661)	-	6 227 840
Other	3 132 459	(129 617)	1 402 182	(8 663)	(543 789)	-	3 852 572
Service concession	1 193 978	492	-	(112)	(117 250)	(3 647)	1 073 461
Housing rental stock	1 736 862	225 753	114 305	(2 951)	(80 001)	-	1 993 968
TOTAL	33 443 104	(59 817)	5 528 347	(11 801)	(1 998 464)	(8 825)	36 892 544

	2017 R'000	2016 R'000
Assets under construction – Carrying value		
Infrastructure	3 441 462	2 772 766
Community	123 887	64 318
Other	375 499	803 072

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

2. PROPERTY, PLANT AND EQUIPMENT (continued)

PPE consisting of projects significantly delayed, amounting to R186,97 million, is included in the Asset under construction (infrastructure) carrying value. The significant delays are due to delays in the roll-out of certain sections of the IRT network (R104,18 million) and contractor problems in the completion of a new major substation (R82,79 million).

Included in the Asset under construction (infrastructure) carrying value is a halted project amounting to R19,20 million. This is a water project which has halted due to low dam levels.

The repairs and maintenance for the Entity amounts to R2,37 billion for the reporting financial year. In determining the repairs and maintenance amount the Entity has exclusively disclosed amounts paid to service providers.

The Entity is required to measure the residual value of all items of property, plant and equipment. Management has determined that none of its infrastructural assets have any active market value, and the value of the amount at the end of their lives would therefore be 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 44.3).

The recoverable amount of impaired assets is R65,82 million (2016: R0,15 million). Impairment losses arise mainly from land purchased that is earmarked for low-cost housing, where the cost of land will not be recovered. 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.

Provision has been made for the estimated cost of rehabilitating waste landfill sites, included in other assets, as described in note 15.2.

The City of Cape Town entered into long-term agreements with three operators to run a high-quality bus-based urban transit or integrated rapid transit (IRT) system known as MyCiTi. In terms of these agreements, the City has made available to the operators buses (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	

	2017 R'000	2016 R'000
	1 879	1 767
	1 264	1 679
	571	794
	8 966	10 857
	1 400	148
	103 741	105 380
	4 772	5 897
	122 593	126 522

- The main purpose of establishing the Convention 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 Convention 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 Convention 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 Convention 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 14,2% (2016: 13,9%) was used, which was calculated using the risk-free rate of the R186 bond of 10,5%, adjusted by 3,7% 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 R134 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.

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

3. HERITAGE ASSETS

As at 30 June 2017

Paintings and museum items

(See annexure B for more details.)

Economic entity				
Opening balance R'000	Transfers/ adjustments R'000	Additions R'000	Disposals R'000	Carrying value R'000
9 049	(144)	-	(1)	8 904

As at 30 June 2016

Paintings and museum items

9 062	(8)	-	(5)	9 049
-------	-----	---	-----	-------

As at 30 June 2017

Paintings and museum items

Municipality of Cape Town				
Opening balance R'000	Transfers/ adjustments R'000	Additions R'000	Disposals R'000	Carrying value R'000
9 049	(144)	-	(1)	8 904

As at 30 June 2016

Paintings and museum items

9 062	(8)	-	(5)	9 049
-------	-----	---	-----	-------

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

4. INVESTMENT PROPERTY

As at 30 June 2017

Land and buildings

(See annexure B for more details.)

Economic entity					
Opening balance R'000	Transfers/ adjustments R'000	Additions R'000	Depreciation R'000	Disposals R'000	Carrying value R'000
588 191	-	-	(1 713)	(51)	586 427

As at 30 June 2016

Land and buildings

589 382	-	1 044	(2 235)	-	588 191
---------	---	-------	---------	---	---------

As at 30 June 2017

Land and buildings

Municipality of Cape Town					
Opening balance R'000	Transfers/ adjustments R'000	Additions R'000	Depreciation R'000	Disposals R'000	Carrying value R'000
588 191	-	-	(1 713)	(51)	586 427

As at 30 June 2016

Land and buildings

589 382	-	1 044	(2 235)	-	588 191
---------	---	-------	---------	---	---------



Notes to the consolidated annual financial statements

for the year ended 30 June 2017

5. INTANGIBLE ASSETS

As at 30 June 2017

Acquisition of rights
Computer software
TOTAL

Economic entity				
Opening balance R'000	Transfers/ adjustments R'000	Additions R'000	Amortisation R'000	Carrying value R'000
430 754	(13 780)	-	(69 925)	347 049
198 408	102 343	79 468	(48 397)	331 822
629 162	88 563	79 468	(118 322)	678 871

(See annexure B for more details.)

As at 30 June 2016

Acquisition of rights
Computer software
TOTAL

552 185	(55 887)	-	(65 544)	430 754
156 198	59 825	24 652	(42 267)	198 408
708 383	3 938	24 652	(107 811)	629 162

As at 30 June 2017

Acquisition of rights
Computer software
TOTAL

Municipality of Cape Town				
Opening balance R'000	Transfers/ adjustments R'000	Additions R'000	Amortisation R'000	Carrying value R'000
430 754	(13 780)	-	(69 925)	347 049
198 408	102 343	79 468	(48 397)	331 822
629 162	88 563	79 468	(118 322)	678 871

As at 30 June 2016

Acquisition of rights
Computer software
TOTAL

552 185	(55 887)	-	(65 544)	430 754
156 198	59 825	24 652	(42 267)	198 408
708 383	3 938	24 652	(107 811)	629 162

6. CAPITAL COMMITMENTS

Approved and contracted-for capital expenditure

Infrastructure
Community
Other

TOTAL

Economic entity		Municipality of Cape Town	
2017 R'000	2016 R'000	2017 R'000	2016 R'000
2 485 029	3 054 751	2 485 029	3 054 751
96 163	35 754	96 163	35 754
324 531	673 383	211 731	300 984
2 905 723	3 763 888	2 792 923	3 391 489

Capital commitments represent future capital expenditure exclusive of VAT.

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

7. INVESTMENTS

As at 30 June 2017

RSA Government stock	
Sinking-fund deposits – see note 13	
Other fixed deposits	
Other financial instruments	
Deposits held with fund managers	
Provision for impairment	
Net investments	
Transferred to current investments	
Transferred to cash and cash equivalents – see note 12	
Transferred to bank overdraft – see note 12	
TOTAL	

Economic entity			
Amortised cost R'000	Fair value R'000	Cost R'000	Total R'000
84 240	-	-	84 240
2 051 869	-	-	2 051 869
2 288 712	-	-	2 288 712
-	64	-	64
-	4 710 850	-	4 710 850
4 424 821	4 710 914	-	9 135 735
(5 319)	-	-	(5 319)
4 419 502	4 710 914	-	9 130 416
-	(1 654 114)	-	(1 654 114)
(2 288 690)	(903 949)	-	(3 192 639)
-	5 298	-	5 298
2 130 812	2 158 149	-	4 288 961

As at 30 June 2016

RSA Government stock	
Sinking-fund deposits – see note 13	
Other fixed deposits	
Other financial instruments	
Deposits held with fund managers	
Provision for impairment	
Net investments	
Transferred to current investments	
Transferred to cash and cash equivalents – see note 12	
TOTAL	

75 384	-	-	75 384
1 968 583	-	-	1 968 583
2 824 345	-	-	2 824 345
-	64	-	64
-	4 480 897	-	4 480 897
4 868 312	4 480 961	-	9 349 273
(5 319)	-	-	(5 319)
4 862 993	4 480 961	-	9 343 954
(106 420)	(2 048 757)	-	(2 155 177)
(2 820 049)	(828 242)	-	(3 648 291)
1 936 524	1 603 962	-	3 540 486

As at 30 June 2017

RSA Government stock	
Sinking-fund deposits – see note 13	
Other fixed deposits	
Deposits held with fund managers	
Shares in CTICC	
Provision for impairment	
Net investments	
Transferred to current investments	
Transferred to cash and cash equivalents – see note 12	
Transferred to bank overdraft – see note 12	
TOTAL	

Municipality of Cape Town			
Amortised cost R'000	Fair value R'000	Cost R'000	Total R'000
84 240	-	-	84 240
2 051 869	-	-	2 051 869
2 050 825	-	-	2 050 825
-	4 710 850	-	4 710 850
-	-	833 998	833 998
4 186 934	4 710 850	833 998	9 731 782
(5 319)	-	(245 232)	(250 551)
4 181 615	4 710 850	588 766	9 481 231
-	(1 654 114)	-	(1 654 114)
(2 050 803)	(903 949)	-	(2 954 752)
-	5 298	-	5 298
2 130 812	2 158 085	588 766	4 877 663

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

7. INVESTMENTS (continued)

	Municipality of Cape Town			
	Amortised cost R'000	Fair value R'000	Cost R'000	Total R'000
As at 30 June 2016				
RSA Government stock	75 384	-	-	75 384
Sinking-fund deposits – see note 13	1 968 583	-	-	1 968 583
Other fixed deposits	2 415 521	-	-	2 415 521
Deposits held with fund managers	-	4 480 897	-	4 480 897
Shares in CTICC	-	-	670 998	670 998
	4 459 488	4 480 897	670 998	9 611 383
Provision for impairment	(5 319)	-	(245 232)	(250 551)
Net investments	4 454 169	4 480 897	425 766	9 360 832
Transferred to current investments	(106 420)	(2 048 757)	-	(2 155 177)
Transferred to cash and cash equivalents – see note 12	(2 411 225)	(828 242)	-	(3 239 467)
TOTAL	1 936 524	1 603 898	425 766	3 966 188

Collateral deposits for staff housing loans

Included in other fixed deposits are fixed deposits with a carrying value of R0,04 million (2016: R0,04 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 insurance 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.

8. LONG-TERM RECEIVABLES

	Economic entity		Municipality of Cape Town	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Sporting bodies	473	609	473	609
Housing land sales	631	710	631	710
	1 422	2 355	1 422	2 355
Public organisations	4 526	5 023	4 526	5 023
Provision for impairment	(3 104)	(2 668)	(3 104)	(2 668)
	52 648	65 114	52 648	65 114
Housing selling developments	62 602	82 621	62 602	82 621
Provision for impairment	(9 954)	(17 507)	(9 954)	(17 507)
	55 174	68 788	55 174	68 788
Transferred to current receivables	(14 201)	(17 093)	(14 201)	(17 093)
TOTAL	40 973	51 695	40 973	51 695
Reconciliation of impairment provision				
Balance at beginning of the year	20 175	20 291	20 175	20 291
Contributions from provisions	(7 117)	(116)	(7 117)	(116)
Balance as at 30 June	13 058	20 175	13 058	20 175

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

8. LONG-TERM RECEIVABLES (continued)

8.1 Sporting bodies

To facilitate the development of sporting facilities, loans were historically granted to provide the necessary financial assistance. These loans attract interest at a rate of 3,63% to 12% per annum, and are repayable over a maximum period of 20-40 years.

8.2 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.

8.3 Public organisations

Loans to public organisations were 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 Salvation Army and the Alta du Toit School.

8.4 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 10,50% (2016: 9,75%) per annum, and are repayable over 20 years. The interest rate is determined by Council policy.

9. INVENTORY

Consumable stock
Spare parts and meters
Water
Other goods held for use/resale

TOTAL

Inventory to the value of R0,91 million (2016: R0,56 million) was scrapped during the year.

Economic entity		Municipality of Cape Town	
2017	2016	2017	2016
R'000	R'000	R'000	R'000
248 505	202 451	247 307	201 191
30 595	21 528	30 595	21 528
21 849	17 264	21 849	17 264
24 785	17 290	24 785	17 290
325 734	258 533	324 536	257 273

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

10. RECEIVABLES

	Economic entity					
	As at 30 June 2017			As at 30 June 2016		
	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
From exchange transactions	7 933 258	(4 435 527)	3 497 731	7 263 260	(4 016 260)	3 247 000
Service debtors	6 887 079	(3 585 255)	3 301 824	6 263 870	(3 203 425)	3 060 445
Housing rental stock	702 237	(633 917)	68 320	658 361	(597 988)	60 373
Housing selling stock	195 470	(164 278)	31 192	189 320	(159 903)	29 417
Other exchange debtors	148 472	(52 077)	96 395	151 709	(54 944)	96 765
From non-exchange transactions	2 950 481	(726 474)	2 224 007	2 545 936	(687 681)	1 858 255
Rates debtors	2 907 830	(721 024)	2 186 806	2 506 283	(682 254)	1 824 029
Other non-exchange debtors	42 651	(5 450)	37 201	39 653	(5 427)	34 226
TOTAL	10 883 739	(5 162 001)	5 721 738	9 809 196	(4 703 941)	5 105 255

As at 30 June 2017, the City's receivables net balance included an amount of approximately R227,52 million (2016: R227,31 million), owed by National Government and Province.

	2017 R'000	2016 R'000
Reconciliation of impairment provision		
Balance at beginning of the year	4 703 941	4 336 628
Contributions to provisions	1 434 760	1 062 848
Transfers from provisions	(5 051)	(4 823)
Bad debts written off	(971 649)	(690 712)
Balance as at 30 June	5 162 001	4 703 941

The write-off of irrecoverable debt is accompanied by the installation of water demand management devices as well as prepaid electricity meters, in order to reduce the Entity's credit risk for these defaulting customers going forward.

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

10. RECEIVABLES (continued)

	Economic entity					
	Analysis of receivables' age in days					
	As at 30 June 2017			As at 30 June 2016		
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	
FROM EXCHANGE TRANSACTIONS	7 933 258	(4 435 527)	3 497 731	7 263 260	(4 016 260)	3 247 000
Service debtors	6 887 079	(3 585 255)	3 301 824	6 263 870	(3 203 425)	3 060 445
Not due	1 904 685	(216 259)	1 688 426	1 535 556	(124 058)	1 411 498
Past due						
1-90	626 411	(117 911)	508 500	851 025	(115 504)	735 521
91-365	1 403 910	(299 012)	1 104 898	1 084 876	(171 450)	913 426
365+	2 952 073	(2 952 073)	-	2 792 413	(2 792 413)	-
Electricity	1 569 272	(232 768)	1 336 504	1 522 554	(228 842)	1 293 712
Not due	971 132	(4 943)	966 189	945 595	(16 453)	929 142
Past due						
1-90	201 999	(1 028)	200 971	232 535	(4 046)	228 489
91-365	170 210	(866)	169 344	138 491	(2 410)	136 081
365+	225 931	(225 931)	-	205 933	(205 933)	-
Water	3 419 076	(2 208 466)	1 210 610	2 944 277	(1 883 538)	1 060 739
Not due	536 026	(161 053)	374 973	377 151	(81 012)	296 139
Past due						
1-90	369 167	(110 920)	258 247	390 447	(83 868)	306 579
91-365	825 384	(247 994)	577 390	583 317	(125 296)	458 021
365+	1 688 499	(1 688 499)	-	1 593 362	(1 593 362)	-
Waste management	555 420	(326 505)	228 915	509 293	(302 520)	206 773
Not due	94 255	(8 015)	86 240	46 951	(3 953)	42 998
Past due						
1-90	31 935	(2 716)	29 219	67 666	(5 698)	61 968
91-365	124 001	(10 545)	113 456	111 167	(9 360)	101 807
365+	305 229	(305 229)	-	283 509	(283 509)	-
Wastewater management	1 343 311	(817 516)	525 795	1 287 746	(788 525)	499 221
Not due	303 272	(42 248)	261 024	165 859	(22 640)	143 219
Past due						
1-90	23 310	(3 247)	20 063	160 377	(21 892)	138 485
91-365	284 315	(39 607)	244 708	251 901	(34 384)	217 517
365+	732 414	(732 414)	-	709 609	(709 609)	-

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

10. RECEIVABLES (continued)

	Economic entity					
	Analysis of receivables' age in days - continued					
	As at 30 June 2017			As at 30 June 2016		
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	
FROM EXCHANGE TRANSACTIONS (continued)						
Housing rental stock	702 237	(633 917)	68 320	658 361	(597 988)	60 373
Not due	53 359	(34 358)	19 001	39 142	(25 372)	13 770
Past due						
1-90	52 146	(33 577)	18 569	50 135	(32 497)	17 638
91-365	86 352	(55 602)	30 750	82 334	(53 369)	28 965
365+	510 380	(510 380)	-	486 750	(486 750)	-
Housing selling stock	195 470	(164 278)	31 192	189 320	(159 903)	29 417
Not due	11 985	(2 019)	9 966	12 181	(2 556)	9 625
Past due						
1-90	10 049	(1 693)	8 356	11 142	(2 308)	8 834
91-365	15 479	(2 609)	12 870	13 878	(2 920)	10 958
365+	157 957	(157 957)	-	152 119	(152 119)	-
Other exchange debtors	148 472	(52 077)	96 395	151 709	(54 944)	96 765
Not due	72 082	-	72 082	75 489	(1 744)	73 745
Past due						
1-90	9 690	-	9 690	11 550	(267)	11 283
91-365	14 623	-	14 623	12 015	(278)	11 737
365+	52 077	(52 077)	-	52 655	(52 655)	-
FROM NON-EXCHANGE TRANSACTIONS	2 950 481	(726 474)	2 224 007	2 545 936	(687 681)	1 858 255
Rates debtors	2 907 830	(721 024)	2 186 806	2 506 283	(682 254)	1 824 029
Not due	1 971 408	(110 406)	1 861 002	1 638 399	(77 100)	1 561 299
Past due						
1-90	87 147	(4 873)	82 274	60 800	(2 834)	57 966
91-365	257 953	(14 423)	243 530	214 772	(10 008)	204 764
365+	591 322	(591 322)	-	592 312	(592 312)	-
Other non-exchange debtors	42 651	(5 450)	37 201	39 653	(5 427)	34 226
Not due	30 293	-	30 293	21 398	-	21 398
Past due						
1-90	6 637	(1 198)	5 439	7 425	-	7 425
91-365	1 793	(324)	1 469	5 403	-	5 403
365+	3 928	(3 928)	-	5 427	(5 427)	-
TOTAL	10 883 739	(5 162 001)	5 721 738	9 809 196	(4 703 941)	5 105 255

The 'Not due' category represents customers that has not exceeded the 30 day credit period granted by the City to pay their invoices. It also includes debtors to the value of R142,01 million (2016: R743,08 million) who have made arrangements to repay their outstanding arrear debt over a renegotiated period.

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

10. RECEIVABLES (continued)

	Municipality of Cape Town					
	As at 30 June 2017			As at 30 June 2016		
	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
From exchange transactions	7 933 258	(4 435 527)	3 497 731	7 263 260	(4 016 260)	3 247 000
Service debtors	6 887 079	(3 585 255)	3 301 824	6 263 870	(3 203 425)	3 060 445
Housing rental stock	702 237	(633 917)	68 320	658 361	(597 988)	60 373
Housing selling stock	195 470	(164 278)	31 192	189 320	(159 903)	29 417
Other exchange debtors	148 472	(52 077)	96 395	151 709	(54 944)	96 765
From non-exchange transactions	2 953 606	(726 474)	2 227 132	2 547 315	(687 681)	1 859 634
Rates debtors	2 910 955	(721 024)	2 189 931	2 507 662	(682 254)	1 825 408
Other non-exchange debtors	42 651	(5 450)	37 201	39 653	(5 427)	34 226
TOTAL	10 886 864	(5 162 001)	5 724 863	9 810 575	(4 703 941)	5 106 634

Reconciliation of impairment provision

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

	2017 R'000	2016 R'000
	4 703 941	4 336 628
	1 434 760	1 062 848
	(5 051)	(4 823)
	(971 649)	(690 712)
	5 162 001	4 703 941

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

10. RECEIVABLES (continued)

Municipality of Cape Town						
Analysis of receivables' age in days						
As at 30 June 2017			As at 30 June 2016			
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	R'000
FROM EXCHANGE TRANSACTIONS	7 933 258	(4 435 527)	3 497 731	7 263 260	(4 016 260)	3 247 000
Service debtors	6 887 079	(3 585 255)	3 301 824	6 263 870	(3 203 425)	3 060 445
Not due	1 904 685	(216 259)	1 688 426	1 535 556	(124 058)	1 411 498
Past due						
1-90	626 411	(117 911)	508 500	851 025	(115 504)	735 521
91-365	1 403 910	(299 012)	1 104 898	1 084 876	(171 450)	913 426
365+	2 952 073	(2 952 073)	-	2 792 413	(2 792 413)	-
Electricity	1 569 272	(232 768)	1 336 504	1 522 554	(228 842)	1 293 712
Not due	971 132	(4 943)	966 189	945 595	(16 453)	929 142
Past due						
1-90	201 999	(1 028)	200 971	232 535	(4 046)	228 489
91-365	170 210	(866)	169 344	138 491	(2 410)	136 081
365+	225 931	(225 931)	-	205 933	(205 933)	-
Water	3 419 076	(2 208 466)	1 210 610	2 944 277	(1 883 538)	1 060 739
Not due	536 026	(161 053)	374 973	377 151	(81 012)	296 139
Past due						
1-90	369 167	(110 920)	258 247	390 447	(83 868)	306 579
91-365	825 384	(247 994)	577 390	583 317	(125 296)	458 021
365+	1 688 499	(1 688 499)	-	1 593 362	(1 593 362)	-
Waste management	555 420	(326 505)	228 915	509 293	(302 520)	206 773
Not due	94 255	(8 015)	86 240	46 951	(3 953)	42 998
Past due						
1-90	31 935	(2 716)	29 219	67 666	(5 698)	61 968
91-365	124 001	(10 545)	113 456	111 167	(9 360)	101 807
365+	305 229	(305 229)	-	283 509	(283 509)	-
Wastewater management	1 343 311	(817 516)	525 795	1 287 746	(788 525)	499 221
Not due	303 272	(42 248)	261 024	165 859	(22 640)	143 219
Past due						
1-90	23 310	(3 247)	20 063	160 377	(21 892)	138 485
91-365	284 315	(39 607)	244 708	251 901	(34 384)	217 517
365+	732 414	(732 414)	-	709 609	(709 609)	-
Housing rental stock	702 237	(633 917)	68 320	658 361	(597 988)	60 373
Not due	53 359	(34 358)	19 001	39 142	(25 372)	13 770
Past due						
1-90	52 146	(33 577)	18 569	50 135	(32 497)	17 638
91-365	86 352	(55 602)	30 750	82 334	(53 369)	28 965
365+	510 380	(510 380)	-	486 750	(486 750)	-

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

10. RECEIVABLES (continued)

Municipality of Cape Town						
Analysis of receivables' age in days - continued						
As at 30 June 2017			As at 30 June 2016			
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	
FROM EXCHANGE TRANSACTIONS (continued)						
Housing selling stock	195 470	(164 278)	31 192	189 320	(159 903)	29 417
Not due	11 985	(2 019)	9 966	12 181	(2 556)	9 625
Past due						
1-90	10 049	(1 693)	8 356	11 142	(2 308)	8 834
91-365	15 479	(2 609)	12 870	13 878	(2 920)	10 958
365+	157 957	(157 957)	-	152 119	(152 119)	-
Other exchange debtors	148 472	(52 077)	96 395	151 709	(54 944)	96 765
Not due	72 082	-	72 082	75 489	(1 744)	73 745
Past due						
1-90	9 690	-	9 690	11 550	(267)	11 283
91-365	14 623	-	14 623	12 015	(278)	11 737
365+	52 077	(52 077)	-	52 655	(52 655)	-
FROM NON-EXCHANGE TRANSACTIONS	2 953 606	(726 474)	2 227 132	2 547 315	(687 681)	1 859 634
Rates debtors	2 910 955	(721 024)	2 189 931	2 507 662	(682 254)	1 825 408
Not due	1 974 533	(110 406)	1 864 127	1 639 778	(77 100)	1 562 678
Past due						
1-90	87 147	(4 873)	82 274	60 800	(2 834)	57 966
91-365	257 953	(14 423)	243 530	214 772	(10 008)	204 764
365+	591 322	(591 322)	-	592 312	(592 312)	-
Other non-exchange debtors	42 651	(5 450)	37 201	39 653	(5 427)	34 226
Not due	30 293	-	30 293	21 398	-	21 398
Past due						
1-90	6 637	(1 198)	5 439	7 425	-	7 425
91-365	1 793	(324)	1 469	5 403	-	5 403
365+	3 928	(3 928)	-	5 427	(5 427)	-
TOTAL	10 886 864	(5 162 001)	5 724 863	9 810 575	(4 703 941)	5 106 634

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

11. OTHER RECEIVABLES

	Economic entity					
	As at 30 June 2017			As at 30 June 2016		
	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
From exchange transactions	395 389	(55 430)	339 959	289 656	(56 059)	233 597
Payments made in advance	90 143	-	90 413	33 436	-	33 436
Property rentals	59 966	(34 369)	25 597	58 234	(35 164)	23 070
Other exchange debtors	245 280	(21 061)	224 219	197 986	(20 895)	177 091
From non-exchange transactions	3 168 199	(2 418 183)	750 016	2 546 271	(1 903 358)	642 913
Government subsidies	33 294	-	33 294	37 251	-	37 251
Traffic fines	2 927 760	(2 418 183)	509 577	2 288 756	(1 903 358)	385 398
Other non-exchange debtors	207 145	-	207 145	220 264	-	220 264
TOTAL	3 563 588	(2 473 613)	1 089 975	2 835 927	(1 959 417)	876 510

Reconciliation of impairment provision

	2017 R'000	2016 R'000
Balance at beginning of the year	1 959 417	1 291 169
Contributions to provisions	830 197	757 626
Transfer from provisions	(314 220)	(14)
Bad debts written off	(1 999)	(89 364)
Balance as at 30 June	2 473 613	1 959 417

The impairment allowance consists mainly of outstanding traffic fines due to the Entity. The write-off of these irrecoverable traffic fines may span several years due to protracted administrative and court procedures not entirely within the Entity's control.

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

11. OTHER RECEIVABLES (continued)

	Economic entity					
	Analysis of receivables' age in days					
	As at 30 June 2017			As at 30 June 2016		
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	
FROM EXCHANGE TRANSACTIONS	395 389	(55 430)	339 959	289 656	(56 059)	233 597
Payment made in advance	90 143	-	90 143	33 436	-	33 436
Not due	90 143	-	90 143	33 436	-	33 436
Property rentals	59 966	(34 369)	25 597	58 234	(35 164)	23 070
Not due	(2 251)	10	(2 241)	8 565	-	8 565
Past due						
1-90	21 169	(93)	21 076	10 788	-	10 788
91-365	6 792	(30)	6 762	3 717	-	3 717
365+	34 256	(34 256)	-	35 164	(35 164)	-
Other exchange debtors	245 280	(21 061)	224 219	197 986	(20 895)	177 091
Not due	174 515	(60)	174 455	131 117	(375)	130 742
Past due						
1-90	49 804	(15)	49 789	42 426	(293)	42 133
91-365	226	(251)	(25)	4 888	(672)	4 216
365+	20 735	(20 735)	-	19 555	(19 555)	-
FROM NON-EXCHANGE TRANSACTIONS	3 168 199	(2 418 183)	750 016	2 546 271	(1 903 358)	642 913
Government subsidies	33 294	-	33 294	37 251	-	37 251
Not due	33 294	-	33 294	37 251	-	37 251
Traffic fines	2 927 760	(2 418 183)	509 577	2 288 756	(1 903 358)	385 398
Past due						
1-90	300 571	(248 257)	52 314	250 675	(208 464)	42 211
91-365	924 675	(763 735)	160 940	659 654	(548 577)	111 077
365+	1 702 514	(1 406 191)	296 323	1 378 427	(1 146 317)	232 110
Other non-exchange debtors	207 145	-	207 145	220 264	-	220 264
Not due	207 145	-	207 145	220 264	-	220 264
TOTAL	3 563 588	(2 473 613)	1 089 975	2 835 927	(1 959 417)	876 510

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

11. OTHER RECEIVABLES (continued)

	Municipality of Cape Town					
	As at 30 June 2017			As at 30 June 2016		
	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
From exchange transactions	382 679	(55 240)	327 439	271 448	(56 055)	215 393
Payments made in advance	88 421	-	88 421	32 504	-	32 504
Property rentals	59 966	(34 369)	25 597	58 234	(35 164)	23 070
Other exchange debtors	234 292	(20 871)	213 421	180 710	(20 891)	159 819
From non-exchange transactions	3 168 199	(2 418 183)	750 016	2 546 271	(1 903 358)	642 913
Government subsidies	33 294	-	33 294	37 251	-	37 251
Traffic fines	2 927 760	(2 418 183)	509 577	2 288 756	(1 903 358)	385 398
Other non-exchange debtors	207 145	-	207 145	220 264	-	220 264
TOTAL	3 550 878	(2 473 423)	1 077 455	2 817 719	(1 959 413)	858 306

Reconciliation of impairment provision

	2017 R'000	2016 R'000
Balance at beginning of the year	1 959 413	1 291 155
Contributions to provisions	830 007	757 622
Transfers from provisions	(313 998)	-
Bad debt written off	(1 999)	(89 364)
Balance as at 30 June	2 473 423	1 959 413

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

11. OTHER RECEIVABLES (continued)

Municipality of Cape Town						
Analysis of receivables' age in days						
	As at 30 June 2017			As at 30 June 2016		
	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
FROM EXCHANGE TRANSACTIONS	382 679	(55 240)	327 439	271 448	(56 055)	215 393
Payment made in advance	88 421	-	88 421	32 504	-	32 504
Not due	88 421	-	88 421	32 504	-	32 504
Property rentals	59 966	(34 369)	25 597	58 234	(35 164)	23 070
Not due	(2 251)	10	(2 241)	8 565	-	8 565
Past due						
1-90	21 169	(93)	21 076	10 788	-	10 788
91-365	6 792	(30)	6 762	3 717	-	3 717
365+	34 256	(34 256)	-	35 164	(35 164)	-
Other exchange debtors	234 292	(20 871)	213 421	180 710	(20 891)	159 819
Not due	174 515	(60)	174 455	131 117	(375)	130 742
Past due						
1-90	39 025	(15)	39 010	25 251	(289)	24 962
91-365	17	(61)	(44)	4 787	(672)	4 115
365+	20 735	(20 735)	-	19 555	(19 555)	-
FROM NON-EXCHANGE TRANSACTIONS	3 168 199	(2 418 183)	750 016	2 546 271	(1 903 358)	642 913
Government subsidies	33 294	-	33 294	37 251	-	37 251
Not due	33 294	-	33 294	37 251	-	37 251
Traffic fines	2 927 760	(2 418 183)	509 577	2 288 756	(1 903 358)	385 398
Past due						
1-90	300 571	(248 257)	52 314	250 675	(208 464)	42 211
91-365	924 675	(763 735)	160 940	659 654	(548 577)	111 077
365+	1 702 514	(1 406 191)	296 323	1 378 427	(1 146 317)	232 110
Other non-exchange debtors	207 145	-	207 145	220 264	-	220 264
Not due	207 145	-	207 145	220 264	-	220 264
TOTAL	3 550 878	(2 473 423)	1 077 455	2 817 719	(1 959 413)	858 306

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

12. CASH AND CASH EQUIVALENTS (BANK AND CASH)

Amortised cost

Bank balance*	
Year-end accruals	
Interest accrual	
Bank charges accrual	
Cash on hand and in transit	
Call and short-term deposits – see note 7	
Fair value – see note 7	
Call and short-term deposits	
Bank accounts managed by fund managers*	

Bank overdraft *

TOTAL

*See annexure C for more details.

Economic entity		Municipality of Cape Town	
2017	2016	2017	2016
R'000	R'000	R'000	R'000
2 874 925	2 975 682	2 551 542	2 504 227
555 304	124 500	469 968	61 936
6	182	6	182
831	607	831	607
(825)	(425)	(825)	(425)
30 925	30 951	30 765	30 884
2 288 690	2 820 049	2 050 803	2 411 225
903 949	828 242	903 949	828 242
894 897	820 366	894 897	820 366
9 052	7 876	9 052	7 876
3 778 874	3 803 924	3 455 491	3 332 469
(5 298)	-	(5 298)	-
3 773 576	3 803 924	3 450 193	3 332 469

13. BORROWINGS

Marketable bonds	
Concessionary loans	
Other loans	
Subtotal – see annexure A for more details	
Transferred to current liabilities	
TOTAL	

A total of R2,05 billion (2016: R1,97 billion) has been ring-fenced for the repayment of long-term liabilities – see note 7 for more details.

MARKETABLE BONDS	4 275 489	4 275 489	4 275 489	4 275 489
Marketable bonds	4 275 489	4 275 489	4 275 489	4 275 489
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). Guaranteed sinking funds have been established for the 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	1 564 795	1 693 550	1 564 795	1 693 550
Agence Française de Développement (AFD)	1 553 579	1 678 888	1 553 579	1 678 888
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. Nominal value as at 30 June 2017 is R1,75 billion (2016: R1,91 billion).				
Nedcor Bank	35	29	35	29
An unsecured loan, bearing interest at a fixed rate of 1% per annum, payable annually, and loan capital repayable on 31 August 2019. Nominal value as at 30 June 2017 is R50 000 (2016: R50 000).				
Development Bank of Southern Africa (DBSA)	11 181	14 633	11 181	14 633
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. Nominal value as at 30 June 2017 is R12 million (2016: R16 million).				

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

13. BORROWINGS (continued)

	Economic entity		Municipality of Cape Town	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
OTHER LOANS	295 237	551 019	283 517	537 803
FirstRand Bank	-	135 005	-	135 005
A structured 15-year loan to the value of R220 million, of which R200 million was repayable semi-annually in equal instalments of capital and fixed-rate interest over 15 years, and the balance of R20 million was payable in one instalment together with fixed interest on 30 June 2017. The loan bore interest at a fixed rate of 12,63% per annum. The bullet repayment of the R20 million capital and interest was made out of the guaranteed investment portfolio 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 ceded and pledged the sinking-fund policies to FirstRand Bank as security for its obligations to FirstRand Bank under the policies and any other debt liability.				
DBSA	208 582	278 499	208 582	278 499
Unsecured loans, bearing interest at fixed rates ranging between 9,42% and 10,59% 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 2018 to 31 December 2022.				
ABSA Bank	20 000	40 000	20 000	40 000
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.				
FirstRand Bank	54 935	84 299	54 935	84 299
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 is 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 its obligations to FirstRand Bank under the put-option agreement and any other debt liability.				

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

13. BORROWINGS (continued)

	Economic entity		Municipality of Cape Town	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
OTHER LOANS (continued)				
ABSA - Brackenfell Business Improvement District NPC The loan is secured by motor vehicles, bearing interest at a rate of 12,25%, repayable in monthly instalments over 36 months as agreed with ABSA Bank.	28	102	-	-
DBSA – Claremont Road Bypass Company Interest is charged at the nominal fixed rate of RSA Government bond R186, plus 154 basis points per annum. Repayable in 28 equal six-monthly instalments, having commenced 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 Claremont Road Bypass 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.	11 692	13 114	-	-
TOTAL – see annexure A for more details	6 135 521	6 520 058	6 123 801	6 506 842

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 available to the Entity see annexure C for more details.

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

14. 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 R1,03 billion (2016: R952,54 million) to the DB and DC schemes are expensed as incurred during the year under review.

These schemes are subject to a triennial, biennial or annual actuarial valuation, as set out below.

14.1 Defined-benefit schemes

LA Retirement Fund formerly known as Cape Joint Pension Fund (multi-employer fund)

The last actuarial valuation of the fund was performed at 30 June 2016, at which stage the fund found the Pensioners and DB Deferred Members account to be in a sound financial condition. Since the previous valuation date, the valuation indicates a R116,9 million surplus with an overall funding level of 106,1% for the defined benefit section and pensioners account respectively at the financial year-end.

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 2016, and had remained stable since the previous statutory valuation date.

14.2 Defined-contribution schemes

LA Retirement Fund formerly known as Cape Joint Pension Fund (multi-employer fund)

The active members of the DB section were transferred to the DC section. 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 2016 at which stage the actuary certified the fund as being in a sound financial condition. The valuation disclosed funding of 103%.

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 2015.

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 divided between the costs 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 2015, at which stage when the fund was certified by the actuary as being financially sound, in that the assets of the fund were adequate to cover the accrued service liabilities including the recommended contingency reserves in full, with a funding level of 100%.

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 2015, the valuation disclosed a funding level fluctuating around 100% due to timing differences, a slight mismatch of assets and liabilities, and processing errors.

Municipal Workers' Retirement Fund formerly known as the South African Municipal Workers Union (SAMWU) National Provident Fund (multi-employer fund)

The Municipal Workers' Retirement Fund is a DC scheme. The last actuarial valuation of the fund was performed at 30 June 2015, at which stage the fund was certified as being in a financial sound position.

Cape Town International Convention Centre Company SOC Limited (RF) Provident Fund

The 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.

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

14. RETIREMENT BENEFIT INFORMATION (continued)

14.3 Defined-benefit and defined-contribution schemes

Cape Municipal Pension Fund

The Cape Municipal Pension Fund operates as both a DB and DC scheme. An actuarial valuation of the fund was performed at 30 June 2016, which certified it as being in a financially sound position.

	DB section	DC section	Total
In-service members	224	9 649	9 873
Pensioners	3 081	1 850	4 931
Membership as at 30 June 2016	3 305	11 499	14 804

	2017 R'million	2016 R'million
Past-service position: DB section	9 996	9 165
DC section	4 475	4 402
Total liabilities	14 471	13 567
Assets valued at market value	14 484	13 575
Actuarial surplus	-	-

	2017 %	2016 %
Key financial assumptions		
Actual employer contribution: DB section	20,25	20,25
DC section	18,00	18,00
Net discount rate: Pre-retirement	0,50	0,50
Post-retirement	1,40	1,50
Normal retirement age	60 years	60 years

15. PROVISIONS (NON-CURRENT)

	Economic entity				Total R'000
	Long-service leave benefits R'000	Environmental rehabilitation R'000	Post-retirement health-care benefits R'000	Post-retirement pension benefits R'000	
As at 30 June 2017					
Balance at the beginning of the year	510 085	336 787	5 247 547	21 934	6 116 353
Interest costs	55 108	40 818	536 439	2 266	634 631
Service costs	43 571	-	96 600	571	140 742
Benefit/rehabilitation payments	(47 275)	(2 507)	(209 256)	(1 070)	(260 108)
Actuarial gains	(28 057)	-	(402 398)	(4 176)	(434 631)
Change in estimate	-	(40 466)	-	-	(40 466)
Transferred from current provisions (prior-year)	51 078	4 500	205 497	2 139	263 214
	584 510	339 132	5 474 429	21 664	6 419 735
Transferred to current provision	(68 288)	(10 570)	(229 590)	(1 958)	(310 406)
TOTAL	516 222	328 562	5 244 839	19 706	6 109 329

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

15. PROVISIONS (NON-CURRENT) (continued)

	Municipality of Cape Town				
	Long-service leave benefits R'000	Environmental rehabilitation R'000	Post-retirement health-care benefits R'000	Post-retirement pension benefits R'000	Total R'000
As at 30 June 2017					
Balance at the beginning of the year	510 085	336 787	5 247 547	21 934	6 116 353
Interest costs	55 108	40 818	536 439	2 266	634 631
Service costs	43 571	-	96 600	571	140 742
Benefit/rehabilitation payments	(47 275)	(2 507)	(209 256)	(1 070)	(260 108)
Actuarial gains	(28 057)	-	(402 398)	(4 176)	(434 631)
Change in estimate	-	(40 466)	-	-	(40 466)
Transferred from current provisions (prior-year)	51 078	4 500	205 497	2 139	263 214
	584 510	339 132	5 474 429	21 664	6 419 735
Transferred to current provision	(68 288)	(10 570)	(229 590)	(1 958)	(310 406)
TOTAL	516 222	328 562	5 244 839	19 706	6 109 329

15.1 Long-service leave benefits

An actuarial valuation has been performed of the Entity's liability for vested long-service 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 2017 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 2017 supplied by the JSE were used to determine the discount rates and consumer price inflation (CPI) assumptions at each relevant time period.

Key financial assumptions

Discount rate
Consumer price inflation

Salary increase

	2017	2016
	Yield curve	Yield curve
	Difference between nominal and real yield curve	Difference between nominal and real yield curve
	Equal to CPI + 1%	Equal to CPI + 1%

15.2 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:

- Annual inflation rate of 6,21% (2016: 5,70%).
- Discount rate at the average borrowing cost of 11,00% (2016: 11,01%).
- Scheduled dates of total closure and rehabilitation are anticipated to be between 2021 and 2034.

15.3 Post-retirement health-care defined benefits

An actuarial valuation has been performed of the Entity's liability in respect of health-care benefits to its eligible retirees and retrenched employees. The provision is utilised when eligible employees receive the value of the vested benefits.

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.

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 2017 constituted 7 782 (2016: 8 312) in-service members and 6 813 (2016: 6 750) 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.

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

15. PROVISIONS (NON-CURRENT) (continued)

15.3 Post-retirement health-care defined benefits (continued)

Continuation of membership

It is assumed that 100% of in-service members entitled to a post-retirement subsidy retiring from the Entity 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 Entity as at 30 June 2017 has been discounted at a rate determined on the basis of the yield curve per annum on government bonds.

	2017	2016
Key financial assumptions		
Discount rate	Yield curve	Yield curve
Consumer price inflation	Difference between nominal and yield curves CPI + 1%	Difference between nominal and yield curves CPI + 1%
Health-care cost inflation rate	Yield curve-based	Yield curve-based
Net effective discount rate		

Sensitivity analysis	Change in assumption	Liability R'000	Service costs R'000	Interest costs R'000
Assumptions used		5 474 429	92 020	541 387
Health-care inflation	1% decrease	4 840 957	75 415	478 225
	1% increase	6 306 812	109 862	626 995
Post-retirement mortality	20% decrease	6 057 716	100 462	601 539
	20% increase	5 066 166	82 862	501 187

15.4 Post-retirement pension defined benefits

An actuarial valuation has been performed of the Entity's liability in respect of retirement pension benefits to its eligible retirees and retrenched employees. The provision is utilised when eligible employees receive the value of the vested benefits.

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.

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 2017 was 21 (2016: 22) in-service employees and 81 (2016: 89) 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 2017 has been discounted at the yield curve per-annum rate determined on the basis of the market yields on government bonds.

	2017	2016
Key financial assumptions		
Discount rate	Yield curve	Yield curve
Consumer price inflation	Difference between nominal and real yield curve CPI + 2%	Difference between nominal and real yield curve CPI + 2%
General salary inflation rate	Curve-dependent	Curve-dependent
Net effective discount rate		

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

16. DEPOSITS

Electricity and water
Other deposits
TOTAL

Economic entity		Municipality of Cape Town	
2017	2016	2017	2016
R'000	R'000	R'000	R'000
336 264	313 996	336 264	313 996
35 133	57 257	15 446	10 637
371 397	371 253	351 710	324 633

Guarantees held in lieu of electricity and water deposits were R114,26 million (2016: R88,81 million).

17. PROVISIONS (CURRENT)

Long-service leave benefits
Environmental rehabilitation
Post-retirement benefits
Insurance and COID claims
Leave benefits
Other provisions
Performance bonuses
TOTAL

Economic entity				
Opening balance		Utilised/	Transfers from	Closing balance
2017	Raised	reversed	non-current	2017
R'000	R'000	R'000	R'000	R'000
51 078	-	-	17 210	68 288
4 500	-	(2 507)	8 577	10 570
207 636	-	(207 636)	231 548	231 548
11 265	8 224	(11 265)	-	8 224
562 661	31 094	-	-	593 755
232 137	97 160	(277 390)	-	51 907
3 538	4 960	(3 538)	-	4 960
1 072 815	141 438	(502 336)	257 335	969 252

Long-service leave benefits
Environmental rehabilitation
Post-retirement benefits
Insurance and COID claims
Leave benefits
Other provisions
TOTAL

Municipality of Cape Town				
Opening balance		Utilised/	Transfers from	Closing balance
2017	Raised	reversed	non-current	2017
R'000	R'000	R'000	R'000	R'000
51 078	-	-	17 210	68 288
4 500	-	(2 507)	8 577	10 570
207 636	-	(207 636)	231 548	231 548
11 265	8 224	(11 265)	-	8 224
562 661	31 094	-	-	593 755
232 137	97 160	(277 390)	-	51 907
1 069 277	136 478	(498 798)	257 335	964 292

Leave benefits

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.

18. PAYABLES FROM EXCHANGE TRANSACTIONS

Trade and other creditors
Payments received in advance
Cape Metropolitan Transport Fund (CMTF) advances
TOTAL

Economic entity		Municipality of Cape Town	
2017	2016	2017	2016
R'000	R'000	R'000	R'000
4 639 695	4 557 800	4 583 583	4 464 561
1 364 355	1 235 448	1 364 355	1 235 448
15 141	20 735	15 141	20 735
6 019 191	5 813 983	5 963 079	5 720 744

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.

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

19. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Conditional grants from other spheres of government

National Government
Province

Other conditional receipts

Public contributions

TOTAL

See note 29, 30 and annexure E for more details of grants from National Government and Province as well as public contributions.

Economic entity		Municipality of Cape Town	
2017	2016	2017	2016
R'000	R'000	R'000	R'000
974 631	1 119 324	974 631	1 119 324
446 587	650 929	446 587	650 929
528 044	468 395	528 044	468 395
79 743	80 631	79 743	80 631
79 743	80 631	79 743	80 631
1 054 374	1 199 955	1 054 374	1 199 955

20. VALUE-ADDED TAX (VAT)

VAT payable
Impairment adjustment

Total VAT payable

VAT receivable

TOTAL

The VAT liability was impaired as a result of impairment against debtors.

176 983	211 315	176 983	211 315
277 030	211 196	277 030	211 196
454 013	422 511	454 013	422 511
(360 647)	(347 740)	(360 647)	(347 740)
93 366	74 771	93 366	74 771

21. HOUSING DEVELOPMENT FUND

Realised housing proceeds

Balance at beginning of the year

Income

Land sales

Repayments

Long-term debtors

Public organisations

Service contributions

Recoveries from Province

Subsidy refunds and other

Interest

Expenditure

Funding capital projects

Funding operating projects

Non-cash transfer to provision for impairment

Balance at end of the year

Unrealised housing proceeds

Balance at beginning of the year

Long-term loans realised

Housing

Public organisations

Transfer to impairment provision – selling schemes

Transfer from impairment provision – public organisations

Balance at end of the year

TOTAL

Unrealised housing proceeds represent loan repayments not yet due in terms of the debtor's loan agreement.

272 628	302 771	272 628	302 771
63 301	59 277	63 301	59 277
21 253	3 618	21 253	3 618
35 112	38 180	35 112	38 180
34 567	37 620	34 567	37 620
545	560	545	560
3 117	3 233	3 117	3 233
-	10 051	-	10 051
3 819	4 195	3 819	4 195
17 699	16 275	17 699	16 275
(70 286)	(102 423)	(70 286)	(102 423)
(18 050)	(19 677)	(18 050)	(19 677)
(52 236)	(82 746)	(52 236)	(82 746)
(5 844)	(3 272)	(5 844)	(3 272)
277 498	272 628	277 498	272 628
67 468	93 614	67 468	93 614
(20 516)	(26 261)	(20 516)	(26 261)
(20 020)	(25 753)	(20 020)	(25 753)
(496)	(508)	(496)	(508)
7 553	352	7 553	352
(435)	(237)	(435)	(237)
54 070	67 468	54 070	67 468
331 568	340 096	331 568	340 096

22. RESERVES

Capital replacement reserve

Insurance reserves

Self-insurance reserve

COVID reserve

TOTAL

2 880 321	2 119 182	2 880 321	2 119 182
561 296	545 157	561 296	545 157
484 203	474 870	484 203	474 870
77 093	70 287	77 093	70 287
3 441 617	2 664 339	3 441 617	2 664 339

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

23. NON-CONTROLLING INTEREST

Balance at beginning of the year	359 416	298 666
Share purchases by non-controlling interest holders	30 000	50 000
Transfer for share purchases	5 863	(3 877)
Share of net surplus attributable to non-controlling interest	12 500	14 627
TOTAL	407 779	359 416

The 2016 comparative amount has been restated see note 44.

24. SERVICE CHARGES

	Economic entity		Municipality of Cape Town	
	2017	2016	2017	2016
	R'000	R'000	R'000	R'000
Electricity	11 744 571	11 187 275	11 755 862	11 198 441
Water and sanitation	5 052 389	4 518 751	5 053 641	4 519 840
Water	3 442 473	2 983 770	3 443 725	2 984 859
Wastewater	1 609 916	1 534 981	1 609 916	1 534 981
Solid waste	1 081 307	991 556	1 081 307	991 556
Other	937 673	854 487	728 295	653 759
TOTAL	18 815 940	17 552 069	18 619 105	17 363 596

25. RENTAL OF LETTING STOCK AND FACILITIES

Rental agreements	384 440	374 052	384 440	374 052
Income forgone*	(25 943)	(23 098)	(25 943)	(23 098)
TOTAL	358 497	350 954	358 497	350 954

26. FINANCE INCOME

Exchange transactions	997 390	830 188	965 283	792 666
External investments	854 204	744 539	822 097	707 017
Outstanding debtors	197 058	150 038	197 058	150 038
Interest transferred	(53 872)	(64 389)	(53 872)	(64 389)
Non-exchange transactions				
Outstanding debtors	81 005	71 571	81 005	71 571
TOTAL	1 078 395	901 759	1 046 288	864 237

27. OTHER INCOME

Exchange transactions	429 116	339 164	242 040	169 634
Bulk infrastructure levies	146 522	91 730	146 522	91 730
Other income	108 384	66 231	90 568	47 346
Gains on foreign-exchange transactions	709	321	709	321
Fair-value adjustments	4 241	30 237	4 241	30 237
City improvement districts (CIDs)	169 260	150 645	-	-
Non-exchange transactions				
City improvement districts	-	-	169 260	150 645
TOTAL	429 116	339 164	411 300	320 279

The Entity received services in kind to an estimated value of R8,83 million (2016: R14,16 million) in the form of volunteers.

The 2016 comparative amount has been restated see note 44.

*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.

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

28. PROPERTY RATES

Actual

Residential, commercial and other
Income forgone*

TOTAL

Valuations per category

Residential
Commercial
Agriculture
Public service infrastructure
Other

TOTAL valuation at commencement of financial year

The 2016 opening figures are based on the applicable General Valuation Roll (GV2012) which came into effect on 1 July 2013 and is based on market-related valuations as at 1 July 2012. The new General Valuation Roll, General Valuation 2015 (GV2015), came into effect on 1 July 2016 and thus creates the opening figures for the 2017 financial year. The values are based on market-related valuations as at 1 August 2015. This General Valuation Roll (GV2015) remains valid until 30 June 2019. Property valuation adjustments, such as supplementary valuations, objection valuations and Valuation Appeal Board decisions are processed continuously. Municipal rates are levied on a daily basis in terms of the provisions of the Rates policy, which makes provision for rebates and exemptions.

29. GOVERNMENT GRANTS AND SUBSIDIES

Unconditional grants

Conditional grants

National Government
Province

TOTAL

Analysis of government grants and subsidies

Operating
Capital

TOTAL

The Entity does not foresee a significant decrease in the level of grant funding. Unconditional grants are used to subsidise the provision of basic services to indigent communities. Conditional grants are for operating and capital expenditure. Other than the amounts unspent, the conditions of the grants have been met.

The 2016 comparative amount has been restated see note 44.

	Economic entity		Municipality of Cape Town	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
	9 259 940	7 838 728	9 264 744	7 843 988
	(1 159 618)	(1 098 941)	(1 159 618)	(1 098 941)
TOTAL	8 100 322	6 739 787	8 105 126	6 745 047
	763 170 944	613 539 222	763 170 944	613 539 222
	235 675 407	178 265 374	235 675 407	178 265 374
	6 509 956	4 670 480	6 509 956	4 670 480
	4 997 347	5 611 750	4 997 347	5 611 750
	145 406 044	119 200 195	145 406 044	119 200 195
TOTAL valuation at commencement of financial year	1 155 759 698	921 287 021	1 155 759 698	921 287 021

	2 288 187	2 054 664	2 288 187	2 054 664
	3 360 565	3 666 464	3 360 565	3 666 464
	2 322 216	2 569 132	2 322 216	2 569 132
	1 038 349	1 097 332	1 038 349	1 097 332
TOTAL	5 648 752	5 721 128	5 648 752	5 721 128

	3 633 883	3 589 591	3 633 883	3 589 591
	2 014 869	2 131 537	2 014 869	2 131 537
TOTAL	5 648 752	5 721 128	5 648 752	5 721 128

*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.

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

30. PUBLIC CONTRIBUTIONS

Unconditional

Conditional

Consumer connections

Other

TOTAL

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.

The 2016 comparative amount has been restated see note 44.

Economic entity		Municipality of Cape Town	
2017	2016	2017	2016
R'000	R'000	R'000	R'000
6 944	100	6 944	100
104 703	91 154	104 703	91 154
54 162	52 563	54 162	52 563
50 541	38 591	50 541	38 591
111 647	91 254	111 647	91 254

31. EMPLOYEE-RELATED COSTS

Salaries and wages

Social contributions – UIF, pensions and medical aid

Travel, car, accommodation, subsistence and other allowances

Housing benefits and allowances

Overtime payments

Contribution and benefits paid: current provisions

Contribution: post-retirement and long-service benefits

Current service costs

Interest costs

Actuarial (gains)/losses

Expenditure recharged to capital projects

TOTAL

6 771 097	6 245 812	6 709 762	6 194 483
1 803 776	1 656 815	1 796 527	1 650 710
363 602	350 802	363 602	350 802
56 862	53 086	56 862	53 086
547 812	463 841	546 810	463 125
(87 711)	(9 510)	(87 711)	(9 510)
299 924	688 356	299 924	688 356
140 742	132 317	140 742	132 317
593 813	507 853	593 813	507 853
(434 631)	48 186	(434 631)	48 186
9 755 362	9 449 202	9 685 776	9 391 052
(26 476)	(33 312)	(26 476)	(33 312)
9 728 886	9 415 890	9 659 300	9 357 740

32. REMUNERATION OF COUNCILORS AND BOARD MEMBERS

Executive Mayor

Deputy Executive Mayor

Speaker

Chief Whip

Mayoral Committee members

Subcouncil chairpersons

Portfolio chairpersons

Councillors

Councillors' pension contributions

Board members (CTICC)

Reimbursement of travel claims

TOTAL

1 280	1 284	1 280	1 284
929	936	929	936
929	936	929	936
952	859	952	859
9 358	9 226	9 358	9 226
16 079	21 172	16 079	21 172
12 688	13 041	12 688	13 041
85 819	74 823	85 819	74 823
4 115	5 051	4 115	5 051
578	457	-	-
132 727	127 785	132 149	127 328
6 224	7 309	6 224	7 309
138 951	135 094	138 373	134 637

33. IMPAIRMENT COSTS

Receivables and other receivables

Property, plant and equipment

TOTAL

2 323 669	1 898 894	2 323 482	1 898 476
99 675	8 825	99 675	8 825
2 423 344	1 907 719	2 423 157	1 907 301

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

34. DEPRECIATION AND AMORTISATION EXPENSES

Property, plant and equipment
Investment property
Intangible assets

TOTAL – see notes 2, 4, 5 and annexure B

The 2016 comparative amount has been restated see note 44.

Economic entity		Municipality of Cape Town	
2017	2016	2017	2016
R'000	R'000	R'000	R'000
2 121 107	2 026 945	2 093 761	1 998 464
1 713	2 235	1 713	2 235
118 322	107 811	118 322	107 811
2 241 142	2 136 991	2 213 796	2 108 510

35. FINANCE COSTS

Borrowings
Unwinding of discount

TOTAL

692 094	719 744	691 005	718 521
40 818	28 735	40 818	28 735
732 912	748 479	731 823	747 256

36. BULK PURCHASES

Electricity
Water

TOTAL

8 069 460	7 656 073	8 069 460	7 656 073
368 642	417 263	368 642	417 263
8 438 102	8 073 336	8 438 102	8 073 336

37. GRANTS AND SUBSIDIES PAID

Events and charitable contributions
Community development and upliftment
Economic development and promotion of tourism
Education institutions
Health forum/health, HIV/Aids and tuberculosis programmes
Senior citizens – facilities for the aged
Social development and arts and culture
Sporting bodies

TOTAL

37 905	60 471	37 905	60 471
16 064	16 088	16 064	16 088
54 112	63 152	54 112	63 152
45	370	45	370
1 015	3 931	1 015	3 931
90	90	90	90
1 500	2 462	1 500	2 462
1 098	1 682	1 098	1 682
111 829	148 246	111 829	148 246

38. GENERAL EXPENSES

Auditor remuneration
CIDs levies
Consultants
Free basic electricity (FBE) – Eskom service areas
Realised fair-value adjustments
Indigent relief
Inventory: scrapping
Loss on foreign-exchange transactions
Materials general and consumables
Security services
Telecommunications
Other expenditure

Contributions from provisions

Expenditure recharged to capital projects

TOTAL

14 966	15 247	13 183	13 554
-	-	164 182	146 126
202 794	174 801	199 871	169 724
133 656	124 099	133 515	124 035
2 220	4 358	2 220	4 358
662 165	542 740	662 165	542 740
911	557	911	557
1 034	3 755	1 028	3 751
499 840	326 087	476 050	300 405
467 362	404 751	460 855	398 579
400 433	384 023	398 153	378 330
2 366 591	2 256 125	2 302 824	2 207 110
4 751 972	4 236 543	4 814 957	4 289 269
(45 703)	(33 491)	(45 703)	(33 491)
4 706 269	4 203 052	4 769 254	4 255 778
(4 693)	(3 333)	(4 693)	(3 333)
4 701 576	4 199 719	4 764 561	4 252 445

The 2016 comparative amount has been restated see note 44.

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

39. TAXATION

39.1 DEFERRED TAXATION

CTICC

Deferred income taxes are calculated on all temporary differences, using a tax rate of 28% (2016: 28%).

At beginning of the year
Temporary differences
At end of the year

Economic entity		Municipality of Cape Town	
2017	2016	2017	2016
R'000	R'000	R'000	R'000

(2 654)	(4)
(923)	(2 650)
(3 577)	(2 654)

The balance comprises

Capital allowance (non-deductible temporary differences)

Total

(3 577)	(2 654)
(3 577)	(2 654)

The 2016 comparative amount has been restated see note 44.

39.2 TAXATION

Statement of financial performance charge

Current year: CTICC
CIDs

13 983	20 007
195	-
14 178	20 007

The 2016 comparative amount has been restated see note 44.

40. CASH GENERATED FROM OPERATIONS

Surplus for the year

Adjustment for:

Depreciation

Contributed assets

Impairment

Unrealised foreign-exchange loss

Indigent relief

Gains and losses on disposal of assets

Contribution to provisions

Contribution to impairment provision

Finance income

Cash transactions

Non-cash transactions

Finance costs

Cash transactions

Non-cash transactions

Operating surplus before working capital changes

(Increase)/decrease in inventories

Increase in receivables

Increase in other receivables

Decrease in unspent conditional grants and receipts

Increase in payables

Increase/(decrease) in net VAT

CASH GENERATED FROM OPERATIONS

5 380 821	4 370 797	5 304 628	4 289 655
3 339 172	3 843 221	3 340 199	3 857 015
2 241 142	2 139 276	2 213 796	2 108 510
(16 516)	(64 211)	(16 516)	(64 211)
99 675	8 825	99 675	8 825
219	152	219	152
662 165	542 740	662 165	542 740
(178 371)	(118 243)	(179 408)	(118 383)
(95 915)	460 966	(97 337)	460 792
972 256	1 026 996	972 070	1 035 571
(1 078 395)	(901 759)	(1 046 288)	(864 237)
(1 031 929)	(878 939)	(999 822)	(841 417)
(46 466)	(22 820)	(46 466)	(22 820)
732 912	748 479	731 823	747 256
667 252	688 486	666 163	687 263
65 660	59 993	65 660	59 993
8 719 993	8 214 018	8 644 827	8 146 670
(67 201)	23 549	(67 263)	23 043
(1 690 242)	(1 375 294)	(1 691 988)	(1 375 370)
(727 661)	(719 077)	(733 159)	(711 470)
(145 581)	(327 490)	(145 581)	(327 490)
204 989	485 388	242 116	422 712
18 595	(11 036)	18 595	(11 036)
6 312 892	6 290 058	6 267 547	6 167 059

The 2016 comparative amount has been restated see note 44.



Notes to the consolidated annual financial statements

for the year ended 30 June 2017

41. CASH AND CASH EQUIVALENTS

Balance at the end of the year
Balance at the beginning of the year

NET (DECREASE)/INCREASE

Economic entity		Municipality of Cape Town	
2017	2016	2017	2016
R'000	R'000	R'000	R'000
3 773 576	3 803 924	3 450 193	3 332 469
3 803 924	3 792 735	3 332 469	3 199 148
(30 348)	11 189	117 724	133 321

42. OPERATING LEASE COMMITMENTS

42.1 The Entity as lessee

Future minimum lease payments under non-cancellable operating leases

Land and buildings

Payable within one year
Payable within two to five years

Radio masts

Payable within one year

TOTAL

57 311	108 086	55 650	106 726
55 713	54 628	55 119	54 262
1 598	53 458	531	52 464
88	324	88	324
88	324	88	324
57 399	108 410	55 738	107 050

Minimum lease payments recognised as an expense during the period amount to R55,39 million (2016: R50,18 million). The leased premises are contracted for remaining periods of between one and four years, with renewal options available in certain instances.

42.2 The Entity as lessor

Future minimum lease income under non-cancellable operating leases

Buildings

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

TOTAL

36 494	33 196	36 494	33 676
132 700	127 192	132 700	127 192
292 120	178 530	292 120	178 530
461 314	338 918	461 314	339 398

The Entity lets properties under operating leases. Property rental income earned during the year was R31,48 million (2016: R33,68 million). The tenants maintain the properties at their cost. 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 a decrease of R7,04 million in current-year income.

43. CONTINGENT LIABILITIES

43.1 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 R165,70 million (2016: R141,00 million).

43.2 Outstanding insurance claims

The estimated liability for insurance claims amounts to R180,60 million (2016: R148,82 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.

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

44. PRIOR-YEAR ADJUSTMENTS

44.1 Correction of error

Indigent relief was identified as a non-cash item. The cash received from customers as well as the cash paid to suppliers have been adjusted accordingly in the cash flow statement.

The CTICC made adjustments to its financial statements subsequent to their submission of these statements to the City of Cape Town. These adjustments were not incorporated into the consolidated annual financial statements. The comparative figures of the entity for property, plant and equipment, deferred taxation, non-controlling interest and taxation amounts have been restated.

44.2 Reclassification

The City of Cape Town has implemented and necessitated the restatement of the mSCOA classification framework on 1 July 2015, which entails the implementation of new general ledger accounts with mSCOA specific definitions. GRAP 3 requires the City to retrospectively apply any classification changes in the prior year comparative figures.

The City of Cape Town's 'Grants and Subsidies: Other unconditional' amount was reclassified from Government grants and subsidies to Public contributions, as indicated below.

The comparative figures of the entity presented for 'Community' and 'Other' assets as transfers/adjustment and additions were incorrectly classified and consequently corrected. These corrections had no effect on the carrying value of the statement of financial position.

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

	Note	Economic entity			Restated R'000
		As previously reported R'000	Correction of error R'000	Reclassifi- cation R'000	
2016					
STATEMENT OF FINANCIAL POSITION					
Assets					
Non-current assets		42 342 066	1 786	-	42 343 852
Property, plant and equipment	2	37 520 330	2 285	-	37 522 615
Land and buildings		2 289 396	1 409	-	2 290 805
Community		6 308 880	-	(111 670)	6 227 840
Other		3 270 801	876	111 670	4 346 021
Deferred taxation	39	3 153	(499)	-	2 654
TOTAL ASSETS		54 558 558	1 786	-	54 560 344
Liabilities					
Current liabilities		9 005 969	(418)	-	9 005 551
Taxation		1 865	(418)	-	1 447
Total net assets		33 387 505	2 204	-	33 389 709
Non-controlling interest	23	358 707	709	-	359 416
TOTAL NET ASSETS AND LIABILITIES		54 558 558	1 786	-	54 560 344
STATEMENT OF FINANCIAL PERFORMANCE					
Revenue					
Exchange revenue		19 449 291	-	(25 617)	19 423 674
Other income	27	364 781	-	(25 617)	339 164
Non-exchange revenue		15 771 290	-	25 617	15 796 907
Fines, penalties and forfeits		1 087 339	-	25 617	1 112 956
Government grants and subsidies	29	5 721 468	-	(340)	5 721 128
Public contributions	30	90 914	-	340	91 254
Total revenue		35 220 581	-	-	35 220 581
Expenditure					
Collection costs		187 398	-	19	187 417
Depreciation and amortization expenses	34	2 139 276	(2 285)	-	2 136 991
Contracted services		3 838 766	-	47 539	3 886 305
General expenses	38	4 247 277	-	(47 558)	4 199 719
Total expenditure		30 849 784	(2 285)	-	30 847 499
Surplus from operations		4 370 797	2 285	-	4 373 082
Taxation	39	(19 926)	(81)	-	(20 007)
Surplus for the year		4 350 871	2 204	-	4 353 075
Attributable to owners of the controlling entity		4 336 953	1 495	-	4 338 448
Attributable to non-controlling interest	23	13 918	709	-	14 627
Surplus for the year		4 350 871	2 204	-	4 353 075

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

44. PRIOR-YEAR ADJUSTMENTS (continued)

2016

CASH FLOW STATEMENT

Cash flow from operating activities

Cash receipts from ratepayers, government and other

Cash paid to suppliers and employees

Cash generated from operations

NET CASH FROM OPERATING ACTIVITIES

Note	Economic entity			
	As previously reported R'000	Correction of error R'000	Reclassification R'000	Restated R'000
	31 377 198	(542 740)	-	30 834 458
	(25 087 140)	542 740	-	(24 544 400)
40	6 290 058	-	-	6 290 058
	6 458 242	-	-	6 458 242

2016

STATEMENT OF FINANCIAL PERFORMANCE

Revenue

Exchange revenue

Other income

Non-exchange revenue

Fines, penalties and forfeits

Government grants and subsidies

Public contributions

Total revenue

Expenditure

Collection costs

Contracted services

General expenses

Total expenditure

Surplus for the year

Note	Municipality of Cape Town			
	As previously reported R'000	Correction of error R'000	Reclassification R'000	Restated R'000
	19 053 721	-	(25 617)	19 028 104
27	195 251	-	(25 617)	169 634
	15 927 195	-	25 617	15 952 812
	1 087 339	-	25 617	1 112 956
29	5 721 468	-	(340)	5 721 128
30	90 914	-	340	91 254
	34 980 916	-	-	34 980 916
	187 398	-	19	187 417
	3 718 716	-	47 539	3 766 255
38	4 300 003	-	(47 558)	4 252 445
	30 691 261	-	-	30 691 261
	4 289 655	-	-	4 289 655

CASH FLOW STATEMENT

Cash flow from operating activities

Cash receipts from ratepayers, government and other

Cash paid to suppliers and employees

Cash generated from operations

NET CASH FROM OPERATING ACTIVITIES

Note	As previously reported R'000	Correction of error R'000	Reclassification R'000	Restated R'000
	31 191 624	(542 740)	-	30 648 884
	(25 024 565)	542 740	-	(24 481 825)
	6 167 059	-	-	6 167 059
40	6 321 213	-	-	6 321 213

44.3 Changes in accounting estimates

The annual review of the useful lives and residual values of assets resulted in a decrease of R111,86 million (2016: R0,57 million) in the depreciation charge to the statement of financial performance. It is impracticable to estimate the effect of these changes on future periods.

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

45. BUDGET INFORMATION

45.1 Explanation of variances between approved budget and final budget amounts

The reasons for the variances between the approved budget and final budget are due to virements in terms of council approved policy.

45.2 Explanation of variances greater than 10%: final budget and actual amounts

45.2.1 Statement of financial position

Total liabilities

i) Non-current liabilities

The variance is due to the budgeted amount for external funding of R2,50 billion that never occurred.

45.2.2 Statement of financial performance

Revenue

i) Investment revenue

The variance is largely due to interest earned on investments being higher than planned for the year under review, due to more favourable investment and cash balances.

ii) Transfers recognised – operational

The variance is a combined result of a number of factors, the main one being a fall in revenue due to delays in income generating projects as a result of cost containment measures, delays in awarding tenders, termination of contracts due to poor performance, slower than planned maintenance activities, community dynamics and influences, changes in contract scope, contract award objection processes, environmental issues and delays in delivery of materials/goods. The funding of such underspending was rolled over for continuation of projects in the new financial year.

iii) Other own revenue

The variance is the combined result of a number of revenue types within the category. The variance is due to property developments in the City; increased vehicle licences tariffs and the number of licences processed; higher-than-estimated fines issued and paid; and the sale of PPE being higher-than-estimated for the year.

Expenditure

iv) Finance charges

The variance is as a result of savings realised due to the related loan not being taken up as originally planned which is due to the City's cash on hand position.

v) Other expenditure

The variance is the combined result on a number of expenditure types within the category. The main reason for the variance are, cost containment measures, delays in awarding tenders, termination of contracts due to poor performance, slower than planned maintenance activities, community dynamics and influences, changes in contract scope, contract award objection processes, environmental issues and delays in delivery of materials/goods. The funding of such underspending was rolled over for continuation of projects in the new financial year.

45.2.3 Cash flow statement

i) Net cash from operating

The variance is due to a combination of increased service charge income than originally budgeted for as well as an underspending on operating costs.

ii) Net cash from financing

The variance is due to the budgeted amount for external funding of R2,50 billion that never occurred.

45.3 Explanation of variances greater than 5%: final budget and actual amounts

45.3.1 Capital expenditure

i) Assets and Facilities Management

The variance in the implementation of the projects is a result of delay in the import of equipment and delays in building construction.

ii) Energy

The variance in the implementation of the projects is a result of delays due to amendments in the SCM regulations regarding local content resulting in procedural changes, late delivery of materials and unforeseen construction delays.

iii) Informal Settlements, Water and Waste Services

The variance in the implementation of the projects is a result of delays due to appeals against the award of tenders, poor contractor performance, protracted tender processes, community dynamics, gang-related disruptions on site, the delay in delivery of imported equipment, environmental impact assessment processes and resource challenges experienced by contractors.

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

45. BUDGET INFORMATION (continued)

45.3 Explanation of variances greater than 5%: final budget and actual amounts (continued)

45.3.1 Capital expenditure (continued)

- iv) Social Services
The variance in the implementation of the projects is a result of administrative delays, cost savings with the completion of projects and termination of tenders due to poor contractor's performance.
- v) Transport and Urban Development Authority
The variance in the implementation of the projects is a result of delays due to administrative processes not in place, community dynamics, poor performance, labour related disruptions and the ever changing business environment.
- vi) Subsidiaries
The unspent capital expense variance relates to the timing of expenditure on the CTICC East expansion programme.

46. ADDITIONAL DISCLOSURES

46.1 MUNICIPAL FINANCE MANAGEMENT ACT

46.1.1 Section 124(1)(b)

46.1.1.1 Disclosure concerning councillors' municipal accounts in arrears

2017

As at **30 June 2017**, no councillor was more than 90 days in arrears for rates or services.

During the **reporting period**, the below councillors were more than 90 days in arrears for rates or services.

S Arendse	N Bolitye	GE Gordon	NE Mgolombane	P Nyakaza-Sandla
TM Batembu	KR Carls	WM Hlazo	T Mgxekeni	FS Oerson

2016

As at **30 June 2016**, the below councillor was more than 90 days in arrears for rates or services.

W Hassiem

During the **2016 reporting period**, the below councillor was more than 90 days in arrears for rates or services.

S August

46.1.1.2 Included in the debtors' arrears is an amount of R67 575,31 (2016: R13 022,62) outstanding for more than 120 days, owed by the representative political parties to the Entity.

46.1.2 Section 125

46.1.2.1 Irregular expenditure

Opening balance
Expenditure – SCM regulations (see incident below)
Regularised and ratified

Closing balance

Economic entity		Municipality of Cape Town	
2017	2016	2017	2016
R'000	R'000	R'000	R'000

2	956	2	956
-	2	-	2
(2)	(956)	(2)	(956)
-	2	-	2

Incident
• Non-compliance with SCM regulations

Incident for the year

-	2	-	2
-	2	-	2

46.1.2.2 Fruitless and wasteful expenditure

Opening balance
Adjustment of opening balance – prior year expenditure
Expenditure – current year
Regularised and ratified

Closing balance

86	-	86	-
-	86	-	86
-	-	-	-
(86)	-	(86)	-
-	86	-	86

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

46. ADDITIONAL DISCLOSURES (continued)

46.1 MUNICIPAL FINANCE MANAGEMENT ACT (continued)

46.1.2 Section 125 (continued)

46.1.2.3 Material losses

46.1.2.3.1 Water losses

In the current year, the material losses were 9,29% (2016: 11,65%). These are made up of 9,29% reticulation losses and zero percentage abnormal production losses (2016: 8,54% reticulation losses and 3,11% abnormal production losses). These losses are predominantly due to apparent losses which include unauthorised usage and metering inaccuracies. The production losses amounted to R204,80 million (2016: R112,41 million).

The 2016 comparative amounts for the Entity and Municipality of Cape Town have been restated due to an updated Infrastructure Leakage Index resulting in the following corrections.

Water losses

Production losses
Subscriptions/fees

Material losses
Reticulation losses
Abnormal production losses

These corrections had no effect on the statements of financial position and the statements of financial performance.

Economic entity		Municipality of Cape Town	
2017	2016	2017	2016
R'000	R'000	R'000	R'000
112 898	135 431	112 898	135 431

	As previously reported	Restated
	R'000	R'000
	148 981	135 431
	98 860	112 410
	%	%
	12,81	11,65
	9,72	8,54
	3,09	3,11

46.1.2.3.2 Electricity losses

In the current year the energy losses were 10,89% (2016: 11,42%). These losses are the result of normal system operation, theft and vandalism. The production losses amounted to R524,05 million (2016: R496,20 million).

Economic entity		Municipality of Cape Town	
2017	2016	2017	2016
R'000	R'000	R'000	R'000
353 550	370 578	353 550	370 578

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

46. ADDITIONAL DISCLOSURES (continued)

46.1 MUNICIPAL FINANCE MANAGEMENT ACT (continued)

46.1.2 Section 125 (continued)

46.1.2.4 Other compulsory disclosures

	South African Local Government Association (SALGA) contributions R'000	Audit fees R'000	Pay-as-you- earn (PAYE) and UIF R'000	Pension and medical aid R'000
As at 30 June 2017				
Opening balance	-	61	103 016	228 711
Subscriptions/fees	12 300	16 633	1 405 032	2 933 122
Amount paid: current year	(12 300)	(16 622)	(1 290 316)	(2 681 833)
previous years	-	(61)	(103 016)	(228 711)
Balance unpaid (included in payables)	-	11	114 716	251 289
As at 30 June 2016				
Opening balance	-	305	93 765	209 760
Subscriptions/fees	11 210	16 897	1 272 824	2 696 326
Amount paid: current year	(11 210)	(16 836)	(1 169 808)	(2 467 615)
previous years	-	(305)	(93 765)	(209 760)
Balance unpaid (included in payables)	-	61	103 016	228 711

Economic entity		Municipality of Cape Town	
2017 R'000	2016 R'000	2017 R'000	2016 R'000

46.2 SUPPLY CHAIN MANAGEMENT REGULATIONS

46.2.1 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 awards listed below have been approved by the Accounting Officer and noted by Council.

Incidents

Appointment of consultants	4 589	16 725	4 589	16 725
Information technology upgrade	69 660	92 924	69 660	92 924
Upgrade of electricity services	-	69 001	-	69 001
Extension of contract period/sum	144 433	96 282	144 433	96 282
Upgrade of road infrastructure	71 531	20 410	71 531	20 410
Supply and delivery of plant and equipment	38 126	33 317	38 126	33 317
Other	68 328	167 507	57 406	154 902
Deviations less than R200 000	403 689	345 124	403 689	345 124

TOTAL amount approved by the Accounting Officer and noted by Council

800 356	841 290	789 434	828 685
----------------	----------------	----------------	----------------

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.

46.2.2 SCM breaches

Ratification of minor breaches	6 579	8 489	-	-
TOTAL amount regularised and ratified	6 579	8 489	-	-

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

46. ADDITIONAL DISCLOSURES (continued)

46.2 SUPPLY CHAIN MANAGEMENT REGULATIONS (continued)

46.2.3 Bids awarded to family of employees in the service of the state

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

Connected person	Position held in State	Economic entity	Municipality of Cape Town
		2017 R'000	2017 R'000
N Abyocate	Department of Justice	63	63
L Arries; J Willemse	Teacher; Nurse	2 249	2 249
M Barnard	Deputy Director: Health Department	689	689
M Basson	Principal Facility Officer	244	244
M Brink	Doctor	839	-
J Bodma	Metro Paramedics	281	281
V Botto; K Botto	Chief: Forensics; Finance: Principal Profession Officer	1 118	1 118
RT Bowers	Social worker	210	210
C Brown	SABC	34	34
C Brynard	Councillor	3 003	3 003
G Buitendag	Principal Professional Officer	6 608	6 608
D Burgess	Senior Clerk	234	234
C Carr	Administrative Officer	228	228
P Christopher	Manager: Operations	639	639
JP Cilliers	Special Advisor to the Premier	327	327
M Daniels	Project Administrator	119	119
F Davids	Clerk	1	1
J Davids	Department of Health	11	11
M Davids	Operational Supervisor: Driver	381	381
SFA Davids	Department of Education	2 109	2 109
W De Kock	Stellenbosch municipality	254	254
N Dolf	Clerk	634	634
A Dolft	Senior Clerk	974	974
Y Ebrahim	Head: District 5	1 180	1 180
A Elloker	Senior Professional Officer	286	286
C Gordon	Clerk	42	42
A Harding	Administrative Officer	1	1
C Hector	NHRB	2 323	2 323
C Henderson	Teacher	336	336
F Hendricks	Administrative Officer	988	988
E Hlongwane	Manager: Cleansing	26	26
E Ishmail	Manager: Valuation Data and Systems	683	683
E Jacobs	Senior Clerk	13 804	13 804
R Jacob; E Samaai	Foreman; Province	1 073	1 073
Y Jacobs; O Khan; Y Jacobs	Department of Health; Department of Defense	1 038	1 038
Z Jawoodien	Prosecutor	99	99
M Johannes	Clerk	85	85
J Lategan	Clerk	75	75
T Lebesana	Transnet	81	81
E Lewis	Professional Officer	155	155
L Malcolm	Fire Fighter	1	1
R Marais	Teacher	9 510	9 510
M Mazaza	Director: Transport planning	605	605
S Mbolompo	Councillor	117	117
SS Merile	Operator: Small Plant	62	62
G Meyer; A Meyer; G Wyngaard	Manager: Support; Assistant Professional Officer; Assistant Buyer: SCM	984	984
T Meyer	Educator: Western Cape Education Department	238	-
A Mokupo	Administrative Officer	17	17
FJ Monk	Subcouncil Manager	948	948
MC Mshweshwe	Statutory Compliance Specialist	792	792
B Muller; D Muller	Department Education; Correctional Services	26	26
I Olifant	Forensic Pathology Services	87	87
C Olivier	Senior Operational Supervisor	8	8
B Paul	DCAS	692	692

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

46. ADDITIONAL DISCLOSURES (continued)

46.2 SUPPLY CHAIN MANAGEMENT REGULATIONS (continued)

46.2.3 Bids awarded to family of employees in the service of the state (continued)

Connected person	Position held in State	Economic entity	Municipality of Cape Town
		2017 R'000	2017 R'000
NG Payne	Principal Professional Officer	2	2
Y Phosa	Member of Parliament	355	58
C Rhoda	Head: Invasive Species Management	728	728
M Rhodes	Teacher	123	123
A Richards	Senior Professional Officer	156	156
L Ritter	Administrative Officer	1	1
D Rose	Call Centre Agent	898	898
T Salomons	Specialist Engineering	149	149
MN Sammy	Administrative Officer	4	4
C September	Administrative Officer	176	176
W Siebritz	Firefighter	38	38
Y Skunyana	Light Machine Operator	2 265	2 265
Y Spencer	National Health Laboratory Services	23	23
T Steyn	Senior Professional Officer	1 804	1 804
L Stalworthy	Principal Professional Officer	633	633
N Taylor	Administrative Officer	39	39
F Trom	Senior Worker	201	201
V van der Heever	Teacher	3 469	3 469
C van der Vendt	Senior Worker	195	195
J van Zyl	WCED	21	21
J Villet	Assistant Buyer: SCM	24	24
N Vlotman	Department of Health Bishop	14	14
MF Votersen	Head: Finance Parks	2 287	2 287
B Wasserfall	Senior Forensics Officer	975	975
G Willemse	Station Commander	52	52
S Willemse; A Bell	Administrative Officer; Senior Clerk	1 842	1 842
B Williams	Prison Warden	141	141
R Wyngaard	Administrative Officer - Tender: SCM	815	815
CCT and state awards	Members as per schedule below*	5 002	5 002
TOTAL		80 043	78 669

*Names of members (CCT and state awards)

HC Ahlschlager	Special Investigation Unit
CJ Barry	Head: Finance (CCT)
T Botha	Oudtshoorn Municipality
M Dr Skead	Nelson Mandela Bay Metropolitan University
WZ Erasmus	Cape Nature
HG Esterhuysen	West Coast District Municipality
T Govender	Umngeni Water
SM Grobbelaar	Northern Cape Department of Cooperative Governance
E Herholdt	Limpopo Department of Economic Development
A Heyns	Stellenbosch Municipality
JH Higgs	SARS
A Hougaard	Department of Correctional Services
J Jacobs	Eastern Cape Department of Education
B Kleynhans	Hasequa Municipality
BJ Kriegl	Cape Winelands District Municipality
M Marques	Department of Home Affairs
M Mayekiso	Department of Local Government and Traditional Affairs
AJ Moore	Department of Water Affairs
K Nadasen	National Department of Public Works
R Reddy-Maduray	Development Bank Southern Africa
S Seegers	Head: Security Architecture(CCT)
M van Rensburg	Eskom

See annexure G for the 2016 list.

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

47. RELATED-PARTY DISCLOSURES

47.1 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	
2017	2016	2017	2016
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

Arm's-length transactions for the year

Receivables	71,4%	67,8%
Payables	3 126	1 379
Service charges	-	4 036
	20 680	20 864

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.

Special rating areas

Arm's-length transactions for the year

Receivables	-	4
Service charges	2	41
Levies	164 182	146 126

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

Management contracts

Epping CID – Just For You Business Support Services CC
Woodstock CID – Lloyd's Project Management CC

1 179	1 104
581	530

Rental contracts

Voortrekker Road – Greater Tygerberg Partnership NPC

333	281
-----	-----

CMTF

The fund was established to pool funds for road networks and maintenance in the metropolitan area.

Administrator

Arm's-length transactions for the year

Funds held on behalf of CMTF	15 141	20 735	15 141	20 735
Grants and transfers – conditions met	1 811	1 528	1 811	1 528
Interest paid	1 096	1 215	1 096	1 215
Revenue collected	2 989	2 752	2 989	2 752

47.2 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.

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

47. RELATED-PARTY DISCLOSURES (continued)

47.2 Executive management (continued)

47.2.1 Mayco Committee members/councillors/board members

2017

Mayco committee members

Councillors

Subsidiaries: board members

TOTAL

	Annual salary R'000	Car allowance R'000	Social contribution R'000	Total R'000
Mayco committee members	11 508	60	366	11 934
Councillors	116 241	225	3 749	120 215
Subsidiaries: board members	578	-	-	578
TOTAL	128 327	285	4 115	132 727

2016

Mayco committee members

Councillors

Subsidiaries: board members

TOTAL

	Annual salary R'000	Car allowance R'000	Social contribution R'000	Total R'000
Mayco committee members	11 386	60	497	11 943
Councillors	110 741	90	4 554	115 385
Subsidiaries: board members	457	-	-	457
TOTAL	122 584	150	5 051	127 785

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 of Cape Town. There are 231 councillor positions, whose aggregated remuneration amounted to R132,15 million for the period under review. The average remuneration per councillor is R0,572 million per annum. The Mayco members have such individual executive powers as granted by their delegation, and are therefore disclosed in the below table. A full list of the councillors is disclosed on pages 8 and 9 as part of the 'General information'.

47.2.2 Mayco Committee members

2017

Executive Mayor

Ald P de Lille

1 JANUARY 2017 TO 30 JUNE 2017

Executive Deputy Mayor

Ald ID Neilson

Executive Finance

Cllr J van der Merwe

Safety and Security Services

Ald JP Smith

Informal Settlements, Water and Waste Services, Energy

Cllr X Limberg

Corporate Services

Cllr R Arendse

Assets and Facilities Management

Cllr S Diamond

Transport and Development Authority

Cllr BN Herron

Area-Based: South

Cllr E Andrews

Area-Based: Central

Cllr S Mamkeli

Area-Based: North

Cllr S Little

Area-Based: East

Cllr A Ntsodo

	Analysis of remuneration benefits			
	Annual salary R'000	Car allowance R'000	Social contribution R'000	Total R'000
Executive Mayor Ald P de Lille	1 238	42	-	1 280
Executive Deputy Mayor Ald ID Neilson	467	-	57	524
Executive Finance Cllr J van der Merwe	429	-	53	482
Safety and Security Services Ald JP Smith	430	9	43	482
Informal Settlements, Water and Waste Services, Energy Cllr X Limberg	482	-	-	482
Corporate Services Cllr R Arendse	482	-	-	482
Assets and Facilities Management Cllr S Diamond	482	-	-	482
Transport and Development Authority Cllr BN Herron	482	-	-	482
Area-Based: South Cllr E Andrews	482	-	-	482
Area-Based: Central Cllr S Mamkeli	482	-	-	482
Area-Based: North Cllr S Little	482	-	-	482
Area-Based: East Cllr A Ntsodo	482	-	-	482
TOTAL	6 420	51	153	6 624

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

47. RELATED-PARTY DISCLOSURES (continued)

47.2 Executive management (continued)

47.2.2 Mayco Committee members (continued)

2017

1 JULY 2016 TO 31 DECEMBER 2016

Executive Deputy Mayor/Finance

Ald ID Neilson

463

-

56

519

Safety and Security Services

Ald JP Smith

428

9

42

479

Corporate Services

Cllr X Limberg

479

-

-

479

Economic, Environmental and Spatial Planning

Cllr J van der Merwe

426

-

53

479

Social Development and Early Childhood Development

Cllr S Little

479

-

-

479

City Health

Cllr S Mamkeli

479

-

-

479

Community Services and Special Projects

Ald B Walker

95

-

9

104

Community Services

Cllr A Ntsodo

375

-

-

375

Transport for Cape Town

Cllr BN Herron

479

-

-

479

Tourism, Events and Marketing

Cllr G Bloor (up to 9/8/2016)

104

-

-

104

Tourism, Events and Economic Development

Cllr E Andrews (as from 11/8/2016)

375

-

-

375

Utility Services

Cllr EJ Sonnenberg

427

-

53

480

Human Settlements

Cllr B van Minnen

479

-

-

479

5 088

9

213

5 310

TOTAL

11 508

60

366

11 934



Notes to the consolidated annual financial statements

for the year ended 30 June 2017

47. RELATED-PARTY DISCLOSURES (continued)

47.2 Executive management (continued)

47.2.2 Mayco Committee members

	Analysis of remuneration benefits			
	Annual salary R'000	Car allowance R'000	Social contribution R'000	Total R'000
2016				
Executive Mayor				
Ald P de Lille	1 242	42	-	1 284
Executive Deputy Mayor/Finance				
Ald ID Neilson	936	-	109	1 045
Safety and Security Services				
Ald JP Smith	862	18	82	962
Corporate Services				
Cllr X Limberg	961	-	-	961
Energy, Environmental and Spatial Planning				
Cllr J van der Merwe	859	-	102	961
Social Development and Early Childhood Development				
Cllr S Little	961	-	-	961
City Health				
Cllr S Mamkeli	961	-	-	961
Community Services and Special Projects				
Ald B Walker	859	-	102	961
Transport for Cape Town				
Cllr BN Herron	962	-	-	962
Tourism, Events and Economic Development				
Cllr G Bloor	962	-	-	962
Utility Services				
Cllr EJ Sonnenberg	859	-	102	961
Human Settlements				
Cllr B van Minnen	962	-	-	962
TOTAL	11 386	60	497	11 943

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

47. RELATED-PARTY DISCLOSURES (continued)

47.2 Executive management (continued)

47.2.3 Executive management (continued)

Analysis of remuneration benefits - continued						
Annual salary R'000	Relocation allowance R'000	Car allowance R'000	Travel and subsistence R'000	Social Contribution R'000	Total R'000	
2017						
City Manager						
A Ebrahim						
2 763	-	-	-	382		3 145
1 JANUARY 2017 TO 30 JUNE 2017						
Human Settlement Services						
R Pretorius (has been acting as of 1/1/2017 up to 28/02/2017)						
184	-	-	-	34		218
Social Services						
E Sass (as from 1/1/2017)						
1 294	-	-	-	164		1 458
Asset and Facilities Management						
K Le Keur (as from 1/1/2017)						
883	-	-	-	1		884
Area-based Service Delivery						
L Scheepers (as from 1/1/2017)						
794	40	-	1	90		925
Directorate of the Mayor						
C Kesson (as from 1/1/2017)						
1 255	-	-	10	1		1 266
Corporate Services						
L Mbandazayo (as from 1/1/2017)						
1 285	-	-	-	141		1 426
Financial Management						
K Jacoby (as from 1/1/2017)						
1 260	-	41	4	154		1 459
Safety and Security						
R Bosman (as from 1/1/2017)						
1 120	-	48	-	140		1 308
Informal Settlements, Water and Waste Water						
G Kaiser (as from 1/1/2017)						
1 251	-	54	-	20		1 325
Transport and Urban Development						
M Whitehead (as from 1/1/2017)						
1 413	-	-	19	1		1 433
13 502	40	143	34	1 128		14 847

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

47. RELATED-PARTY DISCLOSURES (continued)

47.2 Executive management (continued)

47.2.3 Executive management (continued)

Analysis of remuneration benefits - continued						
Annual salary R'000	Relocation allowance R'000	Car allowance R'000	Travel and subsistence R'000	Social Contribution R'000	Total R'000	
2017						
1 JULY 2016 TO 31 DECEMBER 2016						
Corporate Services and Compliance						
D Ras (up to 24/8/2016)	3 991	-	-	-	-	3 991
L Mbandazayo (has been acting as of 25/8/2016 up to 31/12/2016)	587	-	-	-	65	652
Community Services						
L Mtwazi (up to 31/12/2016)	889	-	42	-	119	1 050
Human Settlement Services						
Dr IK Bromfield (up to 24/08/2016)	3 777	-	22	-	46	3 845
R Pretorius (has been acting as of 25/8/2016 up to 31/12/2016)	445	-	-	-	71	516
Social Development and Early Childhood Development						
E Sass (has been acting as of 1/7/2016 up to 31/12/2016)	806	-	-	-	101	907
Economic, Environment and Spatial Planning						
J Hugo (up to 31/12/2016)	1 343	-	-	1	24	1 368
City Health						
Dr W Mahlangu-Mathibela (up to 31/12/2016)	3 584	-	33	-	108	3 725
Finance						
K Jacoby (as from 1/7/2016 up to 31/12/2016)	849	-	40	-	125	1 014
Transport, Roads and Stormwater						
M Whitehead (as from 1/7/2016 up to 31/12/2016)	1 014	-	-	10	1	1 025
Utility Services						
G Kaiser (as from 1/7/2016 up to 31/12/2016)	984	-	54	-	15	1 053
Safety and Security						
W Le Roux (has been acting as of 1/7/2016 up to 31/10/2016)	419	-	34	27	64	544
G Kaiser (has been acting as of 1/11/2016 up to 30/11/2016) *						
R Bosman (as from 1/12/2016 up to 31/12/2016)	150	-	8	-	20	178
	18 838	-	233	38	759	19 868
	32 340	40	376	72	1 887	34 715
CTICC						
J Ellingson	2 268	-	-	-	-	2 268
TOTAL	34 608	40	376	72	1 887	36 983

*G Kaiser acted without any compensation.

Notes to the consolidated annual financial statements

for the year ended 30 June 2017

47. RELATED-PARTY DISCLOSURES (continued)

47.2 Executive management (continued)

47.2.3 Executive management (continued)

Analysis of remuneration benefits - continued					
	Annual salary R'000	Car allowance R'000	Social contribution R'000	Travel and subsistence R'000	Total R'000
2016					
City Manager					
A Ebrahim	2 147	-	326	-	2 473
Community Services					
L Mtwazi	1 583	84	231	-	1 898
Corporate Services and Compliance *					
DG Ras (acted in the position until 08/07/2015, and has been serving permanently since)	1 992	-	2	1	1 995
Energy, Environmental and Spatial Planning					
J Hugo	1 865	-	48	-	1 913
Finance					
K Jacoby	1 596	81	236	1	1 914
City Health					
W Mahlangu-Mathibela	1 601	66	204	-	1 871
Human Settlements					
IK Bromfield (acted in the position until 08/07/2015, and has been serving permanently since)	1 474	133	263	-	1 870
Safety and Security					
R Bosman (until 31/01/2016)	967	56	128	-	1 151
W Le Roux (acting since 01/02/2016)	531	43	73	3	650
Social Development and Early Childhood Development					
Sass, E (acting)	1 499	-	188	-	1 687
Tourism, Events and Economic Development					
A Groenewald (until 30/09/2015)	485	-	1	-	486
Transport for Cape Town					
M Whitehead	1 911	-	2	31	1 944
Utility Services					
G Kaiser	1 761	-	138	-	1 899
CTICC					
J Ellingson	2 107	-	-	-	2 107
TOTAL	21 519	463	1 840	36	23 858

*There was an organisational structure change during the 2015/16 financial year. The Compliance and Auxiliary Services Directorate merged with Corporate Services to become the Corporate Services and Compliance Directorate.

48. EVENTS AFTER REPORTING DATE

On 12 July 2017 the City of Cape Town's inaugural green bond went on auction and the City raised R1 billion. The R1 billion long-term debt is earmarked to fund the environmental (green) projects.

Annexure A: Schedule of external borrowings as at 30 June 2017

	Contractual interest rate (NACS) %	Loan ID	Redeemable date	Balance as at 30 June 2016 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 2017 R'000
MARKETABLE BONDS								
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
Total marketable bonds ¹				4 275 489	-	-	-	4 275 489
CONCESSIONARY LOANS								
Nedcor Bank	1,000	830000920	2019	29	-	6	-	35
DBSA	5,000	830012028	2020	14 633	-	548	(4 000)	11 181
AFD	5,763	830018500	2028	422 438	(676)	9 137	(40 000)	390 899
AFD	5,730	830018516	2028	421 733	(672)	9 229	(40 000)	390 290
AFD	5,755	830018530	2028	422 454	(675)	9 175	(40 000)	390 954
AFD	5,800	830018523	2028	412 263	(662)	8 796	(38 961)	381 436
Total concessionary loans				1 693 550	(2 685)	36 891	(162 961)	1 564 795
OTHER LOANS								
FirstRand Bank	12,631	830003504	2017	135 005	-	-	(135 005)	-
ABSA Bank	10,900	830007011	2018	40 000	-	-	(20 000)	20 000
DBSA	10,590	83001050	2018	67 832	-	-	(33 916)	33 916
FirstRand Bank	12,046	830009531	2018	84 299	(9 364)	-	(20 000)	54 935
DBSA	9,420	830012035	2020	37 333	-	-	(9 333)	28 000
DBSA	9,639	830013000	2022	86 667	-	-	(13 334)	73 333
DBSA	10,565	830013507	2022	86 667	-	-	(13 334)	73 333
Total other loans				537 803	(9 364)	-	(244 922)	283 517
TOTAL MUNICIPALITY OF CAPE TOWN				6 506 842	(12 049)	36 891	(407 883)	6 123 801
Controlled entities								
OTHER LOANS								
CID Brackenfell	-	-	2017	102	-	-	(74)	28
CID Claremont Road Co.: DBSA	-	-	2023	13 114	-	-	(1 422)	11 692
TOTAL CONTROLLED ENTITIES				13 216	-	-	(1 496)	11 720
TOTAL				6 520 058	(12 049)	36 891	(409 379)	6 135 521

¹ Guaranteed sinking funds have been established for the 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).



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

Annexure B: Analysis of property, plant and equipment and other assets as at 30 June 2017

	COST						ACCUMULATED DEPRECIATION						Carrying value R'000
	Opening balance	Transfers/ adjustments ¹	Additions ²	Impairments	Disposals	Closing balance	Opening balance	Transfers/ adjustments	Additions	Impairments	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	R'000	
Land and buildings													
Vacant land	1 099 363	4 330	250 277	(98 495)	(54)	1 255 421	(325 488)	-	65 147	-	-	(260 341)	995 080
Land and buildings	2 529 921	117 837	116 052	-	(17 614)	2 746 196	(1 012 991)	166	(58 699)	-	10 608	(1 060 916)	1 685 280
	3 629 284	122 167	366 329	(98 495)	(17 668)	4 001 617	(1 338 479)	166	6 448	-	10 608	(1 321 257)	2 680 360
Infrastructure													
Assets under construction	2 772 766	(1 885 170)	2 553 866	-	-	3 441 462	-	-	-	-	-	-	3 441 462
Telecommunications	296 045	117 068	77 446	-	(26)	490 533	(14 737)	-	(24 277)	-	6	(39 008)	451 525
Drains	1 045 698	94 992	5 576	-	-	1 146 266	(372 633)	-	(39 281)	-	-	(411 914)	734 352
Roads	10 147 683	906 690	282 052	-	(133)	11 336 292	(2 990 490)	-	(384 754)	-	89	(3 375 155)	7 961 137
Beach improvements	43 211	126	4 871	-	-	48 208	(23 810)	-	(966)	-	-	(24 776)	23 432
Sewerage mains and purification	3 979 000	324 806	134 894	-	-	4 438 700	(1 349 020)	-	(213 476)	-	-	(1 562 496)	2 876 204
Electricity peak load equipment and mains	8 474 299	246 642	683 248	-	(790)	9 403 399	(2 703 865)	-	(180 140)	-	429	(2 883 576)	6 519 823
Water mains and purification	3 671 782	171 789	269 469	-	-	4 113 040	(1 557 359)	-	(163 716)	-	-	(1 721 075)	2 391 965
Reservoirs - water	539 772	50 932	42 617	-	-	633 321	(367 822)	-	(17 068)	-	-	(384 890)	248 431
	30 970 256	27 875	4 054 039	-	(949)	35 051 221	(9 379 736)	-	(1 023 678)	-	524	(10 402 890)	24 648 331
Community assets													
Assets under construction	64 318	(40 115)	99 684	-	-	123 887	-	-	-	-	-	-	123 887
Parks and gardens	293 602	15 686	39 714	-	-	349 002	(47 124)	-	(10 123)	-	-	(57 247)	291 755
Libraries	286 308	-	13 660	-	-	299 968	(74 875)	-	(5 092)	-	-	(79 967)	220 001
Recreation facilities	5 574 142	15 336	42 561	-	-	5 632 039	(1 620 228)	-	(218 465)	-	-	(1 838 693)	3 793 346
Civic buildings	2 728 970	125 376	243 266	-	(289)	3 097 323	(977 273)	-	(115 317)	-	175	(1 092 415)	2 004 908
	8 947 340	116 283	438 885	-	(289)	9 502 219	(2 719 500)	-	(348 997)	-	175	(3 068 322)	6 433 897
Other assets													
Assets under construction	1 279 313	(684 782)	593 549	-	-	1 188 080	(16 091)	-	-	-	-	(16 091)	1 171 989
Buildings and land	1 262	-	-	-	-	1 262	(906)	-	(120)	-	-	(1 026)	236
Landfill sites	1 087 234	17 197	4 922	-	-	1 109 353	(531 619)	-	(51 034)	-	-	(582 653)	526 700
Furniture, fittings and equipment	1 012 208	19 054	91 337	-	(16 789)	1 105 810	(641 252)	(89)	(100 398)	-	14 728	(727 011)	378 799
Bins and containers	65 351	514	1 997	-	-	67 862	(50 398)	-	(4 589)	-	-	(54 987)	12 875
Emergency equipment	44 776	6 165	5 551	-	(294)	56 198	(38 046)	-	(1 997)	-	289	(39 754)	16 444
Motor vehicles and watercraft	1 862 781	25 274	293 014	-	(29 493)	2 151 576	(1 197 079)	(77)	(85 511)	(1 180)	25 977	(1 257 870)	893 706
Specialised vehicles	1 407 721	-	133 874	-	(15 405)	1 526 190	(563 473)	-	(74 321)	-	13 934	(623 860)	902 330
Computer equipment	2 095 618	37 945	165 254	-	(32 756)	2 266 061	(1 471 552)	(6)	(230 715)	-	31 564	(1 670 709)	595 352
Animals	432	-	2	-	-	434	(259)	-	(58)	-	-	(317)	117
	8 856 696	(578 633)	1 289 500	-	(94 737)	9 472 826	(4 510 675)	(172)	(548 743)	(1 180)	86 492	(4 974 278)	4 498 548
Service concession assets													
Buses and depots	1 411 752	(1 085)	-	-	-	1 410 667	(338 291)	-	(116 835)	-	-	(455 126)	955 541
Housing rental stock	2 864 677	169 490	62 596	-	(23 010)	3 073 753	(870 709)	-	(89 302)	-	18 310	(941 701)	2 132 052
TOTAL PPE	56 680 005	(143 903)	6 211 349	(98 495)	(136 653)	62 512 303	(19 157 390)	(6)	(2 121 107)	(1 180)	116 109	(21 163 574)	41 348 729



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

Annexure B: Analysis of property, plant and equipment and other assets as at 30 June 2017 (continued)

	COST						ACCUMULATED DEPRECIATION						Carrying value R'000
	Opening balance	Transfers/ adjustments ¹	Additions ²	Impairments	Disposals	Closing balance	Opening balance	Transfers/ adjustments	Additions	Impairments	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	R'000	
Heritage assets													
Paintings and museum items	9 049	(144)	-	-	(1)	8 904	-	-	-	-	-	-	8 904
	9 049	(144)	-	-	(1)	8 904	-	-	-	-	-	-	8 904
Investment property													
Vacant land	518 231	-	-	-	(51)	518 180	-	-	-	-	-	-	518 180
Land and buildings	124 501	-	-	-	-	124 501	(54 541)	-	(1 713)	-	-	(56 254)	68 247
	642 732	-	-	-	(51)	642 681	(54 541)	-	(1 713)	-	-	(56 254)	586 427
Intangible assets													
Assets under construction	19 099	(19 099)	-	-	-	-	-	-	-	-	-	-	-
Acquisition of rights	556 122	5 319	-	-	-	561 441	(144 467)	-	(69 925)	-	-	(214 392)	347 049
Computer software	629 828	102 343	79 468	-	-	811 639	(431 420)	-	(48 397)	-	-	(479 817)	331 822
	1 205 049	88 563	79 468	-	-	1 373 080	(575 887)	-	(118 322)	-	-	(694 209)	678 871
TOTAL OTHER	1 856 830	88 419	79 468	-	(52)	2 024 665	(630 428)	-	(120 035)	-	-	(750 463)	1 274 202
GRAND TOTAL PPE AND OTHER	58 536 835	(55 484)	6 290 817	(98 495)	(136 705)	64 536 968	(19 787 818)	(6)	(2 241 142)	(1 180)	116 109	(21 914 037)	42 622 931

¹ An adjustment of R55,49 million was passed on the acquisition cost of the property, plant and equipment and other assets.

² Includes the contributed assets amount of R64,21 million.

Annexure C: Disclosure of bank accounts and investments in terms of section 125(2)(a) and (b) of the MFMA as at 30 June 2017

	Account numbers		2017	2016	2015
	2017	2016	R'000	R'000	R'000
MUNICIPALITY OF CAPE TOWN					
Bank accounts held with ABSA					
Main bank	40-5658-4470		469 968	61 936	108 447
Salary bank	40-5658-4496		-	-	-
Cashier's bank	40-5658-4527		-	-	-
General income bank (primary)	40-5658-4569		-	-	-
Traffic fines bank	40-7261-8663		-	-	-
IRT bank	40-8089-5180		-	-	-
Amorised cost - see note 12			469 968	61 936	108 447
SUBSIDIARIES					
CTICC					
Bank accounts					
Nedbank - current	1232043850		463	265	3 118
ABSA Bank - current	4072900553		8 639	6 106	4 384
ABSA Bank - CTICC east - current	4072900228		2 645	1 067	1
ABSA Bank - exh serv - current	4072900731		24	44	104
ABSA Bank Treasury	4073731246		68	65	62
ABSA Bank Treasury	4073733701		2 302	2 157	2 034
Amorised cost			14 141	9 704	9 703
City improvement districts			71 195	52 860	38 956
Total bank balances - see note 12			555 304	124 500	157 106
MUNICIPALITY OF CAPE TOWN					
Bank accounts managed by fund managers					
City of Cape Town	5500125800		-	502	380
City of Cape Town	5500125801		481	2 431	2 047
City of Cape Town	5500125802		306	237	399
City of Cape Town	5500125804		1 803	1 684	1 466
City of Cape Town	5500125805		4 015	857	260
City of Cape Town	5500125806		574	655	1 618
City of Cape Town	5500125807		598	588	546
City of Cape Town	5500125808		1 081	569	710
City of Cape Town	5500125809		194	258	129
City of Cape Town	5500125803		-	95	390
Fair value - see note 12			9 052	7 876	7 945
City of Cape Town - see note 12	5500125803		(5 298)	-	-
Fair value			3 754	7 876	7 945

Annexure C: Disclosure of bank accounts and investments in terms of section 125(2)(a) and (b) of the MFMA as at 30 June 2017

(continued)

	Account numbers		2017	2016	2015
	2017	2016	R'000	R'000	R'000
SUBSIDIARIES					
CTICC					
Investment accounts					
Nedbank - call deposit	03/7881544007/000105	03/7881544007/46	18	17	-
Nedbank - investment account	03/7881544007/000104		-	15 429	14 366
Nedbank - investment account	03/7881544007/000101		-	-	10 066
Nedbank - money market fund	(1766000029) (03/7881111917/00006)		-	-	41 604
ABSA Bank - call deposit	4074708347		39 622	14 834	7 295
First National Bank - RMB investment	00 506 190 167 40		13 800	12 788	-
Stanlib - corporate money market fund	000-402-184 (1199539) 551436367		2 752	51 793	9 996
Stanlib - corporate money market fund	000-402-184 (1199539) 552166459		-	7	17 032
Standard Bank - investment account	(97212) 486008		-	-	12 473
Standard Bank - investment account	(97212) 500922		-	-	10 262
Standard Bank - investment account	(97212) 490390		-	-	12 744
ABSA Bank - investment new 2	(506009 4072900553) 48518474		-	-	21 962
ABSA Bank - investment new 1	(506009 4072900553) 44699506		-	-	10 308
ABSA Bank - investment new 1	(506009 4072900553) 47954355		-	-	9 453
Nedbank - three month deposit	03/7881544007/000102		-	-	15 485
Investec - corporate money market fund	(462097) 1008645		35 164	19 489	10 113
Investec - corporate money market fund	(462097) 1037793		-	24	16 019
ABSA Bank - call deposit	4083941322		1	14 018	35 925
Nedgroup - money market fund	(1800167964) 8319631		48 356	58 687	35 370
Nedgroup - corporate money market fund C2	(800190652) 8330496		-	-	40 381
Nedgroup - money market fund C2	(800190652) 8330497		-	-	35 528
Nedgroup - money market fund C2	(1452-027-900) 8319631		17 255	-	-
ABSA Bank - fixed deposit	506009 4072900553 - 44893640		-	-	32 025
ABSA Bank - money market fund	9295637051		-	-	21 169
ABSA Bank - CTICC money market fund	09316676360		35 299	86 824	-
ABSA Bank - guarantee	506009 4072900553 - 43939765		45 620	134 913	125 287
Amortised cost			237 887	408 823	544 863

SHORT-TERM DEBT FACILITIES

The Municipality of Cape Town had the following short-term debt facilities with the City's main banker:

	2017	2016
	R,000	R,000
Performance guarantee	25 000	25 000
Letter of credit	10 500	10 500
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

A bank-issued guarantee is an undertaking that should the City 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 written demand from the beneficiary.

Letter of credit

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 City to obtain goods and services on credit. It entails moneys lent and advanced.

Daylight limit

A daylight limit is a facility that enables the City 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.

Annexure D: Segmental statement of financial performance for the year ended 30 June 2017

BUSINESS ACTIVITIES	Actual income R'000	Actual expenditure R'000	(Surplus)/ deficit R'000	Inter- departmental charges R'000	Net (surplus)/ deficit R'000	Grants and donations R'000	Actual net result from operations R'000	Budgeted net result from operations R'000
Municipal Governance and Administration	(17 078 367)	4 887 589	(12 190 778)	(4 344 110)	(7 846 668)	(16 868)	(7 829 800)	(5 339 650)
Executive and Council	(1 574)	43 567	41 993	(315 629)	357 622	(150)	357 772	419 836
Finance and Administration	(17 076 791)	4 841 939	(12 234 852)	(3 993 326)	(8 241 526)	(16 718)	(8 224 808)	(5 800 245)
Internal Audit	(2)	2 083	2 081	(35 155)	37 236	-	37 236	40 759
Community and Public Safety	(1 964 132)	6 858 824	4 894 692	1 836 295	3 058 397	(538 808)	3 597 205	3 859 093
Community and Social Services	(115 763)	1 507 633	1 391 870	524 590	867 280	(43 431)	910 711	893 100
Sport and Recreation	(109 784)	1 646 347	1 536 563	565 435	971 128	(69 093)	1 040 221	1 064 368
Public Safety	(32 818)	647 568	614 750	134 687	480 063	(8 347)	488 410	532 234
Housing	(1 388 767)	1 855 482	466 715	409 446	57 269	(413 789)	471 058	695 941
Health	(317 000)	1 201 794	884 794	202 137	682 657	(4 148)	686 805	673 450
Economic and Environmental Services	(3 070 849)	6 523 522	3 452 673	931 212	2 521 461	(1 027 587)	3 549 048	3 692 029
Planning and Development	(154 238)	812 775	658 537	200 408	458 129	(15 094)	473 223	566 706
Road Transport	(2 899 870)	5 552 002	2 652 132	685 481	1 966 651	(1 002 990)	2 969 641	3 011 911
Environmental Protection	(16 741)	158 745	142 004	45 323	96 681	(9 503)	106 184	113 412
Trading Services	(24 256 468)	22 795 253	(1 461 215)	1 720 103	(3 181 318)	(543 253)	(2 638 065)	(2 211 472)
Energy Sources	(12 790 437)	11 867 215	(923 222)	1 626 686	(2 549 908)	(160 878)	(2 389 030)	(2 183 988)
Water Management	(5 359 018)	4 872 497	(486 521)	2 741	(489 262)	(52 731)	(436 531)	(493 500)
Waste water management	(3 149 753)	3 369 660	219 907	840 654	(620 747)	(329 644)	(291 103)	(62 118)
Waste management	(2 957 260)	2 685 881	(271 379)	(749 978)	478 599	-	478 599	528 134
Subsidiaries	(426 970)	350 777	(76 193)	(143 500)	67 307	(26 678)	93 985	(6 156)
Cape Town International Convention Centre	(244 474)	187 013	(57 461)	20 680	(78 141)	(26 483)	(51 658)	(6 156)
City improvement districts	(182 496)	163 764	(18 732)	(164 180)	145 448	(195)	145 643	-
TOTAL	(46 796 786)	41 415 965	(5 380 821)	-	(5 380 821)	(2 153 194)	(3 227 627)	(6 156)



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

Annexure E: Disclosure of grants and subsidies in terms of section 123 of the MFMA for the year ended 30 June 2017

National and Provincial grant funds 2016/17		Conditions met - transferred to revenue							Balance unspent at the end of the year ¹
Description	Source	Balance unspent at beginning of the year ¹	Current-year receipts	Adjustments	Operating	Capital	Interest earned	Amounts to be claimed	
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
National Government									
2014 African Nations Championship	Sport and Recreation	(2)	-	-	-	-	-	-	(2)
Accreditation: Development Support	State Housing	(742)	-	-	-	-	-	-	(742)
Budget Reform Funds	National Treasury	-	-	-	-	-	-	-	-
Department of Environmental Affairs and Tourism	Environmental Affairs	(68)	(220)	-	201	-	-	-	(87)
DME - INEP	Energy	-	-	-	-	-	-	-	-
Energy Efficiency Electricity Demand Side Management	National Treasury	-	(15 000)	32	568	14 400	-	-	-
Expanded Public Works Incentive Grant	National Treasury	-	(31 740)	-	31 340	400	-	-	-
Finance Management Grant	National Treasury	-	(1 050)	-	1 050	-	-	-	-
Health and Hygiene education: Informal Settlements	Water	(11)	-	-	-	-	-	-	(11)
Human Settlements Capacity Grant	State Housing	(26 009)	-	26 009	-	-	-	-	-
Infrastructure Skills Development	National Treasury	(34)	(9 416)	193	7 365	989	-	-	(903)
Integrated City Development Grant	National Treasury	-	(44 805)	2 760	6 289	35 756	-	-	-
LGSETA: Post Graduate Internship Programme	Environmental Affairs	(63)	-	-	(3)	-	-	-	(66)
Municipal Disaster Grant	Corporate Governance and Traditional Affairs	(615)	-	615	-	-	-	-	-
Neighbourhood Development Programme	National Treasury	(6 130)	(25 180)	8 837	-	22 473	-	-	-
Peninsula Wetlands Rehabilitation Project	Environmental Affairs	(29)	(1 905)	-	1 905	-	-	-	(29)
Public Transport Network Grant	Transport	(128 961)	(950 063)	189 817	232 093	639 811	-	-	(17 303)
Restructuring Grant - Seed Funding	National Treasury	(3 377)	-	-	-	-	-	-	(3 377)
Special Projects	Environmental Affairs	(784)	(2 328)	-	3 112	-	-	-	-
Terrestrial Invasive Alien Plants	Environmental Affairs	(22)	(705)	-	599	-	-	-	(128)
Tirelo Boshha Programme	Public Service and Administration	(253)	-	-	190	-	-	-	(63)
Urban Renewal	National Treasury	(2 194)	-	-	-	2 194	-	(678)	(678)
Urban Settlement Development Grant	National Treasury	(149 538)	(1 423 504)	166 281	41 560	1 252 464	-	-	(112 737)
Wolfgat Environmental Educational Centre: Contributed Asset	National Treasury	-	-	(9 500)	-	9 500	-	-	-
Total DoRA allocation		(318 832)	(2 505 916)	385 044	326 269	1 977 987	-	(678)	(136 126)
2010 FIFA World Cup - Green Point: Interest account		(246)	-	-	-	-	-	-	(246)
LGSETA: Post Graduate Internship Programme: Interest account		(102)	-	-	-	-	(13)	-	(115)
Natural Resource Management: Interest account		(8)	-	-	-	-	(1)	-	(9)
Neighbourhood Development Programme: Interest account		(1 432)	-	-	-	1 330	(688)	-	(790)
Peninsula Wetlands Rehabilitation Project: Interest account		(5)	-	-	-	-	(41)	-	(46)



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

Annexure E: Disclosure of grants and subsidies in terms of section 123 of the MFMA for the year ended 30 June 2017

(continued)

		National and Provincial grant funds 2016/2017								
Description	Source	Balance unspent at beginning of the year ¹ R'000	Current-year receipts R'000	Adjustments R'000	Conditions met - transferred to revenue			Amounts to be claimed R'000	Balance unspent at the end of the year ¹ R'000	
					Operating R'000	Capital R'000	Interest earned R'000			
Public Transport Infrastructure Systems Grant: Interest account		(269 946)	-	4 064	32 413	22 681	(18 727)	-	(229 515)	
Public Transport Infrastructure Grant: Interest account		(30 384)	-	33 255	-	(33 332)	(3 030)	-	(33 491)	
Public Transport Network Grant: Interest account		(16 938)	-	-	-	-	(15 104)	-	(32 042)	
Public Transport Network Operations Grant: Interest account		(12 872)	-	5 128	(5 183)	-	(1 070)	-	(13 997)	
Smart Living Handbook: Interest account		(87)	-	-	-	-	(6)	-	(93)	
Special Projects		(55)	-	-	51	-	(72)	-	(76)	
Terrestrial Invasive Alien Plants: Interest account		(22)	-	-	-	-	(19)	-	(41)	
Total interest earned		(332 097)	-	42 447	27 281	(9 321)	(38 771)	-	(310 461)	
TOTAL NATIONAL GOVERNMENT TRANSFERS AND GRANTS		(650 929)	(2 505 916)	427 491	353 550	1 968 666	(38 771)	(678)	(446 587)	
Province										
ABET Adult Education	Education	(4)	-	-	-	-	-	-	(4)	
Accreditation Assistance	Human Settlements	(1 264)	(10 000)	-	6 111	-	(330)	-	(5 483)	
Atlantis - Wesfleur Ext 13	Human Settlements	(323)	-	323	-	-	-	-	-	
Belhar Pentech 340 Top Structures	Human Settlements	(5 259)	-	5 259	-	-	-	-	-	
Bokmakierie / Hazendal Infill 3	Human Settlements	(417)	-	-	3	-	-	-	(414)	
Broadband	Department of the Premier	(1 621)	-	-	-	-	-	-	(1 621)	
Browns Farm Phase 3,4,5,6	Human Settlements	(11 656)	-	-	666	-	-	-	(10 990)	
CBH Wallacedene Phase 1,3,4,5,6	Human Settlements	(5 291)	-	5 358	-	-	(67)	-	-	
Chemical Toilets in Wallacedene	Human Settlements	(32)	-	-	-	-	(2)	-	(34)	
Chris Hani Park Housing Project	Human Settlements	(274)	-	274	-	-	-	-	-	
Clinics : HIV/AIDS & TB Programmes	Health	(13)	-	-	-	-	-	-	(13)	
Community Residential Units	Human Settlements	(71 167)	-	3 725	21 380	233	-	-	(45 829)	
Delft Sport field Development	Human Settlements	(20)	-	-	-	20	-	-	-	
Delft Symphony Way TRA	Human Settlements	(2 687)	-	2,687	-	-	-	-	-	
Delft The Hague / Roosendal Eindhoven	Human Settlements	(20 014)	-	(23 893)	19 000	-	-	-	(24 907)	
Disaster Fund - Fire/Flood Kits	Human Settlements	(6 266)	-	(44 662)	44 651	-	-	-	(6 277)	
Du Noon Phase 1,3 : Transfers	Human Settlements	(299)	-	299	-	-	-	-	-	
ECG Machines: Contributed Assets	Health	-	-	(72)	-	72	-	-	-	
Edward Road Energy Efficient Project	Human Settlements	(3 090)	-	-	-	-	(226)	-	(3 316)	
EHP Nyanga, Du Noon and Atlantis	Human Settlements	(10 912)	-	(1 065)	1 530	-	-	-	(10 447)	
Enhanced Extended Discount Benefit Scheme	Human Settlements	-	-	(7 378)	-	-	-	-	(7 378)	



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

Annexure E: Disclosure of grants and subsidies in terms of section 123 of the MFMA for the year ended 30 June 2017

(continued)

National and Provincial grant funds 2016/17		Conditions met - transferred to revenue							Amounts to be claimed R'000	Balance unspent at the end of the year ¹ R'000
Description	Source	Balance unspent at beginning of the year ¹ R'000	Current-year receipts R'000	Adjustments R'000	Operating R'000	Capital R'000	Interest earned R'000			
Eradication of Registration Backlog	Human Settlements	-	(11 558)	-	2,021	-	-	-	(9 537)	
Erf 160: Boys Town	Human Settlements	-	-	-	7,507	-	-	(7 507)	-	
Establishment Grants	Human Settlements	(1 337)	-	(1 004)	1,000	-	(104)	-	(1 445)	
Facilitation Grants	Human Settlements	(492)	-	(570)	298	-	(42)	-	(806)	
False Bay Ecology	Economic Development and Tourism	(49)	-	-	-	-	(4)	-	(53)	
Finance Management Support Grant	Treasury	(4)	-	-	4	-	-	-	-	
Financial Management Capacity Building Grant	Treasury	-	(120)	-	-	-	(2)	-	(122)	
Fire Detection Surveillance Cameras	Human Settlements	(4)	-	-	-	-	(1)	-	(5)	
Gabriel Square Restitution	Human Settlements	(37)	-	37	-	-	-	-	-	
Garden Cities/Greenville/Fisantekraal 868	Human Settlements	(57 031)	-	(8 915)	46 139	-	-	-	(19 807)	
Glenhaven Social Housing Project	Human Settlements	-	-	(9 000)	-	-	-	-	(9 000)	
Global Fund Anti-Retroviral	Health	-	(2 006)	2 006	-	-	-	-	-	
Global Fund Community Base Response Project	Health	-	(441)	349	-	-	-	-	(92)	
Global Fund Community Based Programme	Health	(3 169)	-	-	-	-	(232)	-	(3 401)	
Government Grant Community Development Workers	Human Settlements	(82)	(1 089)	-	469	150	(26)	-	(578)	
Green Point Phase 2 Housing	Human Settlements	(797)	-	-	-	-	-	-	(797)	
Greenland's Housing Project	Human Settlements	(971)	-	971	-	-	-	-	-	
Gugulethu Housing Infill Project	Human Settlements	-	-	(11 226)	-	-	-	-	(11 226)	
Happy Valley - Phase 2 Top Structures	Human Settlements	-	-	(442)	377	-	-	-	(65)	
Hazendal Infill - Top Structures	Human Settlements	(1 275)	-	(333)	1 527	-	-	-	(81)	
HCE Manuals (Housing Consumer Education)	Human Settlements	(127)	-	-	-	-	(9)	-	(136)	
Heideveld Housing Infill	Human Settlements	(19 164)	-	(34 253)	44 326	-	-	-	(9 091)	
HIV/AIDS Community Based Response Projects	Health	-	(203 902)	9 233	179 967	-	-	-	(14 702)	
Hostels Phase 2 Housing	Human Settlements	(996)	-	996	-	-	-	-	-	
Housing Settlements Development Grant	Human Settlements	(40 968)	(585 000)	517 474	-	-	-	-	(108 494)	
IHP Westgate Mall Phase C1 and C2	Human Settlements	(3 055)	-	-	980	-	-	-	(2 075)	
Imizamo Yethu Phase 2 New Services	Human Settlements	(931)	-	931	-	-	-	-	-	
Informal Settlements	Human Settlements	(240)	(1 500)	(324)	697	-	-	-	(1 367)	
Interactive Community Access Network	Economic Development and Tourism	(123)	-	-	-	127	(9)	-	(5)	
Jakkelsvlei Canal Upgrading	Human Settlements	(10 427)	-	-	-	-	-	-	(10 427)	
Kalkfontein Phase 2	Human Settlements	(395)	-	395	-	-	-	-	-	
Kanonkop Phase 1 Top Structures	Human Settlements	(11 563)	-	(1 343)	2,566	-	-	-	(10 340)	



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

Annexure E: Disclosure of grants and subsidies in terms of section 123 of the MFMA for the year ended 30 June 2017

(continued)

National and Provincial grant funds 2016/17									
Description	Source	Balance unspent at beginning of the year ¹ R'000	Current-year receipts R'000	Adjustments R'000	Conditions met - transferred to revenue			Amounts to be claimed R'000	Balance unspent at the end of the year ¹ R'000
					Operating R'000	Capital R'000	Interest earned R'000		
Khayelitsha Khuyasa Phase 2	Human Settlements	(4 608)	-	4 608	-	-	-	-	-
Khayelitsha Site C Subsidies	Human Settlements	(4 210)	-	-	89	-	(303)	-	(4 424)
Kleinvele Phase 2	Human Settlements	(893)	-	(523)	964	-	-	-	(452)
Kuyasa T3V1 Top Structures	Human Settlements	(202)	-	202	-	-	-	-	-
Law Enforcement Officers	Community Safety	(463)	(22 340)	-	22 340	-	-	-	(463)
Law Enforcement Officers	Human Settlements	(2)	(3 278)	-	3 279	-	(69)	-	(70)
Library Metro Grant	Cultural Affairs and Sport	(1 037)	(7 500)	-	-	8 512	(355)	-	(380)
Macassar Treatment Works	Human Settlements	(5 500)	-	-	-	5 500	-	-	-
Marconi Beam	Human Settlements	(9)	-	9	-	-	-	-	-
Masiphemelele Amakhaya Ngoku	Human Settlements	(16 219)	-	16 219	-	-	-	-	-
Metropolitan Land Transport Fund	Transport and Public Works	(10 092)	(28 000)	-	15 819	15 476	(853)	-	(7 650)
Metropolitan Transport Fund	Transport and Public Works	-	-	(1 811)	1 811	-	-	-	-
Mfuleni Ext 3	Human Settlements	(129)	-	-	-	-	-	-	(129)
Mfuleni Ext 4 Housing	Human Settlements	(332)	-	332	-	-	-	-	-
Mfuleni Flood Relief Project	Human Settlements	(3 005)	-	-	429	-	-	-	(2 576)
Mfuleni MLS Top structure	Human Settlements	(213)	-	213	-	-	-	-	-
Mitchell's Plain Infill Phase 1	Human Settlements	(4 143)	-	-	-	-	-	-	(4 143)
Mitchell's Plain TA2	Human Settlements	(276)	-	-	-	-	-	-	(276)
Morgan Vill3/Western Cape	Human Settlements	(1 244)	-	1 289	-	-	(45)	-	-
Morningstar Infill IRDP	Human Settlements	-	-	(8 361)	3 569	-	-	-	(4 792)
New Housing Development Projects	Human Settlements	-	-	5 817	703	-	-	(6 520)	-
NHBRC Enrollment Fees	Human Settlements	-	-	(3 629)	4 245	-	-	(616)	-
Nutrition Supplement Programme	Health	(345)	(4 143)	-	4 733	-	-	(245)	-
Pelican Park 2083 Top Structures	Human Settlements	(9 726)	-	-	777	-	-	-	(8 949)
Peoples Housing Project	Human Settlements	(76 959)	-	(241 211)	209 386	-	(7 429)	-	(116 213)
Philippi East Top Structures	Human Settlements	(1)	-	-	-	-	-	-	(1)
Philippi East Phase 5	Human Settlements	(597)	-	-	-	-	-	-	(597)
Philippi Park Flooding	Human Settlements	(974)	-	974	-	-	-	-	-
Phumlani Transfers	Human Settlements	(22)	-	22	-	-	-	-	-



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

Annexure E: Disclosure of grants and subsidies in terms of section 123 of the MFMA for the year ended 30 June 2017

(continued)

		National and Provincial grant funds 2016/17								
Description	Source	Balance unspent at beginning of the year ¹ 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 ¹ R'000	
					Operating R'000	Capital R'000				
Provision of Security Improvements at Rail Park and Ride Facilities	Transport and Public Works	(223)	-	-	-	-	(16)	-	(239)	
Public Library Fund	Cultural Affairs and Sport	(4 276)	(49 665)	-	37 626	14 078	(1 578)	-	(3 815)	
Redhill Informal Settlement	Human Settlements	(322)	-	324	-	-	(2)	-	-	
Rondevlei Housing Project	Human Settlements	(33)	-	-	33	-	-	-	-	
Scottsdene 350 Top Structures	Human Settlements	(7 527)	-	-	-	2 034	-	-	(5 493)	
Scottsdene 550 Top Structures	Human Settlements	-	-	(4 991)	4 991	-	-	-	-	
Sercor Park	Human Settlements	(704)	-	704	-	-	-	-	-	
Sir Lowry's Pass Village TRA	Human Settlements	(1 389)	-	-	-	-	-	-	(1 389)	
Social Economic Facilities Programme	Human Settlements	(1 265)	-	1 265	-	-	-	-	-	
Somerset West Housing Project	Human Settlements	(4 164)	-	-	2 316	-	-	-	(1 848)	
Spandau Project 384 Houses	Human Settlements	(36)	-	36	-	-	-	-	-	
Sweet Homes IDA TRA	Human Settlements	-	-	(21 320)	2 593	-	-	-	(18 727)	
Tafelsig Area: Silver City	Human Settlements	(202)	-	202	-	-	-	-	-	
Tambo Square	Human Settlements	(286)	-	-	-	-	-	-	(286)	
TB Crisis Plan	Health	(118)	(27 148)	289	25 626	-	-	-	(1 351)	
Temperance Town	Human Settlements	(55)	-	55	-	-	-	-	-	
Vaccines	Health	-	(96 757)	27 807	80 874	-	-	(11 924)	-	
Vrygrond	Human Settlements	(33)	-	-	-	-	-	-	(33)	
Vrygrond (EPH)	Human Settlements	(253)	-	253	-	-	-	-	-	
Wallacedene Phase 3, 4, 5, 6, 7, 8, 9, 10	Human Settlements	(12 462)	-	(997)	76	-	-	-	(13 383)	
Witsand Housing Project Phase 1, 2	Human Settlements	-	-	-	-	-	-	-	-	
TOTAL PROVINCE TRANSFERS AND GRANTS		(468 395)	(1 054 447)	183 614	803 498	46 202	(11 704)	(26 812)	(528 044)	
Analysis of grants and subsidies										
Total National Government transfers and grants		(650 929)	(2 505 916)	427 491	353 550	1 968 666	(38 771)	(678)	(446 587)	
Total Province transfers and grants		(468 395)	(1 054 447)	183 614	803 498	46 202	(11 704)	(26 812)	(528 044)	
		(1 119 324)	(3 560 363)	611 105	1 157 048	2 014 868	(50 475)	(27 490)	(974 631)	

¹ The balance unspent at beginning and end of the year excludes VAT.



Annexure 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 2017

	2016/17										2015/16				
	Original budget 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 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
Financial performance															
Property rates	6 959 000	618 601	7 577 601	-	-	7 577 601	8 100 322	-	-	107	116	-	-	-	-
Service charges	18 542 080	241 911	18 783 991	-	-	18 783 991	18 815 939	-	-	100	101	-	-	-	-
Investment revenue	610 778	8 537	619 315	-	-	619 315	800 331	-	-	129	131	-	-	-	-
Transfers recognised - operational	3 802 940	505 384	4 308 324	-	-	4 308 324	3 666 705	-	-	85	96	-	-	-	-
Other own revenue	4 494 073	(58 205)	4 435 868	-	-	4 435 868	4 927 459	-	-	111	110	-	-	-	-
Total revenue (excluding capital transfers and contributions)	34 408 871	1 316 228	35 725 099	-	-	35 725 099	36 310 756	-	-	102	106	-	-	-	-
Employee costs	10 694 236	(241 952)	10 452 284	-	(16 151)	10 436 133	9 728 886	-	-	93	91	-	-	-	-
Remuneration of councillors	152 117	(5 176)	146 941	-	-	146 941	138 951	-	-	95	91	-	-	-	-
Debt impairment	1 798 371	459 474	2 257 845	-	(459 346)	1 798 499	1 898 663	-	-	106	106	-	-	-	-
Depreciation and asset impairment	2 350 567	116 608	2 467 175	-	-	2 467 175	2 340 820	-	-	95	100	-	-	-	-
Finance charges	901 987	(5 181)	896 806	-	-	896 806	735 132	-	-	82	82	-	-	-	-
Materials and bulk purchases	8 853 353	181 035	9 034 388	-	(17 082)	9 017 306	8 914 151	-	-	99	101	-	-	-	-
Transfers and grants	174 833	(53 480)	121 353	-	(3 754)	117 599	111 829	-	-	95	64	-	-	-	-
Other expenditure	9 846 759	489 460	10 336 219	-	496 333	10 832 552	9 155 197	-	-	85	93	-	-	-	-
Total expenditure	34 772 223	940 788	35 713 011	-	-	35 713 011	33 023 629	-	-	92	95	-	-	-	-
Surplus/(deficit)	(363 352)	375 440	12 088	-	-	12 088	3 287 127	-	-	-	(905)	-	-	-	-
Transfers recognised - capital	2 177 040	28 031	2 205 071	-	-	2 205 071	2 005 297	-	-	91	92	-	-	-	-
Contributions recognised - capital and contributed assets	87 800	141	87 941	-	-	87 941	88 397	-	-	101	101	-	-	-	-
Surplus/(deficit) after capital transfers and contributions	1 901 488	403 612	2 305 100	-	-	2 305 100	5 380 821	-	-	233	283	-	-	-	-
Share of surplus/(deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(deficit) for the year	1 901 488	403 612	2 305 100	-	-	2 305 100	5 380 821	-	-	233	283	-	-	-	-
Capital expenditure and funds sources															
Capital expenditure															
Transfers recognised - capital	2 177 040	28 031	2 205 071	-	-	2 205 071	2 055 505	-	-	93	94	-	-	-	-
Public contributions and donations	87 800	(6 459)	81 341	-	-	81 341	71 882	-	-	88	82	-	-	-	-
Borrowing	2 988 696	(31 546)	2 957 150	-	-	2 957 150	2 739 196	-	-	93	92	-	-	-	-
Internally generated funds	1 523 826	7 072	1 530 898	-	-	1 530 898	1 407 718	-	-	92	92	-	-	-	-
Total sources of capital funds¹	6 777 362	(2 902)	6 774 460	-	-	6 774 460	6 274 301	-	-	93	93	-	-	-	-
Cash flows															
Net cash from (used) operating	4 180 508	84 560	4 265 068	-	-	4 265 068	6 631 085	-	-	155	159	-	-	-	-
Net cash from (used) investing	(6 130 361)	(51 278)	(6 181 639)	-	-	(6 181 639)	(6 472 132)	-	-	105	106	-	-	-	-
Net cash from (used) financing	2 375 150	(93 296)	2 281 854	-	-	2 281 854	(189 301)	-	-	(8)	(8)	-	-	-	-
Cash/cash equivalents at the year end	425 297	(60 014)	365 283	-	-	365 283	(30 348)	-	-	(8)	(7)	-	-	-	-

¹ The actual capital outcome amount does not include the contributed assets amount of R64,21 million. See annexure B.



Annexure G: Bids awarded to family of employees in service of the state - 2016

Connected person	Position held with state	Economic entity	Municipality of Cape Town
		2016 R'000	2016 R'000
C Adams	Clerk	33	33
M Agulhas	Artisan	182	182
M Barnard	Deputy Director: Health Department	541	541
M Basson	Principal Facility Officer	465	465
M Brink	Doctor	492	-
D Burgess	Senior Clerk	910	910
C Carr	Administrative Officer	2	2
S Daniels	Project Administrator	56	56
F Davids	Clerk	138	138
G Davids; R Samuals	Clerk; Operator: Small Plant	233	233
J Davids	Administrative Officer	833	833
M Davids	Operational Supervisor: Driver	557	557
N Dolf	Clerk	791	791
A Dolf	Senior Clerk	637	637
J du Toit	Assistant Buyer: SCM	961	961
Y Ebrahim	Head: District 5	1 835	1 835
A Els	Warrant Officer	288	288
TN Gaxeni	Deducter Manager	252	252
S Fourie	HoD: Department of Economic Development and Tourism	23	-
C Gordon	Clerk	430	430
T Hassan	Senior Clerk	279	279
PM Hattingh	Administrative Officer: SCM	3	3
C Hector	Quality Assessor	1 995	1 995
C Henderson	Teacher	146	146
F Hendricks	Administrative Officer	756	756
E Ishmail	Manager: Valuation Data and Systems	6 719	6 719
J Jemane	Professional Officer	35	35
G Kuyk	Principal GIS Technical: Valuations	500	500
J Lategan	Clerk	438	438
S le Vack	Professional Nurse	117	117
T Lebesana	Security Officer	16	16
P Leukes	Spokesperson to the Executive Mayor	152	152
R Marais	Teacher	44	44
N Mbhalo	Clerk	179	179
SS Merile	Operator: Small Plant	1 114	1 114
T Meyer	Educator: Western Cape Education Department	1 564	-
FJ Monk	Subcouncil Manager	843	843
S Moolla	Clinical Psychologist	443	443
MC Mshweshwe	Statutory Compliance Specialist	845	845
P Naidoo	Functional Operational Manager: Tourism Events	626	626
GA Nel	Advisory Specialist	59	59
B Ntlati	Clerk	1 136	1 136
B Paul	Manager: Department of Cultural Affairs and Sport	256	256
G Peters	Manager: Housing	28	28
Y Phosa	Member of Parliament	11 144	10 989
N Poole	Senior Clerk	96	96
W Quantoi; K Quantoi	Artisan; Maintenance Assistant	23	23
C Rhoda	Professional Officer	834	834
T Ritter	Senior Clerk	42	42
K Roberts	Clerk	763	763
D Rose	Call Centre Agent	641	641
L Ryneveldt	Senior Project Administrator	239	239
T Salomons	Specialist Engineering	6 578	6 578

Annexure G: Bids awarded to family of employees in service of the state - 2016 (continued)

Connected person	Position held with state	Economic entity	Municipality of Cape Town
		2016 R'000	2016 R'000
MN Sammy	Administrative Officer	7	7
F Trom	Senior Worker	121	121
V van der Heever	Teacher	3 011	3 011
C van der Vendt	Senior Worker	222	222
N Vlotman	Data Capturer	23	23
MF Votersen	Head: Finance Parks	2 604	2 604
B Wasserfall	Senior Forensics Officer	1 394	1 394
M Whare	Manager: SCM	593	593
P Wileman	Operations Manager: Corporate	706	706
S Willemse; A Bell	Administrative Officer; Senior Clerk	1 559	1 559
R Wyngaard	Administrative Officer – Tenders: SCM	1 309	1 309
		59 861	57 627

Glossary of Abbreviations

AFD	Agence Française de Développement
ASB	Accounting Standards Board
CCT	City of Cape Town
CID(s)	city improvement district(s)
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 Company SOC Limited (RF)
DB	defined-benefit (scheme)
DBSA	Development Bank of Southern Africa
DC	defined-contribution (scheme)
DCAS	Department of Cultural Affairs and Sport
DMTN	domestic medium-term note
DoRA	Division of Revenue Act
FBE	free basic electricity
GRAP	Generally Recognised Accounting Practice
IDP	Integrated Development Plan
IGRAP	Interpretation of the Standards of Generally Recognised Accounting Practice
IRM	integrated risk management
IRT	integrated rapid transit
JSE	Johannesburg Stock Exchange
KCT	Khayelitsha Community Trust
Mayco	Mayoral Committee
MFMA	Municipal Finance Management Act
mSCOA	Municipal Standard Chart of Accounts
NACS	nominal annual compounded semi-annually
NHRB	National Health Research Board
PAYE	pay-as-you-earn
PPE	property, plant and equipment
Province	Western Cape Provincial Government
SALA	South African Local Authorities (Pension Fund)
SALGA	South African Local Government Association
SAMWU	South African Municipal Workers Union
SARS	South African Revenue Service
SCM	supply chain management
UIF	Unemployment Insurance Fund
VAT	value-added tax
WCED	Western Cape Education Department

