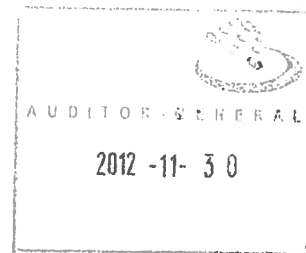


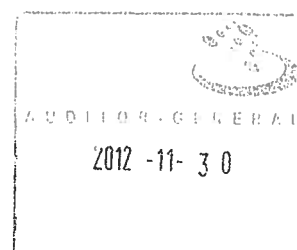
BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2012 (2011 Restated)



BREEDE VALLEY MUNICIPALITY**Annual Financial Statements for the year ended 30 June 2012 (2011 Restated)****General Information**

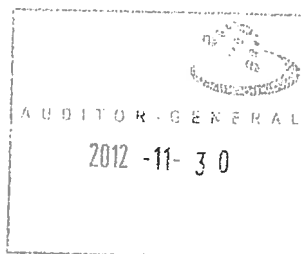
| | |
|------------------------------------|--|
| Legal form of entity | Municipality (MFMA) |
| Mayoral committee | |
| Executive Mayor | B.D Kivedo |
| Councillors | J.D. Levendal (Deputy Executive Mayor) A. Steyn (Speaker) W.M. Blom A.M. du Toit S. Goedeman A.E. Jordaan W.R. Meiring M. Sampson E.Y. Sheldon J.F. van Zyl |
| Grading of local authority | Councillors Grade 4 Personnel Grade 10 |
| Accounting Officer | GF Matthyse |
| Chief Finance Officer (CFO) | D. McThomas |
| Registered office | Civic Centre Baring Street Worcester 6850 |
| Business address | Civic Centre Baring Street Worcester 6850 |
| Postal address | Private Bag X3046 Worcester 6850 |
| Bankers | ABSA Bank Limited |
| Auditors | Auditor-General of South Africa |



BREEDE VALLEY MUNICIPALITY**Annual Financial Statements for the year ended 30 June 2012 (2011 Restated)****Index**

The reports and statements set out below, comprise of the financial statements presented to the Auditor-General of South Africa:

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BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2012 (2011 Restated)

Accounting Officer's Responsibilities and Approval

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

The financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practices (GRAP), issued by the Accounting Standards Board in accordance with Section 122 (3) of the Municipal Finance Management Act, (Act No 56 of 2003).

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

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

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

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

The financial statements are prepared on the basis that the municipality is a going concern and that the municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

The external auditors are responsible for independently reviewing and reporting on the municipality's financial statements.

The accounting officer certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for deficit of office, if any, as disclosed in note 29 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.


Accounting Officer



31 August 2012

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2012 (2011 Restated)

Report of the Auditor-General

Annual Financial Statements not yet Audited.



BREEDE VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2012 (2011 Restated)

Accounting Officer's Report

The accounting officer submits his report for the year ended 30 June 2012.

1 Review of activities

Main business and operations

Breede Valley Municipality is situated in the Western Cape Province, 120 km north-east of Cape Town. Included in its boundaries are Worcester, Rawsonville, De Doorns and Touwsriver and surrounding rural areas. It covers 3015 sq. km and is home to around 200 000 people.

The municipality is set between three mountain ranges, incorporating some of the most valuable and fertile agricultural land in the country. The area is endowed with a diverse cultural history, regional accessibility and unique natural beauty that attract a great number of tourists.

The operating results for the year were pleasing for the following reasons. The financial position of the municipality is described to be sound, with an accumulated surplus of R1 497 852 917 at year-end.

Net Deficit of the municipality was R 9 232 732 (2011: Restated surplus R 9 871 551). The overall summarised operating results for the Municipality in comparison to the approved budget are shown in the Statement of Financial Performance and also reflects a summary of income and expenditure. The segmental operating results are shown in Appendix C to the Financial Statements. The net deficit's result of the fact that housing top structures were incorrectly treated as expenses every year, adjustments had to be made to recognise the houses not handed over as inventory. Houses handed over have an expense in the respective financial year. It is not actual cash over expenditure but a merely correct treatment of the Grap 12 accounting standard.

2 Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The solvency analyses show that the assets cover the liabilities by 400% (2011: 395%). The coverage increase from 395% to 400%, the Municipality can still operate as a going concern.

3 Subsequent events

No Subsequent events took place after the reporting date.

4 Accounting policies

The financial statements have been prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

5 Borrowings, Investments and Cash

The accounting officer may exercise all the powers of the municipality to borrow money, as he considers appropriate. Interest-bearing debt did not increase in the year ended 30 June 2012 to finance the Municipality's infrastructure capital programme. In the financial year ended 30 June 2012, the Municipality redeemed interest-bearing debt of R 23 681 526. The interest paid on borrowings as percentage of total expenditure is 3.92% (2011: 4%).



5 Borrowings, Investments and Cash (continued)

Investment as 30 June 2012 amounted to R 35 000 000 (2011: R 90 000 000). Investments and cash and cash equivalents decreased by R 26 620 673 to R 100 659 974.

Additional information regarding loans, investments and cash and cash equivalents is provided in notes 14, 6, 12 and Appendix A to the Financial Statements.

6 Capital expenditure

The capital expenditure incurred during the year amounted to R 68 140 417 (2011: R 137 534 337) which represented 49.3% (2011: 93%) of the approved capital budget, R 138 345 278 (2011: R 147 122 217). A complete analysis of capital expenditure (budgeted and actual) per functional area is included in Appendix D(3), while Appendix B contains detail according to asset class. More details regarding external loans used to finance fixed assets are shown in Appendix A. The total in Annexure D (3) reflected an amount of R 73 977 533 which include the donated assets of R 5 837 116, not budgeted for.

7 Cash flow analysis

Cash generated from operating activities decreased from R 75 967 541 to R 68 238 450.

Summary of net cash flows

| | 2012 | 2011 |
|--|-------------------|-------------------|
| Cash from operating activities | 68,238,450 | 75,967,541 |
| Cash from investing activities | (16,327,838) | (128,098,464) |
| Cash from financing activities | (23,531,285) | 78,207,437 |
| Net increase/(decrease) in cash and cash equivalents | <u>28,379,327</u> | <u>26,076,514</u> |

The monetary liquidity ratio for the financial year was 0.77:1 (2011: 0.98:1). This shows a decrease in the ability of the Municipality to meet their obligations.

8 Credit rating

The Entity was rated by Moody's Investor Services during the previous financial year. Their rating and outlook for the Municipality was a A3.za stable outlook. To monitor our credit rating and capacity for long-term financing we consider various qualitative and quantitative factors. At 30 June 2011 and 30 June 2012, the current ratio was 1.51:1 and 1.72:1 respectively. This reflects a slight decrease in the ratio.

9 Accounting Officer

The accounting officer of the municipality during the year under review of this report is as follows:

| | |
|-------------------------------------|---------------|
| Name | Nationality |
| G.F. Matthyse (employed March 2012) | South African |

10 Auditors

Auditor-General of South Africa will continue in office for the next financial period.



BREEDE VALLEY MUNICIPALITY**Annual Financial Statements for the year ended 30 June 2012 (2011 Restated)****Statement of Financial Position as at 30 June 2012**

| Figures in Rands | Note(s) | 2012 | 2,011 Restated |
|--|----------------|----------------------|---------------------------|
| Assets | | | |
| Current Assets | | | |
| Short term investments | 6 | 35,000,000 | 90,000,000 |
| Current portion of long-term receivables | 7 | 585,128 | 1,376,691 |
| Inventories | 8 | 18,055,161 | 29,813,367 |
| Other receivables from non-exchange transactions | 9 | 6,073,622 | 5,557,992 |
| VAT receivable | 10 | 4,404,682 | 3,832,671 |
| Consumer debtors | 11 | 66,903,378 | 54,617,427 |
| Cash and cash equivalents | 12 | 65,659,974 | 37,280,647 |
| | | <u>196,681,945</u> | <u>222,478,795</u> |
| Non-Current Assets | | | |
| Investment property | 3 | 9,053,400 | 8,356,300 |
| Property, plant and equipment | 4 | 1,787,933,993 | 1,778,900,962 |
| Intangible assets | 5 | 528,712 | 483,172 |
| Long-term receivables | 7 | 2,920,644 | 4,180,599 |
| | | <u>1,800,436,749</u> | <u>1,791,921,033</u> |
| Total Assets | | <u>1,997,118,694</u> | <u>2,014,399,828</u> |
| Liabilities | | | |
| Current Liabilities | | | |
| Current portion of long term liabilities | 14 | 25,730,621 | 23,681,528 |
| Unspent conditional grants and receipts | 15 | 19,961,007 | 14,659,959 |
| Current provisions | 16 | 4,909,693 | 4,397,000 |
| Trade and other payables | 18 | 76,636,741 | 84,183,409 |
| Consumer deposits | 19 | 2,865,839 | 2,715,598 |
| | | <u>130,103,901</u> | <u>129,637,494</u> |
| Non-Current Liabilities | | | |
| Long term liabilities | 14 | 232,144,735 | 257,875,353 |
| Non-current provisions | 16 | 137,017,141 | 119,684,611 |
| | | <u>369,161,876</u> | <u>377,559,964</u> |
| Total Liabilities | | <u>499,265,777</u> | <u>507,197,458</u> |
| Net Assets | | <u>1,497,852,917</u> | <u>1,507,202,370</u> |
| Reserves | | | |
| Housing development fund | 13 | - | 2,533,849 |
| Accumulated surplus | | <u>1,497,852,917</u> | <u>1,504,668,521</u> |
| Total Net Assets | | <u>1,497,852,917</u> | <u>1,507,202,370</u> |

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2012 (2011 Restated)

Statement of Financial Performance

| Figures in Rands | | | | Note(s) | 2012 | | |
|------------------|---------------|-----------------|---|---------|---------------|---------------|-------------|
| 2011 Restated | 2011 Budget | 2011 Difference | Actual | | Budget | Difference | |
| Revenue | | | | | | | |
| 318,909,286 | 311,725,590 | 7 183 696 | Service charges | 21 | 365,221,327 | 368,689,342 | (3,468,015) |
| 10,014,502 | 10,449,220 | (434 718) | Rental Income | 25 | 10,325,014 | 11,412,190 | (1,087,176) |
| 3,769,460 | 3,500,000 | 269 460 | Income from agency services | | 4,065,809 | 3,762,500 | 303,309 |
| 84,928,428 | 85,015,814 | (87 386) | Property rates | 20 | 93,300,992 | 91,924,351 | 1,376,641 |
| 470,442 | 450,000 | 20 442 | Property rates - penalties imposed and collection | | 409,094 | 511,000 | (101,906) |
| 7,146,910 | 9,516,010 | (2 369 100) | Fines | | 9,341,597 | 7,979,830 | 1,361,767 |
| 2,785,543 | 2,637,510 | 148 033 | Licences and permits | | 2,824,889 | 2,526,520 | 298,369 |
| 141,283,118 | 172,115,850 | (30 832 732) | Government grants and subsidies | 22 | 139,428,977 | 147,208,642 | (7,779,665) |
| (45,736,789) | (48 393 917) | 2 657 128 | Revenue foregone | | (50,733,583) | (53,105,938) | 2,372,355 |
| 10,471,786 | 10,796,746 | (324 960) | Other Income | 26 | 11,779,083 | 12,517,394 | (738,311) |
| 9,403,584 | 12,709,100 | (3 305 516) | Finance income | 23 | 9,906,450 | 9,546,400 | 360,050 |
| 543,446,270 | 570,521,923 | (27 075 653) | Total Revenue | | 595,869,649 | 602,972,231 | (7,102,582) |
| Expenditure | | | | | | | |
| (165,262,483) | (170 930 205) | 5 667 722 | Employee related costs | 28 | (175,656,916) | (187,420,384) | 11,763,468 |
| (10,144,763) | (10 599 779) | 455 016 | Remuneration of councillors | 29 | (11,956,596) | (12,255,976) | 299,380 |
| (2,669,001) | (6 000 000) | 3 330 999 | Bad debts | 30 | (2,645,673) | (6,000,000) | 3,354,327 |
| (62,933,214) | (65 090 293) | 2 157 079 | Depreciation, amortisation and impairment | 31 | (64,729,687) | (66,733,283) | 2,003,596 |
| (141,178,245) | (136 806 798) | (4 371 447) | Bulk purchases | 32 | (176,732,775) | (172,111,969) | (4,620,806) |
| (23,678,578) | (26 978 744) | 3 300 166 | Finance costs | 33 | (27,575,546) | (32,004,647) | 4,429,101 |
| (273,727) | (273 750) | 23 | Collection costs | | (136,894) | (195,500) | 58,606 |
| (35,895,973) | (33 386 507) | (2 509 466) | Repairs and maintenance | | (37,587,513) | (36,715,653) | (871,860) |
| (3,719,294) | (3 722 640) | 3 346 | Contracted services | 35 | (5,676,946) | (3,959,900) | (1,717,046) |
| (165,685) | (150 000) | (15 685) | Grants and subsidies paid | 36 | (148,800) | (150,000) | 1,200 |
| (16,923,331) | (13 878 060) | (3 045 271) | Contributions to (from) debtors impairment, employee benefit obligation and leave payment accrual | | (19,711,643) | (15,339,120) | (4,372,523) |
| (68,523,614) | (100 413 092) | 31 889 478 | General Expenses | 27 | (82,042,443) | (79,039,741) | (3,002,702) |
| (531,367,908) | (568,229,868) | 36 861 960 | Total Expenditure | | (604,601,432) | (611,926,173) | 7,324,741 |
| 231,774 | - | 231 774 | Gains on disposal of assets | | (124,462) | (74,500) | (49,962) |
| (2,438,585) | - | (2 438 585) | Fair value adjustments | 24 | (376,487) | - | (376,487) |
| 9,871,551 | 2,292,055 | 7 579 496 | Surplus (deficit) for the year | | (9,232,732) | (9,028,442) | (204,290) |
| Attributable to: | | | | | | | |
| 9,871,551 | 2,292,055 | 7 579 496 | Surplus (deficit) for the year | | (9,232,732) | (9,028,442) | (204,290) |

BREDE VALLEY MUNICIPALITY**Annual Financial Statements for the year ended 30 June 2012 (2011 Restated)****Statement of Changes in Net Assets**

| | Note | Housing Development Fund | Accumulated Surplus | Total net assets |
|--|------|--------------------------------|------------------------|---------------------|
| Figures in Rand | | | | |
| Balance at 01 July 10 as restated | | 4,153,107 | 1,488,715,026 | 1,492,868,133 |
| Prior prior period errors | 42 | | 4,218,527 | 4,218,527 |
| Balance as at 01 July 2010 restated | | 4,153,107 | 1,492,933,553 | 1,497,086,660 |
| Deficit for the year as previously stated | | - | (1,160,236) | (1,160,236) |
| Prior period errors | 42 | | 11,031,788 | 11,031,788 |
| Deficit for 2010/2011 as restated | | | 9,871,552 | 9,871,552 |
| Other income | | - | 244,158 | 244,158 |
| Movement for the year | 13 | (1,619,258) | 1,619,258 | - |
| Balance at 30 June 2011 | | 2,533,849 | 1,504,668,521 | 1,517,073,922 |
| Prior period errors | | | | - |
| Deficit for the year | | - | (9,232,732) | (9,232,732) |
| Other income/expenditure | | - | (116,721) | (116,721) |
| Movement for the year | 13 | (2,533,849) | 2,533,849 | - |
| Balance at 30 June 2012 | | 0 | 1,497,852,917 | 1,507,724,468 |

BREEDE VALLEY MUNICIPALITY**Annual Financial Statements for the year ended 30 June 2012 (2011 Restated)****Cash Flow Statement****Figures in Rands**

| | Note(s) | 2012 | 2011 Restated |
|--|----------------|---------------|--------------------------|
| Cash flows from operating activities | | | |
| Cash receipts from ratepayers and other | | 515,430,721 | 469,564,996 |
| Cash receipts from government and other grants | | 138,076,218 | 131,604,543 |
| Cash paid to suppliers and employees | | (565,333,482) | (508,873,671) |
| Net cash generated from operations | 37 | 88,173,457 | 92,295,868 |
| Finance income | 23 | 9,906,450 | 9,403,584 |
| Finance cost | 33 | (27,575,546) | (23,678,578) |
| Finance income: outstanding debtors | 23 | (2,265,911) | (2,053,333) |
| Net cash inflow from operating activities | | 68,238,450 | 75,967,541 |
| Cash flows from investing activities | | | |
| Acquisition of property, plant and equipment | 4 | (67,983,490) | (137,100,206) |
| Proceeds on disposal property, plant and equipment | 4 | - | 338,827 |
| Acquisition of intangible assets | 5 | (156,927) | (142,734) |
| Decrease/(Increase) in investments | 6 | 55,000,000 | 15,000,000 |
| (Decrease)/Increase in non current receivables | | (3,187,421) | (6,194,351) |
| Net cash from investing activities | | (16,327,838) | (128,098,464) |
| Cash flows from financing activities | | | |
| Loans raised (redeemed) | 14 | (23,681,526) | 78,150,177 |
| Movement in Consumer deposits | 19 | 150,241 | 57,260 |
| Net cash from financing activities | | (23,531,285) | 78,207,437 |
| Net increase in cash and cash equivalents | | 28,379,327 | 26,076,514 |
| Cash at the beginning of the year | | 37,280,647 | 11,204,133 |
| Cash at the end of the year | 12 | 65,659,974 | 37,280,647 |



BREEDE VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2012 (2011 Restated)

Accounting Policies

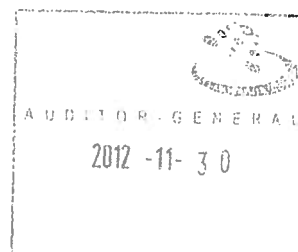
1 Presentation of Annual Financial Statements

Basis of Presentation

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost principle unless specified otherwise.

These annual financial statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

| | |
|----------|---|
| GRAP 1 | Presentation of Annual Financial Statements |
| GRAP 2 | Cash Flow Statements |
| GRAP 3 | Accounting Policies, Changes in Accounting Estimates and Errors |
| GRAP 4 | The Effects of Changes in Foreign Exchange Rates |
| GRAP 5 | Borrowing Costs |
| GRAP 6 | Consolidated and Separate Financial Statements |
| GRAP 7 | Investment in Associates |
| GRAP 8 | Investment in Joint Ventures |
| GRAP 9 | Revenue from Exchange Transactions |
| GRAP 10 | Financial Reporting in Hyperinflationary Economies |
| GRAP 11 | Construction Contracts |
| GRAP 12 | Inventories |
| GRAP 13 | Leases |
| GRAP 14 | Events after the Reporting Date |
| GRAP 16 | Inventory Property |
| GRAP 17 | Property, Plant and Equipment |
| GRAP 19 | Provisions, Contingent Liabilities and Contingent Assets |
| GRAP 100 | Non-current Asset Held for Sale and Discontinued Operations |
| GRAP 101 | Agriculture |
| GRAP 102 | Intangible Assets |
| IPSAS 20 | Related Party Disclosure |



Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's annual financial statements, unless explicitly stated otherwise. The details of any changes in accounting policies are explained in the relevant policy.

Presentation Currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

Going Concern Assumption

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

Comparative Information

When the presentation or classification of items in the 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.

1 Presentation of Annual Financial Statements (continued)

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are insignificant to the annual financial statements are set out below:

Trade receivables and other receivables

The municipality assesses its trade receivables and other receivables for impairment at each reporting date. In determining whether an impairment deficit should be recorded in the surplus or deficit, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade and other receivables is based on a historic payment ratio per consumer.

Fair value estimation of trade receivables and payables

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at current market interest rates.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 16 - Provisions

Useful lives of property, plant and equipment

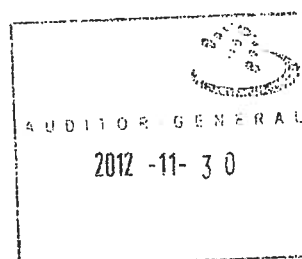
The municipality's management determines the estimated useful lives and related depreciation charges for the property, plant and equipment. This estimate is based on the municipality's own experience as well as industry norm where relevant experience statistics are not readily available. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

Post retirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the municipality considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 17.



1.1 Significant judgements and sources of estimation uncertainty (continued)

Long service awards

The present value of the long service award depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate, the salary inflation rate and pre-retirement mortality. Any changes in these assumptions will impact on the carrying amount of long service awards.

The municipality determines the appropriate discount rate. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the long service award. Other key assumptions for long service awards are based on current market conditions. Additional information is disclosed in Note 17.

Revenue - fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset. The municipality provides for revenue on fines not received at year end, based on the historical payment ratio of fines issued.

1.2 Investment property

Initial recognition

Investment property includes property (land or a building, or part of a building) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

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

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

Subsequent measurement

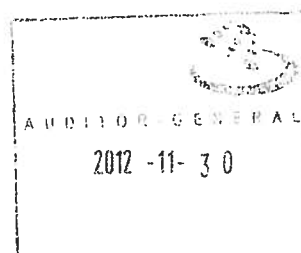
Investment property is measured using the fair value model. Under the fair value model, investment property is carried at its fair value at the reporting date. Any gain or deficit arising from a change in the fair value of the property is included in surplus or deficit for the year in which it arises.

Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The municipality used a valuation expert namely De Kock Lloyd to determine the fair value at the reporting date.

1.3 Property, plant and equipment

Initial recognition

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.



1.3 Property, plant and equipment (continued)

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

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

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

Heritage assets, which are defined as culturally significant resources, were recorded initially at fair value. Heritage assets are not depreciated as they are regarded as having an indefinite life.

Subsequent measurement

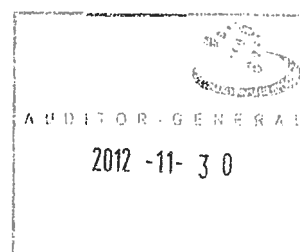
Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

Depreciation and impairment

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets and after taking into account the residual value of the asset. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The annual depreciation rates are based on the following estimated average asset lives:

| Item | Average useful life |
|---|---------------------|
| Infrastructure | |
| - Roads and Paving | 15 - 50 years |
| - Pedestrian Malls | 20 years |
| - Electricity | 15 - 75 years |
| - Water | 15 - 75 years |
| - Sewerage | 15 - 75 years |
| - Housing | 50 - 100 years |
| - Landfill sites | 5 - 30 years |
| - Cemeteries | 25 - 50 years |
| Community | |
| - Buildings | 10 - 100 years |
| - Recreational facilities | 15 - 75 years |
| - Security | 3 - 25 years |
| Other assets | |
| - Furniture and fixtures | 5 - 20 years |
| - Specialised property, plant and equipment | 5 - 20 years |
| - Office equipment | 5 - 20 years |
| - Computer hardware | 3 - 10 years |
| - Watercraft | 5 years |
| - Other items of plant and equipment | 3 - 20 years |
| - Bins and containers | 5 - 15 years |
| - Library books | 5 years |
| Transport assets | |
| - Other vehicles | 5 - 30 years |
| - Specialist vehicles | 10 - 30 years |



1.3 Property, plant and equipment (continued)

The residual value, the useful life of an asset and the depreciation method is reviewed annually and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

The municipality tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

Derecognition

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset- The gain or deficit arising on 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.

1.4 Intangible assets

Initial recognition

An intangible asset is an identifiable non-monetary asset without physical substance. The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably. Intangible assets are initially recognised at cost.

Subsequent measurement

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments. The cost of an intangible asset is amortised over the useful life where that useful life is finite.

Amortisation and Impairment

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. The annual amortisation rates are based on the following estimated average useful lives:

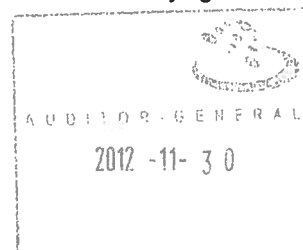
Computer software: 3 - 5 years

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

The municipality tests intangible assets with finite useful lives for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

Derecognition

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or deficit arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.



1.5 Financial instruments

Classification

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

- Loans and receivables
- Held-to-maturity investment
- Financial liabilities measured at amortised cost



Classification depends on the purpose for which the financial instruments were obtained, incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through surplus or deficit, which shall not be classified out of the fair value through surplus or deficit category.

a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date. These are classified as non-current assets. The municipality's loans and receivables comprise "trade and other receivables" and cash and cash equivalents in the Statement of Financial Position.

b) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity.

Initial recognition and measurement

Financial instruments are recognised initially when the municipality becomes a party to the contractual provisions of the instruments.

The municipality classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available for sale financial assets.

For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the Initial measurement of the instrument.

Subsequent measurement

Loans and receivables and held-to-maturity investments are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses. Held-to-maturity investments are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Gains and deficits arising from changes in fair value are recognised in the Statement of Financial Performance and accumulated in equity until the asset is disposed of or determined to be impaired.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the municipality establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Impairment of financial assets

At each end of the reporting period the municipality assesses all financial assets, other than those at fair value through surplus or deficit, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

1.5 Financial instruments (continued)

For amounts due to the municipality, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in surplus or deficit. Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Trade and other receivables

Consumer Debtors

Consumer debtors are recognised initially at cost and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of consumer debtors is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. 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 original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in the Statement of Financial Performance. When a consumer debtor is uncollectable, it is written off against the allowance account for consumer debtors. Subsequent recoveries of amounts previously written off are credited against the Statement of Financial Performance.

Housing selling schemes, Housing Personnel, Welfare, Recreational and Land sales

In respect of the above loans a provision for impairment is made on the same basis as the current portion included in Consumer debtors, being the payment rate.

Other debtors

Other debtors consist among others of various debtors and / or suspense accounts with debit balances such as Housing board subsidies, Government subsidies, Interest receivable, VAT, Recoverable expenses, Prepaid expenses, Insurance claims and various other debtors / suspense accounts with debit balances. These aforementioned debtors / suspense accounts are assessed individually for impairment to ensure that no objective evidence exists that these debtors are irrecoverable. Should an individual debtor or group of debtors and or suspense account be regarded as irrecoverable, a provision for impairment is made.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

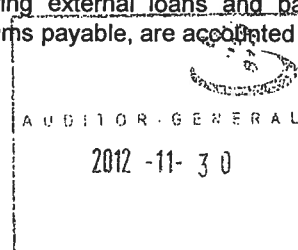
For the purpose of cash flow statement, cash and cash equivalents comprise cash on hand deposits held on call with banks and investments in financial instruments, net of bank overdrafts and excluding fixed deposits.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, which is the initial carrying amount, less repayments, plus interest.

Borrowings (long term liabilities, consumer deposits)

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



1.6 Leases

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

Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis (where applicable) over the lease term. Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income. Income for leases is disclosed under revenue in the Statement of Financial Performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis (where applicable) over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. Any contingent rents are expensed in the period they are incurred.

1.7 Inventories

Initial recognition

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition. In general, the basis of allocating cost to inventory items is the weighted average method. Where inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired. Housing top Structures are carried at the lower of cost and current replacement cost.

Subsequent measurement

Inventories, consisting of consumable stores and finished goods, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Where inventories are acquired at no cost, or for nominal consideration, their costs shall be their fair value as at the date of the acquisition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Redundant and slow-moving inventories are identified and written down in this way. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

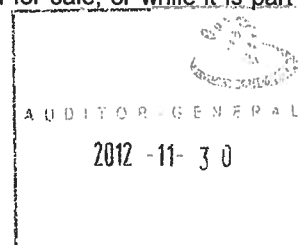
The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

1.8 Non-current assets held for sale

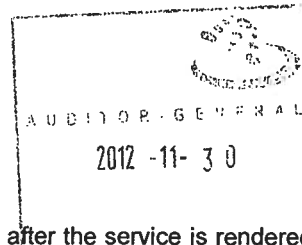
Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the state, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale (or disposal group) are measured at the lower of its carrying amount and fair value less costs to sell.

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



1.9 Employee benefits



Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered) such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

The Municipality provides retirement benefits for its employees and councillors.

A defined contribution plan is a plan under which the municipality pays fixed contributions into a separate entity. The municipality has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior periods.

A defined benefit plan is a plan that is not a defined contribution plan. Typically defined benefit plans define an amount of benefit that an employee will receive after retirement, usually dependent on one or more factors such as age, years of service and compensation.

Defined benefit plans

The defined benefit plan of the municipality include post retirement medical aid benefits and long service awards.

For defined benefit plans the cost of providing the benefits is determined using the projected credit method. Actuarial valuations are conducted on an annual basis by independent actuaries separately for each benefit to determine the obligation.

To the extent that, at the beginning of the financial period, any cumulative unrecognised actuarial gain or deficit exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in the Statement of Financial Performance over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the municipality is demonstrably committed to curtailment or settlement.

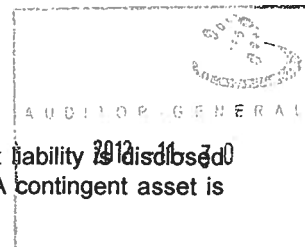
When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In the Statement of Financial Performance, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the Statement of Financial Position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses, plus the present value of available refunds and reduction in future contributions to the plan.

1.10 Employee benefit obligations and contingencies

Employee benefit obligations are recognised when the municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the employee benefit obligation can be made. Employee benefit obligations are reviewed at reporting date and adjusted to reflect the current best estimate. Where the effect is material, non-current employee benefit obligations are discounted to their present value using a pre-tax discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability (for example in the case of obligations for the rehabilitation of land).



1.10 Employee benefit obligations and contingencies (continued)

The municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

Future events that may affect the amount required to settle an obligation are reflected in the amount of an employee benefit obligation where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring an employee benefit obligation. Employee benefit obligations are not recognised for future operating deficits. The present obligation under an onerous contract is recognised and measured as an employee benefit obligation.

1.11 Government grants, transfers and donations

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

1.12 Revenue recognition

Revenue is derived from a variety of sources that include rates levied, grants from other tiers of government and revenue from trading activities and other services provided.

Each type of revenue is recognised upon the satisfaction of the recognition criteria as stipulated in the framework for the preparation and presentation of financial statements (GRAP 1), being, when it is probable that future economic benefits or service potential will flow to the municipality and the amount of revenue can be measured reliably.

Where revenue and the underlying asset (receivable) has already been recognised based on the information available at the time of the transaction and subsequently uncertainty arises as to the recoverability of the receivable, an impairment loss, is created and the provision is set off against the receivables.

Revenue from Exchange Transactions

Service charges related to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognized as revenue when invoiced or accrued to the municipality. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognized as revenue in the invoicing period.

Revenue from the sale of electricity prepaid cards is recognised when all the following conditions have been satisfied:

- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

Service charges from sewerage and sanitation are based on consumption, using the tariffs approved from Council and are levied monthly.

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

1.12 Revenue recognition (continued)

Income from agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportion basis.

Revenue from the sales of goods is recognised when the risk is passed to the consumer.

Revenue from the public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment is brought into use. Where public contributions have been received but the municipality has not met the condition, a liability is recognised.

Revenue from Non-exchange Transactions

An inflow of resources from a non-exchange transaction, other than services in-kind, that meets the definition of an asset shall be recognised as an asset when it is probable that the future economic benefits or service potential associated with the asset will flow to the municipality and the fair value of the asset can be measured reliably. The asset shall be recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

A present obligation arising from a non-exchange transaction that meets the definition of a liability will be recognised as a liability when it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate of the amount can be made.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are incurred. Penalty interest on unpaid rates is recognised on a time proportion basis with reference to the principal amount receivable and effective interest rate applicable.

Fines constitute both spot fines and summonses. Fines are economic benefits or service potential received or receivable by the municipality as a consequence of the individual or entity breaching the requirements of laws or regulations. Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset. Assets arising from fines are measured at the best estimate of the inflow of resources the municipality.

When an estimate can be made for the revenue amount that is expected to be collected from spot fines based on past experience of amounts collected, this is recognised as revenue. Where a reliable estimate cannot be made, revenue from spot fines is recognised when paid by the offender. Revenue from the issuing of summonses is only recognised when notified by the public prosecutor of the amount actually collected.

Gifts and donations are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably. Goods in-kind are recognised as assets when the goods are received, or there is a binding arrangement to receive the goods. Conditions on a transferred asset give rise to a present obligation on initial recognition.

On initial recognition, gifts and donations (including goods in-kind) are measured at their fair value as at the date of the acquisition, which may be ascertained by reference to an active market, or by appraisal.

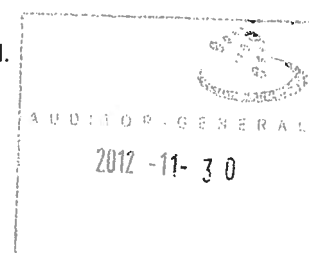
Revenue from the recovery of unauthorized, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognized when the recovery thereof from the responsible councillors or officials is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

Interest income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.13 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.



1.14 Unauthorised expenditure

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.15 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised. All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the Statement of Financial Performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.16 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.17 Housing development fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

1.18 Grants in-aid

Council annually awards grants to individuals and organisations based on merit. When making these transfers, Council does not :

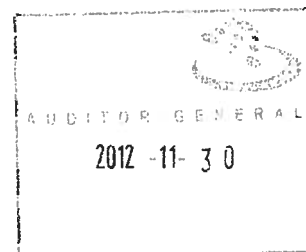
- Receive any goods or services directly in return, as would be expected in a purchase or sale transaction
- Expect to be repaid in future; or
- Expect a financial return, as would be expected from an investment.

These transfers are recognised in the annual financial statements as expenses in the period that the events giving rise to the transfer occurred.

1.19 Value Added Tax

The Council accounts for Value Added Tax on the cash basis.





2. New standards and interpretations

2.1 No new Standards and Interpretations were adopted in the current year

2.2 Standards and Interpretations approved but not yet effective

The municipality has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the municipality's financial years beginning on or after 01 July 2012 or later periods:

GRAP 18: Segment Reporting

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

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

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance.

The impact of this standard is currently being assessed.

GRAP 23: Revenue from Non-exchange Transactions

Revenue from non-exchange transactions arises when an entity receives value from another entity without directly giving approximately equal value in exchange. An asset acquired through a non-exchange transaction shall initially be measured at its fair value as at the date of acquisition.

This revenue will be measured at the amount of increase in net assets recognised by the entity.

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

The effective date of the standard is for years beginning on or after 01 April 2012.

In terms of the Application of GRAP Reporting Framework, issued in April 2011 by National Treasury, the Municipality's accounting policy on revenue from non-exchange transactions are based on GRAP 23.

GRAP 24: Presentation of Budget Information in the Financial Statements

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

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

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

This statement compares the budget amounts with the amounts in the annual financial statements adjusted to be comparable to the budget.

2.2 Standards and interpretations approved but not yet effective (continued)

A comparable basis means that the budget and financial statements:

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

The effective date of the standard is for years beginning on or after 01 April 2012.

The minimum requirement set out in GRAP 1, for budgetary disclosure has been adhered to. A reconciliation between the budgeted and actual surplus/(deficit) is disclosed in the Notes to the Annual Financial Statements.

IGRAP 1: Interpretation of GRAP: Applying the Probability Test on Initial Recognition of Exchange Revenue

An entity assesses the probability of each transaction on an individual basis when it occurs. Entities shall not assess the probability on an overall level based on the payment history of recipients of the service in general when the probability of revenue is assessed at initial recognition.

The full amount of revenue will be recognised at initial recognition. Assessing impairment is an event that takes place subsequently to initial recognition. Such impairment is an expense. Revenue is not reduced by this expense.

The effective date of the standard is for years beginning on or after 01 April 2012.

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

The impact of this standard is currently being assessed.

GRAP 21 - Impairment of Non-cash-generating assets

An entity that prepares and presents annual financial statements under the accrual basis of accounting shall apply this Standard in accounting for impairment of non-cash-generating assets. Non-cash-generating assets are assets other than cash-generating assets. Non-cash-generating assets are impaired when the carrying amount of the asset exceeds its recoverable service amount. An entity shall assess at each reporting date whether there is any indication that an asset may be impaired.

The effective date of the standard is for years beginning on or after 01 April 2012.

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

The impact of this standard is currently being assessed.

GRAP 26 - Impairment of Cash-generating assets

An entity that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in accounting for impairment of cash-generating assets. Cash-generating assets are assets held with the primary objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-orientated entity. Cash-generating assets are impaired when the carrying amount of the asset exceeds its recoverable service amount. An entity shall assess at each reporting date whether there is any indication that an asset may be impaired.

The effective date of the standard is for years beginning on or after 01 April 2012.

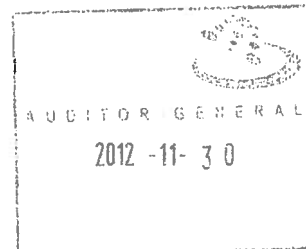
The municipality expects to adopt the standard for the first time in the 2013 annual financial statements.

The impact of this standard is currently being assessed.

GRAP 103 - Heritage assets

An entity that prepares and presents financial statement under the accrual basis of accounting shall apply this Standard in the recognition, measurement and disclosure of all assets that meet the definition of a heritage asset, except heritage assets classified as held for sale. Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

The effective date of the standard is for years beginning on or after 01 April 2012.



2.2 Standards and interpretations not yet effective (continued)

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

The impact of this standard is currently being assessed.

GRAP 25 - Employee benefits

The objective of this Standard is to prescribe the accounting and disclosure for employee benefits. The Standard requires an entity to recognise a liability when an employee has provided service in exchange for employee benefits to be paid in the future and an expense when the entity consumes the economic benefits or service potential arising from service provided by an employee in exchange for employee benefits.

The purpose of the Standard of GRAP on Employee Benefits is to provide accounting principles for:

- Salaries, wages and bonuses paid to employees.
- Contributions made to third parties, e.g. to insurance companies on behalf of employees or their dependants.
- Free or subsidised goods and services, such as free housing or medical care provided to employees or their dependants.
- Benefits provided to employees on retirement, e.g. entities may provide pension benefits to their employees, or agree to pay their medical aid or other medical expenses after retirement.
- Long-term benefits provided to employees, such as sabbatical or long service leave, or disability benefits.
- Benefits paid to employees who either accept voluntary retrenchment packages or have their employment contracts terminated before retirement age.

The effective date of the standard is for years beginning on or after 01 April 2013.

The impact of this standard is currently being assessed.

GRAP 104 - Financial Instruments

GRAP 104 prescribes recognition, measurement, presentation and disclosure requirements for financial instruments. Financial instruments are broadly defined as those contracts that results in a financial asset in one entity and a financial liability or residual interest in another entity. A key distinguishing factor between financial assets and financial liabilities and other assets and liabilities, is that they are settled in cash or by exchanging financial instruments rather than through the provision of goods or services.

The effective date of the standard is for years beginning on or after 01 April 2012.

The impact of this standard is currently being assessed.

GRAP 20 - Related party disclosure

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

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

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

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance.

The impact of this standard is currently being assessed.



2.2 Standards and interpretations not yet effective (continued)

GRAP 105 - Transfer of functions between entities under common control

A function is an integrated set of activities that is capable of being conducted and managed for purposes of achieving an entity's objectives, either by providing economic benefits or service potential. A function consists of inputs and processes applied to those inputs that have the ability to create outputs. A function can either be a part or a portion of an entity or can consist of the whole entity. Although functions may have outputs, outputs are not

For a transaction or event to occur between entities under common control, the transaction or event needs to be undertaken between entities within the same sphere of government or between entities that are part of the same economic entity. Entities that are ultimately controlled by the same entity before and after the transfer of functions are within the same economic entity.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance.

The effect of this standard is not yet determinable as the transactions to which the standard relates have not occurred and are not expected to occur.

GRAP 106 - Transfer of functions between entities not under common control

A transfer of functions undertaken between entities not under common control could involve an acquisition or transfer of another entity or the acquisition or transfer of part of another entity. A transfer of functions is the reorganisation and/or the re-allocation of functions between entities by transferring functions between entities or into another entity.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance.

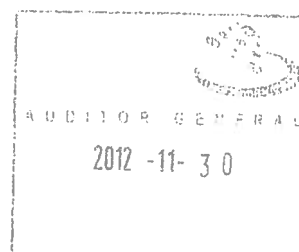
The effect of this standard is not yet determinable as the transactions to which the standard relates have not occurred and are not expected to occur.

GRAP 107 - Mergers

A merger is the establishment of a new combined entity in which none of the former entities obtain control over any other and no acquirer can be identified. As no acquirer can be identified, a merger does not result in an entity having or obtaining control over any of the entities that are involved in the transaction or event, as the combining entities are not controlled entities of each other, either before or after the merger.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance.

The effect of this standard is not yet determinable as the transactions to which the standard relates have not occurred and are not expected to occur.



BREEDE VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2012 (2011 Restated)

Notes to the Financial Statements
Figures in Rands

| | 2012 | 2011 |
|--|------|------|
|--|------|------|

3. Investment property

| | 2012 | | 2011 | |
|---------------------|-------------------|-------------------|-------------------|-------------------|
| | Cost Valuation | Carrying Value | Cost Valuation | Carrying Value |
| Investment property | 9,053,400 | 9,053,400 | 8,356,300 | 8,356,300 |

Reconciliation of investment property - 2012

| | Opening Balance | Additions | Impairment | Fair value adjustment | Total |
|---------------------|--------------------|-----------|------------|--------------------------|-----------|
| Investment property | 8,356,300 | - | - | 697,100 | 9,053,400 |

Reconciliation of investment property - 2011

| | Opening Balance | Additions | Impairment | Fair value adjustment | Total |
|---------------------|--------------------|-----------|------------|--------------------------|-----------|
| Investment property | 7,542,200 | - | - | 814,100 | 8,356,300 |

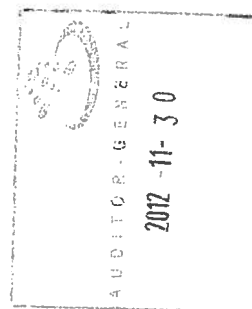
Other disclosures

Details of property

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Details of valuation

The effective date of the revaluations was 30 June 2012. Revaluations were performed by an independent valuer, Mr Lloyd, of De Kock Lloyd Eiendoms waardeerder. De Kock Lloyd Eiendoms Waardeerder is not connected to the municipality and have recent experience in the location and category of the investment property being valued.



BREEDE VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2012 (2011 Restated)

Notes to the Financial Statements
Figures in Rands

| | 2012 | | | | 2011 | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|--|
| | | | | | | | | |
| 4. Property, plant and equipment | | | | | | | | |
| | | | | | | | | |
| | Cost / | Accumulated | Carrying | Cost / | Restated | Accumulated | Carrying | |
| | Valuation | depreciation | Value | Valuation | depreciation | depreciation | Value | |
| Land | 252,556,760 | - | 252,556,760 | 252,556,760 | - | - | 252,556,760 | |
| Buildings | 258,118,117 | (156,165,386) | 101,952,731 | 257,451,554 | (149,869,762) | (149,869,762) | 107,581,792 | |
| Infrastructure | 2,085,225,072 | (688,875,318) | 1,396,349,754 | 2,021,245,941 | (636,208,893) | (636,208,893) | 1,385,037,048 | |
| Other property, plant and equipment | 45,529,619 | (19,867,676) | 25,661,943 | 36,573,814 | (14,261,257) | (14,261,257) | 22,312,557 | |
| Heritage | 11,412,805 | - | 11,412,805 | 11,412,805 | - | - | 11,412,805 | |
| Total | 2,652,842,373 | (864,908,380) | 1,787,933,993 | 2,579,240,874 | (800,339,912) | (800,339,912) | 1,778,900,962 | |
| Reconciliation of property, plant and equipment - 2012 | | | | | | | | |
| | Opening Balance | Additions | Disposal | Transfers | Impairment loss | Depreciation | Total | |
| Land | 252,556,760 | - | - | - | - | - | 252,556,760 | |
| Buildings | 107,581,792 | 666,563 | - | - | - | (6,295,624) | 101,952,731 | |
| Infrastructure | 1,385,037,048 | 61,959,757 | (17,907) | 2,041,758 | (25,641) | (52,645,262) | 1,396,349,753 | |
| Other property, plant and equipment | 22,312,557 | 11,194,286 | (106,555) | (2,086,570) | (49,676) | (5,602,098) | 25,661,944 | |
| Heritage | 11,412,805 | - | - | - | - | - | 11,412,805 | |
| | 1,778,900,962 | 73,820,606 | (124,462) | (44,812) | (75,317) | (64,542,984) | 1,787,933,993 | |
| Reconciliation of property, plant and equipment - 2011 | | | | | | | | |
| | Opening Balance | Additions | Disposal | Transfers | Impairment loss | Depreciation | Total | |
| Land | 252,556,760 | - | - | - | - | - | 252,556,760 | |
| Buildings | 111,975,428 | 1,923,943 | - | (76,663) | (9,009) | (6,231,907) | 107,581,792 | |
| Infrastructure | 1,303,946,586 | 132,471,447 | 0 | 68,706 | (14,921) | (51,434,770) | 1,385,037,048 | |
| Other property, plant and equipment | 24,481,544 | 2,996,213 | (106,944) | 92,702 | (255,125) | (4,895,833) | 22,312,557 | |
| Heritage | 11,412,805 | - | - | - | - | - | 11,412,805 | |
| | 1,704,373,123 | 137,391,603 | (106,944) | 84,745 | (279,055) | (62,562,510) | 1,778,900,962 | |



BREEDE VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2012 (2011 Restated)

Notes to the Financial Statements
Figures in Rands

2012 **2011**

4. Property, plant and equipment (continued)

Change in accounting estimate

A review of useful lives was done on assets. During the review certain infrastructure and other property plant and equipment with Rnil book values and nil remaining lives were identified. The entity's management considered how to account for the change in the estimated useful lives. The effect of a change in accounting estimate is required to be recognised prospectively by including it in surplus or deficit in the period of the change, if the change affects that period only; or the period of the change in future periods, if the change affects both. Management concluded that it should apply the change in estimate prospectively from the start of 2012 and therefore the depreciation charge was applied prospectively from 1 July 2011 over the remaining useful life of these assets. The effect of the change in accounting estimate is further disclosed in note 55. Land was restated with effect of July 2010 to reflect the prior period errors. With reference to Grap 12 all land used to construct houses on for low income families must be recognised under inventory and not PPE. No depreciation is calculated on land. The effect of this error is disclosed in note 42.

Other Information

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

The total cost of fully depreciated assets still in use amounts to R4 460 661. These are items that do not have an active market and cannot be sold when it is no longer in use.

5. Intangible assets

| | 2012 | | | | 2011 | |
|-------------------|--------------------|-----------------------------|----------------|--------------------|-----------------------------|----------------|
| | Cost/ Valuation | Accumulated amortisation | Carrying Value | Cost/ Valuation | Accumulated amortisation | Carrying Value |
| Computer software | 1,315,336 | (786,624) | 528,712 | 1,158,409 | (675,237) | 483,172 |

Reconciliation of intangible assets - 2012

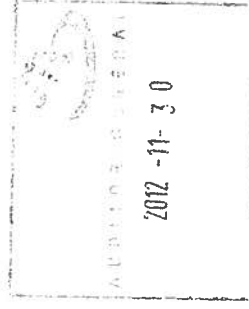
| | Opening Balance | Additions | Disposals | Impairment loss | Transfers | Amortisation | Total |
|-------------------|--------------------|-----------|-----------|--------------------|-----------|--------------|---------|
| Computer software | 483,172 | 156,927 | 0 | 0 | 0 | (111,387) | 528,712 |

Reconciliation of intangible assets - 2011

| | Opening Balance | Additions | Disposals | Impairment loss | Transfers | Amortisation | Total |
|-------------------|--------------------|-----------|-----------|--------------------|-----------|--------------|---------|
| Computer software | 433,341 | 142,734 | (109) | (2,702) | (1,145) | (88,948) | 483,172 |

Other Information

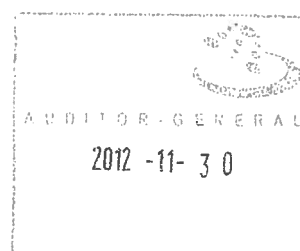
The total cost of fully depreciated assets still in use amounts to R505 421. This is an item that do not have an active market and cannot be sold when it is no longer in use.



BREDE VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2012 (2011 Restated)

Notes to the Financial Statements

| Figures in Rands | 2012 | 2011 (restated) |
|---|--------------------|------------------------|
| 6. Investments | | |
| Loans and receivables | | |
| Other fixed deposits | 35,000,000 | 90,000,000 |
| | <u>35,000,000</u> | <u>90,000,000</u> |
| Non-current assets | | |
| Investments | - | - |
| Current assets | | |
| Short-term portion of Investments | 35,000,000 | 90,000,000 |
| | <u>35,000,000</u> | <u>90,000,000</u> |
| Short term fixed deposits are made with various banks for a period from 1 - 12 months. The interest rate earned vary between 5.50% and 7.00%. | | |
| 7. Long term receivables | | |
| Housing selling scheme | | |
| Housing selling scheme | 1,264,329 | 1,462,921 |
| Less: Provision for impairment | (348,732) | (488,927) |
| | <u>915,597</u> | <u>973,994</u> |
| Welfare loans | | |
| Welfare | 2,403,836 | 2,594,796 |
| Less: Provision for impairment | (2,403,836) | (2,585,485) |
| | <u>-</u> | <u>9,311</u> |
| Housing personnel | | |
| Housing personnel | 1,081,812 | 1,151,418 |
| Less: Provision for impairment | - | - |
| | <u>1,081,812</u> | <u>1,151,418</u> |
| Recreational | | |
| Recreational | - | - |
| Less: Provision for impairment | - | - |
| | <u>-</u> | <u>-</u> |
| Land sales | | |
| Land sales | - | 18,885 |
| Less: Provision for impairment | - | (10,107) |
| | <u>-</u> | <u>8,778</u> |
| Arrangements | | |
| Arrangements | 23,053,481 | 21,033,246 |
| Less: Provision for impairment | (21,545,118) | (17,619,457) |
| | <u>1,508,363</u> | <u>3,413,789</u> |
| Less: Current Portion transferred to current receivables | | |
| Housing selling schemes | (217,204) | (401,780) |
| Housing personnel loans | (69,157) | (194,503) |
| Welfare loans | (158,027) | (188,956) |
| Recreational | - | - |
| Land sales | - | - |
| Arrangements | (5,481,933) | (5,693,729) |
| | <u>(5,926,320)</u> | <u>(6,478,968)</u> |



BREED VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2012 (2011 Restated)

Notes to the Financial Statements

| Figures In Rands | 2012 | 2011 (restated) |
|-------------------------|-------------|------------------------|
|-------------------------|-------------|------------------------|

7. Long term receivables (continued)

Less: Provision for bad debt for short term portion of long term receivables

| | | |
|-------------------------|--------------------|--------------------|
| Housing selling schemes | (59,910) | (134,280) |
| Housing personnel loans | - | - |
| Welfare | (158,027) | (188,278) |
| Recreational | - | - |
| Land sales | - | (10,107) |
| Arrangements | (5,123,256) | (4,769,612) |
| | <u>(5,341,192)</u> | <u>(5,102,277)</u> |

Long term receivables - Net

| | | |
|---|------------------|------------------|
| Long term receivables - Non-current portion | 2,920,644 | 4,180,599 |
| Long term receivables - Current portion | 585,128 | 1,376,691 |
| | <u>3,505,772</u> | <u>5,557,290</u> |

Housing Selling Scheme Loans

Housing loans are granted to qualifying individuals in terms of the provincial administration's housing programme. These loans attract interest of prime plus 1 % per annum and are repayable over a maximum period of 30 years.

Welfare Loans

Welfare loans are granted to qualifying organisations in terms of the provincial administrator's housing programme. These loans attract interest at prime plus 1% per annum and are repayable over a maximum period of 30 years.

Housing Loans - Personnel

Housing loans were granted to personnel and attract interest at between 7.5% and 15% per annum and are repayable over periods not exceeding 30 years.

Recreational Loans

Loans are granted to certain recreational institutions and attract interest at rates between 11.25% and 18% per annum, and are repayable over periods not exceeding 30 years.

Land Sales

Loans were granted to individuals for purchasing land from the Municipality. These loans attract interest at prime plus 1% and are repayable over periods not exceeding 2 years.

Arrangements

The arrangements consist of consumer debtors with whom the council has negotiated repayment terms. These arrangements attract no interest and the repayment periods varies between 15 and 30 years.

8. Inventories

| | | |
|---|-------------------|-------------------|
| Consumable stores | 5,946,672 | 5,763,943 |
| Water (at fair value) | 333,089 | 314,094 |
| Housing Development projects | 11,775,400 | 23,735,330 |
| | <u>18,055,161</u> | <u>29,813,367</u> |
| Inventories expenses for the year , disclosed in note 27. | 12,326,107 | |
| Inventories expenses on housing Development projects | 39,556,903 | |

BREDE VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2012 (2011 Restated)

Notes to the Financial Statements

| Figures in Rands | 2012 | 2011 (restated) |
|---|------------------|------------------------|
| 9 Other receivables from non-exchange transactions | | |
| Housing board subsidies | 422,643 | 422,643 |
| Prepaid expenses | 80,692 | 194,815 |
| Interest receivable | 629,425 | 815,449 |
| Government subsidies | 584,805 | 98,090 |
| Recoverable expenses | 124,056 | 84,964 |
| Other debtors | 1,954,011 | 1,691,932 |
| Debtor: Fraud | 377,620 | - |
| Debtors: Traffic fines | 876,437 | 825,537 |
| PAYE: Personnel | 931,731 | 931,731 |
| Loans granted | 338,882 | 320,122 |
| South African Revenue Service: UIF | - | 368,532 |
| Debtor: Traffic revenue | 59,671 | 59,671 |
| Lease asset | 31,650 | 65,604 |
| Less: Provision for impairment | (338,001) | (321,098) |
| | <u>6,073,622</u> | <u>5,557,992</u> |

Trade and other receivables Impaired

As of 30 June 2012 other receivables of R338 001 (2011 - R321 098) were impaired and provided for.

Reconciliation of provision for Impairment of trade and other receivables

| | | |
|---|----------------|----------------|
| Opening Balance | 321,098 | 320,442 |
| Increase/(decrease) in provision for the year | <u>16,903</u> | <u>656</u> |
| | <u>338,001</u> | <u>321,098</u> |

10. VAT Receivable

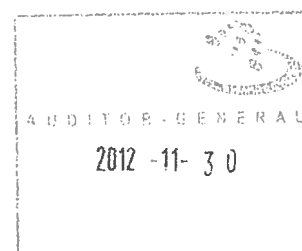
| | | |
|-------------------------------|------------------|------------------|
| South African Revenue Service | <u>4,404,682</u> | <u>3,832,671</u> |
|-------------------------------|------------------|------------------|

The prior year was adjusted as result of a VAT investigation and VAT being recovered. Refer to note 42 for details regarding the restatement.

11. Consumer debtors from exchange and non-exchange transactions

Gross balances

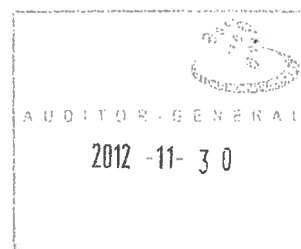
| | | |
|-------------------------|-------------------|-------------------|
| Rates | 9,958,005 | 9,745,152 |
| Electricity | 34,359,768 | 29,814,565 |
| Water | 10,987,498 | 10,203,553 |
| Sundries | 4,609,668 | 5,258,316 |
| Sewerage | 7,703,052 | 6,514,646 |
| Refuse | 5,238,083 | 4,909,147 |
| Availability charges | 2,461,306 | 2,094,750 |
| Housing Selling schemes | 1,272,798 | 1,243,964 |
| Housing rental | <u>4,187,918</u> | <u>3,676,993</u> |
| | <u>80,778,096</u> | <u>73,461,086</u> |



BREDE VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2012 (2011 Restated)

Notes to the Financial Statements

| Figures in Rands | 2012 | 2011 (restated) |
|---|---------------------|------------------------|
| 11. Consumer debtors from exchange and non-exchange transactions (continued) | | |
| Less: Provision for Impairment | | |
| Rates | (2,035,673) | (2,952,850) |
| Electricity | (2,161,958) | (1,618,743) |
| Water | (1,578,451) | (3,255,458) |
| Sundries | (2,157,171) | (4,003,251) |
| Sewerage | (1,652,575) | (2,048,971) |
| Refuse | (825,828) | (1,459,325) |
| Availability charges | (1,875,141) | (1,564,867) |
| Housing Selling schemes | - | - |
| Housing rental | (1,587,921) | (1,940,195) |
| | <u>(13,874,718)</u> | <u>(18,843,660)</u> |
| Net balance | | |
| Rates | 7,922,332 | 6,792,302 |
| Electricity | 32,197,810 | 28,195,822 |
| Water | 9,409,047 | 6,948,095 |
| Sundries | 2,452,497 | 1,255,065 |
| Sewerage | 6,050,477 | 4,465,675 |
| Refuse | 4,412,255 | 3,449,821 |
| Availability charges | 586,165 | 529,883 |
| Housing selling schemes | 1,272,798 | 1,243,964 |
| Housing rental | 2,599,997 | 1,736,798 |
| | <u>66,903,378</u> | <u>54,617,427</u> |
| Total Consumer Debtors from Non-Exchange transactions | 7,922,332 | 6,792,302 |
| Total Consumer Debtors from Exchange transactions | <u>58,981,046</u> | <u>47,825,125</u> |
| Total Net Consumer Debtors | <u>66,903,378</u> | <u>54,617,427</u> |
| Rates (Non-Exchange) | | |
| Current (0 -30 days) | 2,002,178 | 2,849,505 |
| 31 - 60 days | 238,574 | 248,599 |
| 61 - 90 days | 132,761 | 135,241 |
| 91 - 120 days | 96,906 | 95,084 |
| 121 - 365 days | 1,991,782 | 1,227,940 |
| Arrangements | 5,495,804 | 5,188,783 |
| Less: Provision for impairment | <u>(2,035,673)</u> | <u>(2,952,850)</u> |
| | <u>7,922,332</u> | <u>6,792,302</u> |
| Electricity (Exchange) | | |
| Current (0 -30 days) | 29,976,202 | 25,747,341 |
| 31 - 60 days | 264,710 | 522,647 |
| 61 - 90 days | 107,640 | 207,621 |
| 91 - 120 days | 77,961 | 94,699 |
| 121 - 365 days | 1,924,297 | 1,261,856 |
| Arrangements | 2,008,957 | 1,980,402 |
| Less: Provision for impairment | <u>(2,161,958)</u> | <u>(1,618,743)</u> |
| | <u>32,197,809</u> | <u>28,195,822</u> |
| Water (Exchange) | | |
| Current (0 -30 days) | 2,918,330 | 2,385,130 |
| 31 - 60 days | 628,621 | 654,076 |
| 61 - 90 days | 390,140 | 352,316 |
| 91 - 120 days | 356,349 | 302,580 |
| 121 - 365 days | 913,141 | 1,310,367 |
| Arrangements | 5,780,916 | 5,199,084 |
| Less: Provision for impairment | <u>(1,578,451)</u> | <u>(3,255,458)</u> |
| | <u>9,409,046</u> | <u>6,948,095</u> |



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|---|------------------|------------------------|
| 11. Consumer debtors from exchange and non-exchange transactions (continued) | | |
| Sundries (Exchange) | | |
| Current (0 -30 days) | 1,671,182 | 2,241,912 |
| 31 - 60 days | 112,100 | 67,480 |
| 61 - 90 days | 61,127 | 167,823 |
| 91 - 120 days | 98,588 | 59,329 |
| 121 - 365 days | 1,713,639 | 1,891,585 |
| Arrangements | 953,032 | 830,185 |
| Less: Provision for impairment | (2,157,171) | (4,003,251) |
| | <u>2,452,497</u> | <u>1,255,065</u> |
| Sewerage (Exchange) | | |
| Current (0 -30 days) | 1,304,642 | 1,178,696 |
| 31 - 60 days | 462,231 | 481,116 |
| 61 - 90 days | 340,641 | 306,699 |
| 91 - 120 days | 232,463 | 229,942 |
| 121 - 365 days | 510,993 | 290,497 |
| Arrangements | 4,852,081 | 4,027,696 |
| Less: Provision for impairment | (1,652,575) | (2,048,971) |
| | <u>6,050,476</u> | <u>4,465,675</u> |
| Refuse (Exchange) | | |
| Current (0 -30 days) | 1,656,833 | 1,491,534 |
| 31 - 60 days | 364,796 | 303,202 |
| 61 - 90 days | 238,144 | 216,035 |
| 91 - 120 days | 191,449 | 167,527 |
| 121 - 365 days | - | - |
| Arrangements | 2,786,861 | 2,730,849 |
| Less: Provision for impairment | (825,828) | (1,459,325) |
| | <u>4,412,255</u> | <u>3,449,821</u> |
| Availability charges (Exchange) | | |
| Current (0 -30 days) | 193,514 | 196,091 |
| 31 - 60 days | 74,626 | 81,386 |
| 61 - 90 days | 64,602 | 67,044 |
| 91 - 120 days | 58,420 | 62,563 |
| 121 - 365 days | 1,522,352 | 1,166,188 |
| Arrangements | 547,791 | 521,478 |
| Less: Provision for impairment | (1,875,141) | (1,564,867) |
| | <u>586,164</u> | <u>529,883</u> |
| Housing Selling schemes (Exchange) | | |
| Current (0 -30 days) | 83,284 | 87,489 |
| 31 - 60 days | 37,876 | 40,556 |
| 61 - 90 days | 31,053 | 30,905 |
| 91-120 days | 28,036 | 28,784 |
| 121 - 365 days | 1,037,550 | 1,003,929 |
| Arrangements | 55,000 | 52,302 |
| Less: Provision for impairment | - | - |
| | <u>1,272,799</u> | <u>1,243,964</u> |
| Housing rental (Exchange) | | |
| Current (0 -30 days) | 477,900 | 395,089 |
| 31 - 60 days | 296,482 | 251,354 |
| 61 - 90 days | 232,885 | 186,723 |
| 91 - 120 days | 205,991 | 201,056 |
| 121 - 365 days | 2,960,159 | 2,629,100 |
| Arrangements | 14,500 | 13,673 |
| Less: Provision for impairment | (1,587,921) | (1,940,195) |
| | <u>2,599,996</u> | <u>1,736,799</u> |



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11. Consumer debtors from exchange and non-exchange transactions (continued)

Summary of debtors by customer classification

Consumers

| | | |
|----------------------|-------------------|-------------------|
| Current (0 -30 days) | 24,447,474 | 34,964,300 |
| 31 - 60 days | 2,625,609 | 2,716,408 |
| 61 - 90 days | 1,747,172 | 1,652,698 |
| 91 - 120 days | 1,485,087 | 1,274,543 |
| 121 - 365 days | <u>22,748,546</u> | <u>24,044,877</u> |
| | <u>53,053,888</u> | <u>64,652,826</u> |

Industrial/ commercial

| | | |
|----------------------|-------------------|------------------|
| Current (0 -30 days) | 22,824,174 | 7,032,908 |
| 31 - 60 days | 105,332 | 241,488 |
| 61 - 90 days | 67,301 | 171,582 |
| 91 - 120 days | 69,344 | 75,303 |
| 121-365 days | <u>3,092,013</u> | <u>1,102,740</u> |
| | <u>26,158,165</u> | <u>8,624,021</u> |

National and provincial government

| | | |
|----------------------|------------------|----------------|
| Current (0 -30 days) | 1,327,555 | 180,405 |
| 31 - 60 days | 203,525 | 138 |
| 61 - 90 days | 15,473 | 139 |
| 91 - 120 days | 19,491.50 | - |
| 121 - 365 days | <u>-</u> | <u>3,558</u> |
| | <u>1,566,044</u> | <u>184,240</u> |

Total

| | | |
|--------------------------------|---------------------|---------------------|
| Current (0 -30 days) | 48,599,203 | 42,177,613 |
| 31 - 60 days | 2,934,465 | 2,958,034 |
| 61 - 90 days | 1,829,946 | 1,824,419 |
| 91 - 120 days | 1,573,923 | 1,349,846 |
| 121 - 355 days | <u>25,840,559</u> | <u>25,151,175</u> |
| | 80,778,096 | 73,461,087 |
| Less: Provision for impairment | <u>(13,874,718)</u> | <u>(18,843,660)</u> |
| | <u>66,903,378</u> | <u>54,617,427</u> |

Reconciliation of consumer debtors

| | | |
|--------------------------|-------------------|-------------------|
| Consumer debtors | 80,778,096 | 73,461,087 |
| Provision for impairment | (13,874,718) | (18,843,660) |
| Bad debts written off | (2,645,673) | (2,669,001) |
| Adjustment of provision | <u>2,645,673</u> | <u>2,669,001</u> |
| | <u>66,903,378</u> | <u>54,617,427</u> |

Trade and other receivables past due but not impaired

The Council regards consumer debtors to be due for outstanding amounts more than 30 days to be past due. The impairment of consumer debtors is calculated based on the historic payment rate per individual debtor.

As of 30 June 2012 consumer debtors of R 48 599 203 (2011: R 42 177 613) were not impaired.

Trade and other receivables impaired

As at 30 June 2012 trade receivables of R 13 874 718 (2011 - R18 843 660) were impaired and provided for.

Fair value of trade and other receivables approximate their carrying value. The carrying value of these trade receivables are denominated in the following currency: South African Rand.

Security provided in respect of Annuity Loans: Loan no. 556 is secured by Debtors and loan no. 557 is only secured by R36 700 000 of Debtors.

The average consumer debtors payment period for the year ended 30 June 2012 was 77 days (2011: 80 days). The debtors days remained unchanged. The industry norm is 42 - 45 days.



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12. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balance with bank. Cash equivalents in the cash flow statements comprise the following balance sheet amounts:

| | | |
|---------------|-------------------|-------------------|
| Cash on hand | 26,485 | 23,335 |
| Bank balances | <u>65,633,489</u> | <u>37,257,312</u> |
| | <u>65,659,974</u> | <u>37,280,647</u> |

The municipality had the following bank accounts:

| Account number / description | Bank statement balances | | |
|------------------------------|-------------------------|-------------------|-------------------|
| | 2012 | 2011 | 2010 |
| ABSA Bank - Worcester Branch | <u>65,252,629</u> | <u>40,223,290</u> | <u>19,495,729</u> |
| Account number 1000010312 | | | |
| | Cash book balances | | |
| | 2012 | 2011 | 2010 |
| | <u>65,633,489</u> | <u>37,257,312</u> | <u>11,180,798</u> |

13. Housing development fund

| | | |
|--|--------------------|--------------------|
| Unappropriate surplus | 2,533,849 | 4,153,107 |
| Contributions from accumulated surplus of the municipality | 163,616 | |
| Operating account deficit | <u>(2,697,465)</u> | <u>(1,619,258)</u> |
| | <u>-</u> | <u>2,533,849</u> |

14. Long term liabilities

| | | |
|------------------------|--------------------|--------------------|
| Held at amortised cost | | |
| Annuity Loans | <u>257,875,356</u> | <u>281,556,881</u> |
| | <u>257,875,356</u> | <u>281,556,881</u> |

Refer to Appendix A for further information on long term liabilities.

Security provided in respect of Annuity Loans: Loan no. 556 is secured by debtors and loan no. 557 is only secured by R36 700 000 of Debtors. The other loans are secured by the municipality's income stream, covering the instalments outstanding plus interest and collection charges outstanding at any time during the term of the loans.

| | | |
|-------------------------|--------------------|--------------------|
| Non-current liabilities | | |
| - At amortised cost | <u>232,144,735</u> | <u>257,875,353</u> |
| Current liabilities | | |
| - At amortised cost | <u>25,730,621</u> | <u>23,681,528</u> |
| | <u>257,875,356</u> | <u>281,556,881</u> |

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|------------------|------|-----------------|
|------------------|------|-----------------|

15. Unspent Conditional grants and receipts

Unspent conditional grants comprises:

Conditional grants and receipts

| | | |
|-----------------------|-------------------|-------------------|
| National Government | 300,000 | 22,826 |
| Provincial Government | 19,269,541 | 13,662,783 |
| District Municipality | 55,727 | 87,978 |
| Other Municipalities | - | 515 |
| Public Contributions | 335,740 | 885,857 |
| | <u>19,961,007</u> | <u>14,659,959</u> |

Reconciliation of unspent conditional grants

| | | |
|--|-------------------|-------------------|
| Balance unspent at beginning of the year | 14,659,959 | 25,994,309 |
| Total Government receipts | 138,143,792 | 129,406,444 |
| Other capital receipts | 5,837,116 | 2,198,098 |
| Other receipts | 262,677 | - |
| Conditions met - capital grants | (45,733,548) | (49,126,234) |
| Conditions met - operating account | (93,442,910) | (91,723,283) |
| Conditions met - housing projects | - | - |
| Conditions met - other capital jobs | (252,794) | (433,601) |
| From other debtors | (520,733) | (2,176,506) |
| Included in Other Debtors | 1,007,448 | 520,732 |
| | <u>19,961,007</u> | <u>14,659,959</u> |

The allocations and subsidies received from National and Provincial Government as well the District Municipality, has been deposited into the Council's own bank account. The allocations received have been utilised in accordance with the conditions set. Where all the conditions have not yet been met, the total allocations have not been utilised. The outstanding conditions will be met prior to/or when the balance of the allocations is utilised. The percentage of the allocations utilised is an indication of the conditions met. Where the total of the allocations has been utilised, all the conditions have been met. Also refer to Appendix F for further detail regarding unspent conditional grants.

16. Provisions

Reconciliation of provisions - 2012

| | Opening Balance | Additions | Reversed during the year | Total |
|--|--------------------|-------------------|--------------------------|--------------------|
| Provision for Post-Retirement medical aid benefits | 85,042,000 | 16,412,000 | - | 101,454,000 |
| Long Service Awards | 11,249,000 | 1,345,000 | - | 12,594,000 |
| Provision for the rehabilitation of landfill site | 27,790,611 | 88,223 | - | 27,878,834 |
| | <u>124,081,611</u> | <u>17,845,223</u> | <u>-</u> | <u>141,926,834</u> |

Reconciliation of provisions - 2011

| | Opening Balance | Additions | Reversed during the year | Total |
|--|--------------------|-------------------|--------------------------|--------------------|
| Provision for Post-Retirement medical aid benefits | 68,488,000 | 16,554,000 | - | 85,042,000 |
| Long Service Awards | 6,895,000 | 4,354,000 | - | 11,249,000 |
| Provision for the rehabilitation of landfill site | 33,163,170 | - | (5,372,559) | 27,790,611 |
| | <u>108,546,170</u> | <u>20,908,000</u> | <u>(5,372,559)</u> | <u>124,081,611</u> |

The provision for landfill site was done for De Doorns for a 5 year period and for the Worcester site for a period of 30 years. No expenses have been incurred to date and the only movement is the contribution for the year. An assessment was done by an independent expert.



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|--|--------------------|------------------------|
| 16. Provisions (continued) | | |
| Non-current provisions | | |
| - Provision for Post-Retirement medical aid benefits | 97,472,750 | 81,182,980 |
| - Long Service Awards | 11,665,557 | 10,711,020 |
| - Provision for the rehabilitation of landfill site | 27,878,834 | 27,790,611 |
| | <u>137,017,141</u> | <u>119,684,611</u> |
| Current provisions | | |
| - Provision for Post-Retirement medical aid benefits | 3,981,250 | 3,859,020 |
| - Long Service Awards | 928,443 | 537,980 |
| - Provision for the rehabilitation of landfill site | - | - |
| | <u>4,909,693</u> | <u>4,397,000</u> |
| Post-Retirement medical aid benefit: Movements | | |
| Opening balance | 85,042,000 | 68,488,000 |
| Benefits paid | (3,522,000) | (3,272,000) |
| Net expense recognised | 19,934,000 | 19,826,000 |
| | <u>101,454,000</u> | <u>85,042,000</u> |
| Post-Retirement medical aid benefit: Net expense recognised | | |
| Current service cost | 3,663,000 | 2,947,000 |
| Interest cost | 7,660,000 | 6,573,000 |
| Actuarial (gains)/losses | 8,611,000 | 10,306,000 |
| | <u>19,934,000</u> | <u>19,826,000</u> |
| Long service awards: Movements | | |
| Opening balance | 11,249,000 | 6,895,000 |
| Benefits paid | (659,000) | (571,000) |
| Net expense recognised | 2,004,000 | 4,925,000 |
| | <u>12,594,000</u> | <u>11,249,000</u> |
| Long service awards: Net expense recognised | | |
| Current service cost | 929,000 | 673,000 |
| Interest cost | 966,000 | 677,000 |
| Negative past service cost | (801,000) | - |
| Actuarial (gains)/losses | 910,000 | 3,575,000 |
| | <u>2,004,000</u> | <u>4,925,000</u> |

Refer to note 17 for further disclosures of post-retirement medical aid benefits and long service awards.

17. Retirement benefit

Defined benefit plan

Post-Retirement medical aid benefit

Current and continuation members receive a 60% and 70% subsidy respectively of medical and contributions in retirement. The spouse and child dependants of an employee are entitled to a 60% and 70% subsidy respectively of their contributions is the event of the principal members' death in-service. In the event of the death of the principal member, the spouse becomes the principal member.

In 2012, 51% (2011: 50%) of the employees belonged to the above plan. The plan is defined as a post-retirement medical benefit plan.



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17. Retirement benefit (continued)

Long service awards

All permanent employees are entitled to a specified number of days additional leave based on their service. The employee may convert the additional leave into a cash amount.

In 2012, 8% (2011: 8%) of the employees qualified for long service awards.

Key assumptions used

The municipality made use of an independent firm to perform the valuation of post-retirement medical aid benefits and long service awards. The key assumptions used by the experts are listed below for the last valuation on 30 June 2011.

Post-Retirement medical aid benefit

| | | |
|----------------------------|-------|-------|
| Discount rates | 9.00% | 9.00% |
| Health care cost inflation | 7.50% | 7.70% |

Long service awards

| | | |
|------------------|-------|-------|
| Discount rate | 7.60% | 8.50% |
| Salary inflation | 7.50% | 7.70% |

The Cape Joint Pension fund is a multi-employer plan that is managed for a number of municipalities that is partly defined benefit and partly defined contribution plan. The following is disclosed in the regard to the member municipalities responsibility towards the defined benefit plan:

Financial condition of the fund

| | | |
|--------------------------|---------------------|-----------------|
| Market value of assets | 3,039,127,000 | 3,141,932,000 |
| Past service liabilities | (3,030,085,000) | (2,946,599,000) |
| Investment reserve | (67,977,000) | (190,464,000) |
| Solvency reserve | - | (4,869,000) |
| | <u>(58,935,000)</u> | <u>-</u> |

Summary statistics

| | | |
|---|--------------|--------------|
| Active members | 1,222 | 1,362 |
| Annual pensionable salaries (Rm) | 173 | 178 |
| Salary weighted average age (years) | 50 | 49 |
| Salary weighted average service (years) | 22 | 21 |
| | <u>1,467</u> | <u>1,610</u> |

Future service contribution rate as % of salaries

| | | |
|-------------------------------|-----|-----|
| Retirement benefits | 31 | 29 |
| Death and withdrawal benefits | 3 | 3 |
| Expense allowance | 2 | 1 |
| Less: Member contributions | (9) | (9) |

Key assumptions used

| | | |
|-------------------------------|-------|-------|
| Pre-retirement interest rate | 9.00% | 9.00% |
| Post-retirement interest rate | 5.52% | 5.83% |
| Price inflation | 5.50% | 5.00% |
| Dividend growth | 6.00% | 5.50% |
| Salary increases | 6.00% | 5.50% |

Defined contribution plan

It is the policy of the municipality to provide retirement benefits to 640 (2011:636) employees. A number of defined contribution provident funds, all of which are subject to the Pensions Fund Act exist for this purpose.

The municipality is under no obligation to cover any unfunded benefits.

The last valuation of the SAMWU National Provident Fund was done on 30 June 2005.

The last valuation of the SALA Pension Fund was done on 1 July 2010.

The last valuation of the Cape Joint Retirement Fund was performed on 30 June 2011

The last valuation of the Cape Joint Pension Fund was performed on 30 June 2011.



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|-------------------------|-------------|------------------------|

17. Retirement benefit (continued)

The valuations of the respective funds were satisfied that the plan is in a sound financial position.

Contributions by Council in respect of employees retirement funding. The contributions have been expensed.

| | | |
|--|-------------------|-------------------|
| | <u>18,178,290</u> | <u>16,624,932</u> |
|--|-------------------|-------------------|

Contributions who elected so are members of the Municipal Councillors Pension Fund. Contributed by Council in respect of Councillors retirement funding: The contributions have been expensed.

| | | |
|--|----------------|----------------|
| | <u>682,933</u> | <u>762,502</u> |
|--|----------------|----------------|

Contributions to medical aid funds

| | | |
|--|-------------------|-------------------|
| Contributions to medical aid funds for employees | 9,407,167 | 8,617,365 |
| Contributions to medical aid funds for Councillors | 95,635 | 150,103 |
| Contributions to medical aid fund for pensioners | <u>3,522,330</u> | <u>3,271,836</u> |
| | <u>13,025,133</u> | <u>12,039,304</u> |

Post-Retirement medical aid benefit

| | | |
|----------------------------|-------|-------|
| Discount rate | 9.00% | 9.00% |
| Health care cost inflation | 7.50% | 7.70% |

Long service awards

| | | |
|------------------|-------|-------|
| Discount rate | 7.60% | 8.50% |
| Salary inflation | 7.50% | 7.70% |

18. Trade and other payables

| | | |
|---|-------------------|-------------------|
| Trade payables | 45,566,819 | 45,461,891 |
| Payments received in advance | 2,908,270 | 2,549,633 |
| Staff leave accrual | 13,753,810 | 11,839,076 |
| Sundry Deposits | 438,651 | 377,628 |
| Other payables | 1,482,100 | 1,732,356 |
| Creditors balances closed. Debtors accounts: Fraud | 377,670 | - |
| South African Revenue Service: Penalties and interest | 672,392 | 672,392 |
| South African Revenue Service: UIF | - | 728,203 |
| Cape Joint Pension Fund | - | 7,927,678 |
| Lease liability | 1,022,135 | 1,016,248 |
| Retentions | <u>10,414,894</u> | <u>11,878,304</u> |
| | <u>76,636,741</u> | <u>84,183,409</u> |

Fair value of trade and other payables:

The fair value of trade and other payables approximates their carrying amounts. The carrying amount of these trade payables are denominated in the following currency: South African Rand.

The prior year was restated as result of WCA Creditor provided for retrospectively. Refer to note 42 for further detail regarding the restatement.

19. Consumer deposits

| | | |
|-------------|------------------|------------------|
| Electricity | 1,480,239 | 1,467,845 |
| Water | <u>1,385,600</u> | <u>1,247,753</u> |
| | <u>2,865,839</u> | <u>2,715,598</u> |

Guarantees

| | | |
|---|---------------|---------------|
| Guarantees held in lieu of Electricity and Water Deposits | <u>26,800</u> | <u>33,800</u> |
|---|---------------|---------------|



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20. Property Rates

Rates received

| | | |
|-----------------------|-----------------------|-----------------------|
| Property rates | <u>93,300,993</u> | <u>84,928,429</u> |
| Valuations | | |
| Land | 784,917,470 | 786,417,970 |
| Improvements | <u>10,728,337,000</u> | <u>10,485,363,000</u> |
| | <u>11,513,254,470</u> | <u>11,271,780,970</u> |

The valuations for land and improvements include De Doorns, Rawsonville, Touwsriver, Worcester and rural areas.

Valuations on land and buildings are performed every four years. The last general valuation came into effect on 1 July 2008. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

Rates are levied on an annual basis with the final date for payment being 30 September. Interest at prime plus 1% per annum and a collection fee, is levied on rates outstanding two months after due date. Monthly levies are allowed on application. A differentiated rebate up to 100% is granted to owners under certain circumstances. The basic rate's for the above mentioned areas, were charged for land and improvements at 0.7603 c/R (2011:0.7073 c/R) and for industrial and commercial sites at 1.4242 c/R (2011: 1.3248 c/R).

21. Service charges

| | | |
|---------------------------------|--------------------|--------------------|
| Sale of electricity | 247,400,789 | 209,386,907 |
| Sale of water | 46,989,875 | 44,655,087 |
| Sewerage and sanitation charges | 44,364,678 | 40,600,512 |
| Refuse removal | <u>26,465,985</u> | <u>24,266,781</u> |
| | <u>365,221,327</u> | <u>318,909,287</u> |

22. Government grants and subsidies

| | | |
|---------------------------------------|--------------------|--------------------|
| Equitable share | 56,804,000 | 53,332,533 |
| Capital grants | 45,733,548 | 49,542,892 |
| LGWSETA: Staff Development | 418,449 | 443,791 |
| Other grants and donations | 232,794 | 262,094 |
| Cape Wine lands District Municipality | 62,767 | 213,453 |
| Systems Improvement Grant | 812,826 | 786,594 |
| Financial Management Grant | 1,250,000 | 1,000,000 |
| Provincial Government | 6,517,619 | 13,665,859 |
| Housing Projects | <u>27,596,974</u> | <u>22,035,902</u> |
| | <u>139,428,977</u> | <u>141,283,118</u> |

Refer to Appendix F for further detail regarding grants received.

23. Finance Income

| | | |
|--|------------------|------------------|
| Bank | 2,553,546 | 2,044,186 |
| Interest earned - external investments | 5,086,993 | 5,306,065 |
| Interest - outstanding debtors | <u>2,265,911</u> | <u>2,053,333</u> |
| | <u>9,906,450</u> | <u>9,403,584</u> |



BREDE VALLEY MUNICIPALITY
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Notes to the Financial Statements

| Figures in Rands | 2012 | 2011 (restated) |
|--|--------------|------------------------|
| 24. Fair value adjustments | | |
| Discounting of long term receivables: Movement for the year | (1,092,581) | (3,150,996) |
| Opening balance | (10,241,048) | (7,090,052) |
| Closing balance | (11,333,629) | (10,241,048) |
| Water stock movement | 18,994 | (101,689) |
| Fair value adjustment on investment property | 697,100 | 814,100 |
| (Loss)/Gain | (376,487) | (2,438,585) |
| 25. Rental income | | |
| Housing schemes | | |
| Infrastructure/Site Rental | 8,534,177 | 8,238,974 |
| Facilities and equipment | | |
| Rental of facilities and equipment | 1,790,837 | 1,775,528 |
| | 10,325,014 | 10,014,502 |
| 26. Other income | | |
| Administration fees: Credit Control | 1,771,821 | 1,409,826 |
| Bathing Tickets | 248,978 | - |
| Building Clause | 50,494 | - |
| Building plan fees | 807,378 | 785,928 |
| Bulk Service Levies | 182,124 | - |
| Burial fees | 567,853 | 495,020 |
| Cleaning Block Drains | 142,057 | - |
| Clearance Certificate | 125,492 | - |
| Connection fees | 1,080,775 | 977,117 |
| Connection Meters | 400,410 | - |
| Cimmission Received | 178,695 | - |
| Entrance fees | 413,984 | 408,180 |
| Fire fighting charges | 418,039 | 436,097 |
| Garden refuse special removals | 253,152 | 235,902 |
| Handling charges | 847,752 | 691,439 |
| Interest car loans, housing loans, sundry and township development | 134,679 | 150,839 |
| Land sales | 46,214 | 40,467 |
| Miscellaneous Income | 284,930 | 705,300 |
| Network upgrading | 959,072 | 681,212 |
| Photocopies and Printing | 112,063 | - |
| Recovery of expenditure | 54,400 | 100,856 |
| Rentel Street Bins | 125,349 | - |
| Royalties | 1,487,461 | 978,245 |
| Services | 323,666 | 316,982 |
| Tender Documents | 47,367 | - |
| Sundry Income | 714,878 | 2,058,376 |
| | 11,779,083 | 10,471,786 |
| Loans are secured by the municipality's income stream, covering the instalments outstanding plus interest and collection charges outstanding at any time during the term of the loans. | | |
| 27. General expenses | | |
| Advertising | 472,799 | 329,741 |
| Auditors remuneration | 1,990,406 | 2,024,969 |
| Bank charges | 1,128,660 | 943,901 |
| Bursaries | 198,100 | 190,750 |
| CDW Programme | 336,205 | 191,363 |
| Chemicals | 1,885,558 | 1,319,936 |
| Cleaning | 140,920 | 171,888 |
| Commission paid | 542,019 | 513,271 |
| Communication | 53,088 | 20,666 |
| Community development and training | 5,182 | 22,545 |
| Conferences and seminars | 61,757 | 142,937 |
| Connections | 619 | 15,748 |



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Notes to the Financial Statements

| Figures in Rands | 2012 | 2011 (restated) |
|---|-------------------|------------------------|
| 27. General expenses (continued) | | |
| Consulting and professional fees | 1,386,828 | 2,076,903 |
| Consumables | 520,205 | 178,735 |
| Digging of graves | 672,361 | 652,520 |
| Driver license expense | 494,520 | 424,148 |
| Electricity | 918,648 | 726,009 |
| Emergency relief | 50,854 | 1,368,994 |
| Entertainment | 403,780 | 411,606 |
| Flowers | 5,610 | 5,026 |
| Fuel and oil | 4,494,107 | 3,876,494 |
| Healthcare and Hygiene services | 287,549 | 307,642 |
| Inspection fees | - | - |
| Insurance | 2,420,951 | 2,033,569 |
| Interpreting Services | 159,732 | 194,512 |
| Lease rentals on operating lease | 5,587,121 | 6,451,330 |
| Levies | 1,100,081 | 926,681 |
| Loss of water and library materials | 76,953 | 107,689 |
| Materials and Stores | 748,324 | 807,816 |
| Motor vehicle expenses | 21,189 | 544,486 |
| N1 interchange | - | 8,020,752 |
| Operating Grant expenditure | 1,620,084 | 1,396,514 |
| Other expenses | 921,804 | 739,505 |
| PMS | 281,345 | 293,038 |
| Postage and courier | 751,136 | 685,672 |
| Printing and stationery | 1,332,752 | 1,390,529 |
| Workshop charges | (1,549,948) | (1,521,349) |
| Project maintenance costs | 373,061 | 169,339 |
| Public Participation | - | 6,888 |
| Refuse | 858,329 | 843,067 |
| Royalties and license fees | 429,409 | 788,360 |
| Service level agreement | 150,000 | 150,000 |
| Servicing of Summonses | 754,048 | 803,790 |
| Staff welfare | 58,453 | 126,552 |
| Subsistence and travel | 1,161,205 | 1,203,983 |
| Subscriptions and membership fees | 1,253,760 | 717,604 |
| Survey fees | 52,630 | 48,590 |
| Telephone and fax | 3,150,806 | 3,407,963 |
| Top Structure expenses | 39,603,423 | 16,879,805 |
| Traffic: Rental Speed Cameras | 1,008,833 | - |
| Training | 1,976,598 | 1,626,118 |
| Transfer fees | 43,203 | 31,387 |
| Transport and freight | 847 | 2,117 |
| Valuation expenses | 1,156,217 | 978,529 |
| Ward committee projects | 300,000 | 2,717,589 |
| Youth Development Program | 190,322 | 235,397 |
| | 82,042,443 | 68,523,614 |

28. Employee related costs

| | | |
|---------------------------------|-------------|-------------|
| Basic | 109,780,364 | 102,304,970 |
| Bonus | 8,448,050 | 8,052,580 |
| Medical aid contributions | 12,929,497 | 11,889,201 |
| UIF | 658,557 | 1,029,595 |
| WCA | 1,066,901 | 1,003,818 |
| Skills development levies | 1,447,064 | 1,327,143 |
| Group Life Insurance | 2,091,766 | 1,934,158 |
| Retirement Fund | 18,178,290 | 16,624,932 |
| Travel and car allowances | 4,884,654 | 4,522,322 |
| Overtime payments | 9,568,829 | 10,238,554 |
| Acting allowances | 695,871 | 653,223 |
| Housing benefits and allowances | 990,100 | 972,151 |
| Allowances: Other | 4,030,453 | 3,887,364 |



BREED VALLEY MUNICIPALITY
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Notes to the Financial Statements

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|---|--------------------|------------------------|
| 28. Employee related costs (contued) | | |
| Protective clothing | 1,068,670 | 822,471 |
| Less: Employee costs Capitalised | (182,152) | - |
| | <u>175,656,916</u> | <u>165,262,483</u> |
| Executive directors and other officers: | | |
| Municipal Manager July to Aug 2011 | | |
| Annual Remuneration | 1,118,246 | 820,530 |
| Performance Bonus | - | 123,753 |
| Car Allowance | 17,600 | 96,000 |
| Contribution to UIF, Pension Fund and Medical Aid | 21,539 | 86,154 |
| | <u>1,157,385</u> | <u>1,126,437</u> |
| Municipal Manager September 2011 to February 2012 | | |
| Acting Allowance | 29,810 | 820,530 |
| Acting Allowance | 50,340 | 123,753 |
| Car Allowance | - | 96,000 |
| Contribution to UIF, Pension Fund and Medical Aid | - | 86,154 |
| | <u>80,150</u> | <u>1,126,437</u> |
| Municipal Manager March 2012 to June 2012 | | |
| Annual Remuneration | 322,667 | 820,530 |
| Performance Bonus | - | 123,753 |
| Car Allowance | 28,000 | 96,000 |
| Contribution to UIF, Pension Fund and Medical Aid | 499 | 86,154 |
| | <u>351,166</u> | <u>1,126,437</u> |
| Chief Financial Officer | | |
| Annual Remuneration | 804,343 | 757,491 |
| Performance Bonus | 107,728 | 124,441 |
| Car Allowance | 95,000 | 95,000 |
| Contribution to UIF, Pension Fund and Medical Aid | 1,497 | 1,497 |
| | <u>1,008,568</u> | <u>978,429</u> |
| Technical Director | | |
| Annual Remuneration | 696,186 | 650,426 |
| Performance bonus | 67,736 | 90,315 |
| Car Allowance | 102,198 | 102,198 |
| Contribution to UIF, Pension Fund and Medical Aid | 1,497 | 1,497 |
| | <u>867,617</u> | <u>844,436</u> |
| Corporate Director | | |
| Annual Remuneration | 554,533 | 500,165 |
| Performance bonus | 37,631 | 90,315 |
| Car Allowance | 127,000 | 138,000 |
| Contribution to UIF, Pension Fund and Medical Aid | 118,348 | 115,956 |
| | <u>837,512</u> | <u>844,436</u> |
| Community Director | | |
| Annual Remuneration | 583,771 | 540,440 |
| Performance bonus | 82,789 | 90,315 |
| Car Allowance | 120,088 | 120,088 |
| Contribution to UIF, Pension Fund and Medical Aid | 96,022 | 93,594 |
| | <u>882,670</u> | <u>844,437</u> |

Personnel costs as percentage of total expenditure for 2012 is 28% (2011: 29%). The industry norm is less than 30%. This figure excludes the remuneration of councillors, as disclosed in note 29 to the Financial Statements.

29. Remuneration of councillors

| | | |
|---------------------------|-----------|-----------|
| Executive Major | 575,022 | 565,718 |
| Deputy Executive Mayor | 472,557 | 373,701 |
| Chief Whip | 317,290 | - |
| Mayoral Committee Members | 3,547,292 | 2,635,657 |
| Speaker | 475,687 | 308,493 |
| Councillors | 5,790,180 | 5,348,589 |
| Councillors UIF | - | - |



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Notes to the Financial Statements

| Figures in Rands | 2012 | 2011 (restated) |
|--|--------------------|------------------------|
| 29. Remuneration of councillors (continued) | | |
| Councillors pension contribution | 682,933 | 762,502 |
| Councillors medical aid contribution | 95,635 | 150,103 |
| | <u>11,956,596</u> | <u>10,144,763</u> |
| In-kind benefits | | |
| The Executive Mayor, Deputy Executive Mayor, Speaker, Chief Whip and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council. The Mayor has the use of a Council owned vehicles for official duties. | | |
| 30. Bad debts | | |
| Bad debts written off debited to Provision for doubtful debtors | <u>2,645,673</u> | <u>2,669,001</u> |
| 31. Depreciation, amortisation and impairment | | |
| Property, plant and equipment | <u>64,729,687</u> | <u>62,933,214</u> |
| 32. Bulk purchases | | |
| Electricity | 175,299,776 | 140,526,139 |
| Water | <u>1,432,999</u> | <u>852,106</u> |
| | <u>176,732,775</u> | <u>141,178,245</u> |
| 33. Finance costs | | |
| External borrowings | <u>27,575,546</u> | <u>23,678,578</u> |
| 34. Auditors' remuneration | | |
| Fees | <u>1,990,406</u> | <u>2,024,969</u> |
| 35. Contracted Services | | |
| Private contractors | 4,827,756 | 3,105,378 |
| Security services | 415,032 | 304,175 |
| Other contracted services | <u>434,158</u> | <u>309,741</u> |
| | <u>5,676,946</u> | <u>3,719,294</u> |
| 36. Grant and subsidies paid | | |
| Other Subsidies | | |
| Grant Art 186 (14) | - | 16,085 |
| Grant in aid | <u>148,800</u> | <u>149,600</u> |
| | <u>148,800</u> | <u>165,685</u> |
| 37. Cash generated from operations | | |
| Surplus (deficit) before taxation | (9,232,732) | (431,924) |
| Adjustments for: | | |
| Adjustment - assets other movement | - | - |
| Depreciation and amortisation | 64,654,370 | 62,651,456 |
| Impairment loss | 75,317 | 281,758 |
| Surplus on sale of assets | - | (253,694) |
| Loss on disposal of assets | 124,462 | 21,920 |
| Grants to operating account | (133,591,861) | (141,283,118) |
| Bad debts written off | 2,645,673 | 2,669,001 |
| Finance income | (7,640,539) | (7,350,251) |
| Finance costs | 27,575,546 | 23,678,578 |
| Fair value adjustment non-current receivables | 1,092,581 | 3,150,996 |



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Notes to the Financial Statements

| Figures In Rands | 2012 | 2011 (restated) |
|-------------------------|-------------|------------------------|
|-------------------------|-------------|------------------------|

37. Cash generated from operations (continued)

| | | |
|--|-------------------|-------------------|
| Fair value adjustment on water stock | (18,994) | 101,689 |
| Fair value adjustment on Investment property | (697,100) | (814,100) |
| Donated consumables | 232,164 | - |
| Donated assets recognised as revenue | (5,837,116) | (291,398) |
| Grants and receipts | 138,076,218 | 131,604,543 |
| Non-operating Income / (Expenditure) | (116,995) | 244,158 |
| Non-operating expenses - leave payment | (1,310,016) | (1,968,456) |
| Changes in working capital: | | |
| Inventories | 11,822,012 | 523,290 |
| Other receivables from non-exchange transactions | 52,272 | 2,046,787 |
| Consumer debtors | (9,962,682) | (6,343,644) |
| Current portion of long-term debtors | 552,648 | 108,181 |
| Contribution to leave payment accrual | 3,224,749 | 2,944,269 |
| Trade and other payables | (9,461,402) | 969,911 |
| VAT | (572,011) | 6,056,875 |
| Contributions to Debtors impairment provision | (1,358,330) | (1,556,380) |
| Increase/(decrease) in Provision for landfill site | 88,223 | (5,372,559) |
| Increase in Employee benefit obligation | 17,757,000 | 20,908,000 |
| | <u>88,173,457</u> | <u>92,295,868</u> |

38. Transfer from accumulated surplus

No transfers from accumulated surplus were made to Housing reserve.

39. Commitments

Authorised capital expenditure

Approved and contracted for

| | | |
|-------------------------------|-------------------|-------------------|
| Infrastructure | 62,864,363 | 30,768,724 |
| Housing operating commitments | <u>12,360,501</u> | <u>12,987,494</u> |
| | <u>75,224,863</u> | <u>43,756,218</u> |

This committed expenditure relates to property and will be financed by external loans, reserves and government grants. Loans to the value of R51 000 000 have already been secured.

The Expenditure will be financed from:

| | | |
|-------------------|-------------------|-------------------|
| External Loans | 34,493,545 | 17,829,230 |
| Government Grants | <u>40,731,318</u> | <u>25,926,988</u> |
| | <u>75,224,863</u> | <u>43,756,218</u> |

Operating leases - as lessee (expense)

Minimum lease payments due:

| | | |
|-------------------------------------|------------------|------------------|
| - within one year | 2,366,954 | 1,671,995 |
| - in second to fifth year inclusive | 1,004,079 | 2,582,114 |
| - later than five years | - | - |
| | <u>3,371,033</u> | <u>4,254,109</u> |

Operating lease payments represent rentals payable by the municipality for certain of its office equipment. Payments made under operating leases are recognised in the Statement of financial performance on a straight-line basis over the period of the lease. The impact of straight lining has been an increase in current year expenditure of R 5887 (2011: R754 118).



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Notes to the Financial Statements

| Figures In Rands | 2012 | 2011 (restated) |
|-------------------------|-------------|------------------------|
|-------------------------|-------------|------------------------|

39. Commitments (continued)

Operating leases - as lessor (Income)

| | | |
|-------------------------------------|----------------|----------------|
| Minimum lease payments due | | |
| - within one year | 86,415 | 78,426 |
| - in second to fifth year inclusive | 208,955 | 178,557 |
| - later than five years | 7,366 | 125,536 |
| | <u>302,735</u> | <u>382,519</u> |

Certain of the municipality's property are held to generate rental income. Non-cancellable operating leases are generally between 3 - 13 years. Payments received under operating leases are recognised in the Statement of financial performance on a straight-line basis over the period of the lease. The impact of straight lining has been a decrease in current year income of R 33 954 (2011: Increase R13 326).

40. Contingencies

Guarantees

| | | |
|--|----------------|----------------|
| Guarantee Eskom (ABSA) | 63,400 | 63,400 |
| Guarantee South African Post Office Limited (ABSA) | <u>75,000</u> | <u>75,000</u> |
| | <u>138,400</u> | <u>138,400</u> |

Legal Matters

Mojovi Buildings & Civils cc instituted a claim against the municipality for cancelling a contract for the building of houses in Avian Park. The case was referred for Arbitration. No steps has been taken from Mojovi's side till date.

| | |
|-----------|-----------|
| 3,897,365 | 3,897,365 |
|-----------|-----------|

Public Liability - Insurance claims based on quotations and could result in a lessor amount or more. It is the view of Management that it is unlikely that these claims will be paid out but might realise due to past experience.

| | |
|-----------|-----------|
| 1,780,046 | 1,658,199 |
|-----------|-----------|

Claims for damages - It is the view of Management that it is unlikely that these claims will be paid out but might realise due to past experience.

| | |
|------------------|------------------|
| <u>154,083</u> | <u>167,782</u> |
| <u>5,831,494</u> | <u>5,723,346</u> |

Other

| | | |
|--|----------------|----------------|
| Guarantees by Council in respect of Housing Loans for Officials. | 825,923 | 885,173 |
| | <u>825,923</u> | <u>885,173</u> |

Contingent asset

Former employees - An arrangement is in process where two ex-employees will reimburse the municipality for money lost due to theft, fraud, forgery and gross dishonesty.

| | |
|---|---------|
| - | 377,620 |
|---|---------|

Zadar - Court decision in favour of Council for reimbursement of legal fees. Taxation still needs to take place.

| | |
|---------|---------|
| 900,000 | 900,000 |
|---------|---------|

SARS - Dispute was entered into with SARS regarding VAT audit and repayment of amounts paid to SARS.

| | |
|------------------|------------------|
| <u>1,761,161</u> | <u>1,761,161</u> |
| <u>2,661,161</u> | <u>3,038,781</u> |

41. Related parties

No related party transactions or relationships existed for the year under review for councillors or senior management with decision making authority, other than those disclosed in Appendix I. Also refer to note 28 and 29 which discloses the remuneration of key management and councillors respectively.



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|-------------------------|-------------|------------------------|
|-------------------------|-------------|------------------------|

42. Restatements due to prior period errors

Certain errors were identified during the year which have been corrected retrospectively as far as practically possible. Further details regarding the restatements is set out below:

Prior period errors corrected:

2009 / 2010:

Error 1: Creditors: Expenses was payable for Workmen's compensations in the 2009 year and not provided for.
 Error 2: Consumer debtors: Adjustment to provision for bad debts due to previous calculation included VAT.
 Error 3: Long term receivables: Adjustment to provision for bad debts due to previous calculation included VAT.
 Error 4: The result of the fact that housing top structures were incorrectly treated as expenses every year, adjustments had to be made to recognise the houses not handed over as inventory. Houses handed over have an expense in the respective financial year. 2009/2010 Work in progress units for Avian Park housing scheme must be included in the inventory and not in expenses.
 Error 5: Non-current assets: Adjustment to PPE land, 439 erven must be recognised under inventory, was included in PPE

2010 / 2011:

Error 1: Consumer debtors, Other receivables from non - exchange transactions and long term receivables: Adjustment to provision for bad debts due to previous calculation included VAT.

The restatement as set out above resulted in adjustments as follows:

Statement of financial position 1 July 2010

| | |
|---|------------------|
| <u>Error 1:</u> | |
| Creditors - Workmen's compensation for 2009 was incorrectly provided for. | (1,058,225) |
| <u>Error 2:</u> | |
| Consumer debtors. | 2,260,874 |
| <u>Error 3:</u> | |
| Long-term receivables. | 1,037 |
| <u>Error 4</u> | |
| Current assets: inventory debit | 3,014,841 |
| <u>Error 5</u> | |
| Decrease in Land: PPE (Grap 12) | (10,920,000) |
| Increase in inventory (Grap 12) | 10,920,000 |
| Accumulated surplus. | <u>4,218,527</u> |

Statement of financial position 30 June 2011

| | |
|---|-------------------|
| <u>Error 1: 2010/2011:</u> | |
| Current portion of long-term receivables | 52,068 |
| Long-term receivables | (52,068) |
| Other receivables from non-exchange transactions | 1,343 |
| Consumer debtors | 924,120 |
| Long-term receivables | 305,835 |
| Current assets: Error 4 inventory/ top structures | <u>9,800,489</u> |
| | <u>11,031,788</u> |

Reconciliation of profit for the year 30 June 2011

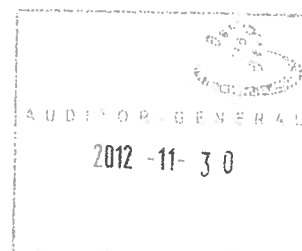
| | |
|---|--------------|
| Net operating surplus (deficit) as previously stated | (1,160,236) |
| Contributions to Debtors impairment Provision adjusted. | 11,031,788 |
| Decrease of Billing removed | (22,131,463) |
| Decrease of General Expenses: Levies | 22,131,463 |

Net operating surplus/(deficit) as restated

9,871,552

43. Comparative figures

Certain comparative figures have been reclassified, to reflect the changes due to the prior period errors.



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Notes to the Financial Statements
Figures in Rands
2012
2011 (restated)
44. Financial assets by category

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

2012

| | Loans and receivables | Held to maturity Investments | Total |
|-------------------------------|--------------------------|------------------------------------|--------------------|
| Consumer debtors | 80,778,096 | - | 80,778,096 |
| Other debtors | 10,735,613 | - | 10,735,613 |
| Long term receivables | 27,803,458 | - | 27,803,458 |
| Investments in other deposits | - | 35,000,000 | 35,000,000 |
| Cash and cash equivalents | 65,659,974 | - | 65,659,974 |
| | <u>184,977,141</u> | <u>35,000,000</u> | <u>219,977,141</u> |

2011

| | Loans and receivables | Held to maturity Investments | Total |
|-------------------------------|--------------------------|------------------------------------|--------------------|
| Consumer debtors | 73,461,086 | - | 73,461,086 |
| Other debtors | 9,516,946 | - | 9,516,946 |
| Long term receivables | 26,261,266 | - | 26,261,266 |
| Investments in fixed deposits | - | 90,000,000 | 90,000,000 |
| Cash and cash equivalents | 37,280,647 | - | 37,280,647 |
| | <u>146,519,945</u> | <u>90,000,000</u> | <u>236,519,945</u> |

45. Financial liabilities by category

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

2012

| | Financial liabilities at amortised cost | Held to maturity | Fair value through surplus or deficit - designated | Total |
|--|--|---------------------|--|--------------------|
| Consumer deposits | 2,865,839 | - | - | 2,865,839 |
| Unspent conditional grants and receipt | 19,961,007 | - | - | 19,961,007 |
| Trade and other payables | 59,596,991 | - | - | 59,596,991 |
| Annuity loans | 257,875,356 | - | - | 257,875,356 |
| | <u>340,299,193</u> | <u>-</u> | <u>-</u> | <u>340,299,193</u> |

2011

| | Financial liabilities at amortised cost | Held to maturity | Fair value through surplus or deficit - designated | Total |
|--|--|---------------------|--|--------------------|
| Consumer deposits | 2,715,598 | - | - | 2,715,598 |
| Unspent conditional grants and receipt | 14,659,959 | - | - | 14,659,959 |
| Trade and other payables | 68,736,475 | - | - | 68,736,475 |
| Annuity loans | 281,556,881 | - | - | 281,556,881 |
| | <u>367,668,913</u> | <u>-</u> | <u>-</u> | <u>367,668,913</u> |



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| Figures in Rands | 2012 | 2011 (restated) |
|-------------------------|-------------|------------------------|
|-------------------------|-------------|------------------------|

46. Risk management

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an on-going review of future commitments and credit facilities. Prudent liquidity risk management implies maintaining sufficient cash and investments, the availability of funding for service delivery through effective budgeting and availability of credit facilities. The municipality manages its risks through effective and efficient budgeting and credit control. The liquidity risk is thus limited.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the municipality's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| At 30 June 2012 | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
|----------------------------|-------------------------|------------------------------|------------------------------|---------------------|
| Annuity loans | 54,506,026 | 50,879,421 | 122,926,550 | 253,735,363 |
| Consumer deposits | 2,865,839 | - | - | - |
| Trade and other payables | 59,596,991 | - | - | - |
| Unspent conditional grants | 19,961,007 | - | - | - |
| | 136,929,863 | 50,879,421 | 122,926,550 | 253,735,363 |

| At 30 June 2011 | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
|----------------------------|-------------------------|------------------------------|------------------------------|---------------------|
| Annuity loans | 50,399,517 | 54,506,026 | 201,676,281 | 225,865,052 |
| Consumer deposits | 2,715,598 | - | - | - |
| Trade and other payables | 60,845,732 | - | - | - |
| Unspent conditional grants | 14,659,959 | - | - | - |
| | 128,620,806 | 54,506,026 | 201,676,281 | 225,865,052 |

Interest rate risk

At 30 June 2012, if interest rates on Rand-denominated trade receivables had been 0.5% higher/lower with all other variables held constant, post-tax surplus for the year would have been R 837 684 (2011 - R 572 645) lower/higher, mainly as a result of higher/lower interest income on past due trade receivables

In order to hedge the fair value interest rate risk, borrowings are made at fixed rates and investments are not made for periods exceeding 12 months.

The municipality's has a low interest rate risk as long-term borrowings is made on a fixed interest rate. All financial assets except trade debtors bears a fixed interest rate.

At year end, financial instruments exposed to interest rate risk were as follows:

- Consumer debtors

Credit risk

Credit risk is managed by debt collection department. The credit risks, rates and consumer debtors, are managed in terms of the credit control and debt collection as well as the indigent relief policies.

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

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an on-going basis. There is no independent rating, risk control assesses the credit quality of the customer, taking into account past experience with the client's payment rate. Sales to customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.



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| Figures In Rands | 2012 | 2011 (restated) |
|-------------------------|-------------|------------------------|
|-------------------------|-------------|------------------------|

46. Risk management (continued)

Financial assets exposed to credit risk at year end were as follows:

| Financial instrument | 2012 | 2011 |
|-------------------------------|--------------------|--------------------|
| Other debtors | 10,735,613 | 9,516,946 |
| Long term receivables | 27,803,458 | 26,261,266 |
| Investments in other deposits | 35,000,000 | 90,000,000 |
| Cash and cash equivalents | 65,659,974 | 37,280,647 |
| | <u>139,199,045</u> | <u>163,058,859</u> |

Price risk

The municipality is not exposed to equity securities price risk as no investments are made by the municipality's in equity securities on the consolidated statement of financial position either as available for sale or at fair value through surplus or deficit.

47. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

48. Events after the reporting date

The municipality is not aware of any other events after the reporting date that might have a material impact on the annual financial statements.

49. Unauthorised, irregular, fruitless and wasteful expenditure

| | | |
|--|-------------------|-------------------|
| Opening balance | 50,818,996 | 31,251,471 |
| Unauthorised expenditure - expenditure exceeds budget | - | 16,624,131 |
| Irregular expenditure - Bovidae Investments (Pty) Ltd | - | 962,217 |
| Irregular expenditure - Contract expired: Geniprint | 69,986 | 7,228 |
| Irregular expenditure - Singeni contract | - | 368,969 |
| Irregular expenditure - WP Security | - | 1,110,853 |
| Irregular expenditure - Cougar Security | - | 629,941 |
| Irregular expenditure - Hippo Wassery II | 80,576 | 91,804 |
| Irregular expenditure - Various | 182,016 | 3,239,589 |
| Irregular expenditure - Security - Global | 2,699,083 | - |
| Irregular expenditure - Security - Future | 755,803 | - |
| Irregular Various - additional | 80,827 | - |
| | <u>54,687,286</u> | <u>54,286,203</u> |
| Less: Amounts not recoverable (not approved for write off) | - | - |
| Less: Amounts (approved for write off by Council 29.11.2011) | (16,241,131) | (3,467,207) |
| | <u>38,446,155</u> | <u>50,818,996</u> |

Analysis of expenditure awaiting approval per age classification

| | | |
|--------------|-------------------|-------------------|
| Current year | 3,868,291 | 23,034,732 |
| Prior years | 34,577,865 | 27,784,264 |
| | <u>38,446,155</u> | <u>50,818,996</u> |

Notes to the Financial Statements

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2011 (restated)

49. Unauthorised, irregular, fruitless and wasteful expenditure (continued)

Details of irregular expenditure - Current year

No tender issued for contract with Bovidae Investments (Pty) Ltd, which contracts were signed by Mr Damens on behalf of council for the rental for various office equipment for different periods for which evidence that the prescribed procurement procedures has been followed, could not be provided by 26/11/2007 to the Auditor-General. Therefore in terms of section 1 and 32 of the MFMA all expenditure incurred in respect of this contract is regarded as irregular expenditure. An internal hearing was held and Mr Damens was dismissed. Mr Damens has appealed against this ruling and the appeal is still in process. The Appeal hearing Chairperson has been appointed - The matter is set down for the 14 and 15 August 2012 for continuation of arbitration.

The contract with Geniprint, for a Genicom Printer, expired on 17 March 2008. Total payments of R7 228 were made to the supplier during the period 2010/2011 financial year and a payment of R 69 986.07 was made to the supplier for the 2011/2012 Financial Year.

The contract with Singeni Electrical Construction CC, as per tender BV63, was not entered into in terms of SCM regulations and municipal policy. Payments to the value of R 368 969 were made during the 2010/2011 year. The contract was ended and the tender process was followed and a new service provider was appointed for the service.

Payments to the value of R 1 023 001 and R 694 938 were made to WP Security and Cougar Security respectively in the 2010/2011 year, in terms of an extended contract, which was not communicated in terms of MFMA Section 116(3)(b). WP Security and Cougar Security were appointed on a month to month basis after the contract expired. New service providers were appointed subsequently.

Awards to the amounts of R 80 575.55 was made to Hippo Wassery II for the 2011/12 financial year. Mr A Abrahams, husband of owner, Mrs Abrahams is in the service of the SAPS.

A Section 32 Committee has been appointed by council to investigate the Irregular expenditure and to report to council.

Various other instances to the total amount of R 182 016 were identified where irregular expenditure took place during the 2011/12 financial year. For a detailed listings and reasons regarding these items refer to Appendix G.

50. In-kind donations and assistance

In-kind donations, in the form of assets, to the value of R5 837 116 have been received by the Municipality during the 2011/2012 financial year.

Consumable items to the value of R 232 161 have been received and recognised as an expense and revenue in the Statement of Financial year.

BREDE VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2012 (2011 Restated)

Notes to the Financial Statements

| Figures in Rands | 2012 | 2011 (restated) |
|--|--------------|------------------------|
| 51. Contributions to organised local government | | |
| Current year subscription /fee | 1,196,851 | 663,385 |
| Amount paid - current year | (1,196,851) | (663,385) |
| | - | - |
| Audit fees | | |
| Opening balance | - | - |
| Current year subscription /fee | 1,990,406 | 2,024,969 |
| Amount paid - current year | (1,990,406) | (2,024,969) |
| | - | - |
| PAYE and UIF | | |
| Opening balance | 1,828,868 | 19,757 |
| Current year subscription /fee | 22,210,533 | 20,762,641 |
| Amount paid - current year | (20,380,058) | (18,933,773) |
| Amount paid - previous years | (1,828,868) | (19,757) |
| | 1,830,475 | 1,828,868 |
| Pension and Medical Aid Deductions | | |
| Opening balance | (698,769) | (401,651) |
| Current year subscription / fee | 49,369,747 | 45,626,260 |
| Amount paid - current year | (49,547,073) | (45,779,440) |
| Amount paid - previous years | (153,180) | (143,938) |
| Included in creditors | - | - |
| | (1,029,275) | (698,769) |
| VAT | | |
| VAT receivable | 4,404,682 | 3,832,671 |
| VAT payable | - | - |
| | 4,404,682 | 3,832,671 |

VAT output payables and VAT input receivables are shown in note 10 . All VAT returns have been submitted by the due date

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2012:

30 June 2012

| | Outstanding Arrangement R | Outstanding less than 90 days R | Outstanding more than 90 days R | Total R |
|----------------|--|--|--|--------------------|
| PB Januarie | 6,654 | - | - | 6,654 |
| L & NV Steto | 5,627 | - | - | 5,627 |
| NP & TG Mecuur | 3,829 | - | - | 3,829 |
| CF & C Wilskut | 15,247 | - | - | 15,247 |
| FJ Klein | 14,532 | - | - | 14,532 |
| TM Wehr | 9,378 | - | - | 9,378 |
| | - | - | - | - |
| | 55,267 | - | - | 55,267 |



BREDE VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2012 (2011 Restated)

Notes to the Financial Statements

Figures in Rands

2012

2011 (restated)

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

30 June 2011

| | Outstanding Arrangement R | Outstanding less than 90 days R | Outstanding more than 90 days R | Total R |
|-------------|--|--|--|--------------------|
| F. Klein | 22,287 | - | - | 22,287 |
| T.M. Wehr | 21,378 | 514 | - | 21,892 |
| B.D. Kivedo | 11,245 | 397 | - | 11,642 |
| N.V. Steto | 5,273 | 483 | - | 5,756 |
| J.P. Appels | 4,663 | 603 | - | 5,266 |
| T.C. Dyonta | 4,755 | 620 | - | 5,375 |
| S. Lakey | 574 | 141 | - | 715 |
| | 70,175 | 2,757 | - | 72,932 |

During the year the following Councillors had arrear accounts outstanding for more than 90 days:

30 June 2012

None

**Highest
outstanding
amount**

**Aging
(in days)**

-

30 June 2011

None

**Highest
outstanding**

**Aging
(in days)**

-

52. Actual operating expenditure versus budgeted operating expenditure

Refer to Appendix D (1) for the comparison of actual operating expenditure versus budgeted expenditure.
Refer to Appendix D (2) for Revenue and Expenditure By Source (Actual Versus Budgeted)

53. Actual capital expenditure versus budgeted capital expenditure

Refer to Appendix D (3) for the comparison of actual capital expenditure versus budgeted expenditure.

The capital expenditure incurred during the year amounted to R 68 140 417 (2011: R 137 534 337) which represented 49.3% (2011: 93%) of the approved capital budget, R 138 345 278 (2011: R 147 122 217). The total in Annexure D (3) reflected an amount of R 73 977 533 which include the donated assets of R 5 837 116, not budgeted for.

2012-11-30

BREEDE VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2012 (2011 Restated)

Notes to the Financial Statements
Figures in Rands

| | 2012 | 2011 (restated) |
|---|--------------------|------------------------|
| 54. Reconciliation between budget surplus/deficit with the surplus deficit in the statement of financial performance | | |
| Net surplus/deficit per the statement of financial performance | (9,232,732) | 9,871,551 |
| Difference between budgeted and actuals: | | |
| Service charges | (3,468,015) | 7,183,696 |
| Rental Income | (1,087,176) | (434,718) |
| Income from agency services | 303,309 | 269,460 |
| Property rates | 1,376,641 | (87,386) |
| Property rates - penalties imposed and collection | (101,906) | 20,442 |
| Fines | 1,361,767 | (2,369,100) |
| Licences and permits | 298,369 | 148,033 |
| Government grants and subsidies | (7,779,665) | (30,832,732) |
| Revenue foregone | 2,372,355 | 2,657,128 |
| Other Income | (738,311) | (324,960) |
| Finance income | 360,050 | (3,305,516) |
| Employee related costs | 11,763,468 | 5,667,722 |
| Remuneration of councillors | 299,380 | 455,016 |
| Bad debts | 3,354,327 | 3,330,999 |
| Depreciation, amortisation and impairment | 2,003,596 | 2,157,079 |
| Bulk purchases | (4,620,806) | (4,371,447) |
| Finance costs | 4,429,101 | 3,300,166 |
| Collection costs | 58,606 | 23 |
| Repairs and maintenance | (871,860) | (2,509,466) |
| Contracted services | (1,717,046) | 3,346 |
| Grants and subsidies paid | 1,200 | (15,685) |
| Contributions to (from) debtors impairment, employee benefit obligation and leave payment accrual | (4,372,523) | (3,045,271) |
| General Expenses | (3,002,702) | 31,889,478 |
| Gains on disposal of assets | (49,962) | 231,774 |
| Fair value adjustments | (376,487) | (2,438,585) |
| Net surplus/deficit per approved budget | <u>(9,028,442)</u> | <u>2,292,055</u> |

Refer to Appendix H for the Statement of Comparative and Actual Information. For explanations regarding the differences, refer to Appendix D (1) and D (2) for operating expenditure and Appendix D(3) for capital expenditure.

55. Change in accounting estimate

Property, plant and equipment: A review of useful lives was done on assets. During the review certain infrastructure and other property plant and equipment with Rnil book values and nil remaining lives were identified. The entity's management considered how to account for the change in the estimated useful lives. The effect of a change in accounting estimate is required to be recognised prospectively by including it in surplus or deficit in the period of the change, if the change affects that period only; or the period of the change in future periods, if the change affects both. Management concluded that it should apply the change in estimate prospectively from the start of 2012 and therefore the depreciation charge was applied prospectively from 1 July 2011 over the remaining useful life of these assets.

| | |
|--|----------|
| Statement of Financial Performance 30 June 2012 | R |
| Decrease in depreciation for the year | 463,164 |
| Statement of Financial Position 30 June 2012 | R |
| Decrease in accumulated depreciation for the year | 463,164 |



BREEDE VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2012 (2011 Restated)

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|-------------------------|-------------|------------------------|

55. Change in accounting estimate (continued)

A review of useful lives was done on assets. During the review certain infrastructure and other property plant and equipment with Rnil book values and Rnil remaining lives were identified. The effect of a change in accounting estimate is required to be recognised prospectively by including it in surplus or deficit in the period of the change, if the change affects that period only; or the period of the change in future periods, if the change affects both. The change in accounting estimate has been applied prospectively from the start of 2012. The effect on the current year is to increase the carrying amount of property, plant and equipment by R463 164 and decrease the depreciation expense by R463 164 in the 2011/2012 financial year.

56. Deviation from Supply Chain Management regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Accounting Officer and noted by Council.

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

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the annual financial statements.

During the financial year under review goods/services totalling R 10 075 975 were procured and the process followed in procuring those goods/services deviated from the provisions of paragraph 12(1)(d)(i) as stated above. The reasons for these deviations were documented and reported to the accounting officer who considered them and subsequently approved the deviation from the normal supply chain management regulations.


A detailed list of deviations is available upon request and on the municipality's website.



BREDE VALLEY MUNICIPALITY
Preliminary Annual Financial Statements for the year ended 30 June 2012

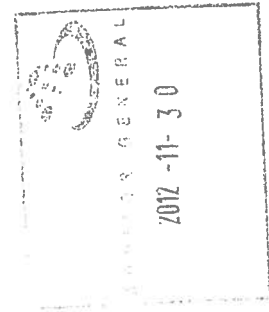
APPENDIX A: EXTERNAL LOANS

| Date | | Amount | Date | Transactions for the year to date: | | | | | Less: | | Add: | | Carrying Value | Short term Portion | | |
|----------------------------------|-------|------------|---------------|------------------------------------|------------|----------|---------------|--------------------------------|-------------------------------|--------------------------|------------|--------------|----------------|--------------------|--------------------|-------------------|
| Received | | Received | Redeemable | Balance as at 2011/07/01 | Received | Redeemed | Interest Paid | Interest Accrued Previous Year | Interest Accrued Current Year | Balance as at 2012/06/30 | | | | | | |
| EXTERNAL LOANS | | | | | | | | | | | | | | | | |
| ANNUITY & STOCK LOANS | | | | | | | | | | | | | | | | |
| 3 9001 60726100 | | | | | | | | | | | | | | | | |
| Loans redeemed | | | | | | | | | | | | | | | | |
| DBSA: @ 10.55% | 556 | 14/07/2005 | 21,736,259.25 | 31/03/2014 | 9,530,350 | 0 | 2,855,753 | 934,626 | (250,674) | 176,656 | 6,674,597 | 2,099,940.36 | | | | |
| DBSA: @ 10.891% | 557 | 14/11/2005 | 22,000,000.00 | 31/03/2015 | 12,367,693 | 0 | 2,617,182 | 1,281,100 | (335,819) | 265,918 | 9,750,511 | 12,805,140 | | 3,165,633 | | |
| DBSA: @ 10.40% | 558 | | | 31/03/2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 324,192 | | 0 | | |
| DBSA: @ 11.00% | 559 | 26/06/1997 | 9,179,000.00 | 31/03/2014 | 3,052,302 | 0 | 910,443 | 312,241 | (83,708) | 59,108 | 2,141,859 | 3,397,516 | | 1,013,559 | | |
| DBSA: @ 12.00% | 560 | 02/11/1999 | 3,000,000.00 | 31/03/2017 | 1,938,929 | 0 | 236,397 | 226,405 | (58,009) | 51,088 | 1,702,532 | 617,337 | | 265,979 | | |
| DBSA: @ 12.00% | 561 | 25/07/1997 | 7,000,000.00 | 31/03/2017 | 4,502,872 | 0 | 548,998 | 525,792 | (134,716) | 118,645 | 3,953,875 | 1,946,200 | | 617,695 | | |
| ABSA: @ Variable rate | 562 | | | 30/06/2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,790,913 | | 0 | | |
| DBSA: @ 8.69% | 2569 | 21/08/2006 | 25,000,000.00 | 31/03/2016 | 17,461,717 | 0 | 2,596,466 | 1,466,224 | (378,316) | 323,030 | 14,865,250 | 19,497,393 | | 2,829,363 | | |
| INCA: @ 10.21% | 2991 | 29/09/2006 | 50,000,000.00 | 30/09/2016 | 33,445,612 | 0 | 4,795,765 | 3,304,469 | (851,360) | 729,284 | 28,649,847 | 42,817,707 | | 5,306,612 | | |
| INCA: @ 10.14% | 2992 | 29/09/2006 | 5,000,000.00 | 30/09/2012 | 1,540,584 | 0 | 1,001,391 | 131,819 | (38,947) | 13,631 | 539,193 | 2,765,018 | | 539,193 | | |
| DBSA: @ 5.00% | 5027 | 31/03/2008 | 23,000,000.00 | 31/03/2018 | 17,247,036 | 0 | 2,112,735 | 838,561 | (214,997) | 189,065 | 15,134,301 | 20,937,348 | | 2,221,295 | | |
| DBSA: @ 9.46% | 5028 | 31/03/2008 | 40,000,000.00 | 31/03/2018 | 31,585,582 | 0 | 3,356,775 | 2,918,421 | (744,952) | 687,409 | 28,228,807 | 36,908,721 | | 3,687,081 | | |
| DBSA: @ 9.46% | 5029 | 31/03/2008 | 2,000,000.00 | 31/03/2015 | 1,297,310 | 0 | 280,689 | 116,559 | (30,597) | 24,080 | 1,016,621 | 998,667 | | 308,012 | | |
| DBSA: @ 6.75% | 11097 | 09/03/2010 | 21,000,000.00 | 31/03/2030 | 20,145,811 | 0 | 543,843 | 1,354,518 | (339,029) | 330,228 | 19,601,968 | 21,000,000 | | 584,310 | | |
| DBSA: @ 12.08% | 11098 | 09/03/2010 | 29,000,000.00 | 31/03/2030 | 27,802,394 | 0 | 411,496 | 3,355,636 | (837,332) | 826,186 | 27,390,898 | 29,000,000 | | 469,896 | | |
| DBSA: @ 11.326% | 11099 | 16/07/2010 | 50,000,000.00 | 31/03/2030 | 49,638,690 | 0 | 803,019 | 5,615,311 | (1,401,669) | 1,380,985 | 48,835,671 | 50,000,000 | | 908,726 | | |
| DBSA: @ 11.5% | 11100 | 29/06/2011 | 50,000,000.00 | 31/03/2030 | 50,000,000 | 0 | 610,573 | 4,336,309 | (15,753) | 1,418,123 | 49,389,427 | 32,604,299 | | 901,784 | | |
| | | | | | | | | | | | | | | 301,274,513 | 257,875,356 | 25,730,621 |


 AUDITOR GENERAL
 2012-11-30

BREEDE VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2012
APPENDIX B: Analysis of Property, Plant and Equipment

| Classification of Assets | Cost/Revaluation | | | | | | |
|----------------------------|---------------------------|-------------|------------------|-----------------------|-----------|-----------|---------------------------|
| | Opening Balance 30.6.2010 | Additions | Grat 12 Transfer | Fair value adjustment | Transfers | Disposals | Closing Balance 30.6.2011 |
| LAND | 252,556,760 | - | - | - | - | - | 252,556,760 |
| BUILDINGS | 255,604,274 | 1,923,943 | - | - | (76,864) | - | 257,451,553 |
| INFRASTRUCTURE | 1,888,705,788 | 132,471,447 | 83,599 | - | -14,893 | - | 2,021,245,941 |
| HERITAGE ASSETS | 11,412,805 | - | - | - | - | - | 11,412,805 |
| OTHER ASSETS | 34,186,433 | 2,996,213 | - | - | 92,702 | (701,537) | 36,573,811 |
| INTANGIBLE ASSETS | 1,016,965 | 142,734 | - | - | (1,145) | (145) | 1,168,409 |
| INVESTMENT PROPERTY | 7,543,200 | - | - | 814,100 | - | - | 8,357,300 |
| Total | 2,451,026,225 | 137,534,337 | 83,599 | 814,100 | - | (701,682) | 2,588,756,579 |

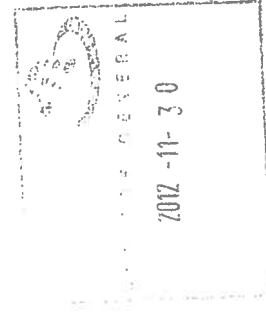


BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2012

APPENDIX B: FIXED ASSET RECONCILIATION

| Classification of Assets | | Cost/Revaluation | | | | |
|--------------------------|---------------|------------------|------------|-------------|-----------|---------------|
| | | GRAP 12 | Fair value | | | |
| | | Transfer | adjustment | Transfers | Disposals | Closing |
| Opening | | Additions | | | | Balance |
| 30.6.2011 | | | | | | 30.6.2012 |
| LAND | 252,556,760 | - | - | - | - | 252,556,760 |
| BUILDINGS | 257,451,553 | 666,563 | - | - | - | 258,118,116 |
| INFRASTRUCTURE | 2,021,245,941 | 61,959,757 | -44,812 | 2,086,570 | (22,384) | 2,085,225,072 |
| HERITAGE ASSETS | 11,412,805 | - | - | - | - | 11,412,805 |
| OTHER ASSETS | 36,573,811 | 11,194,286 | - | (2,086,570) | (151,910) | 45,529,616 |
| INTANGIBLE ASSETS | 1,158,409 | 156,927 | - | - | - | 1,315,336 |
| INVESTMENT PROPERTY | 8,357,300 | - | 697,100 | - | - | 9,054,400 |
| Total | 2,588,756,579 | 73,977,533 | -44,812 | 697,100 | (174,294) | 2,663,212,106 |

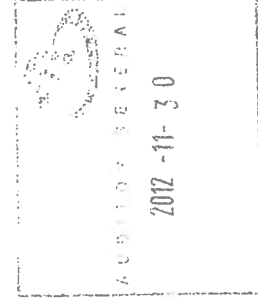


BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2012

APPENDIX B: FIXED ASSET RECONCILIATION

| Classification of Assets | Accumulated Depreciation | | | | |
|----------------------------|---------------------------------|-------------------|----------------|------------------|---------------------------------|
| | Opening Balance 30.6.2010 | Additions | Impairment | Disposals | Closing Balance 30.6.2011 |
| LAND | - | - | - | - | - |
| BUILDINGS | 143,628,846 | 6,231,907 | 9,009 | - | 149,869,762 |
| INFRASTRUCTURE | 584,759,201 | 51,434,770 | 14,921 | - | 636,208,892 |
| HERITAGE ASSETS | - | - | - | - | - |
| OTHER ASSETS | 9,704,891 | 4,895,833 | 255,125 | (594,592) | 14,261,257 |
| INTANGIBLE ASSETS | 583,824 | 88,948 | 2,702 | (36) | 675,237 |
| INVESTMENT PROPERTY | 1,000 | - | - | - | 1,000 |
| Total | 738,677,563 | 62,651,458 | 281,757 | (594,828) | 801,016,149 |



BREDE VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2012
APPENDIX B: FIXED ASSET RECONCILIATION

| Classification of Assets | Accumulated Depreciation | | | | | Carrying Value 2012/06/30 |
|----------------------------|---------------------------------|----------------------|------------------|-----------------|---------------------------------|------------------------------|
| | Opening Balance 30.6.2011 | Additions | Impairment | Disposals | Closing Balance 30.6.2012 | |
| LAND | - | - | - | - | - | 252,556,760 |
| BUILDINGS | 149,869,762 | 6,295,624 | - | - | 156,165,386 | 101,952,730 |
| INFRASTRUCTURE | 636,208,892 | 52,645,261 | 25,641 | (4,477) | 688,875,318 | 1,396,349,754 |
| HERITAGE ASSETS | - | - | - | - | - | 11,412,805 |
| OTHER ASSETS | 14,281,257 | 5,602,099 | 49,676 | (45,355) | 19,867,677 | 25,961,939 |
| INTANGIBLE ASSETS | 675,237 | 111,387 | - | - | 786,625 | 528,711 |
| INVESTMENT PROPERTY | 1,000 | - | - | - | 1,000 | 9,053,400 |
| Total | 801,016,149 | 64,654,371.16 | 75,316.52 | (49,832) | 865,696,005 | 1,797,516,100 |

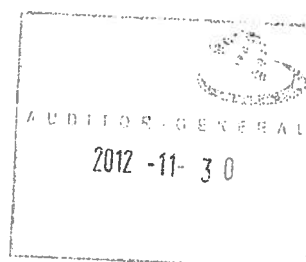
2012 -11- 30

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2012 (2011 Restated)

Appendix C(1): Revenue and Expenditure By Standard Classification

| 2011 Actual Revenue R | 2011 Actual Expenditure R | 2011 Surplus / (Deficit) R | | 2012 Actual Revenue R | 2012 Actual Expenditure R | 2012 Surplus / (Deficit) R |
|--------------------------------|------------------------------------|-------------------------------------|--------------------------------------|--------------------------------|------------------------------------|-------------------------------------|
| 720,826 | 44,014,258 | (43,293,432) | Executive & Council | 1,040,816 | 32,236,940 | (31,196,125) |
| 105,611,574 | 31,815,849 | 73,795,725 | Budget and Treasury Office | 113,988,729 | 35,644,810 | 78,343,918 |
| 1,393,013 | 35,555,700 | (34,162,686) | Corporate Services | 4,045,780 | 38,450,509 | (34,404,729) |
| 504,552 | 13,807,413 | (13,302,860) | Community and Social Services | 630,010 | 15,373,947 | (14,743,937) |
| 581,902 | 15,531,854 | (14,949,952) | Sport and Recreation | 1,548,996 | 16,588,526 | (15,039,530) |
| 4,986,147 | 30,811,615 | (25,825,468) | Public Safety | 9,377,217 | 36,157,074 | (26,779,856) |
| 23,514,736 | 24,309,827 | (795,091) | Housing | 28,355,176 | 47,421,831 | (19,066,654) |
| (22,580) | 332,620 | (355,199) | Health | (43,211) | 367,738 | (410,950) |
| 1,297,495 | 8,346,934 | (7,049,439) | Planning and Development | 1,478,647 | 8,494,085 | (7,015,439) |
| 26,292,448 | 39,316,511 | (13,024,063) | Road Transport | 11,148,012 | 34,331,226 | (23,183,213) |
| 3,275,125 | 6,664,430 | (3,389,305) | Environmental Protection | 4,123,852 | 8,482,232 | (4,358,381) |
| 220,979,875 | 188,191,335 | 32,788,539 | Electricity | 264,387,784 | 223,807,248 | 40,580,536 |
| 52,375,945 | 34,456,266 | 17,919,679 | Water | 50,491,834 | 35,168,019 | 15,323,815 |
| 71,972,909 | 41,396,773 | 30,576,136 | Waste Water Management | 74,232,686 | 47,206,462 | 27,026,224 |
| 27,890,998 | 15,732,636 | 12,158,362 | Waste Management | 30,849,207 | 24,082,887 | 6,766,320 |
| (113,585) | 1,105,810 | (1,219,395) | Other | (162,371) | 912,358 | (1,074,730) |
| 641,261,380 | 531,389,829 | 9,871,551 | Total | 695,493,162 | 604,725,893 | (9,232,731) |



BREDE VALLEY MUNICIPALITY**Annual Financial Statements for the year ended 30 June 2012 (2011 Restated)****Appendix C(2): Revenue and Expenditure By Municipal Vote**

| 2011 Actual Revenue R | 2011 Actual Expenditure R | 2011 Surplus / (Deficit) R | | 2012 Actual Revenue R | 2012 Actual Expenditure R | 2012 Surplus / (Deficit) R |
|--|--|---|-----------------------------|--|--|---|
| 375,763 | 33,058,104 | (32,682,341) | Council General | 1,003,438 | 22,253,383 | (21,249,945) |
| 619,009 | 8,702,381 | (8,083,372) | Municipal Manager | 481,785 | 7,010,525 | (6,528,740) |
| 23,201,164 | 53,402,890 | (30,201,726) | Corporate Services | 27,712,232 | 78,391,666 | (50,679,434) |
| 105,783,375 | 36,995,607 | 68,787,768 | Financial Services | 114,836,481 | 41,991,866 | 72,844,615 |
| 14,329,734 | 42,507,476 | (28,177,742) | Community Services | 20,572,043 | 49,663,534 | (29,091,491) |
| 396,952,336 | 356,723,371 | 40,228,965 | Operational Services | 430,887,183 | 405,414,919 | 25,472,263 |
| <u>541,261,380</u> | <u>531,389,829</u> | <u>9,871,551</u> | Total | <u>595,493,162</u> | <u>604,725,893</u> | <u>(9,232,731)</u> |



BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2012 (2011 Restated)

Appendix D(2): Revenue and Expenditure By Source (Actual Versus Budgeted)

**Reasons For Material Deviations
Deviations Greater Than 10% Versus Budget**

| | 2012 Budget R | 2012 Actual R | 2012 Variance R | 2012 Variance % | |
|---|---------------------|---------------------|-----------------------|-----------------------|--|
| Operating Revenue | | | | | |
| Property Rates | 91,924,351 | 93,300,993 | 1,376,642 | 1 | |
| Property Rates - Penalties and Collection Charges | 511,000 | 409,094 | (101,906) | (20) | |
| Service Charges | 368,689,342 | 365,221,327 | (3,468,015) | (1) | |
| Electricity Revenue | 252,959,002 | 247,400,789 | (5,558,213) | (0) | |
| Water Revenue | 43,062,230 | 46,989,875 | (3,927,645) | 8 | |
| Sanitation Revenue | 46,667,130 | 44,364,678 | 2,292,452 | (6) | |
| Refuse Revenue | 28,010,980 | 28,465,985 | (455,005) | 1 | |
| Rent of Facilities and Equipment | 11,412,190 | 10,325,014 | (1,087,176) | (10) | |
| Interest Earned - External Investments | 7,500,000 | 7,640,539 | 140,539 | 2 | |
| Interest Earned - Outstanding Debtors | 2,046,400 | 2,285,911 | 219,511 | 11 | |
| Fines | 7,979,830 | 9,341,597 | 1,361,767 | 17 | |
| Licenses and Permits | 2,526,520 | 2,824,889 | 298,369 | 12 | |
| Agency Services | 3,762,500 | 4,065,809 | 303,309 | 8 | |
| Transfers Recognised - Operating | 100,461,389 | 93,695,429 | (6,765,960) | (7) | |
| Transfers Recognised - Capital | 46,747,253 | 45,733,548 | (1,013,705) | (2) | |
| Other Revenue | 12,517,394 | 11,402,596 | (1,114,798) | (9) | |
| Gain on Disposal of PPE | 15,000 | - | (15,000) | (100) | |
| Total Operating Revenue Generated | 656,093,169 | 646,226,746 | (9,866,423) | (2) | |
| Less Revenue Foregone | (53,105,938) | (50,733,583) | 2,372,355 | (4) | |
| Total Operating Revenue | 602,987,231 | 595,493,162 | (7,494,068) | (1) | |
| Operating Expenditure | | | | | |
| Employee Related Costs - Social Contributions | 187,420,384 | 175,656,917 | (11,763,467) | (6) | |
| Remuneration of Councillors | 12,255,978 | 11,956,596 | (299,380) | (2) | |
| Debt Impairment | 6,000,000 | 2,645,673 | (3,354,327) | (56) | |
| Collection Costs | 195,500 | 136,894 | (58,606) | (30) | |
| Depreciation and Asset Impairment | 66,733,283 | 64,729,687 | (2,003,596) | (3) | |
| Interest - External Borrowings | 32,004,647 | 27,575,546 | (4,429,101) | (14) | |
| Bulk Purchases | 172,111,969 | 176,732,775 | 4,620,806 | 3 | |
| Other Materials | 36,715,653 | 37,587,513 | 871,860 | 2 | |
| Contracted Services | 3,959,900 | 5,676,946 | 1,717,046 | 43 | |
| Grants and Subsidies | 150,000 | 148,800 | (1,200) | (1) | |
| Other Expenditure | 79,039,741 | 82,042,442 | 3,002,701 | 4 | |
| Loss on Disposal of PPE | 89,500 | 124,462 | 34,962 | 39 | |
| Contributions To/(From) Provisions | 15,339,120 | 19,711,643 | 4,372,523 | 29 | |
| Total Operating Expenditure | 612,015,673 | 604,725,893 | (7,289,779) | (1) | |
| Surplus / (Deficit) For The Year | (9,028,442) | (9,232,731) | (204,289) | 2 | |

The payment rate of Property Rates is above 100%, thus is less penalties incurred than anticipated

Municipal rental tariffs is higher than other service providers

There has been an improvement and efficiency in the Debt Collection processes of the municipality municipal area

There has been an improvement in the enforcement of Municipal By-Laws

No municipal auction was held during the 2011/2012 financial year



and there was an increase in agreements and a decrease in prescribed debt

An improvement in Debt Collection processes of the municipality and an increase in agreements, resulted in minimal usage of Debt Collection Agencies

the 2012/2013 financial year, which resulted in less interest paid

were appointed on a monthly basis based on quotations received

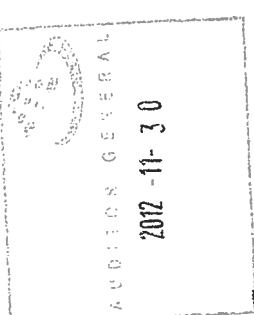
More assets disposed than anticipated

Due to an increase in the Provision for Post Retirement Medical Aid benefits

BREEDE VALLEY MUNICIPALITY
Preliminary Annual Financial Statements for the year ended 30 June 2012

Appendix D(3) : Actual versus Budget (Acquisition of Property, Plant and Equipment)

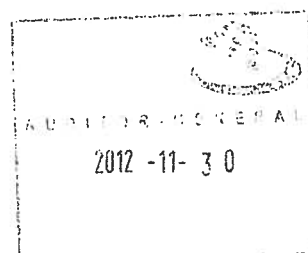
| | 2011/2012 Total Additions | 2011/2012 Budget | 2011/2012 Variance | 2011/2012 Variance (%) | Explanation of Significant Variances Variances greater than 5% versus Budget |
|--|---------------------------------|-------------------------|-----------------------|---------------------------|---|
| Governance and administration | | | | | |
| Executive and council | 12,187 | 15,472 | -3,285 | -21 | Savings on Equipment purchased |
| Budget and treasury office | 207,284 | 207,500 | -216 | -0 | |
| Corporate services | 3,258,100 | 1,452,890 | 1,805,210 | 124 | Donated Vehicles not Budgeted |
| Community and public safety | | | | | |
| Community and social services | 224,042 | 720,970 | -496,928 | -69 | Entrance and Fence Civic Centre not completed |
| Sport and recreation | 912,273 | 1,613,789 | -701,516 | -43 | Underspending on Grant funding for Sport grounds. Transferred to 2012/13 |
| Public safety | 4,450,309 | 1,546,393 | 2,903,916 | 188 | Donated equipment Disaster management not Budgeted |
| Housing | - | - | - | - | |
| Health | - | - | - | - | |
| Economic and environmental services | | | | | |
| Planning and development | 35,754.34 | 39,000 | -3,246 | -8 | Saving on purchases of Equipment and Furniture |
| Road transport | 4,806,791 | 7,276,000 | -2,469,209 | -34 | De Doorns South N1: services - approved in Feb with adjustment budget. Work in progress to be completed October 2012 |
| Environmental protection | - | - | - | - | |
| Trading services | | | | | |
| Electricity | 16,385,810 ^u | 54,017,093 ^u | -37,631,283 | -70 | Late delivery of transformers and switchgear. Unspent portion transferred to 2012/13 for completion of project |
| Water | 3,703,152 | 12,489,586 | -8,786,434 | -70 | De Doorns South N1 : services - approved in Feb with adjustment budget. Work in progress to be completed October 2012. Contractor on Stettynskloof pipeline appointed late as a result of an objection lodged. Funds transferred to 2012/13 |
| Waste water management | 39,342,462 | 58,310,901 | -18,968,439 | -33 | De Doorns South N1: services - approved in Feb with adjustment budget. Work in progress to be completed October 2012. Worc WWTW saving of R7.1m and R7.65m transferred to 2012/13 for completion of project |
| Waste management | 639,369 | 655,684 | -16,315 | -2 | |
| Other | 0 | - | - | - | |
| Total | 73,977,533 | 138,345,278 | -64,367,745 | -47 | |



BREED VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2012 (2011 Restated)

APPENDIX E
STATISTICAL INFORMATION

| | | 2012 | 2011 | 2010 | 2009 | 2008 |
|----------------------------------|--|----------------|----------------|----------------|----------------|-------------|
| | | 146,026 | 146,026 | 146,026 | 146,026 | 146,026 |
| | | R '000 | R '000 | R '000 | R '000 | R '000 |
| (1) General Statistics | | | | | | |
| (a) | Population. | | | | | |
| (b) | Valuation | | | | | |
| | (i) Taxable | | | | | |
| | Land | 784,917,470 | 786,417,970 | 785,573,470 | 796,504,670 | 1,339,949 |
| | Improvements | 10,728,337,000 | 10,485,363,000 | 10,444,796,000 | 10,304,765,000 | 3,176,313 |
| | (ii) Non Taxable | 0 | 0 | 0 | 0 | 0 |
| | Land | 0 | 0 | 0 | 0 | 0 |
| | Improvements | 0 | 0 | 0 | 0 | 0 |
| | (iii) Date of Last General Valuation | 2007/07/02 | 2007/07/02 | 2007/07/02 | 2007/07/02 | 2004/07/01 |
| (c) | Number of properties | | | | | |
| | Residential | 17,562 | 16,706 | 16,490 | 16,337 | 17,074 |
| | Commercial | 1,018 | 1,026 | 1,011 | 1,003 | 1,172 |
| | Other | 3,631 | 3,611 | 3,498 | 3,014 | 1,096 |
| | Rural | 2,243 | 2,195 | 2,148 | 2,065 | 2,111 |
| (d) | Assessment Rate: Cent in the Rand | 0.020321 | 0.020321 | 0.01767 | 0.0058 | 1.59751 |
| (e) | Number of Employees | | | | | |
| | Employed | 930 | 913 | 874 | 865 | 1017 |
| | Vacancies | 107 | 78 | 74 | 64 | 690 |
| (2) Electrical Statistics | | | | | | |
| (a) | Number of users | 23 983 | 27 200 | 27 000 | 26 000 | 24 974 |
| (b) | Units bought | 325 075 006 | 328 899 051 | 318 079 594 | 317 796 648 | 315 603 213 |
| (c) | Units sold | 307 361 747 | 307 144 886 | 284 981 601 | 306 096 156 | 294 986 045 |
| (d) | Units lost in distribution | 17,713,259 | 21,754,165 | 33,097,993 | 11,700,492 | 20,617,168 |
| (e) | Percentage of units lost in distribution | 5.449% | 6.614% | 10.406% | 3.682% | 6.533% |
| (f) | Cost per unit bought | 0.741435 | 0.624585 | 0.507133 | 0.425132 | 0.331929 |
| (g) | Loss in distribution | 13,133,237 | 13,587,325 | 16,785,077 | 4,974,259 | 6,843,445 |
| (h) | Cost per unit sold | 0.784164 | 0.668822 | 0.566032 | 0.441383 | 0.355129 |
| (i) | Income per unit sold | 0.846885 | 0.712569 | 0.610901 | 0.472369 | 0.400129 |
| (3) Water Statistics | | | | | | |
| (a) | Number of users | 26,360 | 26,200 | 26,000 | 23,000 | 20,393 |
| (b) | Units supplied | 15,442,467 | 15,159,075 | 14,322,848 | 14,192,730 | 14,118,113 |
| (c) | Units sold | 12,113,253 | 10,209,088 | 9,964,772 | 9,921,551 | 9,634,750 |
| (d) | Units lost in distribution | 3,329,214 | 4,949,987 | 4,358,076 | 4,271,179 | 4,483,363 |
| (e) | Percentage of units lost in distribution | 21.5588% | 32.6536% | 30.4274% | 30.0941% | 31.7561% |
| (f) | Cost per unit supplied | 3.407909 | 3.205210 | 3.707358 | 3.394903 | 2.276200 |
| (g) | Loss in distribution | 11,345,657 | 15,865,747 | 16,156,945 | 14,879,668 | 10,205,030 |
| (h) | Cost per unit sold | 4.344540 | 4.759290 | 5.328764 | 4.894635 | 3.335390 |
| (i) | Income per unit sold | 4.219454 | 4.565612 | 4.123359 | 3.814252 | 3.592901 |
| (4) Sundry Statistics | | | | | | |
| (a) | Area in km² | 3,015 | 3,015 | 3,015 | 3,015 | 3,015 |
| (b) | Previous election | | | | | |
| | Number of registered voters | 70,002 | 70,002 | 60,625 | 60,625 | 60,625 |
| | % poll | | | | | |
| (c) | Building survey: | | | | | |
| | (i) Building plans | | | | | |
| | Number passed | 918 | 873 | 1128 | 1107 | 866 |
| | Value passed (R '000) | 2,788,976,000 | 355,746 | 263,381 | 316,760 | 294,624 |
| | (ii) Inspections performed | 5,800 | 4,533 | 3,500 | 2,600 | 3,700 |
| (d) | Housing | | | | | |
| | (i) Number of dwelling units | 3,044 | 2,822 | 2,814 | 2,747 | 2,699 |
| | Number of people | | | | | |
| | accommodated | 15,220 | 31,000 | 30,670 | 32,249 | 29,689 |
| | (ii) Number of people on waiting | | | | | |
| | list | 8,096 | 7,668 | 7,711 | 7,434 | 7,529 |
| (e) | Fire service stations | 2 | 2 | 2 | 2 | 2 |



BREDE VALLEY MUNICIPALITY
APPENDIX F
GRANTS AND SUBSIDIES RECEIVED

2012 -11- 30

| NAME OF GRANTS | Name of organ of state or Municipality Entity | Balance July 2012 | Quarterly Receipts | | | | Quarterly Expenses | | | | Balance 30 June 2012 | Grants and subsidies delayed/ withheld | | | | Reason for delay/ withholding of funds | Comply with the grant conditions in terms of tender | Reason for non compliance |
|--|---|-------------------|--------------------|------------|------------|-----------|--------------------|------------|------------|------------|----------------------|--|--------|----------|---------|--|---|---------------------------|
| | | | Sept 11 | Dec 11 | March 12 | June 12 | Sept 11 | Dec 11 | March 12 | June 12 | | Sept 11 | Dec 11 | March 12 | June 12 | | | |
| Equitable Share | National | 0 | 23,688,000 | 18,935,000 | 14,201,000 | 0 | 14,200,800 | 14,200,880 | 14,201,250 | 14,201,000 | 0 | 0 | 0 | 0 | 0 | Not applicable | Yes | None |
| Financial Management grant | National | 0 | 1,250,000 | 0 | 0 | 0 | 154,833 | 108,882 | 281,921 | 734,583 | 0 | 0 | 0 | 0 | 0 | Not applicable | Yes | None |
| Systems Improvement Grant | National | 22,826 | 780,000 | 0 | 0 | 0 | 32,936 | 92,744 | 179,412 | 507,734 | 0 | 0 | 0 | 0 | 0 | Not applicable | Yes | None |
| Rea Bulk Serv Infrastructure | National | 0 | 0 | 0 | 300,000 | 0 | 0 | 0 | 0 | 0 | 300,000 | 0 | 0 | 0 | 0 | Not applicable | No | Project ongoing |
| INEP | National | 0 | 750,000 | 750,000 | 0 | 0 | 106,649 | 891,312 | 439,316 | 282,723 | 0 | 0 | 0 | 0 | 0 | Not applicable | Yes | None |
| Mun Infrastructure Grant (MIG) | National | 0 | 14,939,000 | 6,000,000 | 4,843,000 | 0 | 6,758,992 | 7,729,748 | 0 | 10,996,200 | 0 | 0 | 0 | 0 | 0 | Not applicable | Yes | None |
| LGNWETA | Provincial | -14,935 | 338,461 | 0 | 818,883 | 55,886 | 22,500 | 227,970 | 24,685 | 143,208 | 477,646 | 0 | 0 | 0 | 0 | Not applicable | Yes | None |
| Add Staff at Public Libraries | Provincial | 2,840 | 312,000 | 312,000 | 0 | 0 | 178,848 | 206,885 | 221,510 | 348,223 | -14,306 | 0 | 0 | 0 | 0 | Not applicable | Yes | Project ongoing |
| CDW Grant Over Support 0809 | Provincial | 344,758 | 0 | 0 | 182,000 | 0 | 32,018 | 52,243 | 90,068 | 181,876 | 190,554 | 0 | 0 | 0 | 0 | Not applicable | Yes | Project and Grant ongoing |
| National Roads Agency | Provincial | 0 | 0 | 0 | 115,000 | 0 | 0 | 0 | 115,000 | 0 | 0 | 0 | 0 | 0 | 0 | Not applicable | Yes | Project ongoing |
| Project Preparation Fund Ground water | Provincial | 58,134 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 58,134 | 0 | 0 | 0 | 0 | Not applicable | Yes | None |
| Work for Water Projects | Provincial | -20,826 | 575,174 | -84,781 | 3,558,907 | 2,908,803 | 809,996 | 1,284,457 | 1,823,628 | 683,152 | 2,592,047 | 0 | 0 | 0 | 0 | Not applicable | Yes | Project uncompleted |
| Uzaratina Land Ownership | Provincial | 81,328 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 81,328 | 0 | 0 | 0 | 0 | Not applicable | Yes | Project ongoing |
| Medicinal Plant arouwina Farm | Provincial | 67,021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 67,021 | 0 | 0 | 0 | 0 | Not applicable | No | Project uncompleted |
| Housing consumer Education grant | Provincial | 435 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 80 | 355 | 0 | 0 | 0 | 0 | Not applicable | No | Project uncompleted |
| Catering Public Participation - Emerit | Provincial | 0 | 0 | 0 | 0 | 41,700 | 0 | 0 | 0 | 0 | 41,700 | 0 | 0 | 0 | 0 | Not applicable | Yes | Project uncompleted |
| Geospatial Information System | Provincial | 38,700 | 0 | 0 | 0 | 0 | 38,700 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Not applicable | Yes | None |
| Deaf Cult. Art & Sport - 0809 | Provincial | 600,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Not applicable | No | Project ongoing |
| Deaf Cult. Art & Sport - 0809 | Provincial | 650,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 650,000 | 0 | 0 | 0 | 0 | Not applicable | Yes | Project uncompleted |
| EPW: Expanded Public Works | Provincial | 0 | 0 | 0 | 317,000 | 234,000 | 0 | 0 | 771,884 | -177,030 | -43,644 | 0 | 0 | 0 | 0 | Not applicable | Yes | Project uncompleted |
| Emergency Relief - Reintegration | Provincial | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Not applicable | No | None |
| Tourism for structures 0809 | Provincial | 5,854 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,854 | 0 | 0 | 0 | 0 | Not applicable | Yes | Project uncompleted |
| Sunny Side Hostel uzaratina too | Provincial | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Not applicable | Yes | None |
| 708 A Vianark | Provincial | 222,152 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 222,133 | 0 | 0 | 0 | 0 | Not applicable | Yes | Project uncompleted |
| 331 People Housing Proj Zwidehemba | Provincial | 2,620,567 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 19 | 2,674,067 | 0 | 0 | 0 | 0 | Not applicable | Yes | Project uncompleted |
| Zwidehemba 242 erven | Provincial | -62,327 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Not applicable | No | Project ongoing |
| UISP De Doorns- 577 Erven | Provincial | 0 | 11,452,860 | 0 | 2,136,368 | 1,887,996 | 0 | 381,730 | 1,007,785 | 2,936,487 | -383,945 | 0 | 0 | 0 | 0 | Not applicable | Yes | Project ongoing |
| Avian park 438 Houses | Provincial | 6,469,887 | 5,760,843 | 88,763 | 1,557,708 | 0 | 0 | 0 | 7,383,255 | 4,392,145 | 2,077,145 | 0 | 0 | 0 | 0 | Not applicable | Yes | Project ongoing |
| Add Staff at Public Libraries | Provincial | 103,728 | 0 | 0 | 0 | 0 | 5,015,390 | 6,103,141 | 222,340 | 151,720 | 2,841,611 | 0 | 0 | 0 | 0 | Not applicable | Yes | None |
| De Doorns Taxi Shelter | Provincial | 37,381 | 0 | 0 | 0 | 0 | 0 | 33,910 | 60,000 | 8,700 | 1,118 | 0 | 0 | 0 | 0 | Not applicable | Yes | Project and Grant ongoing |
| Seewedacimha Sarhweid | Provincial | 110,101 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 37,381 | 0 | 0 | 0 | 0 | Not applicable | Yes | Project uncompleted |
| Uzaratina Zwi Taxi Rank | Provincial | 64,513 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 110,101 | 0 | 0 | 0 | 0 | Not applicable | Yes | Project uncompleted |
| National Roads Agency | Provincial | 0 | 0 | 0 | 1,235,000 | 0 | 0 | 0 | 0 | 1,235,000 | 0 | 0 | 0 | 0 | 0 | Not applicable | No | Project uncompleted |
| UISP De Doorns- 577 Erven | Provincial | 777,794 | 0 | 0 | 8,806,714 | 6,000,000 | 0 | 0 | 0 | 5,835,448 | 5,700,574 | 0 | 0 | 0 | 0 | Not applicable | Yes | None |
| Housing Consumer Education | Capetown Municipality | 6,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6,000 | 0 | 0 | 0 | 0 | Not applicable | Yes | Project uncompleted |

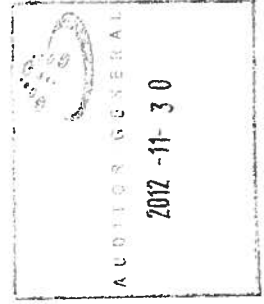
BREDE VALLEY MUNICIPALITY
APPENDIX F
GRANTS AND SUBSIDIES RECEIVED

| NAME OF GRANTS | Name of organ of state or Municipality Entity | Balance July 2012 | Quarterly Receipts | | | | Quarterly Expenses | | | | Balance 30 June 2012 | Grants and subsidies delayed/ withheld | | | | Reason for delay/ withholding of funds | Comply with the grant conditions in terms of latest data | Reason for non compliance |
|-------------------------------------|---|-------------------|--------------------|------------|------------|------------|--------------------|------------|------------|------------|----------------------|--|--------|----------|---------|--|--|---------------------------|
| | | | Sept 11 | Dec 11 | March 12 | June 12 | Sept 11 | Dec 11 | March 12 | June 12 | | Sept 11 | Dec 11 | March 12 | June 12 | | | |
| Capacity Building for 20 wards | Cape Wineland district Municipality | 34,494 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 34,494 | 0 | 0 | 0 | 0 | Not applicable | No | Project uncompleted |
| Facilitate of immovable Prop | Cape Wineland district Municipality | 533 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 533 | 0 | 0 | 0 | 0 | Not applicable | No | Project uncompleted |
| Clean up Campaign of Sandhills vill | Cape Wineland district Municipality | 8,501 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8,501 | 0 | 0 | 0 | 0 | Not applicable | No | Project uncompleted |
| Waste Removal in Sandhills Vill | Cape Wineland district Municipality | 38,460 | 0 | 0 | 0 | 0 | 0 | 8,989 | 0 | 25,000 | 4,451 | 0 | 0 | 0 | 0 | Not applicable | No | Project uncompleted |
| Upgraded Streets - Paving System | Cape Wineland district Municipality | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Not applicable | Yes | None |
| Tourism: Econ Development | Cape Wineland district Municipality | 0 | 10,516 | 0 | 0 | 0 | 0 | 0 | 0 | 8,768 | 1,748 | 0 | 0 | 0 | 0 | Not applicable | Yes | None |
| 58 Houses for staff (SAMAUI) | Housing grants | 44,824 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 44,824 | 0 | 0 | 0 | 0 | Not applicable | No | Project uncompleted |
| 1800 Zwelethembu Housing Project | Housing grants | 1,449,005 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,449,005 | 0 | 0 | 0 | 0 | Not applicable | No | Project uncompleted |
| 550 IDT Even | Housing grants | 275 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 275 | 0 | 0 | 0 | 0 | 0 | Not applicable | Yes | None |
| 350 Houses Avian Park | Housing grants | -422,643 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -422,643 | 0 | 0 | 0 | 0 | Not applicable | Yes | None |
| 339 Houses | Housing grants | 24,464 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 24,464 | 0 | 0 | 0 | 0 | Not applicable | No | Project uncompleted |
| Maintenance of Road at Nekies | Private Donation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Not applicable | Yes | None |
| Troffees: Special Events | Cape Wineland district Municipality | 0 | 0 | 0 | 0 | 20,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Not applicable | Yes | None |
| Lunch for elders - Prima klabrokers | Private Donation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Not applicable | Yes | None |
| Housing HCE Workshops | Private Donation | 118 | 0 | 0 | 0 | 0 | 0 | 118 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Not applicable | Yes | None |
| Nat Lotterv DTF - Zwiel spof | Private Donation | 335,740 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Not applicable | Yes | None |
| National Lotterv - Boof 10 11 | Private Donation | 550,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 335,740 | 0 | 0 | 0 | 0 | Not applicable | Yes | Project uncompleted |
| Assets Fire Deal - Vehicle | Private Donation | 0 | 0 | 0 | 50,000 | 0 | 0 | 0 | 0 | 892,889 | -142,889 | 0 | 0 | 0 | 0 | Not applicable | Yes | Project uncompleted |
| Don Fire Serv Ford Courier | Private Donation | 0 | 0 | 0 | 0 | 17,300 | 0 | 0 | 0 | 17,300 | 0 | 0 | 0 | 0 | 0 | Not applicable | Yes | None |
| Don Fire Serv Deaf Merc Benz | Private Donation | 0 | 0 | 0 | 0 | 1,854,110 | 0 | 0 | 0 | 1,854,110 | 0 | 0 | 0 | 0 | 0 | Not applicable | Yes | None |
| Don Fire Serv Deaf Co-Oa Gov | Private Donation | 0 | 0 | 0 | 0 | 3,915,706 | 0 | 0 | 0 | 3,915,706 | 0 | 0 | 0 | 0 | 0 | Not applicable | Yes | None |
| Over Cons Assets for Fire Deaf | Private Donation | 0 | 0 | 0 | 0 | 232,161 | 0 | 0 | 0 | 232,161 | 0 | 0 | 0 | 0 | 0 | Not applicable | Yes | None |
| Unicity Cape Town - Community Kids | Other Municipalities | 515 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 515 | 0 | 0 | 0 | 0 | 0 | Not applicable | Yes | None |
| | | 0 | | | | | | | | | 0 | | | | | | | |
| | | 14,139,226 | 59,836,338 | 26,000,499 | 41,259,284 | 17,147,443 | 27,352,442 | 31,132,770 | 33,712,391 | 47,231,630 | 18,953,559 | | | | | | | |

SUMMARY

| Balance 01/07/11 | Sept 11 | Dec 11 | March 12 | June 12 | Sept 11 | Dec 11 | March 12 | June 12 | Balance 30/06/2012 |
|------------------|---------|--------|-------------|---------|---------|--------|-------------|---------|--------------------|
| 14,139,226 | | | 144,243,585 | | | | 139,429,252 | | 18,953,559 |

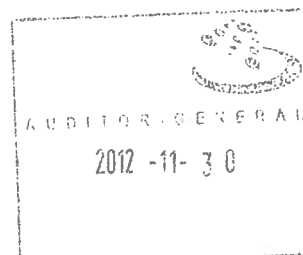
| Unutilised Balance - 01/07/2011 | Debit Balance 01/07/2011 | Received 01/07/2010 to 30/06/11 | Other Income | Capital Donated | Written - off | Conditions met Income statement Charities | Conditions met Income statement Capital | Refunded | To Other Debit | Balance 31/06/2011 |
|---------------------------------|--------------------------|---------------------------------|--------------|-----------------|---------------|---|---|----------|----------------|--------------------|
| -520,733 | 14,139,226 | 138,143,792 | 262,677 | 5,837,116 | 0 | 93,695,704 | 45,793,548 | 0 | -1,007,448 | 19,961,007 |
| | | | 144,243,585 | | | 139,429,252 | | | | 18,953,559 |



BREEDE VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2012 (2011 Restated)
APPENDIX G

IRREGULAR EXPENDITURE - 2011/12 FINANCIAL YEAR

| Order nr. | Amount | Supplier | Details of Irregularity |
|----------------------------------|-----------------------|-------------------------------|---|
| SEPTEMBER 2011 | | | |
| 1092531 | R 24,553.32 | Ilizwe Armed Security Cc | The company rendered the services on month to month without having to go out on a tender |
| NOVEMBER 2011 | | | |
| | R 156.30 | Bovallei Ingenieurswerke | Interest paid- Expenditure that could have been avoided should reasonable care been taken |
| FEBRUARY 2012 | | | |
| 1096530 | R 4,140.00 | Cuisine Caterers | Goods were delivered or services rendered prior to obtaining an official order |
| 1097108 | R 10,420.88 | Afrox | Goods were delivered or services rendered prior to obtaining an official order |
| 1097109 | R 11,131.39 | Afrox | Goods were delivered or services rendered prior to obtaining an official order |
| 1097221 | R 2,484.21 | Diesel Mec | Goods were delivered or services rendered prior to obtaining an official order |
| 1097230 | R 3,680.00 | I S Caterers | Goods were delivered or services rendered prior to obtaining an official order |
| 1097312 | R 3,500.00 | Bonnievale Passenger Services | Goods were delivered or services rendered prior to obtaining an official order |
| 1097322 | R 2,006.40 | Winterbach Broers BK | Goods were delivered or services rendered prior to obtaining an official order |
| 1097323 | R 2,006.40 | Winterbach Broers BK | Goods were delivered or services rendered prior to obtaining an official order |
| 1097325 | R 2,558.16 | Winterbach Broers BK | Goods were delivered or services rendered prior to obtaining an official order |
| | R 41,927.44 | | |
| MAY 2012 | | | |
| 1099919 | R 5,750.00 | Harry's Upholsterers | Goods were delivered or services rendered prior to obtaining an official order |
| JUNE 2012 | | | |
| 1100414 | R 6,466.00 | Koop En Bou | Goods were delivered or services rendered prior to obtaining an official order |
| 1100695 | R 2,280.00 | Curtain , Linen & Crockery | Goods were delivered or services rendered prior to obtaining an official order |
| 1100767 | R 2,223.00 | Tess Graphics | Goods were delivered or services rendered prior to obtaining an official order |
| 1101095 | R 87,717.50 | GPS Sales And Training | Goods were delivered or services rendered prior to obtaining an official order |
| 1100911 | R 2,800.00 | Suribel Trading | Goods were delivered or services rendered prior to obtaining an official order |
| 1100430 | R 8,142.50 | Juta And Company | The company is not allowed to make business with the state. |
| | R 109,629.00 | | |
| | R 69,986.07 | Tess graphic | |
| | R 80,575.55 | Hippo Wassery | |
| | R 150,561.62 | | |
| Additional | | | |
| | R 2,699,083.25 | Global Security | Rendering security services on a month-to-month basis without having to follow a normal tender process. |
| | R 755,802.73 | Future Security | Rendering security services on a month-to-month basis without having to follow a normal tender process. |
| | R 3,454,885.98 | | |
| Disclosure after findings | | | |
| 174330 | R 50,000.00 | Human Capital Life Coaching | Comaf 13,14 11/12 Financial Year Audit |
| 1096315 | R 25,000.00 | Golden Awards 1419 CC | Comaf 16 11/12 Financial Year Audit |
| | R 5,827.00 | Canopy Country | |
| | R 80,827.00 | | |
| TOTAL | R 3,868,290.66 | | |



Appendix H: Statement of Comparative and Actual Information

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BREDE VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2012 (2011 Restated)
APPENDIX I

Disclosure In terms of S45 of the Supply Chain Management Policy

In terms of S45 of the Supply Chain Management Policy the accounting officer must ensure that the notes to the financial statements disclose particulars of any award of more than R2000.00

to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including:

- a) the name of that person
- b) the capacity in which that person is in the service of the state; and
- c) the amount of the award

Awards (total amount) for the 2011/2012 financial year

Awards and payments to persons with relatives in the service of Breede Valley Municipality

A Karriem Transport (Spouse of Majieda Karriem)

Awards to the amount of R 5500.00 were made to A Karriem Transport

Majieda Karriem is a Clerk in Revenue section within the Financial Services Directorate of the Breede Valley Municipality (resigned during in May 2012)

C P Jansen Taxi's (Brother of Reggie Jansen)

Awards to the amount of R3 900.00 were made to C P Jansen Taxi's

Reggie Jansen is a Plan Examiner of the Building Control Section within the Operational Directorate of the Breede Valley Municipality

Enkosi Construction (Spouse of Juliette Winnaar)

Awards to the amount of R45 900.00 was made to Enkosi Construction

Juliette Winnaar is an employee in the WWTW Section within the Directorate: Operations of the Breede Valley Municipality

Geldenhuys General Constructions

Awards to the amount of R14 500.00 was made to Geledenhuis General Construction

Siegfried Geldenhuys was a councillor in council of Breede Valley Municipality. The term ended May 2011

MS Enterprises (Spouse of William Manuel)

Awards to the amount of R66 150.00 were made to MS Enterprises

William Manuel is an employee of the Breede Valley Municipality

Mayeki N E Taxi Services (Parent of G Simpiwe Mayeki)

Awards to the amount of R600.00 were made to Mayeki N E Catering Services

Simpiwe Mayeki is the Area Manager: De Doorns under the office of the Municipal Manager of the Breede Valley Municipality

NDS Enterprises (Brother of Juliette Winnaar)

Awards to the amount of R16 025.00 was made to NDS Enterprises

Juliette Winnaar is an employee in the WWTW Section within the Directorate: Operations of the Breede Valley Municipality

Rub-N-Dub Car Wash (Sister of Sameera Kafaar)

Awards to the amount of R3 855.00 was made to Rub-N-Dub Car Wash

Sameera Kafaar is a Senior Clerk: Creditors within the Directorate: Finance of the Breede Valley Municipality

T H Traders (Brother of Deon Human)

Awards to the amount of R13 765.00 was made to T H Traders

Deon Human is a storeman in the Parks & Recreational Section within the Directorate: Operations of the Breede Valley Municipality

Total Payments

9

R 170,195.00

Awards and payments to persons with relatives in the service other municipalities

Alsu Enterprises (Brother of Johannes Viljoen)

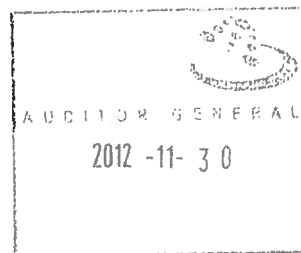
Awards to the amount of R22 074.23 were made to Alsu Enterprises

Johannes Viljoen is the Chief Electrical Engineer at Saldanha Bay Municipality

Total Payments

1

R 22,074.23



BREDE VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2012 (2011 Restated)
APPENDIX I

Awards and payments to persons with relatives in other State Departments

CLA Fencing (Relative to W Herder)

Awards to the amount of R1 800.00 were made to CLA Fencing

Conradie Incorporated (A member is a spouse of Tara Conradie)

Awards to the amount of R53 010.00 were made to Conradie Incorporated
Tara Conradie is an employee in the Western Cape Education Department

Cosmic Security and Cleaning (Spouse of Arnold Wagner)

Awards to the amount of R620 969.40 were made to Cosmic Security and Cleaning Services
Arnold Wagner is employed by the South African Correctional Services

Devotion Deli (Sister - Magdalene Brandt)

Awards to the amount of R7 480.00 were made to Devotion Deli
Magdalene Brandt is an employee in the Western Cape Education Department

Flexible Dansgroep (Member of NPO who is a brother to September Andrew)

Awards to the amount of R11 350.00 were made to Flexible Dansgroep
September is employed by the South African Correctional Services

Future Security Services (Brother - Abraham Bernard Heyns)

Awards to the amount of R820 444.33 were made to Future Security Services
Abraham Bernard Heyns is employed by the South African Police Department

Hippo Wassery II (Spouse of Andre Abrahams)

Awards to the amount of R80 575.55 were made to Hippo Wassery II
Andre Abrahams is employed by the South African Police Department, Worcester

J Witbooi Kontrakteur (Spouse of Mercia Witbooi)

An Award to the amount of R12 500.00 was made to J Witbooi Kontrakteur
Mercia Witbooi is a Teacher in the Western Cape Education Department

JC Trading (Brother - Stemmet Clive Cupido)

Awards to the amount of R19 1000.00 were made to JC Trading
Stemmet Clive Cupido is an employee in the South Africa Correctional Service

Kaizen Chemicals CC (Child of Erna Bowers)

Awards to the amount of R437 394.52 were made to Kaizen Chemicals CC
Erna Bowers is an employee in the service of the Department of Health

Krieger C (Cathy) (Spouse of Jacob Krieger)

Awards to the amount of R86 715.00 were made to Krieger C
Jacob Krieger is a Teacher in the Western Cape Education Department

M P Builders & Civil CC

Awards to the amount of R14 500.00 were made to M P Builders & Civil
Josef Persent is a Teacher in the Western Cape Education Department

Mvambane Tradings CC (Parent of Luyanda Mooi)

Awards to the amount of R26 190.00 were made to Mvambane Tradings cc
Luyanda Mooi is a warden in the Department of Correctional Services

M.M Du Toit (Spouses of W.J Du Toit)

Awards to the amount of R6 000.00 were made to M.M Du Toit
W.J Du Toit is an employee in the service of Transnet

Ntsimbi Welding and Cleaning Services (Brother of Patronella B Ndata)

Awards to the amount of R13 677.00 were made to Ntsimbi Welding and Cleaning Services
Patronella B Ndata is an employee (Teacher) in the Western Cape Education Department

Southern Cape Trees (Brother of Abraham Pokwas)

Awards to the amount of R51 500.00 were made to Southern Cape Trees
Abraham Pokwas is employed by the South African Police Department

Wallet Cleaning Services (Brother of Petula Shortles)

Awards to the amount of R5 590.00 were made to Wallet Cleaning Services
Petula Shortles is employed by the South African Police Department

| | | |
|-----------------------|-----------|-----------------------|
| Total Payments | 17 | R 2,248,795.80 |
| Grand Total | 27 | R 2,441,065.03 |

