



West Rand District Municipality
(Registration number DC 48)
Annual Consolidated Financial Statements
for the year ended June 30, 2013

West Rand District Municipality

(Registration number DC 48)

Annual Consolidated Financial Statements for the year ended June 30, 2013

General Information

Country of incorporation and domicile	South Africa
Legal form of entity	Municipality(MFMA)
Mayoral committee	
Executive Mayor	K.M. Nawa
	J. Phiri (Speaker)
	S. Ngweventsha (Chief Whip)
	L. Nkosiyane (MMC: Finance)
	N. Lipudi (MMC: Infrastructure)
	M. Gama (MMC: Human Settlement)
	K. Blaai(MMC: Corporate Services)
	P. Kgoleng(MMC: Health and Social Development)
	O. Caldeira (MMC: Rural Development)
	B. Xulu (MMC: Public Safety)
	T.E. Mphithikezi(MMC: Local Development)
Councillors	B.D. Blake
	M.F. Chohledi
	T.N. Daniel
	P.H.C. De Jager
	D.S. Thabe
	R.J.A. Harris
	L.A. Isherwood
	G.S. Isherwood
	M.V. Jiba
	J.W.W. Julius
	N.G. Kasibi
	S.N. Khenene
	F.F. Ngcobo
	M.J. Selibo
	A.I. Lebopa
	T.F. Foteng
	M. Holenstein
	J. Hoon
	R. Lees
	T.B.N. Mavuso
	S. Mcungeli
	M.V. Mfazi
	N.P. Mosetle
	D.E. Ngubane
	M.N. Nomandla
	M. Nqoro
	W.M. Plaatjie
	D.H. Pretorius
	P.L. Seemela
	P. Simon
	C.P. Zagagana
	J.D.W. Zwart
	S.Handula(Chairperson MPAC)

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General Information

Grading of local authority	3
Accounting Officer	M.D. Mokoena
Chief Finance Officer (CFO)	M.J. Ratlhogo
Business address	Cnr 6th & Park Street Randfontein 1760
Postal address	Private Bag X 033 Randfontein 1760
Bankers	Standard Bank
Auditors	Auditor General South Africa

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The reports and statements set out below comprise the annual consolidated financial statements presented to the provincial legislature:

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Abbreviations

COID	Compensation for Occupational Injuries and Diseases
DMA	District Management Area
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
WRDA	West Rand Development Agency
IAS	International Accounting Standards
MIG	Municipal Infrastructure Grant
IPSAS	International Public Sector Accounting Standards
FMG	Finance Management Grant
VAT	Value Added Taxation
EPWP	Expanded Public Works Programme
MSIG	Municipal System Improvement Grant

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Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual consolidated financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual consolidated financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual consolidated financial statements and was given unrestricted access to all financial records and related data.

The annual consolidated financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

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

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

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

The accounting officer has reviewed the economic entity's cash flow forecast for the year to June 30, 2014 and, in the light of this review and the current financial position, he is satisfied that the economic entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The entity is wholly dependent on the grants received from national and provincial treasury for continued funding of operations. The annual consolidated financial statements are prepared on the basis that the entity is a going concern and that the economic entity has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

Although the accounting officer are primarily responsible for the financial affairs of the entity, they are supported by the economic entity's external auditors.

The annual consolidated financial statements set out on pages 5 to 62, which have been prepared on the going concern basis, were approved by the accounting officer on 30 September, 2013

Acting Accounting Officer
E.M. Koloji

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Annual Consolidated Financial Statements for the year ended June 30, 2013

Statement of Financial Position as at June 30, 2013

Figures in Rand	Note(s)	Economic entity		Controlling entity	
		2013	Restated 2012	2013	Restated 2012
Assets					
Current Assets					
Other financial assets	8	295,143	2,261,189	-	-
Current portion of long term receivables	11	-	124,191	-	124,191
Inventories	12	649,731	625,363	486,114	550,830
Receivables from exchange transactions	13	6,282,844	9,174,312	5,868,981	8,838,096
VAT receivable	14	4,468,865	5,803,576	4,468,865	5,803,576
Cash and cash equivalents	15	82,652,694	99,514,056	81,142,007	99,282,579
		94,349,277	117,502,687	91,965,967	114,599,272
Non-Current Assets					
Biological assets that form part of an agricultural activity	3	307,480	116,659	307,480	116,659
Investment property	4	3,400,000	3,400,000	3,400,000	3,400,000
Property, plant and equipment	5	87,534,275	95,073,520	66,990,881	72,730,260
Intangible assets	6	1,842,937	111,769	1,753,531	-
Investments in controlled entities	7	-	-	14,578,528	14,578,528
Deferred tax	9	-	399,845	-	-
Long term receivables	11	840,824	727,244	840,824	727,244
		93,925,516	99,829,037	87,871,244	91,552,691
Total Assets		188,274,793	217,331,724	179,837,211	206,151,963
Liabilities					
Current Liabilities					
Retirement benefit obligation	10	974,364	1,057,667	974,364	1,057,667
Finance lease obligation	19	1,545,468	29,388	1,520,978	-
Unspent conditional grants and receipts	20	896,929	3,845,081	141,013	3,089,165
Other financial liabilities	21	3,270,810	2,955,089	3,270,810	2,955,089
Provisions	22	3,009,750	3,366,602	3,009,750	3,366,602
Current tax payable	23	33,353	-	-	-
Payables from exchange transactions	24	23,535,361	21,864,188	23,091,576	19,878,554
		33,266,035	33,118,015	32,008,491	30,347,077
Non-Current Liabilities					
Deferred tax	9	322,156	-	-	-
Retirement benefit obligation	10	38,986,403	34,078,900	38,986,403	34,078,900
Finance lease obligation	19	3,457,161	24,490	3,457,161	-
Other financial liabilities	21	1,759,460	5,241,812	1,759,460	5,241,812
Provisions	22	10,313,837	8,611,323	10,313,837	8,611,323
		54,839,017	47,956,525	54,516,861	47,932,035
Total Liabilities		88,105,052	81,074,540	86,525,352	78,279,112
Net Assets		100,169,741	136,257,184	93,311,859	127,872,851
Reserves					
Revaluation reserve	17	1,395,256	1,618,307	-	-
Government grant reserve	18	3,833,428	4,532,815	-	-
Accumulated surplus		94,941,057	130,106,062	93,311,859	127,872,850
Total Net Assets		100,169,741	136,257,184	93,311,859	127,872,850

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Statement of Financial Performance

Figures in Rand	Note(s)	Economic entity		Controlling entity	
		2013	Restated 2012	2013	Restated 2012
Revenue					
Service charges	26	2,972,111	3,399,354	2,972,111	3,399,354
Government grants & subsidies	27	180,319,128	178,093,066	180,319,128	175,243,999
Other income	28	23,912,398	3,804,293	23,636,756	3,561,301
Interest received - investment	33	5,538,972	6,557,933	5,538,972	6,557,933
Rental of facilities and equipment	38	1,709,896	1,565,358	1,709,896	1,565,358
Interest received (trading)		125,400	275,236	99,023	78,389
Income from agency services		24,837,750	31,934,250	24,837,750	31,934,250
Licences and permits		182,589	155,426	182,589	155,426
Total revenue		239,598,244	225,784,916	239,296,225	222,496,010
Expenditure					
Personnel	30	(153,171,664)	(136,519,363)	(151,299,263)	(135,100,740)
Remuneration of councillors	31	(7,989,001)	(7,548,650)	(7,989,001)	(7,548,650)
Debt impairment	32	(17,110,226)	(2,303,280)	(17,110,226)	(2,303,280)
Depreciation and amortisation	34	(13,192,196)	(12,863,009)	(11,369,967)	(10,724,919)
Impairment loss/ Reversal of impairments	35	(319,915)	-	(319,915)	-
Finance costs	36	(729,083)	(939,711)	(729,083)	(939,711)
Collection costs		-	(4,721)	-	(4,721)
Repairs and maintenance		(2,366,393)	(2,257,994)	(2,280,679)	(2,002,739)
Grants and subsidies paid	39	-	(13,783,071)	(4,394,200)	(16,321,671)
General Expenses	29	(79,856,899)	(64,992,332)	(78,169,927)	(63,196,290)
Total expenditure		(274,735,377)	(241,212,131)	(273,662,261)	(238,142,721)
Operating deficit		(35,137,133)	(15,427,215)	(34,366,036)	(15,646,711)
Loss on disposal of assets and liabilities		-	(899,265)	-	(899,265)
Deficit before taxation		(35,137,133)	(16,326,480)	(34,366,036)	(16,545,976)
Taxation	37	755,354	(222,197)	-	-
Deficit for the year		(35,892,487)	(16,104,283)	(34,366,036)	(16,545,976)
Attributable to:					
Owners of the controlling entity		(35,892,487)	(16,104,283)	(34,366,036)	(16,545,976)

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Statement of Changes in Net Assets

	Share capital / Share premium contributed capital		Total share capital	Revaluation reserve	Government grant reserve	Total reserves	Accumulated surplus	Total net assets
Figures in Rand								
Economic entity								
Balance at July 1, 2011	100	(100)	-	-	2,298,122	2,298,122	153,186,466	155,484,588
Changes in net assets								
Revaluation of Katlego	-	-	-	1,841,358	-	1,841,358	-	1,841,358
Capital grants used to purchase PPE	-	-	-	-	2,849,067	2,849,067	-	2,849,067
Net income (losses) recognised directly in net assets	-	-	-	1,841,358	2,849,067	4,690,425	-	4,690,425
Surplus for the year	-	-	-	-	-	-	(16,104,283)	(16,104,283)
Total recognised income and expenses for the year	-	-	-	1,841,358	2,849,067	4,690,425	(16,104,283)	(11,413,858)
Change in useful life estimate	-	-	-	-	-	-	(6,830,472)	(6,830,472)
Offsetting of depreciation on assets purchased via capital grants	-	-	-	-	(614,374)	(614,374)	(145,649)	(760,023)
Offsetting of depreciation on revalued assets	-	-	-	(223,051)	-	(223,051)	-	(223,051)
Total changes	-	-	-	1,618,307	2,234,693	3,853,000	(23,080,404)	(19,227,404)
Opening balance as previously reported	100	(100)	-	1,618,307	4,532,815	6,151,122	187,601,357	193,752,479
Adjustments								
Correction of errors	-	-	-	-	-	-	(57,495,301)	(57,495,301)
Balance at July 1, 2012 as restated	100	(100)	-	1,618,307	4,532,815	6,151,122	130,106,056	136,257,178
Changes in net assets								
Offsetting of depreciation on assets purchased via capital grants	-	-	-	-	(699,387)	(699,387)	699,387	-
Offsetting of depreciation on revalued assets	-	-	-	(223,051)	-	(223,051)	223,051	-
Disposal of Assets through Profit and loss	-	-	-	-	-	-	(194,950)	(194,950)
Net income (losses) recognised directly in net assets	-	-	-	(223,051)	(699,387)	(922,438)	727,488	(194,950)
Surplus for the year	-	-	-	-	-	-	(35,892,487)	(35,892,487)
Total recognised income and expenses for the year	-	-	-	(223,051)	(699,387)	(922,438)	(35,164,999)	(36,087,437)
Total changes	-	-	-	(223,051)	(699,387)	(922,438)	(35,164,999)	(36,087,437)
Balance at June 30, 2013	100	(100)	-	1,395,256	3,833,428	5,228,684	94,941,057	100,169,741
Note(s)	16	16	16	17	18			

Controlling entity

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Statement of Changes in Net Assets

	Share capital / Share premium contributed capital	Total share capital	Revaluation reserve	Government grant reserve	Total reserves	Accumulated surplus	Total net assets
Figures in Rand							
Balance at July 1, 2011	-	-	-	-	-	- 144,418,826	144,418,826
Changes in net assets							
Surplus for the year	-	-	-	-	-	- (16,545,976)	(16,545,976)
Total changes	-	-	-	-	-	- (16,545,976)	(16,545,976)
Opening balance as previously reported	-	-	-	-	-	- 178,196,772	178,196,772
Adjustments							
Correction of errors	-	-	-	-	-	- (50,323,927)	(50,323,927)
Balance at July 1, 2012 as restated	-	-	-	-	-	- 127,872,845	127,872,845
Changes in net assets							
Disposal of Assets through profit and loss	-	-	-	-	-	- (194,950)	(194,950)
Net income (losses) recognised directly in net assets	-	-	-	-	-	- (194,950)	(194,950)
Surplus for the year	-	-	-	-	-	- (34,366,036)	(34,366,036)
Total recognised income and expenses for the year	-	-	-	-	-	- (34,560,986)	(34,560,986)
Total changes	-	-	-	-	-	- (34,560,986)	(34,560,986)
Balance at June 30, 2013	-	-	-	-	-	- 93,311,859	93,311,859
Note(s)	16	16	16	17	18		

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Cash Flow Statement

Figures in Rand	Note(s)	Economic entity		Controlling entity	
		2013	Restated 2012	2013	Restated 2012
Cash flows from operating activities					
Receipts					
Grants		177,370,976	176,437,740	177,370,976	176,437,740
Interest income		5,538,972	6,557,933	5,538,972	6,557,933
Other receipts		11,324,221	26,904,436	11,126,226	26,887,346
		<u>194,234,169</u>	<u>209,900,109</u>	<u>194,036,174</u>	<u>209,883,019</u>
Payments					
Employee costs		(149,742,950)	(136,519,365)	(147,870,549)	(135,100,742)
Suppliers		(56,667,629)	(81,063,384)	(57,684,587)	(83,374,298)
Finance costs		(729,083)	(939,711)	(729,083)	(939,711)
		<u>(207,139,662)</u>	<u>(218,522,460)</u>	<u>(206,284,219)</u>	<u>(219,414,751)</u>
Net cash flows from operating activities	40	<u>(12,905,493)</u>	<u>(8,622,351)</u>	<u>(12,248,045)</u>	<u>(9,531,732)</u>
Cash flows from investing activities					
Purchase of property, plant and equipment	5	(5,998,213)	(8,113,576)	(5,998,213)	(5,376,324)
Proceeds from sale of property, plant and equipment	5	194,801	45,182	194,801	45,182
Purchase of investment property	4	-	(200,000)	-	(200,000)
Purchase of other intangible assets	6	(1,900,623)	(111,815)	(1,900,623)	-
Proceeds from sale of financial assets		1,966,046	1,427,202	-	-
		<u>(5,737,989)</u>	<u>(6,953,007)</u>	<u>(7,704,035)</u>	<u>(5,531,142)</u>
Net cash flows from investing activities		<u>(5,737,989)</u>	<u>(6,953,007)</u>	<u>(7,704,035)</u>	<u>(5,531,142)</u>
Cash flows from financing activities					
Repayment of other financial liabilities		(3,166,631)	(2,755,635)	(3,166,631)	(2,755,635)
Finance lease payments		4,948,751	(3,624,903)	4,978,139	(3,595,515)
		<u>1,782,120</u>	<u>(6,380,538)</u>	<u>1,811,508</u>	<u>(6,351,150)</u>
Net cash flows from financing activities		<u>1,782,120</u>	<u>(6,380,538)</u>	<u>1,811,508</u>	<u>(6,351,150)</u>
Net increase/(decrease) in cash and cash equivalents		<u>(16,861,362)</u>	<u>(21,955,896)</u>	<u>(18,140,572)</u>	<u>(21,414,024)</u>
Cash and cash equivalents at the beginning of the year		99,514,056	121,469,952	99,282,579	120,696,603
Cash and cash equivalents at the end of the year	15	<u>82,652,694</u>	<u>99,514,056</u>	<u>81,142,007</u>	<u>99,282,579</u>

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Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

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Appropriation Statement

Figures in Rand	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Economic entity - 2013											
Financial Performance											
Service charges	4,448,000	-	4,448,000	-	-	4,448,000	2,972,111	-	(1,475,889)	67 %	67 %
Investment revenue	3,100,000	-	3,100,000	-	-	3,100,000	5,538,972	-	2,438,972	179 %	179 %
Transfers recognised - operational	216,947,000	(1,500,000)	215,447,000	-	-	215,447,000	180,319,128	-	(35,127,872)	84 %	83 %
Other own revenue	37,404,000	12,449,000	49,853,000	-	-	49,853,000	50,768,033	-	915,033	102 %	136 %
Total revenue (excluding capital transfers and contributions)	261,899,000	10,949,000	272,848,000	-	-	272,848,000	239,598,244	-	(33,249,756)	88 %	91 %
Employee costs	(152,380,000)	-	(152,380,000)	-	-	(152,380,000)	(153,171,664)	-	(791,664)	101 %	101 %
Remuneration of councillors	(8,816,000)	-	(8,816,000)	-	-	(8,816,000)	(7,989,001)	-	826,999	91 %	91 %
Debt impairment	(2,980,000)	-	(2,980,000)	-	-	(2,980,000)	(17,110,226)	-	(14,130,226)	574 %	574 %
Depreciation and asset impairment	(8,887,000)	-	(8,887,000)	-	-	(8,887,000)	(13,512,111)	-	(4,625,111)	152 %	152 %
Finance charges	(3,696,000)	-	(3,696,000)	-	-	(3,696,000)	(729,083)	-	2,966,917	20 %	20 %
Transfers and grants	(4,394,200)	-	(4,394,200)	-	-	(4,394,200)	-	-	4,394,200	- %	- %
Other expenditure	(80,745,800)	(8,694,000)	(89,439,800)	-	-	(89,439,800)	(82,223,292)	-	7,216,508	92 %	102 %
Total expenditure	(261,899,000)	(8,694,000)	(270,593,000)	-	-	(270,593,000)	(274,735,377)	-	(4,142,377)	102 %	105 %
Surplus/(Deficit)	-	2,255,000	2,255,000	-	-	2,255,000	(35,137,133)	-	(37,392,133)	(1,558)%	(1,558)%

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Appropriation Statement

Figures in Rand	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Taxation	-	-	-	-		-	755,354		755,354	DIV/0 %	DIV/0 %
Surplus/(Deficit) for the year	-	2,255,000	2,255,000	-		2,255,000	(35,892,487)		(38,147,487)	(1,592)%	DIV/0 %
Capital expenditure and funds sources											
Total capital expenditure	-	4,000,000	4,000,000	-		4,000,000	7,898,836		3,898,836	197 %	DIV/0 %
Cash flows											
Net cash from (used) operating	(14,475,736)	-	(14,475,736)	-		(14,475,736)	(12,905,493)		1,570,243	89 %	89 %
Net cash from (used) investing	(1,968,992)	-	(1,968,992)	-		(1,968,992)	(5,737,989)		(3,768,997)	291 %	291 %
Net cash from (used) financing	(1,949,224)	-	(1,949,224)	-		(1,949,224)	1,782,120		3,731,344	(91)%	(91)%
Net increase/(decrease) in cash and cash equivalents	(18,393,952)	-	(18,393,952)	-		(18,393,952)	(16,861,362)		1,532,590	92 %	92 %
Cash and cash equivalents at the beginning of the year	99,282,579	(99,282,579)	-	-		-	99,514,056		99,514,056	DIV/0 %	100 %
Cash and cash equivalents at year end	80,888,627	(99,282,579)	(18,393,952)	-		(18,393,952)	82,652,694		101,046,646	(449)%	102 %

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Accounting Policies

1. Presentation of Annual Consolidated Financial Statements

The annual consolidated financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

These annual consolidated financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied, are disclosed below. The group is referred to as Economic Entity and WRDM(Parent Company) as Controlling Entity

These accounting policies are consistent with the previous period.

1.1 Consolidation

Basis of consolidation

Annual consolidated financial statements are the annual consolidated financial statements of the economic entity presented as those of a single entity.

The annual consolidated financial statements incorporate the annual consolidated financial statements of the controlling entity and all controlled entity

Control exists when the controlling entity has the power to govern the financial and operating policies of another entity so as to obtain benefits from its activities.

The annual consolidated financial statements of the controlling entity and its controlled entities used in the preparation of the annual consolidated financial statements are prepared as of the same reporting date.

Adjustments are made when necessary to the annual consolidated financial statements of the controlled entities to bring their accounting policies in line with those of the controlling entity.

All intra-entity transactions, balances, revenues and expenses are eliminated in full on consolidation.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the annual consolidated financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual consolidated financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual consolidated financial statements. Significant judgements include:

1.3 Biological assets that form part of an agricultural activity

An entity shall recognise a biological assets that form part of an agricultural activity or agricultural produce when, and only when:

- the entity controls the asset as a result of past events;
- it is probable that future economic benefits or service potential associated with the asset will flow to the economic entity; and
- the fair value or cost of the asset can be measured reliably.

Biological assets that form part of an agricultural activity are measured at their fair value less point-of-sale costs.

A gain or loss arising on initial recognition of biological assets that form part of an agricultural activity or agricultural produce at fair value less estimated point-of-sale costs and from a change in fair value less estimated point-of-sale costs of a biological assets that form part of an agricultural activity is included in surplus or deficit for the period in which it arises.

Where market determined prices or values are not available, the present value of the expected net cash inflows from the asset, discounted at a current market-determined pre-tax rate where applicable is used to determine fair value.

An unconditional government grant related to a biological assets that form part of an agricultural activity measured at its fair value less costs to sell is recognised as income when the government grant becomes receivable.

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1.3 Biological assets that form part of an agricultural activity (continued)

Where fair value cannot be measured reliably, biological assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Item	Useful life
Plants yearly	0-1 Year
Plants perennial	1-10 Years

1.4 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

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

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

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

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

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

Fair value

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

If the entity determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably measurable when construction is complete, it measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). If the entity determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, the entity measure that investment property using the cost model (as per the accounting policy on Property, plant and equipment). The residual value of the investment property is then assumed to be zero. The entity apply the cost model (as per the accounting policy on Property, plant and equipment) until disposal of the investment property.

Once the entity becomes able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, it measures that property at its fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably. If this is not the case, the property is accounted for using the cost model in accordance with the accounting policy on Property, plant and equipment.

1.5 Property, plant and equipment

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

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

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Accounting Policies

1.5 Property, plant and equipment (continued)

Property, plant and equipment is initially measured 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 management. Trade discounts and rebates are deducted in arriving at the cost.

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

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

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.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

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

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

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

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

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

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited in revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The residual Value of 10% of the cost will apply to all motor vehicles and specialised vehicles. The depreciable value amount will be the original cost less the residual value over the life term of the assets

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

Item	Average useful life
Land	0
Buildings	7-25 Years
Plant and machinery	5-17 Years
Furniture and fixtures	3-17 Years
Motor vehicles	
• Specialised Vehicles	5-17 Years
• Other Vehicles	15-17 Years
Infrastructure	
• Roads and Stormwater	20-30 Years
• Water	20-30 Years
Security measures	5-14 Years

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Accounting Policies

1.5 Property, plant and equipment (continued)

Water craft	5-15 Years
Office equipment	3-17 Years
Community facilities	20-30 Years
Emergency equipment	5-17 Years
Other leased Assets	2-3 Years

1.6 Intangible assets

An asset is identified as an intangible asset when it:

- is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, assets or liability; or
- arises from contractual rights or other legal rights, regardless whether those rights are transferable or separate from the economic entity or from other rights and obligations.

An intangible asset is recognised when:

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

Intangible assets are initially recognised at cost.

An intangible asset acquired through a non-exchange transaction, the cost shall be its fair value as at the date of acquisition.

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

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

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

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

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

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

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

Item	Useful life
Computer software, other	2-3 Years

1.7 Financial instruments

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

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Accounting Policies

1.7 Financial instruments (continued)

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

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

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

A financial asset is:

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

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

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

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

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

Financial instruments at fair value comprise financial assets or financial liabilities that are:

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

Trade and other receivables from exchange transactions and non exchange transactions who are more than 90 days are considered to have been impaired expect the special cases (e.g Government debt)

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Accounting Policies

1.7 Financial instruments (continued)

Classification

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

Class	Category
Long term debtors	Loans and receivables
Receivables from exchange transactions	Loans and receivables
Short term investment	Loans and receivables

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

Class	Category
Other financial liabilities	Financial liability measured at amortised cost
Payables from exchange transactions	Financial liability measured at amortised cost
Unspent conditional grants	Financial liability measured at amortised cost

Initial recognition

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

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

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

1.8 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable surplus will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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Accounting Policies

1.8 Tax (continued)

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in surplus or deficit for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to net assets; or
- a business combination.

Current tax and deferred taxes are charged or credited to net assets if the tax relates to items that are credited or charged, in the same or a different period, to net assets.

1.9 Leases

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

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

Finance leases - lessor

The economic entity recognises finance lease receivables as assets on the statement of financial position. Such assets are presented as a receivable at an amount equal to the net investment in the lease.

Finance revenue is recognised based on a pattern reflecting a constant periodic rate of return on the economic entity's net investment in the finance lease.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the entity's incremental borrowing rate.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessor

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

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

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

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

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

Operating leases - lessee

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

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1.10 Inventories

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

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

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

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

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

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

1.11 Share capital / contributed capital

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities.

1.12 Employee benefits

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

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

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

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

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

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Accounting Policies

1.12 Employee benefits (continued)

Post-employment benefits

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

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

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

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Accounting Policies

1.12 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Accounting Policies

1.12 Employee benefits (continued)

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

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

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

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

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

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

Post-employment benefit obligations are measured on a basis that reflects:

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

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

1.13 Provisions and contingencies

Provisions are recognised when:

- the economic entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

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

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

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

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

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

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Accounting Policies

1.13 Provisions and contingencies (continued)

Provisions are not recognised for future operating deficits.

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

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of a activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- 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.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the economic entity

No obligation arises as a consequence of the sale or transfer of an operation until the economic entity is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 42.

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

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

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

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

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

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

1.14 Revenue from exchange transactions

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

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1.14 Revenue from exchange transactions (continued)

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

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

Measurement

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

Rendering of services

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

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

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

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

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by the proportion that costs incurred to date bear to the total estimated costs of the transaction.

Interest, royalties and dividends

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

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

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

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

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

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

1.15 Revenue from non-exchange transactions

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

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

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Accounting Policies

1.15 Revenue from non-exchange transactions (continued)

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

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

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

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

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

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

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

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

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

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

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

Recognition

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

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

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

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

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Accounting Policies

1.15 Revenue from non-exchange transactions (continued)

Transfers

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

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

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

Fines

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

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

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

Bequests

Bequests that satisfy the definition of an asset are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity, and the fair value of the assets can be measured reliably.

Gifts and donations, including goods in-kind

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

1.16 Borrowing costs

It is inappropriate to capitalise borrowing costs when, and only when, there is clear evidence that it is difficult to link the borrowing requirements of an entity directly to the nature of the expenditure to be funded i.e. capital or current.

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

1.17 Comparative figures

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

1.18 Unauthorised expenditure

Unauthorised expenditure means:

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

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

1.19 Fruitless and wasteful expenditure

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

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

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1.20 Irregular expenditure

Irregular expenditure as defined in section 1 of the MFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

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

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

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

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

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

1.21 Use of estimates

The preparation of annual consolidated financial statements in conformity with Standards of GRAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the economic entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the annual consolidated financial statements are disclosed in the relevant sections of the annual consolidated financial statements. Although these estimates are based on management's best knowledge of current events and actions they may undertake in the future, actual results ultimately may differ from those estimates.

1.22 Revaluation reserve

The surplus arising from the revaluation of property, plant and equipment is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/deficit. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the statement of financial performance.

1.23 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the entity has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

1.24 Segmental information

Segmental information on property, plant and equipment, as well as income and expenditure, is set out in Appendices C and D, based on the International Government Financial Statistics classifications and the budget formats prescribed by National Treasury. The economic entity operates solely in its area of jurisdiction as determined by the Demarcation Board.

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Accounting Policies

1.24 Segmental information (continued)

Segment information is prepared in conformity with the accounting policies applied for preparing and presenting the financial statements.

1.25 Budget information

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

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

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

The approved budget covers the fiscal period from 7/1/2012 to 6/30/2013.

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

The annual consolidated financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.26 Related parties

The economic entity operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the economic entity, including those charged with the governance of the economic entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the economic entity.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

1.27 Contribution from Local Municipality

The municipality is offering services of Public Safety to all the municipalities within the region. This services is to make sure and enforce by laws approved by the municipalities to the communities.

The municipality is also involved in economic growth development whereby the WRDA is responsible to attract business investments to all parts of the region.

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	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012

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2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the economic entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 23: Revenue from Non-exchange Transactions	April 1, 2012	Not Material
• GRAP 24: Presentation of Budget Information in the Financial Statements	April 1, 2012	Not Material
• GRAP 103: Heritage Assets	April 1, 2012	Not Material
• GRAP 21: Impairment of non-cash-generating assets	April 1, 2012	Not Material
• GRAP 26: Impairment of cash-generating assets	April 1, 2012	Not Material
• GRAP 104: Financial Instruments	April 1, 2012	Not Material

The aggregate impact of the initial application of the statements and interpretations on the economic entity's annual consolidated financial statements is expected to be as follows:

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Figures in Rand	Economic entity		Controlling entity	
	2013	2012	2013	2012

3. Biological assets that form part of an agricultural activity

Economic entity	2013			2012		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Biological assets - Consumable	307,480	-	307,480	116,659	-	116,659

Controlling entity	2013			2012		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Biological assets - Consumable	307,480	-	307,480	116,659	-	116,659

Reconciliation of biological assets that form part of an agricultural activity - Economic entity - 2013

	Opening balance	Other changes, movements	Total
Biological assets - Consumable	116,659	190,821	307,480

Reconciliation of biological assets that form part of an agricultural activity - Economic entity - 2012

	Opening balance	Gains or losses arising from changes in fair value	Total
Biological assets - Consumable	176,436	(59,777)	116,659

Reconciliation of biological assets that form part of an agricultural activity - Controlling entity - 2013

	Opening balance	Other changes, movements	Total
Biological assets - Consumable	116,659	190,821	307,480

Reconciliation of biological assets that form part of an agricultural activity - Controlling entity - 2012

	Opening balance	Gains or losses arising from changes in fair value	Total
Biological assets - Consumable	176,436	(59,777)	116,659

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Figures in Rand	Economic entity		Controlling entity	
	2013	2012	2013	2012

3. Biological assets that form part of an agricultural activity (continued)

Non - Financial information

Quantities of each biological asset

Biological assets - Consumable	116,659	116,659	116,659	116,659
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[Municipality appointed Horticulture Consultant to count and Value all the biological assets. The assets were counted as at the 30 June 2013 and the price attached to them are on fair value based. The register of these assets is available at the LED office of the municipality for inspection.]

4. Investment property

Economic entity	2013			2012		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	3,400,000	-	3,400,000	3,400,000	-	3,400,000

Controlling entity	2013			2012		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	3,400,000	-	3,400,000	3,400,000	-	3,400,000

Reconciliation of investment property - Economic entity - 2013

Investment property	Opening balance	Total
	3,400,000	3,400,000

Reconciliation of investment property - Economic entity - 2012

Investment property	Opening balance	Additions	Total
	3,200,000	200,000	3,400,000

Reconciliation of investment property - Controlling entity - 2013

Investment property	Opening balance	Total
	3,400,000	3,400,000

Reconciliation of investment property - Controlling entity - 2012

Investment property	Opening balance	Additions	Total
	3,200,000	200,000	3,400,000

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Figures in Rand	Economic entity		Controlling entity	
	2013	2012	2013	2012

4. Investment property (continued)

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

Reviewal of useful life for investment property was done as at 30 June 2013. PWC Combined Systems was appointed to do all the work.

5. Property, plant and equipment

Economic entity	2013			2012		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	28,392,258	(13,550,518)	14,841,740	28,392,258	(13,008,072)	15,384,186
Buildings	37,533,528	(10,945,990)	26,587,538	37,259,734	(7,911,132)	29,348,602
Plant and machinery	11,735,544	(5,434,293)	6,301,251	11,788,785	(3,971,906)	7,816,879
Furniture and fixtures	4,901,542	(3,219,950)	1,681,592	4,929,635	(2,681,788)	2,247,847
Motor vehicles	14,696,112	(8,132,594)	6,563,518	14,696,112	(6,277,758)	8,418,354
Infrastructure	8,684,377	(1,464,453)	7,219,924	8,684,378	(983,774)	7,700,604
Security measures	9,405,792	(5,521,932)	3,883,860	9,405,792	(4,437,023)	4,968,769
IT Equipment	394,755	(94,069)	300,686	394,755	(20,653)	374,102
Emergency equipment	4,066,416	(2,507,946)	1,558,470	4,199,157	(1,901,708)	2,297,449
Other property, plant and equipment	100,340	(29,376)	70,964	100,340	(16,751)	83,589
Electricity	587,784	(79,589)	508,195	587,784	(52,793)	534,991
Office equipment	11,815,209	(7,039,259)	4,775,950	11,494,028	(5,435,670)	6,058,358
Other leased assets	5,066,303	(1,017,377)	4,048,926	131,547	(72,771)	58,776
Roads	3,980,918	(2,985,688)	995,230	3,980,918	(2,786,642)	1,194,276
Community facilities	9,757,656	(1,561,225)	8,196,431	9,757,656	(1,170,918)	8,586,738
Total	151,118,534	(63,584,259)	87,534,275	145,802,879	(50,729,359)	95,073,520

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Figures in Rand	Economic entity		Controlling entity	
	2013	2012	2013	2012

5. Property, plant and equipment (continued)

Controlling entity	2013			2012		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	1,425,001	-	1,425,001	1,425,001	-	1,425,001
Buildings	37,533,528	(10,945,990)	26,587,538	37,259,734	(7,911,132)	29,348,602
Plant and machinery	5,871,319	(3,088,005)	2,783,314	5,924,560	(2,340,464)	3,584,096
Furniture and fixtures	4,615,296	(3,108,560)	1,506,736	4,643,389	(2,617,651)	2,025,738
Motor vehicles	14,696,112	(8,132,594)	6,563,518	14,696,112	(6,277,758)	8,418,354
Infrastructure	8,684,377	(1,464,453)	7,219,924	8,684,378	(983,774)	7,700,604
Security measures	5,109,619	(2,944,665)	2,164,954	5,109,619	(2,031,865)	3,077,754
Emergency Equipment	4,066,416	(2,507,946)	1,558,470	4,199,157	(1,901,708)	2,297,449
Other property, plant and equipment	100,340	(29,376)	70,964	100,340	(16,751)	83,589
Electricity	152,259	(22,823)	129,436	152,259	(15,210)	137,049
Office equipment	11,793,174	(7,028,117)	4,765,057	11,471,993	(5,426,707)	6,045,286
Other leased Assets	4,978,139	(958,601)	4,019,538	-	-	-
Community facilities	9,757,656	(1,561,225)	8,196,431	9,757,656	(1,170,918)	8,586,738
Total	108,783,236	(41,792,355)	66,990,881	103,424,198	(30,693,938)	72,730,260

Reconciliation of property, plant and equipment - Economic entity - 2013

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Land	15,384,186	-	-	(542,446)	-	14,841,740
Buildings	29,348,602	273,794	-	(3,034,858)	-	26,587,538
Plant and machinery	7,816,879	-	(23,351)	(1,464,873)	(27,404)	6,301,251
Furniture and fixtures	2,247,847	-	(10,369)	(536,154)	(19,732)	1,681,592
Motor vehicles	8,418,354	-	-	(1,650,158)	(204,678)	6,563,518
Infrastructure	7,700,604	-	-	(480,680)	-	7,219,924
Security measures	4,968,769	-	-	(1,084,909)	-	3,883,860
IT Equipment	374,102	-	-	(73,416)	-	300,686
Emergency equipment	2,297,449	-	(46,111)	(675,216)	(17,652)	1,558,470
Other property, plant and equipment	83,589	-	-	(12,625)	-	70,964
Electricity	534,991	-	-	(26,796)	-	508,195
Office equipment	6,058,358	746,280	(114,970)	(1,863,269)	(50,449)	4,775,950
Other leased Assets	58,776	4,978,139	-	(987,989)	-	4,048,926
Minor plant	1,194,276	-	-	(199,046)	-	995,230
Community facilities	8,586,738	-	-	(390,307)	-	8,196,431
	95,073,520	5,998,213	(194,801)	(13,022,742)	(319,915)	87,534,275

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Figures in Rand	Economic entity		Controlling entity	
	2013	2012	2013	2012

5. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Economic entity - 2012

	Opening balance	Additions	Disposals	Transfers	Other changes, movements	Depreciation	Total
Land	21,891,851	918,076	-	639,376	(6,818,813)	(1,246,304)	15,384,18
Buildings	43,010,545	-	-	(10,784,618)	-	(2,877,325)	29,348,60
Plant and machinery	6,408,485	1,406,119	(81,836)	81,235	1,133,582	(1,130,706)	7,816,87
Furniture and fixtures	2,333,842	362,348	(4,296)	-	26,456	(470,503)	2,247,84
Motor vehicles	11,518,636	-	(611,137)	(747,119)	-	(1,742,026)	8,418,35
Infrastructure	20,078,475	-	-	(11,897,401)	-	(480,470)	7,700,60
Security measures	4,181,093	1,275,931	-	(38,559)	561,504	(1,011,200)	4,968,76
IT equipment	30,501	331,312	-	-	19,579	(7,290)	374,10
Emergency equipment	2,757,396	316,243	(95,037)	-	-	(681,153)	2,297,44
Other property, plant and equipment	84,785	-	-	-	-	(1,196)	83,58
Electricity	566,584	-	-	-	(4,797)	(26,796)	534,99
Office equipment	6,818,560	940,196	(64,235)	-	2,645	(1,638,808)	6,058,35
Other leased Assets	3,056,692	2,563,351	(87,906)	(4,518,427)	4,898	(959,832)	58,77
Roads	603,820	-	-	2,062,370	(1,272,868)	(199,046)	1,194,27
Community facilities	9,605,091	-	-	(628,047)	-	(390,306)	8,586,73
	132,946,356	8,113,576	(944,447)	(25,831,190)	(6,347,814)	(12,862,961)	95,073,52

Reconciliation of property, plant and equipment - Controlling entity - 2013

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Land	1,425,001	-	-	-	-	1,425,001
Buildings	29,348,602	273,794	-	(3,034,858)	-	26,587,538
Plant and machinery	3,584,096	-	(23,351)	(750,027)	(27,404)	2,783,314
Furniture and fixtures	2,025,738	-	(10,369)	(488,901)	(19,732)	1,506,736
Motor vehicles	8,418,354	-	-	(1,650,158)	(204,678)	6,563,518
Infrastructure	7,700,604	-	-	(480,680)	-	7,219,924
Security measures	3,077,754	-	-	(912,800)	-	2,164,954
Emergency equipment	2,297,449	-	(46,111)	(675,216)	(17,652)	1,558,470
Other property, plant and equipment	83,589	-	-	(12,625)	-	70,964
Electricity	137,049	-	-	(7,613)	-	129,436
Office equipment	6,045,286	746,280	(114,970)	(1,861,090)	(50,449)	4,765,057
Other leased Assets	-	4,978,139	-	(958,601)	-	4,019,538
Other property, plant and equipment	8,586,738	-	-	(390,307)	-	8,196,431
	72,730,260	5,998,213	(194,801)	(11,222,876)	(319,915)	66,990,881

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	2013	2012	2013	2012

5. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Controlling entity - 2012

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	10,227,001	-	-	(8,802,000)	-	1,425,001
Buildings	43,010,545	-	-	(10,784,618)	(2,877,325)	29,348,602
Plant and machinery	4,530,450	77,905	(81,836)	(258,874)	(683,549)	3,584,096
Furniture and fixtures	2,282,450	202,698	(4,296)	-	(455,114)	2,025,738
Motor vehicles	11,518,636	-	(611,137)	(747,119)	(1,742,026)	8,418,354
Infrastructure	20,078,475	-	-	(11,897,401)	(480,470)	7,700,604
Security Measures	2,679,473	1,275,931	-	(38,559)	(839,091)	3,077,754
Emergency Equipment	2,757,396	316,243	(95,037)	-	(681,153)	2,297,449
Other property, plant and equipment	84,785	-	-	-	(1,196)	83,589
Electricity	144,662	-	-	-	(7,613)	137,049
Office Equipment	6,805,954	940,196	(64,235)	-	(1,636,629)	6,045,286
Other leased Assets	2,973,426	2,563,351	(87,906)	(4,518,427)	(930,444)	-
Community facilities	9,605,091	-	-	(628,047)	(390,306)	8,586,738
	116,698,344	5,376,324	(944,447)	(37,675,045)	(10,724,916)	72,730,260

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the entity. Reviewal of assets life was done on the 30 June 2013

6. Intangible assets

Economic entity	2013			2012		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	2,012,438	(169,501)	1,842,937	(46)	111,815	111,769
Controlling entity	2013			2012		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	1,900,623	(147,092)	1,753,531	-	-	-

Reconciliation of intangible assets - Economic entity - 2013

	Opening balance	Additions	Amortisation	Total
Computer software, other	111,769	1,900,623	(169,455)	1,842,937

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6. Intangible assets (continued)

Reconciliation of intangible assets - Economic entity - 2012

	Opening balance	Additions	Amortisation	Total
Computer software, other	-	111,815	(46)	111,769

Reconciliation of intangible assets - Controlling entity - 2013

	Opening balance	Additions	Amortisation	Total
Computer software, other	-	1,900,623	(147,092)	1,753,531

Reconciliation of intangible assets - Controlling entity - 2012

7. Investments in controlled entities

Name of company	Held by	% holding 2013	% holding 2012	Carrying amount 2013	Carrying amount 2012
WRDA(SOC)		100.00 %	100.00 %	14,578,528	14,578,528

8. Other financial assets

Designated at fair value

Other financial asset 1 Invested with Standard Bank Account Number 028564359 and is not provided as security.	295,143	2,261,189	-	-
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Current assets

Designated at fair value	295,143	2,261,189	-	-
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Financial assets at fair value

9. Deferred tax

Deferred tax (liability) asset

Other deferred tax	(322,156)	399,845	-	-
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Reconciliation of deferred tax asset (liability)

At beginning of the year	399,845	177,826	-	-
Originating temporary difference on tangible fixed assets	(722,001)	216,976	-	-
Provision for leave pay	-	5,043	-	-
	(322,156)	399,845	-	-

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	2013	2012	2013	2012

10. Employee benefit obligations

Defined benefit plan

An actuarial valuation has been performed of the liability in respect of post-employment employment benefits to employees and retirees of West Rand District Municipality and to their registered dependants as at 30 June 2013. An independent valuator which is ARCH ACTUARIAL CONSULTING was appointed by the municipality to do all the calculation. The Company is practicing according to the conditions and requirements of Actuarial Society of South Africa.

The valuation considers all employees, retired employees and their dependants who participate in the medical aid arrangements and are entitled to a post-employment medical aid subsidy. The post-employment medical aid subsidy liability is not a funded arrangement, i.e. no separate assets have been set aside to meet this liability. The accounting standards require that an employer's liability be based on the cost of the benefits provided by the employer.

The Medical Schemes Act 1998 enforces community rating which means that the contributions payable by retirees are the same as those paid by younger members. The employer's cost can therefore be taken as the expected contributions only, as opposed to the expected cost of actual medical aid benefits. The difference, namely the cross-subsidy liability, is a contingent liability and need not be reflected in the Financial Statements A SAICA newsletter confirms this. However, in some circumstances, such as for a closed medical scheme, the cross-subsidy liability may need to be included

Post retirement medical aid plan arrangements

The municipality offers employees and continuation members the opportunity of belonging to one of several medical aid schemes most of which offer a range of options pertaining to the levels of cover. Upon retirement a retired employee may continue membership of the medical scheme. Upon a member's death-in-service or death -on-retirement the surviving dependants may continue membership of the medical scheme .

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	35,136,567	4,000,000	35,136,567	4,000,000
Adjustments	-	27,627,543	-	27,627,543
Net expense recognised in the statement of financial performance	4,824,200	3,509,024	4,824,200	3,509,024
	39,960,767	35,136,567	39,960,767	35,136,567

Net expense recognised in the statement of financial performance

Current service cost	1,856,114	1,637,686	1,856,114	1,637,686
Benefit cost	(1,057,667)	(1,139,952)	(1,057,667)	(1,139,952)
Interest cost	2,914,028	2,731,896	2,914,028	2,731,896
Actuarial (gains) losses	1,111,725	279,394	1,111,725	279,394
	4,824,200	3,509,024	4,824,200	3,509,024

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	9.27 %	8.41 %	9.27 %	8.41 %
Health care cost inflation rate	7.91 %	6.76 %	7.91 %	6.76 %
Net effective discount rate	1.26 %	1.54 %	1.26 %	1.54 %

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	2013	2012	2013	2012

11. Long term receivables

Internal learnership (study assistance employees WRDM). All the monies are recovered when the employees fails

Current Portion	0	124,191	0	124,191
Non- Current Portion	840,824	727,244	840,824	727,244
Total	840,824	851,435	840,824	851,435

12. Inventories

Work in progress	144,644	22,000	-	-
Finished goods	13,752	40,287	-	-
Consumable stores	5,221	12,246	-	-
	486,114	550,830	486,114	550,830
	649,731	625,363	486,114	550,830

13. Receivables from exchange transactions

Employee costs in advance	298,801	15,357	298,801	15,357
Grants debtors(EPWP)	34,976	-	34,976	-
Deposits	77,475	73,671	77,475	73,671
Contributions from local municipalities	17,788,000	-	17,788,000	-
Ambulance	1,255,998	1,187,853	1,255,998	1,187,853
Sundry debtors	8,020,690	12,283,780	7,606,827	11,947,564
Impairment of debtors	(21,496,575)	(4,386,349)	(21,496,575)	(4,386,349)
Accrued Interest Receivable	303,479	-	303,479	-
	6,282,844	9,174,312	5,868,981	8,838,096

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

1. Included in in trade and receivables from exchange transactions is contributions from local municipality within region. the contributions were for assisting the district in doing public safety projects, transformation projects and the subsidy which will assist the operational of the WRDA. the break down is as follows.

Municipality	Public Safety	Transformation	WRDA
Mogale City	8,027,000	500,000	500,000
Randfontein	2,490,000	500,000	500,000
Westonaria	856,000	500,000	500,000
Merafong City	2,915,000		500,000
Total	14,288,000	1,500,000	2,000,000

2. An amount of R6,780,625 of VAT is owed by SARS to the municipality and has since been transferred in 2013/14 financial year end. the amount is included in sundry debtors.

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At June 30, 2013, R 628,279 (2012: R 9,922,606) were past due but not impaired.

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

1 month past due	287,292	881,270	287,292	881,270
2 months past due	156,455	482,452	156,455	482,452
3 months past due	184,526	8,558,884	184,526	8,558,884

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	2013	2012	2013	2012

13. Receivables from exchange transactions (continued)

Trade and other receivables impaired

As of June 30, 2013, trade and other receivables of R 27,779,419 (2012: R 14,100,661) were impaired and provided for.

The amount of the provision was R 21,496,575 as of June 30, 2013 (2012: R 4,386,349).

The ageing of these loans is as follows:

Over 6 months	21,496,575	4,386,349	21,496,575	4,386,349
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Reconciliation of provision for impairment of trade and other receivables

Opening balance	4,386,349	3,126,199	4,386,349	3,126,199
Provision for impairment	17,110,226	2,303,280	17,110,226	2,303,280
Unused amounts reversed	-	(1,043,130)	-	(1,043,130)
	21,496,575	4,386,349	21,496,575	4,386,349

14. VAT receivable

VAT	4,468,865	5,803,576	4,468,865	5,803,576
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Value added tax is claimable from SARS on receipt basis.

15. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	21,111	20,341	20,914	20,300
Bank balances	42,378,203	21,105,530	40,867,713	20,874,094
Short-term deposits	40,000,000	78,388,185	40,000,000	78,388,185
Other cash and cash equivalents	253,380	-	253,380	-
	82,652,694	99,514,056	81,142,007	99,282,579

The entity had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2013	June 30, 2012	June 30, 2011
Standard bank corporate account (021307350)	40,867,713	21,243,672	4,014,368	40,867,713	20,874,122	4,014,368
Standard bank corporate current account(021480656)	1,585,423	231,436	773,343	1,510,490	231,436	773,343
Call account short term investment	40,000,000	78,388,185	116,752,863	40,000,000	78,388,185	116,752,863
Petty cash	20,914	20,300	20,300	20,914	20,300	20,300
Heritage Bank Account	253,380	-	-	253,380	-	-
Total	82,727,430	99,883,593	121,560,874	82,652,497	99,514,043	121,560,874

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	2013	2012	2013	2012
16. Share capital / contributed capital				
Issued				
Ordinary	100	100	-	-
Share premium	(100)	(100)	-	-
	-	-	-	-
17. Revaluation reserve				
In terms of the articles of association, ...(describe if reserves are distributable).				
Opening balance	1,618,307	-	-	-
Revaluation of Katlego Facility	-	1,841,358	-	-
Offset of depreciation on revalued assets	(223,051)	(223,051)	-	-
	1,395,256	1,618,307	-	-
18. Government grant reserve				
Department of economic development. refer to note 19				
Opening balance	4,532,815	2,298,122	-	-
Capital grant used to purchase PPE	-	2,849,067	-	-
Offsetting of depreciation on revalued assets	(699,387)	(614,374)	-	-
	3,833,428	4,532,815	-	-
19. Finance lease obligation				
Minimum lease payments due				
- within one year	1,910,261	29,388	1,885,771	-
- in second to fifth year inclusive	3,771,542	24,490	3,771,542	-
	5,681,803	53,878	5,657,313	-
less: future finance charges	(679,174)	-	(679,174)	-
Present value of minimum lease payments	5,002,629	53,878	4,978,139	-
Non-current liabilities	3,457,161	24,490	3,457,161	-
Current liabilities	1,545,468	29,388	1,520,978	-
	5,002,629	53,878	4,978,139	-

It is economic entity policy to lease certain [property]motor vehicles and equipment under finance leases.

The average lease term was 2-3 years and the average effective borrowing rate was 9% (2012: 9%).

Interest rates are fixed at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

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	2013	2012	2013	2012

20. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

Biodigester and Shared Services	35,059	702,845	35,059	702,845
HIV/AIDS Grant	15,904	86,000	15,904	86,000
Bekkersdal urban renewal grant	-	375,032	-	375,032
MIG	-	1,365,407	-	1,365,407
LED grants-water and sanitation(Merafong City Telemetry)	-	314,661	-	314,661
Wireless connections libraries grants	70,477	245,220	70,477	245,220
MSIG	19,573	-	19,573	-
Department of economic development	755,916	755,916	-	-
	896,929	3,845,081	141,013	3,089,165

Movement during the year

Balance at the beginning of the year	3,845,081	3,845,081	3,089,165	1,895,423
Additions during the year	(183,267,280)	178,093,065	177,370,976	176,437,740
Income recognition during the year	180,319,128	(178,093,065)	(180,319,128)	(175,243,998)
	896,929	3,845,081	141,013	3,089,165

The nature and extent of government grants recognised in the annual consolidated financial statements and an indication of other forms of government assistance from which the economic entity has directly benefited.

21. Other financial liabilities

At amortised cost

Bank loan	5,030,270	8,196,901	5,030,270	8,196,901
DBSA loans bear interests of 10% per annum and is repayable over a period of 20 Years. The loans were utilised to finance capital projects in the local municipalities. The remaining period of these loans is 2 Years.				

Non-current liabilities

At amortised cost	1,759,460	5,241,812	1,759,460	5,241,812
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Current liabilities

At amortised cost	3,270,810	2,955,089	3,270,810	2,955,089
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Figures in Rand	Economic entity		Controlling entity	
	2013	2012	2013	2012

22. Provisions

Reconciliation of provisions - Economic entity - 2013

	Opening Balance	Additions	Reversed during the year	Total
Long services awards provisions	8,987,775	2,242,445	-	11,230,220
Performance Bonus	2,032,045	635,420	(1,711,245)	956,220
Project provision	958,105	-	(958,105)	-
Department of labour assesment provision	-	1,137,147	-	1,137,147
	11,977,925	4,015,012	(2,669,350)	13,323,587

Reconciliation of provisions - Economic entity - 2012

	Opening Balance	Additions	Utilised during the year	Total
Long services awards provisions	7,606,858	1,380,917	-	8,987,775
Performance Bonus	1,711,245	320,800	-	2,032,045
Project provision	10,981,644	-	(10,023,539)	958,105
	20,299,747	1,701,717	(10,023,539)	11,977,925

Reconciliation of provisions - Controlling entity - 2013

	Opening Balance	Additions	Reversed during the year	Total
Long services awards provision	8,987,775	2,242,445	-	11,230,220
Perfomamnce Bonus	2,032,045	635,420	(1,711,245)	956,220
Project Provision	958,105	-	(958,105)	-
Department of labour assesment provision	-	1,137,147	-	1,137,147
	11,977,925	4,015,012	(2,669,350)	13,323,587

Reconciliation of provisions - Controlling entity - 2012

	Opening Balance	Additions	Reversed during the year	Total
Long services awards provisions	7,606,858	1,380,917	-	8,987,775
Performance bonus	1,711,245	320,800	-	2,032,045
Project provision	10,981,644	-	(10,023,539)	958,105
	20,299,747	1,701,717	(10,023,539)	11,977,925
Non-current liabilities	10,313,837	8,611,323	10,313,837	8,611,323
Current liabilities	3,009,750	3,366,602	3,009,750	3,366,602
	13,323,587	11,977,925	13,323,587	11,977,925

Long services awards provision

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Figures in Rand	Economic entity		Controlling entity	
	2013	2012	2013	2012

22. Provisions (continued)

Summary of eligible employees Summary of employees who are eligible for LSA as at June 2013

	Female	Male	Total
Number of employees	190	213	403
Average annual salary	176,146	203,932	190,832
Salary weighted average	48.9	42.0	40.7
Salary weighted average past services	10.2	12.3	11.4

Long services leave arrangements

The municipality offers employees LSA for every five years of services completed, from ten years of services, inclusive.

Long service awards for levels of past services

Completed in service(in YRS)	Long service bonus(% annual package)	Description
10	4.0%	10/250* annual package
15	8.0%	20/250* annual package
20	12%	30/250* annual package
25	18.3%	(30/250+75%X1/12) x Annual salary
30,35,40,45	12.0%	(30/250+100%X1/12) x Annual salary

In the month that each "Completed Service" milestone is reached, the employee is granted a LSA. Working days awarded are valued at 1/250th of annual salary per day. On reaching their 25 and 30 year service milestones, employees are respectively awarded 75% and 100% of their monthly salary.

Key financial assumptions

The municipality offers various types of long service awards to its employees and the key actuarial financial assumptions are as follows.

Assumption	Value p.a
Discount rate	7.50%
General salary inflation	6.81%
Net effective discount rate	0.65%

The salaries used in the valuation include an increase on 1 July 2013 of 6.84% as per the SALGBC Circular No.: 4/2013. The next salary increase was assumed to take place in July 2014.

Key demographic Assumptions

Assumption	Value		
Average retirement age	65 for males;60 for females		
Mortality during employment	SA85-90		
Withdrawal from service (sample annual rates)			
	Age		
	Rate		
	Female		
	Male		
	20	24%	16%
	30	15%	10%
	40	6%	6%
	50	2%	2%
	55	0%	0%

Average Retirement Age: The Municipality has a normal retirement age of 65. It has been assumed that in-service members will retire at age 63, which implicitly makes an allowance for expected rates of early and ill-health retirement. HIV/AIDS: No additional allowance has been made regarding expected additional mortality and morbidity due to HIV/AIDS. The mortality table used makes some allowance for this. Increased mortality rates before retirement would lead to a reduction in the employers LSA liability.

Performance bonus

Provision for Section 57 employees of the municipality. The payments of the bonuses are based on performance and therefore the performance amounts and payments date are uncertain.

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	2013	2012	2013	2012

22. Provisions (continued)

Project provision

Provision is to finance identified projects in the local municipalities and the WRDM. It is not certain when the monies will be spent by the local municipalities hence the amounts to be transferred and the timing are not certain.

Department of labour assessment provision

Assesment from department of labour . The payments of the assesment is based on estimated budget salaries, amounts and payments of the provision is uncertain.

23. Current tax payable (receivable)

Current

Local income Tax	33,353	0	0	0
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24. Payables from exchange transactions

Trade payables	2,444,609	11,448,508	2,093,634	9,555,684
Payments received in advanced - contract in process	33,137	30,692	33,137	30,692
Deposits received	3,158	-	3,158	-
Salaries third payment	42,516	40,872	42,516	40,872
Leave pay accrual	12,873,510	10,344,116	12,780,700	10,251,306
Stock in transit	12,525	-	12,525	-
Outstanding cheques and EFT	7,872,526	-	7,872,526	-
Heritage Creditors Account	253,380	-	253,380	-
	23,535,361	21,864,188	23,091,576	19,878,554

It is anticipated that the amounts owing to trade and other payables will be settled within the next 12 months.

25. Revenue

Service charges	2,972,111	3,399,354	2,972,111	3,399,354
Rental of facilities and equipment	1,709,896	1,565,358	1,709,896	1,565,358
Interest received (trading)	125,400	275,236	99,023	78,389
Income from agency services	24,837,750	31,934,250	24,837,750	31,934,250
Licences and permits	182,589	155,426	182,589	155,426
Other income - (rollup)	23,912,398	3,804,293	23,636,756	3,561,301
Interest received - investment	5,538,972	6,557,933	5,538,972	6,557,933
Government grants & subsidies	180,319,128	178,093,066	180,319,128	175,243,999
	239,598,244	225,784,916	239,296,225	222,496,010

The amount included in revenue arising from exchanges of goods or services are as follows:

Service charges	2,972,111	3,399,354	2,972,111	3,399,354
Rental of facilities and equipment	1,709,896	1,565,358	1,709,896	1,565,358
Interest received (trading)	125,400	275,236	99,023	78,389
Income from agency services	24,837,750	31,934,250	24,837,750	31,934,250
Licences and permits	182,589	155,426	182,589	155,426
Other income - (rollup)	23,912,398	3,804,293	23,636,756	3,561,301
Interest received - investment	5,538,972	6,557,933	5,538,972	6,557,933
	59,279,116	47,691,850	58,977,097	47,252,011

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	2013	2012	2013	2012

25. Revenue (continued)

The amount included in revenue arising from non-exchange transactions is as follows:

Taxation revenue

Transfer revenue

Government grants & subsidies	180,319,128	178,093,066	180,319,128	175,243,999
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26. Service charges

Other service charges	2,972,111	3,399,354	2,972,111	3,399,354
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	2013	2012	2013	2012
27. Government grants and subsidies				
Equitable share	25,024,000	24,469,138	25,024,000	24,469,138
EPWP	1,034,976	-	1,034,976	-
Bekkersdal Urban Renewal	375,032	-	375,032	-
FMG	1,250,000	1,250,000	1,250,000	1,250,000
RSC Replacement Grants	141,879,000	131,769,863	141,879,000	131,769,863
MIG	1,365,407	5,002,593	1,365,407	5,002,593
DMA (Merafong City Telemetry)	314,661	6,048,939	314,661	6,048,939
HIV/AIDS	5,853,096	5,035,531	5,853,096	5,035,531
MSIG	1,480,427	800,000	1,480,427	800,000
Network Libraries	674,743	570,780	674,743	570,780
Biodegester and Shared Services Grants	1,067,786	297,155	1,067,786	297,155
Department of economic development	-	2,849,067	-	-
	180,319,128	178,093,066	180,319,128	175,243,999

Conditional and Unconditional

Included in above are the following grants and subsidies received:

Conditional grants received	13,416,128	21,854,065	13,416,128	19,004,998
Unconditional grants received	166,903,000	156,239,001	166,903,000	156,239,001
	180,319,128	178,093,066	180,319,128	175,243,999

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

Biodegester and shared services

Balance unspent at beginning of year	702,845	1,000,000	702,845	1,000,000
Current-year receipts	400,000	-	400,000	-
Conditions met - transferred to revenue	(1,067,786)	(297,155)	(1,067,786)	(297,155)
	35,059	702,845	35,059	702,845

Conditions still to be met - remain liabilities (see note 20).

An amount of R500,000 and R 202,845 was utilised for biodegester project and shared services for internal audit within the region respectively. An additional amount of R 400,000 was received for Internal Audit during 2012/13 financial year end.

HIV/AIDS Grant

Balance unspent at beginning of year	86,000	1,034,531	86,000	1,034,531
Current-year receipts	5,783,000	4,087,000	5,783,000	4,087,000
Conditions met - transferred to revenue	(5,853,096)	(5,035,531)	(5,853,096)	(5,035,531)
	15,904	86,000	15,904	86,000

Conditions still to be met - remain liabilities (see note 20).

Grants is utilised to finance HIV/AIDS projects campaigns at the WRDM and Local Municipalities.

Bekkersdal Urban Renewal

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	2013	2012	2013	2012

27. Government grants and subsidies (continued)

Balance unspent at beginning of year	375,032	375,032	375,032	375,032
Conditions met - transferred to revenue	(375,032)	-	(375,032)	-
	-	375,032	-	375,032

Conditions still to be met - remain liabilities (see note 20).

The grant was to finance the urban renewal programme on behalf of the provincial government.

MIG

Balance unspent at beginning of year	1,365,407	6,368,000	1,365,407	6,368,000
Conditions met - transferred to revenue	(1,365,407)	(5,002,593)	(1,365,407)	(5,002,593)
	-	1,365,407	-	1,365,407

Conditions still to be met - remain liabilities (see note 20).

The Infrastructure grant is utilised to finance approved project at the local Local Municipalities within the district.

DMA

Balance unspent at beginning of year	314,661	9,778,001	314,661	9,778,001
Conditions met - transferred to revenue	(314,661)	(6,048,939)	(314,661)	(6,048,939)
Other	-	(3,414,401)	-	(3,414,401)
	-	314,661	-	314,661

Conditions still to be met - remain liabilities (see note 20).

Provincial government grant to finance infrastructure in Merafong Local Municipality for telemetry and Water projects .

Wireless connections library grants

Balance unspent at beginning of year	245,220	-	245,220	-
Current-year receipts	500,000	816,000	500,000	816,000
Conditions met - transferred to revenue	(674,743)	(570,780)	(674,743)	(570,780)
	70,477	245,220	70,477	245,220

Conditions still to be met - remain liabilities (see note 20).

The grant is used for internet linkages between different libraries .

MSIG

Current-year receipts	1,500,000	-	1,500,000	-
Conditions met - transferred to revenue	(1,480,427)	-	(1,480,427)	-
	19,573	-	19,573	-

Conditions still to be met - remain liabilities (see note 20).

The grant is utilised for ICT programmes in the municipality.

EPWP

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	2013	2012	2013	2012
27. Government grants and subsidies (continued)				
Current-year receipts	1,000,000	-	1,000,000	-
Conditions met - transferred to revenue	(1,034,976)	-	(1,034,976)	-
Other	34,976	-	34,976	-
	-	-	-	-

Conditions still to be met - remain liabilities (see note 20).

The Grant is used for Labour Intensive programmes as outlined by National Government.

Department of economic development

Balance unspent at beginning of year	755,916	3,604,983	-	-
Conditions met - transferred to revenue	-	(2,849,067)	-	-
	755,916	755,916	-	-

Conditions still to be met - remain liabilities (see note 20).

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

This grant is for a plastic recycling project whose aims are to contribute to a cleaner environment and job creation. The monies will be utilised for purchasing of plant and equipment, provision of allowances for identified cooperative members, skills development for cooperative members and establishment of buyback centres. These amounts are invested in a ring fenced investment until utilised.

28. Other income

Recreation facilities	242,948	192,170	-	-
Sundry income	2,455,417	2,603,135	2,455,417	2,603,135
Contributions from Local Municipalities	18,788,000	-	18,788,000	-
Projects income	958,105	-	958,105	-
Sale of refuse bags and plants	217,425	362,317	216,810	342,817
Insurance claims	22,761	62,002	22,761	62,002
Refund WCA	199,395	115,111	199,395	115,111
LG Seta Grant	785,616	426,016	785,616	426,016
Private Telephone Costs	19,831	12,220	19,831	12,220
Rentals	222,900	31,322	190,821	-
	23,912,398	3,804,293	23,636,756	3,561,301

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Figures in Rand	Economic entity		Controlling entity	
	2013	2012	2013	2012
29. General expenses				
External Audit Fees	1,565,242	1,743,611	1,565,242	1,743,611
Advertising signs and notices	404,974	728,134	381,194	684,274
Auditors remuneration	224,376	236,319	-	-
Bank charges	143,363	187,684	127,183	177,242
EPWP Expenditures	1,034,976	-	1,034,976	-
LSA PEMA Interest costs	3,549,680	-	3,549,680	-
Consulting and professional fees	8,363,461	7,179,530	8,073,707	6,905,383
Consumables	428,362	577,991	417,888	570,123
Entertainment	237,652	266,526	223,511	254,853
Pensioners Medical Aid Contribution	1,057,667	840,085	1,057,667	840,085
Insurance	678,659	1,349,501	678,659	1,349,501
Lease rentals on operating lease	6,261,378	2,461,316	6,237,180	2,445,188
Levies	3,222,890	2,836,357	3,222,890	2,836,357
Magazines, books and periodicals	35,643	91,921	35,643	91,921
Operating costs general	5,051,332	2,370,262	5,051,332	2,370,262
Membership fees	1,755,681	1,123,568	1,755,681	1,123,568
Pest control	57,128	-	57,128	-
Fuel and oil	2,422,131	2,119,881	2,422,131	2,119,881
Postage and courier	40,092	110,980	40,092	110,980
Printing and stationery	525,741	602,998	480,249	585,069
Actuarial gains and losses	2,348,489	-	2,348,489	-
Protective clothing	-	21,993	-	-
Security (Guarding of municipal property)	1,559,767	1,419,478	843,939	691,864
Software expenses	-	7,200	-	-
Staff welfare	244,698	433,749	244,698	433,749
Telephone and fax	4,616,927	2,970,452	4,516,704	2,866,212
Training	2,456,402	2,460,576	2,433,847	2,447,048
Electricity	79,881	89,399	-	-
Sewerage and waste disposal	5,913	5,792	-	-
Water	17,632	133,992	-	-
Refuse	104	1,031	-	-
Assessment rates	18,943	13,510	-	-
Uniforms	657,406	1,711,810	657,406	1,711,810
Petty cash written off	(449)	1,127	-	-
CCTV Surveillance	7,714,200	6,446,365	7,714,200	6,446,365
Tourism Development	-	574,457	-	574,457
Stock and material	773,736	1,063,136	773,736	1,063,136
Special programmes and projects	14,464,731	20,304,424	14,464,731	20,304,424
Sundry expenses	7,838,091	2,507,177	7,760,144	2,448,927
	79,856,899	64,992,332	78,169,927	63,196,290

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Figures in Rand	Economic entity		Controlling entity	
	2013	2012	2013	2012
30. Employee related costs				
Basic	84,388,176	75,602,873	82,936,536	74,294,191
Bonus	6,406,200	5,579,922	6,406,200	5,579,922
Medical aid - company contributions	8,552,204	7,728,710	8,552,204	7,728,710
UIF	651,165	562,096	651,165	562,096
WCA	1,137,147	4,941	1,137,147	4,941
Leave pay provision charge	6,958,266	5,544,274	6,948,505	5,498,963
Pension fund	15,679,825	13,865,117	15,679,825	13,865,117
Group Insurance	1,321,301	1,192,746	1,321,301	1,192,746
Travel, motor car, accommodation, subsistence and other allowances	6,005,061	5,910,165	6,005,061	5,884,814
Normal Overtime payments	5,857,869	5,705,192	5,852,869	5,703,896
Acting allowances	244,324	593,544	244,324	593,544
Housing benefits and allowances	1,270,788	1,287,890	1,270,788	1,287,890
Standby and Nightshift Allowance	3,238,553	2,860,940	3,238,553	2,860,940
Sunday and Public Holidays Overtime	11,054,785	10,042,970	11,054,785	10,042,970
	152,765,664	136,481,380	151,299,263	135,100,740
Remuneration of Municipal Manager				
Annual Remuneration	1,168,896	1,083,420	1,168,896	1,083,420
Car Allowance	132,000	132,000	132,000	132,000
	1,300,896	1,215,420	1,300,896	1,215,420
Remuneration of Chief Finance Officer				
Annual Remuneration	1,130,508	1,056,228	1,130,508	1,056,228
Remuneration of Executive Manager Health, and Social Services				
Annual Remuneration	1,130,508	1,056,228	1,130,508	1,056,228
Remuneration of non executive directors				
Chaiperson	66,500	9,549	-	-
Board Members	339,500	28,434	-	-
	406,000	37,983	-	-
Remuneration of Executive Manager Public Safety and Emergency Services				
Annual Remuneration	961,176	886,896	961,176	886,896
Car Allowance	169,332	169,332	169,332	169,332
	1,130,508	1,056,228	1,130,508	1,056,228
31. Remuneration of councillors				
Executive Major	670,287	673,095	670,287	673,095
Mayoral Committee Members	4,214,992	4,083,951	4,214,992	4,083,951
Speaker	536,229	527,114	536,229	527,114
Councillors	2,567,493	2,264,490	2,567,493	2,264,490
	7,989,001	7,548,650	7,989,001	7,548,650

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	2013	2012	2013	2012

31. Remuneration of councillors (continued)

In-kind benefits

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

The Executive Mayor is entitled to stay at the mayoral residence owned by Council at no cost. The Executive Mayor has use of a Council owned vehicle for official duties.

The Mayor has a bodyguard and a driver whereas the Speaker has a driver. The personnel costs are paid for by council.

32. Debt impairment

Contributions to debt impairment provision	17,110,226	2,900,418	17,110,226	2,900,418
Debts impaired	-	(597,138)	-	(597,138)
	17,110,226	2,303,280	17,110,226	2,303,280

33. Investment revenue

Interest revenue

Bank	5,538,972	6,557,933	5,538,972	6,557,933
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The amount included in Investment revenue arising from non-exchange transactions amounted to R 5,538,972.

34. Depreciation and amortisation

Property, plant and equipment	13,192,196	12,863,009	11,369,967	10,724,919
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35. Impairment of assets

Impairments

Property, plant and equipment	319,915	-	319,915	-
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All the items were regarded as Scrap in the assets register of the municipality. the carrying value of the assets were greater than the recoverable amount.

The main classes of assets affected by impairment losses are:

Emergency equipment	17,652	-	17,652	-
Furniture and Fixtures	19,732	-	19,732	-
Motor Vehicles	204,678	-	204,678	-
Office Equipment	50,449	-	50,449	-
Plant and Equipment	27,404	-	27,404	-
TOTAL	319,915	-	319,915	-

The main classes of assets affected by reversals of impairment losses are:

The main events and circumstances that led to the recognition of these impairment losses are as follows:

The main events and circumstances that led to the reversals of these impairment losses are as follows:

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	2013	2012	2013	2012
36. Finance costs				
Other interest paid	729,083	939,711	729,083	939,711
37. Taxation				
Reconciliation of the tax expense				
Reconciliation between applicable tax rate and average effective tax rate.				
Applicable tax rate	28.00 %	28.00 %	- %	- %
Impact of temporary timing differences	(55.00)%	47.00 %	- %	- %
Impact of permanent timing differences	125.00 %	(176.00)%	- %	- %
	98.00 %	(101.00)%	- %	- %
38. Rental of facilities and equipment				
Facilities and equipment				
Rental of Shops	1,482,936	1,335,313	1,482,936	1,335,313
Living units	194,315	196,815	194,315	196,815
Parking space	32,645	33,230	32,645	33,230
	1,709,896	1,565,358	1,709,896	1,565,358
39. Grants and subsidies paid				
Other subsidies				
Westonaria Projects	-	2,000,000	-	2,000,000
Mogale City Projects	-	5,002,593	-	5,002,593
Merafong City Projects	-	6,048,939	-	6,048,939
WRDA	-	-	4,394,200	2,538,600
Randfontein projects	-	731,539	-	731,539
	-	13,783,071	4,394,200	16,321,671

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	2013	2012	2013	2012
40. Cash used in operations				
Deficit	(35,892,487)	(16,104,283)	(34,366,036)	(16,545,976)
Adjustments for:				
Depreciation and amortisation	13,192,196	12,863,009	11,369,967	10,724,919
Gain on sale of assets and liabilities	-	899,265	-	899,265
Impairment deficit	319,915	-	319,915	-
Debt impairment	17,110,226	2,303,280	17,110,226	2,303,280
Movements in retirement benefit assets and liabilities	4,824,200	31,136,567	4,824,200	31,136,567
Movements in provisions	1,345,662	(714,964)	1,345,662	(714,964)
Movement in tax receivable and payable	33,353	-	-	-
Annual charge for deferred tax	722,001	(222,198)	-	-
Other non-cash items	-	(33,201,195)	-	(33,201,195)
Other non Cash items (Disposal of Assets and other)	(385,776)	-	(385,776)	-
Changes in working capital:				
Inventories	(24,368)	71,498	64,716	96,708
Receivables from exchange transactions	2,891,468	7,754,252	2,969,115	7,954,941
Consumer debtors	(17,110,226)	(1,479,784)	(17,110,226)	(1,479,784)
Current portion of long term receivables	10,611	(35,603)	10,611	(35,603)
Payables from exchange transactions	1,671,173	6,756,065	3,213,022	5,129,303
VAT	1,334,711	(5,583,736)	1,334,711	(5,583,736)
Unspent conditional grants and receipts	(2,948,152)	(18,755,325)	(2,948,152)	(15,906,258)
Consumer deposits	-	5,690,801	-	5,690,801
	(12,905,493)	(8,622,351)	(12,248,045)	(9,531,732)

41. Commitments

Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	234,346	1,607,794	234,346	1,607,794
- in second to fifth year inclusive	566,034	2,152,938	566,034	2,152,938
	800,380	3,760,732	800,380	3,760,732

Operating lease payments represent rentals payable by the economic entity for vehicles and photocopier machines. Leases are fixed for an average of three years. No contingent rent is payable.

Operating leases - as lessor (income)

Minimum lease payments due

- within one year	893,022	633,722	893,022	633,722
- in second to fifth year inclusive	1,259,612	625,890	1,259,612	625,890
	2,152,634	1,259,612	2,152,634	1,259,612

Certain of the economic entity's equipment is held to generate rental income. Rental of land and buildings expected to generate rental yields of 10% on an ongoing basis. Lease agreements are non-cancellable and have terms from 3 to 10 years. There are no contingent rents receivable.

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	2013	2012	2013	2012

42. Contingencies

Below are the litigation which has been instuted against the Municipality:

	R 700,000	R 700,000	R 700,000	R 700,000
Goscon-WRDM(Fire Brigade Krugersdorp)				
Summons by Mutual and Federal insurer of GOSCON owner property. Claim fire damage against fire brigade (veld fire- House caught fire) the plaintiff lost all the documents and personal belongings. the case is ongoing.				
HR Potgieter-WRDM	R 115 758	R 115,758	R 115 758	R 115,758
The plaintiff colided with the EMS vehicle of the municipality. Matter taken from Botha Sutherland Attorneys who acted on intructions of Department of Health- no further action be plaintiff matter diaized				
Cradle of Human Conservation group WRDM	R 0	R 279,615	R 0	R279,615
The plaintiff institued claim against the municipality				
Mogale City- WRDM	R0	R 290,302	R0	R 290,302
Water sampled analysed.				

43. Related parties

Relationships

Director
Accounting Officer
Members of key management

Directors of WRDA
M.D. Mokoena
M.J. Ratlhogo
K.Ndlovu
M.E. Koloi

Related party balances

Mogale City				
Projects			-	5,002,593
Randfontein				
Projects			-	731,539
Merafong City				
Projects			-	6,048,939
Westonaria				
Projects			-	2,000,000

The WRDM has a relationship with Randfontein, Merafong City, Westonaria local Municipality and WRDA which has resulted in the transfers by the WRDM during 2011/2012 financial year end

To the best of the WRDM knowledge and taking into account all disclosures made, no councillor or official has any direct or indirect personal or private business in any matter before the council, or acquired or stand to acquire any direct benefit from contract concluded with the municipality. All assets contributed for establishment of WRDA were at fair value. Mr B. Blake was elected as a councillor in the WRDM from 15 August 2011. No business will be done with blakes travel agency (Pty) ltd.

Compensation to director and other key management

Short-term employee benefits	774,601	320,800	774,601	320,800
Post-employment benefits - Pension - Defined contribution plan	69,253	593,544	69,253	593,544
	843,854	914,344	843,854	914,344

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	2013	2012	2013	2012

44. Prior period errors

1. Finance Leases (Non-Current and Current portion)

Operating leases assets which was previously recorded as finance leases

2. Current Provisions

Post retirement medical benefit plan that was wrongly classified under current provisions New Current Portion of long services awards that was never presented in AFS

3. Post Retirement medical benefit obligation (Current)

Benefit plan that was never that was never presented in AFS

4. Post retirement medical benefit obligation(non current)

Correction of calculation for post retirement medical benefit plan

5. Non Current Provisions

Correction of long services awards that was never presented in the AFS

6. Accumulated Surplus

Correction of errors identified for assets and post employment benefits. Change in useful life of assets of the municipality whereby the Accumulated depreciation expenses had to be written back.

7. Property Plant and Equipment

Fair value correction on council own own vehicles. Change in useful life of assets of the municipality whereby the Accumulated depreciation expenses had to be written back. The useful lives and residual values of Property Plant and Equipment were reassessed during the current year. Assets that were fully depreciated but still being utilised had their useful lives reassessed. This resulted in an adjustment of the prior period accumulated depreciation and depreciation figures.

8. Investment Property

Reviewal of usefull life on investment property

9. Depreciation Expenses

Change on the depreciation expenses as a result of change in useful life of assets

10. Deffered tax

In the prior year, a deferred tax asset was not raised as it was assumed that this asset would not be reversed in the short term. However, in the current year, the subsidy from the WRDM was significantly increased resulting in a taxable income. This together with the increased depreciation resulting from the reassessment of useful lives of assets (referred to above) has created a deferred tax liability in the current period. As a result, the deferred tax asset has been raised in the prior year.

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

Statement of financial position

Finance Leases Current	-	(1,607,794)	-	1,607,794
Finance Leases Non current	-	(2,152,937)	-	(2,152,937)
Current Provisions	-	(3,623,548)	-	(3,623,548)
Retirement benefit obligation(Current)	-	1,057,667	-	1,057,667
Retirement benefit obligation(Non current)	-	34,078,900	-	34,078,900
Non Current provisions	-	8,611,323	-	8,611,323
Opening Accumulated Surplus	-	(57,495,301)	-	(50,323,927)
Property plant and equipment	-	20,529,616	-	27,955,185
Government grants reserve	-	(3,749)	-	-
Revaluation reserve	-	(149,399)	-	-
Deferred tax	-	(399,845)	-	-

Statement of Financial Performance

Depreciation expense	-	922,243	-	(327,146)
Deffered tax	-	399,845	-	-
Surplus for the year	-	(195,252)	-	-

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45. Comparative figures

Certain comparative figures have been reclassified.

Statement of financial position

Investment assets	-	(78,388,185)	-	(78,388,185)
Cash and Cash Equivalents	-	78,388,185	-	78,388,185
Provisions Non-current	-	(4,000,000)	-	(4,000,000)
Retirement benefit obligation	-	4,000,000	-	4,000,000
Other Reserves	-	(510,547)	-	(510,547)
Government grants reserve	-	(23,034,900)	-	(23,034,900)
Opening Accumulated Surplus	-	23,545,447	-	23,545,447

1. Investment and Cash & Cash Equivalents

For an investment to qualify as a cash equivalent it must be readily convertible into cash, it must have a short maturity date, and be subject to an insignificant risk of changes in value. There is no guideline as to what is considered a short investment period, however the standard (**GRAP 2**) mentions a period of three months or less as an example. therefore the investments of the municipality qualifies to be classified as cash and cash equivalents as they are invested for 3 Months or less and can be withdrawn anytime.

2. Provisions Non Current and Retirement Benefit Obligation

According to **GRAP 25** Post employment medical should be classified as Retirement Benefit Obligation on the statement of financial position not as provisions.

3. Accumulated Surplus and Reserves

Paragraph 144 of Directive 4 states that all balances in reserves that are not represented by cash should be transferred to accumulated surplus deficit. Correction of assets

46. Risk management

Liquidity risk

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

Economic entity

At June 30, 2013	Less than 1 year	Between 1 and 5 years	Between 2 and 5 years	Over 5 years
Long term liabilities	1,759,460	5,241,812	-	-
Trade and other payables	23,535,361	21,864,188	-	-

Controlling entity

At June 30, 2013	Less than 1 year	Between 1 and 5 years	Between 2 and 5 years	Over 5 years
Long term liabilities	1,759,460	5,241,812	-	-
Trade and other payables	23,091,576	19,878,554	-	-

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46. Risk management (continued)

Credit risk

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

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

Financial instrument	Economic entity - 2013	Economic entity - 2012	Controlling entity - 2013	Controlling entity - 2012
Absa Bank	20,000,000	22,122,020	20,000,000	22,122,020
Standard Bank	2,261,189	22,417,459	-	22,122,316
First National Bank	20,000,000	34,143,849	20,000,000	34,143,849

47. Going concern

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

48. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure	-	2,486	-	1,802
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Assessment process late which led to interest of R398 and penalties of R1,404. The interest payment of R684 on the invoices came as a result of postal workers strike which affected delivery of mail. .

49. Irregular expenditure

Opening balance	3,958,107	3,610,261	851,592	503,746
Add: Irregular Expenditure - current year	-	347,846	-	347,846
	3,958,107	3,958,107	851,592	851,592

Analysis of expenditure awaiting condonation per age classification

Current year	-	347,846	-	347,846
Prior years	3,958,107	3,610,261	851,592	503,746
	3,958,107	3,958,107	851,592	851,592

50. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Opening balance	1,729,424	1,035,103	1,729,424	1,035,103
Current year subscription / fee	(1,729,424)	(1,035,103)	(1,729,424)	(1,035,103)
	-	-	-	-

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

Material losses through criminal conduct

Opening balance	4,000,000	-	4,000,000	-
Amount paid - previous years	-	4,000,000	-	4,000,000
	4,000,000	4,000,000	4,000,000	4,000,000

The Accounting Officer opened a criminal case with the SAPS in terms of MFMA section 52. the alleged incumbent resigned and has pleaded guilty and the judgement will be passed by court in September 2013. Furthermore civimatter will be pursued to recover the WRDM losses. The internal personnel will undergo disciplinary procedures.

Audit fees

Opening balance	36,182	68,571	36,182	68,571
Current year subscription / fee	1,753,436	2,224,035	1,529,060	1,987,716
Amount paid - current year	(1,789,618)	(2,256,424)	(1,565,242)	(2,020,105)
	-	36,182	-	36,182

PAYE and UIF

Opening balance	30,034,956	22,105,077	30,034,956	22,105,077
Current year subscription / fee	(30,034,956)	(22,105,077)	(30,034,956)	(22,105,077)
	-	-	-	-

Pension and Medical Aid Deductions

Opening balance	24,232,029	32,295,037	24,232,029	32,295,037
Current year subscription / fee	(24,232,029)	(32,295,037)	(24,232,029)	(32,295,037)
	-	-	-	-

VAT

VAT receivable	4,468,865	5,803,576	4,468,865	5,803,576
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VAT output payables and VAT input receivables are shown in note .

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

51. Utilisation of Long-term liabilities reconciliation

Long-term liabilities raised	5,030,270	8,196,901	5,030,270	8,196,901
Used to finance property, plant and equipment	(6,751,163)	(8,196,901)	(6,751,163)	(8,196,901)
	(1,720,893)	-	(1,720,893)	-

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

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52. Deviation from supply chain management regulations

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

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

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52. Deviation from supply chain management regulations (continued)

The 2011/2012 deviation amount was R 4, 238, 608 whereas the 2012/2013 amount is R 1 492 462, which represents a reduction of 184%

ITEM NO D1/12-13
 DESCRIPTION Microsoft active directory and exchange
 AWARDED TO First Technology Group AMOUNT R 144,000
 SECTION/REASON Sole Provider

ITEM NO D2/12-13
 DESCRIPTION D340 4 W Ergo line digital instrument
 AWARDED TO Gijima Ast
 AMOUNT R 25,764
 SECTION/REASON Sole Provider

ITEM NO D3/12-13
 DESCRIPTION Electrical Fault at the main entrance
 AWARDED TO Balete Trading
 AMOUNT R 2,109
 SECTION/REASON Urgent

ITEM NO D4/12-13
 DESCRIPTION Towing of vehicle (Fire Truck Reg: HRR 988 GP) from Merafong to Randfontein
 AWARDED TO Rieks Towing
 AMOUNT R 3,648
 SECTION/REASON Urgent

ITEM NO D5/12-13
 DESCRIPTION Repairs for vehicle (Fire Truck Reg: WYK 167 GP) Turbo
 AWARDED TO Mercedes Benz Centurion
 AMOUNT R 57,024.13
 SECTION/REASON Sole Provider

ITEM NO D6/12-13
 DESCRIPTION Repairs of vehicle (Fire Truck Reg: WYK 152 GP) Clutch
 AWARDED TO Mercedes Benz Centurion
 AMOUNT R 34,826.59
 SECTION/REASON Sole Provider

ITEM NO D7/12-13
 DESCRIPTION Repairs of vehicle (Fire Truck Reg: KBS 422 GP) Brake System
 AWARDED TO Marce Fire Fighting Technologies
 AMOUNT R 24,295.78
 SECTION/REASON Urgent

ITEM NO D8/12-13
 DESCRIPTION Towing of vehicle (Fire Truck Reg: WYK 165 GP) from Westonaria to Centurion
 AWARDED TO Rieks Towing AMOUNT R 5,016.00
 SECTION/REASON Urgent

ITEM NO D9/12-13
 DESCRIPTION Towing of vehicle (Fire Truck Reg: WYK 152 GP) from Krugersdorp to Centurion
 AWARDED TO Rieks Towing AMOUNT R 5,016.00
 SECTION/REASON Urgent

ITEM NO D10/12-13
 DESCRIPTION Payment of the 2011/12 annual license fee for the computer programme used by the Human Resources Unit.

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52. Deviation from supply chain management regulations (continued)				
AWARDED TO	Vizual Solutions			
AMOUNT	R 23,350			
SECTION/REASON	Impractical to follow SCM process			
ITEM NO	D11/12-13			
DESCRIPTION	Payment of court costs in terms of High Court order regarding land invasion case at portion 26 of the farm Kromdraai 520JQ against the WRDM AWARDED TO Mabuza Attorneys			
AMOUNT R	211,212.14			
SECTION/REASON	Impractical to follow SCM process			
ITEM NO	D12/12-13			
DESCRIPTION	Service of Holmatro equipment and replacement of old coolings AWARDED TO Holmatro Fire Raiders			
AMOUNT	R 9,188.97			
SECTION/REASON	Sole Provider			
ITEM NO	D13/12-13			
DESCRIPTION	Repairs of vehicle Mercedes Bank Atego- Reg: WYK 152 GP			
AWARDED TO	Mercedes Benz Centurion AMOUNT R 5,486.45			
SECTION/REASON	Impractical to follow SCM process			
ITEM NO	D14/12-13			
DESCRIPTION	Payment of court costs in terms of High Court order regarding land invasion case at portion 26 of the farm Kromdraai 520JQ against the WRDM			
AWARDED TO	Mabuza Attorneys			
AMOUNT	R 26,662.35			
SECTION/REASON	Impractical to follow SCM process			
ITEM NO	D15/12-13			
DESCRIPTION	Electrical repairs			
AWARDED TO	MP Royal Trading Enterprise			
AMOUNT	R 2, 265.10			
SECTION/REASON	Emergency			
ITEM NO	D16/12-13			
DESCRIPTION	Repairs of vehicle Mercedes Bank Atego- Reg: WYK 145 GP			
AWARDED TO	West Rand Diesel & Auto Electrical			
AMOUNT	R 6,708.00			
SECTION/REASON	Emergency			
ITEM NO	D17/12-13			
DESCRIPTION	Supply and delivery of complete Gas Fire Suppression system including automatic discharges and alarm devices for the WRDM			
AWARDED TO	Stanley Security Solutions			
AMOUNT	R 71,318.02			
SECTION/REASON	Impractical to follow SCM process			
ITEM NO	D18/12-13			
DESCRIPTION	Services of the TNT Hydraulic Rescue Set			
AWARDED TO	Marce Fire Fighting			
AMOUNT	R 5,971.31			
SECTION/REASON	Sole Provider			
ITEM NO	D20/12-13			
DESCRIPTION	Services of the TNT Hydraulic Rescue Motor			
AWARDED TO	Marce Fire Fighting			
AMOUNT	R 25,991.44			
SECTION/REASON	Sole Provider			

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52. Deviation from supply chain management regulations (continued)

ITEM NO	D21/12-13
DESCRIPTION	Supply and Delivery of 60 fluorescent lights
AWARDED TO	Electrical Centre West Rand
AMOUNT	R 30,396.96
SECTION/REASON	Impractical to follow SCM process
ITEM NO	NO D22/12-13
DESCRIPTION	Supply and delivery of 220 T Shirts for the OR Tambo Games
AWARDED TO	Eclipse Stationers
AMOUNT	R 38,495.52
SECTION/REASON	Impractical to follow SCM process
ITEM NO	D23/12-13
DESCRIPTION	Supply and delivery of sporting gear for the OR Tambo games AWARDED TO Maimane construction and projects
AMOUNT	R 62, 249.70
SECTION/REASON	Impractical to follow SCM process
ITEM NO	D24/12-13
DESCRIPTION	Supply and delivery of Cricket Hats for the OR Tambo games AWARDED TO Face of Earth Trading and Projects
AMOUNT	R 31,820.72
SECTION/REASON	Impractical to follow SCM process
ITEM NO	D25/12-13
DESCRIPTION	Supply and delivery of track suits for the OR Tambo games
AWARDED TO	N1 H Communications
AMOUNT	R 127,200
SECTION/REASON	Impractical to follow SCM process
ITEM NO	D26/12-13
DESCRIPTION	Additional modules for CPMD AWARDED TO WITS Business School
AMOUNT	R 27,500
SECTION/REASON	Impractical to follow SCM process
ITEM NO	D27/12-13
DESCRIPTION	Repairs of Mercedes Benz Atego. Reg WYK 152 GP
AWARDED TO	West Rand Diesel AMOUNT R 13,805.40
SECTION/REASON	Emergency
ITEM NO	D28/12-13
DESCRIPTION	Repairs of Mercedes Benz Atego. Reg WYK 158 GP
AWARDED TO	Marce Fire Fighting Technology
AMOUNT	R 11,570.21
SECTION/REASON	Emergency
ITEM NO	D29/12-13
DESCRIPTION	Repairs of Mercedes Benz Atego. Reg WYK 152 GP (Leaking water tank)
AWARDED TO	Marce Fire Fighting Technology
AMOUNT	R 22,290.80
SECTION/REASON	Emergency
ITEM NO	D30/12-13
DESCRIPTION	Repairs of Mercedes Benz Atego. Reg WYK 145 GP
AWARDED TO	Marce Fire Fighting Technology
AMOUNT	R 14,535.00
SECTION/REASON	Emergency

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52. Deviation from supply chain management regulations (continued)

ITEM NO	D31/12-13
DESCRIPTION	Repairs of Fire Truck. Reg HRR 990 GP
AWARDED TO	West Rand Diesel
AMOUNT	R 53,876.19
SECTION/REASON	Emergency
ITEM NO	D32/12-13
DESCRIPTION	Repairs of burnt electrical cables at public safety department
AWARDED TO	Golden Electricity Plumbing
AMOUNT	R 3,500.00
SECTION/REASON	Emergency
ITEM NO	D33/12-13
DESCRIPTION	Repairs of Mercedes Benz (gear box). Reg WYK 152 GP
AWARDED TO	Mercedes Benz S.A
AMOUNT	R 25,478.73
SECTION/REASON	Emergency
ITEM NO	D34/12-13
DESCRIPTION	Compiling additional information for the MBD submission and review the strategic plan of the 2016 Vision
AWARDED TO	Modiro-Pascal Moloji Consulting
AMOUNT	R 232,320.00
SECTION/REASON	Impractical to follow SCM process
ITEM NO	D35/12-13
DESCRIPTION	Repairs of Izusu KB250- Reg no: BV 23 DR GP(Brakes)
AWARDED TO	Venter Motors
AMOUNT	R 232,320.00
SECTION/REASON	Emergency
ITEM NO	D36/12-13
DESCRIPTION	Repairs of vehicle Toyota Dyna- Reg no: TVN 012 GP
AWARDED TO	Auto 2000
AMOUNT	R 4,101.00
SECTION/REASON	Impractical to follow SCM process
ITEM NO	D37/12-13
DESCRIPTION	Repairs of vehicle - Reg no: MKD 112 GP
AWARDED TO	West Rand Diesel
AMOUNT	R 18,371.10
SECTION/REASON	Emergency (no fire engines available in Mogale City)
ITEM NO	D38/12-13
DESCRIPTION	Repairs of vehicle Mercedes Benz Atego- Reg no: WYK 145 GP
AWARDED TO	Marce Fire Fighting Technology
AMOUNT	R 33,803.96
SECTION/REASON	Vehicle manufactured by Marce
ITEM NO	D39/12-13
DESCRIPTION	Repairs of vehicle Mercedes Benz Atego- Reg no: WYK 152 GP
AWARDED TO	Mercedes Benz S.A
AMOUNT	R 25,478.73
SECTION/REASON	Vehicle must be repaired as soon as possible to ensure effective service delivery
ITEM NO	D40/12-13
DESCRIPTION	Repairs to TNT Haudrolic rescue services
AWARDED TO	Marce Fire Fighting Technology

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52. Deviation from supply chain management regulations (continued)

AMOUNT R 5,961.56
SECTION/REASON Vehicle to be repaired as soon as possible to ensure effective service delivery

ITEM NO D41/12-13
DESCRIPTION Labour relations workshop for the Municipal Manager
AWARDED TO Envision International
AMOUNT R 15,958.86
SECTION/REASON Sole provider

ITEM NO D42/12-13
DESCRIPTION Repairs of TNT rescue equipment
AWARDED TO Marce Fire Fighting Technology
AMOUNT R 7,710.90
SECTION/REASON Vehicle to be repaired as soon as possible to ensure effective service delivery

ITEM NO D43/12-13
DESCRIPTION National human resources management conference
AWARDED TO SALGA
AMOUNT R 6,000
SECTION/REASON Sole provider

ITEM NO D44/12-13
DESCRIPTION Training for creditors controllers and salaries officers(GRAP)
AWARDED TO IMFO
AMOUNT R 3,648.00
SECTION/REASON Sole provider

ITEM NO D45/12-13
DESCRIPTION Conference Venue for the transformation breakaway session
AWARDED TO Cecile ScheepersT/A Usambara
AMOUNT R 83,790
SECTION/REASON Time constraints

ITEM NO D46/12-13
DESCRIPTION Audit Risk Indaba
AWARDED TO IMFO
AMOUNT R 7,620.00
SECTION/REASON Sole provider