

Beaufort West

MUNICIPALITY

[These financial statements have not been audited]

FINANCIAL STATEMENTS

30 JUNE 2013

BEAUFORT WEST LOCAL MUNICIPALITY

Index

General Information	1
Approval of the Financial Statements	2
Report of the Auditor General	
Statement of Financial Position	3
Statement of Financial Performance	4
Statement of Changes In Net Assets	5
Cash Flow Statement	6
Statement of comparison of budget and actual amounts - Statement of financial position	7 - 8
Statement of comparison of budget and actual amounts - Statement of financial performance	9 - 10
Statement of comparison of budget and actual amounts - Cash flow statement	11 - 12
Accounting Policies	13 - 44
Notes to the Financial Statements	45 - 79

APPENDICES - Unaudited

A	Schedule of External Loans	80 - 81
B	Segmental Statement of Financial Performance - Municipal Votes	82
C	Segmental Statement of Financial Performance - Municipal GFS	83
D	Disclosure of Grants and Subsidies In Terms of Section 123 of MFMA, 56 of 2003	84 - 85
E	Supply Chain Management Implementation Report	86 - 131

BEAUFORT WEST LOCAL MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

GENERAL INFORMATION

NATURE OF BUSINESS

Beaufort West Municipality is a local municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

JURISDICTION

The Beaufort West Municipality includes the following areas:

Beaufort West
Nelspoort
Merweville
Murraysburg

MUNICIPAL MANAGER

Mr. A.C. Makendlana (Acting since 1 July 2013)

CHIEF FINANCIAL OFFICER

Mr. J. Booysen (Acting 1 July 2013)

REGISTERED OFFICE

112 Donkin Street
BEAUFORT WEST
6970

AUDITORS

Office of the Auditor General (WC)

PRINCIPLE BANKERS

ABSA Bank, Beaufort West

ATTORNEYS

Crawford Attorneys, Beaufort West

RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)
Division of Revenue Act
The Income Tax Act
Value Added Tax Act
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Planning and Performance Management Regulations
Water Services Act (Act no 108 of 1997)
Housing Act (Act no 107 of 1997)
Municipal Property Rates Act (Act no 6 of 2004)
Electricity Act (Act no 41 of 1987)
Skills Development Levies Act (Act no 9 of 1999)
Employment Equity Act (Act no 55 of 1998)
Unemployment Insurance Act (Act no 30 of 1966)
Basic Conditions of Employment Act (Act no 75 of 1997)
Supply Chain Management Regulations, 2005
Collective Agreements
Infrastructure Grants
SALBC Leave Regulations

BEAUFORT WEST LOCAL MUNICIPALITY

MEMBERS OF THE BEAUFORT WEST LOCAL MUNICIPALITY

WARD	COUNCILLOR
1	L Deyse
2	A.M. Slabbert
3	G. de Vos
4	S.M. Motsoane
5	M. Furmen
6	G.P. Adolph
7	J. Bostander
Proportional	P.A. Jacobs
Proportional	G.T. Murray
Proportional	T. Prince
Proportional	R. van der Linde
Proportional	D.E. Welgemoed
Proportional	A.D. Willemse

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2013, which are set out on pages 1 to 79 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality. The annual financial statements have been prepared in accordance with GRAP.

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2013 and is satisfied that the Municipality can continue in operational existence for the foreseeable future.

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

I certify that the remuneration of Councillors and in-kind benefits 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.

Mr. A.C. Makendlana (Acting since 1 July 2013)
Municipal Manager

31 August 2013

Date

BEAUFORT WEST LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2013

	Notes	2013 R (Actual)	2012 R (Restated)
NET ASSETS AND LIABILITIES			
Net Assets		339 792 942	294 834 220
Capital Replacement Reserve	2	4 546 564	1 885 759
Housing Development Fund	2	4 170 185	4 138 843
Self Insurance Reserve	2	1 035 337	765 283
Accumulated Surplus		330 040 856	288 044 335
Non-Current Liabilities		42 478 710	44 463 099
Long-term Liabilities	3	14 703 391	15 417 494
Employee benefits	4	22 295 025	23 792 028
Non-Current Provisions	5	5 480 294	5 253 577
Current Liabilities		44 985 625	52 245 165
Consumer Deposits	6	1 159 826	1 059 679
Current Employee benefits	7	7 156 341	6 471 335
Provisions	8	1 876 743	1 810 986
Payables From Exchange Transactions	9	24 209 891	22 128 344
Unspent Conditional Government Grants and Receipts	10	7 774 144	13 219 957
Unspent Public Contributions	11	-	376 303
Operating Lease Liability	23.1	-	547
Cash and Cash Equivalents	24	-	3 660 114
Current Portion of Long-term Liabilities	3	2 808 681	3 517 900
Total Net Assets and Liabilities		427 257 277	391 542 484
ASSETS			
Non-Current Assets		378 568 666	337 561 315
Property, Plant and Equipment	13	362 702 323	324 479 514
Investment Property	14	9 690 469	9 969 740
Non-current Assets Held For Sale	15	-	-
Intangible Assets	16	334 581	433 721
Capitalised Restoration Cost	17	1 249 142	1 345 217
Heritage Assets	18	2 970 644	-
Long-Term Receivables	19	1 621 507	1 333 123
Current Assets		48 688 611	53 981 169
Inventory	20	3 165 903	3 080 493
Trade Receivables from exchange transactions	21	14 095 015	14 516 211
Other Receivables from non-exchange transactions	22	8 879 561	16 654 035
Unpaid Conditional Government Grants and Receipts	10	972 570	97 044
Operating Lease Asset	23.2	12 645	11 537
Taxes	12	3 465 238	5 418 819
Cash and Cash Equivalents	24	18 097 679	14 203 030
Total Assets		427 257 277	391 542 484

BEAUFORT WEST LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 (Actual) R	2012 (Restated) R	Correction of error R	2012 (Previously reported) R
REVENUE					
Revenue from Non-exchange Transactions		155 919 734	158 004 748	-	158 004 748
Taxation Revenue		21 645 527	19 314 916	-	19 314 916
Property taxes	25	21 645 527	19 314 916	-	19 314 916
Transfer Revenue		117 576 277	125 203 492	-	125 203 492
Government Grants and Subsidies - Capital	26	51 170 022	31 864 995	-	31 864 995
Government Grants and Subsidies - Operating	26	66 345 163	48 362 618	-	48 362 618
Contributed PPE		61 092	324 000	-	324 000
Transfer DMA From District		-	44 651 879	-	44 651 879
Other Revenue		16 697 930	13 486 340	-	13 486 340
Actuarial Gains		3 194 043	187 559	-	187 559
Fines		13 503 887	13 298 781	-	13 298 781
Revenue from Exchange Transactions		86 828 456	80 756 403	-	80 756 403
Property Rates - penalties imposed and collection charges	27	607 297	516 940	-	516 940
Service Charges		78 302 416	71 821 058	-	71 821 058
Rental of Facilities and Equipment		750 537	583 341	-	583 341
Interest Earned - external investments		978 977	1 227 298	(672 091)	1 899 389
Interest Earned - outstanding debtors		1 391 595	1 291 448	672 091	619 357
Licences and Permits		510 365	619 638	-	619 638
Agency Services		471 592	469 217	-	469 217
Other Income	28	3 815 677	4 227 463	-	4 227 463
Total Revenue		242 748 190	238 761 151	-	238 761 151
EXPENDITURE					
Employee related costs	29	60 608 770	54 112 690	184 687	53 928 003
Remuneration of Councillors	30	4 102 580	3 715 493	-	3 715 493
Debt Impairment	31	8 000 132	7 966 544	-	7 966 544
Collection Cost		677 580	521 813	-	521 813
Depreciation and Amortisation	32	13 285 322	13 418 232	38 641	13 379 591
Impairments	33	-	253 256	-	253 256
Repairs and Maintenance	34	11 241 566	13 177 824	-	13 177 824
Actuarial losses	4	3 106	2 451 441	-	2 451 441
Finance Charges	35	4 197 444	4 206 166	-	4 206 166
Bulk Purchases	36	43 161 669	37 961 332	-	37 961 332
Contracted services		7 695 664	4 376 588	-	4 376 588
Grants and Subsidies Paid	37	39 859	34 521	-	34 521
Other Operating Grant Expenditure	38	29 358 204	16 148 768	-	16 148 768
Loss on disposal of PPE		85 728	69 695	-	69 695
General Expenses	39	15 331 891	12 873 079	-	12 873 079
Total Expenditure		197 789 515	171 287 442	223 328	171 064 114
NET SURPLUS FOR THE YEAR		44 958 675	67 473 709	(223 328)	67 697 037

BEAUFORT WEST LOCAL MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2013

	Self Insurance Reserve	Housing Development Fund	Capital Replacement Reserve	Accumulated Surplus/ (Deficit)	Total
	R	R	R	R	R
Balance at 1 July 2011	522 626	3 807 893	2 798 226	221 567 586	228 696 333
Correction of error - See Note 40.04	-	-	-	(1 335 818)	(1 335 818)
Restated Balance at 1 July 2011	522 626	3 807 893	2 798 226	220 231 768	227 360 515
Net Surplus/(Deficit) for the year	-	-	-	67 697 037	67 697 037
Correction of error - See Note 40.01	-	-	-	(223 327)	(223 327)
Contribution to Insurance Reserve	397 729	-	-	(397 729)	-
Insurance claims processed	(155 072)	-	-	155 072	-
Transfer to CRR	-	-	1 515 848	(1 515 848)	-
Property, Plant and Equipment purchased	-	-	(2 428 315)	2 428 315	-
Transfer to Housing Development Fund	-	330 950	-	(330 950)	-
Rounding	-	-	-	(3)	(3)
Restated Balance at 1 July 2012	765 283	4 138 843	1 885 759	288 044 335	294 834 222
Net Surplus/(Deficit) for the year	-	-	-	44 958 675	44 958 675
Transfer to CRR	-	-	3 245 801	(3 245 801)	-
Property, Plant and Equipment purchased	-	-	(584 996)	584 996	-
Contribution to Insurance Reserve	464 705	-	-	(464 705)	-
Insurance claims processed	(194 651)	-	-	194 651	-
Transfer to Housing Development Fund	-	31 342	-	(31 342)	-
Rounding	-	-	-	47	47
Balance at 30 June 2013	1 035 337	4 170 185	4 546 564	330 040 856	339 792 944

BEAUFORT WEST LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 R	2012 R
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Ratepayers and other		157 771 527	113 233 615
Government		89 245 983	57 414 115
Interest		2 370 572	2 518 746
Payments			
Suppliers and employees		(182 143 813)	(133 596 333)
Finance charges	35	(4 197 444)	(4 206 166)
Transfers and Grants		(39 859)	(34 521)
Net Cash from Operating Activities		63 006 966	35 329 455
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(54 135 308)	(36 683 024)
Proceeds on Disposal of Fixed Assets		113 740	43 696
Purchase of Intangible Assets		(7 359)	(7 411)
Net Cash from Investing Activities		(54 028 927)	(36 646 739)
CASH FLOW FROM FINANCING ACTIVITIES			
New loans raised		2 357 891	2 497 782
New loans (repaid)		(3 781 193)	(3 466 978)
Rounding		26	-
Net Cash from Financing Activities		-1 423 276	-969 196
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		7 554 763	(2 286 480)
Cash and Cash Equivalents at the beginning of the year		10 542 916	12 829 396
Cash and Cash Equivalents at the end of the year	42	18 097 679	10 542 916
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		7 554 763	(2 286 480)

BEAUFORT WEST LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2013
COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2013 R (Actual)	2013 R (Final Budget)	2013 R (Variance)	Explanations for material variances
ASSETS				
Current assets				
Cash	12 330	11 950	380	
Call investment deposits	16 811 803	13 138 520	3 673 283	Additional grants received that was invested and unspent at year-end.
Primary bank account	1 273 546	-	1 273 546	Included under "Call investment deposits" in budget.
Consumer debtors	16 213 265	9 352 208	6 861 057	Increase in debtors due to low payment rate.
Other Receivables	11 211 764	7 802 583	3 409 181	Increase in debtors due to low payment rate.
Current portion of long-term receivables	-	-	-	
Inventory	3 165 903	2 935 810	230 093	
Total current assets	48 688 611	33 241 071	15 447 540	
Non current assets				
Long-term receivables	1 621 507	1 934 184	(312 677)	
Investments	-	-	-	
Investment property	9 690 469	9 970 505	(280 036)	
Property, plant and equipment	363 951 465	357 871 383	6 080 082	Increase in housing grants (infrastructure) received for capital expenditure.
Biological Assets	-	-	-	
Intangible Assets	334 581	433 493	(98 912)	
Heritage Assets	-	-	-	
Total non current assets	375 598 022	370 209 565	5 388 457	
TOTAL ASSETS	424 286 633	403 450 636	20 835 997	
LIABILITIES				
Current liabilities				
Bank overdraft	-	3 617 970	(3 617 970)	Additional grants received that was invested and unspent at year-end.
Borrowing	2 808 681	3 852 610	(1 043 929)	Redemption on external loans and finance leases.
Consumer deposits	1 159 826	1 152 630	7 196	
Trade and other payables	31 984 035	21 773 350	10 210 685	Additional grants received that was invested and unspent at year-end.
Provisions and Employee Benefits	9 033 084	4 536 200	4 496 884	Increase in Post retirement Benefits and provision for landfill sites.
Total current liabilities	44 985 625	34 932 760	10 052 865	
Non current liabilities				
Borrowing	14 703 391	18 702 840	(3 999 449)	Redemption on external loans and finance leases.
Provisions and Employee Benefits	27 775 319	23 969 870	3 805 449	Increase in Post retirement Benefits and provision for landfill sites and annual bonuses previously not disclosed.
Total non current liabilities	42 478 710	42 672 710	(194 000)	
TOTAL LIABILITIES	87 464 335	77 605 470	9 858 865	
NET ASSETS	336 822 298	325 845 166	10 977 132	
COMMUNITY WEALTH				
Accumulated Surplus/(Deficit)	330 040 856	317 422 784	12 618 073	Net of all reasons.
Reserves	9 752 086	8 455 531	1 296 555	Additional contribution to CRR due to NT circular 48
TOTAL COMMUNITY WEALTH/EQUITY	339 792 942	325 878 315	13 914 628	

**BEAUFORT WEST LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2013**

ADJUSTMENTS TO APPROVED BUDGET

	2013 R (Approved Budget)	2013 R (Adjustments)	2013 R (Final Budget)	Explanations for material adjustments
ASSETS				
Current assets				
Cash	11 950	-	11 950	
Call investment deposits	13 138 520	-	13 138 520	
Consumer debtors	9 352 208	-	9 352 208	
Other Receivables	7 802 583	-	7 802 583	
Current portion of long-term receivables	-	-	-	
Inventory	2 935 810	-	2 935 810	
Total current assets	33 241 071	-	33 241 071	
Non current assets				
Long-term receivables	1 934 184	-	1 934 184	
Investments	-	-	-	
Investment property	9 970 505	-	9 970 505	
Property, plant and equipment	325 822 392	32 048 991	357 871 383	Increase in housing grants (infrastructure) received for capital expenditure.
Biological Assets	-	-	-	
Intangible Assets	433 493	-	433 493	
Heritage Assets	-	-	-	
Total non current assets	338 160 574	32 048 991	370 209 565	
TOTAL ASSETS	371 401 645	32 048 991	403 450 636	
LIABILITIES				
Current liabilities				
Bank overdraft	3 617 970	-	3 617 970	
Borrowing	3 852 610	-	3 852 610	
Consumer deposits	1 152 630	-	1 152 630	
Trade and other payables	21 773 350	-	21 773 350	
Provisions and Employee Benefits	4 536 200	-	4 536 200	
Total current liabilities	34 932 760	-	34 932 760	
Non current liabilities				
Borrowing	18 702 840	-	18 702 840	
Provisions and Employee Benefits	23 969 870	-	23 969 870	
Total non current liabilities	42 672 710	-	42 672 710	
TOTAL LIABILITIES	77 605 470	-	77 605 470	
NET ASSETS	293 796 175	32 048 991	325 845 166	
COMMUNITY WEALTH				
Accumulated Surplus/(Deficit)	287 792 248	29 630 536	317 422 784	Net of all reasons.
Reserves	6 003 927	2 451 604	8 455 531	Additional contribution to CRR due to NT circular 48
TOTAL COMMUNITY WEALTH/EQUITY	293 796 175	32 082 140	325 878 315	

BEAUFORT WEST LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2013
COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2013 R (Actual)	2013 R (Final Budget)	2013 R (Variance)	Explanations for material variances
REVENUE BY SOURCE				
Property rates	21 645 527	21 678 051	(32 524)	
Property rates - penalties & collection charges	607 297	525 000	82 297	
Service charges	78 302 416	78 542 768	(240 352)	
Rental of facilities and equipment	750 537	908 025	(157 488)	
Interest earned - external investments	978 977	1 170 471	(191 494)	Interest on conditional grants at year-end recognized
Interest earned - outstanding debtors	1 391 595	1 438 000	(46 405)	Interest to recognized
Dividends received	-	-	-	
Fines	13 503 887	10 412 550	3 091 337	Traffic fine provision
Licences and permits	510 365	593 350	(82 985)	
Agency services	471 592	480 000	(8 408)	
Government Grants and Subsidies - Operating	66 345 163	66 852 563	(507 400)	1% not material
Other revenue	7 070 812	896 691	6 174 121	VAT and interest according to NT circular 48
Gains on disposal of PPE	-	20 000	(20 000)	
Total Operating Revenue	<u>191 578 168</u>	<u>183 517 469</u>	<u>8 060 699</u>	
EXPENDITURE BY TYPE				
Employee related costs	60 608 770	58 658 893	1 949 877	
Remuneration of councillors	4 102 580	3 894 440	208 140	
Debt impairment	8 000 132	2 410 000	5 590 132	Additional debt impairment provision
Depreciation & asset impairment	13 285 322	12 346 988	938 334	5% not material
Finance charges	4 197 444	1 881 095	2 316 349	Interest on finance leases, post retirement benefits and landfill sites
Bulk purchases	43 161 669	46 348 500	(3 186 831)	Less consumption
Other materials	11 241 566	15 649 220	(4 407 654)	Less repair and maintenance expenditure
Contracted services	7 695 664	4 835 910	2 859 754	Increase on commission of SKTS
Grants and subsidies paid	39 859	850 000	(810 141)	Expenses in respect of indigent committee reallocated
Other expenditure	45 370 781	46 494 747	(1 123 966)	2% not material
Loss on disposal of PPE	85 728	-	85 728	
Total Operating Expenditure	<u>197 789 515</u>	<u>193 369 793</u>	<u>4 419 722</u>	
Operating Deficit for the year	<u>(6 211 347)</u>	<u>(9 852 324)</u>	<u>3 640 977</u>	
Government Grants and Subsidies - Capital	51 170 022	70 234 168	(19 064 146)	Capital grants reallocated as operating grant expenditure.
Net Surplus for the year	<u><u>44 958 675</u></u>	<u><u>60 381 844</u></u>	<u><u>(15 423 169)</u></u>	

BEAUFORT WEST LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2013

ADJUSTMENTS TO APPROVED BUDGET

	2013 R (Approved Budget)	2013 R (Adjustments)	2013 R (Final Budget)	Reasons for material adjustments
REVENUE BY SOURCE				
Property rates	20 556 875	1 121 176	21 678 051	Expected increase in property rates
Property rates - penalties & collection charges	525 000	-	525 000	
Service charges	80 139 260	(1 596 492)	78 542 768	Expected decrease in electricity charges
Rental of facilities and equipment	745 115	162 910	908 025	Expected increase in rentals
Interest earned - external investments	1 170 471	-	1 170 471	
Interest earned - outstanding debtors	1 215 000	223 000	1 438 000	Expected increase in interest
Dividends received	-	-	-	
Fines	10 427 050	(14 500)	10 412 550	Expected decrease in fines
Licences and permits	583 850	9 500	593 350	Expected decrease in permits
Agency services	530 000	(50 000)	480 000	Expected decrease in agency services
Government Grants and Subsidies - Operating	50 770 500	16 082 063	66 852 563	Increase in housing grants (top structures)
Other revenue	681 891	214 800	896 691	Expected increase
Gains on disposal of PPE	2 000	18 000	20 000	Expected increase
Total Operating Revenue	<u>167 347 012</u>	<u>16 170 457</u>	<u>183 517 469</u>	
EXPENDITURE BY TYPE				
Employee related costs	61 059 225	(2 400 332)	58 658 893	Expected decrease in employee related costs
Remuneration of councillors	3 841 950	52 490	3 894 440	Expected increase in remuneration of councillors
Debt impairment	2 410 000	-	2 410 000	
Depreciation & asset impairment	12 346 988	-	12 346 988	
Finance charges	1 881 095	-	1 881 095	
Bulk purchases	46 348 500	-	46 348 500	
Other materials	14 952 278	696 942	15 649 220	Immaterial
Contracted services	3 842 000	993 910	4 835 910	Increase in security services
Grants and subsidies paid	850 000	-	850 000	
Other expenditure	29 700 668	16 794 079	46 494 747	Housing grants (top structures)
Loss on disposal of PPE	-	-	-	
Total Operating Expenditure	<u>177 232 704</u>	<u>16 137 089</u>	<u>193 369 793</u>	
Operating Surplus/(Deficit) for the year	<u>(9 885 692)</u>	<u>33 368</u>	<u>(9 852 324)</u>	
Government Grants and Subsidies - Capital	40 637 000	29 597 168	70 234 168	
Net Surplus for the year	<u><u>30 751 308</u></u>	<u><u>29 630 536</u></u>	<u><u>60 381 844</u></u>	

**BEAUFORT WEST LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2013**

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2013 R (Actual)	2013 R (Final Budget)	2013 R (Variance)	Explanations for material variances
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	157 771 527	106 420 426	51 351 101	Refer to reasons in the Statement of Financial Performance comparison
Government - operating	38 075 958	66 852 563	(28 776 605)	Refer to reasons in the Statement of Financial Performance comparison
Government - capital	51 170 025	70 234 168	(19 064 143)	Refer to reasons in the Statement of Financial Performance comparison
Interest	2 370 572	2 608 471	(237 899)	
Dividends	-	-	-	
Payments				
Suppliers and Employees	(182 143 813)	(175 881 710)	(6 262 103)	Refer to reasons in the Statement of Financial Performance comparison
Finance charges	(4 197 444)	(1 881 095)	(2 316 349)	Refer to reasons in the Statement of Financial Performance comparison
Transfers and Grants	(39 859)	(850 000)	810 141	
NET CASH FROM/(USED) OPERATING ACTIVITIES	<u>63 006 966</u>	<u>67 502 823</u>	<u>(4 495 857)</u>	
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of Assets	113 740	20 000	93 740	
Decrease/(increase) in non-current receivables	-	9 337 758	(9 337 758)	Hand overs and included in actual under receipts
Decrease/(increase) in non-current debtors	-	2 052 066	(2 052 066)	Included in actual under receipts
Payments				
Capital assets	(54 142 667)	(72 835 991)	18 693 324	Additional grants received that was invested and unspent at year-end.
NET CASH FROM/(USED) INVESTING ACTIVITIES	<u>(54 028 927)</u>	<u>(61 426 167)</u>	<u>7 397 240</u>	
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Borrowing	2 357 891	-	2 357 891	Redemption on external loans and finance leases.
Increase/(decrease) in consumer deposits	-	-	-	
Payments				
Repayment of borrowing	(3 781 193)	(2 461 300)	(1 319 893)	Redemption on external loans and finance leases.
NET CASH FROM/(USED) FINANCING ACTIVITIES	<u>(1 423 302)</u>	<u>(2 461 300)</u>	<u>1 037 998</u>	
NET INCREASE/(DECREASE) IN CASH HELD				
Cash and Cash Equivalents at the beginning of the year	10 542 916	5 950 293	4 592 623	Additional grants received that was invested and unspent at year-end
Cash and Cash Equivalents at the end of the year	18 097 679	9 565 649	8 532 030	Additional grants received that was invested and unspent at year-end

**BEAUFORT WEST LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2013**

ADJUSTMENTS TO APPROVED BUDGET

	2013 R (Approved Budget)	2013 R (Adjustments)	2013 R (Final Budget)	Reasons for material adjustments
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	104 121 428	2 298 998	106 420 426	Immaterial
Government - operating	50 770 500	16 082 063	66 852 563	Additional housing grants (top structures)
Government - capital	40 637 000	29 597 168	70 234 168	Additional housing grants (Infrastructure)
Interest	2 385 471	223 000	2 608 471	Increase interest on outstanding debtors
Dividends	-	-	-	
Payments				
Suppliers and Employees	(159 744 621)	(16 137 089)	(175 881 710)	Additional housing grants (top structures)
Finance charges	(1 881 095)	-	(1 881 095)	
Transfers and Grants	(850 000)	-	(850 000)	
NET CASH FROM/(USED) OPERATING ACTIVITIES	35 438 683	32 064 140	67 502 823	
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of Assets	2 000	18 000	20 000	Expected increase
Decrease/(increase) in non-current receivables	9 337 758	-	9 337 758	
Decrease/(increase) in non-current debtors	2 052 066	-	2 052 066	
Payments				
Capital assets	(40 787 000)	(32 048 991)	(72 835 991)	Refer adjustment capital budget
NET CASH FROM/(USED) INVESTING ACTIVITIES	(29 395 176)	(32 030 991)	(61 426 167)	
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Borrowing	-	-	-	
Increase/(decrease) in consumer deposits	-	-	-	
Payments				
Repayment of borrowing	(2 461 300)	-	(2 461 300)	
NET CASH FROM/(USED) FINANCING ACTIVITIES	(2 461 300)	-	(2 461 300)	
NET INCREASE/(DECREASE) IN CASH HELD	3 582 207	33 149	3 615 356	
Cash and Cash Equivalents at the beginning of the year	5 950 293	-	5 950 293	
Cash and Cash Equivalents at the end of the year	9 532 500	33 149	9 565 649	

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

1. ACCOUNTING PRINCIPLES AND POLICIES APPLIED IN THE FINANCIAL STATEMENTS

1.1. BASIS OF PREPARATION

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

The financial statements have been prepared in accordance with the Municipal Finance Management Act (MFMA) and effective standards of Generally Recognised Accounting Practices (GRAP), including any interpretations and directives issued by the Accounting Standards Board (ASB) in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

Accounting policies for material transactions, events or conditions not covered by the GRAP reporting framework, have been developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 (Revised – March 2012) and the hierarchy approved in Directive 5 issued by the Accounting Standards Board.

The Municipality resolved to early adopt the following GRAP standards which have been issued but are not effective yet.

Standard	Description	Effective Date
GRAP 1 (Revised – Mar 2012)	Presentation of Financial Statements	1 April 2013
GRAP 3 (Revised – Mar 2012)	Accounting Policies, Changes in Accounting Estimates and Errors	1 April 2013
GRAP 9 (Revised – Mar 2012)	Revenue from Exchange Transactions	1 April 2013
GRAP 12 (Revised – Mar 2012)	Inventories	1 April 2013
GRAP 13 (Revised – Mar 2012)	Leases	1 April 2013
GRAP 16 (Revised – Mar 2012)	Investment Property	1 April 2013
GRAP 17 (Revised – Mar 2012)	Property, Plant and Equipment	1 April 2013
GRAP 25 (Original – Nov 2009)	Employee Benefits	1 April 2013
GRAP 27 (Revised – Mar 2012)	Agriculture	1 April 2013
GRAP 31 (Revised – Mar 2012)	Intangible Assets	1 April 2013
IGRAP 16 (Issued – Mar 2012)	Intangible Assets – Website Costs	1 April 2013

A summary of the significant accounting policies, which have been consistently applied except where an exemption has been granted, are disclosed below.

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

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

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

In terms of Directive 7: "The Application of Deemed Cost on the Adoption of Standards of GRAP" issued by the Accounting Standards Board, the Municipality applied deemed cost to Investment Property, Property, Plant and Equipment and Intangible where the acquisition cost of an asset could not be determined.

1.2. PRESENTATION CURRENCY

Amounts reflected in the financial statements are in South African Rand and at actual values. Financial values are rounded to the nearest one Rand.

1.3. GOING CONCERN ASSUMPTION

These financial statements have been prepared on a going concern basis.

1.4. COMPARATIVE INFORMATION

When the presentation or classification of items in the financial statements is amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatements of comparative information. The nature and reason for the reclassification is disclosed. Where material 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.

1.5. AMENDED DISCLOSURE POLICY

Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements. The principal amendments to matters disclosed in the current financial statements include errors.

1.6. MATERIALITY

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. Materiality is determined as 1% of total expenditure. This materiality is from management's perspective and does not correlate with the auditor's materiality.

1.7. PRESENTATION OF BUDGET INFORMATION

The presentation of budget information is prepared in accordance with GRAP 24 and guidelines issued by National Treasury. The comparison of budget and actual amounts are disclosed as a separate additional financial statement, namely Statement of comparison of budget and actual amounts.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

Budget information is presented on the accrual basis and is based on the same period as the actual amounts, i.e. 1 July 2012 to 30 June 2013. The budget information is therefore on a comparable basis to the actual amounts.

The comparable information includes the following:

- the approved and final budget amounts;
- actual amounts and final budget amounts;

Explanations for differences between the approved and final budget are included in the Statement of Comparison of Budget and Actual Amounts.

Explanations for material differences between the final budget amounts and actual amounts are included the Statement of Comparison of Budget and Actual Amounts.

The disclosure of comparative information in respect of the previous period is not required in terms of GRAP 24. No amendments or disclosure requirements in terms of GRAP 3 (Revised – March 2012) has been made.

1.8. STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the Municipality:

Standard	Description	Effective Date
GRAP 6 (Revised – Nov 2010)	Consolidated and Separate Financial Statements The objective of this Standard is to prescribe the circumstances in which consolidated and separate financial statements are to be prepared and the information to be included in those financial statements so that the consolidated financial statements reflect the financial performance, financial position and cash flows of an economic entity as a single entity. No significant impact is expected as the Municipality does not have any entities at this stage to be consolidated.	Unknown
GRAP 7 (Revised – Mar 2012)	Investments in Associate This Standard prescribes the accounting treatment for investments in associates where the investment in the associate leads to the holding of an ownership interest in the form of a shareholding or other form of interest in the net assets. No significant impact is expected as the Municipality does have any interest in associates.	1 April 2013

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

<p>GRAP 8 (Revised – Nov 2010)</p>	<p>Interest in Joint Ventures The objective of this Standard is to prescribe the accounting treatment of jointly controlled operations, jointly controlled assets and jointly controlled entities and to provide alternatives for the recognition of interests in jointly controlled entities.</p> <p>No significant impact is expected as the Municipality is not involved in any joint ventures.</p>	<p align="center">Unknown</p>
<p>GRAP 18 (Original – Feb 2011)</p>	<p>Segment Reporting The objective of this Standard is to establish principles for reporting financial information by segments.</p> <p>No significant impact is expected as information to a large extent is already included in the appendices to the financial statements which do not form part of the audited financial statements.</p>	<p align="center">Unknown</p>
<p>GRAP 20 (Original – June 2011)</p>	<p>Related Party Disclosure The objective of this Standard is to ensure that a Municipality's financial statements contains 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.</p> <p>The Municipality resolved to adopt the disclosure requirements as per GRAP 20. The information is therefore included in the financial statements.</p>	<p align="center">Unknown</p>
<p>GRAP 105 (Original – Nov 2010)</p>	<p>Transfer of Functions Between Entities Under Common Control The objective of this Standard is to establish accounting principles for the acquirer and transferor in a transfer of functions between entities under common control.</p> <p>No significant impact expected as no such transactions or events are expected in the foreseeable future.</p>	<p align="center">Unknown</p>
<p>GRAP 106 (Original – Nov 2010)</p>	<p>Transfer of Functions Between Entities Not Under Common Control The objective of this Standard is to establish accounting principles for the acquirer in a transfer of functions between entities not under common control.</p> <p>No significant impact expected as no such transactions or events are expected in the</p>	<p align="center">Unknown</p>

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	foreseeable future.	
GRAP 107 (Original – Nov 2010)	<p>Mergers</p> <p>The objective of this Standard is to establish accounting principles for the combined entity and combining entities in a merger.</p> <p>No significant impact expected as no such transactions or events are expected in the foreseeable future.</p>	Unknown
IGRAP 11	<p>Consolidation - Special Purpose Entities (SPE)</p> <p>The objective of this Interpretation of the Standard is to prescribe under what circumstances an entity should consolidate a SPE.</p> <p>No significant impact is expected as the Municipality does not have any SPE's at this stage.</p>	Unknown
IGRAP 12	<p>Jointly Controlled Entities non-monetary contributions</p> <p>The objective of this Interpretation of the Standard is to prescribe the treatment of profit/loss when an asset is sold or contributed by the venturer to a Jointly Controlled Entity (JCE).</p> <p>No significant impact is expected as the Municipality does not have any JCE's at this stage.</p>	Unknown

These standards, amendments and interpretations will not have a significant impact on the Municipality once implemented.

1.9. RESERVES

1.9.1 Capital Replacement Reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/ to the CRR. The cash in the CRR can only be utilized to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus is credited by a corresponding amount when the amounts in the CRR are utilized.

1.9.2 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 the Housing Development Fund. Housing selling schemes, both completed 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 sale of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

1.9.3 Self Insurance Reserve

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

- Contributions to the fund by Business Units are transferred via the Statement of Changes in Net Assets to the reserve in line with amounts budgeted for in the operating budget. The contributions to the reserve are charged to the Business Units based on the previous year's insured value of the assets under their control.
- The Council determines annually to contribute to the Self Insurance Reserve.
- The total amount of insurance premiums paid to external insurers are regarded as expenses and must be shown as such in the Statement of Financial Performance. These premiums do not affect the Self Insurance Reserve.
- Claims received from external insurers are recognised as revenue in the Statement of Financial Performance.
- Claims received to meet repairs of damages on assets are reflected as income in the statement of financial performance.
- Repair and replacement costs not fully covered by external insurance are financed from the insurance reserve. The repair and replacement cost is regarded as an expense and is reflected in the Statement of financial performance. An amount equal to the expense is transferred from the Insurance Reserve to the Accumulated Surplus via the Statement of changes in net assets.
- Amounts paid on behalf of employees in respect of medical costs for injuries sustained whilst on duty are regarded as expenses and are recorded in the Statement of Financial Performance when incurred. An amount equal to these expenses is transferred from the Insurance Reserve to the Accumulated Surplus account via the Statement of Changes in Net Assets.

1.10. LEASES

1.10.1 Municipality as Lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality. Property, plant and equipment or intangible assets (excluding licensing agreements for such items as motion picture films, video recordings, plays, manuscripts, patents and copyrights) subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the Municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment, investment property or intangibles assets. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to de-recognition of financial instruments are applied to lease payables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease. The difference between the straight-lined expenses and actual payments made will give rise to a liability. The Municipality recognises the aggregate benefit of incentives as a reduction of rental expense over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

1.10.2 Municipality as Lessor

Under a finance lease, the Municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the Municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to de-recognition and impairment of financial instruments are applied to lease receivables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease revenue is recognised on a straight-line basis over the term of the relevant lease. The difference between the straight-lined revenue and actual payments received will give rise to an asset. The Municipality recognises the aggregate cost of incentives as a reduction of rental revenue over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern over which the benefit of the leased asset is diminished.

1.11. UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Conditional government grants are subject to specific conditions. If these specific conditions are not met, the monies received are repayable.

Unspent conditional grants are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies and contributions from government organs.

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

- Unspent conditional grants are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance.
- The cash which backs up the creditor is invested as individual investment or part of the general investments of the Municipality until it is utilised.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor. If it is the Municipality's interest, it is recognised as interest earned in the Statement of Financial Performance.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

1.12. UNPAID CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Unpaid conditional grants are assets in terms of the Framework that are separately reflected on the Statement of Financial Position. The asset is recognised when the Municipality has an enforceable right to receive the grant or if it is virtually certain that it will be received based on that grant conditions have been met. They represent unpaid government grants, subsidies and contributions from the public.

1.13. UNSPENT PUBLIC CONTRIBUTIONS

Public contributions are subject to specific conditions. If these specific conditions are not met, the monies received are repayable.

Unspent public contributions are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent contributions from the public.

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

- Unspent public contributions are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance.
- The cash which backs up the creditor is invested as individual investment or part of the general investments of the Municipality until it is utilised.
- Interest earned on the investment is treated in accordance with the public contribution conditions. If it is payable to the funder it is recorded as part of the creditor. If it is the Municipality's interest, it is recognised as interest earned in the Statement of Financial Performance.

1.14. PROVISIONS

Provisions are recognised when the Municipality has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resource embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate of future outflows of resources. Where the effect is material, non-current provisions are discounted to their present value using a discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability.

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

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

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

- (a) The Municipality has a detailed formal plan for the restructuring identifying at least:
- the business or part of a business concerned;
 - the principal locations affected;
 - the location, function and approximate number of employees who will be compensated for terminating their services;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented.
- (b) The Municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

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

If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision is de-recognised.

1.15. EMPLOYEE BENEFITS

Defined contribution plans are post-employment benefit plans under which the Municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

1.15.1 Post Retirement Medical Obligations

The Municipality provides post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pays 70% as contribution and the remaining 30% is paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The present value of the defined benefit liability is actuarially determined in accordance with GRAP 25 – “Employee Benefits” (using a discount rate applicable to high quality government bonds). The plan is unfunded.

These contributions are recognised in the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The liability was calculated by means of the projected unit credit actuarial valuation method. The liability in respect of current pensioners is regarded as fully accrued, and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the present value of the defined benefit obligation at the reporting date, minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly, plus any liability that may arise as a result of a minimum funding requirements. Payments made by the Municipality are set-off against the liability,

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

including notional interest, resulting from the valuation by the actuaries and are recognised in the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is recognised in the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

1.15.2 Long Service Awards

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality's obligation under these plans is valued by independent qualified actuaries annually and the corresponding liability is raised. Payments are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are recognised in the Statement of Financial Performance as employee benefits upon valuation. .

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is recognised in the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

1.15.3 Provision for Staff Leave

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at year-end and also on the basic salary of the employee.

Accumulating leave is carried forward and can be used in future periods if the current period's entitlement is not used in full. All unused leave, limited to 48 day, will be paid out to the specific employee at the end of that employee's employment term.

Accumulated leave is vesting.

1.15.4 Staff Bonuses Accrued

Liabilities for staff bonuses are recognised as they accrue to employees. The liability at year end is based on bonus accrued at year-end for each employee.

1.15.5 Provision for Performance Bonuses

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is recognised as it accrue to Section 57 employees. Municipal entities' performance bonus provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

1.15.6 Pension and retirement fund obligations

The Municipality provides retirement benefits for its employees and councillors. Defined contribution plans are post-employment benefit plans under which the Municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are recognised in the Statement of Financial Performance in the year they become payable. The defined benefit funds, which are administered on a provincial basis, are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities. The contributions and lump sum payments are recognised in the Statement of Financial Performance in the year they become payable. Sufficient information is not available to use defined benefit accounting for a multi-employer plan. As a result, defined benefit plans have been accounted for as if they were defined contribution plans.

1.16. PROPERTY, PLANT AND EQUIPMENT

1.16.1 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. The cost of an item of property, plant and equipment is recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost or fair value of the item can be measured reliably. 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.

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 assets acquired is initially measured at fair value (the cost). If the acquired item's fair value is not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

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.

1.16.2 Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated 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 or service potential associated with the asset.

1.16.3 Depreciation and Impairment

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The annual depreciation rates are based on the following estimated useful lives:

	Years		Years
<u>Infrastructure</u>		<u>Other</u>	
Roads and Paving	5-130	Buildings	30-105
Pedestrian Malls	10-30	Specialist vehicles	3-70
Electricity	6-130	Other vehicles	3-70
Water	10-130	Office equipment	3-25
Sewerage	10-130	Furniture and fittings	2-30
Housing	30	Watercraft	15
		Bins and containers	5
<u>Community</u>		Specialised plant and	
Buildings	10-105	Equipment	3-40
Recreational Facilities	20-105	Other plant and	
Security	30	Equipment	3-40
Halls	30-105	Landfill sites	10-100
Libraries	20-105	Quarries	5-25
Parks and gardens	20-105	Emergency equipment	3-30
Other assets	10-105	Computer equipment	3-20
<u>Finance lease assets</u>			
Office equipment	3-7		
Other assets	3-7		

Property, plant and equipment are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

1.16.4 De-recognition

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

1.17. INTANGIBLE ASSETS

1.17.1 Initial Recognition

An intangible asset is an identifiable non-monetary asset without physical substance.

An asset meets the identifiability criterion in the definition of an intangible asset when it:

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

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.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- the Municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the Municipality has the resources to complete the project;
- it is probable that the municipality will receive future economic benefits or service potential; and
- the Municipality can measure reliably the expenditure attributable to the intangible asset during its development.

Intangible assets are initially recognised at cost.

Where an intangible asset 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

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

initially measured at fair value (the cost). If the acquired item's fair value is not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

1.17.2 Subsequent Measurement – Cost Model

Intangible assets are subsequently carried at cost less accumulated amortisation and any accumulated impairments losses. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

1.17.3 Amortisation and Impairment

Amortisation is charged so as to write off the cost or valuation of intangible assets over its estimated useful lives using the straight line method. Amortisation of an asset begins when it is available for use, i.e. when it is in the condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are amortised separately. The estimated useful lives, residual values and amortisation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The annual amortisation rates are based on the following estimated useful lives:

<u>Intangible Assets</u>	<u>Years</u>
Computer Software	3 - 10

1.17.4 De-recognition

Intangible assets are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss 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.

1.18. INVESTMENT PROPERTY

1.18.1 Initial Recognition

Investment property is recognised as an asset when, and only when:

- it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the Municipality, and
- the cost or fair value of the investment property can be measured reliably.

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) 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. Property with a currently undetermined use, is also classified as investment property.

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

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

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

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Municipality accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

1.18.2 Subsequent Measurement – Cost Model

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

1.18.3 Depreciation and Impairment – Cost Model

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

<u>Investment Property</u>	<u>Years</u>
Buildings	30

1.18.4 De-recognition

Investment property is derecognised when it is disposed or when there are no further economic benefits expected from the use of the investment property. The gain or loss arising on the disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.19 HERITAGE ASSETS

1.19.1 Initial Recognition

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

A heritage asset is recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the asset will flow to the Municipality, and the cost or fair value of the asset can be measured reliably.

A heritage asset that qualifies for recognition as an asset, is measured at its cost. Where a heritage asset is acquired through a non-exchange transaction, its cost is deemed to be its fair value as at the date of acquisition.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

1.19.2 Subsequent Measurement – Cost Model

After recognition as an asset, heritage assets are carried at its cost less any accumulated impairment losses.

1.19.3 Depreciation and Impairment

Heritage assets are not depreciated

Heritage assets are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

1.19.4 De-recognition

Heritage assets are derecognised when it is disposed or when there are no further economic benefits expected from the use of the heritage asset. The gain or loss arising on the disposal or retirement of a heritage asset is determined as the difference between the sales proceeds and the carrying value of the heritage asset and is recognised in the Statement of Financial Performance.

1.20. NON-CURRENT ASSETS HELD FOR SALE

1.20.1 Initial Recognition

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 sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

1.20.2 Subsequent Measurement

Non-current assets held for sale (or disposal group) are measured at the lower of 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.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in the Statement of Financial Performance.

1.21. IMPAIRMENT OF NON-FINANCIAL ASSETS

1.21.1 Cash-generating assets

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

Cash-generating assets are assets held with the primary objective of generating a commercial return.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Municipality estimates the asset's recoverable amount.

In assessing whether there is any indication that an asset may be impaired, the Municipality considers the following indications:

- (a) External sources of information
 - During the period, an asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use.
 - Significant changes with an adverse effect on the Municipality have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the Municipality operates or in the market to which an asset is dedicated.
 - Market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.
- (b) Internal sources of information
 - Evidence is available of obsolescence or physical damage of an asset.
 - Significant changes with an adverse effect on the Municipality have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite.
 - Evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

The re-designation of assets from a cash-generating asset to a non-cash generating asset or from a non-cash-generating asset to a cash-generating asset shall only occur when there is clear evidence that such a re-designation is appropriate. A re-designation, by itself, does not necessarily trigger an impairment test or a reversal of an impairment loss. Instead, the indication for an impairment test or a reversal of an impairment loss arises from, as a minimum, the indications listed above.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Impairment losses are recognised in the Statement of Financial Performance in those expense categories consistent with the function of the impaired asset.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

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

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Municipality estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Financial Performance.

1.21.2 Non-cash-generating assets

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

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Municipality estimates the asset's recoverable service amount.

In assessing whether there is any indication that an asset may be impaired, the Municipality considers the following indications:

- (a) External sources of information
 - Cessation, or near cessation, of the demand or need for services provided by the asset.
 - Significant long-term changes with an adverse effect on the Municipality have taken place during the period or will take place in the near future, in the technological, legal or government policy environment in which the Municipality operates.

- (b) Internal sources of information
 - Evidence is available of physical damage of an asset.
 - Significant long-term changes with an adverse effect on the Municipality have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, or plans to dispose of an asset before the previously expected date.
 - A decision to halt the construction of the asset before it is complete or in a usable condition.
 - Evidence is available from internal reporting that indicates that the service performance of an asset is, or will be, significantly worse than expected.

An asset's recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss is recognised in the Statement of Financial Performance.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

The value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. The present value of the remaining service potential of the asset is determined using any one of the following approaches, depending on the nature of the asset in question:

- *depreciation replacement cost approach* - the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.
- *restoration cost approach* - the cost of restoring the service potential of an asset to its pre-impaired level. Under this approach, the present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is usually determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.
- *service unit approach* - the present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform with the reduced number of service units expected from the asset in its impaired state. As in the restoration cost approach, the current cost of replacing the remaining service potential of the asset before impairment is usually determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

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

An impairment loss is recognised immediately in surplus or deficit, unless the asset is carried at a revalued amount in accordance with another Standard of GRAP. Any impairment loss of a revalued asset shall be treated as a revaluation decrease in accordance with that Standard of GRAP.

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the Municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for an asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable service amount. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods. Such a reversal of an impairment loss is recognised in the Statement of Financial Performance.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

1.22. INVENTORIES

1.22.1 Initial Recognition

Inventories comprise of current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost of the inventories can be measured reliably. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus non-recoverable taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Water inventory is being measured by multiplying the cost per kilo litre of purified water by the amount of water in storage.

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.

1.22.2 Subsequent Measurement

Inventories, consisting of consumable stores, raw materials, work-in-progress 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. Redundant and slow-moving inventories are identified and written down. 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.

The basis of allocating cost to inventory items is the weighted average method.

Water inventory is measured annually at the reporting date by way of dip readings and the calculated volume in the distribution network.

Cost of land held for sale is assigned by using specific identification of their individual costs.

1.23. FINANCIAL INSTRUMENTS

Financial instruments recognised on the Statement of Financial Position include receivables (both from exchange transactions and non-exchange transactions), cash and cash equivalents, annuity loans and payables (both from exchange and non-exchange transactions) and non-current investments. The future utilization of Unspent Conditional Grants is evaluated in order to determine whether it is treated as financial instruments.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

1.23.1 Initial Recognition

Financial instruments are initially recognised when the Municipality becomes a party to the contractual provisions of the instrument at fair value plus, in the case of a financial asset or financial liability not at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. If finance charges in respect of financial assets and financial liabilities are significantly different from similar charges usually obtained in an open market transaction, adjusted for the specific risks of the Municipality, such differences are immediately recognised in the period it occurs, and the unamortised portion adjusted over the period of the loan transactions.

1.23.2 Subsequent Measurement

Financial assets are categorised according to their nature as either financial assets at fair value, financial assets at amortised cost or financial assets at cost. Financial liabilities are categorised as either at fair value or financial liabilities carried at amortised cost. The subsequent measurement of financial assets and liabilities depends on this categorisation.

1.23.2.1 Receivables

Receivables are classified as financial assets at amortised cost, and are subsequently measured at amortised cost using the effective interest rate method.

For amounts due from debtors carried at amortised cost, the Municipality first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Objective evidence of impairment includes significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 90 days overdue). If the Municipality determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Statement of Financial Performance. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the municipality. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognised in the Statement of Financial Performance.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate, if material. If a loan has a variable interest rate,

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

the discount rate for measuring any impairment loss is the current effective interest rate.

1.23.2.2 *Payables and Annuity Loans*

Financial liabilities consist of payables and annuity loans. They are categorised as financial liabilities held at amortised cost, and are initially recognised at fair value and subsequently measured at amortised cost using an effective interest rate, which is the initial carrying amount, less repayments, plus interest.

1.23.2.3 *Cash and Cash Equivalents*

Cash includes cash on hand (including petty cash) and cash with banks. Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, highly liquid deposits and net of bank overdrafts. The Municipality categorises cash and cash equivalents as financial assets carried at amortised cost.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities carried at amortised cost.

1.23.2.4 *Non-Current Investments*

Investments which include investments in municipal entities and fixed deposits invested in registered commercial banks, are stated at amortised cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is recognised in the Statement of Financial Performance.

The carrying amounts of such investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments.

1.23.3 De-recognition of Financial Instruments

1.23.3.1 *Financial Assets*

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Municipality has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Municipality has transferred substantially all the risks and rewards of the asset, or (b) the Municipality has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

When the Municipality has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the old asset is derecognised and a new asset is recognised to the extent of the Municipality's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Municipality could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash settled option or similar provision) on the transferred asset, the extent of the Municipality's continuing involvement is the amount of the transferred asset that the Municipality may repurchase, except that in the case of a written put option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the Municipality's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

1.23.3.2 Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Financial Performance.

1.23.4 *Offsetting of Financial Instruments*

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously

1.24. REVENUE

1.24.1 *Revenue from Non-Exchange Transactions*

Revenue from non-exchange transactions refers to transactions where the Municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

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 recognised 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.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

Revenue from property rates is recognised when the legal entitlement to this revenue arises. At the time of initial recognition the full amount of revenue is recognised. If the Municipality does not enforce its obligation to collect the revenue, this would be considered as a subsequent event. Collection charges are recognised when such amounts are legally enforceable. Rebates and discounts are offset against the related revenue, in terms of iGRAP 1, as there is no intention of collecting this revenue.

Penalty interest on unpaid rates is recognised on a time proportionate basis as an exchange transaction.

Fine Revenue constitutes both spot fines and summonses. Revenue from spot fines and summonses is recognised based on an estimation of future collections of fines issued based on prior period trends and collection percentages.

The Municipality estimates the water and electricity consumption from the last meter readings in June up until 30 June. The estimated consumption usage is based on system average of the year per month divided by 30 days times the amount of days since last reading until 30 June.

Revenue from public contributions and donations 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 qualifies for recognition and first becomes available for use by the Municipality. Where public contributions have been received, but the Municipality has not met the related conditions, it is recognised as an unspent public contribution (liability).

Revenue from third parties i.e. insurance payments for assets impaired, are recognised when it can be measured reliably and is not being offset against the related expenses of repairs or renewals of the impaired assets.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the Municipality.

All unclaimed deposits are initially recognised as a liability until 12 months expires, when all unclaimed deposits into the Municipality's bank account will be treated as revenue. Historical patterns have indicated that minimal unidentified deposits are reclaimed after a period of twelve months. This assessment is performed annually at 30 June. Therefore the substance of these transactions indicate that even though the prescription period for unclaimed monies is legally three years, it is reasonable to recognised all unclaimed monies older than twelve months as revenue. Although unclaimed deposits are recognised as revenue after 12 months, the Municipality still keep record of these unclaimed deposits for three years in the event that a party should submit a claim after 12 months, in which case it will be expensed.

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

Revenue is measured at the fair value of the consideration received or receivable.

When, as a result of a non-exchange transaction, a Municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

liability is required to be recognised it will be measured as the best estimate of the amount required to settle the present obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability will be recognised as revenue.

1.24.2 Revenue from Exchange Transactions

Revenue from exchange transactions refers to revenue that accrued to the Municipality directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable.

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

- The Municipality has transferred to the purchaser 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.

At the time of initial recognition the full amount of revenue is recognised where the Municipality has an enforceable legal obligation to collect, unless the individual collectability is considered to be improbable. If the Municipality does not successfully enforce its obligation to collect the revenue this would be considered a subsequent event.

Service charges relating to electricity and water are based on consumption and a basic charge as per Council resolution. Meters are read on a monthly basis and are recognised as revenue when invoiced. Where the Municipality was unable to take the actual month's reading of certain consumers, a provisional estimate of consumption for that month will be created. . The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale. It is estimated that pre-paid electricity is consumed within 5 to 7 days after date of purchase.

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 recorded number of refuse points per property.

Service charges relating to sanitation (sewerage) 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. In the case of residential property a fixed monthly tariff is levied and in the case of commercial property a tariff is levied based on the number of sewerage connection on the property. Service charges based on a basic charge as per Council resolution.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

Interest revenue is recognised using the effective interest rate method.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Dividends are recognised on the date that the Municipality becomes entitled to receive the dividend.

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

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods are passed to the consumer.

Revenue arising out of situations where the Municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

Revenue is measured at the fair value of the consideration received or receivable.

The amount of revenue arising on a transaction is usually determined by agreement between the Municipality and the purchaser or user of the asset or service. It is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the Municipality.

In most cases, the consideration is in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The imputed rate of interest is the more clearly determinable of either:

- The prevailing rate for a similar instrument of an issuer with a similar credit rating;
- A rate of interest that discounts the nominal amount of the instrument to the current cash sales price of the goods or services.

The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue.

When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction that generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction that generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred.

1.25. RELATED PARTIES

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

The Municipality resolved to adopt the disclosure requirements as per GRAP 20 – “Related Party Disclosures”.

A related party is a person or an entity:

- with the ability to control or jointly control the other party,
- or exercise significant influence over the other party, or vice versa,
- or an entity that is subject to common control, or joint control.

The following are regarded as related parties of the Municipality:

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

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the Municipality. A person is considered to be a close member of the family of another person if they:

- (a) are married or live together in a relationship similar to a marriage; or
(b) are separated by no more than two degrees of natural or legal consanguinity or affinity.

Management (formerly known as “Key Management”) includes all persons having the authority and responsibility for planning, directing and controlling the activities of the Municipality, including:

- (a) all members of the governing body of the Municipality;

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

-
- (b) a member of the governing body of an economic entity who has the authority and responsibility for planning, directing and controlling the activities of the Municipality;
 - (c) any key advisors of a member, or sub-committees, of the governing body who has the authority and responsibility for planning, directing and controlling the activities of the Municipality; and
 - (d) the senior management team of the Municipality, including the chief executive officer or permanent head of the Municipality, unless already included in (a).

Management personnel include:

- (a) All directors or members of the governing body of the Municipality, being the Executive Mayor, Deputy Mayor, Speaker and members of the Mayoral Committee.
- (b) Other persons having the authority and responsibility for planning, directing and controlling the activities of the reporting Municipality being the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

Remuneration of management includes remuneration derived for services provided to the Municipality in their capacity as members of the management team or employees. Benefits derived directly or indirectly from the Municipality for services in any capacity other than as an employee or a member of management do not meet the definition of remuneration. Remuneration of management excludes any consideration provided solely as a reimbursement for expenditure incurred by those persons for the benefit of the Municipality.

The Municipality operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the Constitutional independence of all three spheres of government in South Africa, only parties within the same sphere of government will be considered to be related parties. Only transactions with such parties which are not at arm's length and not on normal commercial terms are disclosed.

1.26. 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 a 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 (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.27. 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, and (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 (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.28. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.29. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Municipality. A contingent liability could also be a present obligation that arises from past events, but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to the obligation or the amount of the obligation cannot be measured with sufficient reliability.

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

Management judgement is required when recognising and measuring contingent liabilities.

1.30. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

1.30.1 *Post retirement medical obligations and Long service awards*

The cost of post retirement medical obligations and long service awards are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Major assumptions used are disclosed in note 4 of the financial statements. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

1.30.2 *Impairment of Receivables*

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

1.30.3 Property, Plant and Equipment

The useful lives of property, plant and equipment are based on management's estimation. Infrastructure's useful lives are based on technical estimates of the practical useful lives for the different infrastructure types, given engineering technical knowledge of the infrastructure types and service requirements. For other assets and buildings management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

Management referred to the following when making assumptions regarding useful lives and residual values of property, plant and equipment.

- The useful life of movable assets was determined using the age of similar assets available for sale in the active market. Discussions with people within the specific industry were also held to determine useful lives.
- Local Government Industry Guides was used to assist with the deemed cost and useful life of infrastructure assets.
- The Municipality referred to buildings in other municipal areas to determine the useful life of buildings. The Municipality also consulted with engineers to support the useful life of buildings, with specific reference to the structural design of buildings.

1.30.4 Intangible Assets

The useful lives of intangible assets are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate.

Management referred to the following when making assumptions regarding useful lives of intangible assets:

- Reference was made to intangibles used within the Municipality and other municipalities to determine the useful life of the assets.

1.30.5 Investment Property

The useful lives of investment property are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their economic lives, and in what condition they will be at that time.

Management referred to the following when making assumptions regarding useful lives and valuation of investment property:

- The Municipality referred to buildings in other municipal areas to determine the useful life of buildings.
- The Municipality also consulted with professional engineers and qualified valuers to support the useful life of buildings.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

For deemed cost applied to Investment Property as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

1.30.6 Provisions and Contingent Liabilities

Management judgement is required when recognising and measuring provisions and when measuring contingent liabilities. Provisions are discounted where the time value effect is material.

1.30.7 Revenue Recognition

Accounting Policy 1.24.1 on Revenue from Non-Exchange Transactions and Accounting Policy 1.24.2 on Revenue from Exchange Transactions describes the conditions under which revenue will be recognised by management of the Municipality.

In making their judgement, management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and GRAP 23: Revenue from Non-Exchange Transactions.). Specifically, whether the Municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been performed. Revenue from the issuing of spot fines and summonses has been recognised on the accrual basis using estimates of future collections based on the actual results of prior periods. The Municipality estimates the water and electricity consumption from the last meter readings in June up until 30 June. The estimated consumption usage is based on system average of the year per month divided by 30 days times the amount of days since last reading until 30 June. The management of the Municipality is satisfied that recognition of the revenue in the current year is appropriate.

1.30.8 Provision for Landfill Sites

The provision for rehabilitation of the landfill site is recognised as and when the environmental liability arises. The provision is calculated by a qualified environmental engineer. The provision represents the net present value at the reporting date of the expected future cash flows to rehabilitate the landfill site. To the extent that the obligations relate to an asset, it is capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are recognised in the Statement of Financial Performance.

Management referred to the following when making assumptions regarding provisions:

- Professional engineers were utilised to determine the cost of rehabilitation of landfill sites as well as the remaining useful life of each specific landfill site.
- Interest rates (investment rate) linked to prime was used to calculate the effect of time value of money.

1.30.9 Provision for Task Implementation

The provision at 30 June for Task Implementation represents the Municipality's obligation towards qualifying officials as a result of a new national grading system for municipalities which came into effect on 1 October 2009. The calculation was based on the difference between the current basic salary compared to the basic salary as per new TASK grading.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

The difference between these two packages was backdated to the implementation date of the TASK grading system.

1.30.10 Provision for Staff leave

Staff leave is accrued to employees according to collective agreements. Provision is made on basic salary for the accrued leave, limited to 48 day, at reporting date. This provision will be realised as employees take leave or when employment is terminated.

1.30.11 Provision for Performance bonuses

The provision for performance bonuses represents the best estimate of the obligation at year end and is based on historic patterns of payment of performance bonuses. Performance bonuses are subject to an evaluation by Council.

1.30.12 Componentisation of Infrastructure assets

All infrastructure assets are unbundled into their significant components in order to depreciate all major components over the expected useful lives. The cost of each component is estimated based on the current market price of each component, depreciated for age and condition and recalculated to cost at the acquisition date if known or to the date of initially adopting the standards of GRAP.

1.31. TAXES – VALUE ADDED TAX

Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of Value Added Tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

1.32. CAPITAL COMMITMENTS

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

1.33. EVENTS AFTER REPORTING DATE

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

If non-adjusting events after the reporting date are material, the Municipality discloses the nature and an estimate of the financial effect.

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

2	NET ASSET RESERVES	2013	2012
		R	R
	RESERVES	9 752 086	6 789 885
	Capital Replacement Reserve	4 546 564	1 885 759
	Housing Development Fund	4 170 185	4 138 843
	Self Insurance Reserve	1 035 337	765 283
	Total Net Asset Reserve and Liabilities	9 752 086	6 789 885

The above balances are represented by cash of R197 487 for the current year and R172 784 (2012) and is invested together with the other investments of the municipality (See Note 24)

3	LONG TERM LIABILITIES	2013	2012
		R	R
	Annuity Loans - At amortised cost	15 417 375	17 277 196
	Capitalised Lease Liability - At amortised cost	2 094 697	1 658 198
		17 512 072	18 935 394
	Less: Current Portion transferred to Current Liabilities	2 808 681	3 517 900
	Annuity Loans - At amortised cost	1 877 333	2 236 256
	Capitalised Lease Liability - At amortised cost	931 348	1 281 644
	Total Long-term Liabilities - At amortised cost using the effective interest rate method	14 703 391	15 417 494

Annuity loans at amortised cost is calculated at 6.75%-14.00% interest rate, with last maturity date of 31 December 2029. Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance. The loans are unsecured

Finance Lease loans at amortised cost is calculated at 8.50%-20.50% interest rate, with last maturity date of 30 April 2016. Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance. The loans are unsecured

		2013	2012
		R	R
	The obligations under annuity loans are scheduled below:		Minimum annuity payments
	Amounts payable under annuity loans:		
	Payable within one year	3 408 253	3 974 262
	Payable within two to five years	10 048 582	11 219 495
	Payable after five years	12 951 283	14 729 012
		26 408 117	29 922 769
	Less: Future finance obligations	(10 990 755)	(12 645 581)
	Present value of annuity obligations	15 417 362	17 277 188

		2013	2012
		R	R
	The obligations under finance leases are scheduled below:		Minimum lease payments
	Amounts payable under finance leases:		
	Payable within one year	1 069 932	1 407 094
	Payable within two to five years	1 254 478	383 110
	Payable after five years	-	-
		2 324 410	1 790 204
	Less: Future finance obligations	(229 718)	(132 005)
	Present value of lease obligations	2 094 692	1 658 199

Leases are secured by property, plant and equipment - Note 13

The capitalised lease liability consist out of the following contracts:

<u>Supplier</u>	<u>Description of leased item</u>	<u>Effective Interest rate</u>	<u>Annual Escalation</u>	<u>Lease Term</u>	<u>Maturity Date</u>
Sharp	AR1206 Multifunction System	11.97%	0%	3 Years	2012/07/31
EQSTRA	CZ 3359 Toyota Yaris T3 A/C	11.94%	0%	3 Years	2013/03/31
EQSTRA	CZ 3363 Toyota Hilux 2.5 D-4D P/U S/C	12.01%	0%	3 Years	2013/03/31
EQSTRA	CZ 3368 Toyota Hilux 2.5 D-4D P/U S/C	12.01%	0%	3 Years	2013/03/31
EQSTRA	CZ 3370 Toyota Yaris T3 A/C	11.94%	0%	3 Years	2013/03/31
EQSTRA	CZ 3373 Toyota Hilux 2.5 D-4D P/U S/C	12.01%	0%	3 Years	2013/03/31
EQSTRA	CZ 3439 Toyota Hilux 2.5 D-4D P/U S/C	12.01%	0%	3 Years	2013/03/31
EQSTRA	CZ 3457 Toyota Hilux 2.5 D-4D P/U S/C	12.01%	0%	3 Years	2013/03/31
EQSTRA	CZ 3465 Toyota Hilux 2.5 D-4D P/U S/C	12.01%	0%	3 Years	2013/03/31
EQSTRA	CZ 4548 Toyota Corolla 1.3 Impact	11.98%	0%	3 Years	2013/09/30
EQSTRA	CZ 4557 Toyota Corolla 1.3 Impact	11.98%	0%	3 Years	2013/09/30
EQSTRA	CZ 4560 Toyota Corolla 1.3 Impact	12.01%	0%	3 Years	2013/09/30
EQSTRA	CZ 4561 Toyota Corolla 1.3 Impact	12.01%	0%	3 Years	2013/09/30
EQSTRA	CZ 4554 Toyota Corolla 1.3 Impact	12.01%	0%	3 Years	2013/09/30
EQSTRA	CZ 4741 Toyota Hilux 2.5 D-4D P/U S/C	12.09%	0%	3 Years	2013/09/30
EQSTRA	CZ 4584 Toyota Hilux 2.5 D-4D P/U S/C	12.09%	0%	3 Years	2013/09/30
EQSTRA	CZ 4567 Toyota Hilux 2.5 D-4D P/U S/C	12.09%	0%	3 Years	2013/09/30

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

EQSTRA	CZ 4577 Toyota Hilux 2.5 D-4D P/U S/C	12.04%	0%	3 Years	2013/09/30
EQSTRA	CZ 4566 Toyota Hilux 2.5 D-4D P/U S/C	12.04%	0%	3 Years	2013/09/30
EQSTRA	CZ 4754 Toyota Hilux 2.5 D-4D P/U S/C	11.99%	0%	3 Years	2013/09/30
EQSTRA	CZ 4746 Toyota Hilux 2.5 D-4D P/U S/C	11.99%	0%	3 Years	2013/09/30
EQSTRA	CZ 4336 Toyota Hilux 2.5 D-4D P/U S/C	12.13%	0%	3 Years	2013/10/31
EQSTRA	CZ 4738 Toyota Hilux 2.5 D-4D P/U S/C	12.06%	0%	3 Years	2013/11/30
EQSTRA	CZ 4730 Toyota Hilux 2.5 D-4D P/U S/C	12.06%	0%	3 Years	2013/11/30
EQSTRA	CZ 2543 Toyota Hilux 2.5 D-4D P/U S/C	11.99%	0%	3 Years	2012/08/31
EQSTRA	CZ 2533 Toyota Corolla 1.3 Impact	12.03%	0%	3 Years	2012/08/31
EQSTRA	CZ 3947 HILUX 2.5 D-4D SRX 4X4 P/U S/C	11.99%	0%	3 Years	2013/06/30
EQSTRA	CZ 6725 LDV TOYOTA	9.00%	0%	3 Years	2014/10/13
Nashua	MP4001	9.00%	0%	3 Years	2014/09/30
Nashua	MPC5501	9.00%	0%	3 Years	2014/08/31
Sharp	AR - 1206 Multifunction Machine	9.00%	0%	3 Years	2013/03/30
Sharp	AR 2060 Multifunction Machine	9.00%	0%	3 Years	2013/03/30
Sharp	AR -M258 25C Multifunction Machine	9.00%	0%	3 Years	2013/03/30
EQSTRA	CZ 8282 ISUZU KB250D FLETSIDE A/C P/U S/	8.50%	0%	3 Years	2016/02/28
EQSTRA	CZ 8340 ISUZU KB250D FLETSIDE A/C P/U S/	8.50%	0%	3 Years	2016/02/28
EQSTRA	CZ 8341 ISUZU KB250D FLETSIDE A/C P/U S.	8.50%	0%	3 Years	2016/02/28
EQSTRA	CZ 8343 ISUZU KB250D FLETSIDE A/C P/U S/	8.50%	0%	3 Years	2016/02/28
EQSTRA	CZ 8408 ISUZU KB250D FLETSIDE A/C P/U S/	8.50%	0%	3 Years	2016/04/30
EQSTRA	CZ 8410 ISUZU KB250D FLETSIDE A/C P/U S/	8.50%	0%	3 Years	2016/04/30
EQSTRA	CZ 8414 ISUZU KB250D FLETSIDE A/C P/U S/	8.50%	0%	3 Years	2016/04/30
EQSTRA	CZ 8415 ISUZU KB250D FLETSIDE A/C P/U S/	8.50%	0%	3 Years	2016/04/30
EQSTRA	CZ 8418 ISUZU KB250D FLETSIDE A/C P/U S/	8.50%	0%	3 Years	2016/04/30
EQSTRA	CZ 8419 ISUZU KB250D FLETSIDE A/C P/U S/	8.50%	0%	3 Years	2016/04/30
EQSTRA	CZ 8421 TOYOTA YARIS ZEN3 ACS	8.50%	0%	3 Years	2016/04/30
EQSTRA	CZ 8422 TOYOTA YARIS ZEN3 ACS	8.50%	0%	3 Years	2016/04/30
Panasonic	Machine Photocopy Kyocera FS1128	9.00%	0%	5 Years	2016/08/30
Panasonic	Machine Photocopy Kyocera FS 6025	9.00%	0%	5 Years	2016/07/30
Panasonic	PABX TELEPHONE SYSTEM	9.00%	15%	5 Years	2016/03/30
Panasonic	CCTV CAMERA'S	20.50%	0%	3 Years	2015/09/30
Panasonic	CCTV CAMERA'S	9.00%	15%	3 Years	2014/07/30

	2013 R	2012 R
4 EMPLOYEE BENEFITS		
Post Retirement Benefits - Refer to Note 4.1	19 242 724	20 739 895
Long Service Awards - Refer to Note 4.2	3 023 067	3 024 209
Pension Murraysburg	29 234	27 924
Total Non-current Employee Benefit Liabilities	22 295 025	23 792 028
<u>Post Retirement Benefits</u>		
Balance 1 July	21 524 707	17 583 976
Transfer from DMA (Murraysburg)	-	197 399
Contribution for the year	(826 186)	(717 149)
Expenditure for the year	2 474 038	2 009 040
Actuarial Loss/(Gain)	(3 194 043)	2 451 441
Total post retirement benefits 30 June	19 978 516	21 524 707
Less: Transfer of Current Portion - Note 7	(735 792)	(784 812)
Balance 30 June	19 242 724	20 739 895
<u>Long Service Awards</u>		
Balance 1 July	3 246 547	2 902 880
Transfer from DMA (Murraysburg)	-	225 312
Contribution for the year	(331 808)	(333 955)
Expenditure for the year	560 472	639 869
Actuarial Loss/(Gain)	3 106	(187 559)
Total long service 30 June	3 478 317	3 246 547
Less: Transfer of Current Portion - Note 7	(455 250)	(222 338)
Balance 30 June	3 023 067	3 024 209
<u>Pension Murraysburg</u>		
Balance 1 July	27 924	-
Transfer from DMA (Murraysburg)	-	27 431
Expenditure for the year	1 310	493
Balance 30 June	29 234	27 924
<u>TOTAL NON-CURRENT EMPLOYEE BENEFITS</u>		
Balance 1 July	24 799 178	20 486 856
Transfer from DMA (Murraysburg)	-	450 142
Contribution for the year	(1 157 994)	(1 051 104)
Expenditure for the year	3 035 820	2 649 402
Actuarial Loss/(Gain)	(3 190 937)	2 263 882
Total employee benefits 30 June	23 486 067	24 799 178
Less: Transfer of Current Portion - Note 7	(1 191 042)	(1 007 150)
Balance 30 June	22 295 025	23 792 028

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

4	EMPLOYEE BENEFITS (CONTINUE)	2013 R	2012 R
4.1	Post Retirement Benefits		
	The Post Retirement Benefit Plan is a defined benefit plan, of which the members are made up as follows:		
	In-service (employee) members	64	65
	In-service (employee) non-members	268	299
	Continuation members (e.g. Retirees, widows, orphans)	23	26
	Total Members	355	390
		2013 R	2012 R
	The liability in respect of past service has been estimated to be as follows:		
	In-service (employees) members	7 815 266	8 183 241
	In-service (employees) non-members	1 997 976	2 080 071
	Continuation (retirees and widows) members	10 165 274	11 261 395
	Total Liability	19 978 516	21 524 707
	The liability in respect of periods commencing prior to the comparative year has been estimated as follows:		
		2011 R	2010 R
		2009 R	
	In-service members	7 277 383	4 234 313
	Continuation members	10 306 593	8 826 987
	Total Liability	17 583 976	12 268 420
		2013 Rm	2012 Rm
	Experience adjustments were calculated as follows:		
	Liabilities: (Gain) / loss	(3.061)	1.678
	Assets: Gain / (loss)	-	-
	Experience adjustments were calculated as follows in respect of periods commencing prior to the comparative year:		
		2011 Rm	2010 Rm
		2009 Rm	
	In-service members	1.785	1.132
	Continuation members	-	-
	The municipality performed their first actuarial valuation on 30 June 2010. Thus there are no experience adjustment figures available on or before 30 June 2010 to fully comply with GRAP 25		
	The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:		
	Bonitas; LA Health; Hosmed; Samwumed; and Keyhealth.		
	The Municipality's Accrued Unfunded Liability at 30 June 2013 is estimated at R19 978 516. The Current-service Cost for the year ending 30 June 2013 is estimated at R815 290. It is estimated to be R783 017 for the ensuing year.		
	Key actuarial assumptions used:	2013 %	2012 %
	i) Rate of interest		
	Discount rate	8.67%	7.85%
	Health Care Cost Inflation Rate	7.60%	6.84%
	Net Effective Discount Rate	1.00%	0.94%
	The discount rate used is a composite of all government bonds and is calculated using a technique is known as "bootstrapping"		
	ii) Mortality rates		
	The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.		
	iii) Normal retirement age		
	It has been assumed that in-service members will retire at age 63 for males and 58 for females, which then implicitly allows for expected rates of early and ill-health retirement.		
		2013 R	2012 R
	The amounts recognised in the Statement of Financial Position are as follows:		
	Present value of fund obligations	19 978 516	21 524 707
	Total Liability	19 978 516	21 524 707
	The fund is wholly unfunded.		

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 R	2012 R
4 EMPLOYEE BENEFITS (CONTINUE)		
Reconciliation of present value of fund obligation		
Present value of fund obligation at the beginning of the year	21 524 707	17 583 976
Transfer from DMA (Murraysburg)	-	197 399
Total expenses	1 647 852	1 291 891
Current service cost	815 290	524 774
Interest Cost	1 658 748	1 484 266
Benefits Paid	(826 186)	(717 149)
Actuarial (gains)/losses	(3 194 043)	2 451 441
Present value of fund obligation at the end of the year	19 978 516	21 524 707
Less: Transfer of Current Portion - Note 7	(735 792)	(784 812)
Balance 30 June	19 242 724	20 739 895

Sensitivity Analysis on the Accrued Liability

Assumption	In-service members liability (R'000)	Continuation members liability (R'000)	Total liability (R'000)	% change
Central Assumptions	9.813	10.165	19.979	
Health care inflation 1%	11.887	11.309	23.196	16%
Health care inflation -1%	8.175	9.188	17.363	-13%
Post-retirement mortality -1 year	10.149	10.568	20.717	4%
Average retirement age -1 year	10.567	10.165	20.732	4%
Withdrawal Rate -50%	10.771	10.165	20.936	5%

Assumption	Change	Current-service Cost (R)	Interest Cost (R)	Total (R)	% change
Central Assumption		815 300	1 658 700	2 474 000	
Health care inflation 1%		1 010 900	1 929 600	2 940 500	19%
Health care inflation -1%		664 000	1 438 500	2 102 500	-15%
Post-retirement mortality -1 year		843 200	1 720 700	2 563 900	4%
Average retirement age -1 year		870 500	1 721 300	2 591 800	5%
Withdrawal Rate -50%		943 800	1 725 700	2 669 500	8%

4.2 Long Service Bonuses

The Long Service Bonus plans are defined benefit plans. As at year end, 330 employees were eligible for Long Service Bonuses.

The Employer's Unfunded Accrued Liability at 30 June 2013 is estimated at R3 478 317. The Current-service Cost for the year ending 30 June 2013 is estimated at R354 221. It is estimated to be R264 427 for the ensuing year.

Key actuarial assumptions used:

i) Rate of interest

	2013 %	2012 %
Discount rate	7.35%	6.57%
General Salary Inflation (long-term)	6.80%	5.97%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	0.51%	0.57%

The discount rate used is a composite of all government bonds and is calculated using a technique known as "bootstrapping"

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

	2013 R	2012 R
Present value of fund obligations	3 478 317	3 246 547
Net liability/(asset)	3 478 317	3 246 547

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2011 R	2010 R	2009 R
Present value of fund obligations	2 902 880	1 740 386	1 557 968
Total Liability	2 902 880	1 740 386	1 557 968

Experience adjustments were calculated as follows:

	2013 R	2012 R	2011 R
Liabilities: (Gain) / loss	(110 128)	(5 747)	496 177
Assets: Gain / (loss)	-	-	-

The municipality performed their first actuarial valuation on 30 June 2010. Thus there are no experience adjustment figures available on or before 30 June 2010 to fully comply with GRAP 25

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 R	2012 R
4 EMPLOYEE BENEFITS (CONTINUE)		
Reconciliation of present value of fund obligation		
Present value of fund obligation at the beginning of the year	3 246 547	2 902 880
Transfer from DMA (Murraysburg)	-	225 312
Total expenses	228 664	305 914
Current service cost	354 221	434 110
Interest Cost	206 251	205 759
Benefits Paid	(331 808)	(333 955)
Actuarial (gains)/losses	3 106	(187 559)
Present value of fund obligation at the end of the year	3 478 317	3 246 547
Less: Transfer of Current Portion - Note 7	(455 250)	(222 338)
Balance 30 June	3 023 067	3 024 209

Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	Change	Liability (Rm)	% change
Central assumptions		3.478	
General salary inflation	1%	3.727	7%
General salary inflation	-1%	3.255	-6%
Average retirement age	-2 yrs	3.011	-13%
Average retirement age	2 yrs	4.140	19%
Withdrawal rates	-50%	4.122	19%

4.3 Retirement funds

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the Cape Joint Retirement Fund is a Multi Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. All the required disclosure has been made as defined in GRAP 25.31.

CAPE RETIREMENT FUND

The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2012 revealed that the fund is in a sound financial position with a funding level of 99.9% (30 June 2011 - 100.3%).

CAPE JOINT PENSION FUND

The contribution rate payable is 9% by members and 18% or 23.06% by Council. The last actuarial valuation performed for the year ended 30 June 2012 revealed that the fund is in a sound financial position with a funding level of 99.40% (30 June 2011 - 98.10%). Whilst this has increased since the previous actuarial valuations it is still within the Registrar's normally acceptable range of at least a 95% funding level, provided that the previous statutory valuation reflected at least a 98.1% funding level.

	2013 R	2012 R
5 NON-CURRENT PROVISIONS		
Provision for Rehabilitation of Landfill-sites	5 480 294	5 253 577
Total Non-current Provisions	5 480 294	5 253 577
<u>Landfill Sites</u>		
Balance 1 July	7 064 563	6 728 155
Contribution for the year	292 474	336 408
Total provision 30 June	7 357 037	7 064 563
Less: Transfer of Current Portion to Provisions	(1 876 743)	(1 810 986)
Balance 30 June	5 480 294	5 253 577

The estimated rehabilitation costs for each of the existing sites are based on the current rates for

	Beaufort West	Nelspoort	Murraysburg	Merweville
Earthworks - Shape Landfill (m ²)	58920	9 850	15 920	6300
Topsoil (m ²)	58920	680	15 920	6300
Stormwater Cut off drain (m)	460	200	330	180

The municipality has an obligation to rehabilitate landfill sites at the end of the expected useful life of the asset. Total cost and estimated date of decommission of the sites are as follows:

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

5 NON-CURRENT PROVISIONS (CONTINUE)

<u>Location</u>	<u>Estimated decommission date</u>	<u>Cost of</u>	<u>Cost of</u>
		<u>rehabilitation</u>	<u>rehabilitation</u>
		<u>Decommission date</u>	<u>2013</u>
		<u>R</u>	<u>R</u>
Beaufort West	2028	5 488 439	3 214 426
Nelspoort	2036	2 394 660	1 054 341
Murraysburg	2012	1 876 743	1 876 743
Merweville	2036	2 751 668	1 211 527
		<u>12 511 510</u>	<u>7 357 037</u>

6 CONSUMER DEPOSITS

	<u>2013</u>	<u>2012</u>
	<u>R</u>	<u>R</u>
Water & Electricity	1 159 826	1 059 679
Total Consumer Deposits	<u>1 159 826</u>	<u>1 059 679</u>

The fair value of consumer deposits approximate their carrying value. Interest is not paid on these amounts.

7 CURRENT EMPLOYEE BENEFITS

	<u>2013</u>	<u>2012</u>
	<u>R</u>	<u>R</u>
Current Portion of Post Retirement Benefits - Note 4	735 792	784 812
Current Portion of Long-Service Provisions - Note 4	455 250	222 338
Performance Bonuses	519 411	486 961
Bonuses	1 536 643	1 726 842
Staff Leave	3 909 245	3 250 382
Total Current Employee Benefits	<u>7 156 341</u>	<u>6 471 335</u>

The movement in current employee benefits are reconciled as follows:

Provision for Performance Bonuses

	<u>2013</u>	<u>2012</u>
	<u>R</u>	<u>R</u>
Balance at beginning of year	486 961	345 405
Contribution to current portion	444 126	388 367
Expenditure incurred	(411 676)	(246 811)
Balance at end of year	<u>519 411</u>	<u>486 961</u>

Performance bonuses are being paid to Municipal Manager and Directors after an evaluation of performance by an executive performance committee.

Bonuses

	<u>2013</u>	<u>2012</u>
	<u>R</u>	<u>R</u>
Balance at beginning of year	1 726 842	1 542 155
Contribution to current portion	2 770 102	2 828 382
Expenditure incurred	(2 960 301)	(2 643 695)
Balance at end of year	<u>1 536 643</u>	<u>1 726 842</u>

Bonuses are being paid to all municipal staff, excluding section 57 Managers. The balance at year end represent to portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.

Provision for Staff Leave

	<u>2013</u>	<u>2012</u>
	<u>R</u>	<u>R</u>
Balance at beginning of year	3 250 382	2 874 861
Contribution to current portion	1 100 689	786 399
Expenditure incurred	(441 826)	(410 878)
Balance at end of year	<u>3 909 245</u>	<u>3 250 382</u>

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave.

8 PROVISIONS

	<u>2013</u>	<u>2012</u>
	<u>R</u>	<u>R</u>
Current Portion of Rehabilitation of Landfill-sites - Note 5	1 876 743	1 810 986
Total Provisions	<u>1 876 743</u>	<u>1 810 986</u>

9 PAYABLES FROM EXCHANGE TRANSACTIONS

	<u>2013</u>	<u>2012</u>
	<u>R</u>	<u>R</u>
Trade Payables	17 358 664	19 134 491
Unspent External Loans	-	443 032
Deposits: Other	1 293 686	1 162 726
Payments received in advance	668 313	158 665
Receivable accounts with credit balances	2 370 144	1 229 430
Pensionfund SALA	2 519 084	-
Total Trade Payables	<u>24 209 891</u>	<u>22 128 344</u>

Payables are not being paid within 30 days as prescribed by the MFMA. Payables are being recognised net of any discounts.

All payments are unsecured.

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

10	UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS	2013	2012
		R	R
	Unspent Grants	7 774 144	13 219 957
	National and Provincial Government Grants	7 774 144	13 219 957
	Less: Unpaid Grants	972 570	97 044
	National and Provincial Government Grants	972 570	97 044
	Total Conditional Grants and Receipts	6 801 574	13 122 913

The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

10.01 Equitable share

Opening balance	-	-
Grants received	32 765 000	28 956 000
Conditions met - Operating	(32 765 000)	(28 956 000)
Conditions met - Capital	-	-
Conditions still to be met	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

10.02 National Grants

Opening balance	7 730 026	1 713 208
Grants received	34 377 674	29 733 000
Interest on investment (Only if condition)	8 911	70 589
Nett Transfers	(8 636 001)	-
Conditions met - Own Income	(2 338 860)	(2 656 969)
Conditions met - Operating	(12 931 041)	(10 151 223)
Conditions met - Capital	(18 897 351)	(10 978 578)
Conditions still to be met	(686 642)	7 730 027

National Grants received with conditions to be met.

10.03 Provincial Grants

Opening balance	4 857 015	6 966 166
Grants received	32 330 845	8 425 414
Interest on investment (Only if condition)	254 182	135 078
Nett Transfers	-	56 676
Conditions met - Own Income	(155 256)	-
Conditions met - Operating	(18 787 558)	(7 843 163)
Conditions met - Capital	(11 264 440)	(2 883 158)
Conditions still to be met	7 234 788	4 857 013

Provincial Grants received with conditions to be met.

10.04 Municipal Infrastructure Grant

Opening balance	131 034	88 554
Grants received	21 437 001	17 672 999
Interest on investment (Only if condition)	-	276 231
Nett Transfers	1	-
Conditions met - Own Income	(337 821)	(1 180)
Conditions met - Operating	(221 979)	(201 731)
Conditions met - Capital	(21 008 234)	(17 703 838)
Conditions still to be met	2	131 035

Municipal Infrastructure Grant received with conditions to be met.

10.05 Local Economic Development

Opening balance	29 862	168 919
Interest on investment (Only if condition)	1 479	3 648
Conditions met - Operating	-	(142 705)
Conditions still to be met	31 341	29 862

Local Economic Development received with conditions to be met.

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

10	UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS	2013	2012
		R	R
	10.06 ESKOM		
	Grants received	-	488 033
	Conditions met - Operating	-	(488 033)
	Conditions still to be met	<u>-</u>	<u>-</u>
	ESKOM received with conditions to be met.		
	10.07 LOTTERY		
	Opening balance	-	8 795
	Conditions met - Capital	-	(8 795)
	Conditions still to be met	<u>-</u>	<u>-</u>
	LOTTERY received with conditions to be met.		
	10.08 Central Karoo District Municipality Funds		
	Opening balance	374 976	7 438
	Grants received	521 930	554 249
	Interest on investment (Only if condition)	294	4 235
	Conditions met - Operating	(675 113)	(183 428)
	Conditions met - Capital	-	(7 517)
	Conditions still to be met	<u>222 087</u>	<u>374 977</u>
	Central Karoo District Municipality Funds received with conditions to be met.		
	10.09 Public Contributions		
	Opening balance	376 304	477 624
	Grants received	578 533	540 420
	Interest on investment (Only if condition)	10 446	37 703
	Conditions met - Own Income	(813)	-
	Conditions met - Operating	(964 470)	(396 335)
	Conditions met - Capital	-	(283 109)
	Conditions still to be met	<u>-</u>	<u>376 303</u>
	Public Contributions received with conditions to be met.		
	10.10 Total Conditional Grants and Receipts		
	Opening balance	13 499 217	9 430 704
	Grants received	89 245 983	57 414 115
	Interest on investment (Only if condition)	275 312	527 484
	Nett Transfers	(8 636 000)	56 676
	Conditions met - Own Income	(2 832 750)	(2 658 149)
	Conditions met - Operating	(33 580 161)	(19 406 618)
	Conditions met - Capital	(51 170 025)	(31 864 995)
	Conditions still to be met	<u>6 801 576</u>	<u>13 499 217</u>
	Total Conditional Grants and Receipts received with conditions to be met.		

11	UNSPENT PUBLIC CONTRIBUTIONS		
	Unspent Public Contribution	-	376 303

The Unspent Public Contributions are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

12	TAXES	2013	2012
		R	R
	VAT	(49 149)	1 987 882
	Balance previously reported	-	-
	Correction of error. Refer to note	-	-
	Provision for Debt Impairment of trade receivables from exchange transactions	<u>3 514 387</u>	<u>3 430 937</u>
		<u>3 465 238</u>	<u>5 418 819</u>

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

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

		2013	2012
		R	R
13	PROPERTY, PLANT AND EQUIPMENT		
	<u>See attached sheet</u>		

BEAUFORT WEST MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

13	PROPERTY, PLANT AND EQUIPMENT (CONTINUED)	2013 R	2012 R
	Carrying value of assets retired from active use and held for disposal:		
	Cost	-	-
	Land and Buildings	-	-
	Accumulated depreciation	-	-
	Land and Buildings	-	-
	Carrying value	-	-
	Impairment of property plant and equipment		
	Impairment charges on Property, plant and equipment recognised in statement of financial performance		
	Lease Assets	-	-
	Other	-	253 257
		-	<u>253 257</u>

The effect of a change in accounting estimate will have on the current period and subsequent periods:

	2013 R	2014 R	2015 R
Effect on Property, plant and equipment	<u>1 008 793</u>	<u>2 752 200</u>	<u>1 096 957</u>

Assessment of impairment of assets was performed on other assets.

Details of property plant and equipment carried at fair value

No property, plant and equipment are carried at fair value.

14	INVESTMENT PROPERTY	2013 R	2012 R
	Net Carrying amount at 1 July	9 969 740	10 249 777
	Cost	11 609 924	11 609 924
	Accumulated Depreciation	(1 640 184)	(1 360 147)
	Depreciation for the year	(279 271)	(280 037)
	Net Carrying amount at 30 June	9 690 469	9 969 740
	Cost	11 609 924	11 609 924
	Accumulated Depreciation	(1 919 455)	(1 640 184)
	Revenue derived from the rental of investment property:		
	Sanlam Building	192 446	182 633
	Operating expenditure incurred on properties generating revenue	10 539	14 010

There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

The cost model in terms of GRAP 16 is being applied on Investment Property.

Cost at implementation of GRAP 16 and fair value was determined by valuation roll of 1 July 2009.

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

15 NON-CURRENT ASSETS HELD FOR SALE

Non-current assets held for sale at beginning of year - at book value	-	1 318 840
Transfer to Property Plant & Equipment	-	(1 205 795)
	<hr/>	<hr/>
	-	113 045
Non-current assets sold/written off during the year	-	(113 045)
	<hr/>	<hr/>
Non-current assets held for sale at end of year - at book value	-	-
	<hr/>	<hr/>

Disposal group:

Non-Current Asset - Property Plant & Equipment - Land & Buildings	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

Land and buildings on demand was identified by management and approved by Council to be disposed within the next 12 months during the 2011/12 financial year in accordance with Section 14 of the MFMA, Asset Transfer Regulations and the Supply Chain Management Regulations.

Due to the poor property market, management decided not to sell all these properties and transferred it back to PPE in 2012.

16 INTANGIBLE ASSETS

Computer System & Software

Net Carrying amount at 1 July

433 721 541 079

Cost	1 041 845	1 034 434
Accumulated Amortisation	(608 124)	(493 355)
Acquisitions	7 359	7 411
Amortisation for the year	(106 499)	(114 769)
Net Carrying amount at 30 June	334 581	433 721
Cost	1 049 204	1 041 845
Accumulated Amortisation	(714 623)	(608 124)

The following material intangible assets are included in the carrying value above

<u>Description</u>	<u>Remaining Amortisation Period</u>	<u>Carrying Value</u>	
		<u>2013 R</u>	<u>2012 R</u>
Sebata System	4	318 737	398 530

No intangible asset were assessed as having an indefinite useful life.
There are no intangible assets whose title is restricted.
There are no intangible assets pledged as security for liabilities

17 CAPITALISED RESTORATION COST

Net Carrying amount at 1 July

1 345 217 1 473 524

Cost	2 505 396	2 505 396
Accumulated Depreciation	(1 088 885)	(1 031 872)
Accumulated Impairments	(71 295)	(31 281)
Depreciation for the year	(77 719)	(57 012)
Impairment - Note	(18 356)	(40 013)
Net Carrying amount at 30 June	1 249 142	1 345 217
Cost	2 505 396	2 505 396
Accumulated Depreciation	(1 166 604)	(1 088 885)
Accumulated Impairments	(89 651)	(71 295)

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 R	2012 R
18 HERITAGE ASSETS		
Net Carrying amount at 1 July	-	-
Acquisitions	-	-
Transfers from Property, Plant and equipment	<u>2 970 644</u>	-
Net Carrying amount at 30 June	<u><u>2 970 644</u></u>	<u>-</u>

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in May 2010. The municipality identified its heritage assets during the current period but did not measure all its heritage assets. The municipality is currently in the process of measuring its heritage assets in terms of GRAP 103 and it is expected that this process will be completed for inclusion in the 2015 financial statements.

19 LONG-TERM RECEIVABLES		
Housing Loans	554 859	609 668
Receivables with arrangements	3 400 933	985 316
Less: Current portion transferred to Trade and other receivables from exchange transactions	<u>(2 334 285)</u>	<u>(261 861)</u>
	1 621 507	1 333 123
Less: Provision for Debt Impairment	-	-
Total Long Term Receivables	<u><u>1 621 507</u></u>	<u><u>1 333 123</u></u>

ARRANGEMENTS

Municipal account holders can make arrangements with the municipality, agreeing to pay the outstanding accounts over a predetermined period at a fixed monthly instalment. When a monthly instalment is not paid, the account is transferred back to Trade receivables where it will be included in the calculation of Provision for Impairment.

HOUSING LOANS

The outstanding amount relates to prior years and is still collectable. General public were entitled to housing loans which attract interest at 13,5% per annum and which are repayable over a maximum period of 30 years. These loans are repayable in the year 2026.

20 INVENTORY		
Consumable Stores - Stationery and materials - At cost	3 101 494	3 029 275
Water – at cost	64 409	51 218
Total Inventory	<u><u>3 165 903</u></u>	<u><u>3 080 493</u></u>

Consumable stores materials written down due to losses as identified during the annual stores counts.	<u>26 064</u>	<u>21 167</u>
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Consumable stores materials surpluses identified during the annual stores counts.	<u>35 078</u>	<u>100 988</u>
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No inventory assets were pledged as security for liabilities.

21 TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Service Receivables		
Water	2 904 579	2 544 883
Electricity	5 392 199	5 572 715
Housing Rentals	107 275	110 026
Refuse	4 963 549	4 062 150
Sewerage	6 458 247	5 653 642
Total Service Receivables	<u>19 825 849</u>	<u>17 943 416</u>
Less: Provision for Debt Impairment	<u>(13 283 318)</u>	<u>(11 663 220)</u>
Net Service Receivables	<u><u>6 542 531</u></u>	<u><u>6 280 196</u></u>
Other Receivables		
Other Arrears	22 886 315	24 510 427
Total Other Receivables	<u>22 886 315</u>	<u>24 510 427</u>
Less: Provision for Debt Impairment	<u>(15 333 831)</u>	<u>(16 274 412)</u>
Net Other Receivables	<u><u>7 552 484</u></u>	<u><u>8 236 015</u></u>
Total Net Receivables from Exchange Transactions	<u><u>14 095 015</u></u>	<u><u>14 516 211</u></u>

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other receivables on initial recognition is not deemed necessary.

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

		2013 R	2012 R
21	TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUE)		
	Ageing of Receivables from Exchange Transactions		
	<u>(Electricity): Ageing</u>		
	Current (0 - 30 days)	3 625 373	3 670 895
	31 - 60 Days	161 078	98 216
	61 - 90 Days	47 729	59 639
	+ 90 Days	1 558 019	1 743 965
	Total	5 392 199	5 572 715
	<u>(Water): Ageing</u>		
	Current (0 - 30 days)	954 256	735 594
	31 - 60 Days	178 572	115 549
	61 - 90 Days	136 832	76 482
	+ 90 Days	1 634 919	1 617 258
	Total	2 904 579	2 544 883
	<u>(Refuse): Ageing</u>		
	Current (0 - 30 days)	458 552	424 729
	31 - 60 Days	185 925	166 898
	61 - 90 Days	171 262	157 205
	+ 90 Days	4 147 810	3 313 318
	Total	4 963 549	4 062 150
	<u>(Sewerage): Ageing</u>		
	Current (0 - 30 days)	835 803	761 887
	31 - 60 Days	271 585	239 339
	61 - 90 Days	245 584	219 984
	+ 90 Days	5 105 275	4 432 432
	Total	6 458 247	5 653 642
	<u>(Housing Rentals Debtors): Ageing</u>		
	Current (0 - 30 days)	5 864	5 803
	31 - 60 Days	1 393	1 149
	61 - 90 Days	1 393	1 295
	+ 90 Days	98 625	101 779
	Total	107 275	110 026
	<u>(Other Debtors): Ageing</u>		
	Current (0 - 30 days)	555 590	257 239
	31 - 60 Days	196 836	556 126
	61 - 90 Days	147 306	2 168 553
	+ 90 Days	21 986 583	21 528 509
	Total	22 886 315	24 510 427
22	TRADE AND OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
	Service Receivables		
	Taxes - Rates	6 418 938	6 688 332
	Other Receivables	6 761 311	14 313 119
	Total Service Receivables	13 180 249	21 001 451
	Less: Provision for Debt Impairment	(4 300 688)	(4 347 416)
	Net Service Receivables	8 879 561	16 654 035
	Total Net Receivables from Non-Exchange Transactions	8 879 561	16 654 035
	Ageing of Receivables from Non-Exchange Transactions		
	<u>(Rates): Ageing</u>		
	Current (0 - 30 days)	1 046 177	994 062
	31 - 60 Days	1 465 551	162 462
	61 - 90 Days	164 699	182 265
	+ 90 Days	3 742 511	5 349 543
	Total	6 418 938	6 688 332
	<u>(Other Receivables): Ageing</u>		
	Current (0 - 30 days)	-	-
	31 - 60 Days	-	-
	61 - 90 Days	-	-
	+ 90 Days	6 761 311	14 313 119
	Total	6 761 311	14 313 119

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

22 TRADE AND OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUE)

			2013 R	2012 R
Summary of Receivables by Customer Classification	Residential, Industrial & Commercial R's	Other Debtors R's	National and Provincial Government R's	Total R's
2013				
Total Receivables	55 339 378	-	553 035	55 892 413
Less: Provision for doubtful debts	(32 917 837)	-	-	(32 917 837)
Total Recoverable debtors by customer classification	22 421 541	-	553 035	22 974 576

	Residential, Industrial & Commercial R's	Other Debtors R's	National and Provincial Government R's	Total R's
2012				
Total Receivables	62 835 951	-	619 343	63 455 294
Less: Provision for doubtful debts	(32 285 048)	-	-	(32 285 048)
Total Recoverable debtors by customer classification	30 550 903	-	619 343	31 170 246

Trade and other receivables impaired

	Exchange Transactions R's	Non-Exchange Transactions R's	Total R's
2013			
Total	(28 617 149)	(4 300 688)	(32 917 837)

	Exchange Transactions R's	Non-Exchange Transactions R's	Total R's
2012			
Total	(27 937 632)	(4 347 416)	(32 285 048)

Debts are required to be settled after 30 days, interest is charged after this date at prime +1%. The fair value of trade and other receivables approximates their carrying amounts.

Reconciliation of the Total Provision for Debt Impairment

	2013 R	2012 R
Balance at beginning of the year	32 285 048	26 043 203
Contributions to provision	8 000 132	7 966 543
VAT Contributions to provision	83 450	935 102
Additional interest/corrections transferred to/from provision	11 189	(177 943)
Transfer from DMA (Murraysburg)	-	925 079
Doubtful debts written off against provision	-7 461 979	(3 406 936)
Balance at end of year	32 917 840	32 285 048

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

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

		2013 R	2012 R
23	OPERATING LEASE ARRANGEMENTS		
23.1	The Municipality as Lessee		
	Balance on 1 July	547	2 439
	Operating Lease Liability for the current year	<u>(547)</u>	<u>(1 892)</u>
	Balance on 30 June	<u><u>-</u></u>	<u><u>547</u></u>
	Beaufort West Municipality is leasing land from Transnet Limited for periods of 60 months with escalations of 9% per year.		
	At the Statement of Financial Position date, where the municipality acts as a lessee under operating leases, it will pay operating lease expenditure as follows:		
	Up to 1 Year	-	3 600
	1 to 5 Years	-	-
	More than 5 Years	-	-
	Total Operating Lease Arrangements	<u><u>-</u></u>	<u><u>3 600</u></u>
23.2	The Municipality as Lessor		
	Balance on 1 July	11 537	9 069
	Operating Lease Asset for the current year	<u>1 108</u>	<u>2 468</u>
	Balance on 30 June	<u><u>12 645</u></u>	<u><u>11 537</u></u>
	Beaufort West Municipality is leasing land to rate payers for periods of 36 to 119 months with escalations of 10% per year.		
	At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will receive operating lease income as follows:		
	Up to 1 Year	285 020	223 384
	1 to 5 Years	199 460	350 455
	More than 5 Years	<u>160 184</u>	<u>161 992</u>
	Total Operating Lease Arrangements	<u><u>644 664</u></u>	<u><u>735 832</u></u>
	This lease income was determined from contracts that have a specific conditional income and does not include lease income which has a undetermined conditional income.		
	The leases are in respect of land being leased out for a period until 2109		
24	CASH AND CASH EQUIVALENTS	2013 R	2012 R
	Assets		
	Call Investments Deposits	16 811 803	14 190 660
	Primary Bank Account	1 273 546	-
	Cash Floats	<u>12 330</u>	<u>12 370</u>
	Total Cash and Cash Equivalents - Assets	<u><u>18 097 679</u></u>	<u><u>14 203 030</u></u>
	Liabilities		
	Primary Bank Account	-	<u>(3 660 114)</u>
	Total Cash and Cash Equivalents - Liabilities	<u><u>-</u></u>	<u><u>(3 660 114)</u></u>
	Call Investments Deposits to an amount of R7 774 144 are held to fund the Unspent Conditional Grants (2012: R13 596 260).		
	Bank overdraft of R5 000 000 exists at ABSA Bank and ABSA Bank also has a fuel overdraft facility of R400 000.		

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 R	2012 R
24 CASH AND CASH EQUIVALENTS (CONTINUE)		
The municipality has the following bank account:		
<u>Current Account</u>		
Beaufort West ABSA - Account Number 40 5053 8936 (Primary Account):		
Cash book balance at beginning of year	(3 660 114)	(2 321 040)
Cash book balance at end of year	1 273 546	(3 660 114)
	<hr/>	<hr/>
Bank statement balance at beginning of year	575 400	480 106
Bank statement balance at end of year	2 925 478	575 400
	<hr/>	<hr/>
<u>Call Investment Deposits</u>		
Call investment deposits consist out of the following accounts:		
Investec	6 374 013	6 422 329
ABSA	7 165 527	5 371 821
Standard Bank	1 739 356	818 575
Nedbank	1 532 927	1 577 935
	<hr/>	<hr/>
	16 811 823	14 190 660
	<hr/>	<hr/>

25 PROPERTY RATES				
<u>Actual</u>				
Rateable Land and Buildings	23 829 866	21 301 936		
Residential, Commercial Property, State	<table border="1"><tr><td>23 829 866</td></tr></table>	23 829 866	<table border="1"><tr><td>21 301 936</td></tr></table>	21 301 936
23 829 866				
21 301 936				
Less: Rebates	(2 184 339)	(1 987 020)		
Total Assessment Rates	<hr/> 21 645 527 <hr/>	<hr/> 19 314 916 <hr/>		

Valuations on 30 JUNE 2013:

	2013 R	2012 R
Residential	1 398 636 326	1 197 095 184
Commercial	226 933 830	232 069 880
Governments	45 086 885	36 866 885
Schools	42 109 100	49 333 350
PSI	51 599 626	55 952 386
Farms	1 074 924 181	1 604 304 306
Vacant Erven	437 270	4 372 720
Building Clause	9 429 728	8 843 928
	<hr/>	<hr/>
Total Property Valuations	<hr/> 2 849 156 946 <hr/>	<hr/> 3 188 838 639 <hr/>

Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2009. Rebates were granted on land with buildings used solely for dwellings purposes as follows:
Residential - The first R19 000 on the valuation is exempted.

Rates are levied monthly and payable by the 12th of the following month. Interest is levied at the prime rate plus 1% on outstanding monthly rates.

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

26	GOVERNMENT GRANTS AND SUBSIDIES	2013 R	2012 R
	Unconditional Grants	32 765 000	28 956 000
	Equitable Share - Refer to Note 26.1	32 765 000	28 956 000
	Conditional Grants	84 750 185	51 271 613
	Municipal Infrastructure Grant	21 008 234	17 703 839
	Finance Management Grant	1 322 133	1 232 296
	Department of Water Affairs and Forestry	185 687	354 319
	Department of Mineral and Energy	21 195 621	16 899 585
	ESKOM	-	488 033
	Municipal System Improvement Grant	800 000	886 658
	Public Transport Infrastructure Program (PTIP)	-	2 655 198
	Provincial Administration Western Cape (PAWC)	29 673 393	7 535 189
	Government Grants	-	40 398
	National Lottery	-	8 795
	Development Bank of South Africa	371 889	234 808
	Neighbourhood Development Programme (NDP)	221 979	201 731
	Donations and Public Contributions	588 667	440 100
	Local Economic Development	-	142 705
	Disaster Fund	3 912	4 536
	Drought Relief	-	88 236
	Job Creation	511 973	183 428
	Expended Public Works Program National (EPWP)	1 473 752	396 765
	Neighbourhood Development Program Capital (NDP)	6 291 602	429 102
	Regional Bulk Infrastructure Grant : Capital (RBIG)	722 737	802 442
	Water Learner ship LGSETA	-	91 821
	Central Karoo District Municipality	-	7 517
	Community Development Workers	378 606	444 112
	Total Government Grants and Subsidies	117 515 185	80 227 613
	Government Grants and Subsidies - Capital	51 170 025	31 864 995
	Government Grants and Subsidies - Operating	66 345 163	48 362 618
		117 515 188	80 227 613
	Revenue recognised per vote as required by Section 123 (c) of the MFMA		
	Executive & Council	34 204 774	30 606 490
	Budget & Treasury	1 604 358	1 496 081
	Planning & Development	232 044	527 124
	Community & Social Services	3 819 179	2 239 484
	Housing	15 239 051	4 360 701
	Sport & Recreation	209 823	368 167
	Waste Management	1 022 326	402 354
	Waste Water Management	7 279 641	106 700
	Road Transport	27 694 309	17 504 176
	Water	4 201 779	4 315 448
	Electricity	22 007 901	18 300 888
		117 515 185	80 227 613

The municipality does not expect any significant changes to the level of grants.

26.1 Equitable share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive 6kl free water and 50kwh free electricity per month, which is funded from this grant.

All registered indigents receive a monthly subsidy as per approved budget, funded from this grant. Indigent subsidies is based on the cost of free basic services for the geographical area concerned

See Appendix D & note 10 for a reconciliation of all grants.

27 SERVICE CHARGES

Electricity	51 717 984	49 774 361
Service Charges - Electricity	54 382 735	51 956 782
Less: Rebates	(2 664 751)	(2 182 421)
Water	11 493 073	8 334 127
Service Charges - Water	18 676 995	13 432 584
Less: Rebates	(7 183 922)	(5 098 457)
Refuse removal	5 205 292	4 684 946
Service Charges - Refuse	5 714 134	5 234 361
Less: Rebates	(508 842)	(549 415)
Sewerage and Sanitation Charges	9 886 067	9 027 624
Service Charges - Sewerage	11 718 247	10 917 537
Less: Rebates	(1 832 180)	(1 889 913)
Other Service Charges	-	-
Total Service Charges	78 302 416	71 821 058

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 R	2012 R
28 OTHER REVENUE		
Insurance excess revenue	174 390	337 615
VAT portion of Grants that the Municipality may recognized as own income	2 676 617	2 443 144
Selling of burial sites	167 439	148 211
Subsidies	51 621	452 281
Fees: swimming pool	143 155	33 866
Commission on insurances	82 762	64 375
Re-connections	57 870	57 722
Building plans	67 516	63 229
Sale of land	20 798	23 709
Other income represents sundry income such as administration income, sale of sand and photocopies.	373 509	603 311
Total Other Income	3 815 677	4 227 463
29 EMPLOYEE RELATED COSTS		
Standby Allowances	773 927	608 040
Housing Subsidy	252 182	256 105
Bonus	3 214 232	3 216 749
Essential Users	867 612	665 758
Overtime	2 319 076	2 079 775
Long Service Awards	12 000	17 500
Salaries	38 948 667	37 135 565
Acting Allowance	1 144 989	723 568
Uniform Allowance	43 227	44 933
Leave Reserve Fund	1 100 925	578 623
Transport Allowance	472 192	530 162
Group Insurance	57 246	61 941
Medical Aid Contribution	1 120 023	1 004 860
Provident Fund SAMWU	630 923	649 527
Pension Fund Contribution	8 019 042	5 245 985
Occupational Health/Safety	101 591	-
Unemployment Fund	361 405	334 715
Long Service Bonus	354 221	434 110
Post Retirement Medical	815 290	524 774
Total Employee Related Costs	60 608 770	54 112 690
KEY MANAGEMENT PERSONNEL		
<p>Director Community Services, Director Corporate Services are appointed on a 5-year fixed contracts and the Municipal Manager and Director Finance was vacant at 30 June 2013. There are no post-employment or termination benefits payable to them at the end of the contract period.</p>		
REMUNERATION OF KEY MANAGEMENT PERSONNEL		
<i>Remuneration of the Municipal Manager: J Booysen</i>		
Annual Remuneration	773 369	683 739
Performance Bonuses	102 221	70 081
Car Allowance	119 850	118 480
Contributions, Medical and Pension Funds	115 593	132 410
Total	1 111 033	1 004 710
<i>Remuneration of the Director Financial Services: D Louw (Till 31 August 2012)</i>		
Annual Remuneration	91 582	508 850
Performance Bonuses	59 474	25 982
Car Allowance	17 771	105 374
Contributions, Medical and Pension Funds	57 909	135 197
Total	226 736	775 403
<i>Remuneration of the Director Electrical Services: RE van Staden</i>		
Annual Remuneration	568 099	558 167
Performance Bonuses	70 597	48 401
Car Allowance	72 000	72 000
Contributions, Medical and Pension Funds	205 838	85 983
Total	916 535	764 550
<i>Remuneration of the Director Community Services: AC Makendlana</i>		
Annual Remuneration	693 926	472 487
Performance Bonuses	59 474	-
Car Allowance	60 000	47 500
Contributions, Medical and Pension Funds	59 382	75 959
Total	872 781	595 946
<i>Remuneration of the Director Engineering Services: JCL Smit</i>		
Annual Remuneration	559 473	522 060
Performance Bonuses	75 367	45 212
Car Allowance	72 000	72 000
Contributions, Medical and Pension Funds	100 037	163 054
Total	806 877	802 326
<i>Remuneration of the Director Corporate Services: NE Mfundisi</i>		
Annual Remuneration	436 755	393 854
Performance Bonuses	44 544	26 245
Car Allowance	71 892	71 132
Contributions, Medical and Pension Funds	98 650	106 829
Total	651 842	598 060

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 R	2012 R
30 REMUNERATION OF COUNCILLORS		
Executive Mayor	389 863	388 259
Deputy Executive Mayor	315 728	306 747
Speaker	315 726	301 756
Mayoral Committee Members	340 009	316 879
Councillors	1 333 670	1 171 212
Councillors' pension contribution	207 928	185 941
Councillors' medical aid	49 944	3 847
Councillors' car allowance	770 972	741 682
Telephone Allowance	378 740	299 170
Total Councillors' Remuneration	4 102 580	3 715 493
<i>In-kind Benefits</i>		
The Executive Mayor, Deputy Executive Mayor, Speaker and one other councillor are full-time. Each is provided with an office and secretarial support at the cost of the Council. The Executive Mayor has the use of a Council owned vehicle for official duties.		
31 DEBT IMPAIRMENT		
Trade Receivables from exchange transactions - Note 21	6 954 921	6 893 791
Trade Receivables from non-exchange transactions - Note 21	1 045 211	1 072 753
Total Contribution to Impairment Provision	8 000 132	7 966 544
32 Depreciation and Amortisation		
Depreciation	13 178 824	13 303 461
Amortisation	106 499	114 769
Total depreciation and amortisation expenditure	13 285 323	13 418 230
33 IMPAIRMENTS		
Property Plant & Equipment - Other Assets	-	253 257
Total Impairments	-	253 257
34 REPAIRS AND MAINTENANCE		
Repairs and maintenance expenditure per vote		
Executive & Council	255	17 960
Budget & Treasury	103 196	108 540
Corporate Services	588 379	402 705
Planning & Development	137 989	98 814
Community & Social Services	364 494	144 218
Housing	88 492	208 029
Public Safety	855 009	774 605
Sport & Recreation	1 150 604	1 038 844
Waste Management	1 239 416	1 528 970
Waste Water Management	481 835	593 014
Road Transport	2 766 607	4 939 465
Water	2 015 066	1 851 676
Electricity	1 450 224	1 470 984
Total repairs and maintenance expenditure	11 241 566	13 177 824
35 FINANCE CHARGES		
Long-term Liabilities	2 077 197	2 147 272
Finance leases	182 389	294 960
Post Retirement Charges	1 864 999	1 690 025
Overdraft Facilities	72 859	73 909
Total finance charges	4 197 444	4 206 166
36 BULK PURCHASES		
Electricity	38 594 501	34 588 525
Water	4 567 168	3 372 807
Total Bulk Purchases	43 161 669	37 961 332
37 GRANTS AND SUBSIDIES		
Donations	39 859	34 521
Total Grants and Subsidies	39 859	34 521

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 R	2012 R
38 OPERATING GRANT EXPENDITURE		
Operating grant expenditure per vote		
Executive & Council	1 519 644	1 520 652
Budget & Treasury	1 870 403	1 741 800
Planning & Development	43 836	154 330
Community & Social Services	486 096	4 997
Housing	14 771 058	4 330 753
Waste Management	648 434	402 354
Road Transport	626 152	115 019
Water	79 972	91 821
Electricity	9 312 609	7 787 042
Total Operating grant expenditure	29 358 204	16 148 768
39 GENERAL EXPENSES		
Advertisement Costs	299 498	354 640
Banking Charges	546 572	437 555
Bursaries	238 065	303 522
Community Development Workers	378 606	425 530
Organisations	964 818	671 766
Insurance	353 579	322 563
Asset Management Plan	163 326	216 647
Licences/ Agreements	1 156 575	1 225 755
Printing & Stationary	700 690	626 292
Soup Kitchen	-	38 956
Subsistence & Travel	796 937	851 289
Audit fees	1 642 595	1 290 576
Telephone Costs	1 207 238	1 183 753
Training Costs	83 771	589 726
Water service development program	245 520	72 820
Ward Committee	353 358	180 909
Transfer existing housing	366 421	25 412
Vehicle Cost	486 328	6 961
Postage	483 405	336 131
Digging of graves	195 350	178 815
Job Creation	466 688	540 191
Legal expenses	265 945	182 166
Rental Fees	208 735	167 382
Customer Care	491 337	234 808
Deeds Registrations	13 040	98 245
Mayoral Golf Tournmnt	83 417	97 780
Public Functions	69 357	97 050
Publicity	10 286	108 017
Tracking Device	346 076	330 526
Defecit Rental Mun. Dwelling	24 594	108 784
Licences Vehicles	116 565	163 018
Consulting Fees	434 988	242 950
Workmans Compensation	634 320	-
Other expenditure	1 503 891	1 162 544
General Expenses	15 331 891	12 873 079

General expenses contains administrative and technical expenses otherwise not provided for in the line-items of the Statement of Financial performance. This include items such as telecommunications, travelling, legal fees and auditing fees.

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2012 R
40 CORRECTION OF ERROR IN TERMS OF GRAP 3		
40.01 Changes to Statement of Financial Performance		
Balance previously reported		67 697 037
Correct classification of vote from "Interest Earned - external investments" to "Interest Earned - outstanding debtors"	40.01	(672 091)
Correct classification of vote from "Interest Earned - external investments" to "Interest Earned - outstanding debtors"	40.01	672 091
Assets listed twice in the asset register - Restate Depreciation 2011/2012	40.02	2 158
Correct zero carrying value assets by restate Depreciation 2011/2012	40.02	(40 798)
First time recognition of provision for annual bonuses under current employee benefits	40.03	(184 687)
Total		<u>67 473 710</u>
40.02 Property, Plant and Equipment		
Balance Previously Reported		324 311 822
Assets listed twice in the asset register - Restate cost	40.04	(71 480)
Assets listed twice in the asset register - Restate Accumulated Depreciation 30 June 2011	40.04	32 615
Assets listed twice in the asset register - Restate Depreciation 2011/2012	40.01	2 158
Correct zero carrying value assets by restate Accumulated Depreciation 30 June 2011	40.04	245 202
Correct zero carrying value assets by restate Depreciation 2011/2012	40.01	(40 798)
Total		<u>324 479 519</u>
40.03 Current Employee benefits		
Balance Previously Reported		-
First time recognition of provision for annual bonuses under current employee benefits	40.01 & 7	184 687
First time recognition of provision for annual bonuses under current employee benefits	40.04 & 7	1 542 155
Total		<u>1 726 842</u>
40.04 Accumulated Surplus/(Deficit)		
Balance previously reported		221 567 586
Assets listed twice in the asset register - Restate cost	40.02	(71 480)
Assets listed twice in the asset register - Restate Accumulated Depreciation 30 June 2011	40.02	32 615
Correct zero carrying value assets by restate Accumulated Depreciation 30 June 2011	40.02	245 202
First time recognition of provision for annual bonuses under current employee benefits	40.03	(1 542 155)
Total		<u>220 231 768</u>

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

41 RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS	2013	2012
	R	R
Surplus for the year	44 958 675	67 473 709
Adjustments for:		
Depreciation	13 178 823	13 303 463
Amortisation of Intangible Assets	106 499	114 769
(Gain)/Loss on disposal of property, plant and equipment	85 728	69 695
Contributed PPE	(61 092)	(324 000)
Transfer DMA From District	-	(44 129 077)
Impairments	-	253 256
Contribution from/to employee benefits - non-current	(1 157 994)	(1 051 104)
Contribution from/to employee benefits - non-current - expenditure incurred	3 035 820	2 649 402
Contribution from/to employee benefits - non-current - actuarial losses	(3 190 937)	2 263 882
Contribution from/to provisions - non-current	292 474	336 408
Contribution to employee benefits – current	4 314 917	4 003 148
Contribution to employee benefits – current - expenditure incurred	(3 813 803)	(3 301 384)
Contribution to provisions – Debt Impairment	8 000 132	7 966 543
Impairment written off	(7 461 979)	(3 406 936)
Additional debt Impairment transactions	11 189	747 136
Increase/(Decrease) in Unspent Conditional Government Grants and Receipts	(5 445 813)	3 403 259
Increase/(Decrease) in Unspent Conditional Public Contributions and Receipts	(376 303)	(101 321)
(Increase)/Decrease in Unpaid Conditional Government Grants and Receipts	(875 526)	766 574
Operating lease income accrued	(1 108)	(2 468)
Operating lease expenses accrued	(547)	(1 892)
Operating Surplus/(Deficit) before changes in working capital	51 599 155	51 033 062
Changes in working capital	11 407 811	(15 703 607)
Increase/(Decrease) in Trade and Other Payables	2 081 547	4 983 033
Increase/(Decrease) in Taxes	2 037 031	218 004
(Increase)/Decrease in Inventory	(85 410)	(203 245)
(Increase)/Decrease in Long-term Receivables	(288 384)	1 001 061
Increase/(Decrease) in Consumer Deposits	100 147	23 767
(Increase)/Decrease in Trade Receivables from exchange transactions	(258 321)	(12 252 724)
(Increase)/Decrease in Other Receivables from non-exchange transactions	7 821 202	(9 473 503)
Cash generated/(absorbed) by operations	63 006 966	35 329 455

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 R	2012 R
42 CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the cash flow statement comprise the following:		
Call Investments Deposits - Note 24	16 811 803	14 190 660
Cash Floats - Note 24	12 330	12 370
Bank - Note 24	1 273 546	-
Bank overdraft - Note 24	-	(3 660 114)
Total cash and cash equivalents	18 097 679	10 542 916
43 RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES		
Cash and Cash Equivalents - Note 42	18 097 679	10 542 916
Less:	18 097 679	10 542 916
	7 443 068	11 482 208
Unspent Committed Conditional Grants - Note 10	7 774 144	13 219 957
Unspent Public Contribution - Note 11	-	376 303
Unpaid Committed Conditional Grants - Note 10	(972 570)	(97 044)
Staff Leave - Note 7	3 909 245	3 250 382
VAT - Note 12	(3 465 238)	(5 418 819)
Cash Portion of Housing Development Fund - Note 2	197 487	151 429
Net cash resources available for internal distribution	10 654 611	(939 292)
Allocated to:		
Capital Replacement Reserve	4 546 564	1 885 759
Resources available for working capital requirements	6 108 047	(2 825 051)
44 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION		
Long-term Liabilities - Note 3	17 512 072	18 935 394
Used to finance property, plant and equipment - at cost	(17 512 072)	(18 492 362)
	-	443 032
Cash set aside for the repayment of long-term liabilities	-	(443 032)
Cash invested for repayment of long-term liabilities	-	-
Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act. Annuity loans at amortised cost is calculated at 6.75%-14.00% interest rate, with last maturity date of 31 December 2029.		
45 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED	2013	2012
	R	R
45.1 Unauthorised expenditure		
Reconciliation of unauthorised expenditure:		
Opening balance	15 898 544	-
Unauthorised operating expenditure current year	9 396 141	12 966 745
Unauthorised capital expenditure current year	13 453 942	2 931 799
Approved by Council or condoned	-	-
Transfer to receivables for recovery	-	-
Unauthorised expenditure awaiting authorisation	38 748 627	15 898 544
Incident	Disciplinary steps/criminal proceedings	
<i>Actual vs Budgeted spending</i>	<i>None</i>	

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

45 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED (CONTINUE)

	2013 R (Actual)	2013 R (Budget)	2013 R (Variance)	2013 R (Unauthorised)
Unauthorised expenditure current year - operating				
Executive & Council	14 158 781	13 926 184	232 597	232 597
Budget & Treasury	15 735 485	12 286 497	3 448 988	3 448 988
Corporate Services	11 386 867	10 074 474	1 312 393	1 312 393
Planning & Development	4 254 976	4 596 420	(341 444)	-
Community & Social Services	5 766 917	6 440 036	(673 119)	-
Housing	16 032 659	18 081 094	(2 048 435)	-
Public Safety	13 319 921	11 827 739	1 492 182	1 492 182
Sport & Recreation	5 472 544	5 673 515	(200 971)	-
Waste Management	7 987 015	8 646 846	(659 831)	-
Waste Water Management	4 117 817	4 548 183	(430 366)	-
Road Transport	15 253 723	15 875 976	(622 253)	-
Water	19 822 080	18 106 009	1 716 071	1 716 071
Electricity	64 480 730	63 286 820	1 193 910	1 193 910
	197 789 515	193 369 793	4 419 722	9 396 141

	2013 R (Actual)	2013 R (Budget)	2013 R (Variance)	2013 R (Unauthorised)
Unauthorised expenditure current year - capital				
Executive & Council	13 123	2 100	11 023	11 023
Budget & Treasury	182 456	5 200	177 256	177 256
Corporate Services	446 584	8 070 004	(7 623 420)	-
Planning & Development	237 438	-	237 438	237 438
Community & Social Services	40 400	-	40 400	40 400
Sport & Recreation	359 136	1 010 526	(651 390)	-
Waste Management	375 442	800 000	(424 558)	-
Waste Water Management	556 317	10 210 739	(9 654 422)	-
Road Transport	35 351 588	22 363 764	12 987 824	12 987 824
Water	3 653 876	6 167 402	(2 513 526)	-
Electricity	12 980 039	24 206 256	(11 226 217)	-
	54 196 400	72 835 991	(18 639 591)	13 453 942

45.2 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure:

Opening balance	-	-
Fruitless and wasteful expenditure current year	-	-
Condoned or written off by Council	-	-
Transfer to receivables for recovery - not condoned	-	-
Fruitless and wasteful expenditure awaiting condonement	-	-

Incident	Disciplinary steps/criminal proceedings
None	None

45.3 Irregular expenditure

Reconciliation of irregular expenditure:

Opening balance	16 264	-
Irregular expenditure current year	-	16 264
Condonement supported by Council	-	-
Transfer to receivables for recovery - not condoned	-	-
Irregular expenditure awaiting condonement	16 264	16 264

Irregular expenditure awaiting condonement from National Treasury

-	16 264
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Incident	Disciplinary steps/criminal proceedings
2012 - Suppliers identified as having members/directors/owners who are in the service of the state with no evidence of this disclosed to the municipality. R6 170	None
2012 - Awards made to close family members of persons in the service of the state. (declaration has been signed) R10 094	None

45.4 Material Losses

Electricity distribution losses

Units purchased (Kwh)	56 991 818	55 829 987
- Units lost during distribution (Kwh)	6 519 179	9 798 249
- Percentage lost during distribution	11.44%	17.55%

Water distribution losses

Kilolitres purified	2 644 718	2 167 967
- Kilolitres lost during distribution	1 292 439	946 075
- Percentage lost during distribution	48.87%	43.64%

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

46	ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT	2013	2012
		R	R
46.1	<u>Contributions to organised local government - [MFMA 125 (1)(c)] - SALGA CONTRIBUTIONS</u>		
	Opening balance	-	-
	Council subscriptions	454 552	251 948
	Amount paid - current year	(454 552)	(251 948)
	Balance unpaid (included in creditors)	-	-
46.2	<u>Audit fees - [MFMA 125 (1)(c)]</u>		
	Opening balance	-	-
	Current year audit fee	1 642 595	1 290 576
	External Audit - Auditor-General	1 642 595	1 290 576
	Amount paid - current year	(1 642 595)	(1 290 576)
	Balance unpaid (included in creditors)	-	-
46.3	<u>VAT - [MFMA 125 (1)(c)]</u>		
	VAT	(3 465 238)	(5 418 819)
	VAT is payable on the payments basis. Only once payment is received from debtors is VAT paid over to SARS.		
46.4	<u>PAYE, SDL and UIF - [MFMA 125 (1)(c)]</u>		
	Opening balance	-	-
	Current year payroll deductions and Council Contributions	6 559 328	5 929 510
	Amount paid - current year	(6 022 983)	(5 929 510)
	Balance unpaid (included in creditors)	536 345	-
46.5	<u>Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]</u>		
	Opening balance	-	-
	Current year payroll deductions and Council Contributions	11 294 805	10 695 235
	Amount paid - current year	(11 294 805)	(10 695 235)
	Balance unpaid (included in creditors)	-	-
46.6	<u>Councillor's arrear consumer accounts - [MFMA 125 (1)(c)]</u>		
	The following Councillors had arrear accounts for more than 90 days during 2012/2013 financial year.		
		2013	2012
		R	R
		Outstanding	Outstanding
		more than 90	more than 90
		days	days
	Councillor L Deyse (510271/000768)	4 839	5 490
	Councillor G Adolph (021180/032194)	3 885	3 885
	Councillor M Furmen (023379/023380)	3 118	4 918
	Councillor R van der Linde (014909/020003)	473	-
	Total Councillor Arrear Consumer Accounts	12 315	14 293

46.7 Quotations awarded - Supply Chain Management

Refer to Appendix E for the Supply Chain Management Implementation Report for the year ended 30 June 2013

Supply Chain Management Regulation 45 disclosure:

Business	Date	Invoice	Amount	Interest
B. Chalmers	12-Jul-12	15033521	R 3 275.00	Spouse, Mr. M. Chalmers employed with the Department of Correctional Services as Corrections Officer.
Duneco	05-Jul-12	15033415	R 13 148.67	Spouse, Mrs. E Klazen is employed with the Department of Educational Services.
PJ Sound & Vision	21-Jul-12		R 3 500.00	Son, Mr. PJ Julies is employed as Vehicle Inspections & Traffic Officer at the Beaufort West Municipality
PJ Plumbing	07-May-12	15033481	R 13 418.64	Mother, Mrs. E Botha and sister, Mrs. B Saaiman, are employed with the Department of Education.
B. Chalmers	23-Aug-12		R 4 356.00	Spouse, Mr. M. Chalmers employed with the Department of Correctional Services as Corrections Officer.

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

46.7 Quotations awarded - Supply Chain Management (CONTINUE)

Business	Date	Invoice	Amount	Interest
Wilma's Catering Services	23-Aug-12		R 2 080.00	Brother currently employed as a Councilor at the Beaufort West Municipality.
Mabungwe Civils	23-Aug-12	Competitive bid	R 1 556 359.92	B. M. J. Nel, spouse of AP Nel, is currently employed by SA Correctional Services
Avril's Catering	26-Oct-12	15035548	R 3 000.00	Daughter, Me. M Johnson employed with the Department of Correctional Services.
PJ Plumbing	31-Oct-12	15035702	R 4 053.24	Mother, Mrs. E Botha and sister, Mrs. B Saaiman, are employed with the Department of Education
PJ Sound & Vision	26-Oct-12		R 6 200.00	Son, Mr. PJ Julies is employed as Vehicle Inspections & Traffic Officer at the Beaufort West Municipality
Karoo Drukkery	10-Oct-12		25-Oct-17	Wife, Mrs. S Munro is employed at the Department of Health.
New Bom Fashions	26-Oct-12		R 8 585.00	Husband, Mr. D Martin is temporarily employed and sister, Mrs. L Mudumbo are currently employed at the Beaufort West Municipality
Karoo beton werke	01-Nov-12	15035725	R 6 420.00	Spouses, Mr.A Swanepoel and Mrs. E Klazen are employed with the Department of Correctional and Educational Services.
Duneco	26-Nov-12	15036151	R 23 208.12	Spouse, Mrs. E Klazen is employed with the Department of Educational Services.
	29-Nov-12	15036307	R 33 836.91	
Karoo Motors Werkwinkel	28-Jan-13	15037436	R 44 209.77	v Spouse, Mrs. Anna-Marie van der Merwe is employed with the Department of Health Services
	01-Mar-13	15038372	R 48 281.28	
	27-Mar-13	15038945	R 38 431.75	
Duneco	28-Jan-13	15037428	R 23 977.60	v Spouse, Mrs. E Klazen is employed with the Department of Educational Services.
	27-Mar-13	15038944	R 2 476.00	
Karoo beton werke	26-Mar-13	15038931	R 4 140.00	v Spouses, Mr.A Swanepoel and Mrs. E Klazen are employed with the Department of Correctional and Educational Services.
Swans Driving School	10-Jan-13	15037264	R 4 000.00	v Spouse, Mr. W. Swanepoel employed with the Department of Correctional Services as Corrections Officer.
	14-Jan-13	15037296	R 4 000.00	
	16-Jan-13	15037325	R 4 500.00	
Adenco Construction	28-Jan-13	SCM 08/2013	R 3 777 233.31	v Parent-Helen Victoria Machimana is employed with the Department of Social v Parent-Busisiwe Skosana is employed with the Department of Health v Child-Adele Kassner is employed with Department of Education

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

46.7 Quotations awarded - Supply Chain Management (CONTINUE)

Business	Date	Invoice	Amount	Interest
PJ Sound & Vision	21-Feb-13	15038094	R 3 899.99	v Son, Mr. PJ Julies is employed as Vehicle Inspections & Traffic Officer at the Beaufort West Municipality
	15-Mar-13	15038547	R 4 550.00	
Nonkululeka	27-Mar-13	15038951	R 3 100.00	v Daughter, P Mditwa, is employed at the Beaufort West Municipality.
New Bom Fashions	27-Mar-13		R 9 500.00	v Husband, Mr. D Martin is temporarily employed and sister, Mrs. L Mudumbo are currently employed at the Beaufort West Municipality
Sonneblom Bloemiste	22-Mar-13	15038801	R 2 000.00	v Son, H.Jack, is currently employed on a contract basis at the Beaufort West Municipality.
Danielle Studie sentrum	05-Mar-13	15038433	R 94 050.42	v Brother, W Petersen, is employed at the Beaufort West Municipality
Karoo Motors Werkswinkel	29-May-13	15040097	R 48 450.00	v Spouse, Mrs. Anna-Marie van der Merwe is employed with the Department of Health Services
	28-Jun-13	15040821	R 86 832.66	
Karoo beton werke	29-May-13	15040100	R 4 140.00	v Spouses, Mr.A Swanepoel and Mrs. E Klazen are employed with the Department of Correctional and Educational Services.
Duneco	02-May-13	15039657	R 5 250.00	v Spouse, Mrs. E Klazen is employed with the Department of Educational Services.
C Wright		SCM 06/2013	R 294 541.80	v Son, C Wright, is employed at the Beaufort West Municipality.
New Bom Fashions	15-May-13		R 26 060.00	v Husband, Mr. D Martin is temporarily employed and sister, Mrs. L Mudumbo are currently employed at the Beaufort West Municipality
Elrico Booyesen	1931-04-13		R 14 690.00	v Niece, J Kaptein, is employed at the Beaufort West Municipality
	31-May-13		R 2 960.00	v Sister, Lena July, is employed at the department of Education services.
		15040271	R 17 484.00	
	30-Jun-13		R 14 664.00	
PJ Sound & Vision	19-Jun-13	15040489	R 2 500.00	v Son, Mr. PJ Julies is employed as Vehicle Inspections & Traffic Officer at the Beaufort West Municipality
	03-Jun-13	15040489	R 2 950.00	

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

46.8 Other non-compliance

MFMA Section 65(2)(b)

Adequate management, accounting and information system was not in place which accounted for creditors.

MFMA Section 65(2) e

The municipality had experienced cash flow problems during the year as a result of which creditors were not always paid within 30 days of date of statement or invoice as required.

MFMA Section 15

Expenditure was not only incurred in terms of an approved budget and within the limits of the amounts approved for the different votes in an approved budget.

MFMA Section 116(1)

Contracts are not appropriately signed.

MFMA Section 165

The municipality had shortcomings/deviations with regard to the internal audit function.

MFMA Section 166

The municipality had shortcomings/deviations with regard to the audit committee.

MFMA Section 71(1)(g)(ii)

The municipality did not submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting, when necessary, an explanation of any material variances from the service delivery and budget implementation plan within 10 working days after the end of each month.

MFMA Section 32(4)

Report pertaining to unauthorised, irregular, fruitless and wasteful expenditure have not been submitted to all relevant parties.

Municipal Budget and Reporting Regulations, Section 30 (1)

Monthly budget statements were not uploaded to the website of the municipality.

Municipal Budget and Reporting Regulations, Section 15

The approved service delivery and budget implementation plan of the municipality, had not been made public within 10 working days after the approved of the SDBIP.

47 CAPITAL COMMITMENTS

Commitments in respect of capital expenditure:

Approved and contracted for:

Infrastructure

	6 234 976	8 481 177
	6 234 976	8 481 177
Total	6 234 976	8 481 177

This expenditure will be financed from:

Government Grants

	6 234 976	8 481 177
	6 234 976	8 481 177

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

48 FINANCIAL RISK MANAGEMENT

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

(b) Price risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year.

	2013 R	2012 R
The potential impact on the entity's surplus/deficit for the year due to changes in interest rates were as follow:		
0.5% (2012 - 0.5%) Increase in interest rates	2 866	5 423
0.5% (2012 - 0.5%) Decrease in interest rates	(2 866)	(5 423)

(d) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the municipality to incur a financial loss.

Credit risk consist mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Receivables are disclosed net after provisions are made for impairment and bad debts. Trade debtors comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other debtors is considered to be moderate due the diversified nature of debtors and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

The credit quality of receivables are further assessed by grouping individual debtors into different categories with similar risk profiles. The categories include the following: Bad Debt, Deceased, Good payers, Slow Payers, Government Departments, Debtors with Arrangements, Indigents, Municipal Workers, Handed over to Attorneys and Untraceable account. These categories are then impaired on a group basis based on the risk profile/credit quality associated with the group.

The ageing of amounts past due and not impaired is as follows:

	Non-Exchange Receivables R	Exchange Receivables R	Total R
2013			
1 month past due	1 072 073	995 389	2 067 462
2 + month past due	-	8 510 135	8 510 135
Total	1 072 073	9 505 524	10 577 597
2012			
1 month past due	162 462	1 177 277	1 339 739
2 + month past due	1 184 392	9 203 231	10 387 623
Total	1 346 854	10 380 508	11 727 362

All rates and services are payable within 30 days from invoice date. Refer to note 21 and 22 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms.

Balances past due not impaired:

	2013 %	2013 R	2012 %	2012 R
<u>Non-Exchange Receivables</u>				
Rates	0.00%	1 072 073	0.00%	1 346 854
<u>Exchange Receivables</u>				
Electricity	0.00%	-	0.00%	-
Water	0.04%	4 255	1.49%	155 115
Refuse	12.41%	1 179 419	9.60%	997 023
Sewerage	13.63%	1 295 419	11.72%	1 216 888
Housing Rentals	0.31%	29 537	0.32%	32 706
Other	73.61%	6 996 894	76.86%	7 978 776
	100.00%	9 505 524	100.00%	10 380 508

No receivables are pledged as security for financial liabilities.

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

48 FINANCIAL RISK MANAGEMENT (CONTINUE)

Due to the short term nature of trade and other receivables the carrying value disclosed in note 21 & 22 of the financial statements is an approximation of its fair value. Interest on overdue balances (rates) are included at prime lending rate plus 1% where applicable.

The provision for bad debts could be allocated between the different classes of debtors as follows:

	2013 %	2013 R	2012 %	2012 R
<u>Non-Exchange Receivables</u>				
Rates	100.00%	4 300 688	100.00%	4 347 416
<u>Exchange Receivables</u>				
Electricity	12.62%	3 612 773	12.97%	3 622 265
Water	6.80%	1 946 068	5.92%	1 654 174
Refuse	11.62%	3 325 578	9.45%	2 640 397
Sewerage	15.12%	4 327 025	13.15%	3 674 868
Housing Rentals	0.25%	71 874	0.26%	71 517
Other	53.58%	15 333 831	58.25%	16 274 412
	100.00%	28 617 149	100%	27 937 632

Bad debts written off per debtor class:

	2013 %	2013 R	2012 %	2012 R
<u>Non-Exchange Receivables</u>				
Rates	0.00%	-	0.00%	-
<u>Exchange Receivables</u>				
Services	100.00%	7 461 979	100.00%	3 406 936
Other	0.00%	-	0.00%	-
	100.00%	7 461 979	100.00%	3 406 936

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The entity only enters into non-current investment transactions with major banks with high quality credit standing. Although the credit risk pertaining to non-current investments are considered to be low, the maximum exposure are disclosed below.

The banks utilised by the municipality for current and non-current investments are all listed on the JSE (ABSA). The credit quality of these institutions are evaluated based on their required SENS releases as well as other media reports. Based on all public communications, the financial sustainability is evaluated to be of high quality and the credit risk pertaining to these institutions are considered to be low.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment.

Financial assets exposed to credit risk at year end are as follows:	2013 R	2012 R
Long term receivables	1 621 507	1 333 123
Trade receivables and other receivables	22 974 576	31 170 246
Cash and Cash Equivalents	18 097 679	14 203 030
Unpaid conditional grants and subsidies	972 570	97 044
	43 666 332	46 803 443

(e) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

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

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end 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.

	Less than 1 year	Between 1 and 5 years	Between 5 and 30 years
2013			
Long Term liabilities	4 478 185	11 303 059	12 951 299
Capital repayments	2 808 681	6 735 305	7 968 085
Interest	1 669 504	4 567 754	4 983 215
Trade and Other Payables	18 652 350	-	-
Unspent conditional government grants and receipts	6 801 574	-	-
	29 932 109	11 303 059	12 951 299
2012			
Long Term liabilities	5 381 355	11 602 605	14 729 012
Capital repayments	3 517 900	7 441 919	7 968 223
Interest	1 863 456	4 160 686	6 760 789
Trade and Other Payables	20 297 217	-	-
Unspent conditional government grants and receipts	13 122 913	-	-
	38 801 485	11 602 605	14 729 012

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

		2013 R	2012 R
49	FINANCIAL INSTRUMENTS		
	In accordance with GRAP 104 the financial instruments of the municipality are classified as follows:		
	The fair value of financial instruments approximates the amortised costs as reflected below.		
49.1	Financial Assets		
	Classification		
	Long-term Receivables		
	Receivables with arrangements	3 400 933	985 316
	Consumer Debtors		
	Trade receivables from exchange transactions	19 825 849	17 943 416
	Other receivables from exchange transactions	22 886 315	24 510 427
	Unpaid Conditional Grants and Receipts		
	Other Spheres of Government	972 570	97 044
	Short-term Investment Deposits		
	Call Deposits	16 811 803	14 190 660
	Bank Balances and Cash		
	Bank Balances	1 273 546	-
	Cash Floats and Advances	12 330	12 370
		<u>65 183 346</u>	<u>57 739 233</u>
	SUMMARY OF FINANCIAL ASSETS		
	Financial instruments at amortised cost	<u>65 183 346</u>	<u>57 739 233</u>
49.2	Financial Liability		
	Classification		
	Long-term Liabilities		
	Annuity Loans	13 540 042	15 040 940
	Capitalised Lease Liability	1 163 349	376 554
	Trade Payables		
	Trade creditors	17 358 664	19 134 491
	Unspent Conditional Grants and Receipts		
	Other Spheres of Government	7 774 144	13 219 957
	Public Contributions	-	376 303
	Bank Balances and Cash		
	Bank Balances	-	3 660 114
	Current Portion of Long-term Liabilities		
	Annuity Loans	1 877 333	2 236 256
	Capitalised Lease Liability	931 348	1 281 644
		<u>42 644 880</u>	<u>55 326 259</u>
	SUMMARY OF FINANCIAL LIABILITY		
	Financial instruments at amortised cost	<u>42 644 880</u>	<u>55 326 259</u>

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

50 EVENTS AFTER THE REPORTING DATE

The municipality did not have any event after the reporting date.

51 IN-KIND DONATIONS AND ASSISTANCE

The municipality did not receive any in-kind donations or assistance during the year under review.

52 PRIVATE PUBLIC PARTNERSHIPS

Council has not entered into any private public partnerships during the financial year.

53 CONTINGENT LIABILITY

53.1 The Trade Union, IMATU, contested the implementation of a wage curve agreement in the Labour Court and the court ruled in favour of IMATU. The Employers Organisation, SALGA, resolved to take the ruling of the Labour Court on review. The effect of the ruling is a general 2% increase in remuneration as from October 2009.

53.2 The following guarantees also qualify as contingent liabilities:

NAME / REG NO	- GUARANTEE ISSUED TO	2013 R	2012 R
ABSA/227	Eskom: Supply Electricity - Nelspoort	41 000	41 000
1165040859	Eskom	34 500	34 500
ABSA Bank	South African Post Office	50 000	-
ABSA/237	Dept. of Mineral & Energy - Rehabilitation of Quarry	6 000	6 000
Total		131 500	81 500

54 CONTINGENT ASSETS

BANK / FIRM	- PURPOSE	- REG NO		
First National Bank	Electricity supply	147	2 020	2 020
FNB/Shoprite	Electricity Supply	88	12 265	12 265
FNB/Ackermans	Electricity Supply	91	2 080	2 080
Lombard Insurance Group/AGMS	Housing Project: Merweville	248	210 450	210 450
Lombard Insurance Group/SWANSA	Reclamation Plant	261	260 068	260 068
Lombard Insurance Group/SWANSA	Reseal of various roads	263	-	-
Investec Private Bank/SA Tolling	Tend DID01/2008&Corp13/2008	264	3 056 000	3 056 000
FNB/De Jager Loodgieters	Upgrading of Streets in Hillside II (Phase 1)	274	-	756 776
Lombard Insurance Group	Construction of detention dam in Hillside Phase 1	273	-	915 693
ABSA Bank	W&E Service Erf no. 7401 (BW Mall)	270	222 000	222 000
Renasa Insurance Company LTD	30 Meter High Mast Pole - Floodlighting	266	853 876	853 876
Nedbank obo Mabungwe Siviële Kontrakteurs: Guarantee No: 285/320654/05	Notice No. 52 /2012 : Tender scm 35/2012 : Construction of pressure reducing system in BW, Phase	280	179 760	-
Total			4 798 519	6 291 228

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

55 RELATED PARTIES

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

55.1 Related Party Transactions

	Rates - Levied 1 July 2012 - 30 June 2013	Service Charges - Levied 1 July 2012 - 30 June 2013	Other - Levied 1 July 2012 - 30 June 2013	Outstanding Balances 30 June 2013
Year ended 30 June 2013				
Councillors	26 139	148 505	1 672	15 324
Councillor AM Slabbert (010137/011832)	6 754	13 416	1	1 625
Councillor AM Slabbert (028981/031495)	816	2 493		208
Councillor DE Welgemoed (012158/012159)	9 847	27 707	12	2 436
Councillor G de Vos (014633/014634)	2 618	21 060		-
Councillor G de Vos (014914/014634)	-	6 642		0
Councillor GP Adolph (021180/032194)	809	4 809		575
Councillor HT Prince(007782/010957)	-	7 048		97
Councillor HT Prince(010956/010957)	3 753	30 707	1 659	-
Councillor HT Prince(012333/010957)	-	12 435	-	-
Councillor L Deyce (510271/000768)	872	1 005	-	5 148
Councillor M Furmen (023379/023380)	-	7 036	-	3 118
Councillor PA Jacobs (024348/024349)	-	6 353	-	1 024
Councillor R van der Linde (014909/020003)	-	-	-	473
Councillor R van der Linde (020002/020003)	549	4 559	-	379
Councillor SM Motsoane (022661/022662)	122	3 233	-	243
Municipal Manager and Section 57 Employees	28 288	54 848	390	892
Municipal Manager : J Booysen(020051/020052)	-	967	-	-
Municipal Manager : J Booysen(010964/032381)	2 305	16 299	390	41
Municipal Manager : J Booysen(004922/032381)	853	1 523	-	-
Director : D Louw (009237/031809)	-	1 241	-	-
Director : A Makendiana (012180/029959)	7 025	1 523	-	712
Director : R van Staden (011989/011990)	9 442	4 769	-	-
Director : JCL Smit (011486/011487)	8 662	23 711	-	32
Director : NE Mfundisi (036117/040042)	-	4 814	-	106

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

55.2 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are not permitted. Loans granted prior to this date, together with the conditions, are disclosed in note 19 to the Annual Financial Statements.

55.3 Compensation of key management personnel

The compensation of key management personnel is set out in note 29 to the Annual Financial Statements.

55.4 Other related party transactions

The following purchases were made during the year where Councillors or Management have an interest:

Councillor/Staff Member	Entity
-------------------------	--------

Mr. T Prince (a council member of the Beaufort West Municipality) is the president of Beaufort West Local Football Association. The property on which the soccer club is built belongs to the municipality and is leased to the club at an annual amount of R36,000. At 30 June 2012 an amount of R144 036 was outstanding in respect of the lease payments.

56 FINANCIAL SUSTAINABILITY

The indicators or conditions that may, individually or collectively, cast significant doubt about the going concern assumption are as follows:

Financial Indicators

The current ratio increased to 1.08:1 from 1.03:1 in the prior year.

The municipality have budgeted for a surplus of R60 381 844 for the 2012/2013 financial year. The municipality is also budgeting for negative cash flows during 2013/2014 and 2014/2015 amounting to R19 161 900 and R12 420 900 respectively.

The average debtors' payment days decreased to 199 days from 248 days.

A bank overdraft facility is utilised amounting to R 5 000 000.

The municipality is in arrears with external loans to an amount of R15 417 375 (2012 - R17 277 176)

Other Indicators

Possible outflow of resources due the contingent liability disclosed in note 53

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

13 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of Carrying Value

	Cost					Accumulated Depreciation			Carrying Value	
	Opening Balance	Additions	Transfers	Disposals/ Impairments	Closing Balance	Opening Balance	Depreciation Charge	Disposals/ Impairments/ Transfers		Closing Balance
	R	R	R	R	R	R	R	R	R	
30 June 2013										
Land and Buildings	50 855 039	-	-	(198 150)	50 656 889	777 115	174 956	-	952 071	49 704 818
Land	35 343 105	-	-	(198 150)	35 144 955	-	-	-	-	35 144 955
Buildings	15 511 934	-	-	-	15 511 934	777 115	174 956	-	952 071	14 559 863
Infrastructure	276 574 688	51 876 710	-	-	328 451 398	33 245 926	10 368 733	-	43 614 659	284 836 739
Stormwater Network	34 914 816	3 723 422	-	-	38 638 238	5 348 275	1 489 337	-	6 837 612	31 800 626
Road Network	82 266 508	31 472 170	-	-	113 738 678	12 399 788	3 234 270	-	15 634 058	98 104 620
Sanitation Network	51 404 217	556 317	-	-	51 960 534	3 424 368	1 653 408	-	5 077 776	46 882 759
Electricity Network	53 371 181	12 822 230	-	-	66 193 411	3 596 855	1 765 867	-	5 362 722	60 830 689
Water Network	53 699 743	2 928 679	-	-	56 628 422	8 241 697	2 170 762	-	10 412 459	46 215 963
Refuse Network	918 223	373 892	-	-	1 292 115	234 944	55 089	-	290 033	1 002 082
Community Assets	20 315 890	209 823	(3 160 000)	-	17 365 713	1 095 408	493 774	(189 356)	1 399 826	15 965 886
Taxi Rank	252 000	-	-	-	252 000	12 607	2 494	-	15 101	236 899
Museum	3 160 000	-	(3 160 000)	-	-	158 086	31 270	(189 356)	-	-
Cemeteries	17 200	-	-	-	17 200	860	170	-	1 030	16 170
Community centurms	9 686 383	-	-	-	9 686 383	553 326	295 967	-	849 293	8 837 090
Recreation sites	6 642 829	209 823	-	-	6 852 652	342 441	157 776	-	500 217	6 352 435
Libraries	557 477	-	-	-	557 477	28 088	6 097	-	34 185	523 292
Lease Assets	4 652 316	1 883 024	-	(2 078 300)	4 457 040	3 079 020	1 000 232	(2 078 300)	2 000 952	2 456 088
Office Equipment (Lease)	339 187	288 963	-	-	628 150	142 325	108 165	-	250 490	377 660
Vehicles (Lease)	4 313 129	1 594 061	-	(2 078 300)	3 828 890	2 936 695	892 067	(2 078 300)	1 750 462	2 078 428
Other Assets	16 578 118	226 843	-	(6 163)	16 798 798	6 299 068	765 783	(4 844)	7 060 007	9 738 791
Computer hardware	2 260 103	107 439	-	(5 000)	2 362 542	1 067 401	162 889	(3 729)	1 226 561	1 135 981
Air conditioners	559 368	-	-	-	559 368	297 963	34 122	-	332 085	227 283
Chairs	282 002	2 162	-	-	284 164	180 147	11 549	-	191 696	92 468
Concrete Mixer	11 938	-	-	-	11 938	8 652	365	-	9 017	2 921
Desks & Tables	319 287	2 886	-	-	322 173	188 784	13 954	-	202 738	119 435
Compactors	30 731	-	-	-	30 731	22 803	971	-	23 774	6 957
Compressors	218 751	-	-	-	218 751	33 912	10 843	-	44 755	173 996
Tools	764 167	33 892	-	-	798 059	316 511	48 975	-	365 486	432 573
Electronic Equipment	650 818	40 349	-	(1 163)	690 004	339 341	34 689	(1 115)	372 915	317 089
Fire Brigade Equipment	138 990	-	-	-	138 990	16 506	6 924	-	23 430	115 560
Lawn Equipment	290 475	-	-	-	290 475	171 325	12 648	-	183 973	106 502
Trucks/LDV	6 438 972	-	-	-	6 438 972	1 980 981	201 025	-	2 182 006	4 256 966
Motor Vehicles	532 836	-	-	-	532 836	154 065	17 174	-	171 239	361 597
Office Equipment	547 396	10 429	-	-	557 825	345 646	27 169	-	372 815	185 010
Office Furniture	818 990	17 286	-	-	836 276	392 517	46 785	-	439 302	396 974
Trailers	406 922	-	-	-	406 922	248 255	18 671	-	266 926	139 996
Tracktors	1 456 524	-	-	-	1 456 524	202 383	62 213	-	264 596	1 191 928
Toolbox	332 788	-	-	-	332 788	113 761	26 848	-	140 609	192 179
Gym Equipment	116 803	-	-	-	116 803	61 905	4 986	-	66 891	49 912
Generators	187 130	-	-	-	187 130	42 568	8 878	-	51 446	135 684
Radio Equipment	213 127	12 400	-	-	225 527	113 642	14 105	-	127 747	97 780
	368 976 051	54 196 400	(3 160 000)	(2 282 613)	417 729 838	44 496 537	12 803 478	(2 272 500)	55 027 515	362 702 323

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

13 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of Carrying Value

	Cost					Accumulated Depreciation			Carrying Value	
	Opening Balance	Additions	Transfers	Disposals/ Impairments	Closing Balance	Opening Balance	Depreciation Charge	Disposals/ Impairments/ Transfers		Closing Balance
	R	R	R	R	R	R	R	R	R	
30 June 2012										
Land and Buildings	49 316 220	-	1 538 818	-	50 855 038	601 576	175 539	-	777 115	50 077 924
Land	35 378 150	-	1 174 855	-	36 553 005	-	-	-	-	36 553 005
Buildings	13 938 070	-	363 963	-	14 302 033	601 576	175 539	-	777 115	13 524 919
Infrastructure	204 816 152	34 168 669	37 589 866	-	276 574 687	23 321 749	9 924 177	-	33 245 926	243 328 761
Stormwater Network	23 476 895	6 137 955	5 299 965	-	34 914 815	3 917 542	1 430 733	-	5 348 275	29 566 541
Road Network	53 165 925	12 090 892	17 009 691	-	82 266 508	9 153 958	3 245 830	-	12 399 788	69 866 720
Sanitation Network	45 661 550	258 590	5 473 876	-	51 394 017	1 677 424	1 746 944	-	3 424 368	47 969 649
Electricity Network	38 182 001	11 716 323	3 472 856	-	53 371 180	2 304 176	1 292 679	-	3 596 855	49 774 325
Water Network	43 538 894	3 927 838	6 233 012	-	53 699 744	6 092 285	2 149 412	-	8 241 697	45 458 047
Refuse Network	790 887	37 071	100 466	-	928 423	176 364	58 580	-	234 944	693 479
Community Assets	14 380 766	369 672	5 565 451	-	20 315 890	576 612	518 796	-	1 095 408	19 220 481
Taxi Rank	252 000	-	-	-	252 000	10 087	2 520	-	12 607	239 393
Museum	3 160 000	-	-	-	3 160 000	126 487	31 599	-	158 086	3 001 914
Cemeteries	17 200	-	-	-	17 200	688	172	-	860	16 340
Community centurms	5 555 000	-	4 131 383	-	9 686 383	222 352	330 974	-	553 326	9 133 057
Recreation sites	4 851 066	369 672	1 422 091	-	6 642 829	195 163	147 278	-	342 441	6 300 388
Libraries	545 500	-	11 977	-	557 477	21 835	6 253	-	28 088	529 389
Lease Assets	4 414 807	360 910	-	(123 400)	4 652 316	1 587 906	1 614 514	(123 400)	3 079 020	1 573 296
Office Equipment (Lease)	108 807	230 381	-	-	339 187	50 527	91 798	-	142 325	196 862
Vehicles (Lease)	4 306 000	130 529	-	(123 400)	4 313 129	1 537 379	1 522 716	(123 400)	2 936 695	1 376 434
Other Assets	14 702 506	2 107 771	654 524	(886 680)	16 578 121	6 239 120	693 372	(633 425)	6 299 067	10 279 054
Computer hardware	2 145 408	387 596	31 096	(303 997)	2 260 102	1 203 816	134 101	(270 887)	1 067 030	1 193 072
Balance previously reported	2 145 408	387 596	31 096	(303 997)	2 260 102	1 296 262	118 553	(270 887)	1 143 928	1 116 175
Correction of error. No. 2 - Refer note 40.02	-	-	-	-	-	(92 446)	15 548	-	(76 898)	76 898
Air conditioners	564 503	4 036	3 072	(5 844)	565 768	265 866	37 815	(3 378)	300 303	265 465
Balance previously reported	564 503	4 036	3 072	(5 844)	565 768	315 866	29 482	(3 378)	341 970	223 798
Correction of error. No. 2 - Refer note 40.02	-	-	-	-	-	(50 000)	8 333	-	(41 667)	41 667
Chairs	288 345	-	-	(6 344)	282 001	171 698	12 812	(4 364)	180 146	101 855
Balance previously reported	288 963	-	-	(6 344)	282 619	182 314	11 194	(4 364)	189 144	93 475
Correction of error. No. 1 - Refer note 40.02	(618)	-	-	-	(618)	(418)	(66)	-	(484)	(134)
Correction of error. No. 2 - Refer note 40.02	-	-	-	-	-	(10 198)	1 684	-	(8 513)	8 513
Concrete Mixer	11 938	-	-	-	11 938	8 242	411	-	8 653	3 285
Desks & Tables	336 288	1 541	-	(18 542)	319 287	184 969	15 917	(12 120)	188 766	130 521
Balance previously reported	336 288	1 541	-	(18 542)	319 287	192 606	14 686	(12 120)	195 172	124 115
Correction of error. No. 2 - Refer note 40.02	-	-	-	-	-	(7 637)	1 231	-	(6 406)	6 406
Compactors	31 779	-	-	(1 048)	30 731	22 741	1 111	(1 048)	22 804	7 927
Compressors	210 010	8 741	-	-	218 751	22 438	11 474	-	33 912	184 839
Tools	629 243	132 705	43 986	(41 767)	764 167	305 010	42 589	(31 089)	316 511	447 656
Balance previously reported	629 243	132 705	43 986	(41 767)	764 167	319 184	40 217	(31 089)	328 313	435 854
Correction of error. No. 2 - Refer note 40.02	-	-	-	-	-	(14 174)	2 372	-	(11 802)	11 802
Electronic Equipment	617 183	54 956	8 924	(30 244)	650 819	322 363	36 388	(18 702)	340 049	310 770
Balance previously reported	617 183	54 956	8 924	(30 244)	650 819	330 832	34 948	(18 702)	347 077	303 742
Correction of error. No. 2 - Refer note 40.02	-	-	-	-	-	(8 469)	1 440	-	(7 029)	7 029

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

13 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of Carrying Value

	Cost					Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Transfers	Disposals/ Impairments	Closing Balance	Opening Balance	Depreciation Charge	Disposals/ Impairments/ Transfers	Closing Balance	
Fire Brigade Equipment	142 116	3 670	-	(6 796)	138 990	14 355	7 561	(5 408)	16 508	122 482
Balance previously reported	142 116	3 670	-	(6 796)	138 990	14 790	7 488	(5 408)	16 870	122 120
Correction of error. No. 2 - Refer note 40.02	-	-	-	-	-	(435)	72	-	(362)	362
Lawn Equipment	229 996	64 772	-	(4 293)	290 475	165 073	8 449	(3 386)	170 135	120 340
Balance previously reported	229 996	64 772	-	(4 293)	290 475	170 163	7 747	(3 386)	174 524	115 951
Correction of error. No. 2 - Refer note 40.02	-	-	-	-	-	(5 090)	701	-	(4 389)	4 389
Trucks/LDV	6 133 651	399 035	213 134	(306 848)	6 438 973	1 939 122	188 978	(147 119)	1 980 981	4 457 992
Balance previously reported	6 178 651	399 035	213 134	(306 848)	6 483 973	1 953 965	190 215	(147 119)	1 997 061	4 486 912
Correction of error. No. 1 - Refer note 40.02	(45 000)	-	-	-	(45 000)	(14 843)	(1 237)	-	(16 080)	(28 920)
Motor Vehicles	450 960	-	81 876	-	532 836	144 917	9 149	-	154 066	378 770
Office Equipment	578 881	4 461	8 229	(43 184)	548 387	344 949	33 926	(32 393)	346 481	201 906
Balance previously reported	578 881	4 461	8 229	(43 184)	548 387	348 483	33 377	(32 393)	349 466	198 920
Correction of error. No. 2 - Refer note 40.02	-	-	-	-	-	(3 534)	549	-	(2 985)	2 985
Office Furniture	572 020	19 654	229 207	(2 880)	818 000	338 952	55 086	(1 488)	392 550	425 450
Balance previously reported	573 010	19 654	229 207	(2 880)	818 990	347 009	53 825	(1 488)	399 345	419 645
Correction of error. No. 1 - Refer note 40.02	(990)	-	-	-	(990)	(327)	(27)	-	(354)	(636)
Correction of error. No. 2 - Refer note 40.02	-	-	-	-	-	(7 730)	1 288	-	(6 441)	6 441
Trailers	347 128	26 967	32 827	-	406 922	230 586	17 668	-	248 255	158 668
Balance previously reported	372 000	26 967	32 827	-	431 794	265 944	15 441	-	281 385	150 409
Correction of error. No. 1 - Refer note 40.02	(24 872)	-	-	-	(24 872)	(17 027)	(828)	-	(17 855)	(7 017)
Correction of error. No. 2 - Refer note 40.02	-	-	-	-	-	(18 331)	3 055	-	(15 276)	15 276
Tracktors	523 342	933 182	-	-	1 456 524	184 932	17 450	-	202 382	1 254 141
Toolbox	277 513	55 276	-	-	332 789	82 750	31 011	-	113 761	219 028
Gym Equipment	116 803	-	-	-	116 803	56 444	5 462	-	61 905	54 898
Balance previously reported	116 803	-	-	-	116 803	59 095	5 020	-	64 115	52 688
Correction of error. No. 2 - Refer note 40.02	-	-	-	-	-	(2 651)	442	-	(2 210)	2 210
Generators	195 168	-	-	(8 037)	187 131	38 936	9 831	(6 200)	42 567	144 563
Radio Equipment	300 231	11 180	2 172	(106 856)	206 727	190 959	16 183	(95 841)	111 301	95 425
Balance previously reported	300 231	11 180	2 172	(106 856)	206 727	215 468	12 099	(95 841)	131 725	75 001
Correction of error. No. 2 - Refer note 40.02	-	-	-	-	-	(24 509)	4 085	-	(20 424)	20 424
	287 630 451	37 007 022	45 348 659	(1 010 080)	368 976 052	32 326 963	12 926 399	(756 825)	44 496 536	324 479 515

APPENDIX A - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2013

EXTERNAL LOANS	Rate	Institution	Loan Number	Term	Balance at 30 June 2012	Correction of Error	Balance at 30 June 2012 Restated	Received during the period	Redeemed written off during the period	Balance at 30 June 2013
					R	R	R	R	R	R
ANNUITY LOANS										
General										
Sanlam Building RB21/10/03 IT 5.44	10.5%	DBSA	101257/1	2019/12/31	1 091 556	-	1 091 556	-	102 040	989 516
Tata Truck 2 Ton CZ 6388	8.6%	STANDARD	73702013/0003	2016/08/31	135 240	-	135 240	-	28 185	107 055
Tractor CZ 10625	8.0%	ABSA	75588777	2012/12/01	11 210	-	11 210	-	11 210	-
Tractor CZ 17798	10.8%	DBSA	103465/4	2014/06/30	66 899	-	66 899	-	31 689	35 210
Case Tractor 2WD CZ 6311	8.6%	STANDARD	73702013/0004	2016/08/31	147 595	-	147 595	-	30 759	116 836
Upgr. Fencing & Alarm System	9.7%	F N B	2012/001	2017/06/01	132 987	-	132 987	-	21 466	111 521
Caterpillar Digger/Loader CZ 5169	9.7%	F N B	2012/002	2017/06/01	605 410	-	605 410	-	97 377	508 033
Sod Cutter	9.7%	F N B	2012/003	2017/06/01	28 322	-	28 322	-	4 667	23 655
Lawn Mower Tractor Attached	9.7%	F N B	2012/004	2017/06/01	26 714	-	26 714	-	4 356	22 358
Lawn Mower Golf Course	9.7%	F N B	2012/005	2017/06/01	9 736	-	9 736	-	1 556	8 180
Sewerage Farm Merweville	6.8%	DBSA	103464/2	2025/06/30	2 469 858	-	2 469 858	-	131 156	2 338 702
Case Tractor CZ 7397	9.7%	F N B	2012/006	2017/06/01	157 000	-	157 000	-	25 200	131 800
Tata Truck 2 Ton Tipper CZ 5339	9.7%	F N B	2012/007	2017/06/01	165 000	-	165 000	-	26 444	138 556
Tata Truck CZ 16014	8.0%	ABSA	77186994	2013/06/01	41 732	-	41 732	-	41 732	-
Refuse Truck CZ 3484	10.9%	DBSA	103465/3	2017/06/30	706 855	-	706 855	-	113 137	593 718
Archimedes Sewerage Pump	9.7%	F N B	2012/008	2017/06/01	-	-	-	280 712	45 111	235 601
Electricity										
Electr Housing scheme AA10/12/14	12.0%	DBSA	9055	2013/09/30	1 327 152	-	1 327 152	-	858 838	468 314
Load control syst RB12/5/98 IT.2	14.0%	DBSA	10619	2019/03/31	1 612 768	-	1 612 768	-	147 988	1 464 780
Cherry Picker CZ 15919	8.0%	ABSA	76879287	2013/06/01	49 343	-	49 343	-	49 343	-
Cherry Picker CZ 15926	8.0%	ABSA	76879163	2013/06/01	49 343	-	49 343	-	49 343	-
Dyna Cherry Picker CZ 4930	9.5%	ABSA	80343235	2015/11/01	319 936	-	319 936	-	83 191	236 745
Compressor CZ 4860	9.5%	ABSA	80164276	2015/10/01	130 390	-	130 390	-	34 897	95 493
Truck with crane CZ 2954	10.9%	DBSA	103464/3	2017/06/30	554 000	-	554 000	-	88 677	465 323
Toyota Hilux 2L CZ 10975	8.6%	STANDARD	73702013/0001	2016/07/31	66 140	-	66 140	-	14 118	52 022
20MVA Transformer	10.9%	DBSA	103464/1	2029/07/31	4 388 002	-	4 388 002	-	91 023	4 296 979
Water Works										
Farm Hansrivier	10.9%	DBSA	103464/1	2029/07/31	1 943 425	-	1 943 425	-	40 246	1 903 179
Pressure Control System	10.9%	DBSA	103464/1	2029/07/31	624 398	-	624 398	-	12 983	611 415
Isuzu L D V CZ 5929	10.0%	ABSA	79864507	2013/07/01	28 590	-	28 590	-	26 279	2 311
Trailer CZ 6253	8.6%	STANDARD	72702013/0002	2016/07/31	22 905	-	22 905	-	4 890	18 015
Telemetry System	9.7%	F N B	2012/009	2017/06/01	364 670	-	364 670	13 912	60 977	317 605
Water Purification Fencing	9.7%	F N B	2012/010	2017/06/01	-	-	-	148 408	23 955	124 453
Total Annuity Loans					17 277 176	-	17 277 176	443 032	2 302 833	15 417 375

APPENDIX A - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2013

EXTERNAL LOANS	Rate	Institution	Loan Number	Term	Balance at 30 June 2012	Correction of Error	Balance at 30 June 2012 Restated	Received during the period	Redeemed written off during the period	Balance at 30 June 2013
					R	R	R	R	R	R
LEASE LIABILITY										
AR1206 Multifunction System	11.97%		Church Street Library	2012/07/31	1 010	-	1 010	-	1 010	-
CZ 3359 Toyota Yaris T3 A/C	11.94%		Building Control	2013/03/31	27 864	-	27 864	-	27 864	-
CZ 3363 Toyota Hilux 2.5 D-4D P/U S/C	12.01%		Water Reticulation	2013/03/31	42 168	-	42 168	-	42 168	-
CZ 3368 Toyota Hilux 2.5 D-4D P/U S/C	12.01%		Reticulation: High Voltage	2013/03/31	42 168	-	42 168	-	42 168	-
CZ 3370 Toyota Yaris T3 A/C	11.94%		Dir: Financial Services	2013/03/31	27 864	-	27 864	-	27 864	-
CZ 3373 Toyota Hilux 2.5 D-4D P/U S/C	12.01%		Recreation Sites	2013/03/31	42 168	-	42 168	-	42 168	-
CZ 3439 Toyota Hilux 2.5 D-4D P/U S/C	12.01%		Reticulation: High Voltage	2013/03/31	42 168	-	42 168	-	42 168	-
CZ 3457 Toyota Hilux 2.5 D-4D P/U S/C	12.01%		Water Reticulation	2013/03/31	42 168	-	42 168	-	42 168	-
CZ 3465 Toyota Hilux 2.5 D-4D P/U S/C	12.01%		Water Reticulation	2013/03/31	42 168	-	42 168	-	42 168	-
CZ 4548 Toyota Corolla 1.3 Impact	11.98%		Housing Office	2013/09/30	48 116	-	48 116	-	37 911	10 205
CZ 4557 Toyota Corolla 1.3 Impact	11.98%		Dir: Traffic Services	2013/09/30	48 116	-	48 116	-	37 911	10 205
CZ 4560 Toyota Corolla 1.3 Impact	12.01%		Dir: Community Services	2013/09/30	56 879	-	56 879	-	44 813	12 066
CZ 4561 Toyota Corolla 1.3 Impact	12.01%		Dir: Traffic Services	2013/09/30	58 629	-	58 629	-	46 192	12 437
CZ 4554 Toyota Corolla 1.3 Impact	12.01%		Dir: Traffic Services	2013/09/30	58 629	-	58 629	-	46 192	12 437
CZ 4741 Toyota Hilux 2.5 D-4D P/U S/C	12.09%		Street works & Storm Water	2013/09/30	64 748	-	64 748	-	51 008	13 740
CZ 4584 Toyota Hilux 2.5 D-4D P/U S/C	12.09%		Recreation Sites	2013/09/30	64 748	-	64 748	-	51 008	13 740
CZ 4567 Toyota Hilux 2.5 D-4D P/U S/C	12.09%		Recreation Sites	2013/09/30	64 748	-	64 748	-	51 008	13 740
CZ 4577 Toyota Hilux 2.5 D-4D P/U S/C	12.04%		Dir: Community Services	2013/09/30	65 785	-	65 785	-	51 828	13 957
CZ 4566 Toyota Hilux 2.5 D-4D P/U S/C	12.04%		Street works & Storm Water	2013/09/30	65 785	-	65 785	-	51 828	13 957
CZ 4754 Toyota Hilux 2.5 D-4D P/U S/C	11.99%		Water Purification	2013/09/30	68 013	-	68 013	-	53 587	14 426
CZ 4746 Toyota Hilux 2.5 D-4D P/U S/C	11.99%		Dir: Traffic Services	2013/09/30	68 013	-	68 013	-	53 587	14 426
CZ 4336 Toyota Hilux 2.5 D-4D P/U S/C	12.13%		Street works & Storm Water	2013/10/31	71 442	-	71 442	-	52 490	18 952
CZ 4738 Toyota Hilux 2.5 D-4D P/U S/C	12.06%		Municipal Buildings	2013/11/30	70 447	-	70 447	-	51 765	18 682
CZ 4730 Toyota Hilux 2.5 D-4D P/U S/C	12.06%		Water Purification	2013/11/30	70 447	-	70 447	-	51 765	18 682
CZ 2543 Toyota Hilux 2.5 D-4D P/U S/C	11.99%		Dir: Electricity Services	2012/08/31	54 794	-	54 794	-	54 794	-
CZ 2533 Toyota Corolla 1.3 Impact	12.03%		Dir: Traffic Services	2012/08/31	11 696	-	11 696	-	11 696	-
CZ 3947 HILUX 2.5 D-4D SRX 4X4 P/U S	11.99%		Water Purification	2013/06/30	54 794	-	54 794	-	54 794	-
CZ 6725 LDV TOYOTA	9.00%		Dir: Traffic Services	2014/10/13	101 111	-	101 111	-	42 431	58 680
MP4001	9.00%		Dir: Engineers Services	2014/09/30	50 693	-	50 693	-	21 273	29 420
MPC5501	9.00%		Dir: Corporate Services	2014/08/31	123 478	-	123 478	-	54 019	69 459
AR1206 Multifunction System	9.00%		Dir: Traffic Services	2013/03/31	2 609	-	2 609	-	2 609	-
AR2060 Multifunction System	9.00%		Dir: Traffic Services	2013/03/31	1 009	-	1 009	-	1 009	-
AR1258 Multifunction System	9.00%		Housing Office	2013/03/31	3 723	-	3 723	-	3 723	-
CZ 8282 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Street works & Storm Water	2016/02/28	-	-	-	139 999	13 857	126 142
CZ 8340 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Water Reticulation	2016/02/28	-	-	-	140 135	9 651	130 484
CZ 8341 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Water Reticulation	2016/02/28	-	-	-	139 997	13 857	126 140
CZ 8343 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Municipal Buildings	2016/02/28	-	-	-	139 996	13 857	126 139
CZ 8408 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Reticulation High	2016/04/30	-	-	-	141 263	6 942	134 321
CZ 8410 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Recreation Sites	2016/04/30	-	-	-	141 563	17 578	123 985
CZ 8414 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Dir: Engineers Services	2016/04/30	-	-	-	125 138	6 149	118 989
CZ 8415 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Water Reticulation	2016/04/30	-	-	-	141 267	6 942	134 325
CZ 8418 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Water Reticulation	2016/04/30	-	-	-	141 270	6 942	134 328
CZ 8419 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Water Reticulation	2016/04/30	-	-	-	146 003	6 942	139 061
CZ 8421 TOYOTA YARIS ZEN3 ACS	8.50%		Dir: Financial Services	2016/04/30	-	-	-	98 713	4 851	93 862
CZ 8422 TOYOTA YARIS ZEN3 ACS	8.50%		Building Control	2016/04/30	-	-	-	98 715	4 851	93 864
Machine Photocopy Kyocera FS1128	9.00%		Thusong Centre	2016/08/30	-	-	-	80 722	16 717	64 005
Machine Photocopy Kyocera FS 6025	9.00%		Thusong Centre	2016/07/30	-	-	-	106 283	22 550	83 733
PABX TELEPHONE SYSTEM	9.00%		Thusong Centre	2016/03/30	-	-	-	46 478	8 240	38 238
CCTV CAMERA'S	20.50%		Dir: Financial Services	2015/09/30	-	-	-	31 837	6 241	25 596
CCTV CAMERA'S	9.00%		Thusong Centre	2014/07/30	-	-	-	55 480	23 209	32 271
Total Lease Liabilities					1 658 198	-	1 658 198	1 914 859	1 478 360	2 094 697
TOTAL EXTERNAL LOANS					18 935 374	-	18 935 374	2 357 891	3 781 193	17 512 072

APPENDIX B - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2013
MUNICIPAL VOTES CLASSIFICATION

2012 Actual Income R	2012 Actual Expenditure R	2012 Surplus/ (Deficit) R		2013 Actual Income R	2013 Actual Expenditure R	2013 Surplus/ (Deficit) R
96 944	(1 534 091)	(1 437 147)	Admin: Commun Serv	483 132	(1 801 477)	(1 318 345)
-	(5 930 079)	(5 930 079)	Admin: Corp Serv	15 771	(6 875 189)	(6 859 418)
8 683 410	(16 414 273)	(7 730 863)	Admin: Electrical	9 612 871	(17 408 169)	(7 795 298)
351 123	(3 133 718)	(2 782 595)	Admin: Engineering Serv	232 044	(3 376 064)	(3 144 020)
3 906 975	(8 879 390)	(4 972 415)	Admin: Fin Serv	4 230 987	(11 563 817)	(7 332 830)
221	(181 689)	(181 468)	Admin: Nelspoort	1 111	(252 670)	(251 559)
13 106 056	(8 263 487)	4 842 569	Admin: Traffic	13 599 591	(11 214 782)	2 384 809
494 469	(5 872 782)	(5 378 313)	Admin: Water	214 529	(6 017 663)	(5 803 134)
63 696	(607 237)	(543 541)	Building Control	65 059	(639 001)	(573 942)
149 815	(411 691)	(261 876)	Cemetries	168 348	(431 487)	(263 139)
-	(1 306 300)	(1 306 300)	Fire Brigade	-	(1 429 652)	(1 429 652)
77 435 901	(12 472 632)	64 963 269	General Expenses	39 019 042	(10 971 855)	28 047 187
4 709 392	(5 333 517)	(624 125)	Housing Office	15 254 782	(15 983 182)	(728 400)
176 001	(325 230)	(149 229)	IDP: Co-Ordinator	-	(315 162)	(315 162)
-	(1 201 585)	(1 201 585)	Information Technology	5 500	(1 222 868)	(1 217 368)
8 405	(44 909)	(36 504)	Irrigation Water	8 194	(63 461)	(55 267)
6 164	(80 224)	(74 060)	Kwa-Mand Comm Hall	10 588	(113 336)	(102 748)
-	(391 472)	(391 472)	Kwa-Mand Office	-	(666 141)	(666 141)
978 939	(1 079 990)	(101 051)	Library Church Street	1 392 275	(1 382 145)	10 130
795 424	(1 040 411)	(244 987)	Library Mimosa	1 001 498	(1 030 523)	(29 025)
90 070	(59 123)	30 947	Library Nelspoort	154 410	(97 945)	56 465
435 614	-	435 614	Main Road	51 621	(83 090)	(31 469)
1 053	(1 397 609)	(1 396 556)	Mechanical Workshop	1 447	(1 556 227)	(1 554 780)
326 679	(3 333 678)	(3 006 999)	Municipal Buildings	456 365	(3 612 399)	(3 156 034)
234 808	(1 779 506)	(1 544 698)	Municipal Manager	345 322	(2 111 354)	(1 766 032)
18 363 562	-	18 363 562	Municipal Rates	19 795 572	-	19 795 572
4 137	(22 218)	(18 081)	Pound	2 683	(18 848)	(16 165)
420	-	420	Private Work	420	-	420
500 360	(5 072 623)	(4 572 263)	Recreation Sites	366 834	(6 583 345)	(6 216 511)
4 654 917	(4 928 701)	(273 784)	Refuse Removal	5 701 463	(5 418 475)	282 988
-	(2 541 418)	(2 541 418)	Reticulation: H Volt	11 883 012	(2 587 053)	9 295 959
57 904 587	(35 750 942)	22 153 645	Reticulation: L Volt	49 108 731	(40 273 768)	8 834 963
17 069	(95 987)	(78 918)	Rustdene Comm Hall	15 228	(111 458)	(96 230)
-	(304 759)	(304 759)	Rustdene Office	-	(334 480)	(334 480)
(9 702)	-	(9 702)	S/E 1 Rustdene	(10 179)	-	(10 179)
4 299	(4 299)	-	S/E 4 Rustdene	4 469	(4 474)	(5)
28 989	(28 989)	-	S/E 8 Rustdene	30 692	(30 691)	1
13 494	(13 495)	(1)	S/E 9 Rustdene	14 312	(14 312)	-
411 399	(379 122)	32 277	Service Connections	208 501	(451 616)	(243 115)
-	(3 874 335)	(3 874 335)	Sewerage Farm	-	(3 233 669)	(3 233 669)
9 034 973	(1 476 823)	7 558 150	Sewerage System	17 068 263	(1 506 241)	15 562 022
-	(1 354 304)	(1 354 304)	Stores	-	(1 681 351)	(1 681 351)
-	(1 109 663)	(1 109 663)	Street Cleansing	-	(1 175 188)	(1 175 188)
16 538	(3 455 038)	(3 438 500)	Street Lightening	832 027	(4 122 504)	(3 290 477)
17 520 624	(13 508 669)	4 011 955	Street works & Storm Water	27 699 500	(12 523 808)	15 175 692
28 662	(301 262)	(272 600)	Swimming Pool Birds	77 115	(289 615)	(212 500)
-	(332 752)	(332 752)	Swimming Pool Nieuveld	66 768	(265 898)	(199 130)
-	(187 859)	(187 859)	Tourism	-	(230 759)	(230 759)
25 741	(110 432)	(84 691)	Town Commonage	20 295	(59 302)	(39 007)
-	(639 901)	(639 901)	Traffic Court	-	(728 168)	(728 168)
-	(53 059)	(53 059)	Traffic Lights	-	(40 867)	(40 867)
27 896	(149 682)	(121 786)	Vacuum Services	75 318	(153 620)	(78 302)
511 359	(332 601)	178 758	Vehicle Registration	507 507	(348 254)	159 253
181 854	(321 335)	(139 481)	Vehicle Testing Station	174 065	(355 644)	(181 579)
3 869 308	(7 367 315)	(3 498 007)	Water Purification	1 162 745	(9 121 512)	(7 958 767)
7 561 823	(5 062 101)	2 499 722	Water Reticulation	14 117 735	(5 591 044)	8 526 691
-	(320 051)	(320 051)	Internal Audit	-	(383 441)	(383 441)
36 928	(284 932)	(248 004)	Labour Relations	171 504	(468 122)	(296 618)
73 385	(1 577 529)	(1 504 144)	Murraysburg Administration	120 297	(1 355 857)	(1 235 560)
2 815 597	(3 504 233)	(688 636)	Murraysburg Electricity	3 067 757	(3 519 602)	(451 845)
312 438	(333 152)	(20 714)	Murraysburg Library	372 332	(373 094)	(762)
951 354	-	951 354	Murraysburg Municipal Rates	1 849 955	-	1 849 955
-	(136 000)	(136 000)	Murraysburg Recreation Site	-	(28 854)	(28 854)
1 092 307	(1 922 434)	(830 127)	Murraysburg Refuse Removal	1 241 976	(1 393 352)	(151 376)
16 667	(2 169 107)	(2 152 440)	Murraysburg Street Works & Storm Water	-	(618 863)	(618 863)
6 651	(51 441)	(44 790)	Murraysburg Swimming Pool	3 388	(42 525)	(39 137)
730 681	(1 332 197)	(601 516)	Murraysburg Water Works	220 466	(1 081 883)	(861 417)
1 675	(69 723)	(68 048)	Thusong Centre	225 163	(555 962)	(330 799)
-	-	-	Wheely Wagon Kwa Mandlenkosi	9 789	(61 817)	(52 028)
-	-	-	Murraysburg - Thusong Centre	218 000	(220 900)	(2 900)
238 761 151	(181 555 106)	57 206 045	Sub Total	242 748 190	(207 579 895)	35 168 295
-	10 267 664	10 267 664	Less Inter-Departmental Charges	-	9 790 378	9 790 378
238 761 151	(171 287 442)	67 473 709	Total	242 748 190	(197 789 517)	44 958 673

APPENDIX C - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2013
GENERAL FINANCE STATISTIC CLASSIFICATIONS

2012 Actual Income R	2012 Actual Expenditure R	2012 Surplus/ (Deficit) R		2013 Actual Income R	2013 Actual Expenditure R	2013 Surplus/ (Deficit) R
77 707 637	(15 044 980)	62 662 657	Executive & Council	39 535 868	(14 165 531)	25 370 337
23 295 497	(12 689 143)	10 606 354	Budget & Treasury	25 997 922	(15 854 316)	10 143 606
352 420	(10 575 774)	(10 223 354)	Corporate Services	497 931	(11 769 758)	(11 271 827)
590 820	(4 066 185)	(3 475 365)	Planning & Development	297 103	(4 330 227)	(4 033 124)
2 452 675	(4 726 610)	(2 273 935)	Community & Social Services	4 053 446	(6 198 992)	(2 145 546)
4 746 472	(5 380 300)	(633 828)	Housing	15 294 076	(16 032 659)	(738 583)
13 106 056	(10 209 688)	2 896 368	Public Safety	13 599 591	(13 372 602)	226 989
535 673	(5 894 078)	(5 358 405)	Sport & Recreation	514 105	(7 210 237)	(6 696 132)
5 747 224	(7 960 798)	(2 213 574)	Waste Management	6 943 439	(7 987 015)	(1 043 576)
9 062 869	(5 500 840)	3 562 029	Waste Water Management	17 143 581	(4 893 530)	12 250 051
18 667 171	(17 729 321)	937 850	Road Transport	28 434 140	(15 485 886)	12 948 254
12 664 686	(19 679 304)	(7 014 618)	Water	15 723 669	(21 875 563)	(6 151 894)
69 831 951	(62 098 085)	7 733 866	Electricity	74 713 319	(68 403 579)	6 309 740
						-
238 761 151	(181 555 106)	57 206 045	Sub Total	242 748 190	(207 579 895)	35 168 295
-	10 267 664	10 267 664	Less Inter-Departmental Charges	-	9 790 378	9 790 378
238 761 151	(171 287 442)	67 473 709	Total	242 748 190	(197 789 517)	44 958 673

APPENDIX D - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 1 July 2012	Correction of error	Restated balance 1 July 2012	Transfer in	Contributions during the year	Interest on Investments (Only if a condition)	Interest Transferred to Revenue	VAT Transferred to Revenue	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Transfer out	Balance 30 June 2013
	R	R	R	R	R	R	R	R	R	R	R	R
UNSPENT/UNPAID CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS												
NATIONAL												
Finance Management Restruc.	(22 942)	-	(22 942)	-	1 250 000	-	-	-	1 322 133	-	-	(95 075)
Meter, audit management & maintenance strategy	182 356	-	182 356	-	-	3 397	66	-	185 687	-	-	-
132/22KV Substation & 20 MVA Transformer	2 453 268	-	2 453 268	-	21 000 000	-	-	1 518 389	-	11 883 012	10 051 867	-
Electrification of Central Karoo	3 035 397	-	3 035 397	1 490 754	4 000 000	-	-	-	9 312 609	-	-	(786 458)
Electricity Nelspoort Dwelling	74 888	-	74 888	-	-	-	-	-	-	-	74 888	-
MIG 2010/11 - Improve Service Delivery	-	-	-	-	800 000	-	-	-	800 000	-	-	-
Neighbourhood Development Programme	1 710 824	-	1 710 824	-	5 300 000	-	-	719 222	-	6 291 602	-	-
Expanded Public Works Programme	296 235	-	296 235	-	1 000 000	-	-	-	1 229 254	-	81 358	(14 377)
Expanded Public Works Programme	-	-	-	81 358	-	-	-	-	81 358	-	-	-
Exploration Aquifers	-	-	-	-	1 027 674	5 514	-	101 183	-	722 737	-	209 268
PROVINCIAL												
Community Development Workers (CDW's)	57 608	-	57 608	-	324 000	5 818	-	-	378 606	-	-	8 820
Consumer Housing Education Program	131 043	-	131 043	-	-	4 532	-	-	24 946	-	-	110 629
Nelspoort Project Base Subsidy	24 064	-	24 064	-	-	268	268	-	24 064	-	-	-
Project Provincial Funds	28 632	-	28 632	-	-	1 087	-	-	-	-	-	29 719
Project Preparation Grant Planning	142 424	-	142 424	-	-	5 408	-	-	-	-	-	147 832
Public Transport Infrastructure	2 755 093	-	2 755 093	-	-	52 258	-	-	-	2 691 723	-	115 628
Public Transport Infrastructure: M/bug	895	-	895	-	-	84	979	-	-	-	-	-
Refuse Recycling Project	(3 419)	-	(3 419)	-	347 128	65	-	-	403 936	-	-	(60 162)
Rezoning Scheme Regulations	12 616	-	12 616	-	-	479	-	-	-	-	-	13 095
Sanitation Master Plan	9 540	-	9 540	-	-	362	-	-	-	-	-	9 902
Tourisme Potential Nelspoort	125 882	-	125 882	-	-	4 780	-	-	-	-	-	130 662
Tourisme Tokens	6 981	-	6 981	-	-	265	-	-	-	-	-	7 246
Upgrading electricity network Nelspoort	129 756	-	129 756	-	-	4 953	-	-	-	-	-	134 709
Public Library Services	(26 824)	-	(26 824)	-	3 029 000	18 385	-	-	2 868 596	35 540	-	116 425
Upgrading Nelspoort Civil Services	2 427	-	2 427	-	-	17	17	-	2 427	-	-	-
Water Masterplan	11 972	-	11 972	-	-	455	-	-	-	-	-	12 427
Soup Kitchens	6 469	-	6 469	-	-	180	-	-	-	-	-	6 649
Nelspoort 216 Houses	2 605	-	2 605	-	172 800	3 958	3 958	-	175 405	-	-	-
Merweville 90 Dwellings	58 820	-	58 820	-	507 865	4 223	132 212	-	373 291	65 404	-	-
Internship: Water	(8 876)	-	(8 876)	-	8 876	-	-	-	-	-	-	-
Internship: Roads	(18 493)	-	(18 493)	-	18 493	-	-	-	-	-	-	-
10 Hph Dwelling Merweville	61 623	-	61 623	-	-	1 332	17 822	-	45 134	-	-	-
Management Support Grant	83 908	-	83 908	-	400 000	-	-	-	-	-	-	483 908
Provision Of Services Nelspoort (23)	783 459	-	783 459	-	-	34 460	-	-	-	-	-	817 919
240 Irdp Dwellings Asla	478 810	-	478 810	-	15 837 897	84 442	-	-	11 478 140	-	-	4 923 009
Upgrading sport facilities Murraysburg	-	-	-	-	200 000	-	-	-	-	-	-	200 000
S3 & S4 Services	-	-	-	-	8 471 773	12 437	-	-	-	8 471 773	-	12 437
55 Consolidation Scheme Kwa Mandlenkosi	-	-	-	-	2 275 085	11 409	-	-	2 275 085	-	-	11 409
Thusong Centre Murraysburg	-	-	-	-	218 000	-	-	-	218 000	-	-	-
Thusong Centre Beaufort West	-	-	-	-	218 000	-	-	-	218 000	-	-	-
Xhoxha dwellings	-	-	-	-	301 928	2 525	-	-	301 928	-	-	2 525

APPENDIX D - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 1 July 2012	Correction of error	Restated balance 1 July 2012	Transfer in	Contributions during the year	Interest on Investments (Only if a condition)	Interest Transferred to Revenue	VAT Transferred to Revenue	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Transfer out	Balance 30 June 2013
MIG												
Bulk water supply	14 587	-	14 587	-	-	-	-	-	-	-	14 587	-
External Stormwater Nelspoort	-	-	-	-	-	-	-	-	-	-	-	-
PMU - Project Management Unit	401	-	401	-	360 471	-	-	1 409	221 979	10 065	127 418	-
Improve surface of gravel roads	(7 364)	-	(7 364)	451 600	6 078 529	-	-	-	-	6 472 592	50 173	-
50 Streetlights Nelspoort	21 648	-	21 648	-	-	-	-	-	-	-	21 648	-
Retension Dams	10 102	-	10 102	-	5 022 000	-	-	-	-	3 723 422	1 308 680	-
Pre Paid Watermeters Kwa Mandlenkosi	746	-	746	-	-	-	-	-	-	-	746	-
Roads 5400.1	2 677	-	2 677	452 394	45 000	-	-	-	-	473 903	26 168	-
Rustdene Sport Stadium	213	-	213	-	900 000	-	-	29 375	-	209 823	661 015	-
New Refuse Transfer Station	93 316	-	93 316	-	675 820	-	-	17 169	-	373 892	378 075	-
High Mast Lights Hooyvlakte	-	-	-	-	-	-	-	-	-	-	-	-
Rehabilitation Roads: Murraysburg	276	-	276	1 006 750	3 973 426	-	-	-	-	4 876 758	103 694	-
Roads 5257.2 : Murraysburg	(9 127)	-	(9 127)	9 127	-	-	-	-	-	-	-	-
Upgrading Water Supply : Murraysburg	441	-	441	-	-	-	-	-	-	-	441	-
Upgrade/extension Of Water Sup : Murrausburg	154	-	154	-	-	-	-	-	-	-	154	-
Investigation Aquifers	2 941	-	2 941	38 420	1 040 505	-	-	50 000	-	331 866	700 000	-
Ressure Reduction Water (prv)	23	-	23	508 769	1 653 109	-	-	70 198	-	1 711 702	380 000	-
High mast lights Greater Beaufort West	-	-	-	80 700	770 000	-	-	-	-	812 280	38 420	-
Main water pipeline Rustdene	-	-	-	-	636 690	-	-	60 673	-	433 379	142 638	-
Nelspoort Bulk water	-	-	-	14 587	145 413	-	-	-	-	-	160 000	-
External sewerage line Buitekant street	-	-	-	1 483 873	61 038	-	-	91 480	-	1 453 431	-	-
External stormwater next to Buitekant street	-	-	-	67 638	75 000	-	-	17 517	-	125 121	-	-
LOCAL ECONOMIC DEVELOPMENT												
Arts & Crafts	29 862	-	29 862	-	-	1 479	-	-	-	-	-	31 341
CKDM												
Website	7 753	-	7 753	-	-	294	-	-	-	-	-	8 047
Shared Services	84 332	-	84 332	-	141 930	-	-	-	171 504	-	-	54 758
Expanded Public Works Programme	146 642	-	146 642	-	380 000	-	-	-	340 469	-	146 642	39 531
Expanded Public Works Programme	-	-	-	146 642	-	-	-	-	163 140	-	-	(16 498)
Multi Purpose Centre	136 249	-	136 249	-	-	-	-	-	-	-	-	136 249
Total	13 122 913	-	13 122 913	5 832 612	88 667 450	264 866	155 322	2 676 615	32 615 691	51 170 025	14 468 612	6 801 574
UNSPENT/UNPAID CONDITIONAL PUBLIC CONTRIBUTION												
PRIVAAT												
Disaster Fund	-	-	-	-	3 912	-	-	-	3 912	-	-	-
Beneficiaries Merweville Housing	27 081	-	27 081	-	-	301	301	-	27 081	-	-	-
Existing Houses Nelspoort	374 403	-	374 403	-	83 284	6 395	-	-	464 082	-	-	-
Beneficiaries Nelspoort Housing	45 984	-	45 984	-	-	512	512	-	45 984	-	-	-
Capacity Building Programme	25 596	-	25 596	-	-	972	-	-	26 568	-	-	-
Watercrisis	49 255	-	49 255	-	-	2 266	-	-	51 521	-	-	-
Customer Care Services	(146 015)	-	(146 015)	-	491 337	-	-	-	345 322	-	-	-
Total	376 304	-	376 304	-	578 533	10 446	813	-	964 470	-	-	-
Total Receipts	13 499 217	-	13 499 217	5 832 612	89 245 983	275 312	156 135	2 676 615	33 580 161	51 170 025	14 468 612	6 801 574

APPENDIX E



BEAUFORT WEST MUNICIPALITY SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT

for the

2012/2013 FINANCIAL YEAR

APPENDIX E

INDEX

The scope of the implementation review will include the following:

Introduction

1. The Delegations
2. Organizational Structure
3. Competency Levels of the Supply Chain Management Unit
4. Demand and Acquisition Management
5. The Bid Committee System
6. Minor Breaches and Deviations
7. Awards to Close Family Members of Persons in the Service of the State
8. Logistic, Disposal and Risk Management
9. Recommendations
10. Conclusion

Addendum A- Bids awarded by the Bid Adjudication Committee

Addendum B- Minor Breaches & Deviations

APPENDIX E

Supply Chain Management Implementation Report

The Local Government: Municipal Finance Management Act, No 56 of 2003, (MFMA) requires the municipality to have and implement a Supply Chain Management Policy(SCM Policy) which gives effect to the provisions of Part 1 of Chapter 11 of the Act that deals with 'Supply Chain Management'.

On the 30th May 2005 the Municipal Supply Chain Management Regulations were issued. As a Medium Capacity Municipality the Beaufort West Municipality had to comply with the provisions of the Regulations from 01 January 2006. The SCM Policy, together with the applicable set of delegations was approved by Council on February 22, 2006 at a legally constituted Council meeting.

Although the MFMA prohibits a Councillor from being a member of a bid committee or any other committee evaluating or approving quotations, bids or tenders the council has an oversight role to ensure that the accounting officer implements all supply chain management activities in accordance with this policy. For the purposes of such oversight, Council's Supply Chain Management Policy requires that the accounting officer must -

“P1.8 (a) Within 30 days of the end of each financial year, submit a report on the implementation of the policy to the Council.”

Following please find said Supply Chain Management Implementation Report for the 2012/13 financial year:

APPENDIX E

1. The Delegations

Council has duly delegated the implementation of the Supply Chain Management Policy to the Accounting Officer who is responsible for taking all reasonable steps to ensure that proper mechanisms and separation of duties in the supply chain management system are in place to minimise the likelihood of fraud, corruption, favouritism and unfair and irregular practices.

In terms of this responsibility Council has adopted a full set of delegations which assist in maximising the administrative and operational efficiency. The delegations also provide adequate checks and balances in the municipality's Supply Chain Management function. According to Section 79 and 106 of the MFMA, delegations and sub-delegations in terms of sub-section 1 must be in writing.

Currently the Accounting Officer has delegated powers and duties to directors as prescribed by the SCM Policy. These delegations have since been conferred in writing and have been duly accepted. In addition we have also dealt with sub-delegations in terms of individual officials' job description and these delegations have also been conferred and accepted in writing, cognisant of their responsibilities in terms of the Codes of Conduct of Municipal Officials and Municipal Supply Chain Officials. To this effect we keep a delegation register listing the delegates and sub-delegates with their corresponding authority.

In terms of the SCM Regulation 5(2)(c) the power to make a final award for R 2million or less is within the ambits of the committee system (R 200 000 in practical terms) and may only be sub delegated to:

- (i) The Chief Financial Officer
- (ii) A Senior Manager (Director), or
- (iii) A Manager directly Accountable to the CFO or Senior Manager

A workshop was held to inform all relevant officials of the delegations.

Limitations in respect of delegations for the 2012-13 financial year are as follows:

- | | |
|---|--------------|
| • Senior Managers(Directors) | R 200 000.00 |
| • A Manager directly Accountable to the CFO or Senior Manager | R 30 000.00 |
| • Foremen | R 2 000.00 |

APPENDIX E

2. Organizational Structure

In terms of Paragraph 7 of the Municipal Supply Chain Management Regulations (MSCMR) the municipality must establish a Supply Chain Management Unit (SCMU) to implement its supply chain management policy. The SCMU must operate under the direct supervision of the Chief Financial Officer or may be delegated to an official in terms of Section 82 of the MFMA.

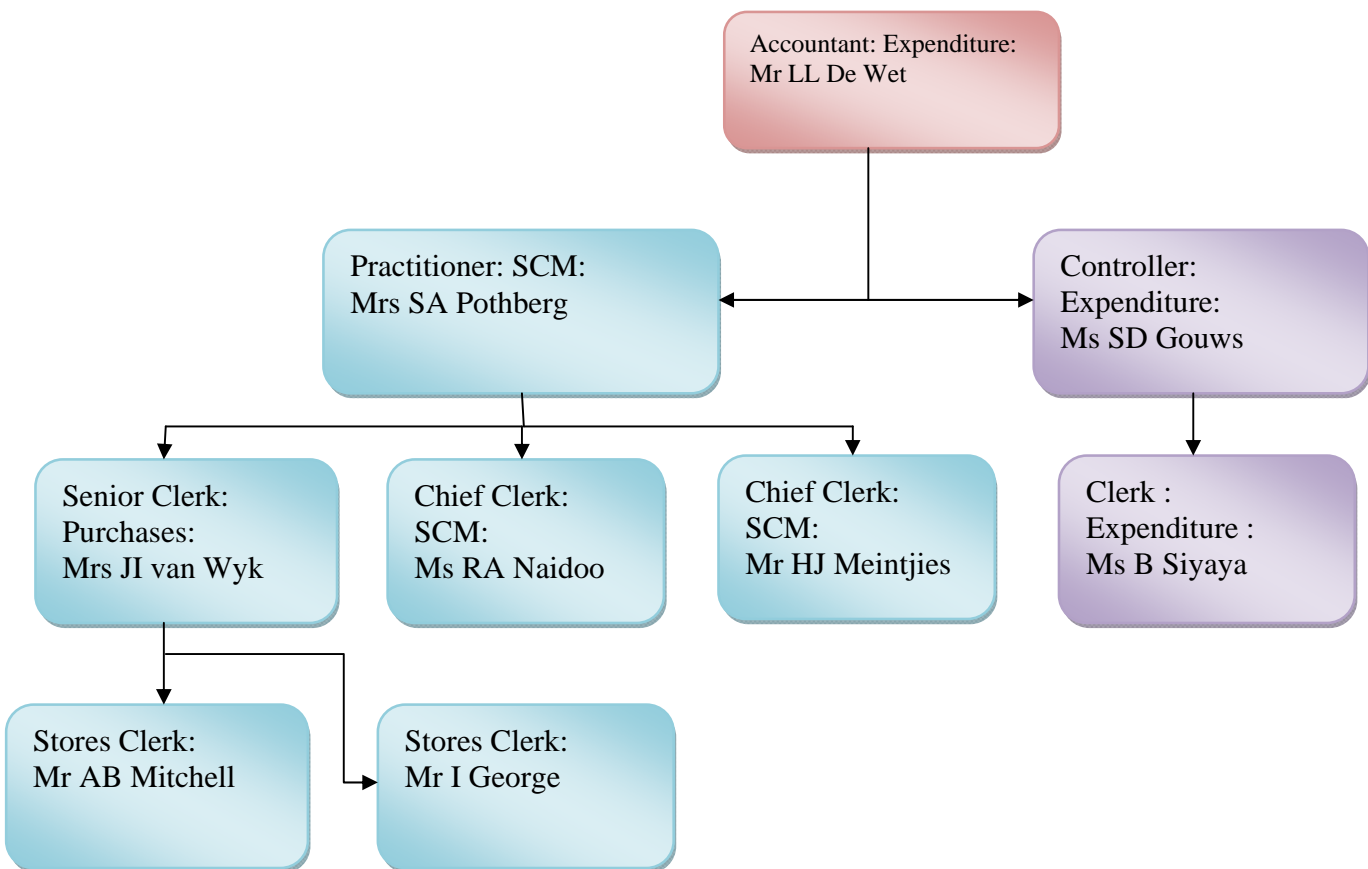
During the reporting period the staff complement that performed the duties and functions in terms of the SCM policy were as follows:

Accountant: Expenditure	-	Supply Chain Management Practitioner Manages the implementation of the Policy
Practitioner: Supply Chain Management-	-	Supply Chain Management Practitioner, Implementation of the Policy
	-	Processing of procedures for procurement above R 150 000
Clerk: Supply Chain Management duties	-	Assisting with all Supply Chain Management
Clerk: Supply Chain Management duties	-	Assisting with all Supply Chain Management
Stores Master	-	Supply Chain Management Practitioner Implement procedures for procurement up to R 2 000
	-	Processing of Invoices
	-	Control over inventory in the Municipal Store
	-	Supervise staff in Stores
Stores Clerk	-	Processing and follow-up of Orders
Stores Clerk	-	Processing of Stock Issues
	-	Receipt of Goods
	-	Monitoring of Stock Levels
Accountant Expenditure	-	Payment of Vendors / General Payments
Controller Expenditure	-	Processing of payments to Vendors / General Payments

APPENDIX E

This structure was implemented to ensure that proper mechanisms and separation of duties in the supply chain management system are in place in order to minimise the likelihood of fraud, corruption, favouritism and unfair and irregular practices. The Manager: Supply Chain Management being responsible for the administration and the implementation of the SCM policy, whilst the Accountant: Expenditure fulfilling the role of control and strategic guidance and the two officials interchangeably participating in the Bid Committees.

Unit structure was implemented as follows:



This structure will serve under the direct supervision of the Chief Financial Officer who has been duly delegated with this authority.

APPENDIX E

3. Competency Levels of the Supply Chain Management Unit

SCM Manager, SCM Clerk and Accountant: Expenditure has attended training for the Municipal Minimum Competency Level as prescribed by National Treasury in the 2012-2013 financial year.

Official	Designation	Training
De Wet LL	Accountant: Expenditure	<ul style="list-style-type: none"> • Introduction to SCM • MFMP
Pothberg SA	Manager: Supply Chain Management	<ul style="list-style-type: none"> • Introduction to SCM • Workshop SCM Policy • Bid Committee Training • Contract Management • SCM Intervention Week with PGWC • Application of BBBEEA • SCM on NQF 6 • MFMP
Meintjies H	SCM Clerk	<ul style="list-style-type: none"> • SCM on NQF 6 • Accounting on NQF 6
Naidoo RA	SCM Clerk	<ul style="list-style-type: none"> • SCM on NQF 6 • SCM on Unit 116353-IMFO • MMCP
Van Wyk JI	Stores Master	<ul style="list-style-type: none"> • Introduction to SCM • SCM Intervention Week with PGWC • SCM on NQF 6
Gouws SD	Controller: Expenditure	<ul style="list-style-type: none"> • Introduction to SCM • Workshop SCM Policy • SCM on NQF 6 • MFMP
George I	Clerk: Stores	<ul style="list-style-type: none"> • Introduction to SCM • Workshop SCM Policy • SCM Intervention Week with PGWC
Mitchell BA	Clerk: Stores	<ul style="list-style-type: none"> • SCM Intervention Week with PGWC • SCM on NQF 6
Siyaya B	Clerk: Expenditure	<ul style="list-style-type: none"> • SCM on NQF 6 • Accounting on NQF 6

APPENDIX E

The 5 Municipal Finance Management Interns were also included in the SCM on NQF 6 and Municipal Finance Minimum Competency Program training. The attendance of the quarterly Supply Chain Management Forum meetings arranged by the Provincial Government is another platform where we gained information and engaged with like-minded officials on the challenges in the field. The aim of SCM Forum is to assist on issues such as managing transformation in scm, developing coherent policy and setting norms and standards for service delivery and to enhance interdepartmental scm relations and the exchange of information; while taking a long term perspective on spending and policy from and scm perspective.

Provincial Treasury is also focusing on the establishment of scm focus groups (a subset of scm forum) with the aim of sharing of knowledge; expertise and skills as a platform to inform scm policy in the municipal environment. The district focus groups shall comprise of the scm head/manager/practitioner of Beaufort West; Central Karoo; Laingsburg and Prince Albert Municipality.

4. Demand Management

Demand Management is an interactive process to determine the demand levels required to meet the municipality's objectives. These objectives are reflected in the municipality's Integrated Development Plan (the 'IDP'), a comprehensive strategy document setting out how the municipality intends to address the development challenges in a specific financial year.

National Treasury issued MFMA Circular 62 – SCM enhancing compliance and accountability, in August 2013 which is a guide to assist municipalities with the planning of the procurement of goods, service or infrastructure projects in a proactive manner. It is still the vision of the SCM Unit, as supported by the Accounting Officer and the Chief Financial Officer, to implement SCM via a Demand Management Plan (DMP) as a strategic tool in order to implement the budget. It aims to identify the procurement of requirements of the municipality in advance, draft a programme listing all the requirements and the timelines of the different activities at the different procurement gates.

The goal with the DMP is to ultimately enable the SCM Unit to improve planning of tender processes and to effectively assist user departments with the planning of the execution and timely completion of projects in alignment with performance targets in the Service Delivery and Budget Implementation Plan.

APPENDIX E

a. Preferred Suppliers Database

In terms of the Municipal Financial Management Act (MFMA) (Act 56 of 2003) the Beaufort West Municipality is required to have a Preferred Suppliers Database.

Purchases of goods and services for the Municipality are made through the Preferred Suppliers Database and all current as well as interested suppliers were again requested via an advertisement in the local newspaper to register on our database.

We have also hosted a very successful Supplier's open day on 23 February 2012 with all current and interested local suppliers in the Central Karoo District. The workshop was a collaborative event between Provincial Treasury, Department of Trade and Industry, Prince Albert, Laingsburg and Central Karoo District Municipality. We have also invited different stakeholders to exhibit their services that they can deliver to SMME's in order to enhance development. (CIDB, SARS, Quadrem, Seda, Standard bank, Absa, Khula, ect)

The main focus of this open day was to help suppliers with their difficulties which prevent them from development and to inform them how the different stakeholders and government can help their business to develop and speak to their needs.

We have also engaged with the Construction Industry Development Board to host a 2 day workshop with all interested local contractors which we plan to host in this financial year. The aim of the workshop is to help contractors with registration, CIDB grading, completion of CIDB tender document and any difficulties contractors might be facing that prevent them from development.

b. Implementation of Preferential Procurement Policy Framework Act

The National Treasury has revised the procurement regulations to bring them into alignment with BBBEE. These Regulations amongst other things will see the use of BBBEE scorecard when awarding government tenders. The revised Regulations have been effective as from 7 December 2011.

The municipality in conjunction with the Central Karoo District Municipality and Department of Trade and Industry has held a workshop to inform all local suppliers about the amendments. We also engaged with local Accounting businesses to provide guidance with the issuing of EME Certificates. We still experience that suppliers still is unaware of the revised Regulations

APPENDIX E

as well as the compliance there of. The aim is host another workshop to inform all local suppliers and to provide assistance to obtain certificates.

c. Supply Chain Management processes

The following thresholds are currently being adhered to in order to support the strategic and operational commitments of the municipality:

(a) Petty cash purchases

Goods are purchased by way of petty cash purchases, up to a transaction value of R2 000 (VAT included).

(b) Written or verbal quotations

Goods and services are procured by way of written or verbal quotations for a transaction value over R2 000 up to R10 000 (VAT included).

(c) Formal written price quotations

Goods and services must be procured by way of formal written price quotations for procurements of a transaction value over R10 000 up to R200 000 (VAT included).

(d) A competitive bidding process

Goods and services are procured by way of a competitive bidding process for-

- procurement above a transaction value of R200 000 (VAT included); and
- the procurement of long term contracts.

5. The Bid Committee System

The Bid Committee system for competitive bids has been actively applied within the municipality over the past financial year. Officials are still being invited on an ad-hoc basis to participate in the committees as and when required, but with written delegations in order to participate in the committees.

APPENDIX E

Our aim is to organise a refresher course for bid committee members to ensure that they are completely aware of all applicable legislations to ensure that procurement for goods and services through competitive process are fair, equitable, transparent, competitive and cost effective.

a. The bid specification committee

The bid specification committee compiles the specifications for the procurement of goods or services by the municipality.

The committee is appointed by the Accounting Officer and must be composed of one or more officials of the municipality, preferably a Supply Chain Management Practitioner and the manager responsible for the function involved, and may when regarded appropriate by the Accounting Officer, include external specialist advisors. The proceedings are being formalised via the arrangement of meetings by the Corporate Services Directorate.

b. The bid evaluation committee

The bid evaluation committee is appointed by the Accounting Officer and must as far as possible be composed of-

- officials from departments requiring the goods or services; and
- at least one supply chain management practitioner of the municipality.

The proceedings have been formalised in minutes of the Bid Evaluation Committee meetings, taken by administrative personnel from the Directorate: Corporate Services.

c. The bid adjudication committee

The bid adjudication committee must consist of at least four senior managers of the municipality which must include-

- the chief financial officer or, if the chief financial officer is not available, another manager in the budget and treasury office reporting directly to the chief financial officer and designated by the chief financial officer;
- at least one senior supply chain management practitioner who is an official of the municipality; and
- a technical expert in the relevant field who is an official of the municipality, if the municipality has such an expert.

APPENDIX E

The Bid Adjudication Committee has been fully functional and has been involved in all bids exceeding R 200 000 and due to a conservative approach even awards to a lesser value. Furthermore the delegations have also being formalised and have been properly conferred and accepted.

d. Bids awarded by the Bid Adjudication Committee

The bids that were awarded by the Bid Adjudication Committee in terms of the SCM Policy and the Preferential Procurement Policy for the 2012/2013 financial year are attached as **Addendum A**.

e. Prevention plan for appeals

In order to prevent appeals that might be launched against the Municipality, the SCM unit is currently envisaging a strategic prevention plan for appeals. The plan is to inform all unsuccessful bidders reasons why their bids were found non responsive and to advise on areas where they can prevent future disqualifications and comply with the minimum compliance issues, especially local SMME's.

6. Minor Breaches and Deviations

a. Minor breaches of procurement processes

The Supply Chain Management Policy states in Paragraph 10.3.2 that: "The accounting officer may ratify minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature".

b. Deviations from Procurement Processes

The Supply Chain Management Policy states in Paragraph 10.3.1: "The accounting officer may dispense with the official procurement processes established by this policy and may procure any required goods or services through any convenient process, which may include direct negotiations, but only –

“(a) in an Emergency

(b) if such goods or services are produced or available from a single provider only;

(d) in any other exceptional case where it is impractical or impossible to follow the official procurement processes”

APPENDIX E

During the 2012/2013 financial year minor breaches were ratified and deviations approved by the Accounting Officer. Attached please find a schedule as **Addendum B**.

7. AWARDS TO CLOSE FAMILY MEMBERS OF PERSONS IN THE SERVICE OF THE STATE

Emanating from the recent audits conducted by AGSA, municipalities have received audit findings in respect of SCM Regulations 44 and 45. AGSA has classified this expenditure as irregular expenditure; this has caused serious distress and discontent with the municipalities, in the absence of an enabling system.

The municipality currently rely on the completion of Municipal Bidding Document (MBD 4-Declaration of Interest) for suppliers to declare their ownership within the company and close family members that are in the service of the state.

Municipality is has procured the services of track whether shareholders are in the service of the state. This will minimise the non compliance issues in terms of irregular expenditure with regards to Regulation 44 and 45. Provincial Treasury has created a platform whereby municipalities can submit the identity numbers of the directors of a company involved in the bidding process, which can be used to match/ verify whether they are in the service of the state. Identity numbers are match against the National Persal System of employees that are in the service of the state.

The following bids were awarded to a person who is a family member of a person in the service of the state:

Quarter 1

Business	Date	Invoice	Amount	Interest
B. Chalmers	12/07/12	15033521	R 3 275.00	Spouse, Mr. M. Chalmers employed with the Department of Correctional Services as Corrections Officer.
Duneco	05/07/12	15033415	R 13 148.67	Spouse, Mrs. E Klazen is employed with the Department of Educational Services.
PJ Sound & Vision	21/07/12		R 3 500.00	Son, Mr. PJ Julies is employed as Vehicle Inspections & Traffic Officer at the Beaufort West Municipality
PJ Plumbing	07/05/12	15033481	R 13 418.64	Mother, Mrs. E Botha and sister, Mrs. B Saaiman, are employed with the Department of Education.
B. Chalmers	23/08/12		R 4 356.00	Spouse, Mr. M. Chalmers employed with the Department of Correctional Services as Corrections Officer.
Wilma's Catering Services	23/08/12		R 2 080.00	Brother currently employed as a Councilor at the Beaufort West Municipality.
Mabungwe Civils	23/08/12	Competitive bid	R 1 556 359.92	B.M.J Nel, spouse of AP Nel, is currently employed by SA Correctional Services

APPENDIX E

Quarter 2

Business	Date	Invoice	Amount	Interest
Avril's Catering	26/10/12	15035548	R 3 000.00	Daughter, Me. M Johnson employed with the Department of Correctional Services.
PJ Plumbing	31/10/12	15035702	R 4 053.24	Mother, Mrs. E Botha and sister, Mrs. B Saaiman, are employed with the Department of Education.
PJ Sound & Vision	26/10/12		R 6 200.00	Son, Mr. PJ Julies is employed as Vehicle Inspections & Traffic Officer at the Beaufort West Municipality
Karoo Drukkery	10/10/2012		R 6508.90	Wife, Mrs. S Munro is employed at the Department of Health.
New Born Fashions	26/10/2012		R 8 585.00	Husband, Mr. D Martin is temporally employed and sister, Mrs. L Mudumbo are currently employed at the Beaufort West Municipality
Karoo beton werke	01/11/2012	15035725	R 6 420.00	Spouses, Mr.A Swanepoel and Mrs. E Klazen are employed with the Department of Correctional and Educational Services.
Duneco	26/11/12 29/11/12	15036151 15036307	R 23 208.12 R 33 836.91	Spouse, Mrs. E Klazen is employed with the Department of Educational Services.

Quarter 3

Business	Date	Invoice	Amount	Interest
Karoo Motors Werkswinkel	28/01/13 01/03/13 27/03/13	15037436 15038372 15038945	R 44 209.77 R 48 281.28 R 38 431.75	❖ Spouse, Mrs. Anna-Marie van der Merwe is employed with the Department of Health Services
Duneco	28/01/13 27/03/13	15037428 15038944	R 23 977.60 R 2 476.00	❖ Spouse, Mrs. E Klazen is employed with the Department of Educational Services.
Karoo beton werke	26/03/13	15038931	R 4 140.00	❖ Spouses, Mr.A Swanepoel and Mrs. E Klazen are employed with the Department of Correctional and Educational Services.
Swans Driving School	10/01/13 14/01/13 16/01/13	15037264 15037296 15037325	R 4 000.00 R 4 000.00 R 4 500.00	❖ Spouse, Mr. W. Swanepoel employed with the Department of Correctional Services as Corrections Officer.
Adenco Construction	28/01/13	SCM 08/2013	R3 777 233.31	❖ Parent-Helen Victoria Machimana is employed with the Department of

APPENDIX E

				<p>Social</p> <ul style="list-style-type: none"> ❖ Parent-Busisiwe Skosana is employed with the Department of Health ❖ Child-Adele Kassner is employed with Department of Education
PJ Sound & Vision	21/02/13 15/03/13	15038094 15038547	R 3 899.99 R 4 550.00	❖ Son, Mr. PJ Julies is employed as Vehicle Inspections & Traffic Officer at the Beaufort West Municipality
Nonkululeka	27/03/13	15038951	R 3 100.00	❖ Daughter, P Mditswa, is employed at the Beaufort West Municipality.
New Born Fashions	27/03/13		R 9 500.00	❖ Husband, Mr. D Martin is temporally employed and sister, Mrs. L Mudumbo are currently employed at the Beaufort West Municipality
Sonneblom Bloemiste	22/03/13	15038801	R 2 000.00	❖ Son, H.Jack, is currently employed on a contract basis at the Beaufort West Municipality.
Danielle Studie sentrum	05/03/13	15038433	R 94 050.42	❖ Brother, W Petersen, is employed at the Beaufort West Municipality.

Quarter 4

Business	Date	Invoice	Amount	Interest
Karoo Motors Werkwinkel	29/05/13 28/06/13	15040097 15040821	R 48 450.00 R 86 832.66	❖ Spouse, Mrs. Anna-Marie van der Merwe is employed with the Department of Health Services
Karoo beton werke	29/05/13	15040100	R 4 140.00	❖ Spouses, Mr.A Swanepoel and Mrs. E Klazen are employed with the Department of Correctional and Educational Services.
Duneco	02/05/13	15039657	R 5 250.00	❖ Spouse, Mrs. E Klazen is employed with the Department of Educational Services.
C Wright		SCM 06/2013	R 294 541.80	❖ Son, C Wright, is employed at the Beaufort West Municipality.
New Born Fashions	15/05/13		R 26 060.00	❖ Husband, Mr. D Martin is temporally employed and sister, Mrs. L Mudumbo are currently employed at the

APPENDIX E

				Beaufort West Municipality
Elrico Booysen	31/04/13 31/05/13 30/06/13	15040271	R 14 690.00 R 2 960.00 R 17 484.00 R 14 664.00	❖ Niece, J Kaptein, is employed at the Beaufort West Municipality ❖ Sister, Lena July, is employed at the department of Education services.
PJ Sound & Vision	19/06/13 03/06/13	15040489 15040489	R 2 500.00 R 2 950.00	❖ Son, Mr. PJ Julies is employed as Vehicle Inspections & Traffic Officer at the Beaufort West Municipality

In terms of Regulation 45 of the Supply Chain Management Regulation, particulars of awards above R 2 000 made to a person who is a spouse, child or parent of a person in the service of the state must be disclosed in the notes to the Annual Financial Statements. All abovementioned are reported in the AFS of municipality

8. Logistic, Disposal, Contract, Performance and Risk Management

The SCM unit must provide an effective system to ensure the setting of inventory levels, placing of orders, receiving and distribution of goods, stores and warehouse management, expediting orders, vendor performance, maintenance and contract administration as well as provide for an effective method of disposal and letting of assets which is inclusive of redundant and obsolete stock. Such systems must also have in place mechanisms to identify, consider and avoid potential risk in the SCM system.

a. Setting of Inventory levels

The inventory levels are constantly being monitored and updated with the assistance of the relevant user departments.

APPENDIX E

b. Inventory Control

No inventory count was done for first quarter because we have experienced complications with the transfer of year end balances to new financial year. This also due to the fact that the Auditor General is auditing the stores for any discrepancies and if any are found, it can be ratified before new financial year. Therefore the first inventory count was done on 17 November 2012 which included all transactions for the period 01 July 2012 to 17 November 2012. The second inventory count was 16 February and last inventory count was done on 22 June 2013. There were quarterly inventory counts to ensure adequate control over inventory.

i. Inventory Count

After the correction of all the variances our inventory count showed inventory surpluses amounting to R 35 077.93 and inventory losses amounting to R 26 064.07. Accordingly please find a schedule detailing the surpluses and losses:

INVENTORY COUNT FOR YEAR END 30 JUNE 2013

Commodity	Category	Bin	Description	on hand	Price R	Stock take	Price R	Diffs	Price R	Reasons
909139	GNRL	5192	Olie Ratkas Rooi	281	7,710.64	108	2,963.52	173	4,747.12	Erroneously posted must be 909140
909140	GNRL	5193	Olie Ratkas 80w90	208	5,593.12	390	10,487.10	182	-4,893.98	Erroneously posted must be 909139
909406	ELEK	1122	Kabel Laagspan 2kern 16mm	626	23,462.48	627	23,499.96	1	-37.48	Surplus
909407	ELEK	1123	Kabel Laagspan 4kern 16mm	420	22,503.60	405	21,699.90	15	803.70	Shortage
909412	ELEK	1128	Kabel Laagspan 4kern 70mm	392	76,404.72	402	78,353.82	10	-1,949.10	Surplus
909413	ELEK	1129	Kabel Laagspan 4kern 35mm	408	53,223.60	426	55,571.70	18	-2,348.10	Surplus
909414	ELEK	1130	Kabel Laagspan 4kern 25mm	293	28,593.87	294	28,691.46	1	-97.59	Surplus
909415	ELEK	1131	Kabel Laagspan 4kern 95mm	570	135,597.30	555	132,028.95	15	3,568.35	Shortage
909416	ELEK	1132	Kabel Laagspan 4kern 10mm	490	20,065.50	488	19,983.60	2	81.90	Shortage
909418	ELEK	4057	Draad Kaal Koper 16mm	1809	19,464.84	802	8,629.52	1007	10,835.32	Shortage
909419	ELEK	4058	Draad Airdac 10mm	484	14,442.56	282	8,414.88	202	6,027.68	Shortage
909420	ELEK	4063	Draad Kaal Koper 25mm	0	0.00	1009	10,856.84	1009	-10,856.84	Surplus
909421	ELEK	4064	Draad Kaal Koper 63mm	0	0.00	1309	14,084.84	1309	-14,084.84	Surplus
909712	WATER	1113	Kortkraag Koppelstuk 100mm	10	1,257.50	12	1,509.00	2	-251.50	Surplus
909736	WATER	1134	Stopkrane Plasties 15mm	215	3,431.40	227	3,622.92	12	-191.52	Surplus
909739	WATER	1137	Stopkrane Plasties 20mm	200	4,176.00	210	4,384.80	10	-208.80	Surplus
909844	WATER	6310	Plasson Passtuk Manlik 20mm	115	432.40	146	548.96	31	-116.56	Surplus
910160	WATER	5522	P/F Elbow 1216 15mm	98	2,039.38	100	2,081.00	2	-41.62	Surplus
					R 418,398.91		R 427,412.77		R -9,013.86	

APPENDIX E

Council must consider approving the transfer of surpluses back into Inventory and writing-off of losses.

APPENDIX E

c. Placing of orders

Copies of all orders are kept onsite and outstanding orders are followed up on a regular basis.

d. Receiving and distribution of goods

The receipt and distribution of goods are recorded online. This enables us to regularly do spot checks on stock as well as a full formal stock take at the end of the financial year.

e. Vendor maintenance, performance and contract administration

Vendor performance is monitored continuously and problems are promptly addressed. Vendor records are also updated on a regular basis and contract administration are performed regularly by the user-departments to ensure service delivery.

f. Mechanisms to identify consider and avoid potential risk in the SCM system

The potential of risks are identified on a case by case basis when the specifications of a particular requirement are drawn up. Individual transactions are scrutinized by the heads of department with the relevant delegation of authority to ensure compliance with the SCM policy and further scrutiny is placed on the transactions before the payment is made by the office of the CFO.

Further measurements of risk management are also included in the policy via the Schedules dealing with ethical standards and the ethical conduct of officials dealing with SCM. These documents were incorporated into the delegations of the individual officials and have been duly conferred and accepted. A risk management workshop was conducted by the internal auditor (Me.Lesley-Anne Gouws) with all the departments.

9. Review of the Policy

In terms of Paragraph 1.20 of Council's SCM Policy the accounting officer must when he or she considers it necessary, submit proposals for the amendment of the policy to the council. The SCM policy and procurement procedures have been revised as part of the 2013/14 budget process improve the effectiveness of the procurement process. Provincial Treasury has send out a circular 23-2013 pertaining to an assessment that will be conducted with municipalities for the revision of SCM Policies.

APPENDIX E

The assessment process was aimed at the determining whether municipal policies contained a range of discretionary information that complies to SCM Regulations, National Treasury's Municipal Circulars, the provision of the Construction Industry Development Board Act (CIDB Act) and have made use of the best practise guidelines as contained in the Guide for Accounting Officers of municipalities.

Beaufort West Municipality has revised policy to ensure that policy comply with relevant legislation and requires that Council must approve and adopt reviewed the draft Policy. Provincial Treasury will assess Council's draft SCM Policy within the new financial year.

10. Recommendations

Background	Council Action
1. Annual Inventory Count After the correction of all the variances our inventory count reflected inventory surpluses amounting to R 35 077.93 and inventory losses amounting to R 26 064.07, Difference R 9 013.86.	Council must consider placing surpluses back on inventory and write off the losses
2. SCM Policy After the review of Council's SCM Policy, policy was amended to comply with relevant legislations and needs to be adopted by Council.	Council must approve and adopt reviewed amended SCM Policy

APPENDIX E

ADDENDUM A

BIDS AWARDED BY BID ADJUDICATION COMMITTEE FOR 1st QUARTER 01 JULY – 30 SEPTEMBER 2012

Bid #	Item	DIRECTOR (S) OF SUCCESFULL TENDER if LOCAL	Bids Received	Bid Amount	Awarded to	Remarks
SCM 35/2012	Construction of Pressure Reducing system in Beaufort West : phase 2 Project ref no: 256000KDO	None	❖ Mabungwe Civils ❖ Phambili Civils ❖ De Jagers Loodgieters ❖ M & J Civils ❖ Trucon ❖ Urhwebo E-Transand	❖ R1 711 995.91 ❖ R1 830 840.00 ❖ R1 961 274.18 ❖ R2 013 200.40 ❖ R2 328 178.90 ❖ R2 755 080.01	Mabungwe Civils	
	Construction of Pedestrian Bridge Crossing: Alteration to 3kv OHTE and 11kv Transmission Line	None	❖ Rubex Infra	❖ R376 668.30	Rubex Infra	Only approved supplier by Transnet for the dropping of electrical cables at construction of pedestrian bridge crossing, transmission line.
SCM 01/2013	Compiling of water services development plans audit reports for Beaufort west Municipality	None	Worley Parsons Engineering Advice and Services Argus Gibb Aurecon South Africa (Pty) Ltd Element Consulting Engineers UWP Consulting Engineers	R 932 976.00 R 991 048.00 R 1 269 253.00 R 1 567 500.00 R 1 597 040.25 R 2 116 147.00	Worley Parsons	None

APPENDIX E

BIDS AWARDED BY BID ADJUDICATION COMMITTEE FOR 2nd QUARTER 01 OCTOBER – 31 DECEMBER 2012

Bid #	Item	DIRECTOR (S) OF SUCCESFULL TENDER if LOCAL	Bids Received	Bid Amount	Awarded to	Remarks
SCM 01/2013	Compiling of water services development plans audit reports for Beaufort west Municipality	None	<ul style="list-style-type: none"> ❖ Worley Parsons ❖ Engineering Advice and Services ❖ Argus Gibb ❖ Aurecon South Africa (Pty) Ltd ❖ Element Consulting Engineers ❖ UWP Consulting Engineers 	<ul style="list-style-type: none"> ❖ R 932 976.00 ❖ R 991 048.00 ❖ R 1 269 253.00 ❖ R 1 567 500.00 ❖ R 1 597 040.25 ❖ R 2 116 147.00 	<ul style="list-style-type: none"> ❖ Worley Parsons 	None
SCM 03/2013	Supply and delivery of medium and low voltage material for 22kv overhead line to Stegman Primary School and farms at Willowmore	None	<ul style="list-style-type: none"> ❖ VE Reticulation (Pty) Ltd ❖ Reticulation & General Supplies CC ❖ WCC Cables ❖ CZ Elektries ❖ Isambuleni Development 	<ul style="list-style-type: none"> ❖ R 1 646 958.51 ❖ R 1 652 922.21 ❖ R 1 698 752.21 ❖ R 1 878 193.66 ❖ R 2 298 500.45 	<ul style="list-style-type: none"> ❖ VE Reticulation (Pty) Ltd 	None
SCM 02/2012	Full maintenance fleet: Vehicles	None	<ul style="list-style-type: none"> ❖ Multilayer Trade Corporation ❖ Eqstra Fleet Management ❖ Fleet Africa ❖ Wesbank 	<ul style="list-style-type: none"> ❖ 6251.705 ❖ 5131.35 ❖ 6509.62 ❖ 5425.19 	<ul style="list-style-type: none"> ❖ Eqstra Fleet Management ❖ Wesbank 	Bid is awarded for a 3year period.

APPENDIX E

BIDS AWARDED BY BID ADJUDICATION COMMITTEE FOR 3rd QUARTER 01 JANUARY – 31 MARCH 2013

Bid #	Item	Bids Received	Bid Amount	Awarded to	Remarks
SCM 08/2013	Medium and low voltage reticulation of 367 erven Rustdene Beaufort west	<ul style="list-style-type: none"> ❖ Adenco Construction ❖ Kontrei Elektriese Kontrakteurs ❖ Light-be Construction ❖ VE Reticulation ❖ Ulssa Ondernemings 	<ul style="list-style-type: none"> ❖ R3 777 233.31 ❖ R3 988 930.17 ❖ R4 049 934.62 ❖ R4 154 192.26 ❖ R4 201 081.83 	<ul style="list-style-type: none"> ❖ Adenco Construction 	
SCM 07/2013	The upgrading of Rustdene Sport grounds (Mirror water in stainless steel – water feature)	<ul style="list-style-type: none"> ❖ Liquid Design 	<ul style="list-style-type: none"> ❖ R 137 855.34 	<ul style="list-style-type: none"> ❖ Liquid Design 	Competitive quotation process was followed but no quotations were received. Supplier was contacted to submit quote for services.
SCM 06/2013	The Upgrading of Rustdene Sport grounds (swimming pool)	<ul style="list-style-type: none"> ❖ AC Wright & Seun ❖ Sebenza Kunwe 	<ul style="list-style-type: none"> ❖ R294 541.80 ❖ R409 600.00 	<ul style="list-style-type: none"> ❖ AC Wright & Seun 	Bid received from Sebenza was found non-responsive.
SCM/FIN 24/2013	Accounting Services Support for a period of 3 years	<ul style="list-style-type: none"> ❖ Mubesko Africa 	<ul style="list-style-type: none"> ❖ R 395 100.00 	<ul style="list-style-type: none"> ❖ Mubesko Africa 	Services were procured through a transversal agreement with Bitou Municipality.

APPENDIX E

BIDS AWARDED BY BID ADJUDICATION COMMITTEE FOR 4th QUARTER 01 APRIL – 30 JUNE 2013

Bid #	Item	Bids Received	Bid Amount	Awarded to	Remarks
	Support and Maintenance of Beaufort West Municipality's IT Equipment and System for a period of 3 years	❖ Ubertech	❖ R 1 742 064.00	❖ Ubertech	Services were procured through a transversal agreement with Bitou Municipality. Contract is for a period of 3years.
SCM 08/2013	Professional services for the paving of gravel roads Contract is for a 3 year period	❖ Wec-Consult ❖ Worley Parsons ❖ Aurecon ❖ Quantra ❖ Element ❖ Inventive way ❖ MVD consult ❖ Bovicon ❖ EFG Eng ❖ PH Bagale ❖ Masilakhe	❖ R523 800.00 ❖ R536 400.00 ❖ R958 800.00 ❖ R523 800.00 ❖ R483 300.00 ❖ R523 800.00 ❖ R581 800.00 ❖ R669 180.00 ❖ R718500.00 ❖ R552 900.00 ❖ R447 930.00 ❖ .	❖ Quantra Civil Engineering Consultants	
SCM 09/2013	Cash in transit Services Contract is for a 3 year period	❖ Stears Security	❖ R1 292 389.50	❖ Stears Security	

APPENDIX E

ADDENDUM B

DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR 1st QUARTER 01 JULY – 30 SEPTEMBER 2012

DEVIATIONS APPROVED BY MUNICIPAL MANAGER – JULY 2012						
APPLICABLE PARAGRAPH IN SCM POLICY	SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION		
(a)	EMERGENCY	Karoo Drukkery	R 2,261.80	10/7/2012	Launch of Kwa-Mandlenkosi Youth hub	
			R 3,837.20			
		Valsta's Specialized cleaning	R 6,875.00	13/07/2012		Help with sewerage blockage to prevent health risks
		Fire Raiders Cape (Pty) Ltd	R 8,900.60	17/07/2012		Fire fighting foam concentrate, to extinguished fire
(b)	SOLE SUPPLIER	PJ Sounds	R 1,850.00	18/07/2012	Beaufort west youth hub launch	
		MC Ellis	R 16,552.80	11/7/2012	Provide master locks as he has the template to make the locks	
		W vd Heever	R 2,850.00	16/07/2012	check pins only surveyor in town	
		PAWC Emergency Medical Services	R 2,626.00	21/07/2012	Marathon - Provide emergency medical services	
		PJ Sounds	R 3,500.00	21/07/2012	Marathon - Provide sound and stage	
		De Jagers Loodgieters	R 8,846.10	20/07/2012	Replace geyser at the golf club	
		Elster kent	R 44,402.89	4/7/2012	Sole manufacturer of elster meters	
			R 26,641.73	4/7/2012		
			R 32,011.33	4/7/2012		
		Ubertech	R 48,454.56	9/7/2012	Council's IT service provider	
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	TMS Hasler	R 6,400.00	31/07/2012	Service provider of a franking machine service procured	
			R 6,980.00	3/7/2012		
		SM Consultants	R 3,577.00	12/7/2012	Service provider for the distribution of traffic summonses	
			R 34,500.00	12/7/2012		
		Ignite Advisory service	R 75,268.50	5/7/2012	Service provider of Performance management services	

APPENDIX E

(d)(i)		Total client service	R 8,407.51	12/7/2012	Provides software for traffic services
	any contract relating to the publication of notices and advertisements by the municipality	Media 24	R 5,022.29	14/07/2012	Advert SCM 01/2013
(d)(v)	the appointment of any person to provide professional advice or services, where the value of such appointment is less than R200 000 or any such greater amount as may be legislated from time to time	Crawfords	R 8,691.40	12/7/2012	Local Official law practioner handling the transportations
(d)(vi)	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	Swartberg Motors	R 2,850.00	3/7/2012	CZ 6609 Provide second hand gearbox original is beyond repair
		Kruiper Spares	R 8,919.59	24/07/2012	CZ 7713 - Provide parts

APPENDIX E

DEVIATIONS APPROVED BY MUNICIPAL MANAGER – AUGUST 2012					
APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(a)	EMERGENCY	Valsta's	R 30,375.00	31/08/2012	Jetting of sewerage lines
(b)	SOLE SUPPLIER	Rand vir Rand	R 3,200.00	6/8/2012	Repairs are done on seats for Rustdene Sports pub
		Spectrum Communications	R 15,859.68	1/8/2012	Sole provider of the telemetry system
		Afrox	R 2,752.63	29/08/2012	Supplier of oxygen and satelien
		Penny Pinchers	R 4,942.00	8/8/2012	Materials for repairs at the sewerage system
			R 2,810.76	30/08/2012	Sole local supplier of materials
		Raubex Infra	R 376,668.30	14/08/2012	Only approved supplier by Transnet for the dropping of electrical cables at construction of pedestrian bridge crossing, transmission line.
		WM Van Der Heever	R 3,990.00	31/08/2012	Check pins - sole surveyor locally
		Flotron	R 9,234.00	17/08/2012	Only supplier for water and sewerage works
		Karoo Recreational Park	R 3,600.00	3/8/2012	Suitable venue to receive minister and other guests for youth hub
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	Beaufort-Wes Verkoeling	R 2,280.00	14/08/2012	Merweville Mortuary - Air Conditioner refilled with gas
		R & S Communications	R 8,828.73	16/08/2012	Repairs are done on faulty radio's
		Youngs Halfway House	R 10,560.00	27/08/2012	Most suitable accomodation for Mayoral golf day 26-27 October 2012
		Ignite advisory service	R 20,599.80	15/08/2012	Service provider of Performance management system
		SM Consultants	R 2,401.00	16/08/2012	Service provider for the distribution of traffic summonses

APPENDIX E

		Stears Security	R 23,655.00	3/8/2012	Cash-in-transit services
		TMS Hasler	R 6,400.00	30/08/2012	Service provider of a franking machine procured
		Ubertech	R 58,772.02	15/08/2012	Council's IT service provider
(d)(i)	any contract relating to the publication of notices and advertisements by the municipality	Die Courier	R 2,717.43	17/08/2012	Only local newspaper circulating in the Central Karoo District
(d)(ii)	any contract with an organ of state, a local authority or a public utility corporation or company	Department of Transport	R 47,670.00	17/08/2012	Prodiba is a government preferred service provider
(d)(vi)	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	B & B Sweiswerke	R 8,910.00	13/08/2012	Partition with sitting bench for vehicles, CZ1873, 3363, 3457
		Auto Bodies	R 2,448.60	28/08/2012	CZ 5949 Repair bumper and general repairs

APPENDIX E

DEVIATIONS APPROVED BY MUNICIPAL MANAGER – SEPTEMBER 2012					
APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(a)	EMERGENCY				
(b)	SOLE SUPPLIER	M Vivier	R 8,577.00	3/9/2012	Sole supplier that can repair soccer nets.
		Conchem Saligna	R 2,027.23	3/9/2012	Sole supplier that sell the product.
		Elster Kent Metering	R 62,699.37	11/9/2012	Sole supplier of elster meters.
		Metsi Chem	R 3,534.00	12/9/2012	Chlorinator service and labour
		Spectrum Communications	R 15,618.10	7/9/2012	Sole provider of the telemetry system
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	Booyens Funerals	R 5,800.00	19/09/2012	Funeral of late Willem Karools
		Ubertech	R 53,144.10	10/9/2012	Council's IT service provider
			R 53,091.10	19/09/2012	
		SM Consultants	R 29,856.80	12/9/2012	Service provider for the distribution of traffic summonses
		Ignite advisory services	R 24,990.50	10/9/2012	Service provider of performance management system
(d)(i)	Any contract relating to the publication of notices and advertisements by the municipality	Die Courier	R 25,690.00	7/9/2012	Only local newspaper circulating in the Central Karoo
		Media 24	R 10,762.06	20/09/2012	Tender advertisements
(d)(v)	The appointment of any person to provide professional services where the value of such appointment is less than R200 000	Crawfords	R 5,651.35		Local Official law practioner handling the transportations
(d)(vi)	ad-hoc repairs to plant and	Cp Nel	R 2,881.74	3/9/2012	Parts only available at agent

APPENDIX E

equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.		R 2,052.00	3/9/2012	
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DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR 2nd QUARTER 01 OCTOBER – 30 DECEMBER 2012

DEVIATIONS APPROVED BY MUNICIPAL MANAGER OCTOBER 2012				
APPLICABLE PARAGRAPH IN SCM POLICY	SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(a) EMERGENCY	De Jagers Loodgieters	R 9,182.15	11/10/2012	Recovery of ablutions facilities at the Rustdene Sports grounds
	WCC Cables	R 5,499.36	5/10/2012	Ready board CBI - housing project on Merweville
(b) SOLE SUPPLIER	Perfect Bounce Consult	R 9,935.00	1/10/2012	Sole supplier of cricket mats.
	J W Muller Vervoer	R 7,866.00	12/10/2012	Regravel hugenoot street in Merweville
	PG Glass	R 4,386.42	22/10/2012	Supply and install 2 showers
	New Born Fashions	R 8,585.00	26/10/2012	Supply a shade cloth for corporate services
	J Civils	R 5,500.00	26/10/2012	Dumping ground clearance in Merweville
© Acquisition of special works of art or historical objects where specifications are difficult to compile.	E D catering & cleaning	R 5,718.80	22/10/2012	Mayoral Golf day - supply crockery
	PJ Sounds	R 6,200.00	22/10/2012	Provides sound, stage & Photography for Mayoral Golf day.
	Proudly Karoo	R 26,729.00	22/10/2012	Provides golf t-shirts for Mayoral Golf day.
	The Engravers	R 7,314.00	23/10/2012	supply, engrave and deliver trophies for Mayoral Golf day
	Donkin House	R 3,000.00	24/10/2012	Mayoral Golf day - supply a bread for 200 persons
(d) Any exceptional case where it is impractical or impossible to follow the official procurement processes	Karoo Drukkery	R 6,508.90	10/10/2012	Celebration of Municipality's 175 anniversary – agenda folders
	Ignite Advisory Services	R 13,759.80	5/10/2012	Service provider of performance management system
	Ubertech	R 53,300.02	5/10/2012	Council's IT service provider
	Total Client Service	R 8,407.50	16/10/2012	Provides software for traffic services

APPENDIX E

		SM Consultants	R 36,750.00	1/10/2012	Service provider for the distribution of traffic summonses
		Nyala Communications	R 3,668.01	1/10/2012	The only service provide for internet services
		TMS Hasler	R 6,400.00	12/10/2012	Service provider of a franking machine procured
		Centracell	R 6,912.96	1/10/2012	Saving cost on telephone system
		Stears security	R 25,650.00	26/10/2012	Cash-in-transit
(d)(1)	Any contract relating to the publication of notices and advertisements by the municipality	Die Courier	R 10,431.00	3/10/2012	Only local newspaper circulating in the Central Karoo
			R 7,250.40	30/10/2012	
(d)(v)	The appointment of any person to provide professional services where the value of such appointment is less than R200 000	Danielle Studiesentrum	R 39,729.14	1/10/2012	Provide professional help in various fields in finance
		JR Nieuwenhuizen	R 6,349.80	25/10/2012	Only service provider locally for balju services
			R 5,531.28	9/10/2012	
		Crawford	R 41,276.55	16/10/2012	Legal Fees - Geo Consult
			R 4,816.58	22/10/2012	Hansrivier trust - Legal Fees
			R 110,295.00	18/10/2012	Legal Fees - Geo Consult
			R 136,352.00	18/10/2012	
(d)(vi)	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	Barloworld	R 4,221.92	24/10/2012	Guarantee -warranty service CZ 5169
		Southern cape bolt	R 1,345.38	24/10/2012	Workshop spares
		Penny Pinchers	R 2,495.29	24/10/2012	
		Marias Motors	R 2,500.00	24/10/2012	CZ 1873 Repairs - Insurance recommended supplier
		Raakvat Hersteldienste	R 3,565.50	26/10/2012	Supply material for Rustdene sportsground
		Precision Engineers	R 3,203.40	26/10/2012	Service engine and attend to brakes of case trekkers
		R & S communications	R 3,030.12	31/10/2012	Repair radios of Electrical dept

APPENDIX E

DEVIATIONS APPROVED BY MUNICIPAL MANAGER NOVEMBER 2012					
APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(a)	EMERGENCY	De Jagers Loodgieters	R 2 995.00	30/11/2012	Sole supplier of Anyway Soil Stabelizer
(b)	SOLE SUPPLIER	De Jagers Loodgieters	R 2 659.50	22/11/2012	Supply male and female adaptors for Rustdene Swimmingpool
		EHI	R 5 698.86	30/11/2012	Course presented: Flow control for Instrumentation Practioners
		Gene Louw Traffic College	R 9 808.52	2012/12/11	Course K53: examiner for drivers license
		Elster Kent	R 1 565.22	22/11/2012	Sole supplier of Elster meters and strainers
		Hoistec Engineering	R 8 816.76	22/11/2012	Safety inspection and load testing of equipment - electrical
			R 10 384.26	20/11/2012	Safety inspection and load testing of equipment - engineering
		Essops Multisave	R 81 456.00	27/11/2012	Food for waste - 100 hampers
		Pressure sealers	R 4 000.00	2012/06/11	Preventative maintenance service and check settings
		Umbono Trading	R 9 000.00	2012/12/11	Training on field safety & Snake Awareness
©	Acquisition of special works of art or historical objects where specifications are difficult to compile.	Outback Promotions	R 5 429.00	2012/07/11	Supply and embroid golf shirts for Mayoral Golf day.
		Ultra express	R 2 129.85	2012/07/11	Purchase refreshments for welcoming function for Mayoral Golf day
		Ayanda Mbanga Communic	R 12 031.06	2012/01/11	Recruitment advertising in die burger and Argus weekend
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	Ignite advisory services	R 64 318.80	15/11/2012	Service provider of performance management system
		SM Consultants	R 47 250.00	23/11/2012	Service provider for the distribution of traffic summonses
		Centracell	R 7 823.21	2012/01/11	Saving cost on telephone system
		TMS Hasler	R 6 400.00	2012/01/11	Service provider for a franking machine procured
		The Caledon	R 2 596.00	2012/09/11	Accommodation - N Mfundisi

APPENDIX E

		Stears Security	R 25 650.00	28/11/2012	Cash-in transit services
		Ubertech	R 20 035.50	26/11/2012	Council's IT service provider
			R 53 300.02	2012/06/11	
(d)(i)	Any contract relating to the publication of notices and advertisements by the municipality	Media 24	R 10 762.06	21/11/2012	Advertisements SCM 06/2013 and SCM 07/2013
		Die Courier	R 2 599.20	26/11/2012	Only local newspaper circulating in the Central Karoo
(d)(v)	The appointment of any person to provide professional services where the value of such appointment is less than R200 000	Crawfords	R 11 441.50	19/11/2013	Local Official law practitioner handling the transportations
			R 10 273.00	23/11/2013	
(d)(vi)	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	George Lawnmowers	R 2 751.28	2012/07/11	Repair Concrete Cutter
			R 3 225.93		Repair tricycle lawnmower

APPENDIX E

DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR 3rd QUARTER 01 JANUARY – 31 MARCH 2013

DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR DECEMBER					
APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(b)	SOLE SUPPLIER	Actebis	R 8,681.10	6/12/2012	Remove and dispose of waste removal
		Caddie	R 8,370.00	19/12/2012	Upgrade of software for building section
		C Fortuin	R 2,100.00	18/12/2012	Only available supplier for the hiring of scaffoldings
		Worley Parsons	R 5,000.00	19/12/2012	Upgrade of software for GIS Data
		Beaufort Alarms CC	R 42,197.10	28/12/2012	Sole local alarm system service provider
©	Acquisition of special works of art or historical objects where specifications are difficult to compile.	SM Consultants	R 50,850.00	20/12/2012	Service provider for the distribution of traffic summonses
		Centracell	R 8,516.37	3/12/2012	Saving cost on telephone system
		Stears Security	R 25,650.00	3/12/2012	Cash-in transit services
		Ubertech	R 53,300.02	3/12/2012	Council's IT service provider
		Total Client Service	R 8,407.50	13/12/2012	Provides software for traffic services
		Nyala Communications	R 3,668.01	3/12/2012	The only service provide for internet services
		Alles Vars	R 3,318.05	4/12/2012	Transport of paper and glass from Beaufort West to Cape Town
(d)(i)	Any contract relating to the publication of notices and advertisements by the municipality	Media 24	R 6,457.23	8/12/2012	SCM 08/2013 - Meduim and low voltage reticulation bwest
(d)(ii)	any contract with an organ of state, a local authority or a public utility corporation or	Department of Transport	R 47,670.00	17/08/2012	Prodiba is a government preferred service provider

APPENDIX E

	company				
(d)(v)	The appointment of any person to provide professional services where the value of such appointment is less than R200 000	Crawfords Attorneys	R 6,186.00	13/12/2012	Local Official law practitioner handling the transportations
(d)(vi)	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	Gelder Motors	R 17,090.00	1/12/2012	Reconditioned engine - Mayor 1
		TrenTyre	R 9,072.58	18/12/2012	Tender- price for size not in tender
		Presisie Engineers	R 2,002.98	13/12/2012	service agency for tractors - under gaurantee
		Beaufort wes lugreeling	R 2,673.30	10/12/2012	service and repairs of airconditioner

APPENDIX E

DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR JANUARY					
APPLICABLE PARAGRAPH IN SCM POLICY	SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION	
(a)	EMERGENCY	Brandkraal	R 27,998.40	17/01/2013	Mr De Klerk from Brandkraal has the equipment for repairs
		Procon IT Solutions	R 14,785.80	25/01/2013	STS cards for pre-paid electricity meters
(b)	SOLE SUPPLIER	Radio & Satellite	R 2,000.00	07/01/2013	Floorwiz pro
		Conlog	R 4,668.30	16/01/2013	Sole supplier & service provider for conlog meters
		De Jagers loodgieters	R 30,000.00	17/01/2013	Drilling of the pool and disposal of material
		Karoo Fire	R 3,654.00	02/01/2013	Only service provider locally to supply & service fire extinguishers
		Penny Pinchers	R 3,878.70	31/01/2013	Sole supplier of stock to make a stage at the athletics track
		Spectrum	R 20,401.44	04/01/2013	Sole provider of the telemetry system
		Jupiter Towing	R 2,650.00	29/01/2013	CZ 3484 - Tow in compacter that was stuck in the mud
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	Ignite Advisory services	R 14,842.80	18/01/2013	Service provider of performance management system
		Ubertech	R 53,300.02	17/01/2013	
			R 53,300.02	28/01/2013	Council's IT service provider
		SM Consultants	R 67,650.00	21/01/2013	Service provider of the distribution of traffic summonses
		Stears Security	R 25,650.00	28/01/2013	Cash-in-transit services
		TMS Hasler	R 6,400.00	04/01/2013	Service provider of a franking machine procured

APPENDIX E

		Juta	R 4,521.50	17/01/2013	Post graduate studies - Miss LH Gouws -textbooks
		Swans Driving School	R 12 500.00	29/01/2013	EC1: Driving lessons for C Mugati, S Williams and TM Henge
		Mamela Driving school	R 4,300.00	09/01/2013	Driving lessons for Mr NJ Appies
(d)(i)	Any contract relating to the publication of notices and advertisements by the municipality	Media 24	R 5,704.56	30/01/2013	Advert Notice 08/2013 swimmingpool
		Die Courier	R 19,300.20	07/01/2013	Only local newspaper circulating in the Central Karoo
(d)(vi)	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	Short's Nissan	R 17,890.04	08/01/2013	CZ 3484 - Repair clutch and service vehicle
		Beaufort West Precision	R 5,566.62	29/01/2013	CZ 4746 - Strip engine and test

APPENDIX E

DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR FEBRUARY

APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(a)	EMERGENCY	Bevlon	R 36,000.00	7/2/2013	Removal of underground tanks and reinstate area
		Power cable Solutions	R 6,480.90	15/02/2013	Power failure due to an underground joint which went faulty
(b)	SOLE SUPPLIER	Beaufort Alarms	R 2,405.40	1/2/2013	An extension to the existing system at traffic department
		Landis & Gyr	R 156,750.00	1/2/2013	Sole supplier of the Landis & Gyr electricity pre-paid meters
		Karoo Fire	R 4,819.00	10/1/2013	Service of fire extinguishers
		Wiellietjies Vervoer	R 19,950.00	5/2/2013	Sole available supplier of Carting of gravel
		Penny Pinchers	R 2,730.18	12/2/2013	Sole available local supplier of items per quotation
			R 2,923.69	12/2/2013	Sole available local supplier of materials for Nelspoort
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	The Courier	R 1,548.69	1/2/2013	Sole supplier of prescribed registry file with file fasteners
		De Jagers Loodgieters	R 3,363.05	6/2/2013	Installation of geyser at the Rustdene Sports ground
		Lunathi's Catering	R 4,875.00	18/02/2013	Only available supplier to cater on short notice for a workshop
		TMS Hasler	R 6,400.00	8/2/2013	Service provider for a franking machine procured
		IMQS Software	R 15,780.32	14/02/2013	Software maintenance of water program
		Pressure Sealers	R 4,400.00	20/02/2013	Preventative maintenance service and check settings
		Ignite advisory services	R 26,128.80	25/02/2013	Service provider of performance management system
		SM Consultants	R 30,450.00	5/2/2013	Service provider for the distribution of traffic summonses
		Stears Security	R 29,640.00	26/02/2013	Cash-in-transit services
		Ubertech	R 53,300.02	28/02/2013	Council's IT service provider
			R 10,607.70	27/02/2013	
			R 10,220.10	20/02/2013	
(d)(i)	Any contract relating to the publication of notices and advertisements by the municipality	Media 24	R 5,704.56	19/02/2013	SCM 08/2013 Tender notice Professional services for the paving of gravel roads
		Die Courier	R 20,699.55	4/2/2013	Only local newspaper circulating in the central karoo
(d)(v)	The appointment of any person to provide professional services where the value of such appointment is less than R200 000.	Crawfords	R 12,654.00	25/02/2013	Local official law practitioner handling the transportations
			R 4,678.75		
		Turner Legal Regulatory Consulting Compliance	R 47,880.00	14/02/2013	Development and preparation of Employment Equity Plan for municipality
		Wagenar Attorneys	R 9,120.00	27/02/2013	Legal advice
(d)(vi)	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of	Victor se garage	R 10,000.00	1/2/2013	CZ 15569 Repair clutch. Sole supplier

APPENDIX E

the work required in order to call for bids.				
	Kruiper Spares	R 2,709.78	19/02/2013	CZ 7713 - Agent -Coolant premix for the radiator
	B-wes Tennisklub	R 5,000.00	22/02/2013	Repair fence at the tennis club
	Barloworld	R 9,576.78	19/02/2013	CZ 5169 - Agent service vehicle
	Muller Handelaars	R 5,000.00	21/02/2013	CZ 15569 - Service Massey Ferguson Tractor
	Hino George	R 9,358.48	26/02/2013	CZ 4930 - Vehicle is still under guarantee-service and repair faults
	Hilbert radios	R 2,851.01	27/02/2013	Repair radios for the Electrical Dept
	Denver	R 2,736.00	26/02/2013	CZ 15669 - Agent- for rims of tractor

DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR MARCH				
APPLICABLE PARAGRAPH IN SCM POLICY	SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(a) EMERGENCY	Cinogen Trading	R 7,581.00	1/3/2013	Calibrate and service vehicle testing machine-interruption of essential services
		R 13,107.72	13/03/2013	
	Brandkraal Boerdery	R 2,394.00	1/3/2013	Hire of tbl machine- the landfill site was a danger for animals and children
	Tricom	R 7,716.00	18/03/2013	Parts for repair of water pump that has broken that supplies water to town
(b) SOLE SUPPLIER	Spectrum Communications	R 21,280.00	25/03/2013	Service the telemetry system
	Elster Kent	R 18,240.06	4/3/2013	Sole manufacturer of Elster Meters and strainers
		R 8,949.00	5/3/2013	
		R 393,300.17	13/03/2013	
	Karoo beton werke	R 4,140.00	26/03/2012	Sole local manufacturer of concrete products
	Ecoguard	R 3,707.30	14/03/2013	Sole manufacturer of Eco blue dye
	Conchem Saligna	R 2,027.23	14/03/2013	Sole supplier of indoor insect killer
	Drs Theron & Van Niekerk	R 5,065.00	28/03/2013	Sole supplier in the district than can deliver the service(vacinations for employees)
Karoo Vleisboere Koperasie	R 2,268.17	28/03/2013	Sole supplier in Murraysburg that can supply stock	
(d) Any exceptional case where it is impractical or impossible to follow the official procurement processes	New born Fashions	R 9,500.00	27/03/2013	Supplier of shade net carports the Mimosa Library
	TMS Hasler	R 6,400.00	15/03/2013	Service provider for a franking machine procured
	Ignite advisory services	R 10,282.80	19/03/2013	Service provider of performance management system

APPENDIX E

		SM Consultants	R 46,050.00	14/03/2013	Service provider for the distribution of traffic summonses
			R 52,650.00	19/03/2013	
		Stears Security	R 27,645.00	20/03/2013	Cash-in-transit services
		Sonneblom Bloemiste	R 2,000.00	15/03/2013	Function for minister
		E&D Catering	R 6,000.00	27/03/2013	Only service provider that responded to request for quotations for catering.
		WAM Technology	R 11,750.00	5/3/2013	Municipal assistant license renewal 2012/2013
		Sebata	R 22,686.00	15/03/2013	Service provider of financial management system-upgrade.
(d)(i)	Any contract relating to the publication of notices and advertisements by the municipality	Media 24	R 5,704.56	19/03/2013	Advert SCM 09/2013 Cash in transit services tender
		Die Courier	R 12,437.40	1/3/2013	Only local newspaper circulating in the central karoo
		Radio Gamkaland	R 3,500.00	11/3/2013	Broadcast issues dealing with the needs of the community
(d)(ii)	any contract with an organ of state, a local authority or a public utility corporation or company	Department of Transport	R 32,460.00	4/3/2013	Prodiba is a government preferred service provider
(d)(v)	The appointment of any person to provide professional services where the value of such appointment is less than R200 000.	Crawfords	R 5,358.00	7/3/2013	Local official law practitioner handling the transportations
		JR Nieuwenhuizen	R 12,473.90	15/03/2013	Only service provider locally for balju services
		Danielle Studie sentrum	R 94,050.42	5/3/2013	Monthly financial reconciliations
(d)(vi)	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	George Lawnmowers	R 8,188.51	18/03/2013	Parts for the repairs to blower mower
		Barloworld	R 3,830.40	19/03/2013	Parts for repairs
		Diesel Services	R 6,195.90	26/03/2013	CZ 4032 - Repairs to fire truck, refit of transfer box
		BFTW Verkoeling	R 3,330.19	1/3/2013	Service air conditioners and repair faults

APPENDIX E

DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR 4th QUARTER 01 APRIL – 30 JUNE 2013

DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR APRIL					
APPLICABLE PARAGRAPH IN SCM POLICY	SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION	
(a)	EMERGENCY	Valsta's Transport	R 35,217.45	24/04/2013	Jetting and unblock sewerage lines
(b)	SOLE SUPPLIER	B & B Sweiswerke	R 5,643.00	11/4/2013	Pull boreholes in Beaufort West
			R 2,250.00		
		Spectrum Communications	R 2,081.00	23/04/2013	Repair telemetry system
		Actebis 268 CC	R 4,406.10	26/04/2013	Sole supplier that can handle hazardous waste
		The Workshop	R 2,600.00	30/04/2013	Only service provider in Murraysburg for repair CZ 7775
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	Elrico G Booyesen	R 2,960.00	2/4/2013	Security services in Nelspoort nursing home
			R 14,690.00	30/04/2013	
		Karoo Lugreeling & Verkoeling	R 8,500.00	8/4/2013	Repair air conditioners
		Nolene's Catering	R 6,750.00	10/4/2013	Catering in Murraysburg for first aid course
		Fire raiders Cape (pty) ltd	R 9,291.00	18/04/2013	Fire fighting foam
		Ignite advisory service	R 43,149.00	13/04/2013	Service provider of Performance management software
		Total client service	R 9,091.50	13/04/2013	Provides software for traffic services
		Ubertech	R 53,300.02	13/04/2013	Council's IT service provider
		SM consultants	R 47,550.00	13/04/2013	Service provide of the distribution of traffic summonses
		Centracell	R 41,587.14	30/04/2013	Saving cost on telephone system
		Stears Security	R 27,645.00	13/04/2013	Cash-in-transit services
		Nyala Communications	R 22,008.06	30/04/2013	The only service provider for internet services
		(d)(i)	Any contract relating to the publication of notices and	Die Courier	R 33,495.48

APPENDIX E

	advertisements by the municipality				
(d)(ii)	any contract with an organ of state, a local authority or a public utility corporation or company	Department of Transport	R 13,125.00	29/04/2013	Prodiba is the sole supplier of driving license cards
			R 10,575.00		
(d)(v)	The appointment of any person to provide professional services where the value of such appointment is less than R200 000.	Crawford Attorneys	R 4,178.00	5/4/2013	Local official law practitioner handling the transportations
		Danielle Studie sentrum	R 15,390.14	2/4/2013	Completion of Audit action plan 11/12 fin year
			R 64,581.14	10/4/2013	Assistance with the completion of the draft budget 12/13
			R 47,481.14	10/4/2013	
(d)(vi)	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	24/7 Tyres & fitment	R 2,400.00	2/4/2013	CZ 4336 - Tow in vehicle from Beaufort to Merweville, urgent
		Beaufort West Precision	R 10,564.38	11/4/2013	Bomag Roller repairs
		Victor se Garage	R 5,700.00	4/4/2013	CZ 15569 - Sole supplier in Merweville to repair vehicle
		George Lawnmowers	R 2,207.95	5/4/2013	Weedeater - repair chain saw
		Toyota	R 3,366.68	5/4/2013	CZ 10707 - Service and repair faults

DEVIATIONS APPROVED BY MUNICIPAL MANAGER						
APPLICABLE PARAGRAPH IN SCM POLICY	SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION		
(a)	EMERGENCY	Nico Colyn	R 6,750.00	6/5/2013	Safeguarding and Manufacturing of steel doors for substation	
		Valsta's	R 9,120.00	09/05/013	Unblock sewerage line	
(b)	SOLE SUPPLIER	Safeguard Chemicals	R 7,089.26	7/5/2013	Sole supplier of dryzone products	
		Asla	R 16,012.15	2/5/2013	Only available supplier for hiring of grader	
		Share-a-Deal	R 2,500.00	3/5/2013	Repair paving in Murraysburg	
		Die Courier	R 2,946.00	10/5/2013	Sole supplier locally to supply specific brown files	

APPENDIX E

		Elrico Booysen	R 17,484.00	31/05/2013	Only service provider in Nelspoort to deliver security services
		Muller Handelaars	R 4,000.00	15/03/2013	Only supplier in Merweville to rent Tractor
		Elster Kent	R 66,690.86	15/05/2013	Sole manufacturer of elster meters and accessories(tokens for meters)
		Spectrum Communications	R 24,874.80	30/05/2013	Repair telemetry system
		Pressure Sealers	R 4,400.00	30/05/2013	Preventative maintenance service and check settings
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	Pentecostal Unity Mission Church	R 4,500.00	10/5/2013	Hire for Indigent applications in Rustdene
		New fountain Ministeries Church	R 5,500.00	10/5/2013	Hire for Indigent applications in Prince Valley
		Victor se garage	R 2,500.00	10/5/2013	The only company who can do blinds in Merweville
		New Born Fashions	R 26,060.00	15/05/2013	Sole supplier of shade carports at Mimosa Library
		Beaufort-wes lugreeling	R 2,633.40	17/05/2013	Inspect and repair air conditioners at Murraysburg Library
		Stears Security Ubertech	R 26,086.05	6/5/2013	Cash-in-transit services
			R 23,655.00	31/05/2013	
			R 27,196.25	14/05/2013	
			R 53,497.02	3/5/2013	
			R 53,032.40	29/05/2013	Council's IT service provider
		Ignite Advisory service	R 33,219.60	7/5/2013	Service provider of performance management software
		Total Client service	R 9,091.50	7/5/2013	Provides software for traffic services
		TMS Hasler	R 6,400.00	28/05/2013	Service provider for a franking machine procured
			R 6,400.00	2/5/2013	
		Nyala Communications	R 3,668.01	22/05/2013	The only service provide for internet services
		C&C Fitters	R 15,328.66	14/05/2013	Installation of an enclosed reception counter at Electricity Dept
Lexis Nexis	R 11,905.08	15/05/2013	Road traffic/Road transport legislation books		
Centracell	R 7,180.67	21/05/2013	Savin g cost on telephone system		
(d)(i)	Any contract relating to the publication of notices and advertisements by the municipality	Media 24	R 5,704.56	11/5/2013	Advert Scm 11/2013 Notice 44/2013 Security services
			R 5,736.06	29/05/2013	Advert Scm 12/2013 Notice 46/2013 Chlorine gas

APPENDIX E

			R 16,685.84	10/5/2013	Advert for Director Finance post
		Human Communications	R 24,131.52	23/05/2013	Advert for Municipal Manager post
(d)(ii)	any contract with an organ of state, a local authority or a public utility corporation or company	Sentraal Karoo DM	R 3,000.00	15/05/2013	Sole supplier to hire grader from
			R 6,000.00	16/05/2013	
		Department of Transport	R 20,025.00	21/05/2013	Prodiba is a government preferred Service Provider for driving licence cards.
(d)(v)	The appointment of any person to provide professional services where the value of such appointment is less than R200 000.	Crawford	R 2,732.24	17/05/2013	Local law practioner handling transportations erf 45
		Dr Riel Hugo	R 8,650.00	2/5/2013	Assessment of candidates for Director Fin services
		Edward Nathan Sonnenberg	R 53,032.40	13/05/2013	Specialist advice on asset transfer regulations
(d)(vi)	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	Tata Worcester	R 10,466.20	7/5/2013	CZ 16014 - Repair steering box
		Precision Motor Engineers	R 2,256.06	8/5/2013	CZ 6416 - Service case tractor
		Barloworld	R 17,687.46	10/5/2013	CZ 7713 - Repair cooling system
			R 17,116.89	17/05/2013	CZ 5169 - Service Cat TLB
		George Lawnmowers	R 2,217.87	31/05/2013	Repair mower
		CTE Water Tech CC	R 12,631.20	13/05/2013	Repair service and calibration of spectrophometer
		Distribution Power Economy	R 29,500.00	17/05/2013	Specialized Repair and service of power factor correction equipment

APPENDIX E

DEVIATIONS APPROVED BY MUNICIPAL MANAGER					
APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(a)	EMERGENCY	PG Glass	R 4,150.00	14/06/2013	Repair windows at the Rustdene Stadium
		CS Traffic	R 11,160.00	25/06/2013	Repair traffic controller at N1 & Fabriek St Junction
(b)	SOLE SUPPLIER	Beaufort Alarms	R 5,598.54	1/6/2013	Repair alarm system at the mini mark
			R 3,800.76	1/6/2013	Install new alarm system
		Controlled Irrigation	R 18,086.10	12/6/2013	Only supplier that could supply specific Rainbird gear drive sprayers
		Bell Oak Investments	R 10,288.50	14/06/2013	Sole supplier for EM-TRDC EM electronic De-/Reactivator
		De Jager Loodgieters	R 26,448.00	6/6/2013	Sole supplier in town for calcrete & that can deliver immediately.
		Banyana Bashimane Projects	R 17,748.00	27/06/2013	Only supplier that could do the drilling of borehole under the N1
		W.M Van Der Heever	R 2,850.00	12/6/2013	Only local land surveyor supplier
		(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	Ignite Advisory services	R 25,650.00
SM Consultants	R 41,400.00			13/06/2013	Service provider for the distribution of traffic summonses
	R 47,700.00			21/06/2013	
Nyala Communications	R 3,499.00			28/06/2013	The only service provider for internet services
Centracell	R 7,468.34			28/06/2013	Saving cost on telephone system
	R 6,924.64			3/6/2013	
Ubertech	R 29,999.00			13/06/2013	Council's IT service provider
	R 4,104.00	12/6/2013			
(d)(i)	Any contract relating to the publication of notices and advertisements by the municipality	Media 24	R 11,526.12	12/6/2013	Adverts SCM 13,14,15,16 Notice no 52, 53
		Die Courier	R 18,314.10	13/06/2013	Only newspaper circulating in the central karoo
(d)(v)	The appointment of any person to provide professional services where the value of such	JR Nieuwenhuizen	R 3,923.88	7/6/2013	Only service provider locally for balju services
		Makukane Consulting Engineers	506 730.00	28/06/2013	Electrical Consulting Services

APPENDIX E

	appointment is less than R200 000.				
(d)(v i)	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	Denver	R 7,081.20	3/6/2013	CZ 6542- Agent parts for the repair of Community services tractor
		Toyota	R 3,408.26	13/06/2013	CZ 8477 Repair
		George Lawnmowers	R 3,775.45	14/06/2013	Repair tricycle lawnmower
		Dougie's gearbox centre	R 25,080.00	20/06/2013	CZ 5291 - Strip and clean diff
		Bwest Precision Engineers	R 2,380.32	14/06/2013	CZ 10625 Service case tractor
		DPI trading	R 6,498.00	14/06/2013	Dorot Valves have to be altered
		R & S communications	R 12,369.00	7/6/2013	Repair radios
		Raakvat Hersteldienste	R 2,017.80	14/06/2013	Material for repair services at Hansrivier