



Thaba Chweu Local Municipality
Annual Financial Statements
for the year ended 30 June 2013
Auditor General of South Africa

Thaba Chweu Local Municipality

(Registration number MP321)

Trading as Thaba Chweu Local Municipality

Annual Financial Statements for the year ended 30 June 2013

General Information

Mayoral committee

Executive Mayor

BM Ncongwane

Councillors

MT Mashego

AK Mathaila

JB Nkosi

SA Manzini

M Mahlangu

PM Mokgosinyana

J Lekhuleni

SE Molobela

IT Mokoena

Q Lawrence

NM Masimola

HS Boshoff

JM Kock

F Essack

VS Magagula

RP Malatsi

MC Masilela

PP Chima

S Mashigo

NS Sambo

M Phoku

MM Mohlala

PM Mashego

AB Rabie

JA Maolele

JH Ligthelm

Grading of local authority

Low capacity

Accounting Officer

SD Maebela

Acting Chief Finance Officer (CFO)

BO Kgoete

Registered office

Lydenburg

Mpumalanga

South Africa

1120

Business address

Corner Viljoen & Sentraal Street

Lydenburg

Mpumalanga

1120

Postal address

P.O Box 61

Lydenburg

1120

Bankers

Standard Bank

Auditors

Auditor General of South Africa

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Abbreviations

COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

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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 financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

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

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

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

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual 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 municipality's cash flow forecast for the year to 30 June 2014 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The municipality is wholly dependent on the Council and the National Treasury for continued funding of operations. The annual financial statements are prepared on the basis that the municipality is a going concern and that the Council has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

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

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements have been examined by the municipality's external auditors and their report is presented on page 5.

The annual financial statements set out on pages 5 to 44, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2013 and were signed on its behalf by:

Surprise Maebela
Acting Municipal Manager

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Statement of Financial Position as at 30 June 2013

Figures in Rand		Note(s)	2013	2012
Assets				
Current Assets				
Inventories	<u>30.20</u>	6	12,562,101	4,582,202
Receivables from non-exchange transactions	<u>33.20</u>	7	18,596,432	13,531,179
VAT receivable	<u>31.20</u>	8	10,021,379	1,839,606
Other current financial assets	<u>27.20</u>	5	18,675,294	12,197,150
Consumer debtors	<u>31.20</u>	9	24,388,961	27,560,135
Cash and cash equivalents	<u>32.20</u>	10	2,362,829	960,377
			86,606,996	60,670,649
Non-Current Assets				
Investment property	<u>21.20</u>	1	-	149,388,200
Property, plant and equipment	<u>20.20</u>	2	997,690,061	961,520,268
Intangible assets	<u>23.22</u>	3	496,843	-
Investments	<u>25.26-28</u>	4	1,057,067	9,361,270
			999,243,971	1,120,269,738
Total Assets			1,085,850,967	1,180,940,387
Liabilities				
Current Liabilities				
Other financial liabilities	<u>41.27-28</u>	14	-	507,495
Payables from exchange transactions	<u>51.20</u>	16	260,664,484	146,916,227
Consumer deposits	<u>51.20</u>	17	3,889,659	3,789,370
Unspent conditional grants and receipts	<u>43.20</u>	13	6,667,808	1,401,473
Provisions	<u>52.20</u>	15	(24,639,549)	13,296,926
Creditors unallocated deposits	<u>43.27</u>		236,426	9,854,158
Accruals staff bonus	<u>43.28</u>		1,206,202	1,206,202
Bank overdraft	<u>32.20</u>	10	-	2,872,039
			248,025,030	179,843,890
Non-Current Liabilities				
Other financial liabilities	<u>41.27-28</u>	14	8,599,791	9,252,402
Total Liabilities			256,624,821	189,096,292
Net Assets			829,226,146	991,844,095
Reserves				
Revaluation reserve	<u>40.22</u>	11	1,001,893,687	1,001,893,687
Accumulated deficit	<u>40.24</u>	12	(172,667,541)	(10,049,592)
Total Net Assets			829,226,146	991,844,095

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Statement of Financial Performance

Figures in Rand	Note(s)	2013	2012
Revenue			
Revenue from exchange transactions			
Service charges	20	138,971,674	114,598,313
Rental of facilities and equipment	21	489,546	567,039
Income from agency services		9,124,899	7,413,663
Fees earned		188	-
Accrued staff bonus		-	1,840,008
Other income	23	2,580,574	10,621,554
Interest received - investment		3,273,467	6,237,501
Total revenue from exchange transactions		154,440,348	141,278,078
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	19	30,293,463	34,816,501
Transfer revenue			
Government grants & subsidies		116,991,048	95,160,913
Fines		1,097,168	901,276
Total revenue from non-exchange transactions		148,381,679	130,878,690
Total revenue	18	302,822,027	272,156,768
Expenditure			
Personnel	25	(97,476,021)	(85,972,876)
Remuneration of councillors	26	(7,176,050)	(7,261,688)
Depreciation and amortisation	29	(44,187,173)	(53,606,034)
Finance costs	30	(12,129,175)	(1,563,607)
Expanded Public Works Program expenditure		-	(5,715,648)
Repairs and maintenance		(20,653,941)	(27,403,653)
Bulk purchases	34	(109,214,732)	(93,307,066)
Contracted services	32	(56,549,008)	(30,765,628)
Grants and subsidies paid	33	(14,759,334)	(32,588,099)
Corrections to movable assets		-	(940,641)
General Expenses	24	(54,088,870)	(36,190,046)
Total expenditure		(416,234,304)	(375,314,986)
Operating deficit		(113,412,277)	(103,158,218)
Fair value adjustments	28	-	149,388,200
Loss on non-current assets held for sale or disposal groups		(9,216,000)	-
		(9,216,000)	149,388,200
(Deficit) surplus for the year		(122,628,277)	46,229,982

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Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Accumulated deficit	Total net assets
Balance at 01 July 2011	1,604,120,976	(56,279,574)	1,547,841,402
Changes in net assets			
Surplus for the year	-	46,229,982	46,229,982
Total changes	-	46,229,982	46,229,982
Undefined Difference	(602,227,289)	-	(602,227,289)
Balance at 01 July 2012	1,001,893,687	(50,039,264)	951,854,423
Changes in net assets			
Surplus for the year	-	(122,628,277)	(122,628,277)
Total changes	-	(122,628,277)	(122,628,277)
Balance at 30 June 2013	1,001,893,687	(172,667,541)	829,226,146
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Cash Flow Statement

Figures in Rand	Note(s)	2013	2012
Cash flows from operating activities			
Receipts			
Interest income		3,273,467	6,237,501
Payments			
Finance costs		(12,129,175)	(1,563,607)
Undefined difference compared to the cash generated from operations note		(3,724,898)	(11,288,241)
Net cash flows from operating activities		(12,580,606)	(6,614,347)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(15,760,669)	(7,870,783)
Proceeds from sale of property, plant and equipment	2	9,458,000	-
Purchase of other intangible assets	3	(292,130)	-
Proceeds from sale of financial assets		8,304,203	526,515
Net cash flows from investing activities		1,709,404	(7,344,268)
Cash flows from financing activities			
Repayment of other financial liabilities		(1,160,106)	(507,494)
Movement in other liability 1		(9,617,732)	9,854,158
Movement in other liability 2		-	1,206,202
Net cash flows from financing activities		(10,777,838)	10,552,866
Net increase/(decrease) in cash and cash equivalents		(21,649,040)	(3,405,749)
Cash and cash equivalents at the beginning of the year		(1,911,662)	6,855,924
Cash and cash equivalents at the end of the year	10	(23,560,702)	3,450,175

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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
Figures in Rand						

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Accounting Policies

1 BASIS OF ACCOUNTING

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

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

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

Where a Standard of GRAP is approved as effective, it replaces the equivalent Statement of IPSAS, IFRS or SA GAAP. Where a standard of GRAP has been issued, but not yet in effect, an entity may select to apply the principles established in that standard in developing an appropriate accounting policy dealing with a particular section or event before applying paragraph .12 of the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

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

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1.1.1 Operating lease commitments – Municipality as lessor

Municipality has entered into commercial property leases on its property portfolio. The Municipality has determined that it retains all the significant risks and rewards of ownership of these properties, and so accounts for them as operating leases.

1.1.2 Pension and other post-employment benefits

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

1.1.3. Impairment of trade receivables

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

1.1.4. Property, plant and equipment

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

1.1.5 Provisions and contingent liabilities

Management judgement is required when recognising and measuring provisions, and when measuring contingent liabilities respectively. Provisions are discounted where the effect of discounting is material using actuarial valuations.

1.1.6 Held-to-maturity financial assets

Management has reviewed the held-to-maturity financial assets in the light of its capital management and liquidity requirements, and has confirmed the positive intention and ability to hold those assets to maturity.

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

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

1.2 PRESENTATION CURRENCY

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

1.3 GOING CONCERN ASSUMPTION

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

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Accounting Policies

1.4 COMPARATIVE INFORMATION

Budget information in accordance with GRAP 1, has been provided in an annexure to these financial statements and forms part of the audited annual financial statements.

1.5 STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

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

GRAP 8 Interest in Joint Ventures - issued August 2006

GRAP 18 Segment Reporting - issued March 2005

GRAP 23 Revenue from Non-Exchange Transactions (Taxes and Transfers) - issued February 2008

GRAP 24 Presentation of Budget Information in Financial Statements - issued November 2007

GRAP 103 Heritage Assets - issued July 2008

The following standards, amendments to standards and interpretations have been issued but are not yet effective and have not been early adopted by the municipality:

IAS 19 Employee Benefits - effective 1 January 2009

IFRIC 17 Distribution of Non-cash Assets to Owners - effective 1 July 2009

2 PROPERTY, PLANT AND EQUIPMENT

2.1 INITIAL RECOGNITION

Property, plant and equipment are stated at fair value. Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

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

The Municipality maintains and acquires assets to provide a social service to the community, with no intention of disposing of the assets for any economic gain, and thus no residual values are determined other than for motor vehicles.

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

Assets under construction are carried at cost. Depreciation of an asset commences when the asset is ready for its intended use. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or, where appropriate, the term of the relevant lease and recognised in the Statement of Financial Performance.

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

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

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

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

2.2 SUBSEQUENT MEASUREMENT - REVALUATION MODEL (BUILDINGS AND INFRASTRUCTURE)

The DRC value was reviewed for the year ended 30 June 2011 (and applied retrospectively where practicable), and any changes therein have been implemented in accordance with the requirements of GRAP 17, GRAP 3 and ASB Directive 4.

or

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in March 2009. The municipality did not recognise all the Property, plant and equipment in accordance with GRAP 17 for the financial years up to 30 June 2010. The municipality has identified and measured all Property, plant and equipment in terms of GRAP 17 for the financial year ended 30 June 2011. The balances of the Property, plant and equipment have been retrospectively restated accordingly.

Subsequent to initial recognition, land and buildings are carried at a revalued amount, being its fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

The Municipality has taken advantage of the transitional provisions permitted by the ASB as set out in Directive 4 in the 2010/2011 AFS with respect to GRAP 17.

Buildings and infrastructure was revaluated at DRC

An increase in the carrying amount of an asset as a result of a revaluation is credited directly to a revaluation surplus reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

A decrease in the carrying amount of an asset as a result of a revaluation is recognised in surplus or deficit, except to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

2.3 SUBSEQUENT MEASUREMENT - COST MODEL

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

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

2.4 DEPRECIATION AND IMPAIRMENT

2.4.1 Impairment of property, plant and equipment

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

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

2.4.2 Depreciation rates

Depreciation is calculated on cost, using the straight-line method, over the estimated useful lives of the assets. The residual value, depreciation method and useful life, if not insignificant, are reassessed annually. The depreciation rates are based on the following estimated useful lives:

Infrastructure		Other	
Roads and Paving	30	Buildings	30

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Accounting Policies

Electricity	45	Bins and containers	5
Water	50	Office equipment	5
Sewerage	50	Furniture and fittings	7-10
		Landfill sites	50
Community		Computer equipment	3
Buildings	30		
Recreational Facilities	20-30		
Security	5		
Halls	30		
Libraries	30		
Parks and gardens	20-30		

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

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

2.5 DERECOGNITION

Items of Property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

3

INTANGIBLE ASSETS

3.1 INITIAL RECOGNITION

An intangible asset is an identifiable non-monetary asset without physical substance. Examples include computer software, licences, and development costs. The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably.

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

- the municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the municipality has the resources to complete the project; and
- it is probable that the municipality will receive future economic benefits or service potential.

Intangible assets are initially recognised at cost.

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

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is 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.

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Accounting Policies

3.2 SUBSEQUENT MEASUREMENT - COST MODEL

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

3.3 AMORTISATION AND IMPAIRMENT

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

Computer software

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

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

3.4 DERECOGNITION

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

4 INVESTMENT PROPERTY

4.1 INITIAL RECOGNITION

4.1.2 INVESTMENT PROPERTIES

Investment properties are held to earn rental income, and for capital appreciation, and are stated at fair value less accumulated depreciation. Investment properties are written down for impairment where considered necessary.

Investment property excludes owner-occupied property that is used in the production or supply of goods or services, or for administrative purposes, or property held to provide a social service. Investment property other than vacant land is depreciated on the straight-line basis over the useful lives of the assets estimated at 20 to 50 years.

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

SUBSEQUENT MEASUREMENT - FAIR VALUE MODEL

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

5 BIOLOGICAL ASSETS

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The Municipality does not have any biological assets

6 NON-CURRENT ASSETS HELD FOR SALE

6.1 INITIAL RECOGNITION

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

6.2 SUBSEQUENT MEASUREMENT

Non-current assets and disposal groups are classified as held-for-sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition applies only when the sale is highly probable, and the asset (or disposal group) is available for immediate sale in its present condition. Assets classified as held-for-sale are measured at the lower of the asset's carrying amount or fair value less cost to sell.

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

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in surplus or deficit.

7

INVENTORIES

7.1 INITIAL RECOGNITION

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. In general, the basis of determining cost is the weighted average cost of commodities.

Water and purified effluent are valued at purified cost insofar as it is stored and controlled in reservoirs at year-end. A rate for raw water is approved by Council and used for valuation.

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs, if the costs occur frequently and are separately identifiable.

Cost of inventory comprises all costs of purchase, cost of conversion and other cost incurred in bringing the inventory to its present location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

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

When inventories are sold, distributed, written off or consumed, the carrying amount of those inventories is recognised as an expense in the period in which the related income is recognised, unless that cost qualifies for capitalisation to the cost of another asset. Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs

7.2 SUBSEQUENT MEASUREMENT

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Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down in this way. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

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

In general, the basis of allocating cost to inventory items is the first-in, first-out method OR the weighted average method.

8 FINANCIAL INSTRUMENTS

8.1 INITIAL RECOGNITION

Financial instruments are initially recognised at fair value.

8.2 SUBSEQUENT MEASUREMENT

Financial instruments are recognised when the Municipality becomes a party to the contractual provisions of the instrument, and are initially measured at fair value plus, in the case of a financial asset or liability not at fair value through the Statement of Financial Performance, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. The subsequent measurement of financial instruments is dealt with as follows:

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred, and the Municipality has transferred substantially all risks and rewards of ownership, or when the enterprise loses control of contractual rights that comprise the assets. Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled or expires.

Financial assets

The Municipality classifies its financial assets into the following categories:

- held-to-maturity.
- loans and receivables.
- available-for-sale; and
- fair value through profit and loss.

The classification depends on the purpose for which the financial asset is acquired, and is as follows:

· Held-to-maturity investments are financial assets with fixed or determinable payments and fixed maturity, where the Municipality has the positive intent and ability to hold the investment to maturity. They are subsequently measured at amortised cost, using the effective interest rate method. Any adjustment is recorded in the Statement of

· Financial Performance in the period in which it arises.

· Receivables are financial assets that are created by providing money, goods or services directly to a debtor. They are subsequently measured at amortised cost, using the effective interest rate method. Any adjustment is recorded in the Statement of Financial Performance in the period in which it arises.

· Available-for-sale financial assets are financial assets that are designated as available for sale, and are subsequently measured at fair value at Statement of Financial Position date, except for investments in equity instruments that do not have quoted market prices in an active market, and whose fair value cannot be reliably measured, which shall be measured at cost. Any adjustment is recorded in the Statement of Changes in Net Assets in the period in which it arises. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. The fair value of financial instruments classified as available-for-sale is their quoted bid price at the Statement of Financial Position date.

· Fair value through profit and loss financial assets include derivative financial instruments used by the

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Municipality to manage its exposure to fluctuations in interest rates attached to certain of its external borrowings interest swap agreements. Any fair value adjustment is recorded in the Statement of Financial Performance in the period in

which it arises. To the extent that a derivative instrument has a maturity period of longer than a year, the fair value of these instruments will be reflected as a non-current asset or liability, and is subsequently measured at fair value at Statement of Financial Position date. An assessment is performed at each Statement of Financial Position date to determine whether objective evidence exists that a financial asset is impaired. The carrying amounts of cash investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments. This reduction in carrying value is recognised in the Statement of Financial Performance.

8.2.1 INVESTMENTS

Investments, which include listed government bonds, unlisted municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks, are categorised as either held-to-maturity where the criteria for that categorisation are met, or as loans and receivables, and are measured at amortised cost. Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified. Impairments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows flowing from the instrument. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

8.2.2 TRADE AND OTHER RECEIVABLES

Trade and other receivables are categorised as financial assets: loans and receivables and are initially recognised at fair value and subsequently carried at amortised cost. The amortised cost of a financial asset 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 allowance account) for impairment or uncollectibility. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. Impairments are determined by discounting expected future cash flows to their present value. Amounts that are receivable within 12 months from the reporting date are classified as current.

An impairment of trade receivables is accounted for by reducing the carrying amount of trade receivables through the use of an allowance account, and the amount of the loss is recognised in the Statement of Financial Performance within operating expenses. When a trade receivable is uncollectible, it is written off. Subsequent recoveries of amounts previously written off are credited against operating expenses in the Statement of Financial Performance.

8.2.3 TRADE PAYABLES AND BORROWINGS

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

8.2.4 CASH AND CASH EQUIVALENTS

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

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

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9 INVESTMENTS IN ASSOCIATES

An associate is an entity in which the investor has significant influence and which is neither a controlled entity nor a joint venture of the investor. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control over those policies. The municipality exercises judgement in the context of all available information to determine if it has significant influence over an investee.

The equity method involves recognising the investment initially at cost, then adjusting for any change in the investor's share of net assets of the associate since it acquired it. A single line-item in the Statement of Financial Performance presents the investor's share of the associate's surplus or deficit for the year.

The municipality commences accounting for an investment in an associate from the date that significant influence exists and discontinues the application of the equity method when it no longer has significant influence over an associate. Investments that are retained in whole or in part are subsequently accounted for in accordance with the accounting policies on subsidiaries, joint ventures or financial instruments depending on the nature of the retained investment.

The municipality uses the most recent available financial statements of the associate in applying the equity method. Where the reporting periods of the associate and the municipality are different, separate financial statements for the same period are prepared by the associate unless it is impracticable to do so. When the reporting dates are different, the municipality makes adjustments for the effects of any significant events or transactions between the investor and the associate that occur between the different reporting dates. Adjustments are made to ensure consistency between the accounting policies of the associate and the municipality.

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Accounting Policies

(continued)

10 UNAUTHORISED EXPENDITURE

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

11 IRREGULAR EXPENDITURE

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

12 FRUITLESS AND WASTEFUL EXPENDITURE

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

13 PROVISIONS

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

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

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

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

13.1. ENVIRONMENTAL REHABILITATION PROVISIONS

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

The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the asset, they are capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are charged to the Statement of Financial Performance.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria

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of a provision have been met:

(a) The municipality has a detailed formal plan for the restructuring identifying at least:

- the business or part of a business concerned;
- the principal locations affected;
- the location, function, and approximate number of employees who will be compensated for terminating their services;
- the expenditures that will be undertaken; and
- when the plan will be implemented; and

(b) The municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

14 LEASES

14.1 MUNICIPALITY AS LESSEE

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

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are accrued on a straight-line basis over the term of the relevant lease.

14.2 MUNICIPALITY AS LESSOR

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

15 REVENUE

15.1 REVENUE FROM EXCHANGE TRANSACTIONS

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

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

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff

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to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse containers per property.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

Interest revenue is recognised on a time proportion basis.

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

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

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

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

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

15.2 REVENUE FROM NON-EXCHANGE TRANSACTIONS

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

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable..

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received, together with an estimate of spot fines and summonses that will be received based on past experience of amounts collected.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the municipality. Where public contributions have been received but the municipality has not met the related conditions, a deferred income (liability) is recognised.

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

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

15.3 GRANTS, TRANSFERS AND DONATIONS

15.3.1 CONDITIONAL GRANTS AND RECEIPTS

Income received from conditional grants, donations and subsidies is recognised to the extent that the Municipality 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 and funds invested until it is utilised. Interest earned on the investment is treated in accordance with grant conditions.

15.3.1.1 Grants and receipts of a revenue nature

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Income is transferred to the Statement of Financial Performance as revenue to the extent that the criteria, conditions or obligations have been met.

15.3.1.2 Grants and receipts of a capital nature

Income is transferred to the Statement of Financial Performance to the extent that the criteria, conditions or obligations have been met.

16 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established. Borrowing costs incurred other than on qualifying assets are recognised as an expense in surplus or deficit when incurred.

17 RETIREMENT BENEFITS

The municipality provides retirement benefits for its employees and councillors. The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. The defined benefit funds, which are administered on a provincial basis, are (when available) actuarially valued triennially on the projected unit credit method basis. Deficits identified are recognised as a liability and are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities. Specific actuarial information in respect of individual participating municipalities is unavailable due to centralised administration of these funds. As a result, defined benefit plans have been accounted for as if they were defined contribution plans.

18 CONSTRUCTION CONTRACTS AND RECEIVABLES

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date, as measured by

Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as an expense in the period in which they are incurred

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

19 IMPAIRMENT OF ASSETS

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the cash-generating unit to which the asset belongs is determined.

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

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

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An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An impairment loss is recognised for cash-generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit as follows:

- to the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

A municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

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Notes to the Annual Financial Statements

Figures in Rand	2013	2012
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1. Investment property

	2013			2012		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	-	-	-	149,388,200	-	149,388,200

Reconciliation of investment property - 2013

	Opening balance	Difference	Total
Investment property	149,388,200	(149,388,200)	-

Reconciliation of investment property - 2012

	Opening balance	Transfers	Total
Investment property	-	149,388,200	149,388,200

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.

2. Property, plant and equipment

	2013			2012		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	232,737,164	-	232,737,164	127,321,605	-	127,321,605
Buildings	24,700	(7,447,558)	(7,422,858)	105,087,075	(7,447,558)	97,639,517
Plant and machinery	250,227	574,602	824,829	-	-	-
Furniture and fixtures	460,813	2,121,499	2,582,312	-	-	-
Motor vehicles	1,075,166	210,451	1,285,617	-	-	-
Office equipment	172,046	1,176,233	1,348,279	-	-	-
IT equipment	685,854	1,118,125	1,803,979	-	-	-
Infrastructure	752,090,711	(16,139,825)	735,950,886	742,298,081	(36,055,968)	706,242,113
Community	28,922,553	(4,562,713)	24,359,840	28,922,553	(4,603,510)	24,319,043
Other property, plant and equipment	5,510,516	-	5,510,516	4,598,810	-	4,598,810
Other property, plant and equipment # 1	7,096,801	-	7,096,801	328,484	-	328,484
Investment property	(9,458,000)	-	(9,458,000)	-	-	-
Heritage	1,070,696	-	1,070,696	1,269,571	(198,875)	1,070,696
Total	1,020,639,247	(22,949,186)	997,690,061	1,009,826,179	(48,305,911)	961,520,268

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Figures in Rand	2013	2012
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2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2013

	Opening balance	Difference	Additions	Disposals	Transfers	Change in estimate	Depreciation
Land	127,321,605	105,415,559	-	-	-	-	-
Buildings	97,639,517	(97,639,517)	24,700	-	-	-	(7,447,558)
Plant and machinery	-	-	250,227	-	-	-	574,600
Furniture and fixtures	-	36,558	424,255	-	-	-	2,121,490
Motor vehicles	-	-	1,075,166	-	-	-	210,450
Office equipment	-	-	172,046	-	-	-	1,176,230
IT equipment	-	-	685,854	-	-	-	1,118,120
Infrastructure	706,242,113	32,720,177	13,128,421	-	16,037,077	-	(32,176,900)
Community	24,319,043	4,603,510	-	-	-	-	(4,562,710)
Other property, plant and equipment	4,598,810	911,706	-	-	-	-	-
Other property, plant and equipment # 1	328,484	6,768,317	-	-	-	-	-
Investment property	-	-	-	(9,458,000)	-	-	-
Heritage	1,070,696	-	-	-	-	-	-
	961,520,268	52,816,310	15,760,669	(9,458,000)	16,037,077	-	(38,986,260)

Reconciliation of property, plant and equipment - 2012

	Opening balance	Additions	Revaluations	Change in estimate	Depreciation	Impairment loss	Total
Land	49,831,972	-	-	77,489,633	-	-	127,321,605
Buildings	48,938,000	-	-	56,149,075	(7,447,558)	-	97,639,517
Infrastructure	1,504,311,150	7,870,783	-	(769,883,852)	(36,055,968)	-	706,242,113
Community	-	-	-	28,922,553	(4,603,510)	-	24,319,043
Other property, plant and equipment	1,039,854	-	(940,641)	9,799,720	-	(5,300,123)	4,598,810
Landfill sites	-	-	-	328,484	-	-	328,484
Heritage	-	-	-	1,269,571	(198,875)	-	1,070,696
	1,604,120,976	7,870,783	(940,641)	(595,924,816)	(48,305,911)	(5,300,123)	961,520,268

3. Intangible assets

	2013			2012		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	204,713	-	204,713	-	-	-
Intangible assets 1	292,130	-	292,130	-	-	-
Total	496,843	-	496,843	-	-	-

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3. Intangible assets (continued)

Reconciliation of intangible assets - 2013

	Opening balance	Difference	Additions	Total
Computer software, other	-	204,713	-	204,713
Intangible assets 1	-	-	292,130	292,130
	-	204,713	292,130	496,843

4. Investments

Designated at fair value

Listed investments	1,057,067	1,057,067
Other investments (Pledged investments)	-	8,304,203
	1,057,067	9,361,270

Non-current assets

Designated at fair value	1,057,067	9,361,270
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5. Prepayments

6. Inventories

Electricity	568,155	568,155
Consumable stores	3,620,057	2,965,602
Water	8,373,889	916,445
Other	-	132,000
	12,562,101	4,582,202

7. Receivables from non-exchange transactions

Rates and other taxes	18,596,432	13,531,179
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8. VAT receivable

VAT	10,021,379	1,839,606
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VAT is payable on the receipts basis and paid over to SARS only once payment is received from debtors.

The amount payable and receivable are offset against each other and only the net effect is shown in the statement of financial position.

9. Consumer debtors

Gross balances

Electricity	26,645,541	19,238,527
Water	19,070,688	27,317,503
Sewerage	6,840,843	8,495,648
Refuse	5,082,621	3,097,557
Other (specify)	83,829,667	94,768,140
	141,469,360	152,917,375

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9. Consumer debtors (continued)		
Less: Allowance for impairment		
Electricity	(12,430,329)	-
Water	(19,882,918)	(19,903,972)
Sewerage	(6,456,384)	(6,190,066)
Refuse	(3,577,604)	(2,256,930)
Other (specify)	(74,733,164)	(97,006,272)
	(117,080,399)	(125,357,240)
Net balance		
Electricity	14,215,212	19,238,527
Water	(812,230)	7,413,531
Sewerage	384,459	2,305,582
Refuse	1,505,017	840,627
Other (specify)	9,096,503	(2,238,132)
	24,388,961	27,560,135
Electricity		
Undefined Difference	14,215,212	19,238,527
Water		
Undefined Difference	(812,230)	7,413,531
Sewerage		
Undefined Difference	384,459	2,305,582
Refuse		
Undefined Difference	1,505,017	840,627
Other (specify)		
Undefined Difference	9,096,503	(2,238,132)
Reconciliation of allowance for impairment		
Balance at beginning of the year	-	(125,357,240)
Undefined Difference	(117,080,399)	-
	(117,080,399)	(125,357,240)
10. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	6,690	6,690
Bank balances	2,356,139	953,687
Bank overdraft	-	(2,872,039)
	2,362,829	(1,911,662)
Current assets	2,362,829	960,377
Current liabilities	-	(2,872,039)
	2,362,829	(1,911,662)

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10. Cash and cash equivalents (continued)

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2013	30 June 2012	30 June 2011	30 June 2013	30 June 2012	30 June 2011
ABSA Lydenburg - 1010002018	-	-	-	-	857,472	-
ABSA Sabie - 4058264705	-	-	-	-	21,997	-
FNB	-	-	-	-	74,218	-
Standard Bank	-	-	-	-	(2,872,039)	-
Total	-	-	-	-	(1,918,352)	-

11. Revaluation reserve

In terms of the articles of association, ...(describe if reserves are distributable).

Opening balance	1,001,893,687	(56,279,577)
Change during the year	1,001,893,687	(945,614,110)
Undefined Difference	(1,001,893,687)	2,003,787,374
	1,001,893,687	1,001,893,687

12. Accumulated surplus

Ring-fenced internal funds and reserves within accumulated surplus - 2013

Ring-fenced internal funds and reserves within accumulated surplus - 2012

13. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts			
Municipal Infrastructure Grant	2,966,335	1,011,377	
Finance Management Grant	1,500,000	300,000	
Municipal Systems Improvement Grant	2,201,473	90,096	
	6,667,808	1,401,473	

Movement during the year

Undefined Difference	6,667,808	1,401,473
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See note for reconciliation of grants from National/Provincial Government.

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

14. Other financial liabilities

At amortised cost			
Other borrowings	8,599,791	9,759,897	
Non-current liabilities			
At amortised cost	8,599,791	9,252,402	

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Current liabilities		
At amortised cost	-	507,495

15. Provisions

Reconciliation of provisions - 2013

	Opening Balance	Difference	Total
Provision for rehabilitation of landfillsites	6,302,478	-	6,302,478
Provision for leave	6,994,448	(9,626,475)	(2,632,027)
Provision 3	-	(28,310,000)	(28,310,000)
	13,296,926	(37,936,475)	(24,639,549)

Reconciliation of provisions - 2012

	Opening Balance	Additions	Correction to accrued	Total
Provision for rehabilitation of landfill sites	3	6,302,475	-	6,302,478
Provision for leave	6,923,488	70,960	-	6,994,448
Provision for staff bonus	2,191,550	854,662	(3,046,212)	-
	9,115,041	7,228,097	(3,046,212)	13,296,926

16. Payables from exchange transactions

Trade payables	248,747,990	118,803,828
Other payables	11,916,293	15,627,388
Consumer debtors with credit balances	-	11,597,898
Other creditors #2	201	-
Payments received in advance	-	887,113
	260,664,484	146,916,227

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

17. Consumer deposits

Electricity and water	3,889,659	3,789,370
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Deposits generate no interest as per council decision.

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18. Revenue

Service charges	138,971,674	114,598,313
Rental of facilities and equipment	489,546	567,039
Income from agency services	9,124,899	7,413,663
Fees earned	188	-
Other income 1	-	1,840,008
Other income - (rollup)	2,580,574	10,621,554
Interest received - investment	3,273,467	6,237,501
Property rates	30,293,463	34,816,501
Government grants & subsidies	116,991,048	95,160,913
Fines	1,097,168	901,276
	302,822,027	272,156,768

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

Service charges	138,971,674	114,598,313
Rental of facilities and equipment	489,546	567,039
Income from agency services	9,124,899	7,413,663
Fees earned	188	-
Other income 1	-	1,840,008
Other income - (rollup)	2,580,574	10,621,554
Interest received - investment	3,273,467	6,237,501
	154,440,348	141,278,078

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

Taxation revenue

Property rates	30,293,463	34,816,501
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Transfer revenue

Government grants & subsidies	116,991,048	95,160,913
Fines	1,097,168	901,276

148,381,679	130,878,690
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19. Property rates

20. Service charges

Sale of electricity	100,943,406	77,503,959
Sale of water	21,763,363	24,703,808
Sewerage and sanitation charges	7,878,365	3,818,028
Refuse removal	8,386,540	8,572,518
	138,971,674	114,598,313

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21. Rental of facilities and equipment

Rent Municipal properties: CRECHE	-	271
Rent Municipal properties: FLATS	193,019	196,595
Rent Municipal properties: HALLS	53,770	39,905
Rent Municipal properties: HALLS	15,909	7,983
Rent Municipal properties: HOSTALS	110,174	179,684
Rent Municipal properties: LAPA	-	3,684
Rent Municipal properties: MUNICIPAL BUILDINGS	33,000	33,000
Rent Municipal properties: MUNICIPAL HOUSES	32,517	46,790
Rent Municipal properties: TOWN LANDS	43,741	59,127
Rent Municipal properties: HALLS	8,549	-
	490,679	567,039

22. Government grants and subsidies

Operating grants

Equitable share	72,184,000	25,561,913
LG Seta Grant	430,048	363,138
EPWP Grant	1,000,000	-
Financial Management Grant	-	1,250,000
Municipal Systems Improvement Grant	-	790,000
	73,614,048	27,965,051

Capital grants

Municipal Infrastructure Grant	32,377,000	65,093,862
INEP Grant	5,700,000	1,219,000
DWAF Grant	5,300,000	883,000
	43,377,000	67,195,862
	116,991,048	95,160,913

23. Other income

Building plan fees	293,661	415,578
Bulk service contribution	530,859	204,711
Other income 4	-	7,269,801
Connections	900,925	1,950,536
Sundry income	855,129	780,928
	2,580,574	10,621,554

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24. General expenses		
Departmental consumption	-	81,417
Advertising	880	840
Auditors remuneration	4,387,508	1,602,429
Bank charges	868,013	797,508
Cleaning	1,930,266	880,899
Computer expenses	1,432,196	1,252,517
Consulting and professional fees	239,842	1,483,591
Consumables	799,610	279,840
Interest paid overdue accounts	-	1,812,120
Decrease in investment	-	100,137
Entertainment	5,660	-
Decrease in ABSA capital investments	-	613,485
Digging of graves	29,750	30,419
Provision creditor MIG unspent	-	1,401,471
Hire	6,716,310	2,523,624
Insurance	8,377,328	3,763,215
Conferences and seminars	1,543,182	591,811
Movement other corrections	-	32,964
Lease rentals on operating lease	185,712	158,255
Levies	28,614	-
Magazines, books and periodicals	19,203	-
Sewerage treatment costs	-	224,021
Public participation and ward committees	-	29,000
Promotion costs	-	23,000
Fuel and oil	2,501,127	2,058,629
Placement fees	689	-
Skills development levies	-	355,535
Postage and courier	52,499	194,058
Printing and stationery	1,800,694	1,425,450
Stocks and materials	-	82,263
Protective clothing	374,443	-
Water	-	286,136
Staff welfare	40,120	-
Subscriptions and membership fees	67,009	126,722
Telephone and fax	1,347,735	1,438,149
Data costs	5,705,049	7,718,450
Training	1,475,283	1,008,423
Travel and Accommodation	2,203,596	1,302,941
Electricity	4,634,152	-
Sewerage and waste disposal	14,867	-
Water	805,181	-
Refuse	154,145	-
Uniforms	198,399	-
Debit orders	191	4,119
Licence fees	406,803	1,966,179
Disaster relief fund	-	33,617
Sundry Expenses	(556,179)	-
Valuation costs	124,757	214,943
Integration of Thaba Chweu	410,500	291,869
Other expenses	5,763,736	-
	54,088,870	36,190,046

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25. Employee related costs		
Basic	60,343,686	53,418,903
Bonus	4,168,624	3,926,371
Medical aid - company contributions	3,394,651	3,864,320
UIF	530,094	488,050
SDL	1,262,967	297,698
Leave pay provision charge	522,310	385,707
Post-employment benefits - Pension - Defined contribution plan	11,635,263	10,437,271
Overtime payments	5,841,829	5,035,561
Car allowance	8,016,416	6,364,413
Housing benefits and allowances	362,333	354,399
Insurance Group Life	194,934	179,670
Cellphone Allowance	1,202,914	1,220,513
	97,476,021	85,972,876
Remuneration of municipal manager		
Annual Remuneration	743,931	-
Acting Allowance	191,189	-
Contributions to UIF, Medical and Pension Funds	57,292	-
Undefined Difference	(992,412)	-
	-	-
Remuneration of chief finance officer		
Annual Remuneration	300,000	-
Contributions to UIF, Medical and Pension Funds	1,497	-
Undefined Difference	(301,497)	-
	-	-
Remuneration of Director: Corporate Services		
Annual Remuneration	334,580	-
Car Allowance	109,157	-
Acting Allowance	182,816	-
Contributions to UIF, Medical and Pension Funds	57,030	-
Undefined Difference	(683,583)	-
	-	-
Remuneration of Director: Technical Services		
Annual Remuneration	641,680	-
Car Allowance	118,785	-
Contributions to UIF, Medical and Pension Funds	68,819	-
Cellphone Allowance	16,541	-
Undefined Difference	(845,825)	-
	-	-
Remuneration of Director: Community Services		
Annual Remuneration	334,580	-
Car Allowance	105,772	-
Acting Allowance	199,100	-

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25. Employee related costs (continued)

Contributions to UIF, Medical and Pension Funds

Undefined Difference

45,194	-
(684,646)	-
-	-

Post-employment medical benefits

The amounts recognised in the balance sheet are determined as follows:

Present value of unfunded obligations	21,334,000	19,470,000
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Changes in the present value of the defined benefit obligation are as follows:

Opening post-employment medical aid obligation	19,470,000	-
Employer contribution made	(964,000)	-
Current service cost	439,000	-
Interest cost	1,645,000	-
Actuarial (gain)/loss	744,000	-
Unrecognised post-employment medical aid provision	-	19,470,000
Closing defined benefit obligation	21,334,000	19,470,000

The principal actuarial assumptions at the balance sheet date (expressed as weighted averages) are as follows:

Discount rate at 30 June (naca)	8.92%	8.70%
Medical scheme contribution inflation rate (naca)	7.61%	7.66%
Take-up rate by retired employees	100%	100%
Retirement age	65	65

Long-service leave awards

The amounts recognised in the balance sheet are determined as follows:

Present value of unfunded provision	6,976,000	5,614,000
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Changes in the present value of the long service provision are as follows

Opening long-service provision	5,614,000	-
Leave cashed in	(388,000)	-
Current service cost	969,000	-
Interest cost	432,000	-
Actuarial (gain)/loss	349,000	-
Unrecognised Long-Service provision	-	5,614,000
Closing Long-Service provision	6,976,000	5,614,000

The principal actuarial assumptions at the balance sheet date (expressed as weighted averages) are as follows:

Discount rate at 30 June	8.05%	8.11%
Future salary inflation rate per annum	7.53%	7.20%
Retirement age	65	65

Annual leave awards

The amounts recognised in the balance sheet are determined as follows:

Annual leave provision	11,272,000	-
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Changes in value of the annual leave provision are as follows:

Opening annual leave provision	-	-
Annual leave accrued in financial year	11,272,000	-
Closing annual leave provision	11,272,000	-

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26. Remuneration of councillors		
Councillors	6,540,419	6,663,275
Councillors' pension contribution	635,631	598,413
	7,176,050	7,261,688
27. Investment revenue		
Interest revenue		
Bank	36,608	-
Interest charged on trade and other receivables	3,236,859	6,237,501
	3,273,467	6,237,501
The amount included in Investment revenue arising from exchange transactions amounted to -.		
The amount included in Investment revenue arising from non-exchange transactions amounted to -.		
Total interest income, calculated using the effective interest rate, on financial instruments not at fair value through surplus or deficit amounted to Rxxx (PY: Rxxx).		
28. Fair value adjustments		
Investment property (Fair value model)	-	149,388,200
29. Depreciation and amortisation		
Property, plant and equipment	44,187,173	53,606,034
30. Finance costs		
Non-current borrowings	1,219,769	(247,129)
Other interest paid	10,909,406	1,810,736
	12,129,175	1,563,607
Capitalisation rates used during the period were -% on specific borrowings for capital projects and -% being the weighted average cost of funds borrowed generally by the municipality.		
Total interest expense, calculated using the effective interest rate, on financial instruments not at fair value through surplus or deficit amounted to Rxxx (PY: Rxxx).		
31. Auditors' remuneration		
Fees	4,387,508	1,602,429
32. Contracted services		
Information Technology Services	23,315,349	13,685,256
Security Services	25,384,971	9,957,591
Other Contractors	7,848,688	7,122,781
	56,549,008	30,765,628

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Figures in Rand	2013	2012
33. Grants and subsidies paid		
Other subsidies		
DWAF Grant Expenditure	224,083	-
MSIG Expenditure	221,521	22,924,866
Job Creation	10,052,638	5,615,509
Free Basic Services	4,261,092	4,047,724
	14,759,334	32,588,099
34. Bulk purchases		
Electricity	109,214,732	93,307,066
35. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Bonatea Investments	2,189,362	-
• PGN Civils	8,597,745	-
• MNP Electrical	2,937,369	-
• Malo Contractors	10,129,400	-
• Bonatea Investments	4,234,213	-
• Chauke Electrical	477,483	-
• Hloyisane Siyadavusa JV	1,741,681	-
• Big J Electrical	1,482,085	-
• Chauke Elctrical	482,366	-
• Get Civils Consultants	191,520	-
• MMD/ Oascon JV	314,013	-
• T Maboka and Associates	172,800	-
• Incledon t/a Phenyane sedibe	2,461,897	-
	35,411,934	-

This committed expenditure relates to property and will be financed by available bank facilities, retained surpluses, rights issue of shares, issue of debentures, mortgage facilities, existing cash resources, funds internally generated, etc.

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Figures in Rand	2013	2012
36. Contingencies		
Thaba Chweu VS Eben Botha	825,000	
Thaba Chweu VS Hendrik Johannes Samuels	580,000	
Thaba Chweu VS Mabatane Civils	5,489,106	
Thaba Chweu VS Famous Idea Trading	941,298	
Thaba Chweu VS Grinpal Energy Solution	882,935	
Thaba Chweu VS Straight line trading	12,127	
Thaba Chweu VS SALA Pension Fund	164,988	
Thaba Chweu VS Lesibana Ralibibi	446,638	
Thaba Chweu VS JD Willemse	-	-
Thaba Chweu VS GF Brunette	550,000	
Thaba Chweu VS The phone book company	40,972	
Thaba Chweu VS Tweslopele Funeral Services	13,500	
Thaba Chweu VS Eco Mare Consortium	2,568,269	
Thaba Chweu VS Imvula Roads and Civils	631,896	
Thaba Chweu VS Grinpal Energy Management	882,935	
Thaba Chweu VS BS Koma	214,000	
Thaba Chweu VS Sala Pension Fund	-	-
Thaba Chweu VS CW Bond	480,000	
Thaba Chweu VS Afrisat	2 150 000	
Total	16 873 664	

Litigation is in the process against the municipality relating to a dispute with a competitor who alleges that the municipality has infringed patents and is seeking damages of -. The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as unlikely, and the case should be resolved within the next two years.

Should the action be successful the municipality does have insurance cover to cover litigation costs and claims. The total cover extended by the current policy amounts to -.

The municipality has offered termination benefits to all of its employees to encourage early retirement. The municipality has finalised and agreed, with the trade unions, the terms and conditions of the plan. The plan has been implemented and will continue for the next nine months. Management are uncertain about the number of employees who will accept the offer. If all employees take the offer the potential financial effect would approximately be -.

There is no reimbursement from any third parties for potential obligations of the municipality.

An associate is been sued for violation of copyrights. The municipality's share of the potential claim amounts to -. The associates lawyers and management are of the opinion that the law suit will be successful but are unable to reliably determine the amount of penalties and damages payable.

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36. (continued)

The municipality is severally liable for the liabilities of its associate. The associate is profitable and is currently able to meet all of its present obligations.

Litigation is in the process against the competitor relating to a dispute whereby the competitor has infringed patents and the municipality is seeking damages of -. The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as unlikely, and the case should be resolved within the next two years.

Unfilled conditions and other contingencies attaching to government grants related to agricultural activity.

37. Risk management

Financial risk management

Liquidity risk

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

Credit risk

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

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

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

The municipality is exposed to a number of guarantees for the overdraft facilities of economic entities and for guarantees issued in favour of the creditors of A (Pty) Ltd. Refer to note for additional details.

Market risk

Interest rate risk

38. Fruitless and wasteful expenditure

INCA	37,021	-
Telkom	9,225	-
Eskom	1,437,966	-
Auditor General	16,657	-
Roney Hoffmann	8,777	-
Sports and Recreation	5,000	-
Nutting House	8,055	-
	1,522,701	-

39. Irregular expenditure

Opening balance	17,476,082	-
Add: Irregular Expenditure - current year	57,577,180	-
	75,053,262	-

Thaba Chweu Local Municipality

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Trading as Thaba Chweu Local Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
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39. Irregular expenditure (continued)

Analysis of expenditure awaiting condonation per age classification

Current year	59,197,257	-
Prior years	17,476,082	-
	76,673,339	-

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Figures in Rand	2013	2012
39. Irregular expenditure (continued)		
Details of irregular expenditure – current year		
	Disciplinary steps taken/criminal proceedings	
Ages PTY		117,249
Aurecon		24,852
Avi Van Rental		615,422
Basiza Tech Waste Sol		39,900
Batsumi		174,089
Bembani Sustainability		192,531
Big J Electrical		45,315
Black Child		207,800
Born to protect		855,404
Bothila Trading		1,211,250
Brilliant Telecomm		4,520,274
Buda Transport		78,800
Businonto trading enterprise		48,600
CES Security		2,589,210
Chifamba Trading		373,550
Contact Communication		34,673
CQS Technology		101,802
Eco-Mare		4,359,156
Elthu Suppliers		387,000
Everest Leadership		38,758
EVN Africa consulting services		141,345
Floreat Riverside		251,087
Full output		1,612,527
G4S Cash Services		227,870
Glere Skills Acedemy		485,000
Highland Panorama		2,995
IEK Business enter		232,560
Jeanben trading		150,000
Jesifa Businee		875,610
Julius Labour hire and recruitment		4,163,020
Khulungwane		70,000
KTP Management		95,800
Kwhati Consulting		27,152
LA Fancy Kay		1,232,000
Leropix		200,000
Letsheleha Construction		150,000
Mabatane civil construction		366,210
Mambo ka chekwa trading		36,100
Mandlakazi Electrical		172,664
Mash FM		15,750
Mathata Security		4,973,394
MD Alarms		11,805
Meodi Chattered Accountants		200,000
Mercedes Benz		583,989
Miripro		314,400
MM Mkhonto		67,720
MMT Project		3,622,000
Moribo Security		1,654,447
N3 Fire and rescue		7,353
Nashua		2,736,593
Ntshidi and Associates		2,731,292
othom Investments		1,503,995
PLP Consulting engineers		65,177
PH Van nie kerk		35,000
Phanda Phandile Kilosmart		530,400

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Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
39. Irregular expenditure (continued)		
Pridop Security		2,162,076
Prodipix 212		183,220
Reagatswe Trading		38,000
Rentokill		20,626
Sabinet online		13,486
SAPO Bulkmail		88,610
Sebata		93,639
Simon Billy		1,540,058
Skhila Driving school		283,470
Sun Security		590
Thandumusa security		180,520
Thavma Business		29,583
Tiisang Risk and assurance		279,000
Truvelo Manufacturer		7,600
Tsimane Power Maint		58,934
VD Transcriber		828,066
Vuthela Africa Security		4,219,365
Waste legends		21,432
Workshop Electronic		175,963
World Focus		1,351,265
Ziyapopa Services		103,787
Zwelende trading		344,000
		57,584,180

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Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
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40 Councilor accounts in arrears

Thaba Chweu Local Municipality

(Registration number MP321)

Trading as Thaba Chweu Local Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
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41. Director Accounts in arrears

Appendix A

Schedule of external loans as at 30 June 2010

Loan Number	Redeemable	Balance at 30 June 2012	Received during the period	Redeemed written off during the period	Balance at 30 June 2013	Carrying Value of Property, Plant & Equip Rand	Other Costs in accordance with the MFMA Rand
		Rand	Rand	Rand	Rand		
Loan Stock		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
Structured loans		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
Funding facility		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
Development Bank of South Africa		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-

Appendix A

Schedule of external loans as at 30 June 2010

Loan Number	Redeemable	Balance at 30 June 2012	Received during the period	Redeemed written off during the period	Balance at 30 June 2013	Carrying Value of Property, Plant & Equip Rand	Other Costs in accordance with the MFMA Rand
		Rand	Rand	Rand	Rand		
		-	-	-	-	-	-
		-	-	-	-	-	-
Bonds							
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
Other loans							
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
Lease liability							
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
Annuity loans							
		-	-	-	-	-	-
		-	-	-	-	-	-

Appendix A

Schedule of external loans as at 30 June 2010

[illegible]

Appendix B

Analysis of property, plant and equipment as at 30 June 2012

Cost/Revaluation							Accumulated depreciation						
Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand

Land and buildings

Land (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-
Landfill Sites (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-
Quarries (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Infrastructure

Roads, Pavements & Bridges	-	-	-	-	-	-	-	-	-	-	-	-	-
Storm water	-	-	-	-	-	-	-	-	-	-	-	-	-
Generation	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-
Street lighting	-	-	-	-	-	-	-	-	-	-	-	-	-
Dams & Reservoirs	-	-	-	-	-	-	-	-	-	-	-	-	-
Water purification	-	-	-	-	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-
Sewerage purification	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation (Airports, Car Parks, Bus Terminals and Taxi Ranks)	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (fibre optic, WIFI infrastructure)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other 1	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Community Assets

Parks & gardens	-	-	-	-	-	-	-	-	-	-	-	-	-
Sportsfields and stadium	-	-	-	-	-	-	-	-	-	-	-	-	-
Swimming pools	-	-	-	-	-	-	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-	-	-	-	-
Museums & art galleries	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire, safety & emergency	-	-	-	-	-	-	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Appendix B

Analysis of property, plant and equipment as at 30 June 2012

Cost/Revaluation						Accumulated depreciation							
Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand

Heritage assets

Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Specialised vehicles

Refuse	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-	-	-	-	-
Conservancy	-	-	-	-	-	-	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Other assets

General vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant & equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Software (part of computer equipment)	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture & Fittings	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Equipment - Leased	-	-	-	-	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-	-	-	-	-
Security measures	-	-	-	-	-	-	-	-	-	-	-	-	-
Civic land and buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Other buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Other land	-	-	-	-	-	-	-	-	-	-	-	-	-
Bins and Containers	-	-	-	-	-	-	-	-	-	-	-	-	-
Work in progress	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets - Leased	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Appendix B

Analysis of property, plant and equipment as at 30 June 2012

Cost/Revaluation							Accumulated depreciation						
Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand

Total property plant and equipment

Land and buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Agricultural/Biological assets

Agricultural	-	-	-	-	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Intangible assets

Computers - software & programming	204,713	-	204,713	-	-	-	409,426	-	204,713	-	-	-	204,713	614,139
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	204,713	-	204,713	-	-	-	409,426	-	204,713	-	-	-	204,713	614,139

Investment properties

Investment property	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Total

Land and buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agricultural/Biological assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	204,713	-	204,713	-	-	-	409,426	-	204,713	-	-	-	204,713	614,139
Investment properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	204,713	-	204,713	-	-	-	409,426	-	204,713	-	-	-	204,713	614,139

Appendix B

Analysis of property, plant and equipment as at 30 June 2011

Cost/Revaluation							Accumulated depreciation						
Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand

Land and buildings

Land (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-
Landfill Sites (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-
Quarries (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Infrastructure

Roads, Pavements & Bridges	-	-	-	-	-	-	-	-	-	-	-	-	-
Storm water	-	-	-	-	-	-	-	-	-	-	-	-	-
Generation	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-
Street lighting	-	-	-	-	-	-	-	-	-	-	-	-	-
Dams & Reservoirs	-	-	-	-	-	-	-	-	-	-	-	-	-
Water purification	-	-	-	-	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-
Sewerage purification	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation (Airports, Car Parks, Bus Terminals and Taxi Ranks)	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (fibre optic, WIFI infrastrucur)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other 1	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Community Assets

Parks & gardens	-	-	-	-	-	-	-	-	-	-	-	-	-
Sportsfields and stadium	-	-	-	-	-	-	-	-	-	-	-	-	-
Swimming pools	-	-	-	-	-	-	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-	-	-	-	-
Museums & art galleries	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire, safety & emergency	-	-	-	-	-	-	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Appendix B

Analysis of property, plant and equipment as at 30 June 2011

Cost/Revaluation						Accumulated depreciation							
Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand

Heritage assets

Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Specialised vehicles

Refuse	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-	-	-	-	-
Conservancy	-	-	-	-	-	-	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Other assets

General vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant & equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Software (part of computer equipment)	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture & Fittings	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Equipment - Leased	-	-	-	-	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-	-	-	-	-
Security measures	-	-	-	-	-	-	-	-	-	-	-	-	-
Civic land and buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Other buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Other land	-	-	-	-	-	-	-	-	-	-	-	-	-
Bins and Containers	-	-	-	-	-	-	-	-	-	-	-	-	-
Work in progress	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets - Leased	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Appendix B

Analysis of property, plant and equipment as at 30 June 2011

Cost/Revaluation						Accumulated depreciation							
Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand

Total property plant and equipment

Land and buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Agricultural/Biological assets

Agricultural	-	-	-	-	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Intangible assets

Computers - software & programming	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Investment properties

Investment property	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Total

Land and buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Agricultural/Biological assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

Appendix C

Segmental analysis of property, plant and equipment as at 30 June 2010	
Cost/Revaluation	Accumulated Depreciation
<p>Land and buildings</p> <p>Cost</p> <p>Revaluation</p>	<p>Accumulated Depreciation</p>

[illegible]

Appendix C

Segmental analysis of property, plant and equipment as at 30 June 2010

Cost/Revaluation						Accumulated Depreciation							
Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment deficit Rand	Closing Balance Rand	Carrying value Rand

Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment deficit Rand	Closing Balance Rand	Carrying value Rand
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-

Appendix D

	Prior Year	Current Year
Segmental Statement of Financial Performance for the year ended		

[illegible]

Appendix D

Segmental Statement of Financial Performance for the year ended	
Prior Year	Current Year

Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand		Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand
			Rand			
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-	Total	-	-	-

Appendix E(1)

Actual versus Budget(Revenue and Expenditure) for the year ended 30 June 2010

	Current year 2012 Act. Bal. Rand	Current year 2012 Adjusted budget Rand	Variance Rand	Var	Explanation of Significant Variances greater than 10% versus Budget
Revenue					
Sale of goods	-	-	-	-	(Explanations to be recorded)
Sale of goods in agricultural activities	-	-	-	-	
Rendering of services	-	-	-	-	
Rendering of services in agricultural activities	-	-	-	-	
Property rates	-	-	-	-	
Service charges	138,971,675	-	138,971,675	-	
	-	-	-	-	
	-	-	-	-	
Sales of housing	-	-	-	-	
Construction contracts	-	-	-	-	
Royalty income	-	-	-	-	
Rental of facilities and equipment	489,546	-	489,546	-	
Interest received (trading)	-	-	-	-	
Dividends received	-	-	-	-	
Income from agency services	9,124,899	-	9,124,899	-	
	-	-	-	-	
	-	-	-	-	
Licences and permits	-	-	-	-	
	-	-	-	-	
Municipal Revenue UD1	-	-	-	-	
Municipal Revenue UD2	-	-	-	-	
	-	-	-	-	
Miscellaneous other revenue	-	-	-	-	
Administration and management fees received	-	-	-	-	
Fees earned	188	-	188	-	
Commissions received	-	-	-	-	
Royalties received	-	-	-	-	
Rental income	-	-	-	-	
Discount received	-	-	-	-	
Recoveries	-	-	-	-	
Other income 1	-	-	-	-	
Other income 2	-	-	-	-	
Financial instruments - Fee income	-	-	-	-	
Other income - (rollup)	2,580,575	-	2,580,575	-	
Other farming income 1	-	-	-	-	
Other farming income 2	-	-	-	-	
Other farming income 3	-	-	-	-	
Other farming income 4	-	-	-	-	
Other farming income	-	-	-	-	
Government grants	-	-	-	-	
Interest received - investment	3,273,467	-	3,273,467	-	
Interest received - other	-	-	-	-	
Dividends received	-	-	-	-	
	154,440,350	-	154,440,350	-	

Appendix E(1)

Actual versus Budget(Revenue and Expenditure) for the year ended 30 June 2010

	Current year 2012 Act. Bal.	Current year 2012 Adjusted budget	Variance	Explanation of Significant Variances greater than 10% versus Budget
Expenses				
Personnel	(97,476,020)	(768,680)	(96,707,340)	,581.0
Manufacturing - Employee costs	-	-	-	-
Remuneration of councillors	(7,176,051)	-	(7,176,051)	-
Administration	-	-	-	-
Transfer payments	-	-	-	-
Depreciation	(44,187,173)	-	(44,187,173)	-
Impairment	-	-	-	-
Amortisation	-	-	-	-
Impairments	-	-	-	-
Reversal of impairments	-	-	-	-
Finance costs	(12,129,175)	-	(12,129,175)	-
Debt impairment	-	-	-	-
Collection costs	-	-	-	-
Repairs and maintenance - Manufacturing expenses	-	-	-	-
Repairs and maintenance - General	(20,653,941)	-	(20,653,941)	-
Repairs and maintenance - General	-	-	-	-
Bulk purchases	(109,214,732)	-	(109,214,732)	-
Contracted Services	(56,549,007)	-	(56,549,007)	-
Grants and subsidies paid	(14,759,334)	-	(14,759,334)	-
Cost of housing sold	-	-	-	-
General Expenses	(54,088,870)	-	(54,088,870)	-
Other (taken out of General expenses)	-	-	-	-
Other (taken out of General expenses)	-	-	-	-
Other (taken out of General expenses)	-	-	-	-
Other (taken out of General expenses)	-	-	-	-
Other (taken out of General expenses)	-	-	-	-
Other (taken out of General expenses)	-	-	-	-
	(416,234,303)	(768,680)	(415,465,623)	,049.2
Other revenue and costs				
Gain or loss on disposal of assets and liabilities	-	-	-	-
Gain or loss on exchange differences	-	-	-	-
Fair value adjustments	-	-	-	-
Gains or losses on biological assets and agricultural produce	-	-	-	-
Income from equity accounted investments	-	-	-	-
Gain or loss on disposal of non-current assets held for sale or disposal groups	(9,216,000)	-	(9,216,000)	-

Appendix E(1)

Actual versus Budget(Revenue and Expenditure) for the year ended 30 June 2010

	Current year 2012 Act. Bal.	Current year 2012 Adjusted budget	Variance	Explanation of Significant Variances greater than 10% versus Budget
Taxation	-	-	-	-
Discontinued operations	-	-	-	-
	(9,216,000)	-	(9,216,000)	-
Net surplus/ (deficit) for the year	(271,009,953)	(768,680)	(270,241,273),156.5	

Appendix E(2)

Budget Analysis of Capital Expenditure as at 30 June 2010

[illegible]

Appendix F
Disclosures of Grants and Subsidies in terms of Section 123 MFMA, 56 of 2003

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts					Quarterly Expenditure					Grants and Subsidies delayed / withheld					Reason for delay/withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for noncompliance
		Mar	Jun	Sep	Dec	Mar	Mar	Jun	Sep	Dec	Mar	Mar	Jun	Sep	Dec	Mar		Yes/ No	
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		No	
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			

Note: A municipality should provide additional information on how a grant was spent per Vote. This excludes allocations from the Equitable Share.

Appendix G1

**Budgeted Financial Performance (revenue and expenditure by standard classification)
for the year ended 30 June 2013**

Appendix G2

**Budgeted Financial Performance (revenue and expenditure by municipal vote)
for the year ended 30 June 2013**

**Budgeted Financial Performance (revenue and expenditure)
for the year ended 30 June 2013**

Appendix G4

**Budgeted Capital Expenditure by vote, standard classification and funding
for the year ended 30 June 2013**

Budgeted Cash Flows
for the year ended 30 June 2013