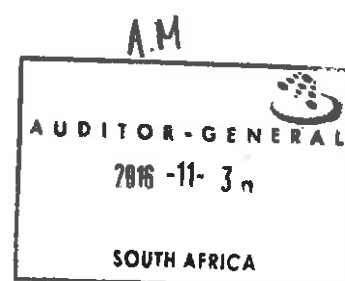




**BREEDE VALLEY MUNICIPALITY**  
**Annual Financial Statements**  
for the year ended 30 June 2016 (2015 Restated)



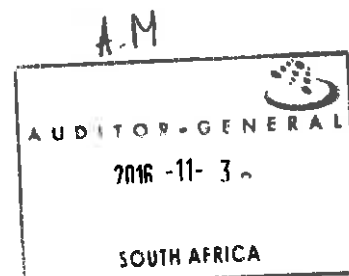
# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## General Information

---

<b>Legal form of entity</b>	Municipality (MFMA)
<b>Municipal demarcation code</b>	WC025
<b>Nature of business and principal activities</b>	The main business operations of the municipality is to engage in local governance activities, which includes planning and promotion of integrated development planning, land, economic and environmental development and supplying of the following services to the community: Housing services - Supply housing to the community and includes the rental of units owned by the municipality to public and staff; Waste management services - The collection, disposal and purifying of waste, refuse and sewerage; Electricity services - Electricity is bought in bulk from Eskom and distributed to the consumers by the municipality; and Water services - Supplying water to the public
<b>Mayoral committee for the year ended 30 June 2016</b>	
Executive Mayor	A. Steyn
Mayoral committee members	J.D. Levendal (Deputy Executive Mayor) M. Sampson (Speaker) R. Faroa (Chief Whip) W.M. Blom A.M. du Toit S. Goedeman A.E. Jordaan W.R. Meiring S.J. Mei E.Y. Sheldon J.F. van Zyl
<b>Mayoral committee as per the new elections</b>	
Executive Mayor	A Steyn
Mayoral committee members	J.D. Levendal (Deputy Executive Mayor) N. Mercuur (Speaker) S. Goedeman (Chief Whip) R. Faroa J. Kritzinger W.R. Meiring S.J. Mei M. Sampson G. Stalmeester E.Y. Sheldon J.F. van Zyl
<b>Acting accounting officer</b>	D. McThomas
<b>Acting chief financial officer (CFO)</b>	R. Ontong
<b>Grading of local authority</b>	Councillors Grade 4 Personnel Grade 10
<b>Capacity of local authority</b>	High



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## General Information

---

**Registered office**

Civic Centre  
Baring Street  
Worcester  
6850

**Postal address**

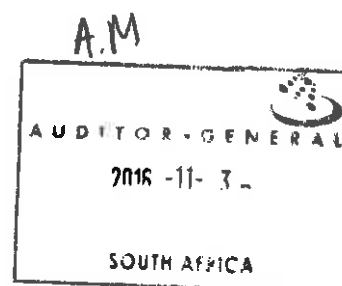
Private Bag X3046  
Worcester  
6849

**Bankers**

ABSA Bank Limited

**Auditors**

Auditor-General of South Africa



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Index

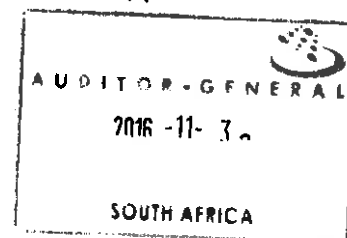
---

The reports and statements set out below comprise of the annual financial statements presented to the Council:

Index	Page
Accounting Officer's Responsibilities and Approval	4
Accounting Officer's Report	5 - 6
Report of the Auditor-General	7
Statement of Financial Position	8
Statement of Financial Performance	9
Statement of Changes in Net Assets	10
Cash Flow Statement	11
Statement of Budget Comparison	12 - 15
Accounting Policies	16 - 44
Notes to the Annual Financial Statements	45 - 98
Appendix A: Schedule of External loans	99-100
Appendix B: Analysis of Property, Plant and Equipment	101-104
Appendix C: Statistical Information	105
Appendix D: Disclosure of Grants and Subsidies in terms of the MFMA	106 - 107
Appendix E: Disclosure and Awards in terms of the Supply Chain Management Policy	108 - 109
Appendix F: A2 - Budget Financial Performance (revenue & expenditure by standard classifications)	110
Appendix G: A3 - Budget Financial Performance (revenue & expenditure by Municipal Vote)	111
Appendix H: A4 - Budget Financial Performance (revenue & expenditure)	112
Appendix I: A5 - Budget capital expenditure by vote, standard classification and funding	113 - 114
Appendix J: Budget Cash Flow	115
Appendix K: Deviations from and ratification of minor breaches of procurement process	116 - 123
Appendix L: Schedule of Investments as at 30 June 2016	124

### Abbreviations

GRAP	Generally Recognised Accounting Practice
IPSAS	International Public Sector Accounting Standards
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant



# **BREEDE VALLEY MUNICIPALITY**

Annual Financial Statements for the year ended 30 June 2016

## **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 responsible for reporting on the fair presentation of the annual financial statements and related financial information.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122 (3) of the Municipal Finance Management Act (Act 56 of 2003).

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 places 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 2017 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.

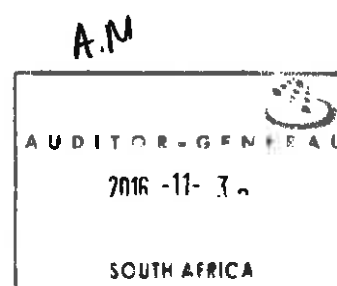
The annual financial statements are prepared on the basis that the municipality is a going concern and that the municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

Although the accounting officer is primarily responsible for the financial affairs of the municipality, he is supported by the municipality's internal auditors.

The annual financial statements set out on pages 5 to 95, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2016 and were signed on his behalf by:



**Acting Accounting Officer**  
**31 August 2016**



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Accounting Officer's Report

The accounting officer submits his report for the year ended 30 June 2016.

### 1. Review of activities

#### Main business and operations

Breede Valley Municipality is situated in the Western Cape Province, 120 km north-east of Cape Town. Included in its boundaries are Worcester, Rawsonville, De Doorns and Touwsrivier and surrounding rural areas. It covers 3 833 sq. km and is home to 166 825 people as per Stats SA.

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

The financial position of the municipality is described to be sound, with an accumulated surplus of R1 656 424 785 (2015: R 1 666 062 357) at year-end.

Net deficit of the municipality was R 10 704 816 (2015: surplus R 51 405 605). The overall summarised operating results for the municipality in comparison to the approved budget are shown in the Statement of Financial Performance and also reflects a summary of income and expenditure.

### 2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The solvency analysis show that assets cover the liabilities by 373.72% (2015: 393.37%). The coverage indicates that the municipality operates as a going concern.

### 3. Subsequent events

The accounting officer is not aware of any matter or circumstance arising since the end of the financial year.

### 4. Accounting policies

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

### 5. Borrowing, investments and cash

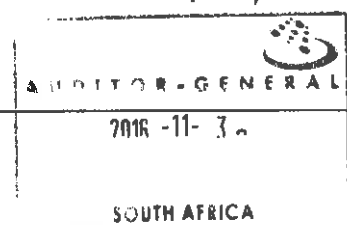
The accounting officer may after approval of the Council exercise all the powers of the municipality to borrow money, as he considers appropriate needs. Interest-bearing debt did not increase in the year ended 30 June 2016 to finance the municipality's infrastructure capital programme. In the financial year ended 30 June 2016 the municipality redeemed interest-bearing debt of R 24 132 272. The interest paid on borrowings as a percentage of total expenditure is 2.80% (2015: 3.20%).

Investments as at 30 June 2016 amounted to R80 000 000 (2015: R 30 000 000). Investments and cash and cash equivalents increased from R 136 930 779 to R 167 422 999.

Additional information regarding cash and cash equivalents, investments and loans is provided in notes 3, 9, 18 and Appendix A to the financial statements.

### 6. Capital expenditure

The capital expenditure incurred during the year amounted to R 83 570 395 (2015: R 75 896 313) that represented 69.23% (2015: 77.73%) of the approved capital budget of R 120 717 509 (2015: R 97 646 145). A complete analysis of capital expenditure (budgeted and actual) per functional area is included in Appendix I (A5), while Appendix B contains detail according to the asset class. More details regarding external loans used to finance fixed assets are shown in Appendix A.



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Accounting Officer's Report

### 7. Cash flow analysis

Details of major changes in the nature of the municipality during the year were as follows:

Summary of net cash flows	2016	2015
Cash from operating activities	75 401 625	64 284 502
Cash from investing activities	(130 647 886)	(13 411 854)
Cash from financing activities	35 738 481	(26 095 643)
Net Increase/(decrease) in cash and cash equivalents	(19 507 780)	24 757 005

### 8. Credit rating

The municipality was rated by Moody's Investor Services during the 2016 financial year. Their rating and outlook for the municipality was a Ba1.za rating due to the negative outlook on South African sovereign rating. To monitor our credit rating and capacity for long-term financing we consider various qualitative and quantitative factor. At 30 June 2016 and 30 June 2015 the current ratio was 2.10:1 and 1.65:1 respectively. This reflects an increase in the ratio.

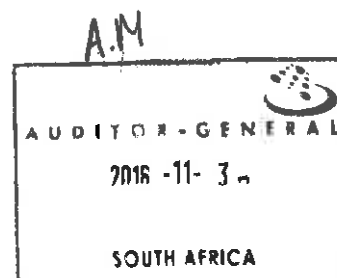
### 9. Accounting Officer

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

Name	Nationality
D. McThomas	South African

### 10. Auditors

Auditor-General of South Africa will continue in office for the next financial period as per the Public Audit Act.



## Report of the Auditor-General

---





**BREED VALLEY MUNICIPALITY**

Annual Financial Statements for the year ended 30 June 2016

**Statement of Financial Position as at 30 June 2016**

Figures in Rand	Note(s)	2016	2015 Restated*
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	3	87 422 999	106 930 779
Receivables from exchange transactions	4	77 248 585	69 430 330
Receivables from non-exchange transactions	5	26 015 905	21 489 615
Other receivables from exchange transactions	6	6 546 340	6 703 095
Inventories	7	17 894 588	16 872 870
VAT receivable	8	214 206	1 654 931
Short term investments	9	80 000 000	30 000 000
Long term receivables	14	946 805	1 390 502
		<u>296 287 408</u>	<u>254 472 122</u>
<b>Non-Current Assets</b>			
Investment property	10	20 625 499	19 179 699
Property, plant and equipment	11	1 896 342 522	1 910 473 737
Intangible assets	12	5 395 374	5 545 517
Heritage assets	13	36 631 059	36 631 059
Long term receivables	14	6 301 712	7 656 789
		<u>1 965 296 166</u>	<u>1 979 486 801</u>
<b>Total Assets</b>		<u>2 261 583 574</u>	<u>2 233 958 923</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables from exchange transactions	15	67 943 497	75 282 088
Consumer deposits	16	4 046 101	3 680 760
Unspent conditional grants and receipts	17	17 965 618	24 350 185
Long term liabilities	18	22 628 117	24 626 860
Employee benefit obligation	19	27 585 981	25 218 530
Provisions	20	918 762	878 607
		<u>141 088 076</u>	<u>154 017 028</u>
<b>Non-Current Liabilities</b>			
Long term liabilities	18	240 918 059	203 546 176
Employee benefit obligation	19	150 099 482	133 900 872
Provisions	20	73 053 172	76 432 490
		<u>464 070 713</u>	<u>413 879 538</u>
<b>Total Liabilities</b>		<u>605 158 789</u>	<u>567 896 566</u>
<b>Net Assets</b>		<u>1 656 424 785</u>	<u>1 666 062 357</u>
Accumulated surplus		<u>1 656 424 785</u>	<u>1 666 062 357</u>

\* See Note 49 &amp; 50



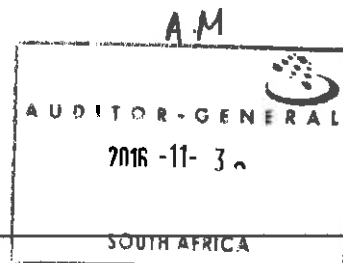
**BREEDE VALLEY MUNICIPALITY**

Annual Financial Statements for the year ended 30 June 2016

**Statement of Financial Performance**

Figures in Rand	Note(s)	2016	2015 Restated*
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Service charges	21	467 894 001	429 072 338
Income from agency services		6 610 177	5 906 686
Licences and permits		3 106 259	2 845 741
Rental income	22	13 501 163	13 175 489
Other income	23	18 795 851	12 047 841
Finance income	24	14 758 197	13 578 212
		<u>524 665 648</u>	<u>476 626 307</u>
<b>Revenue from non-exchange transactions</b>			
<b>Taxation revenue</b>			
Property rates	25	104 695 630	94 472 885
Property rates - penalties imposed and collection	25	1 001 455	808 892
<b>Transfer revenue</b>			
Government grants and subsidies	26	156 196 707	218 465 592
Fines, penalties and forfeits	27	69 120 556	28 376 175
		<u>331 014 348</u>	<u>342 123 544</u>
<b>Total revenue</b>		<u>855 679 996</u>	<u>818 749 851</u>
<b>Expenditure</b>			
Employee related costs	28	(230 823 488)	(207 962 643)
Remuneration of councillors	29	(15 309 268)	(14 511 266)
Debt Impairment	30	(75 455 683)	(26 649 986)
Depreciation, amortisation and impairment	31	(88 158 666)	(75 860 706)
Rehabilitation	20	(2 868 157)	(2 974 893)
Bulk purchases	32	(255 455 796)	(223 818 120)
Finance costs	33	(24 301 464)	(25 945 950)
Collection costs		(96 777)	(222 707)
Repairs and maintenance		(48 926 842)	(61 090 559)
Contracted services	34	(9 399 630)	(8 317 329)
Grants and subsidies paid	35	(279 600)	(194 600)
Contributions to employee benefits	36	(17 083 162)	(19 185 691)
General expenses	37	(94 486 619)	(140 085 655)
		<u>(862 645 152)</u>	<u>(806 820 105)</u>
<b>Operating (deficit) surplus</b>		<u>(6 965 156)</u>	<u>11 929 746</u>
Actuarial gains/(losses)	36	(3 887 725)	35 481 150
Fair value adjustments	38	1 894 839	4 409 457
Loss on disposal of assets		(1 746 774)	(414 748)
		<u>(3 739 660)</u>	<u>39 475 859</u>
<b>(Deficit) surplus for the year</b>		<u>(10 704 816)</u>	<u>51 405 605</u>

\* See Note 49 &amp; 50



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Balance at 1 July 2014 as previously stated	1 613 171 541	1 613 171 541
Adjustments		
Correction of errors (refer to note 50)	1 723 093	1 723 093
<b>Restated balance at 01 July 2014</b>	<b>1 614 894 634</b>	<b>1 614 894 634</b>
Changes in net assets		
Net income recognised directly in net assets	(237 878)	(237 878)
Surplus for the year	51 405 605	51 405 605
Total changes	51 167 727	51 167 727
<b>Balance at 30 June 2015</b>	<b>1 666 062 357</b>	<b>1 666 062 357</b>
Changes in net assets		
Net income (losses) recognised directly in net assets	1 067 244	1 067 244
Deficit for the year	(10 704 816)	(10 704 816)
Total changes	(9 637 572)	(9 637 572)
<b>Balance at 30 June 2016</b>	<b>1 656 424 785</b>	<b>1 656 424 785</b>

A.M



\* See Note 49 & 50

# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Cash Flow Statement

Figures in Rand	Note(s)	2016	2015 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Cash receipts from services and rate payers		599 220 929	545 833 336
Cash receipts from government and other grants		150 997 533	193 983 674
Finance income: investing activities		14 469 071	13 740 343
		<u>764 687 533</u>	<u>753 557 353</u>
<b>Payments</b>			
Cash paid to employees		(248 537 582)	(225 192 090)
Cash paid to suppliers		(415 998 070)	(438 600 729)
Finance costs		(24 470 656)	(25 305 432)
Grants paid		(279 600)	(194 600)
		<u>(689 285 908)</u>	<u>(689 292 851)</u>
<b>Net cash flows from operating activities</b>	40	<u>75 401 625</u>	<u>64 264 502</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	11	(83 244 346)	(74 797 270)
Proceeds from sale of property, plant and equipment	11	1 072 667	1 019 026
Proceeds from sale of investment property	10	392 200	-
Purchase of intangible assets	12	(326 048)	(787 044)
Purchases of heritage assets	13	-	(110 000)
Decrease in long term receivables		1 457 641	6 263 434
Increase in investments		(50 000 000)	-
Decrease in investments		-	55 000 000
		<u>(130 647 886)</u>	<u>(13 411 854)</u>
<b>Net cash flows from investing activities</b>		<u>(130 647 886)</u>	<u>(13 411 854)</u>
<b>Cash flows from financing activities</b>			
Movement in long term liabilities		35 373 140	(26 468 195)
Movement in consumer deposits		365 341	372 552
		<u>35 738 481</u>	<u>(26 095 643)</u>
<b>Net cash flows from financing activities</b>		<u>35 738 481</u>	<u>(26 095 643)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>(19 507 780)</u>	<u>24 757 005</u>
Cash and cash equivalents at the beginning of the year		106 930 779	82 173 774
<b>Cash and cash equivalents at the end of the year</b>	3	<u>87 422 999</u>	<u>106 930 779</u>

\* See Note 49 & 50



**BREDE VALLEY MUNICIPALITY**

Annual Financial Statements for the year ended 30 June 2016

**Statement of Budget Comparison**

WC025 Brede Valley - Reconciliation of Table A1 Budget Summary

Description	2015/16							2014/15				
	Original Budget	Budget Adjustments (i.e. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Residual Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
R thousands												
Financial Performance												
Property rates	99 345	633	99 977	104 586		4 589	104.5%	105.3%				94 992
Service charges	474 293	185	474 478	474 857		379	100.1%	100.1%				435 222
Investment revenue	9 000	-	9 000	10 919		1 919	121.3%	121.3%				10 592
Transfers recognised - operational	116 837	24 707	141 544	116 148		(25 397)	82.1%	88.4%				180 117
Other own revenue	90 374	(1 245)	89 129	113 608		24 479	127.5%	125.7%				62 919
Total Revenue (excluding capital transfers and contributions)	789 849	24 280	814 129	820 098		5 978	100.7%	103.8%				763 841
Employee costs	245 519	(14 348)	231 171	230 802		(368)	99.8%	94.0%				207 949
Remuneration of councillors	15 408	(86)	15 309	15 308		(0)	100.0%	99.4%				14 511
Depreciation & asset impairment	73 080	12 719	85 799	88 311		2 512	102.9%	120.8%				75 861
Finance charges	28 684	-	28 684	24 301		(4 382)	84.7%	84.7%				25 946
Materials and bulk purchases	313 784	(4 422)	309 362	305 103		(4 259)	98.6%	97.2%				285 556
Transfers and grants	280	420	680	280		(400)	41.1%	107.5%				185
Other expenditure	150 035	40 927	190 962	204 867		13 904	107.3%	138.5%				162 848
Total Expenditure	828 789	35 198	863 987	868 973		7 006	100.8%	105.1%				772 664
Surplus/(Deficit)	(36 820)	(10 918)	(47 639)	(48 873)		(1 036)	102.2%	132.4%				(8 822)
Transfers recognised - capital	65 355	(21 767)	43 588	40 049		(3 539)	91.9%	61.3%				58 147
Contributions recognised - capital & contributed assets	-	-	-	-		-	-	-				202
Surplus/(Deficit) after capital transfers & contributions	25 434	(32 685)	(4 251)	(8 825)		(4 573)	207.6%	-31.0%				48 927
Share of surplus/ (deficit) of associate	-	-	-	-		-	-	-				-
Surplus/(Deficit) for the year	28 434	(32 685)	(4 251)	(8 825)		(4 573)	207.6%	-31.0%				48 927
Capital expenditure & funds sources												
Capital expenditure	65 355	(21 767)	43 588	38 081		(5 507)	87.4%	58.3%				58 147
Transfers recognised - capital	-	-	-	-		-	-	-				202
Public contributions & donations	60 000	(10 476)	49 522	23 297		(26 225)	47.0%	38.8%				2 221
Borrowing	26 575	1 032	27 608	22 193		(5 415)	80.4%	83.5%				15 326
Internally generated funds	451 930	(31 213)	120 718	83 570		(37 147)	69.2%	55.0%				75 886
Total sources of capital funds												
Cash flow												
Net cash from (used) operating	105 614	(22 653)	83 051	75 402		(7 646)	90.8%	71.4%				64 255
Net cash from (used) investing	(151 730)	31 133	(120 598)	(130 648)		(10 050)	108.3%	86.1%				(13 412)
Net cash from (used) financing	35 210	-	35 210	36 738		528	107.5%	101.5%				(26 056)
Cash/ cash equivalents at the year end	84 124	-	134 564	87 423		(47 171)	85.0%	103.9%				136 591

**BREED VALLEY MUNICIPALITY**  
Annual Financial Statements for the year ended 30 June 2016  
**Statement of Budget Comparison**

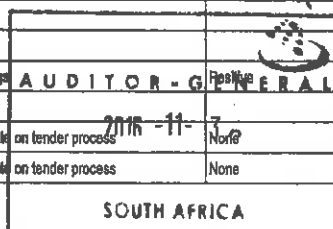
**Material Variance Explanations 30 June 2016**

Description	Final Budget 30 June 2016	Revenue/ Expenditure 30 June 2016	% Variance/ Variances greater than R50 000	Reasons for Material Deviations	Impact on Service Delivery
<b>Revenue By Source</b>					
Property rates - penalties & collection charges	834 859	1 001 455	20	More penalties from arrear rates accounts as anticipated	Positive
Service charges - water revenue	51 129 273	58 331 682	14	More revenue recognised from residential water usage as anticipated	Positive
Service charges - refuse revenue	30 956 972	35 220 885	14	More revenue recognised from residential refuse collection as anticipated	Positive
Service charges - other	-24 323 750	-26 448 774	9	More levies recognised from departmental electricity and water usage as anticipated	Positive
Interest earned - external investments	9 000 000	10 918 562	21	Additional interest received on the current account at ABISA bank. All additional cash on hand are invested to maximise returns	Positive
Interest earned - outstanding debtors	2 673 066	3 839 635	44	More interest recognised from outstanding electricity accounts as anticipated	Positive
Fines	55 267 690	69 120 556	25	The Provision for Bad Debts: Traffic Fines was increased as a result of more outstanding traffic fine debtors	Positive
Licences and permits	2 818 137	3 106 259	10	More revenue recognised from licence fees as anticipated	Positive
Agency services	5 618 000	6 610 177	18	More revenue recognised from agency services as anticipated	Positive
Transfers recognised - operational	141 544 423	116 147 809	-18	Under spending on Provincial Housing Grant expenditure	None
Other revenue	7 926 911	18 050 582	102	Higher fair value adjustment on water stock, debtors and investment property as anticipated	Positive
Gains on disposal of PPE	1 000 000	1 381 543	38	More gains from the disposal of assets (Insurance Claims) as anticipated	Positive
<b>Expenditure By Type</b>					
Debt Impairment	49 413 960	75 455 683	53	The Provision for Bad Debts: Traffic Fines was increased as a result of more outstanding traffic fine debtors	None
Finance charges	28 683 552	24 301 454	-15	Less interest paid as a result of the external loan that was only taken up after March 2016	None
Transfers and grants	680 000	279 600	-59	There were delays in a project of R400 000 to assist residents in need	None
Other expenditure	131 859 100	116 883 251	-11	Under spending on Provincial Housing Grant expenditure	None
Loss on disposal of PPE	217 418	3 128 317	1 339	More losses from the disposal of assets (Insurance Claims) as anticipated	None
<b>Capital Expenditure</b>					
<b>TECHNICAL SERVICES</b>					
Rawsonville WwTW	608 317	498 655.18	(109 462)	Augmentation of aeration completed.	Positive
Langerug Reservoir	6 410 625	5 137 750.23	(1 273 075)	This project is implemented in two phases: Phase 1 - Supply and delivery of materials. Saving on contract BV 457. Phase 2 - Construction of reservoir and pipeline. Is pending Environmental Authorization (towards end of 2016).	Positive
<b>Upgrading of Gravel Roads</b>					
Zwalemba IDT Roads	2 000 000	103 087.58	(1 896 912)	Contract BV 496 completion dated is during 2016/2017 FY	Limited
Hex Industria Roads	1 250 000	84 398.76	(1 165 601)	Contract BV 497 completion dated is during 2016/2017 FY	Limited
HOP Land Roads - Tzouws River	1 250 000	95 731.36	(1 154 269)	Contract BV 494 completion dated is during 2016/2017 FY	Limited
De Doorns East Roads	1 250 000	90 643.08	(1 159 357)	Contract BV 495 completion dated is during 2016/2017 FY	Limited
<b>Vehicles &amp; Equipment</b>					
Refuse Compactors	4 334 477	4 073 476.00	(261 001)	Saving	Positive
De Doorns	100 000	42 844.58	(57 155)	Saving	Positive
Cleaning	149 917	88 496.65	(61 420)	Saving	Positive
Standby Generators	514 400	-	(514 400)	Tender BV443 closed near year end. Product delivered in new financial year on the 15 August 2016 - Funds Rolled over.	Positive
Electricity	236 000	92 913.50	(142 087)	Product - Cable locator R141 000 could not be delivered from 1st Supplier due to rand exchange - 2nd Supplier could not deliver within time frame - Product to be imported	Negative
<b>Networks</b>					
Replacement of Water Network	2 000 000	4 200.00	(1 995 800)	Contract BV 532 completion dated is during 2016/2017 FY	Negative
Replacement of Sewer Network	2 000 000	-	(2 000 000)	BID BV 490 was cancelled. BID BV 541 is reactivated and will be completed 2016/2017 FY.	Negative
Upgrading of Storm Water Network - All Wards	1 000 000	398 663.95	(601 336)	Amount not spend forms part of the upgrading of gravel roads.	Limited
<b>Parks (5151)</b>					
Develop Parks & Open Spaces	2 000 000	1 690 441.79	(309 558)	The development of one park was rolled over to 2016/2017 FY and will be completed. Small saving of less than R100 000 will result.	None
<b>Bulk Water Fairv Gian (5415)</b>					
Restroom Facilities for staff	125 000	22 697.21	(102 403)	Budget is insufficient for the completion of the project. Project omitted.	Negative
<b>Ward 1</b>					
Mini drop off facilities	150 000	-	(150 000)	BID was cancelled by contractor and will be reactivated and completed during 2016/2017 FY.	Delay in provision of facilities
Public toilets	630 550	580 083.67	(50 466)	Works completed. Saving	2016 - 11 Positive
Water Treatment Works (Line stabilisation & New treatment facility)	100 000	-	(100 000)	Budget is insufficient for project implementation. Project omitted.	None

**BREDE VALLEY MUNICIPALITY**  
Annual Financial Statements for the year ended 30 June 2016  
**Statement of Budget Comparison**

**Material Variance Explanations 30 June 2016**

Description	Final Budget 30 June 2016	Revenue/ Expenditure 30 June 2016	% Variance/ Variances greater than R50 000	Reasons for Material Deviations	Impact on Service Delivery
<b>Ward 2</b>					
Bus route	6 482 849	6 290 260.46	(172 589)	Works completed. Saving	None
Mini drop off facilities	250 000	-	(250 000)	BID was cancelled by contractor and will be re-advertised and completed during 2016/2017 FY.	Delay in provision of facilities
Grootdooif Pallsade Fencing	280 000	-	(280 000)	Hex Valley Water Users Association will take Grootdooif over from BVM. Project omitted.	Positive
<b>Ward 3</b>					
De Doorns water purification Works: DAF Unit	400 000	-	(400 000)	Budget is insufficient for project implementation. Project omitted.	Negative
Barlinka Street Stormwater pipeline	1 500 000	-	(1 500 000)	Contract BV 536 Supply and Delivery of Culverts. To be completed 2016/2017 FY.	Negative
<b>Ward 7</b>					
Replace 5 x 86kV OCBS at Robertson Rd SS.	5 000 000	6 371.80	(4 993 628)	Product Imported - Average delivery period 18 months.	Negative
Fairy Glen- Ohm to UGM and ABC upgrades Fairy Glen	511 480	245 854.38	(265 626)	Works completed. Saving	Positive
Worcester CBD - Ohm to UGM and ABC upgrades	345 000	81 864.94	(263 135)	Works completed. Saving	Positive
<b>Ward 9</b>					
Security Fencing Various Substations. (CP)	547 757	373 650.98	(174 106)	Works completed. Saving	Positive
<b>Ward 12</b>					
Parker Substation - Upgrade of low voltage overhead lines (Voltage regulation problems)	520 740	455 071.55	(65 668)	Works completed. Saving	Positive
Avianpark : Relocation Inhabitants	-	-	-	-	-
Sewer Reticulation	335 715	22 000.00	(313 715)	Commencement of Works was stopped by community. Pending.	Negative
Water Reticulation	210 831	22 000.00	(188 831)	Commencement of Works was stopped by community. Pending.	Negative
Electricity Reticulation	475 000	-	(475 000)	Commencement of Works was stopped by community. Pending.	Negative
<b>Ward 15</b>					
Langenig - Upgrade bare OHM to ABC	860 000	97 642.90	(562 357)	Works completed. Saving	Positive
Worcester West - Replace bare OHM with ABC - Low Voltage problems.	324 000	207 413.85	(116 586)	Works completed. Saving	Positive
Worcester West - Upgrading and replacing of Street lighting networks.	194 400	100 265.00	(94 135)	Works completed. Saving	Positive
<b>Ward 17</b>					
Zwelethamba - Electrification upgrading of 350 top structures.	1 119 250	761 550.73	(357 699)	Works completed. Saving	Positive
Zwelethamba: Upgrades Midblock Phase no 1 & 2	500 000	247 652.91	(252 347)	Work in progress planned over two financial years. Rolled over	Positive
<b>SERVICE CONNECTIONS (Depending on Public Contr)</b>					
Sewer Connections	280 000	40 274.30	(239 726)	Depending on Public Contribution	None
Electricity Connections	765 000	665 684.87	(99 315)	Depending on Public Contribution	None
Water Connections	300 000	201 902.32	(98 198)	Depending on Public Contribution	None
Electricity Network Extensions (Depending on Public Contr)	772 000	493 152.81	(278 847)	Depending on Public Contribution	None
<b>Municipal Manager</b>					
<b>Internal Audit</b>					
MCM Project	550 000	380 152.79	(169 847)	The deviation is due to the timeframe in which the grant funding was received.	None
<b>Protect Management -M15</b>					
Containerised community facility	923 698	38 408.90	(885 289)	The tender couldn't be advertised in time for award before 30 June 2016 due to delays in approval of building plans	Delay in provision of facilities
Lighting Dark areas Avianpark & Riverview	45 000	1 013.57	(43 986)	Was financed from operational budget	None
Netball Courts Avianpark & Riverview	560 000	-	(560 000)	Tender was advertised in February 2016 but only one tender was received and was above budget and from a supplier with a record of poor performance so had to be re-advised and couldn't be awarded before 30 June 2016	Delay in provision of facilities
BMX track	100 000	-	(100 000)	Was financed from other sources	None
Zwelethamba Netball Court	280 500	-	(280 500)	Tender was advertised in February 2016 but only one tender was received and was above budget and from a supplier with a record of poor performance so had to be re-advised and couldn't be awarded before 30 June 2016	Delay in provision of facilities
Fencing Playpark Riverview	135 000	-	(135 000)	Order was issued to second lowest quote after supplier of lowest quote couldn't fulfill the order. New supplier had to wait for material and could only complete the work in July 2016	Not significant
<b>Community Services</b>					
<b>Housing</b>					
Fence Russel Scheme flats	135 000	43 624.60	(91 375)	This project was completed the variance is the savings	Positive
<b>SPORT: Boland Park - #130</b>					
Upgrade Tennis court	350 000	-	(350 000)	Is in process, the delay in the process is due to dispute on tender process	None
Upgrade Netball court	300 000	-	(300 000)	Is in process, the delay in the process is due to dispute on tender process	None



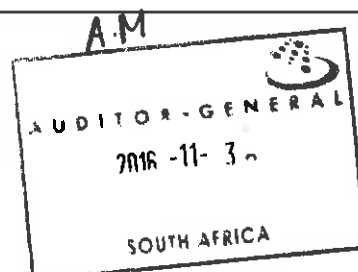
**BREED VALLEY MUNICIPALITY**  
Annual Financial Statements for the year ended 30 June 2016  
**Statement of Budget Comparison**

**Material Variance Explanations 30 June 2016**

Description	Final Budget 30 June 2016	Revenue/ Expenditure 30 June 2016	% Variance/ Variances greater than R50 000	Reasons for Material Deviations	Impact on Service Delivery
<b>SPORT: Rawsonville - 5135</b>					
Upgrade Soccer field	200 000	-	(200 000)	Is in process, the delay in the process is due to dispute on tender process	None
<b>SPORT: Zwidelemba - 5135</b>					
Upgrading	800 000	-	(800 000)	Is in process, the delay in the process is due to dispute on tender process	None
<b>SPORT: Touwsriver - 5139</b>					
Upgrading fence & facilities - Touw park	500 000	28 400.00	(471 600)	Upgrading of building facilities is finalized the other projects is in process, the delay in the process is due to dispute on tender process	None
<b>SPORT: Steenvliet -</b>					
Upgrade Cricket Field	600 000	-	(600 000)	Is in process, the delay in the process is due to dispute on tender process	None
<b>SPORT: De Doorns West - 5145</b>					
Upgrade of De Doorns sport facilities	300 000	54 656.00	(245 344)	Upgrading of fencing is finalized the other projects is in process, the delay in the process is due to dispute on tender process	None
<b>RESORTS</b>					
Tractor	249 815	177 960.00	(71 855)	Successful tenderer quote was relatively lower than projected, therefore a saving of amount as set has been occurred	Positive
<b>WATERLOO LIBRARY - 4506</b>					
New study/ computer facility 2012/2013	2 000 000	-	(2 000 000)	The Avian Park Library was completed by 30 June 2016. Application for roll over for Waterloo Library was submitted to Provincial Treasury and will be spent with another R 3 000 000 allocated for the same project in 2016/2017.	None due to the current facility which is in working order.
<b>FIRE DEPARTMENT: ADMIN - 4203</b>					
Digital Radio Project	1 000 000	356 607.00	(643 393)	Due to the complexity of the digital radio network infrastructure, a thorough investigation was required to determine and ensure that the correct system be purchased. This would ensure proper integration with all departments in the municipality with the follow-up phases.	A delay in Digital radio coverage throughout the entire BVM
Super structure for Fire engine completion	600 000	-	(600 000)	The cost of completing the project escalated multifold and the cheapest quote to complete the work was more than R 1.3m. The project will be completed in the 2016/17 year	The availability of a new reliable fire engine was delayed.
De Doorns: New Fire Station	2 641 550	428 426.82	(2 168 888)	Due to a complete new project, architectural drawings and procurement processes the project completion was delayed.	NIL. Currently a temporary Fire Station is functional in De Doorns.
<b>STRATEGIC SUPPORT SERVICES</b>					
<b>STRATEGIC SUPPORT - ADMIN - 2103</b>					
Furniture & Equipment	300 000	195 185.70	(104 814)	This was a saving.	None
<b>INFORMATION TECHNOLOGY - 2114</b>					
Equipment VOIP phones	650 000	598 974.24	(51 026)	Prices tendered were lower than estimates acquired at budget time - exchange rate primary reason.	No Impact
Disaster Recovery Site	1 500 000	1 163 649.00	(336 351)	Prices tendered were lower than estimates acquired at budget time.	No Impact

**Verments to Final Adjustment Budget (Reconciliation of Budget Summary)**

<b>Total Expenditure</b>	
Employee related costs	Changes between the Final Budgeted amounts and the Final Adjustment Budget of 17 May 2016: Verments was approved by the Chief Financial Officer and it was done in line with the Approved Verment Policy of 2015/2016
Other materials	
Contracted Services	
Other expenditure	
<b>Cash flow</b>	
Cash/ Cash Equivalents at the year end.	Changes between the Final Budgeted amounts and the Final Adjustment Budget of 17 May 2016: Verments was approved by the Chief Financial Officer and it was done in line with the Approved Verment Policy of 2015/2016





# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

---

### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand. All figures have been rounded to the nearest rand.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies are disclosed below.

These accounting policies are consistent with the previous period.

#### 1.1 Significant judgements and sources of estimation uncertainty

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

##### Receivables

The municipality assesses its receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a receivable.

The impairment for receivables is based on a historic payment ratio per customer.

##### Allowance for slow moving, damaged and obsolete Inventory

An allowance for inventory to write inventory down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the surplus/deficit.

##### Fair value estimation

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

The fair value of long-term receivables is estimated by discounting the future contracted cash flows at the current market interest rate that is available to the municipality for similar financial instruments.



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

### 1.1 Significant judgements and sources of estimation uncertainty (continued)

#### Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

#### Value in use of cash generating assets:

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including economic factors such as inflation and interest.

#### Value in use of non-cash generating assets:

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

#### Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 20 - Provisions.

#### Useful lives of property, plant and equipment and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for property, plant and equipment and other assets. This estimate is based on industry norm and on the pattern in which an asset's future economic benefits or service potential is expected to be consumed by the municipality.

#### Post retirement benefits and other long-term benefits

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

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the obligations. In determining the appropriate discount rate, the municipality considers market yields at the reporting date on government bonds. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, the municipality uses current market rates of the appropriate term to discount shorter term payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve.

Other key assumptions for post-retirement and other long-term employee obligations are based on current market conditions. Additional information is disclosed in note 19 - Employee Benefits.

#### Effective interest rate

The municipality used the prime rate to discount future cash flows.

#### Allowance for Impairment

On receivables an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the receivables carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

### 1.2 Investment property

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

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

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

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

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

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

Subsequent to initial measurement investment property is measured at fair value.

#### Fair value

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

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

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

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

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

### 1.3 Property, plant and equipment

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

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

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

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

### 1.3 Property, plant and equipment (continued)

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

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

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

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

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

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

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

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Subsequent to initial measurement property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

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

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

Item	Depreciation method	Average useful life
Buildings	Straight line	
• Buildings		10 - 100 years
• Recreational facilities		15 - 100 years
Infrastructure	Straight line	
• Cemeteries		25 - 60 years
• Electricity		5 - 25 years
• Housing		20 - 100 years
• Landfill sites		1 - 55 years
• Pedestrian Malls		20 years
• Roads and paving		50 - 80 years
• Security		3 - 25 years
• Sewerage		15 - 75 years
• Water		15 - 100 years
Land		indefinite

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

### 1.3 Property, plant and equipment (continued)

Other property, plant and equipment

Straight line

• Furniture and fixtures	2 - 20 years
• Specialised property, plant and equipment	5 - 20 years
• Specialist vehicles	5 - 30 years
• Other equipment	5 - 20 years
• Other vehicles	5 - 30 years

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the municipality to amend the previous estimate unless expectations differ from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

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 from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Compensation from third parties for an item of property, plant and equipment that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

### 1.4 Site restoration and dismantling cost

The municipality has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities'. The cost of an item of property, plant and equipment includes:

- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located;
- changes in the measurement of an existing decommissioning, restoration and similar liability that result from change in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in discount rate; and
- the obligation the municipality incurs for having used the items during a particular period for purposes other than to produce inventories during that period.

If the related asset is measured using the cost model:

- (a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
- (b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
- (c) If the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets.

### 1.5 Intangible assets

An asset is identifiable if it either:

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

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

### 1.5 Intangible assets (continued)

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

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

Intangible assets are initially measured at cost.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

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

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

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

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

Subsequent to initial measurement intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

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

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

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

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

Internally generated goodwill is not recognised as an intangible asset.

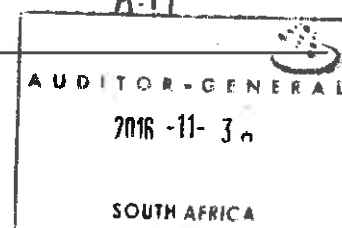
Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software	3 - 5 years
Right to access of water	99 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible asset is the difference between the net disposal proceeds and the carrying amount and is included in surplus or deficit when the asset is derecognised.



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

---

### 1.6 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

#### Recognition

The municipality recognises a heritage asset as an asset when it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value can be measured reliably.

Where the municipality holds a heritage asset, but on initial recognition it does not meet the recognition criteria because it cannot be reliably measured, information on such a heritage asset is disclosed in note 13 Heritage assets.

#### Initial measurement

Heritage assets are measured at cost.

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

#### Subsequent measurement

Subsequent to initial measurement classes of heritage assets are carried at cost less any accumulated impairment losses.

#### Impairment

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

#### Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

#### Derecognition

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is the difference between the net disposal proceeds and the carrying amount and is included in surplus or deficit when the item is derecognised.

### 1.7 Financial instruments

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



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

### 1.7 Financial Instruments (continued)

#### Classification

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

Class	Category
Long term receivables	Financial asset measured at amortised cost
Short term investments	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost
Other receivables from exchange transactions	Financial asset measured at amortised cost

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

Class	Category
Long term liabilities	Financial liability measured at amortised cost
Payables from exchange transactions	Financial liability measured at amortised cost
Consumer deposits	Financial liability measured at amortised cost
Unspent conditional grants and receipts	Financial liability measured at amortised cost

#### Initial recognition

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

The municipality recognises financial assets using trade date accounting.

#### Initial measurement of financial assets and financial liabilities

The municipality measures a financial asset and financial liability initially at its fair value plus, in the case of a financial asset or a liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The municipality first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the municipality analyses a concessionary loan into its component parts and accounts for each component separately. The municipality accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.





# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

### 1.7 Financial Instruments (continued)

#### Subsequent measurement of financial assets and financial liabilities

The municipality measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

#### Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the municipality establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the municipality uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on municipal-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, the municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

Short-term receivables and payables are not discounted where the initial credit period granted or received is consistent with terms used in the public sector, either through established practices or legislation.

#### Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

#### Impairment and uncollectability of financial assets

The municipality assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

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

#### Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Where financial assets are impaired through the use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such financial assets are written-off, the write-off is made against the relevant allowance account. Subsequent recoveries of amounts previously written-off are credited against operating expenses.

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

### 1.7 Financial instruments (continued)

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

#### Derecognition

##### Financial assets

The municipality derecognises financial assets using trade date accounting.

The municipality derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the municipality, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality:
  - derecognises the asset; and
  - recognises separately any rights and obligations created or retained in the transfer.

The carrying amount of the transferred asset is allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

##### Financial liabilities

The municipality removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished - i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

### 1.8 Statutory receivables

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

#### Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of the Standard of GRAP on Statutory Receivables) means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

#### Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the accounting policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the accounting policy on Revenue from non-exchange transactions (Taxes and transfers); or
- If the transaction is not within the scope of the accounting policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the municipality and the transaction amount can be measured reliably.

#### Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

#### Subsequent measurement

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable;
- impairment losses; and
- amounts derecognised.

#### Accrued interest

Where the municipality levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the accounting policy on Revenue from exchange transactions or the accounting policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

#### Other charges

Where the municipality is required or entitled to levy additional charges in terms of legislation, supporting regulations, by-laws or similar means on overdue or unpaid amounts, these charges are accounted for in terms of the municipality's accounting policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (taxes and transfers).

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

### 1.8 Statutory receivables (continued)

#### Impairment losses

The municipality assesses at the end of each reporting date whether there is any indication that a statutory receivable or group of statutory receivables is impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality considers, as a minimum, the following indicators:

- significant financial difficulty of the receivable, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- it is probable that the receivable will enter sequestration, liquidation or other financial re-organisation.
- a breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced through the use of an allowance account. The amount of the losses are recognised in surplus or deficit.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable, or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

#### Derecognition

The municipality derecognises a statutory receivable when:

- the rights to the cash flows from the statutory receivable are settled, expire or are waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the municipality, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality:
  - derecognises the receivable; and
  - recognises separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The municipality considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

### 1.9 Inventories

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

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

Inventories are measured at the lower of cost and current replacement cost where they are held for:

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

### 1.9 Inventories (continued)

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

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

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

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

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

### 1.10 Impairment of cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

#### Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

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

Irrespective of whether there is any indication of impairment, the municipality also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

#### Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

#### Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

#### Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

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

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

---

### 1.10 Impairment of cash-generating assets (continued)

#### Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality uses management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the municipality does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

### 1.10 Impairment of cash-generating assets (continued)

#### Reversal of Impairment loss

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

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

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

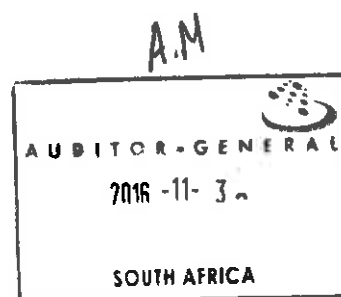
After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

### 1.11 Impairment of non-cash-generating assets

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

#### Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating 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 a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset is tested for impairment before the end of the current reporting period.

#### Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating asset is determined using the following approach:

#### Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

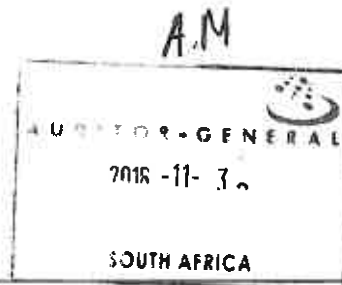
The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

#### Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

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





# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

---

### 1.11 Impairment of non-cash-generating assets (continued)

#### Reversal of an impairment loss

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

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

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

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

### 1.12 Value-added Tax

The municipality is registered with the South African Revenue Services (SARS) for VAT on the payment basis, in accordance with Section 15(2) of the VAT Act (Act 89 of 1991).

### 1.13 Leases

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

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

#### Operating leases - lessor

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

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

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

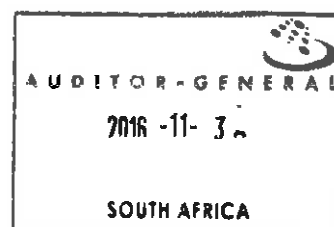
Income for leases is disclosed under revenue in the statement of financial performance.

#### Operating leases - lessee

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

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

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



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

### 1.14 Employee benefits

#### Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cell-phones) for current employees.

When an employee has rendered service to the municipality during a reporting period, the municipality recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the municipality recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The municipality measures the expected cost of accumulating compensated absences as the additional amount that the municipality expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The municipality recognises the expected cost of bonus, incentive and performance related payments when the municipality has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the municipality has no realistic alternative but to make the payments.

#### Post-employment benefits

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

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

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

#### Multi-employer plans and/or State plans and/or Composite social security programmes

The municipality classifies a multi-employer plan and/or state plans and/or composite social security programmes as a defined contribution plan or a defined benefit plan under the terms of the plan (including any constructive obligation that goes beyond the formal terms).

Where a plan is a defined contribution plan, the municipality accounts for it in the same way as for any other defined contribution plan.

Where a plan is a defined benefit plan, the municipality accounts for its proportionate share of the defined benefit obligation, plan assets and cost associated with the plan in the same way as for any other defined benefit plan.

When sufficient information is not available to use defined benefit accounting for a plan, that is a defined benefit plan, the municipality accounts for the plan as if it was a defined contribution plan.

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

---

### 1.14 Employee benefits (continued)

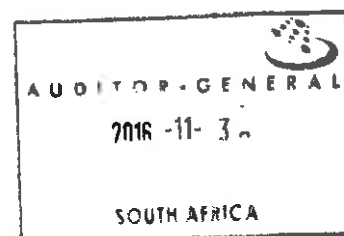
#### Post-employment benefits: Defined contribution plans

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

When an employee has rendered service to the municipality during a reporting period, the municipality recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, the municipality recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

### 1.14 Employee benefits (continued)

#### Post-employment benefits: Defined benefit plans

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

### 1.14 Employee benefits (continued)

The municipality uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, the municipality attributes benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, the municipality attributes benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

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

The municipality recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the municipality re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

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

The municipality offsets an asset relating to one plan against a liability relating to another plan when the municipality has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

### Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

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

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money are consistent with the currency and estimated term of the post-employment benefit obligations.

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

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

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

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

### 1.14 Employee benefits (continued)

#### Other long-term employee benefits

The municipality has an obligation to provide long-term service allowance benefits to all of its employees.

The municipality's liability is based on an actuarial valuation. The Projected Unit Credit Method is used to value the liabilities. Actuarial gains and losses on the long-term service awards are recognised in the statement of financial performance.

The amount recognised as a liability for long-term service awards is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The municipality recognises the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which is recognised immediately;
- past service cost; and
- the effect of any curtailments or settlements.

#### Termination benefits

The municipality recognises termination benefits as a liability and an expense when the municipality is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The municipality is demonstrably committed to a termination when the municipality has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than twelve months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer.

### 1.15 Provisions and contingencies

Provisions are recognised when:

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

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

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

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

### 1.15 Provisions and contingencies (continued)

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

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

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

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

Provisions are not recognised for future operating deficits.

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

A constructive obligation to restructure arises only when the municipality:

- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of a activity/operating unit concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

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

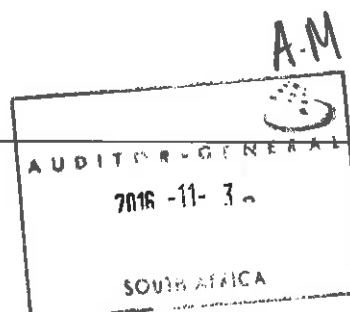
- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

A contingent liability is a:

- possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality; or
- present obligation that arises from past events but is not recognised because:
  - it is not probable than an outflow of resources embodying economic benefits or service potential will be required to settle the obligation;
  - the amount of the obligation cannot be measured with sufficient reliability.

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



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

### 1.15 Provisions and contingencies (continued)

#### Decommissioning, restoration and similar liability

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, is accounted for as follows:

If the related asset is measured using the cost model:

- changes in the liability is added to, or deducted from, the cost of the related asset in the current period;
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
- if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the municipality tests the asset for impairment by estimating its recoverable amount or recoverable service amount, and accounts for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy 1.10 and 1.11.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur.

The periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.

### 1.16 Accumulated surplus

The accumulated surplus represents the net difference between the total assets and the total liabilities of the municipality. Any surpluses and deficits realised during a specific financial year are credited/debited against accumulated surplus/deficit. Prior year adjustments, relating to income and expenditure, are debited/credited against accumulated surplus when retrospective adjustments are made.

### 1.17 Revenue from exchange transactions

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

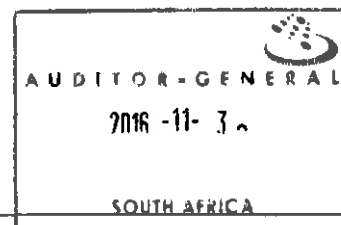
#### Measurement

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

#### Sale of goods

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

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





# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

### 1.17 Revenue from exchange transactions (continued)

#### Rendering of services

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

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

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

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by surveys of work performed.

#### Interest, royalties and dividends

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

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the amount of the revenue can be measured reliably.

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

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

### 1.18 Revenue from non-exchange transactions

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

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

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

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

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

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

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

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

# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

### 1.18 Revenue from non-exchange transactions (continued)

#### Recognition

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

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

Revenue received from conditional grants, donations and funding are recognised as revenue 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.

#### Measurement

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

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

#### Property rates

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources.

Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

#### Transfers

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

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

#### Debt forgiveness and assumption of liabilities

The municipality recognise revenue in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners.

Revenue arising from debt forgiveness is measured at the carrying amount of debt forgiven.

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

### 1.18 Revenue from non-exchange transactions (continued)

#### Fines

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

The municipality makes use of estimates to determine the amount of revenue that it is entitled to collect. Where settlement discounts or reductions in the amount payable are offered, the municipality considers past history in assessing the likelihood of these discounts or reductions being taken up by receivables.

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

#### Gifts and donations, including goods in-kind

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

#### Services in-kind

Services in-kind that are significant to the municipality's operations and/or service delivery objectives are recognised as assets and the related revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the municipality's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality disclose the nature and type of services in-kind received during the reporting period.

#### Concessionary loans received

A concessionary loan is a loan granted to or received by the municipality on terms that are not market related.

The portion of the loan that is repayable, along with any interest payments, is an exchange transaction and is accounted for in accordance with the Standard of GRAP on Financial Instruments. The off-market portion of the loan is a non-exchange transaction. The off-market portion of the loan that is recognised as non-exchange revenue, is calculated as the difference between the proceeds received from the loan, and the present value of the contractual cash flows of the loan, discounted using a market related rate of interest.

The recognition of revenue is determined by the nature of any conditions that exists in the loan agreement that may give rise to a liability. Where a liability exists the municipality recognises revenue as and when it satisfies the conditions of the loan agreement.

### 1.19 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

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

### 1.20 Grants in aid

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

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

These transfers are recognised in the Statement of Financial Performance as expenses in the period that the events given raise to the transfer occurred.

### 1.21 Commitments

Items are classified as commitments when the municipality has committed itself to future transactions that will normally result in the outflow of cash.



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

### 1.21 Commitments (continued)

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation are disclosed in a note to the financial statements, if both the following criteria are met:

- contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- contracts should relate to something other than the routine, steady, state business of the municipality – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

### 1.22 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. Refer to note 50 for detail.

### 1.23 Unauthorised expenditure

Unauthorised expenditure means:

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

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

### 1.24 Fruitless and wasteful expenditure

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

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

### 1.25 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act 56 of 2003), the Municipal Systems Act (Act 32 of 2000), and the Public Office Bearers Act (Act 20 of 1998) or is in contravention of the municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure.

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

### 1.26 Budget Information

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

The approved budget covers the fiscal period from 1 July 2015 to 30 June 2016.

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

### 1.27 Related parties

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

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

---

### 1.27 Related parties (continued)

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

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

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

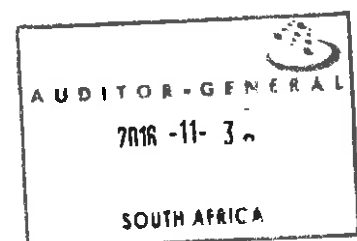
### 1.28 Events after reporting date

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

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

The municipality adjusts the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality discloses the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

### 2. New standards and interpretations

#### 2.1 Standards and interpretations effective and adopted in the current year

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

##### GRAP 21 (as amended 2015): Impairment of Non-cash-generating Assets

The following amendments were made to the standard:

- editorial and other changes to the original text have been made to ensure consistency with other Standards of GRAP;
- general definitions have been deleted as these definitions are not essential to the understanding of the Standard. A paragraph has been included to explain that terms defined in other Standards of GRAP are used with the same meaning as in those other Standards of GRAP;
- additional commentary has been added to clarify the objective of cash-generating assets and non-cash generating assets, and consequential amendments made to the definition of cash-generating assets;
- the indicators of internal sources of information were amended to include obsolescence as an indication that an asset may be impaired.  
In line with the amendments made to IPSAS 21 on Impairment of Non-cash-generating Assets (IPSAS 21) in 2011, an amendment has been made to include another indicator of impairment i.e., where an asset's useful life has been reassessed as finite rather than indefinite;
- where the recoverable service amount is value in use, disclosure requirements have been added about whether an independent valuer is used to determine value in use together with the methods and significant assumptions applied in determining the value in use have been added to the disclosure requirements; and
- appendices with illustrative examples of indications of impairment and measurement of impairment losses have been deleted from the Standard as the National Treasury has issued complete examples as part of its implementation guidance.

The effective date of the standard is for years beginning on or after 01 April 2015.

The municipality has adopted the standard for the first time in the 2016 annual financial statements.

The impact of the standard is not material.

##### GRAP 26 (as amended 2015): Impairment of Cash-generating Assets

The following amendments were made to the standard:

- editorial and other changes to the original text have been made to ensure consistency with other Standards of GRAP;
- general definitions have been deleted as these definitions are not essential to the understanding of the Standard. A paragraph has been included to explain that terms defined in other Standards of GRAP are used with the same meaning as in those other Standards of GRAP;
- additional commentary has been added to clarify the objective of cash-generating assets and non-cash generating assets, and consequential amendments made to the definition of cash-generating assets and cash generating unit;
- in line with the amendments made to IPSAS 26 on Impairment of Cash-generating Assets (IPSAS 26) in 2010, an amendment has been made to include another indicator of impairment in relation to the internal sources of information;
- where the recoverable amount is value in use, disclosure requirements have been added about whether an independent valuer is used to determine value in use together with the methods and significant assumptions applied in determining the value in use have been added to the disclosure requirements; and
- appendices with illustrative examples on using present value techniques to measure value in use and illustrative guidance have been deleted from the Standard as the National Treasury has issued complete examples as part of its implementation guidance.

The effective date of the standard is for years beginning on or after 01 April 2015.

The municipality has adopted the standard for the first time in the 2016 annual financial statements.

The impact of the standard is not material.

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

### 2. New standards and interpretations (continued)

#### Improvements to the Standards of GRAP (2013)

Amendments were made to the following standards of GRAP:

- GRAP 1 - Presentation of Financial Statements;
- GRAP 2 - Cash Flow Statements;
- GRAP 3 - Accounting Policies, Changes in Accounting Estimates and Errors;
- GRAP 7 - Investments in Associates;
- GRAP 10 - Financial Reporting in Hyperinflationary Economies;
- GRAP 11 - Construction Contracts;
- GRAP 13 - Leases;
- GRAP 17 - Property, Plant and Equipment;
- GRAP 19 - Provisions, Contingent Liabilities and Contingent Assets;
- GRAP 21 - Impairment of Non-cash-generating Assets (refer to separate note);
- GRAP 24 - Presentation of Budget Information in Financial Statements;
- GRAP 25 - Employee Benefits;
- GRAP 26 - Impairment of Cash-generating Assets (refer to separate note);
- GRAP 31 - Intangible Assets;
- GRAP 103 - Heritage Assets; and
- GRAP 104 - Financial Instruments

The amendments relate mainly due to editorial and other changes to the original text to ensure consistency with other Standards of GRAP and deletion of the appendices with illustrative guidance and examples from the standards, as the National Treasury has issued complex examples as part of its implementation guidance.

The effective date of the standard is for years beginning on or after 01 April 2015.

The municipality has adopted the standard for the first time in the 2016 annual financial statements.

The impact of the standard is not material.

#### GRAP 23 (as amended 2015): Revenue From Non-exchange Transactions

The following amendments were made to the standard:

- editorial and other changes to the original text have been made to ensure consistency with other Standards of GRAP;
- the scope paragraph has been amended to exclude non-exchange revenue from construction contracts from this Standard;
- commentary has been added to clarify that discounts, volume rebates or other reductions in the quoted price of assets are exchange transactions that should be treated in accordance with the Standard of GRAP on Revenue from Exchange Transactions;
- the Standard was amended to make it mandatory for entities to recognise services in-kind to the extent that the services in-kind are significant to an entity's operations and/or service delivery objectives and to the extent that the recognition criteria have been met;
- commentary has been added to clarify that services in-kind are not limited to the provision of services by individuals but also include the right to use assets. Examples have been added to illustrate this amendment; and
- the appendix with illustrative examples has been deleted from the Standard as the National Treasury has issued complete examples as part of its implementation guidance.

The effective date of the standard is for years beginning on or after 01 April 2015.

The municipality has adopted the standard for the first time in the 2016 annual financial statements.

The impact of the standard is not material.



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

### 2. New standards and Interpretations (continued)

#### 2.2 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2016 or later periods:

##### GRAP 18: Segment Reporting

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

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

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

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

The adoption of this is not expected to impact on the results of the municipality, but may result in more disclosure than is currently provided in the annual financial statements.

##### GRAP 20: Related Parties

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

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

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

This standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the reporting entity in accordance with the Standard of GRAP on Consolidated and Separate Financial Statements. This standard also applies to individual annual financial statements.

Disclosure of related party transactions, outstanding balances, including commitments, and relationships with related parties may affect users' assessments of the financial position and performance of the reporting entity and its ability to deliver agreed services, including assessments of the risks and opportunities facing the entity. This disclosure also ensures that the reporting entity is transparent about its dealings with related parties.

The standard states that a related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to the reporting entity if that person:
  - has control or joint control over the reporting entity;
  - has significant influence over the reporting entity;
  - is a member of the management of the entity or its controlling entity.



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

### 2. New standards and interpretations (continued)

- An entity is related to the reporting entity if any of the following conditions apply:
  - the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
  - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
  - both entities are joint ventures of the same third party;
  - one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
  - the entity is controlled or jointly controlled by a person identified in (a); and
  - a person identified in (a)(i) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

The standard furthermore states that related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

The standard elaborates on the definitions and identification of:

- Close member of the family of a person;
- Management;
- Related parties;
- Remuneration; and
- Significant influence

The standard sets out the requirements, inter alia, for the disclosure of:

- Control;
- Related party transactions; and
- Remuneration of management

Only transactions with related parties where the transactions are not concluded within normal operating procedures or on terms that are not no more or no less favourable than the terms it would use to conclude transactions with another entity or person are disclosed.

The standard requires that remuneration of management must be disclosed per person and in aggregate.

The standard has been approved by the Accounting Standards Board, but the effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard, but has already formulated an accounting policy for this reporting period based on the Standard.

The adoption of this standard is not expected to impact on the results of the municipality, but may result in more disclosure than is currently provided in the annual financial statements.

### GRAP 32: Service Concession Arrangements: Grantor

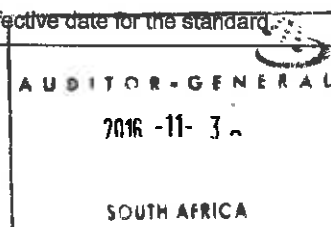
The standard applies to a contractual arrangement between a grantor and an operator in which the operator uses the service concession asset to provide a mandated function on behalf of the grantor for a specified period of time. The operator providing the mandated function on behalf of the grantor can either be a private party or another public sector entity. The standard applies to the grantor only.

Public Private Partnership agreements that are governed and regulated in terms of the MFMA, are some of the arrangements that fall within the scope of GRAP 32. For any other arrangements that meet the control criteria as set out in paragraph .07 of GRAP 32 the principles in the standard on accounting for such arrangements will apply.

An asset provided by the operator, or an upgrade to an existing asset, is recognised as a service concession asset with a corresponding liability, being the performance obligation, if certain criteria and conditions are met.

The standard has been approved by the Accounting Standards Board, but the effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

### 2. New standards and interpretations (continued)

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

#### GRAP 108: Statutory Receivables

GRAP 108 only deals with those receivables that arise from legislation or an equivalent means, such as regulations, bylaws or other documents issued in terms of legislation, such as ministerial orders and cabinet or municipal council decisions. Therefore in order to be statutory in nature specific legislation should require the municipality to undertake the transactions, such as outlining who should be taxed and at what rates and amounts.

Statutory receivables are not contractual receivables, the latter of which would normally meet the definition of a financial asset and will be within the scope of the Standard of GRAP on Financial Instruments. Statutory receivables are not voluntarily entered into as with contractual receivables, because they arise as a result of specific legislative requirements.

Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

The standard has been approved by the Accounting Standards Board, but the effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard, but has already formulated an accounting policy for this reporting period based on the Standard.

The adoption of this standard is not expected to impact on the results of the municipality, but may result in more disclosure than is currently provided in the annual financial statements.

#### IGRAP 17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset

This Interpretation of the Standards of GRAP provides guidance to the grantor where it has entered into a service concession arrangement, but only controls, through ownership, beneficial entitlement or otherwise, a significant residual interest in a service concession asset at the end of the arrangement, where the arrangement does not constitute a lease.

A service concession arrangement is a contractual arrangement between a grantor and an operator in which the operator uses the service concession asset to provide a mandated function on behalf of the grantor for a specified period of time. The operator is compensated for its services over the period of the service concession arrangement, either through payments, or through receiving a right to earn revenue from third party users of the service concession asset, or the operator is given access to another revenue-generating asset of the grantor for its use.

Before the grantor can recognise a service concession asset in accordance with the Standard of GRAP on Service Concession Arrangements: Grantor, both the criteria as noted in paragraph .01 of this Interpretation of the Standards of GRAP need to be met. In some service concession arrangements, the grantor only controls the residual interest in the service concession asset at the end of the arrangement, and can therefore not recognise the service concession asset in terms of the Standard of GRAP on Service Concession Arrangements: Grantor.

This interpretation concludes on the recognition of the performance obligation and the right to receive a significant interest in a service concession asset.

The interpretation has been approved by the Accounting Standards Board, but the effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

#### GRAP 16 (as amended 2015): Investment Property

Amendments made to the standard are:

- the principles and explanations related to the distinction between investment property and property, plant and equipment were reviewed;

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

### 2. New standards and interpretations (continued)

- an indicator-based assessment of useful lives of assets was introduced;
- clarify the wording related to the use of external valuers;
- introduce more specific presentation and disclosure requirements for capital work-in-progress;
- the encouraged disclosures were deleted; and
- separate presentation of expenditure incurred on repairs and maintenance in the financial statements is now required.

The effective date of the standard is for years beginning on or after 01 April 2016.

The municipality expects to adopt the standard for the first time in the 2017 annual financial statements.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

### GRAP 17 (as amended 2015): Property, Plant and Equipment

Amendments made to the standard are:

- the principles and explanations related to the distinction between investment property and property, plant and equipment were reviewed;
- an indicator-based assessment of useful lives of assets was introduced;
- clarify the wording related to the use of external valuers;
- introduce more specific presentation and disclosure requirements for capital work-in-progress;
- the encouraged disclosures were deleted; and
- separate presentation of expenditure incurred on repairs and maintenance in the financial statements are now required.

The effective date of the standard is for years beginning on or after 01 April 2016.

The municipality expects to adopt the standard for the first time in the 2017 annual financial statements.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

### GRAP 109: Accounting by Principals and Agents

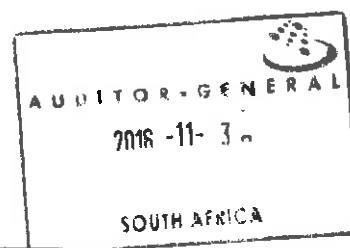
The objective of this Standard is to outline principles to be used by the municipality to assess whether it is party to a principal-agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such an arrangement.

The Standard does not introduce new recognition or measurement requirements for revenue, expenses, assets and/or liabilities that result from principal-agent arrangements. The Standard does however provide guidance on whether revenue, expenses, assets and/or liabilities should be recognised by an agent or a principal, as well as prescribe what information should be disclosed when the municipality is a principal or an agent.

The standard has been approved by the Accounting Standards Board, but the effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

The impact of this standard is currently being assessed.



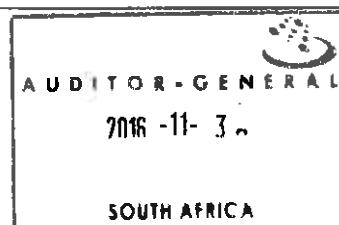
# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*
<b>3. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	31 825	30 325
Bank balances	87 391 174	106 900 454
	<b>87 422 999</b>	<b>106 930 779</b>
Refer to note 56 on the additional disclosures required by the Municipal Finance Management Act where the detail regarding the bank balances are disclosed.		
<b>4. Receivables from exchange transactions</b>		
<b>Gross balances</b>		
Availability charges	4 031 624	4 594 253
Electricity	47 397 153	42 893 510
Housing rental	4 972 218	4 794 028
Housing Selling schemes	590 867	527 998
Refuse	13 189 711	9 182 577
Sewerage	21 845 855	15 542 690
Sundries	4 454 902	4 511 211
Water	18 404 469	17 512 260
	<b>114 886 799</b>	<b>99 558 527</b>
<b>Less: Allowance for impairment</b>		
Availability charges	(3 319 398)	(3 941 103)
Electricity	(1 356 490)	(1 694 471)
Housing rental	(3 305 775)	(3 378 259)
Housing Selling schemes	(231 664)	(326 659)
Refuse	(8 224 787)	(4 581 152)
Sewerage	(13 088 076)	(8 671 730)
Sundries	(1 518 344)	(1 751 017)
Water	(6 595 700)	(5 783 808)
	<b>(37 640 234)</b>	<b>(30 128 199)</b>
<b>Net balance</b>		
Availability charges	712 226	653 150
Electricity	46 040 663	41 199 040
Housing rental	1 666 443	1 415 770
Housing Selling schemes	359 203	201 339
Refuse	4 964 924	4 601 425
Sewerage	8 757 779	6 870 960
Sundries	2 936 558	2 760 194
Water	11 808 769	11 728 452
	<b>77 246 565</b>	<b>69 430 330</b>
<b>Electricity</b>		
Current (0 -30 days)	44 478 450	40 045 414
31 - 60 days	1 085 041	817 855
61 - 90 days	135 758	138 437
91 - 120 days	112 552	117 475
121 - 365 days	1 585 352	1 774 330
Less: Allowance for impairment	(1 356 490)	(1 694 471)
	<b>46 040 663</b>	<b>41 199 040</b>

\* See Note 49 & 50



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*
<b>4. Receivables from exchange transactions (continued)</b>		
<b>Water</b>		
Current (0 -30 days)	9 186 711	9 624 105
31 - 60 days	1 042 754	909 614
61 - 90 days	829 031	679 476
91 - 120 days	688 869	794 385
121 - 365 days	6 677 104	5 504 680
Less: Allowance for impairment	(6 595 700)	(5 783 808)
	<b>11 808 769</b>	<b>11 728 452</b>
<b>Sewerage</b>		
Current (0 -30 days)	4 595 154	4 100 991
31 - 60 days	1 237 269	869 719
61 - 90 days	1 056 780	718 092
91 - 120 days	950 726	638 832
121 - 365 days	14 005 926	9 215 056
Less: Allowance for impairment	(13 088 076)	(8 671 730)
	<b>8 757 779</b>	<b>6 870 960</b>
<b>Refuse</b>		
Current (0 -30 days)	2 557 653	2 169 595
31 - 60 days	706 653	501 647
61 - 90 days	629 467	432 033
91 - 120 days	577 234	382 171
121 - 365 days	8 718 704	5 697 131
Less: Allowance for impairment	(8 224 787)	(4 581 152)
	<b>4 964 924</b>	<b>4 601 425</b>
<b>Availability charges</b>		
Current (0 -30 days)	365 370	361 913
31 - 60 days	168 594	154 946
61 - 90 days	154 558	135 678
91 - 120 days	149 704	130 655
121 - 365 days	3 193 398	3 811 061
Less: Allowance for impairment	(3 319 398)	(3 941 103)
	<b>712 226</b>	<b>653 150</b>
<b>Housing Selling Schemes</b>		
Current (0 -30 days)	38 000	55 350
31 - 60 days	23 365	31 389
61 - 90 days	23 221	29 653
91 - 120 days	24 695	28 938
121 - 365 days	481 586	382 668
Less: Allowance for impairment	(231 664)	(326 659)
	<b>359 203</b>	<b>201 339</b>

\* See Note 49 & 50



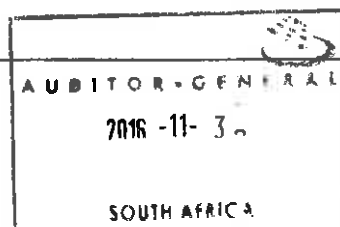
# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*
<b>4. Receivables from exchange transactions (continued)</b>		
<b>Housing rental</b>		
Current (0 -30 days)	358 999	338 589
31 - 60 days	263 445	182 525
61 - 90 days	221 020	167 640
91 - 120 days	220 653	180 753
121 - 365 days	3 908 101	3 924 522
Less: Allowance for impairment	(3 305 775)	(3 378 259)
	<b>1 666 443</b>	<b>1 415 770</b>
<b>Sundries</b>		
Current (0 -30 days)	1 864 721	2 205 035
31 - 60 days	156 308	93 753
61 - 90 days	88 506	71 287
91 - 120 days	509 954	310 429
121 - 365 days	1 835 413	1 830 727
Less: Allowance for impairment	(1 518 344)	(1 751 017)
	<b>2 936 558</b>	<b>2 760 194</b>
<b>Summary of receivables by customer classification</b>		
<b>Consumers</b>		
Current (0 -30 days)	45 684 625	27 742 916
31 - 60 days	3 373 441	2 635 599
61 - 90 days	2 260 524	2 025 188
91 - 120 days	2 329 706	2 105 086
121 - 365 days	29 103 859	25 148 988
	<b>82 752 155</b>	<b>59 657 775</b>
<b>Industrial/commercial</b>		
Current (0 -30 days)	14 987 802	27 723 220
31 - 60 days	1 106 728	354 073
61 - 90 days	741 613	252 495
91 - 120 days	764 309	389 650
121 - 365 days	9 548 132	6 503 680
	<b>27 148 584</b>	<b>35 223 118</b>
<b>National and provincial government</b>		
Current (0 -30 days)	2 752 633	3 671 016
31 - 60 days	203 260	545 320
61 - 90 days	136 203	59 133
91 - 120 days	140 372	44 992
121 - 365 days	1 753 592	357 174
	<b>4 986 060</b>	<b>4 677 635</b>

\* See Note 49 & 50



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*
<b>4. Receivables from exchange transactions (continued)</b>		
<b>Total</b>		
Current (0 -30 days)	63 425 059	59 137 152
31 - 60 days	4 683 429	3 534 992
61 - 90 days	3 138 340	2 336 816
91 - 120 days	3 234 386	2 539 729
121 - 365 days	40 405 585	32 009 840
	<u>114 886 799</u>	<u>99 558 529</u>
Less: Allowance for impairment	<u>(37 640 234)</u>	<u>(30 128 199)</u>
	<u>77 246 565</u>	<u>69 430 330</u>
<b>Less: Allowance for impairment</b>		
Current (0 -30 days)		-
31 - 60 days	(3 425 562)	(2 632 708)
61 - 90 days	(2 295 450)	(1 740 007)
91 - 120 days	(2 365 700)	(1 890 310)
121 - 365 days	(29 553 522)	(23 865 176)
	<u>(37 640 234)</u>	<u>(30 128 199)</u>
<b>Total receivables past due but not impaired</b>		
31 - 60 days	1 257 868	902 286
61 - 90 days	842 890	596 809
91 - 120 days	868 686	649 418
121 - 365 days	10 852 063	8 144 667
	<u>13 821 507</u>	<u>10 293 180</u>
<b>Receivables from exchange transactions impaired:</b>		
As of 30 June 2016, receivables from exchange transactions were impaired by R 37 640 234 (2015: R 30 128 198) and provided for.		
<b>Reconciliation of allowance for impairment</b>		
Balance at beginning of the year	(30 128 199)	(25 066 797)
Contributions to allowance	(20 720 203)	(16 428 742)
Debt impairment written-off against allowance	13 208 168	11 367 340
	<u>(37 640 234)</u>	<u>(30 128 199)</u>

### Receivables from exchange transactions past due but not impaired

The Council regards receivables from exchange transactions to be due for outstanding amounts more than 30 days to be past due. The impairment of receivables from exchange transactions is calculated based on the historic payment rate per individual receivable.

As of 30 June 2016 receivables from exchange transactions of R 13 821 507 (2015: R 10 293 180) were past due not impaired.

### Credit quality of receivables from exchange transactions

The credit quality of receivables from exchange transactions that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

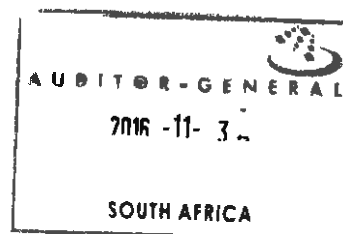
\* See Note 49 & 50

# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*
<b>5. Receivables from non-exchange transactions</b>		
<b>Gross balances</b>		
Rates	22 761 289	15 881 926
Traffic fines	63 926 740	21 566 945
Traffic revenue receivable	59 671	59 671
Receivables fraud	377 620	377 620
Government subsidies	1 928 701	743 308
Housing board subsidies	422 643	422 643
	<b>89 476 664</b>	<b>39 052 113</b>
<b>Less: Allowance for impairment</b>		
Rates	(10 639 865)	(6 896 714)
Traffic fines	(52 820 894)	(10 665 784)
	<b>(63 460 759)</b>	<b>(17 562 498)</b>
<b>Net balance</b>		
Rates	12 121 424	8 985 212
Traffic fines	11 105 846	10 901 161
Traffic revenue receivable	59 671	59 671
Receivables fraud	377 620	377 620
Government subsidies	1 928 701	743 308
Housing board subsidies	422 643	422 643
	<b>26 015 905</b>	<b>21 489 615</b>
<b>Rates</b>		
Current (0 -30 days)	8 378 184	5 925 450
31 - 60 days	1 012 631	646 960
61 - 90 days	614 159	390 458
91 - 120 days	510 274	341 122
121 - 365 days	12 246 041	8 577 936
Less: Allowance for impairment	(10 639 865)	(6 896 714)
	<b>12 121 424</b>	<b>8 985 212</b>



\* See Note 49 & 50



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*
<b>5. Receivables from non-exchange transactions (continued)</b>		
<b>Summary of receivables by customer classification: Rates</b>		
<b>Consumers</b>		
Current (0 -30 days)	6 034 747	5 169 322
31 - 60 days	729 391	564 403
61 - 90 days	442 375	340 632
91 - 120 days	367 547	297 593
121 - 365 days	8 820 737	7 483 331
	<u>16 394 797</u>	<u>13 855 281</u>
<b>Industrial/ commercial</b>		
Current (0 -30 days)	1 979 826	606 585
31 - 60 days	239 292	66 229
61 - 90 days	145 130	39 971
91 - 120 days	120 582	34 921
121 - 365 days	2 893 828	878 118
	<u>5 378 658</u>	<u>1 625 824</u>
<b>National and provincial government</b>		
Current (0 -30 days)	363 611	149 545
31 - 60 days	43 948	16 328
61 - 90 days	26 654	9 854
91 - 120 days	22 146	8 609
121 - 365 days	531 476	216 487
	<u>987 835</u>	<u>400 823</u>
<b>Total</b>		
Current (0 -30 days)	8 378 184	5 925 452
31 - 60 days	1 012 631	646 960
61 - 90 days	614 159	390 457
91 - 120 days	510 274	341 122
121 - 365 days	12 246 041	8 577 935
	<u>22 761 289</u>	<u>15 881 926</u>
<b>Less: Allowance for impairment</b>	<u>(10 639 865)</u>	<u>(6 896 714)</u>
	<u>12 121 424</u>	<u>8 985 212</u>
<b>Less: Allowance for impairment: Rates</b>		
Current (0 -30 days)	-	-
31 - 60 days	(749 091)	(448 141)
61 - 90 days	(454 322)	(270 464)
91 - 120 days	(377 474)	(236 290)
121 - 365 days	(9 058 978)	(5 941 819)
	<u>(10 639 865)</u>	<u>(6 896 714)</u>
<b>Total receivables past due but not impaired: Rates</b>		
31 - 60 days	263 540	198 819
61 - 90 days	159 837	119 993
91 - 120 days	132 800	104 832
121 - 365 days	3 187 062	2 636 116
	<u>3 743 239</u>	<u>3 059 760</u>

\* See Note 49 & 50



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*
<b>5. Receivables from non-exchange transactions (continued)</b>		
<b>Reconciliation of Traffic fines</b>		
Opening balance	10 901 161	9 068 676
Receivables traffic fines	42 359 795	(16 762 495)
Provision for impairment	(42 155 111)	18 594 980
	<u>11 105 845</u>	<u>10 901 161</u>

### Receivables from non-exchange transactions impaired

As of 30 June 2016, receivables from non-exchange transactions were impaired by R 63 460 759 (2015: R 17 562 498) and provided for.

### Reconciliation of allowance for impairment: Rates

Balance at beginning of the year	(6 896 714)	(7 037 907)
Contributions to allowance	(4 484 147)	(1 409 351)
Debt impairment written-off against allowance	740 996	1 550 544
	<u>(10 639 865)</u>	<u>(6 896 714)</u>

### Reconciliation of allowance for impairment: Traffic fines

Balance at beginning of the year	(10 665 784)	(29 260 784)
Contributions to allowance	(51 271 895)	(11 638 015)
Debt impairment written-off against allowance	9 116 785	30 232 995
	<u>(52 820 894)</u>	<u>(10 665 784)</u>

### Credit quality of receivables from non-exchange transactions

The credit quality of receivables from non-exchange transactions that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

### 6. Other receivables from exchange transactions

Loans granted	4 525	5 513
Interest receivable	737 796	448 670
Prepaid expenses	3 579 128	3 617 308
Recoverable expenses	59 702	86 426
PAYE: Personnel	931 731	931 731
Other receivables	1 237 336	1 618 117
Less: Allowance for impairment	(3 878)	(4 670)
	<u>6 546 340</u>	<u>6 703 095</u>

### Other receivables from exchange transactions impaired

As of 30 June 2016, other receivables transactions were impaired by R 3 878 (2015: R4 670) and provided for.

### Reconciliation of allowance for impairment

Opening balance	(4 670)	(589 261)
Increase in provision for the year	(723)	-
Debt impairment written-off against allowance	1 515	584 591
	<u>(3 878)</u>	<u>(4 670)</u>

\* See Note 49 & 50

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*
<b>7. Inventories</b>		
Consumable stores	8 113 686	10 069 499
Water (at fair value)	596 206	723 822
Housing development projects	9 184 696	6 079 549
	<u>17 894 588</u>	<u>16 872 870</u>

Inventories recognised as an expense during the year

17 183 691      13 267 711

### Inventory pledged as security

None of the above inventory has been pledged as security.

### 8. VAT receivable

South African Revenue Service

214 206      1 654 931

The municipality is registered on the cash basis.

No penalties and fines were incurred during the year.

### 9. Short term investments

Other fixed deposits

80 000 000      30 000 000

### Non-current assets

Investments

-      -

### Current assets

Short-term portion of investments

80 000 000      30 000 000

Short term fixed deposits are made with various banks for a period from 1 - 12 months. The interest rates earned vary between 6.30% and 8.18%.

Refer to the note 51 on the financial instruments for the detail of the investments.

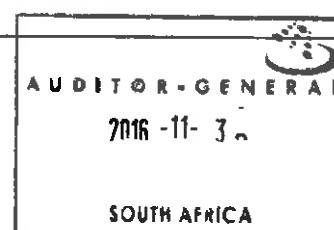
### 10. Investment property

	2016			2015		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	20 625 499	-	20 625 499	19 179 699	-	19 179 699

### Reconciliation of Investment property - 2016

	Opening balance	Disposals	Fair value adjustments	Total
Investment property	19 179 699	(392 200)	1 838 000	20 625 499

\* See Note 49 & 50



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*			
<b>10. Investment property (continued)</b>					
<b>Reconciliation of Investment property - 2015</b>					
	Opening balance	Disposals	Transfers	Fair value adjustments	Total
Investment property	8 029 450	-	8 710 939	2 439 310	19 179 699

### Pledged as security

None of the above investment property have been pledged as security.

### Details of property

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

### Details of valuation

The effective date of the revaluations was 30 June 2016. Revaluations were performed by an independent valuer, Mr Coenraad Botha, of HCB Property Valuations. Mr Botha is a Professional Valuer registered at SACVP. HCB Property Valuations is not connected to the municipality and have recent experience in location and category of the investment property being valued.

The valuation was based on open market value for existing use.

Amounts recognised in surplus and deficit for the year:

The rental revenue earned from investment property for the financial year amounts to R 181 801 (2015: R 181 254).

The operating expenses (including repairs and maintenance) incurred on the investment property for the financial year runs through one department who manages all repairs and maintenance on the municipality's structures and therefore an accurate split for the amount of investment properties operating expense cannot be made.

### 11. Property, plant and equipment

	2016			2015		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Buildings	263 429 765	(166 921 846)	96 507 919	255 253 932	(162 430 774)	92 823 158
Infrastructure	2 402 361 394	(909 364 391)	1 492 997 003	2 341 255 364	(848 709 370)	1 492 545 994
Land	241 542 707	-	241 542 707	245 979 610	-	245 979 610
Other property, plant and equipment	115 568 688	(50 273 795)	65 294 893	113 728 100	(34 603 125)	79 124 975
<b>Total</b>	<b>3 022 902 554</b>	<b>(1 126 560 032)</b>	<b>1 896 342 522</b>	<b>2 956 217 006</b>	<b>(1 045 743 269)</b>	<b>1 910 473 737</b>

\* See Note 49 & 50



**BREEDE VALLEY MUNICIPALITY**  
Annual Financial Statements for the year ended 30 June 2016

**Notes to the Annual Financial Statements**

Figures in Rand

**11. Property, plant and equipment (continued)**

**Reconciliation of property, plant and equipment - 2016**

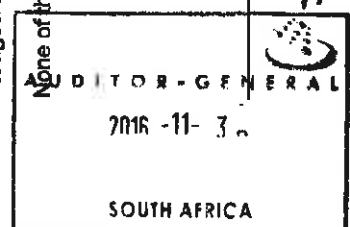
	Opening balance	Additions	Disposals	Transfers	Changes in existing restoration costs	Depreciation	Total
Buildings	92 823 159	9 069 761	(91 981)	-	-	(5 293 020)	96 507 919
Infrastructure	1 492 545 995	60 601 109	-	1 319 611	-	(61 468 712)	1 492 997 003
Land	245 979 611	-	(2 482 343)	(1 954 561)	-	-	241 542 707
Other property, plant and equipment	79 124 873	13 573 476	(246 117)	(31 375)	(6 207 320)	(20 918 744)	65 294 893
	<b>1 910 473 738</b>	<b>83 244 346</b>	<b>(2 819 441)</b>	<b>(666 325)</b>	<b>(6 207 320)</b>	<b>(87 682 476)</b>	<b>1 896 342 522</b>

**Reconciliation of property, plant and equipment - 2015**

	Opening balance	Additions	Disposals	Transfers	Changes in existing restoration costs	Depreciation	Total
Buildings	100 860 687	3 762 794	(696 291)	(5 670 940)	-	(5 433 091)	92 823 159
Infrastructure	1 490 310 849	61 873 932	-	1 602 221	-	(61 241 007)	1 492 545 995
Land	246 686 697	3 004 619	(671 705)	(3 040 000)	-	-	245 979 611
Other property, plant and equipment	33 084 024	8 357 927	(85 778)	16 442	48 456 126	(8 723 768)	79 124 873
	<b>1 870 942 257</b>	<b>74 999 272</b>	<b>(1 433 774)</b>	<b>(7 092 277)</b>	<b>48 456 126</b>	<b>(75 397 866)</b>	<b>1 910 473 738</b>

**Pledged as security**

None of the above property, plant and equipment have been pledged as security.



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*
<b>11. Property, plant and equipment (continued)</b>		
<b>Work in progress</b>		
The working in progress balances included in the property plant and equipment balance is as follows:		
Buildings	2 039 352	1 971 181
Infrastructure	75 755 283	75 813 601
Other property, plant and equipment	79 409	183 949
	<b>77 874 044</b>	<b>77 968 731</b>

### Change in Accounting Estimate

A review of useful lives was done on assets. During the review certain infrastructure and other property plant and equipment with R nil book values and nil remaining lives were identified. The municipality's management considered how to account for the change in the estimated useful lives. The effect of a change in accounting estimate is required to be recognised prospectively by including it in surplus or deficit in the period of the change, if the change effects that period only; or the period of the change in future periods, if the change effects both. Management concluded that it should apply the change in estimate prospectively from the start of 2016 and therefore the depreciation charge was applied prospectively from 1 July 2015 over the remaining useful life of these assets. The effect of the change in accounting estimate is further disclosed in note 48.

### Prior period error

A review of useful lives was done on assets. During the review of useful lives certain infrastructure and other property plant and equipment inappropriate useful lives were identified resulting in these assets being fully depreciated over a shorter useful life but still in use. This constitutes a prior period error and was corrected retrospectively in accordance with GRAP 3. The effect of the prior period error is further disclosed in note 50.

A reclassification adjustment was done from property, plant and equipment to investment property due to the change in use of property, Kleinplaas. The said reclassification was performed in the incorrect financial period and should have occurred in the prior 2014/2015 financial period. This constitutes a prior period error and was corrected in accordance with GRAP 3. The effect of the prior period error is further disclosed in note 50.

### Other Information

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

Refer to Appendix B for more detail on property, plant and equipment.

The total cost of fully depreciated assets still in use amounts to R 3 736 813. These are items that do not have an active market and cannot be sold when it is no longer in use.

### 12. Intangible assets

	2016			2015		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	2 583 376	(1 121 130)	1 462 246	2 257 328	(687 691)	1 569 637
Rights of use of water	4 275 264	(342 136)	3 933 128	4 275 264	(299 384)	3 975 880
<b>Total</b>	<b>6 858 640</b>	<b>(1 463 266)</b>	<b>5 395 374</b>	<b>6 532 592</b>	<b>(987 075)</b>	<b>5 545 517</b>

\* See Note 49 & 50

# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*
--	------	-------------------

### 12. Intangible assets (continued)

#### Reconciliation of Intangible assets - 2016

	Opening balance	Additions	Amortisation	Total
Computer software	1 569 637	326 048	(433 439)	1 462 246
Right of use of water	3 975 880	-	(42 752)	3 933 128
	<b>5 545 517</b>	<b>326 048</b>	<b>(476 191)</b>	<b>5 395 374</b>

#### Reconciliation of intangible assets - 2015

	Opening balance	Additions	Amortisation	Total
Computer software	1 202 882	787 044	(420 089)	1 569 837
Rights of use of water	4 018 632	-	(42 752)	3 975 880
	<b>5 221 514</b>	<b>787 044</b>	<b>(462 841)</b>	<b>5 545 517</b>

### Pledged as security

None of the above intangible assets have been pledged as security.

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.

### 13. Heritage assets

	2016			2015		
	Cost / Valuation	Accumulated Impairment losses	Carrying value	Cost / Valuation	Accumulated Impairment losses	Carrying value
Books - Africana and other	585 959	-	585 959	585 959	-	585 959
Work of Art	12 575 100	-	12 575 100	12 575 100	-	12 575 100
Land - Historic or specific	16 770 000	-	16 770 000	16 770 000	-	16 770 000
Culturally significant buildings	6 700 000	-	6 700 000	6 700 000	-	6 700 000
<b>Total</b>	<b>36 631 059</b>	<b>-</b>	<b>36 631 059</b>	<b>36 631 059</b>	<b>-</b>	<b>36 631 059</b>

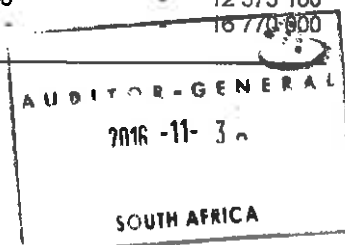
#### Reconciliation of heritage assets 2016

	Opening balance	Additions	Fair value adjustment	Total
Books - Africana and other	585 959	-	-	585 959
Work of Art	12 575 100	-	-	12 575 100
Land - Historic or specific	16 770 000	-	-	16 770 000
Culturally significant buildings	6 700 000	-	-	6 700 000
	<b>36 631 059</b>	<b>-</b>	<b>-</b>	<b>36 631 059</b>

#### Reconciliation of heritage assets 2015

	Opening balance	Additions	Fair value adjustment	Total
Books - Africana and other	473 750	-	112 209	585 959
Work of Art	12 465 100	110 000	-	12 575 100
Land - Historic or specific	16 770 000	-	-	16 770 000

\* See Note 49 & 50



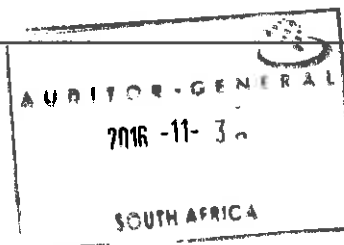
# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*
<b>13. Heritage assets (continued)</b>		
Culturally significant buildings	6 700 000	6 700 000
	<u>36 408 850</u>	<u>36 631 059</u>
<b>Other Information</b>		
None of the above heritage assets have been pledged as security.		
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.		
<b>14. Long term receivables</b>		
<b>Housing selling schemes loans</b>		
Housing selling schemes	220 869	451 677
Less: Allowance for impairment	(64 212)	(131 402)
	<u>156 657</u>	<u>320 275</u>
<b>Welfare loans</b>		
Welfare loans	1 762 140	1 924 978
Less: Allowance for impairment	(1 759 679)	(1 166 901)
	<u>2 461</u>	<u>758 077</u>
<b>Housing loans - personnel</b>		
Housing personnel	<u>397 687</u>	<u>518 157</u>
<b>Arrangements</b>		
Arrangements	12 328 990	13 012 869
Less: Allowance for impairment	(5 637 278)	(5 562 087)
	<u>6 691 712</u>	<u>7 450 782</u>
<b>Less: Current Portion transferred to current receivables</b>		
Housing selling schemes	(14 910)	(23 014)
Welfare loans	(163 150)	(165 711)
Housing personnel	(29 421)	(40 531)
Arrangement	(3 019 267)	(3 230 781)
	<u>(3 226 748)</u>	<u>(3 460 037)</u>
<b>Less: Current Portion of allowance for impairment transferred to current receivables</b>		
Housing selling schemes	(4 335)	(6 695)
Welfare loans	(162 922)	(100 452)
Arrangement	(2 112 686)	(1 962 388)
	<u>(2 279 943)</u>	<u>(2 069 535)</u>
<b>Long term receivables - Net</b>		
Long term receivables - non-current portion	6 301 712	7 656 789
Long term receivables - current portion	946 805	1 390 502
	<u>7 248 517</u>	<u>9 047 291</u>

\* See Note 49 & 50





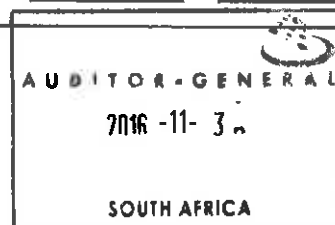
# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*
<b>14. Long term receivables (continued)</b>		
<b>Housing selling scheme loans</b>		
Housing loans are granted to qualifying individuals in terms of the provincial administration's housing programme. These loans attract interest of prime plus 1 % per annum and are repayable over a maximum period of 30 years.		
<b>Welfare loans</b>		
Welfare loans are granted to qualifying organisations in terms of the provincial administration's housing programme. These loans attract interest at prime plus 1% per annum and are repayable over a maximum period of 30 years.		
<b>Housing loans - Personnel</b>		
Housing loans were granted to personnel and attract interest at between 7.5% and 15% per annum and are repayable over periods not exceeding 30 years.		
<b>Land sales</b>		
Loans were granted to individuals for purchasing land from the municipality. These loans attract interest at prime plus 1% and are repayable over periods not exceeding 2 years.		
<b>Arrangements</b>		
The arrangements consist of consumer receivables with whom the council has negotiated repayment terms. These arrangements attract no interest and the repayment periods vary between 15 and 30 years.		
As at 30 June 2016 long term receivables of R 6 301 712 (2015: R 7 656 789) were past due not impaired. The ageing of these long term receivables are more than 365 days as long term receivables are classified as non-current assets in the financial statements.		
As of 30 June 2016 long term receivables of R 5 181 226 (2015: R 4 790 855) were impaired. The individually impaired receivables mainly relate to those receivables who have agreements with the municipality to pay their debt over a long period. The ageing of these individually impaired receivables is more than 365 days based on the nature of long term receivables.		
<b>15. Payables from exchange transactions</b>		
Accrued interest on Long term liabilities	6 312 367	6 143 175
Creditor balances closed	377 670	394 294
Lease liability	827 163	795 350
Ex Retentions	290 039	316 922
Other payables	1 119 623	1 228 305
Payments received in advance	5 779 917	4 288 126
Retentions	3 342 208	6 271 066
Sundry deposits	523 937	536 980
Trade payables	49 370 577	55 287 868
	<u>67 943 497</u>	<u>75 262 086</u>
<b>16. Consumer deposits</b>		
Electricity	1 804 151	1 674 509
Water	2 241 950	2 006 251
	<u>4 046 101</u>	<u>3 680 760</u>
<b>Guarantees</b>		
Guarantees held in lieu of Electricity and Water Deposits	22 000	26 800

\* See Note 49 & 50



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*
<b>17. Unspent conditional grants and receipts</b>		
<b>Unspent conditional grants and receipts</b>		
Provincial Government	17 866 607	22 924 371
Public Contributions	99 011	1 425 814
	<b>17 965 618</b>	<b>24 350 185</b>
<b>Movement during the year</b>		
Balance at the beginning of the year	24 350 185	50 409 982
Total Government receipts	148 626 747	194 445 943
Other capital receipts	-	202 000
Conditions met - capital grants	(40 049 098)	(58 146 969)
Conditions met - operating grants	(96 380 693)	(103 975 384)
Conditions met - housing projects	(19 766 916)	(56 141 241)
Conditions met - other capital projects	-	(202 000)
Unspent grant refunded to department	-	(462 267)
Included in other receivables	2 351 344	1 165 951
From other receivable	(1 165 951)	(2 945 830)
	<b>17 965 618</b>	<b>24 350 185</b>

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

### 18. Long term liabilities

#### At amortised cost

Annuity Loans	263 546 176	228 173 036
---------------	-------------	-------------

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

#### Non-current liabilities

At amortised cost	240 918 059	203 546 176
-------------------	-------------	-------------

#### Current liabilities

At amortised cost	22 628 117	24 626 860
-------------------	------------	------------



\* See Note 49 & 50

**BREEDE VALLEY MUNICIPALITY**

Annual Financial Statements for the year ended 30 June 2016

**Notes to the Annual Financial Statements**

	2016	2015 Restated*		
<b>19. Employee benefit obligation</b>				
<b>Reconciliation of employee benefits - 2016</b>	<b>Opening Balance</b>	<b>Additions</b>	<b>Benefits paid during the year</b>	<b>Total</b>
Post-retirement medical aid benefits	124 896 000	20 204 626	(4 932 626)	140 168 000
Long service awards	15 166 000	2 473 099	(1 122 099)	16 517 000
Performance bonus	165 728	186 840	(167 511)	185 057
Staff leave accrual	14 993 839	2 508 529	(1 115 215)	16 387 153
13th cheque accrual	3 897 835	530 418	-	4 428 253
	<u>159 119 402</u>	<u>25 903 512</u>	<u>(7 337 451)</u>	<u>177 685 463</u>
<b>Reconciliation of employee benefits - 2015</b>	<b>Opening Balance</b>	<b>Additions</b>	<b>Benefits paid during the year</b>	<b>Total</b>
Post-retirement medical aid benefits	143 201 000	(13 751 085)	(4 553 915)	124 896 000
Long service awards	15 830 000	450 935	(1 114 935)	15 166 000
Performance bonus	149 305	168 714	(152 291)	165 728
Staff leave accrual	14 959 339	1 485 455	(1 450 955)	14 993 839
13th cheque accrual	3 993 397	(95 562)	-	3 897 835
	<u>178 133 041</u>	<u>(11 741 543)</u>	<u>(7 272 096)</u>	<u>159 119 402</u>
<b>Non-current employee benefits</b>				
Provision for Post-retirement medical aid benefits			134 696 416	119 898 540
Long service awards			15 403 066	14 002 332
			<u>150 099 482</u>	<u>133 900 872</u>
<b>Current employee benefits</b>				
Provision for Post-retirement medical aid benefits			5 471 584	4 997 460
Long service awards			1 113 934	1 163 668
Performance bonus			185 057	165 728
Staff leave accrual			16 387 153	14 993 839
13th cheque accrual			4 428 253	3 897 835
			<u>27 585 981</u>	<u>25 218 530</u>
<b>Post-Retirement medical aid benefit: Movements</b>				
Opening balance			124 896 000	143 201 000
Benefits paid			(4 932 626)	(4 553 915)
Net expense recognised			20 204 626	(13 751 085)
			<u>140 168 000</u>	<u>124 896 000</u>
<b>Post-Retirement medical aid benefit: Net expense recognised</b>				
Current service cost			4 308 000	5 955 000
Interest cost			11 921 000	13 679 000
Actuarial losses/(gains)			3 975 626	(33 385 085)
			<u>20 204 626</u>	<u>(13 751 085)</u>
<b>Long service awards: Movements</b>				
Opening balance			15 166 000	15 830 000
Benefits paid			(1 122 099)	(1 114 935)
Net expense recognised			2 473 099	450 935
			<u>16 517 000</u>	<u>15 166 000</u>

\* See Note 49 &amp; 50



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*
<b>19. Employee benefit obligation (continued)</b>		
<b>Long service awards: Net expense recognised</b>		
Current service cost	1 168 000	1 235 000
Interest cost	1 393 000	1 312 000
Actuarial (gains)/losses	(87 901)	(2 096 065)
	<u>2 473 099</u>	<u>450 935</u>

### Defined benefit plan

#### Post retirement medical aid plan

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

In 2016: 61% (2015: 59%) of the employees belonged to the above plan. The plan is defined as a post-retirement medical benefit plan.

#### Long service awards

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

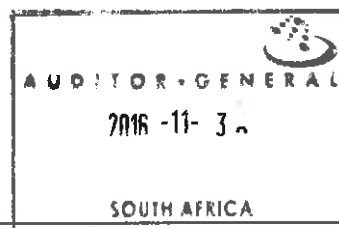
In 2016: 11.57% (2015: 10%) of the employees qualified for long service awards.

#### Key assumptions used

The municipality made use of an independent firm to perform the valuation of post-retirement medical aid benefits and long service awards. Niel Fourie (B.Comm) (FASSA) and Julian van der Spuy (B.Comm Actuarial Science) from ZAQ Consultants and Actuaries were the experts for the valuation. The key assumptions used by the experts are listed below for the last valuation on 30 June 2016:

Post-Retirement medical aid benefit: Discount rates	Yield curve	9,56 %
Post-Retirement medical aid benefit: Healthcare cost inflation	Difference between nominal and real yield curve	8,58 %
Long service awards: Discount rates	Yield curve	8,94 %
Long service awards: Salary inflation	Difference between nominal and real yield curve	8,60 %

The nominal and real zero curves as at 30 June 2016 supplied by the JSE are the basis used to determine the discount rate and CPI assumptions at each relevant time period.



\* See Note 49 & 50

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*
--	------	-------------------

### 19. Employee benefit obligation (continued)

#### Sensitivity analysis

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trend rates would have the following effects:

	One percentage point increase	One percentage point decrease
Effect on the service cost	6 152 000	3 828 000
Effect on the interest cost	18 879 000	13 839 000
Effect on defined benefit obligation	163 811 000	121 107 000

Assumed salary inflation trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed salary inflation trends rates would have the following effects:

	One percentage point increase	One percentage point decrease
Effect on the service cost	1 786 000	1 520 000
Effect on the interest cost	1 409 000	1 188 000
Effect on defined benefit obligation	17 870 000	15 307 000

#### Defined contribution plan

It is the policy of the municipality to provide retirement benefits to all 648 (2015:606) of its employees. A number of defined contribution provident funds, all of which are subject to the Pensions Fund Act exist for this purpose.

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

The last valuation of the SAMWU National Provident Fund was done on 30 June 2014.

The last valuation of the SALA Pension Fund was done on 4 July 2016.

The last valuation of the Cape Joint Retirement Fund was performed on 30 June 2015.

The last valuation of the Cape Joint Pension Fund was performed on 30 June 2015.

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

Contributions by Council in respect of employees retirement funding. The contributions have been expensed which amounted to R 23 412 209 (2015: R 21 025 709).

Contributions who elected so are members of the Municipal Councillors Pension Fund. Contributed by Council in respect of Councillors retirement funding. The contributions have been expensed which amounted to R 570 901 (2015: R 565 530).

#### Contributions to medical aid funds

Contributions to medical aid funds for employees  
Contributions to medical aid funds for councillors  
Contributions to medical aid funds for pensioners

12 989 980	11 665 040
110 505	95 481
4 932 626	4 553 915
<u>18 033 111</u>	<u>16 314 436</u>

\* See Note 49 & 50



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*
--	------	-------------------

### 19. Employee benefit obligation (continued)

#### Cape Joint Retirement and Pension Fund for Local Government

This multi-employer fund was established with effect from 1 May 1996 to provide insured death, disability and pension benefits to its members.

The contribution rate for members is 9% of basic salary, whilst the respective Local Authorities are contributing 18%.

This defined benefit plan is accounted for as a defined contribution plan as the municipality's liability in the proportionate share of actuarial gains and losses cannot readily be determined.

As at 30 June 2016 the funding level of the share account was 106.2% and the pension account was 101.4%. At the valuation date the municipality had 765 members (Fund: 39 232 members) and nil pensioners (Fund: 683 pensioners) belonging to the fund.

### 20. Provisions: Landfill Site

#### Reconciliation of provisions - 2016

	Opening Balance	Change in estimates	Closure Cost	Unwinding of the discount	Total
Provision for the rehabilitation of landfill site	76 432 490	(6 207 320)	-	2 828 002	73 053 172
Closure site	878 607	-	40 155	-	918 762
	<b>77 311 097</b>	<b>(6 207 320)</b>	<b>40 155</b>	<b>2 828 002</b>	<b>73 971 934</b>

#### Reconciliation of provisions - 2015

	Opening Balance	Change in estimates	Closure Cost	Unwinding of the discount	Total
Provision for the rehabilitation of landfill site	25 880 078	48 456 126	-	2 096 286	76 432 490
Closure site	-	-	878 607	-	878 607
	<b>25 880 078</b>	<b>48 456 126</b>	<b>878 607</b>	<b>2 096 286</b>	<b>77 311 097</b>

Non-current liabilities  
Current liabilities

73 053 172	76 432 490
918 762	878 607
<b>73 971 934</b>	<b>77 311 097</b>

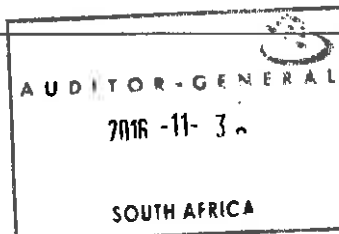
The provision for landfill site for De Doorns was done for a 1.5 year period, the Worcester site for a period of 2.33 years. Touwsriver is a closure site and is expected to be closed in the following 2 year period. No expenses have been incurred to date and the only movement is the contribution for the year. An assessment was done by JPCE (Pty) Ltd (Specialist Waste Management Consultants), an independent expert.

The unwinding of the provision for landfill site for the current year was R 2 828 002 (2015: R 2 096 286) was included in the rehabilitation figure in the statement of financial performance as well as the Touwsriver closure cost of R 40 155 (2015: R 878 607).

### 21. Service charges

Sale of electricity	335 440 746	303 624 662
Sale of water	62 645 296	63 512 326
Sewerage and sanitation charges	71 726 886	65 672 516
Refuse removal	38 119 899	34 405 941
Less revenue foregone	(40 038 826)	(38 143 107)
	<b>467 894 001</b>	<b>429 072 338</b>

\* See Note 49 & 50



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*
<b>22. Rental income</b>		
<b>Facilities and equipment</b>		
Infrastructure/Site rental	10 584 846	9 807 719
Rental of facilities and equipment	2 916 317	3 367 770
	<u>13 501 163</u>	<u>13 175 489</u>
<b>23. Other income</b>		
Administration fees: Credit control	884 841	1 281 934
Building clause	35 999	44 112
Building plans fees	1 033 470	917 221
Bulk service levies	2 425 984	96 842
Burial fees	873 136	719 165
Cleaning block drains	60 115	87 897
Clearance certificate	118 155	137 310
Connection fees	1 809 734	618 116
Connection meters	20 500	22 081
Commission received	208 405	202 779
Entrance fees	360 136	343 341
Firefighting charges	1 236 061	872 411
Garden refuse special removals	185 989	219 924
Interest car loans and housing loans, sundry and township development	76 204	73 462
Land sales	6 193	7 321
Miscellaneous income	4 485 138	2 272 648
Network upgrading	1 926 257	337 443
Photocopies and printing	102 189	116 595
Recovery of expenditure	4 304	637 024
Rental street bins	177 032	328 912
Royalties	978 844	1 328 104
Services	238 328	267 871
Sundry income	1 039 017	728 912
Swimming pool tickets	387 489	294 762
Tender documents	122 351	91 654
	<u>18 795 851</u>	<u>12 047 841</u>
<b>24. Finance income</b>		
<b>Interest revenue</b>		
Bank	6 332 864	6 198 815
Interest earned - external investments	4 585 678	4 392 843
Interest - outstanding receivables	3 839 635	2 986 554
	<u>14 758 197</u>	<u>13 578 212</u>



\* See Note 49 & 50

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*
<b>25. Property rates</b>		
<b>Rates received</b>		
Residential	58 660 137	53 648 735
Commercial	21 785 834	19 822 018
State	6 746 504	4 037 526
Municipal	4 910 241	4 562 038
Small holdings and farms	15 916 228	14 873 446
Department levies	(5 169 472)	(4 750 693)
Other	3 434 660	3 191 867
Industrial	8 534 865	8 405 153
Less revenue foregone	(10 123 367)	(9 317 205)
	<u>104 695 630</u>	<u>94 472 885</u>
Property rates - penalties imposed and collection	1 001 455	808 892
	<u>105 697 085</u>	<u>95 281 777</u>
<b>Valuations</b>		
Land	968 968 000	1 042 131 000
Improvements	15 245 547 000	14 756 937 000
	<u>16 214 515 000</u>	<u>15 799 068 000</u>

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

Valuations on land and buildings are performed every four years. The last general valuation came into effect on 1 July 2012. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

Rates are levied on an annual basis with the final date for payment being 30 September 2015 (30 September 2014). Interest at prime plus 1% per annum and a collection fee is levied on rates outstanding two months after due date. Monthly levies are allowed on application. A differentiated rebate up to 100% is granted to owners under certain circumstances. The basic rates for the above mentioned areas were charged for land and improvements at 0.8520 c/R (2015: 0.8520 c/R) and for industrial and commercial sites at 1.7040 c/R (2015: 1.7040 c/R).



\* See Note 49 & 50



# BREED VALLEY MUNICIPALITY

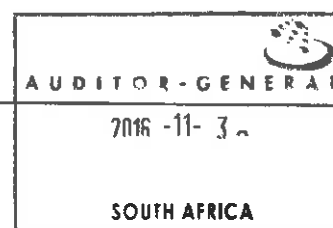
Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*
<b>26. Government grants and subsidies</b>		
<b>Operating grants</b>		
Equitable share	81 661 000	74 231 000
Finance Management Grant	1 408 055	1 232 000
Systems Improvement Grant	930 000	977 262
Housing Projects	19 766 916	56 141 241
Other grants and donations	1 000 000	17 378 243
LGWSETA: Staff Development	479 020	518 087
Provincial Government	10 902 618	9 635 787
Cape Winelands District Municipality	-	3 004
	<u>116 147 609</u>	<u>160 116 624</u>
<b>Capital grants</b>		
Capital Grants	40 049 098	58 348 968
	<u>40 049 098</u>	<u>58 348 968</u>
	<u>156 196 707</u>	<u>218 465 592</u>
<b>Equitable Share</b>		
In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.		
Balance unspent at the beginning of the year	-	-
Current-year receipts	81 661 000	74 231 000
Conditions met - transferred to revenue	(81 661 000)	(74 231 000)
	<u>-</u>	<u>-</u>
<b>Financial Management Grant</b>		
Balance unspent at beginning of year	-	-
Current-year receipts	1 408 055	1 232 000
Conditions met - transferred to revenue	(1 408 055)	(1 232 000)
	<u>-</u>	<u>-</u>
<b>Systems Improvement Grant</b>		
Balance unspent at beginning of year	-	43 262
Current-year receipts	930 000	934 000
Conditions met - transferred to revenue	(930 000)	(977 262)
	<u>-</u>	<u>-</u>
<b>Housing Projects</b>		
Balance unspent at beginning of year	20 261 579	27 887 130
Current-year receipts	12 366 308	48 623 789
Conditions met - transferred to revenue	(19 766 916)	(56 141 241)
Net movement in receivable	1 594 612	(108 099)
	<u>14 455 583</u>	<u>20 261 579</u>

Conditions still to be met - remain liabilities (see note 17).

\* See Note 49 & 50



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

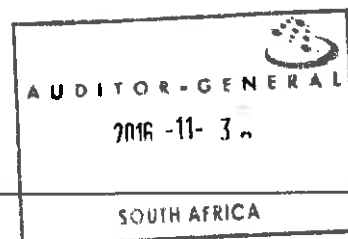
## Notes to the Annual Financial Statements

	2016	2015 Restated*
<b>26. Government grants and subsidies (continued)</b>		
<b>Other Grants and Donations</b>		
Balance unspent at beginning of year	-	14 498 536
Current-year receipts	1 000 000	2 886 401
Conditions met - transferred to revenue	(1 000 000)	(17 378 243)
Net movement in receivable	-	(6 694)
	-	-
<b>LGWSETA: Staff Development</b>		
Balance unspent at beginning of year	43 769	35 572
Current-year receipts	181 350	526 284
Conditions met - transferred to revenue	(479 020)	(518 087)
Net movement in receivable	253 901	-
	-	43 769
Conditions still to be met - remain liabilities (see note 17).		
<b>Provincial Government</b>		
Balance unspent at beginning of year	1 718 144	1 206 923
Current-year receipts	9 310 052	10 103 057
Conditions met - transferred to revenue	(10 902 618)	(9 635 788)
Net movement in receivable	(52 478)	43 952
	73 100	1 718 144
Conditions still to be met - remain liabilities (see note 17).		
<b>Cape Winelands District Municipality</b>		
Balance unspent at beginning of year	-	3 004
Current-year receipts	-	-
Conditions met - transferred to revenue	-	(3 004)
	-	-
<b>Capital Grants</b>		
Balance unspent at beginning of year	1 904 051	6 735 555
Current-year receipts	41 769 982	56 111 412
Conditions met - transferred to revenue	(40 049 098)	(58 348 968)
Net movement in receivable	(188 000)	(2 131 681)
Unspent grant refunded to department	-	(462 267)
	3 436 935	1 904 051

Conditions still to be met - remain liabilities (see note 17).

Refer to Appendix D for further detail regarding grants received.

\* See Note 49 & 50



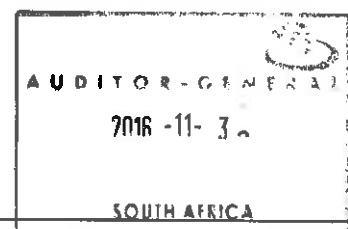
# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*
<b>27. Fines, penalties and forfeits</b>		
<b>Fines, penalties and forfeits</b>		
Traffic fines	68 218 017	27 666 811
Library material	65 662	64 970
Damaged meters	836 877	644 394
	<u>69 120 556</u>	<u>28 376 175</u>
<b>28. Employee related costs</b>		
Basic	140 458 397	127 664 596
Group life insurance	2 124 546	1 906 278
Bonus	10 383 507	9 338 492
Medical aid - company contributions	17 922 607	16 218 956
Unemployment Insurance Fund	1 306 240	1 228 175
Workmen's Compensation Act	1 191 897	815 400
Skills Development Levy	2 087 429	1 814 774
Travel and car allowances	6 207 097	5 412 899
Overtime payments	13 835 673	13 211 217
Acting allowances	1 806 492	1 501 172
Housing benefits and allowances	2 303 301	892 954
Protective clothing	1 512 314	1 221 112
Allowances: Other	6 260 332	5 687 088
Retirement Fund	23 423 656	21 049 530
	<u>230 823 488</u>	<u>207 962 643</u>
<b>Municipal Manager: G. Matthyse</b>		
Annual Remuneration	766 091	1 445 224
Car Allowance	42 000	84 000
Performance Bonuses		
Contributions to UIF, Medical and Pension Funds	892	1 785
Group life insurance	4 382	-
	<u>813 365</u>	<u>1 531 009</u>
Mr G. Matthyse resigned as Municipal Manager on 3 December 2015.		
<b>Acting Municipal Manager: D. McThomas</b>		
Annual Remuneration	642 893	-
Car Allowance	47 500	-
Contributions to UIF, Medical and Pension Funds	20 325	-
Group life insurance	6 646	-
	<u>717 364</u>	<u>-</u>

Mr D. McThomas was appointed as acting Municipal Manager for the period 1 January 2016 till present.



\* See Note 49 & 50

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*
<b>28. Employee related costs (continued)</b>		
<b>Chief Financial Officer: D. McThomas</b>		
Annual Remuneration	582 803	1 074 765
Car Allowance	47 500	95 000
Performance Bonuses	167 511	152 291
Contributions to UIF, Medical and Pension Funds	19 220	14 003
Group life insurance	5 442	-
	<b>822 476</b>	<b>1 336 059</b>

Mr D. McThomas was the Chief Financial Officer for the period 1 July 2015 till 31 December 2015.

### Acting Chief Financial Officer: R. Ontong

Annual Remuneration	383 265	-
Car Allowance	82 701	-
Contributions to UIF, Medical and Pension Funds	39 659	-
Group life insurance	3 632	-
	<b>509 257</b>	<b>-</b>

Mr R. Ontong was appointed as acting Chief Financial Officer for the period 1 January 2016 till present.

### Technical Services: E. Delport

Annual Remuneration	871 356	804 732
Car Allowance	180 000	144 000
Contributions to UIF, Medical and Pension Funds	158 629	146 636
Group life insurance	9 872	-
	<b>1 219 857</b>	<b>1 095 368</b>

### Strategic Service Director: R. Esau

Annual Remuneration	527 382	815 250
Car Allowance	69 628	119 363
Contributions to UIF, Medical and Pension Funds	102 827	160 758
	<b>699 837</b>	<b>1 095 371</b>

Mr R Esau was released from his duties as Strategic Service Director for the period 18 November 2015 till 17 February 2016 to act as Chief Financial Officer at the Oudtshoorn municipality. Within this period no expenditure was occurred by the municipality.

Mr R Esau resigned December 2015, with his last day of employment being 31 January 2016.



\* See Note 49 & 50

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*
<b>28. Employee related costs (continued)</b>		
<b>Community Service Director: J. Marthinus</b>		
Annual Remuneration	330 093	784 110
Car Allowance	74 789	125 996
Contributions to UIF, Medical and Pension Funds	76 260	183 699
Group life insurance	714	-
	<b>481 856</b>	<b>1 093 805</b>

Mr J Marthinus was Community Service Director for the period 1 July 2015 till 17 November 2015, after which he was appointed as acting Strategic Service Director for the period 18 November 2015 till 31 August 2016.

### Acting Strategic Services Director: J. Marthinus

Annual Remuneration	636 494	-
Car Allowance	47 261	-
Contributions to UIF, Medical and Pension Funds	128 870	-
Group life insurance	9 286	-
	<b>821 911</b>	<b>-</b>

Mr J Marthinus was appointed as acting Strategic Service Director for the period 18 November 2015 till 31 August 2016. He will hereafter fulfill his position as Community Service Director.

### Acting Community Service Director: S. Swartz

Annual Remuneration	357 007	-
Car Allowance	87 566	-
Contributions to UIF, Medical and Pension Funds	45 321	-
Group life insurance	4 147	-
	<b>494 041</b>	<b>-</b>

Mr S. Swartz was appointed as acting Community Service Director for the period 1 January 2016 till 31 August 2016.

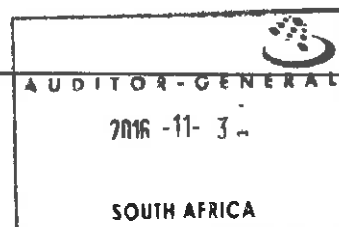
Employee costs as percentage of total expenditure for 2016 is 27% (2015: 26%). The industry norm is between 30-35%. This figure excludes the remuneration of councillors, as disclosed in note 29 to the Financial Statements.

The remuneration of the employees is within the upper limits of the SALGA Bargaining Council determinations.

## 29. Remuneration of councillors

Executive mayor	764 635	726 467
Deputy Executive Mayor	625 091	584 881
Chief whip	580 278	551 651
Speaker	605 110	575 756
Mayoral committee members	4 590 647	4 353 967
Councillors	7 462 101	7 057 533
Councillors pension contribution	570 901	565 530
Councillors medical aid contribution	110 505	95 481
	<b>15 309 268</b>	<b>14 511 266</b>

\* See Note 49 & 50



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*
--	------	-------------------

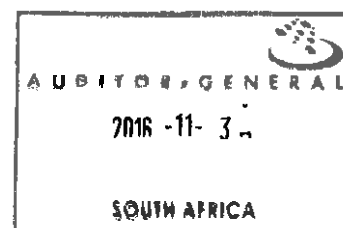
### 29. Remuneration of councillors (continued)

#### In-kind benefits

The Executive Mayor, Deputy Executive Mayor, Speaker, Chief Whip and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council. The Executive Mayor has the use of Council owned vehicles for official duties.

#### Remuneration of Councillors:

The remuneration of the political office-bearers and councillors are within the upper limits as determined by the framework envisaged in section 219 of the Constitution.



\* See Note 49 & 50

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*		
29. Remuneration of councillors (continued)				
Executive Mayor	Salary	Allowances	Pension fund and Medical Aid	Total
A Steyn	625 251	139 384	46 894	811 529
Deputy Executive Mayor				
JD Levendal	525 659	99 432	29 024	654 115
Speaker				
M Sampson	479 043	126 067	49 005	654 115
Chief Whip				
R Farao	459 810	120 468	34 486	614 764
Mayco Members				
WM Blom	429 660	138 468	46 636	614 764
AM Du Toit	520 627	55 090	39 047	614 764
S Goedeman	426 992	138 468	49 304	614 764
AE Jordaan	443 066	138 468	33 230	614 764
SJ Mei	502 208	65 284	47 272	614 764
WR Meiring	525 699	49 638	39 427	614 764
EY Sheldon	495 150	65 198	54 416	614 764
JF van Zyl	458 164	138 468	18 132	614 764
	3 801 568	789 082	327 464	4 918 112
Councillors				
VK Apollis	220 685	24 468	16 551	261 704
R Blom	191 864	69 840	-	261 704
JA Boshoff	191 864	69 840	-	261 704
MN Bushwana	191 864	69 840	-	261 704
L Dyabooi	220 685	24 468	16 551	261 704
TC Dyonta	220 685	24 468	16 551	261 704
C Ismail	191 864	69 840	-	261 704
GF Jaftha	220 685	24 468	16 551	261 704
N Jali	178 478	69 840	13 386	261 704
SE James	178 478	69 840	13 386	261 704
PB Januarie	191 864	69 840	-	261 704
BV Klein	178 478	69 840	13 386	261 704
BJ Kriegler	191 864	69 840	-	261 704
S Lakey	178 478	69 840	13 386	261 704
MN Lubisi	191 864	69 840	-	261 704
ES Manel	191 864	69 840	-	261 704
P Marran	191 864	69 840	-	261 704
SB Mfutwana	174 584	69 840	17 280	261 704
BW Ntshingila	191 864	69 840	-	261 704
C Ntsomi	189 596	72 108	-	261 704
L Richards	259 082	69 840	-	328 922
J Schneider	191 864	69 840	-	261 704
PG Smith	191 864	69 840	-	261 704
G Stalmeester	178 478	69 840	13 386	261 704
NV Steto	191 864	69 840	-	261 704
P Tyira	191 864	69 840	-	261 704
TM Wehr	191 864	69 840	-	261 704
CF Wilskut	220 685	24 468	16 551	261 704

\* See Note 49 & 50

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*		
<b>29. Remuneration of councillors (continued)</b>				
	Salary	Allowances	Pension fund and Medical Aid	Total
E van der Westhuizen	197 447	36 690	27 567	261 704
	<u>5 694 484</u>	<u>1 767 618</u>	<u>194 532</u>	<u>7 656 634</u>

### 30. Debt Impairment

Receivables from exchange transactions	19 278 411	14 659 327
Receivables from non-exchange transactions: Rates	4 379 066	1 503 206
Receivables from non-exchange transactions: Traffic fines	51 271 895	11 638 015
Other receivables from exchange transactions	723	(221 940)
Long term receivables	525 588	(928 622)
	<u>75 455 683</u>	<u>26 649 986</u>

Provision on Receivables from exchange transactions and Receivables from non-exchange transactions: Rates  
Due to the adverse economic conditions, which have resulted in consumers struggling to pay their accounts, the provision for bad debt has increased to a total of R37 640 233 (Receivables from Exchange Transactions) and R10 639 865 (Rates). This is due to a drop in the overall payment rate from consumers

Provision on Receivables from non-exchange transactions: Traffic fines:

During the current financial year the Municipality issued more traffic fines than it had budgeted. As a result of the low payment rate on these traffic fines the provision for bad debt increased to R52 820 894. Due to National regulations on the validity of traffic fines a material number of traffic fines were written off as irrecoverable.

For the impact of the above refer to note 44 unauthorised expenditure.

### 31. Depreciation, amortisation and impairment

Property, plant and equipment	87 682 475	75 397 865
Amortisation	476 191	462 841
	<u>88 158 666</u>	<u>75 860 706</u>

### 32. Bulk purchases

Electricity	253 178 786	221 305 158
Water	2 277 010	2 512 962
	<u>255 455 796</u>	<u>223 818 120</u>

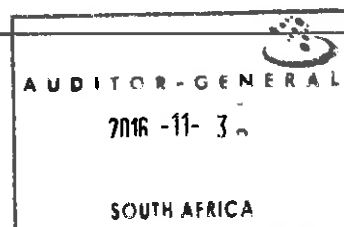
### 33. Finance costs

External borrowings	24 301 464	25 945 950
---------------------	------------	------------

### 34. Contracted services

Security services	411 511	364 362
Private contractors	8 280 499	7 011 890
Other contracted services	707 620	941 077
	<u>9 399 630</u>	<u>8 317 329</u>

\* See Note 48 & 50





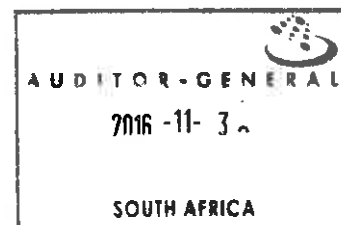
# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*
<b>35. Grants and subsidies paid</b>		
Other subsidies		
Grants in aid	279 600	194 600
<b>36. Contributions to employee benefits</b>		
Performance Bonus	186 840	168 714
Post retirement medical aid benefit	15 272 000	(18 305 000)
Long service awards	2 473 099	450 935
Provision for leave payment	2 508 529	1 485 454
Provision for 13th cheque	530 419	(95 562)
Add/ less: actuarial gain/(loss)	(3 887 725)	35 481 150
	<b>17 083 162</b>	<b>19 185 691</b>

The actuarial gain/(loss) for the post-retirement medical aid benefit and long service awards of R 3 887 725 (2015: (R 35 481 150)) has been disclosed separately on the face of the statement of financial performance.



\* See Note 49 & 50

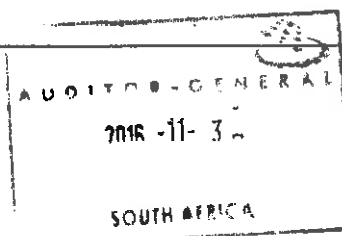
# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*
<b>37. General expenses</b>		
Advertising	732 829	644 057
Access to basic services	2 422 694	2 440 067
Auditors remuneration	3 434 050	3 217 238
Bank charges	1 262 911	1 201 065
Bursaries	279 112	224 451
CDW Programme	345 719	381 399
Chemicals	2 694 256	2 275 167
Cleaning	229 085	189 080
Commission paid	6 210 199	2 931 074
Communication	142 572	163 689
Community development and training	-	18 869
Conferences and seminars	91 290	76 469
Connections	1 288 489	757
Consulting and professional fees	4 742 466	4 015 457
Consumables	230 430	246 618
Digging of graves	572 627	549 388
Driver license expense	701 118	584 603
Electricity	1 454 615	1 128 095
Entertainment	1 168 100	1 165 734
Flowers	6 904	10 950
Fuel and oil	5 388 033	6 069 316
Healthcare and hygiene services	272 125	256 328
Inspection fee	-	135 000
Insurance	1 906 791	3 061 889
Interpreting services	82 525	106 756
Lease rentals on operating lease	5 519 449	6 348 915
Levies	1 548 034	1 512 670
Loss of water and library materials	247 212	308 144
Materials and stores	709 309	814 657
Motor vehicle expenses	4 171 013	2 693 154
Other expenses	5 743 579	5 281 339
Postage and courier	886 953	851 884
Printing and stationery	1 709 063	1 745 566
Project maintenance costs	-	147 290
Public participation	114 008	107 756
Refuse	805 473	584 986
Risk management system	276 032	147 000
Royalties and license fees	3 343 038	2 896 422
Service level agreement	240 000	350 000
Servicing of summonses	1 009 580	1 011 971
Staff welfare	380 140	265 997
Subscriptions and membership fees	2 631 467	2 452 189
Subsistence and travel	1 050 511	1 353 096
Survey fees	39 610	166 404
Telephone and fax	4 652 131	3 924 526
Top structure expenses	16 661 769	69 444 605
Traffic: Rental speed cameras	2 421 274	2 197 200
Training	1 864 451	2 077 073
Transfer fees	41 067	30 819
Transport and freight	10 207	1 140
Valuation expense	1 952 633	1 525 962
Ward committee projects	450 000	479 000
Youth Development Program	349 676	272 374
	<b>94 486 619</b>	<b>140 085 655</b>

\* See Note 49 & 50



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*
<b>38. Fair value adjustments</b>		
Fair value adjustment on investment property	1 838 000	2 439 310
Water stock movement	(127 616)	117 278
Fair value adjustment on heritage assets	-	112 209
Other financial assets		
• Discounting of long term receivables: Movement for the year	184 455	1 740 660
	<u>1 894 839</u>	<u>4 409 457</u>
<b>Discounting of long term receivables: Movement for the year</b>		
Opening balance	5 969 466	7 710 126
Closing balance	(5 785 011)	(5 969 466)
	<u>184 455</u>	<u>1 740 660</u>
<b>39. Auditors' remuneration</b>		
Fees	<u>3 434 050</u>	<u>3 217 238</u>
<b>40. Cash generated from operations</b>		
(Deficit) surplus	(10 704 816)	51 405 605
Adjustments for:		
Depreciation, amortisation and impairment	88 158 666	75 860 706
Loss on sale of assets and liabilities	1 746 774	414 748
Donated assets	-	(202 000)
Loss of water and library materials	247 212	308 144
Fair value adjustments	(1 894 839)	(4 409 457)
Operating lease straight lining	31 813	(51 472)
Finance income	(289 126)	162 131
Finance costs	(169 192)	640 517
Doubtful debt impairment	75 455 683	26 649 986
Actuarial gain/loss	3 887 725	(35 481 150)
Movements in retirement benefit assets and liabilities	17 083 162	19 185 692
Rehabilitation	2 868 157	2 974 893
Other non-cash items	1 067 244	(237 877)
Changes in working capital:		
Inventories	(730 221)	11 790 823
Other receivables from exchange transactions	(740 235)	(1 897 094)
Receivables from exchange transactions	(27 094 846)	(24 493 027)
Receivables from non-exchange transactions	(60 177 251)	(14 407 908)
Payables from exchange transactions	(7 181 210)	(17 113 855)
VAT receivable	1 440 725	163 197
Unspent conditional grants and receipts	(5 199 174)	(24 279 918)
Employee benefit obligation	(2 404 826)	(2 718 182)
	<u>75 401 625</u>	<u>64 264 502</u>



\* See Note 49 & 50

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*
<b>41. Commitments</b>		
<b>Authorised capital expenditure</b>		
<b>Already contracted for but not provided for</b>		
• Infrastructure	41 647 586	10 426 079
• Housing operating commitments	29 674 810	11 018 022
• Community	-	3 826 411
	<b>71 322 396</b>	<b>25 270 512</b>
<b>Total capital commitments</b>		
Already contracted for but not provided for	<b>71 322 396</b>	<b>25 270 512</b>

This committed expenditure relates to property and infrastructure and will be financed through external loans, reserves and grants.

**This Expenditure will be financed from:**

External loans	24 173 279	10 426 079
Government grant	46 722 623	14 302 844
Capital replacement reserve	426 494	541 589
	<b>71 322 396</b>	<b>25 270 512</b>

### Operating leases - as lessee (expense)

<b>Minimum lease payments due</b>		
- within one year	1 599 819	3 047 209
- in second to fifth year inclusive	593 551	2 193 370
- later than five years	-	-
	<b>2 193 370</b>	<b>5 240 579</b>

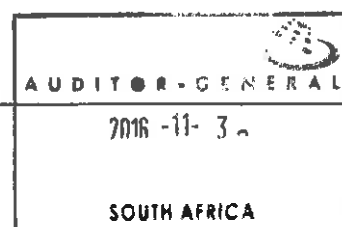
Operating lease payments represent rentals payable by the municipality for certain of its office equipment. The escalation clauses for the lease expenses are 8%. There is however no escalation clause included in the Rentworks and Nashua contracts. Payments made under operating leases are recognised in the Statement of financial performance on a straight-line basis over the period of the lease. The straight lining of leases resulted in decreased current year expenditure of R 28 960 (2015: R 67 103).

### Operating leases - as lessor (income)

<b>Minimum lease payments due</b>		
- within one year	175 713	193 013
- in second to fifth year inclusive	93 022	287 285
- later than five years	244 690	1 833
	<b>513 425</b>	<b>482 131</b>

Certain of the municipality's property are held to generate rental income. The escalation clauses for the lease income varies between 5% to 10%. Payments received under operating leases are recognised in the statement of financial performance on a straight-line basis over the period of the lease. The straight lining of leases resulted in decreased current year income of R 60 773 (2015: Decrease R 15 631).

\* See Note 49 & 50

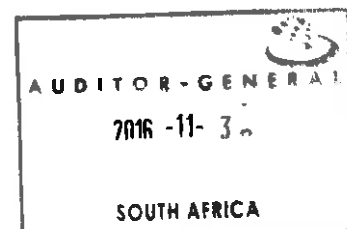


# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*
<b>42. Contingencies</b>		
<b>Guarantees</b>		
Guarantee Eskom (ABSA)	63 400	63 400
Guarantee South-Africa Post Office Limited (ABSA)	75 000	75 000
	<u>138 400</u>	<u>138 400</u>
<b>Legal Matters</b>		
Worcester Land Trust/ BVM Case No. 3168/ 6 - Contractual contributions claimed against the municipality.	31 037 841	-
Workmans Compensation Act - Current investigation about a dispute regarding an outstanding amount due by Council.	1 646 110	1 646 110
Public - Liability insurance claims based on quotations and could result in a lesser amount or more. It is the view of management that it is unlikely that these claims will be paid out but might realise due to past experience.	5 684 800	1 576 548
Ayanda Daniso - Claim for damages suffered due to defendant removing the plaintiffs name from the list of beneficiaries of low cost housing as well as the waiting list of people with housing needs.	100 000	100 000
Royal Mushrooms -claim in respect of plantation.	400 000	-
Claims for damages - It is view of management that it is unlikely that these claims will be paid out but might realise due to past experience.	114 979	67 683
ASLA - Claim in respect of housing projects.	1 129 792	-
Sannicare- Dispute with regard to tender awarded to Sannicare	-	3 800 000
	<u>40 113 522</u>	<u>7 190 341</u>



\* See Note 49 & 50

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*
--	------	-------------------

### 43. Related parties

#### Disclosure in terms of S45 of the Supply Chain Management Policy

In terms of S45 of the Supply Chain Management Policy the accounting officer must ensure that the notes to the financial statements disclose particulars of any award of more than R2000 to a person who is, a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including:

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

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

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

##### 1.C P Jansen Taxi's - Colin Jansen (Brother of Reginald Jansen - Employee Number 3322)

Awards to the amount of R2 600.00 were made to C P Jansen Taxi's  
Reginald Jansen is a Plans Examiner - Planning & Development, Building Control at Breede Valley Municipality

##### 2.Enkosi Construction - Tonie Winnaar (Spouse/Husband of Juliette Winnaar)

Awards to the amount of R40 150.00 was made to Enkosi Construction  
Juliette Winnaar is an EPWP worker- Sewerage at the Breede Valley Municipality

##### 3.DJ X-Zito - Xolile Vas (Spouse/Husband of Nonthando Vas-Employee Number 11028)

Awards to the amount of R79 030.00 were made to DJ X-Zito  
Nonthando Vas is an Typist/Clerk - Human Resources Department within the Strategic Support Services Directorate of the Breede Valley Municipality

##### 4.Lee-Handro Enterprises - Sheryl Manuel (Spouse/Wife of William Manuel-Employee Number 3431)

Awards to the amount of R51 260.00 was made to Lee-Handro Enterprises  
William Manuel is a General worker - Public Works, Buildings & Structure at the Breede Valley Municipality

##### 5.NE Mayeki Taxi's - Nombulelo Mayeki (Parent/Mother of G Simpiwe Mayeki-Employee Number 11042)

Awards to the amount of R3 800.00 were made to NE Mayeki Catering  
Simpiwe Mayeki is the Manager-Human Settlements - Community Services at the Breede Valley Municipality

##### 6.Smart Prepaid - Maxwell Cupido (Brother of Liezel Plaatjies)

Awards to the amount of R43 950.00 was made to Smart Prepaid  
Liezel Plaatjies is a Student:Supply Chain Management with the Finance Directorate of the Breede Valley Municipality

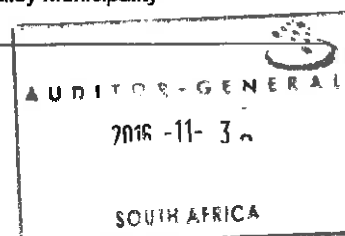
##### 7.T H Traders - Trevor Human (Brother of Deon Human-Employee Number 3538) / (Spouse/Husband of Ashlin Human)

Awards to the amount of R13 130.00 was made to T H Traders  
Deon Human is a Storeman - Public Works & Parks at the Breede Valley Municipality  
Ashlin Human is an Accountant - Witzenberg Municipality

##### 8.Gollmas Pty Ltd- Goliath Jacobs (Parent/Father of Brumilda Jacobs -Employee Number 2266)

Awards to the amount of R28 300.00 was made to Gollmas Pty Ltd  
Brumilda Jacobs is a Intern - Internal Audit (Office of the Municipal Manager) at the Breede Valley Municipality

\* See Note 49 & 50



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

2016

2015  
Restated\*

### 43. Related parties (continued)

#### 9.Kleinplasié Restaurant - Heletia Botha (Parent/Mother of Jole Le Roux-Employee Number 6910)

Awards to the amount of R5 953.00 was made to Kleinplasié Restaurant  
Jole Le Roux is a Personal Assistant Mayco within the Corporate Directorate of the Breede Valley Municipality

#### 10.ZN Paliso Taxi's - Nelson Paliso (Brother of Ndileka Nyangaza-Employee Number 3751)

Awards to the amount of R3 800.00 was made to ZN Paliso Taxi's  
Ndileka Nyangaza is a Driver - Public Works, De Doorns at the Breede Valley Municipality

#### Awards and payments to persons with relatives in the service of other Municipalities

#### 11.Vuyani Electrical Supplies - Julia Agulhas (Parent/Mother of Marvin Agulhas)

Awards to the amount of R132 668.61 were made to Vuyani Electrical Supplies  
Marvin Agulhas is an employee in the Electrical Department at City of Cape Town Municipality

#### 12.Kleinplasié Restaurant - Heletia Botha (Spouse/Wife of J.Botha)

Awards to the amount of R5 953.00 was made to Kleinplasié Restaurant  
J.Botha is employed at the Cape Winelands District Municipality

#### 13.Fonk & Sons Transport Pty Ltd - Ndudumo Elliot Fonk (Parent/Father of N.P.Memani)

Awards to the amount of R3 556.80 was made to Fonk & Sons Transport  
N.P.Memani is employed at Bitou Municipality

#### Awards and payments to persons with relatives in other State Departments

#### 14.Bussy Bee Enterprises (Spouse/Husband of Lylani Magdelene Opliphant)

Awards to the amount of R27 000.00 were made to Bussy Bee Enterprises

#### 15.Kemanzi Pty Ltd - Hazel Du Toit (Spouse/Wife of Jeremie Nel Du Toit - ID No.7705045226088)

Awards to the amount of R865 503.42 were made to Kemanzi Pty Ltd  
Jeremie Du Toit is employed by the City of Cape Town Municipality Traffic Department (Inspector Driver Licences)

#### 16.KN Klaas - Nonzwakazi Getrude Klaas (Sister of E.Y.Belu)

Awards to the amount of R16 250.00 were made to KN Klaas  
E.Y.Belu a Principal in the Western Cape Education Department

#### 17.Siyanda Cleopars Jika - J.Witbooi (Spouse/Husband of Mercia Witbooi)

An Award to the amount of R8 500.00 was made to Siyanda Cleopars Jika  
Msomboti Grey Jika a Teacher in the Western Cape Education Department

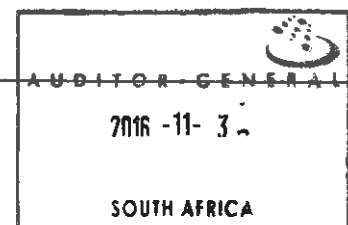
#### 18.Conradie Incorporated - Andries Francoise Conradie (Spouse /Husband of Tara Conradie)

Awards to the amount of R137 038.82 were made to Conradie Incorporated  
Tara Conradie is an employee in the Western Cape Education Department

#### 19.M.M Du Toit (Spouses/Wife of W.J Du Toit)

Awards to the amount of R8 000.00 were made to M.M Du Toit  
W.J Du Toit is an employee in the service of Transnet

\* See Note 49 & 50



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*
--	------	-------------------

### 43. Related parties (continued)

#### 20.Mvambane Tradings CC - Anna Nomvula Mool (Parent/Mother of Luyanda Mool)

Awards to the amount of R6 550.00 were made to Mvambane Tradings cc  
Luyanda Mool is a warden in the Department of Correctional Services

#### 21.Succindo Enterprises (Pty) Ltd- Irma Kram (wife of Lansley Kram)

Awards to the amount of R40 828,00 were made to Succindo Enterprises  
Lansley Kram is employed by PRASA as an administrator

Total Payments - R1 521 821.65

### 44. Unauthorised and fruitless and wasteful expenditure

#### Unauthorised expenditure

Unauthorised expenditure for the financial year ended 30 June 2016 incurred on the debt impairment for receivables from non-exchange transactions: traffic fines for the amount R 18 671 895 and debt impairment for receivables from exchange transactions for the amount R 7 369 827. For the detail on the debt impairment refer to note 30. The following votes are affected by the unauthorised expenditure: Council general, Financial services and Technical services.

The unauthorised expenditure for the prior year, 30 June 2015, amounting to R 106 000 was condoned by Council on 18 January 2016.

#### Unauthorised expenditure

Opening Balance

106 000 44 773 758

Unauthorised incurred in the year

26 041 723 106 000

Less: Amounts condoned by council 18 January 2016

(106 000) (44 773 758)

26 041 723 106 000



\* See Note 49 & 50



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

Figures in Rand

### 44. Unauthorised and fruitless and wasteful expenditure (continued)

#### Fruitless and wasteful expenditure

No fruitless and wasteful expenditure was incurred during the financial year ended 30 June 2016.

### 45. Irregular expenditure

Irregular expenditure to the amount of R2 724 507 occurred during the financial year ended 30 June 2016.

The irregular expenditure for the prior year, 30 June 2015, amounting to R 91 800 was condoned by Council on 18 January 2016.

Opening balance	91 800	45 213
Add: Irregular Expenditure - current year	2 724 507	91 800
Less: Amounts condoned by council 18 January 2016	(91 800)	(45 213)
	<u>2 724 507</u>	<u>91 800</u>

#### Incident

SCM tender BV 465 original contract amount exceeded	245 798	-
Non-compliance with SCM regulation 22(2): Inadequate reason for applying the urgency paragraph	1 700 794	-
Non-compliance with SCM regulation 36(1)	777 915	-
Speed bumps	-	91 800
	<u>2 724 507</u>	<u>91 800</u>

#### Analysis of expenditure awaiting condonation per age classification

Current year	2 724 507	-
Prior years	-	91 800
	<u>2 724 507</u>	<u>91 800</u>

### 46. Deviation from Supply Chain Management regulations

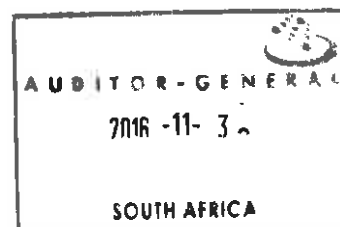
In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Accounting Officer and noted by Council.

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

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

During the financial year under review goods/services totalling R 25 781 848 were procured and the process followed in procuring those goods/services deviated from the provisions of paragraph 12(1)(d)(i) as stated above. The reasons for these deviations were documented and reported to the Accounting Officer that considered them and subsequently approved the deviation from the normal supply chain management regulations.

A detailed list of deviations is in Appendix K available and on the municipality's website.



\* See Note 49 & 50

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*
<b>47. Material Losses</b>		
<b>Water distribution losses</b>		
Kilo liters supplied	13 633 813	15 150 339
Kilo liters sold	11 439 824	12 294 092
Kilo liters lost in distribution	2 193 989	2 856 247
<b>Electricity distribution losses</b>		
Units bought (Kwh)	321 148 641	318 032 277
Units sold (Kwh)	302 649 685	298 429 985
Units lost in distribution (Kwh)	18 498 956	19 602 291
<b>Percentage loss in distribution</b>		
Water distribution losses	16,09%	18,90%
Electricity distribution losses	5,76%	6,16%

## 48. Change in estimate

### Property, plant and equipment

Property, plant and equipment: A review of useful lives was done on assets. During the review, certain infrastructure, buildings, motor vehicles and other property plant and equipment with R nil book values and nil remaining lives were identified. The municipality's management considered how to account for the change in the estimated useful lives. The effect of a change in accounting estimate is required to be recognised prospectively by including it in surplus or deficit in the period of the change, if the change affects that period only; or the period of the change in future periods, if the change affects both. Management concluded that it should apply the change in estimate prospectively from the start of 2016 and therefore the depreciation charge was applied prospectively from 1 July 2015 over the remaining useful life of these assets.

	2016 R	2017 R	2018 R
Decrease/(Increase) in depreciation on infrastructure assets for the year	(752 838)	129 395	129 395
Decrease/(Increase) in depreciation on buildings for the year	(16 549)	4 478	4 478
Decrease/(Increase) in depreciation on other assets for the year	(104 096)	44 168	17 747
	<b>(873 483)</b>	<b>178 041</b>	<b>151 620</b>

The effect on the current year is to decrease the carrying amount of property, plant and equipment by R 878 485 and increase the depreciation expense by R 878 485.

## 49. Changes in accounting policy

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice on a basis consistent with the prior year.

## 50. Prior period errors

The prior year has been amended to account for prior period errors.

Below is a summary of the total effect that the prior period errors and reclassifications of comparatives had on the amounts previously disclosed in the annual financial statements, followed by a description of each individual prior period error with the amounts involved.

\* See Note 49 & 50



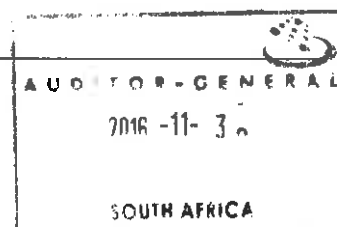
**BREEDE VALLEY MUNICIPALITY**

Annual Financial Statements for the year ended 30 June 2016

**Notes to the Annual Financial Statements**

	2016	2015 Restated*	
50. Prior period errors (continued)			
Statement of Financial Performance for the year ended 30 June 2015	Balance as previously reported	Prior period error	Restated balance
Revenue			
Service charges	429 072 338	-	429 072 338
Income from agency services	5 906 686	-	5 906 686
Licences and permits	2 845 741	-	2 845 741
Rental income	13 175 489	-	13 175 489
Other income	12 047 841	-	12 047 841
Finance income	13 578 212	-	13 578 212
Property rates	94 472 885	-	94 472 885
Property rates - penalties imposed and collection	808 892	-	808 892
Government grants and subsidies	218 465 592	-	218 465 592
Fines, penalties and forfeits	28 376 175	-	28 376 175
Total revenue	818 749 851	-	818 749 851
Expenditure			
Employee related costs	(207 962 643)	-	(207 962 643)
Remuneration of councillors	(14 511 266)	-	(14 511 266)
Doubtful debt	(26 649 986)	-	(26 649 986)
Depreciation, amortisation and impairment	(75 909 076)	48 370	(75 860 706)
Rehabilitation	(2 974 893)	-	(2 974 893)
Bulk purchases	(223 818 120)	-	(223 818 120)
Finance costs	(25 945 950)	-	(25 945 950)
Collection costs	(222 707)	-	(222 707)
Repairs and maintenance	(60 863 898)	(226 660)	(61 090 559)
Contracted services	(8 317 329)	-	(8 317 329)
Grants and subsidies paid	(194 800)	-	(194 800)
Contributions to employee benefits	(19 185 691)	-	(19 185 691)
General expenses	(143 734 348)	3 648 693	(140 085 655)
Total expenditure	(810 290 508)	3 470 403	(806 820 105)
Operating surplus	8 459 343	3 470 403	11 929 746
Actuarial loss	35 481 150	-	35 481 150
Fair value adjustment	2 530 397	1 879 060	4 409 457
Gain/ (loss) on disposal of assets	(414 748)	-	(414 748)
Surplus / (deficit) for the year	46 056 142	5 349 463	51 405 605

\* See Note 49 &amp; 50



**BREED VALLEY MUNICIPALITY**

Annual Financial Statements for the year ended 30 June 2016

**Notes to the Annual Financial Statements**

	2016	2015 Restated*
<b>50. Prior period errors (continued)</b>		
<b>Statement of Financial Position as at 30 June 2015</b>		
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	106 930 779	106 930 779
Receivables from exchange transactions	69 430 330	69 430 330
Receivables from non-exchange transactions	21 489 615	21 489 615
Other receivables from exchange transactions	6 703 095	6 703 095
Inventories	11 860 000	16 872 870
VAT receivable	1 654 931	1 654 931
Short term investments	30 000 000	30 000 000
Long term receivables	1 390 502	1 390 502
<b>Total current assets</b>	<b>249 459 252</b>	<b>254 472 122</b>
<b>Non-current Assets</b>		
Investment property	8 589 700	19 179 699
Property, plant and equipment	1 918 777 395	1 910 473 737
Intangible assets	5 545 517	5 545 517
Heritage assets	36 631 059	36 631 059
Long term receivables	7 656 789	7 656 789
<b>Total non-current assets</b>	<b>1 977 200 460</b>	<b>1 979 486 801</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Payables from exchange transactions	(75 035 428)	(75 262 087)
Consumer deposits	(3 680 760)	(3 680 760)
Unspent conditional grants and receipts	(24 350 185)	(24 350 185)
Long term liabilities	(24 626 860)	(24 626 860)
Employee benefit obligations	(25 218 530)	(25 218 530)
Provisions	(878 607)	(878 607)
<b>Total current liabilities</b>	<b>(153 790 370)</b>	<b>(154 017 029)</b>
<b>Non-current Liabilities</b>		
Long term liabilities	(203 546 176)	(203 546 176)
Employee benefit obligations	(133 900 872)	(133 900 872)
Provisions	(76 432 490)	(76 432 490)
<b>Total non-current liabilities</b>	<b>(413 879 538)</b>	<b>(413 879 538)</b>
<b>Net Assets</b>		
Accumulated surplus - Opening balance	1 613 171 537	1 614 894 630
Surplus / (deficit) for the year	46 056 142	51 405 605
Net income recognised directly in net assets	(237 878)	(237 878)
<b>Total net assets</b>	<b>1 658 989 801</b>	<b>1 666 062 357</b>

\* See Note 49 &amp; 50



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*
<b>50. Prior period errors (continued)</b>		
<b>Error 1 - Inventory</b>		
Opening Balance		11 860 000
Expenditure not previously capitalised against inventory		5 012 870
		<u>16 872 870</u>
<b>Error 1 - General expenses</b>		
Opening Balance		143 734 347
Expenditure not previously capitalised against inventory		(3 648 692)
		<u>140 085 655</u>
<b>Error 1</b>		
The following error occurred due to the expenditure that was incurred for the Zwelethemba top structures not being capitalised to inventory in the respective periods of 2014 and 2015.		
<b>Error 2 - Repair and maintenance</b>		
Opening Balance		60 863 899
Amount short invoice for 2015 financial year		226 659
		<u>61 090 558</u>
<b>Error 2 - Payables from exchange transactions</b>		
Opening Balance		(75 035 428)
Amount short invoice for 2015 financial year		(226 659)
		<u>(75 262 087)</u>
<b>Error 2</b>		
The following error occurred due to the amount on the invoice for repairs and maintenance being short invoice of R 226 659.		
<b>Error 3 - Property, plant and equipment</b>		
Opening balance		1 918 777 395
Accumulated depreciation - Change in estimate 2012 to 2014		358 912
Accumulated depreciation - Change in estimate 2015		48 370
Property reclassified to investment property		(8 710 940)
		<u>1 910 473 737</u>
<b>Error 3 - Depreciation</b>		
Opening balance		75 909 076
Depreciation - Change in estimate 2015		(48 370)
		<u>75 860 706</u>

### Error 3

The change in the property, plant and equipment and the depreciation are as a result of a change in estimate performed on the useful lives of various assets having a R nil book value. Change in use of property, Kleinplaas, resulted in the reclassification of assets from property, plant and equipment to investment property in 2014/2015. Refer to error 4

\* See Note 49 & 50

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*
<b>50. Prior period errors (continued)</b>		
<b>Error 4 - Investment property</b>		
Opening balance		8 589 700
Property reclassified to investment property		8 710 939
Fair value adjustment on reclassified property		1 879 060
		<u>19 179 699</u>
<b>Error 4 - Fair value adjustment</b>		
Opening balance		2 530 397
Fair value adjustment on reclassified property		1 879 060
		<u>4 409 457</u>
<b>Error 4</b>		
Change in use of property, Kleinplaas, resulted in the reclassification of assets from property, plant and equipment to investment property in 2014/2015. Refer to error 3		
<b>Restatement of accumulated surplus</b>		
Opening balance as per 1 July 2014		1 613 171 537
Inventory - Error 1		1 364 180
Property, plant and equipment - Error 3		358 913
		<u>1 614 894 630</u>
<b>Error 5</b>		
It was identified in the current year that an amount of R27 081 150 related to traffic fines were older than 18 months at the end of the 2014/15 financial year. The aforementioned resulted in a prior period error. The fines were impaired through the allowance for impairment in the 2014/15 financial year and have no effect on the net trade receivables from non-exchange transactions.		
<b>Error 5 - Traffic Fines</b>		
Gross receivables from exchange		(27 081 150)
Provision for impairment		27 081 150
		<u>-</u>

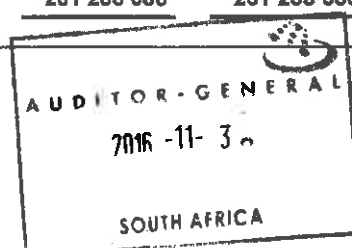
## 51. Financial Instruments disclosure

### Financial assets by category

#### 2016

	At amortised cost	Total
Cash and cash equivalents	87 422 999	87 422 999
Receivables from exchange transactions	77 246 565	77 246 565
Receivables from non-exchange transactions	2 788 635	2 788 635
Other receivables from exchange transactions	6 546 340	6 546 340
Long term receivables	7 248 517	7 248 517
Short term investments	80 000 000	80 000 000
	<u>261 253 056</u>	<u>261 253 056</u>

\* See Note 49 & 50



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*
<b>Financial Instruments disclosure (continued)</b>		
<b>2015</b>		
	At amortised cost	Total
Cash and cash equivalents	106 930 779	106 930 779
Receivables from exchange transactions	69 430 330	69 430 330
Receivables from non-exchange transactions	1 603 242	1 603 242
Other receivables from exchange transactions	6 703 095	6 703 095
Long term receivables	9 047 291	9 047 291
Short term investments	30 000 000	30 000 000
	<u>223 714 737</u>	<u>223 714 737</u>
<b>Statutory receivables</b>		
Rates	12 121 424	8 985 212
Fines	11 105 846	10 901 161
	<u>23 227 270</u>	<u>19 886 373</u>

### Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates:

Cash at bank and short-term bank deposits	Rating		
ABSA	F3	87 391 174	106 900 454
ABSA	F3	10 000 000	10 000 000
Nedbank	F3	30 000 000	5 000 000
Investec	F3	20 000 000	10 000 000
Standard Bank	F3	20 000 000	5 000 000
		<u>167 391 174</u>	<u>136 900 454</u>

F1 - Highest credit quality. Indicates the strongest capacity for timely payment of financial commitments; may have an added "+" to denote any exceptionally strong credit feature.

F2 - Good credit rating. A satisfactory capacity for timely payment of financial commitments, but the margin of safety is not as great as in the case of higher ratings.

F3 - Fair credit rating. The capacity for timely payment of financial commitments is adequate; however, near term adverse changes could result in a reduction to non-investment grade.

### Financial liabilities by category

#### 2016

	At amortised cost	Total
Long term liabilities	263 546 176	263 546 176
Consumer deposits	4 046 101	4 046 101
Payables from exchange transactions	67 943 499	67 943 499
Unspent conditional grants	17 965 618	17 965 618
	<u>353 501 394</u>	<u>353 501 394</u>

\* See Note 49 & 50

A.M

# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*
<b>Financial Instruments disclosure (continued)</b>		
<b>2015</b>		
	At amortised cost	Total
Long term liabilities	228 173 036	228 173 036
Consumer deposits	3 680 760	3 680 760
Payables from exchange transactions	75 262 087	75 262 087
Unspent conditional grants and receipts	24 350 185	24 350 185
	<b>331 466 068</b>	<b>331 466 068</b>

## 52. Risk management

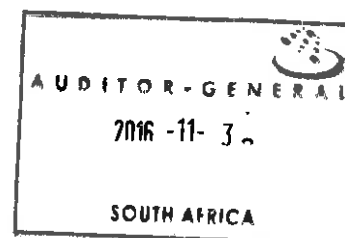
### Liquidity risk

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. Prudent liquidity risk management implies maintaining sufficient cash and investments, the availability of funding for service delivery through effective budgeting and availability of credit facilities. The municipality manages its risks through effective and efficient budgeting and credit control. The liquidity risk is thus limited.

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

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

At 30 June 2016	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	67 943 499	-	-	-
Consumer deposits	4 046 101	-	-	-
Long term liabilities	22 628 117	17 199 996	31 538 607	192 179 456
Unspent conditional grants and receipts	17 965 618	-	-	-
	<b>112 583 335</b>	<b>17 199 996</b>	<b>31 538 607</b>	<b>192 179 456</b>
At 30 June 2015	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	75 262 087	-	-	-
Consumer deposits	3 680 760	-	-	-
Long term liabilities	24 626 860	21 021 004	30 177 574	152 347 598
Unspent conditional grants and receipts	24 350 185	-	-	-
	<b>127 919 892</b>	<b>21 021 004</b>	<b>30 177 574</b>	<b>152 347 598</b>



\* See Note 49 & 50



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*
--	------	-------------------

### 52. Risk management (continued)

#### Credit risk

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

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

Receivables comprise a widespread customer base. Management evaluated credit risk relating to receivables on an ongoing basis. If receivables are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the receivable, taking into account past experience with the client's payment rate. Sales to customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

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

Financial instrument		
Receivables from exchange transactions	77 246 565	69 430 330
Receivables from non-exchange transactions	2 788 635	1 603 242
Other receivables from exchange transactions	6 546 340	6 703 095
Long term receivables	7 248 517	9 047 291
Short term investments	80 000 000	30 000 000
Cash and cash equivalents	87 422 999	106 930 779
	<u>261 253 056</u>	<u>223 714 737</u>

#### Market risk

##### Interest rate risk

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

A potential interest rate risk may arise from the short term deposits, cash and cash equivalents, consumer receivables, other receivables and long term receivables.

The short term deposits and cash and cash equivalents has limited exposure as the municipality interacts with well-established financial institutions of high credit standing. The investments are further of a short term nature.

Consumer receivables comprise of receivables dispersed over a large geographical area. The receivables are constantly analysed and evaluated for their financial condition. Receivables are disclosed net of the allowance for impairment. Where the accounts of the receivables become in arrears, they are collected through the levying of a penalty, the charging of interest at prime or the handing over for collection.

Long term receivables comprise mainly of the deferred consumers which shown at a fair value. The remaining long term receivables if required are charged interest at a fixed rate. The long term receivables are evaluated annually for impairment.

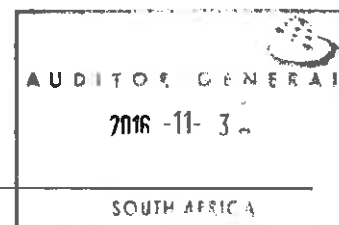
The municipality's has a low interest rate risk as a long-term borrowing are made on fixed interest rates.

As the municipality has no long term variable rate financial instruments no sensitivity analysis is required at year end.

##### Price risk

The municipality is not exposed to price risk.

\* See Note 49 & 50



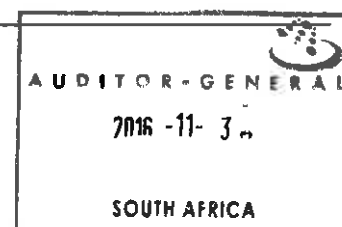
# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*	
<b>53. Going concern</b>			
The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.			
<b>54. Events after the reporting date</b>			
No non-adjusting events have occurred after the reporting date.			
<b>55. In-kind donations and assistance</b>			
The Municipality has not received any in-kind donations or assistance in the form of assets during the 2015/2016 financial year.			
<b>56. Additional disclosure in terms of Municipal Finance Management Act</b>			
<b>Municipal bank accounts</b>			
<b>Bank statement balances</b>	<b>30 June 2016</b>	<b>30 June 2015</b>	<b>30 June 2014</b>
ABSA Bank - Worcester Branch Cheque Account	90 411 040	106 623 646	84 166 008
<b>Cash book balances</b>	<b>30 June 2016</b>	<b>30 June 2015</b>	<b>30 June 2014</b>
	87 391 174	106 900 454	82 144 099
<b>Membership fees: SALGA</b>			
Current year subscription / fee		2 536 293	2 364 161
Amount paid - current year		(2 536 293)	(2 364 161)
		-	-
<b>Audit fees</b>			
Opening balance		-	-
Current year subscription / fee		3 434 050	3 217 237
Amount paid - current year		(3 434 050)	(3 217 237)
		-	-
<b>PAYE and UIF</b>			
Opening balance		2 311 607	2 230 882
Current year subscription / fee		31 647 111	27 866 273
Amount paid - current year		(29 033 024)	(25 554 666)
Amount paid - previous years		(2 311 607)	(2 230 882)
		2 614 087	2 311 607
<b>Pension and medical aid deductions</b>			
Opening balance		205 860	191 371
Current year subscription / fee		66 340 081	59 918 987
Amount paid - current year		(66 566 868)	(60 124 827)
Amount paid - previous years		(205 860)	(191 371)
		(226 787)	(205 860)

\* See Note 49 & 50



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

	2016	2015 Restated*
<b>56. Additional disclosure in terms of Municipal Finance Management Act (continued)</b>		
<b>VAT</b>		
VAT receivable	214 206	1 654 931
VAT payable	-	-
	<u>214 206</u>	<u>1 654 931</u>

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

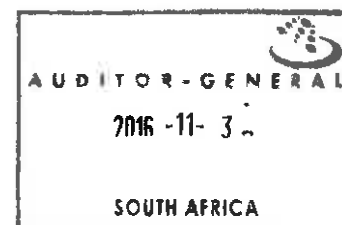
### Councillors' arrear consumer accounts

As at 30 June 2016 there were no Councillors with arrear consumer accounts outstanding for more than 90 days.

### Supply chain management regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Council. The expenses incurred as listed hereunder have been condoned.

A detailed list of deviations is in Appendix K available and on the municipality's website.



\* See Note 49 & 50

BREED VALLEY MUNICIPALITY  
Preliminary Annual Financial Statements for the year ended 30 June 2018

APPENDIX A: EXTERNAL LOANS

EXTERNAL LOANS												
ANNUITY & STOCK LOANS												
3 801 80725100												
Loans redeemed												
Mun Ref.	Fin Inst. Ref.	Date Received	Amount Received	Date Redeemable	Transactions for the year to date:				Add:		Carrying Value	Short term Portion
					Balance as at 2016/06/30	Received	Redeemed	Interest Paid	Less: Interest Accrued Previous Year	Interest Accrued Current Year	Balance as at 2016/06/30	
556		14/07/2005	21 738 289.26	31/03/2014	0.00	0.00	0.00	0.00	0.00	0.00	263 546 176.08	22 828 118.00
557		14/11/2005	22 000 000.00	31/03/2016	0.00	0.00	0.00	0.00	0.00	0.00	1 828 985.26	0.00
558				31/03/2009	0.00	0.00	0.00	0.00	0.00	0.00	10 468 086.29	0.00
559		26/08/1997	9 179 000.00	31/03/2014	0.00	0.00	0.00	0.00	0.00	0.00	13 718 883.98	0.00
580	10847102	02/11/1999	3 000 000.00	31/03/2017	801 585.23	0.00	377 869.58	85 433.18	(23 981.57)	12 981.61	2 664 803.61	0.00
581	10736102	25/07/1997	7 000 000.00	31/03/2017	1 981 561.44	0.00	676 384.11	198 405.75	(66 693.84)	28 474.36	424 215.70	424 215.70
582				30/06/2009	0.00	0.00	0.00	0.00	0.00	0.00	985 177.33	985 177.33
2668	102124/1	21/08/2006	25 000 000.00	30/09/2016	5 589 187.76	0.00	3 852 681.53	410 028.35	(121 309.31)	42 172.04	5 300 750.16	0.00
2591		29/08/2006	50 000 000.00	30/09/2018	11 004 927.59	0.00	7 152 038.65	948 183.89	(280 131.19)	3 852 887.84	18 471 784.25	1 946 536.22
2592		29/08/2006	5 000 000.00	30/09/2012	0.00	0.00	0.00	0.00	0.00	98 075.53	25 888 090.32	3 852 887.84
5027	102831/1	31/03/2008	23 000 000.00	31/03/2016	8 126 535.12	0.00	2 576 740.67	375 554.67	(101 303.38)	69 184.83	1 743 088.12	0.00
5028	102832	31/03/2008	40 000 000.00	31/03/2018	16 058 439.03	0.00	4 864 596.44	1 410 699.85	(378 741.58)	5 590 794.45	17 850 328.89	2 707 076.50
5029		31/03/2008	2 000 000.00	31/03/2016	0.00	0.00	0.00	0.00	0.00	284 008.08	32 784 285.77	5 339 216.86
11097	103649/2	09/03/2010	21 000 000.00	31/03/2030	17 726 240.93	0.00	710 451.32	1 187 910.04	(288 293.95)	288 337.93	18 943 208.24	762 429.38
11098	103649/1	09/03/2010	29 000 000.00	31/03/2030	25 789 551.46	0.00	881 911.20	3 105 220.90	(776 900.37)	766 965.42	25 133 640.28	752 715.87
11099	103649/3	16/07/2010	50 000 000.00	31/03/2030	45 775 444.33	0.00	1 254 226.35	5 164 103.45	(1 282 580.88)	1 257 164.54	44 521 217.89	1 414 317.20
11100	103649/4	23/06/2011	50 000 000.00	31/03/2030	48 347 016.44	0.00	1 250 527.28	5 308 488.75	(1 326 828.19)	1 292 872.03	48 086 492.18	1 412 883.42
11101	103649/5	20/06/2013	51 000 000.00	31/03/2030	48 077 233.38	0.00	1 250 851.88	5 937 353.34	(1 485 413.23)	1 447 580.86	33 634 902.57	1 423 547.52
19876	61007341	20/06/2016	38 500 000.00	31/03/2036	0.00	38 500 000.00	0.00	0.00	0.00	484 351.80	38 500 000.00	482 810.11
19878	61007374	20/06/2016	21 500 000.00	31/03/2036	0.00	21 500 000.00	0.00	0.00	0.00	281 407.01	21 500 000.00	1 124 302.53



INTEREST ALLOCATED INCOME & EXPENDITURE		
Department	Main Vote	Amount
Health(DaDoorns)/T/River/Raws	1218	2 913.13
Operational Services Admini	1503	157 668.07
P.W. Stormwater Drainage: Worcester	1533	47 744.74
P.W. Street Lighting	1538	10 828.03
P.W. Streets: Worcester	1539	288 887.72
Cemetery: New	3827	11 234.17
C.B. Sportidone Sport Centre	3906	4 278.77
C.B. S.C.H. Zwaenepba	3909	1 787.91
C.B.:Other Buildings	3915	1 812.12
C.B.:Hex Valley People's Cent	3918	2 068.58
C.B.:C.H.:Touws River	3821	1 810.04
Avianpark Conim Centre	3980	67.00
F.P.: Administralion	4203	19 260.44
Boisland Park Sportground	5130	13 350.22
R.F.: Parks (Other)	5151	25 880.53
R.R.: Removal: Worcester	8803	5 136.12
R.R.: Dumping Site	8808	34 457.14
Sew.:Dip. Works-Touwsriver	8905	88 115.50
Sew.:Dip. Works-Worcester	8906	10 487 511.23
Sew.: Dip. Works-Ruimsigville	8907	168 698.07
Sew. Network: Worcester	8912	184 285.19
Elec. Network & Substation	8912	408 712.88
Network & Pumps: Worcester	8412	7 442 491.91
W.M.: Fairy Glen D	8416	309 194.98
Bulk Water De Doorns	8416	1 606.06
W.M.: Slatysdooft Dam	8418	110 551.94
Bulk Water Touwsriver	8421	4 310 177.57
Res.: Vehicle distribution	8880	1 284.03
		33 088.23
		<b>24 301 464.23</b>
Interest Paid	2015/16	24 132 272.17
Interest Accrued	2014/16	(6 145 175.37)
Total	2015/16	<b>8 312 397.49</b>
		<b>24 301 464.23</b>



Breda Valley Municipality  
Annual Financial Statements for the year ended 30 June 2016  
APPENDIX B: FIXED ASSET RECONCILIATION

Classification of Assets		Cost/Revaluation 2016									
--------------------------	--	-----------------------	--	--	--	--	--	--	--	--	--

	Opening balance as previously stated 30.6.2015	Prior period error	Restated opening balance	Additions	Grat 12 Transfer	Fair value adjustment	Transfers	Restoration of assets	Disposals	Closing Balance 30.6.2016
LAND	245 978 810	-	245 978 810	-	-	-	(1 954 561)	-	(2 482 343)	241 542 706
BUILDINGS	255 253 933	-	255 253 933	9 089 761	-	-	-	-	(883 928)	263 428 767
INFRASTRUCTURE	2 341 255 386	-	2 341 255 386	60 801 109	(886 325)	-	1 983 717	-	(812 470)	2 402 381 397
HERITAGE ASSETS	36 631 059	-	36 631 059	-	-	-	-	-	-	36 631 059
OTHER ASSETS	113 728 089	(3 496 881)	110 231 208	13 573 476	-	-	(28 156)	(6 207 320)	(1 989 520)	115 568 688
INTANGIBLE ASSETS	6 632 692	-	6 632 692	326 048	-	-	-	-	-	6 858 640
INVESTMENT PROPERTY	8 569 700	-	8 569 700	-	-	3 869 651	8 568 349	-	(982 200)	20 625 500
<b>Total</b>	<b>3 007 870 559</b>	<b>(3 496 881)</b>	<b>3 004 473 488</b>	<b>83 670 395</b>	<b>(886 325)</b>	<b>3 869 651</b>	<b>8 568 349,15</b>	<b>(6 207 320)</b>	<b>(9 890 461)</b>	<b>3 087 017 767</b>



Breda Valley Municipality  
Annual Financial Statements for the year ended 30 June 2016  
APPENDIX B: FIXED ASSET RECONCILIATION

Cost/Revaluation 2015

Classification of Assets	Operating balance as previously stated 30.6.2014	Prior period error / Implementation of GRAP 103	Restated opening balance	Additions	GRAP 12 Transfer	Fair value adjustment	Transfers	Restoration of assets	Disposals	Closing Balance 30.6.2015
LAND	248 857 472	(170 779)	248 686 693	3 004 519	-	-	(3 040 000)	-	(671 705)	245 979 610
BUILDINGS	259 524 577	(242 679)	259 281 701	3 782 794	-	-	(5 670 839)	-	(2 119 822)	255 253 933
INFRASTRUCTURE	2 278 429 106	-	2 278 429 106	61 873 933	1 618 663	-	(20 514)	-	(645 824)	2 341 255 365
HERITAGE ASSETS	36 968 950	(680 000)	36 408 950	110 000,00	-	112 200,00	-	-	-	36 631 059
OTHER ASSETS	74 695 787	(12 274 570)	62 421 217	6 357 927	-	-	20 514	48 496 126	(3 527 884)	113 728 099
INTANGIBLE ASSETS	6 171 238	-	6 171 238	787 043	-	-	-	-	(428 689)	6 532 592
INVESTMENT PROPERTY	8 366 000	(336 560)	8 029 440	-	-	880 280	-	-	-	8 589 700
<b>Total</b>	<b>2 911 012 892</b>	<b>(13 594 572)</b>	<b>2 897 428 290</b>	<b>75 866 315</b>	<b>1 518 663</b>	<b>672 489</b>	<b>(8 710 839)</b>	<b>48 496 126</b>	<b>(7 390 524)</b>	<b>3 007 970 359</b>



Breede Valley Municipality  
Annual Financial Statements for the year ended 30 June 2016  
APPENDIX B: FIXED ASSET RECONCILIATION

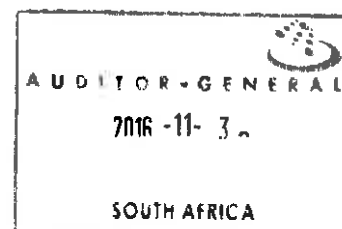
Accumulated Depreciation 2016								
Classification of Assets	Opening balance as previously stated 30.6.2016	Prior period error	Restated opening balance	Additions	Impairment	Disposals	Transfers	Closing Balance 30.6.2016
LAND	-	-	-	-	-	-	-	-
BUILDINGS	162 430 773	-	162 430 773	5 293 020	-	(801 947)	-	166 921 846
INFRASTRUCTURE	848 708 370	-	848 708 370	61 469 710	-	(812 470)	(2 219)	909 384 391
HERITAGE ASSETS	-	-	-	-	-	-	-	-
OTHER ASSETS	35 010 408	(3 904 174)	31 106 234	20 919 745	-	(1 754 403)	2 219	50 273 784
INTANGIBLE ASSETS	987 075	-	987 075	476 191	-	-	-	1 463 266
INVESTMENT PROPERTY	-	-	-	-	-	-	-	-
Total	1 047 137 625	(3 904 174)	1 043 233 451	66 158 968	-	(3 368 821)	-	1 126 023 266





Breede Valley Municipality  
Annual Financial Statements for the year ended 30 June 2018  
APPENDIX B: FIXED ASSET RECONCILIATION

Accumulated Depreciation 2015								
Classification of Assets	Opening balance as previously stated 30.6.2014	Prior period error / Implementation of GRAP 103	Restated opening balance	Additions	Impairment	Disposals	Transfers	Closing Balance 30.6.2015
LAND	-	-	-	-	-	-	-	-
BUILDINGS	158 714 048	(288 032)	158 426 016	5 438 081	-	(1 423 331)	-	162 430 778
INFRASTRUCTURE	788 122 329	(4 069)	788 118 260	81 241 007	-	(845 824)	(4 072)	848 708 370
HERITAGE ASSETS	-	-	-	-	-	-	-	-
OTHER ASSETS	41 973 688	(12 277 593)	28 696 105	8 772 138	-	(3 481 907)	4 072	35 010 408
INTANGIBLE ASSETS	949 923	-	949 923	462 841	-	(425 889)	-	987 075
INVESTMENT PROPERTY	-	-	-	-	-	-	-	-
Total	989 759 988	(12 574 694)	977 185 301	75 908 077	-	(5 866 752)	-	1 047 137 825



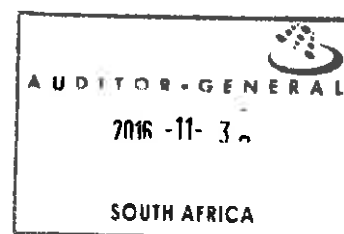
## BREDE VALLEY MUNICIPALITY

## APPENDIX C

Annual financial statements for the year ended 30 June 2016

## STATISTICAL INFORMATION

		2016	2015	2014	2013	2012
<b>(1) General Statistics</b>						
(a)	Population.	±				
(b)	Valuation					
	(i) Taxable					
	Land	968 968 000	1 042 161 000	1 061 169 000	1 056 504 000	784 917 470
	Improvements	15 547 314 000	14 756 837 000	14 862 367 000	14 808 085 000	10 728 337 000
	(ii) Non Taxable					
	Land				0	0
	Improvements				0	0
	(iii) Date of Last General Valuation	2012/07/01	2012/07/01	2012/07/01	2012/07/01	2007/07/02
(c)	Number of properties					
	Residential	19 621	19 465	18 379	17 983	17 582
	Commercial	1 047	702	1 015	1 016	1 018
	Other	4 483	4 708	4 564	4 401	3 631
	Rural	2 209	2 222	2 219	2 285	2 243
(d)	Assessment Rate: Cent in the Rand	0.8520 + 1.7040	0.8520 + 1.7040	0.7526 + 1.5052	0.7100 + 1.4200	0.7603 + 1.4242
(e)	Number of Employees					
	Employed	902	825	902	909	930
	Vacancies	144	166	157	128	107
<b>(2) Electrical Statistics</b>						
(a)	Number of users	±	20 830	24 366	24 333	24 127
(b)	Units bought	±	321 148 641	318 032 277	319 877 963	321 808 534
(c)	Units sold	±	302 649 686	298 429 985	296 738 559	298 016 525
(d)	Units lost in distribution	±	18 498 956	19 602 291	23 139 404	23 782 009
(e)	Percentage of units lost in distribution		5.7602%	6.164%	7.234%	7.3832%
(f)	Cost per unit bought	R	1.024017	0.917023	0.866741	0.820005
(g)	Loss in distribution	R	18 943 248	17 975 764	20 055 870	19 510 586
(h)	Cost per unit sold	R	1.086608	0.977258	0.934329	0.885515
(i)	Income per unit sold	R	1.208169	1.078843	1.017016	0.988670
<b>(3) Water Statistics</b>						
(a)	Number of users	±	27 864	25 486	25 427	24 604
(b)	Units supplied	Kl	13 633 813	15 150 339	11 740 512	14 097 007
(c)	Units sold	Kl	11 438 824	12 294 092	10 621 976	11 893 839
(d)	Units lost in distribution	Kl	2 193 989	2 856 247	1 118 536	2 203 168
(e)	Percentage of units lost in distribution		16.0923%	18.8527%	9.5271%	15.8286%
(f)	Cost per unit supplied	R	5.808079	6.631379	5.820327	4.114450
(g)	Loss in distribution	R	12 304 064	18 940 856	6 622 099	9 084 825
(h)	Cost per unit sold	R	6.683625	7.136594	6.543760	4.875940
(i)	Income per unit sold	R	6.814768	6.260953	6.088170	5.610712
<b>(4) Sundry Statistics</b>						
(a)	Area in km²		3 833	3 833	3 833	3 833
(b)	Previous election					
	Number of registered voters		70 002	70 002	70 002	70 002
	% poll					
(c)	Building survey:					
	(i) Building plans					
	Number passed		674	1678	925	577
	Value passed (R '000)		475 154 000	471 862 000	478 160 000	323 864 000
	(ii) Inspections performed	±	2 188	3 941	4 000	5 000
(d)	Housing					
	(i) Number of dwelling units		2 696	2 703	3 044	2 747
	(ii) Number of people acc	±	111	13 515		15 220
	(iii) Number of people on waiting list		25 000	24 615	23 194	22 000
(e)	Fire service stations		2	2	2	2



BREDE VALLEY MUNICIPALITY														
APPENDIX D														
GRANTS AND SUBSIDIES RECEIVED														
NAME OF GRANTS	Name of organ of state or Municipality/ Entity	Balance July 2015	Quarterly Receipts						Quarterly Expenses					
			Sept 15	Dec 15	March 16	June 16	Sept 16	Dec 16	March 17	June 17	Balance 30 June 2016			Reason for non-compliance
											Sept 16	Dec 16	March 17	June 17
Equitable Share	National	-	34 028 000	27 220 000	20 418 000	-	28 815 800	28 863 187	14 177 043	15 111 280	-	-	-	Yes
Financial Management grant	National	-	1 480 000	-	-	-	82 861	428 968	188 977	758 186	-	-	-	Yes
Systems Improvement Grant	National	-	830 000	-	-	-	73 460	488 770	99 088	270 705	-	-	-	Yes
Main Infrastructure Grant (MIG)	National	-	6 378 000	8 263 000	18 702 000	-	5 947 873	3 737 438	10 833 124	8 084 477	-	-	-	Yes
ACIP	National	-	-	312 382	887 816	-	-	-	134 812	885 168	-	-	-	Yes
SPW National	National	-	400 000	300 000	300 000	-	247 820	434 880	287 596	28 305	-	-	-	Yes
LGWS/EA	Provincial	423 767	59 545	-	80 280	81 418	-	-	-	479 020	(263 901)	-	-	Project ongoing
LGWS/EA - learner ship	Provincial	(176 000)	81 726	-	98 783	8 497	-	-	-	-	-	-	-	Project ongoing
Add Staff at Public Libraries	Provincial	1 808 041	8 872 080	2 382 000	2 382 000	-	2 228 379	4 782 037	2 023 734	2 138 881	2 000 000	-	-	Project ongoing - Waterless Library under construction
CDM Grant Support 0009	Provincial	(44 765)	90 000	-	-	-	16 878	28 886	25 420	24 827	(80 494)	-	-	Project ongoing
National Roads Agency	Provincial	-	-	-	-	-	-	-	-	128 821	-	-	-	Yes
Work for Water Projects	Provincial	1 283 084	-	203 300	885 812	-	947 788	689 775	760 167	102 287	(137 862)	-	-	Project ongoing
Expenditure Urban Research	Provincial	-	-	-	105 283	-	-	-	-	108 283	-	-	-	Yes
IMAGS: Mita Management	Provincial	178 248	-	120 000	-	-	-	-	216 888	78 834	-	-	-	Project complete
IMAGS: Riverine Enhancement	Provincial	190 090	-	480 000	-	-	-	-	-	800 093	-	-	-	Project complete
IMAGS: MICOA contribution	Provincial	-	-	50 000	-	-	-	-	24 891	28 069	-	-	-	Project complete
IMAGS: Clean Water of PAR	Provincial	21 770	-	-	-	-	-	-	21 770	-	-	-	-	Project complete
IMAGS: Internal Audit program	Provincial	-	-	800 000	-	-	-	-	-	300 163	119 847	-	-	Project incomplete
Phosong Centre	Provincial	-	-	100 000	-	-	15 315	24 852	27 811	21 822	-	-	-	Project complete
ZOB Avengark	Provincial	464 876	-	-	-	-	-	-	-	444 876	-	-	-	Project uncompleted
S31 People Housing Proj. Zwitshamba	Provincial	2 824 407	-	-	-	-	-	-	-	2 824 407	-	-	-	Project ongoing
Zwilethamba 248 aveng	Provincial	(814 544)	-	-	870 820	-	-	-	-	883 842	47 484	-	-	Project uncompleted
Sunnyvale Orchard De Doorns	Provincial	0	-	-	809 733	-	-	-	-	609 733	0	-	-	Project uncompleted
De Doorns 1400 PLS	Provincial	10 154 884	-	5 844 944	(4 007 115)	1 837 829	6 911 435	-	-	-	7 819 877	-	-	Project uncompleted
Avengark 488 House	Provincial	2 087 777	-	-	-	-	-	-	-	-	2 087 777	-	-	Project uncompleted
Avengark 205 School	Provincial	-	-	-	-	3 188 807	-	-	1 188 741	3 489 381	(7 084 814)	-	-	Project ongoing
De Doorns Town Development	Provincial	3 988 488	-	-	4 007 115	814 307	-	4 009 883	3 881 188	520 197	-	-	-	Project uncompleted
De Doorns 205 School	Provincial	50 000	-	-	-	-	-	-	-	50 000	-	-	-	Project complete
De Doorns 205 School	Provincial	(180 000)	-	710 000	1 240 800	-	-	329 000	-	160 823	1 241 177	-	-	Project ongoing



**BREED VALLEY MUNICIPALITY**  
**Annual Financial Statements for the year ended 30 June 2016**  
**APPENDIX E**

**Disclosure in terms of S45 of the Supply Chain Management Policy**

In terms of S45 of the Supply Chain Management Policy the accounting officer must ensure that the notes to the financial statements disclose particulars of any award of more than R2000.00 to a person who is, a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including:

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

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

**1.C P Jansen Tax's - Collin Jansen (Brother of Reginald Jansen - Employee Number 3322)**

Awards to the amount of R2600.00 were made to C P Jansen Tax's  
Reginald Jansen is a Plans Examiner - Planning & Development, Building Control at Breede Valley Municipality

**2.Enkosi Construction - Tonle Winnaar (Spouse/Husband of Juliette Winnaar)**

Awards to the amount of R40150.00 was made to Enkosi Construction  
Juliette Winnaar is an EPWP worker- Sewerage at the Breede Valley Municipality

**3.DJ X-Zito - Xolile Vas (Spouse/Husband of Northando Vas-Employee Number 11028)**

Awards to the amount of R79030.00 were made to DJ X-Zito  
Northando Vas is an Typist/Clerk - Human Resources Department within the Strategic Support Services Directorate of the Breede Valley Municipality

**4.Lee-Handro Enterprises - Sheryl Manuel ( Spouse/Wife of William Manuel-Employee Number 3431)**

Awards to the amount of R51260.00 was made to Lee-Handro Enterprises  
William Manuel is a General worker - Public Works,Buildings & Structure at the Breede Valley Municipality

**5.NE Mayekel Tax's - Nombulelo Mayekel (Parent/Mother of G Simphiwe Mayekel-Employee Number 11042)**

Awards to the amount of R3800.00 were made to NE Mayekel Catering  
Simphiwe Mayekel is the Manager-Human Settlements - Community Services at the Breede Valley Municipality

**6.Smart Prepaid - Maxwell Cupido (Brother of Liezel Pfatjies)**

Awards to the amount of R43650.00 was made to Smart Prepaid  
Liezel Pfatjies is a Student Supply Chain Management with the Finance Directorate of the Breede Valley Municipality

**7.T H Traders - Trevor Human (Brother of Deon Human-Employee Number 3538 ) // (Spouse/Husband of Ashlin Human)**

Awards to the amount of R13130.00 was made to T H Traders  
Deon Human is a Storeman - Public Works & Parks at the Breede Valley Municipality  
Ashlin Human is an Accountant - Wittenberg Municipality

**8.Golimas Pty Ltd- Gollath Jacobs (Parent/Father of Brumilda Jacobs -Employee Number 2266 )**

Awards to the amount of R28300.00 was made to Golimas Pty Ltd  
Brumilda Jacobs is a Intern - Internal Audit (Office of the Municipal Manager) at the Breede Valley Municipality

**9.Kleinplasele Restaurant - Helette Botha (Parent/Mother of Jole Le Roux-Employee Number 6810 )**

Awards to the amount of R5953.00 was made to Kleinplasele Restaurant  
Jole Le Roux is a Personal Assistant Mayco within the Corporate Directorate of the Breede Valley Municipality

**11.ZN Paliso Taxi's - Nelson Paliso (Brother of Ndleka Nyangaza-Employee Number 3751 )**

Awards to the amount of R3800.00 was made to ZN Paliso Taxi's  
Ndleka Nyangaza is a Driver - Public Works,De Doorns at the Breede Valley Municipality

**Awards and payments to persons with relatives in the service of other Municipalities**

**12.Vuyani Electrical Supplies - Julia Aguihas (Parent/Mother of Marvin Aguihas)**

Awards to the amount of R132688.61 were made to Vuyani Electrical Supplies  
Marvin Aguihas is an employee in the Electrical Department at City of Cape Town Municipality

**13.Kleinplasele Restaurant - Helette Botha (Spouse/Wife of J.Botha )**

Awards to the amount of R5953.00 was made to Kleinplasele Restaurant  
J.Botha is employed at the Cape Winelands District Municipality

**14.Fonk & Sons Transport Pty Ltd - Ndudumo Elliot Fonk (Parent/Father of N.P.Memani)**

Awards to the amount of R3555.80 was made to Fonk & Sons Transport  
N.P.Memani is employed at Bitou Municipality

**Awards and payments to persons with relatives in other State Departments**

**15.Bussy Bee Enterprises (Spouse/Husband of Lyland Magdelene Opliphant)**

Awards to the amount of R27000.00 were made to Bussy Bee Enterprises

**16.Kemanzl Pty Ltd - Hazel Du Toit (Spouse/Wife of Jeremie Nel Du Toit - ID No.7705045226088)**

Awards to the amount of R86503.42 were made to Kemanzl Pty Ltd  
Jeremie Du Toit is employed by the City of Cape Town Municipality Traffic Department (Inspector Driver Licences)

**17.KN Klaas - Nonzwakazi Gatrude Klaas (Sister of E.Y.Belu)**

Awards to the amount of R18260.00 were made to KN Klaas



**BREDE VALLEY MUNICIPALITY**

**Annual Financial Statements for the year ended 30 June 2016**

**APPENDIX E**

E.Y.Belu a Principal in the Western Cape Education Department

**18.Siyanda Cleopars Jika - J.Witbooi (Spouse/Husband of Marcia Witbooi)**

An Award to the amount of R8500.00 was made to Siyanda Cleopars Jika  
Msomboti Grey Jika a Teacher in the Western Cape Education Department

**20.Conradie Incorporated - Andries Francois Conradie (Spouse/Husband of Tara Conradie)**

Awards to the amount of R137038.82 were made to Conradie Incorporated  
Tara Conradie is an employee in the Western Cape Education Department

**21.M.M Du Toit (Spouse/Wife of W.J Du Toit)**

Awards to the amount of R6000.00 were made to M.M Du Toit  
W.J Du Toit is an employee in the service of Transnet

**22.Mvambane Tradings CC - Anna Nomvula Mooli (Parent/Mother of Luyanda Mooli)**

Awards to the amount of R6550.00 were made to Mvambane Tradings cc  
Luyanda Mooli is a warden in the Department of Correctional Services

**23. Succindo Enterprises (Pty) Ltd- Irma Kram (wife of Lansley Kram)**

Awards to the amount of R40 828,00 were made to Succindo Enterprises  
Lansley Kram is employed by PRASA as an administrator



Appendix F A2 WC023 Breede Valley - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)												
Description	2015/16						2014/15					
	1	2	3	4	5	6	7	8	9	10	11	12
	Original Budget	Budget Adjustments (L.O. MFMA 228)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Revised Audited Outcome
R thousand												
<b>Expenditure - Standard</b>	<b>143 748</b>	<b>1 794</b>	<b>145 542</b>	<b>155 423</b>		<b>9 841</b>	<b>108.8%</b>	<b>100.1%</b>				<b>141 335</b>
Governance and administration	1 420	(466)	954	3 682		2 728	385.9%	250.4%				1 108
Executive and council	137 215	1 664	138 880	149 267		10 382	107.3%	108.9%				135 048
Budget and treasury offices	5 113	348	5 460	2 454		(3 006)	46.0%	46.0%				5 201
Corporate services	94 997	25 701	120 698	104 254		(16 344)	86.4%	108.9%				93 178
Community and public safety	11 364	1 807	13 171	11 333		(1 838)	87.4%	98.7%				8 303
Community and social services	5 083	(763)	4 320	(1 532)		(5 852)	-32.0%	-27.5%				(2 443)
Sport and recreation	51 995	901	52 896	65 161		12 265	123.9%	125.3%				28 400
Public safety	25 085	24 276	49 361	28 282		(20 889)	57.3%	112.7%				81 820
Housing												
Health												
Economic and environmental services	21 130	(1 025)	19 971	19 807		336	101.7%	93.7%				37 503
Planning and development	1 005	(0)	1 005	1 583		(578)	97.9%	97.4%				1 624
Road transport	17 000	(1 050)	15 950	17 208		1 258	108.0%	90.3%				33 978
Environmental protection	2 025		2 025	1 057		(968)	51.2%	51.2%				1 901
Travelling services	595 803	(23 264)	572 539	580 726		8 186	101.5%	97.5%				580 211
Electricity	367 383	18	367 401	381 886		(14 485)	98.5%	98.5%				328 882
Water	99 659	(6 572)	93 087	90 726		(2 361)	97.5%	101.5%				102 188
Waste water management	92 707	(13 416)	79 292	80 810		1 518	101.9%	87.2%				76 874
Waste management	45 659	(1 296)	44 363	47 304		2 941	106.2%	103.2%				42 257
Other	(73)		(73)	(82)		9	84.9%	84.9%				(81)
<b>Total Revenue - Standard</b>	<b>859 204</b>	<b>2 513</b>	<b>861 717</b>	<b>880 148</b>		<b>2 431</b>	<b>100.3%</b>	<b>100.4%</b>				<b>822 190</b>
<b>Expenditure - Standard</b>	<b>161 287</b>	<b>(7 965)</b>	<b>153 322</b>	<b>154 327</b>		<b>635</b>	<b>100.4%</b>	<b>95.7%</b>				<b>129 011</b>
Governance and administration	42 254	842	43 096	44 451		1 355	103.1%	105.2%				38 488
Executive and council	62 038	(8 599)	53 440	62 826		(9 386)	98.9%	95.2%				42 876
Budget and treasury offices	57 005	142	57 147	57 070		(76)	98.9%	100.1%				48 837
Corporate services	183 873	22 374	206 247	175 754		(30 493)	84.8%	107.2%				177 888
Community and public safety	21 028	(615)	20 413	18 419		(1 994)	90.2%	87.9%				18 440
Community and social services	23 538	(29)	23 509	18 734		(4 775)	80.1%	84.3%				17 989
Sport and recreation	88 943	(2 964)	85 979	102 889		16 910	122.6%	118.4%				56 051
Public safety	34 910	25 946	60 856	34 158		(26 698)	56.1%	90.0%				84 807
Housing												
Health	453	39	492	464		(28)	94.1%	100.8%				400
Economic and environmental services	57 865	2 988	60 853	59 071		(1 782)	97.0%	101.8%				53 867
Planning and development	10 673	(501)	10 172	9 980		(192)	98.1%	93.5%				8 717
Road transport	39 128	3 378	42 506	42 334		(172)	98.6%	108.2%				38 391
Environmental protection	8 084	80	8 164	6 888		(1 276)	84.4%	82.7%				6 570
Travelling services	441 351	17 441	458 792	477 802		19 010	104.1%	108.2%				410 806
Electricity	319 645	(2 682)	316 963	311 038		(5 925)	98.1%	98.2%				271 283
Water	45 878	2 704	48 582	48 520		(62)	99.5%	105.9%				80 911
Waste water management	27 391	845	28 236	31 401		3 165	111.6%	118.5%				43 863
Waste management	27 493	18 744	46 237	56 888		10 651	123.2%	208.3%				34 750
Other	2 394	31	2 425	2 308		(117)	95.2%	97.8%				1 713
<b>Total Expenditure - Standard</b>	<b>820 749</b>	<b>35 196</b>	<b>855 945</b>	<b>868 873</b>		<b>12 924</b>	<b>100.5%</b>	<b>105.1%</b>				<b>772 664</b>
<b>Surplus (Deficit) for the year</b>	<b>28 455</b>	<b>(32 683)</b>	<b>(4 228)</b>	<b>(8 725)</b>		<b>(4 293)</b>	<b>-20.7%</b>	<b>-31.0%</b>				<b>-48 577</b>

Appendix G A3 WC025 Breede Valley - Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)											
Vote Description	2015/16						2014/15				
	Original Budget 1	Budget Adjustments (i.e. MFMA s28) 2	Final adjustments budget 3	Actual Outcome 4	Unauthorised expenditure 5	Variance of Actual Outcome against Adjustments Budget 6	Actual Outcome as % of Final Budget 7	Actual Outcome as % of Original Budget 8	Reported unauthorised expenditure 9	Expenditure authorised in terms of section 32 of MFMA 10	Restated Audited Outcome 12
<b>Revenue by Vote</b>											
Vote 1 - Council General	116	-	116	2 603		2 486	2234.1%	2234.1%			526
Vote 2 - Municipal Manager	2 680	243	2 923	1 324		(1 599)	45.3%	49.4%			765
Vote 3 - Strategic Support Services	(410)	(9)	(419)	(471)		(52)	112.4%	114.8%			386
Vote 4 - Financial Services	140 682	1 354	142 036	162 491		10 454	107.4%	108.4%			138 290
Vote 5 - Community Services	108 689	24 586	133 275	120 848		(12 427)	90.7%	111.2%			108 134
Vote 6 - Technical Services	893 446	(23 662)	579 785	580 353		3 569	100.6%	98.7%			573 090
Example 7 - Vote 7			-			-	-	-			
Example 8 - Vote 8			-			-	-	-			
Example 9 - Vote 9			-			-	-	-			
Example 10 - Vote 10			-			-	-	-			
Example 11 - Vote 11			-			-	-	-			
Example 12 - Vote 12			-			-	-	-			
Example 13 - Vote 13			-			-	-	-			
Example 14 - Vote 14			-			-	-	-			
Example 15 - Vote 15			-			-	-	-			
<b>Total Revenue by Vote</b>	<b>855 204</b>	<b>2 413</b>	<b>857 717</b>	<b>860 148</b>		<b>2 431</b>	<b>100.3%</b>	<b>100.6%</b>			<b>822 190</b>
<b>Expenditure by Vote to be appropriated</b>											
Vote 1 - Council General	27 322	1 371	28 694	30 855		2 161	107.5%	112.9%			23 684
Vote 2 - Municipal Manager	7 832	(946)	6 886	6 007		(978)	86.0%	78.7%			6 282
Vote 3 - Strategic Support Services	49 867	1 617	51 484	47 447		(4 036)	92.2%	95.1%			42 416
Vote 4 - Financial Services	68 461	(9 034)	59 428	59 992		564	100.9%	87.6%			48 759
Vote 5 - Community Services	157 398	28 372	185 771	172 003		(8 767)	95.2%	108.3%			171 198
Vote 6 - Technical Services	515 889	18 717	534 606	562 688		18 082	103.4%	107.1%			480 313
Example 7 - Vote 7			-			-	-	-			
Example 8 - Vote 8			-			-	-	-			
Example 9 - Vote 9			-			-	-	-			
Example 10 - Vote 10			-			-	-	-			
Example 11 - Vote 11			-			-	-	-			
Example 12 - Vote 12			-			-	-	-			
Example 13 - Vote 13			-			-	-	-			
Example 14 - Vote 14			-			-	-	-			
Example 15 - Vote 15			-			-	-	-			
<b>Total Expenditure by Vote</b>	<b>828 769</b>	<b>35 196</b>	<b>863 967</b>	<b>863 973</b>		<b>7 006</b>	<b>100.9%</b>	<b>105.1%</b>			<b>772 684</b>
<b>Surplus/(Deficit) for the year</b>	<b>28 434</b>	<b>(32 683)</b>	<b>(4 251)</b>	<b>(3 825)</b>		<b>(4 575)</b>	<b>207.6%</b>	<b>-31.0%</b>			<b>49 527</b>



## Appendix H A4

WC025 Breede Valley - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2015/16						2014/15					
	1	2	3	4	5	6	7	8	9	10	11	12
(R thousand)	Original Budget	Budget Adjustments (Lto, MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Revised Audited Outcome
<b>Revenue By Source</b>												
Property rates	98 510	533	99 142	103 865		4 423	104.5%	105.1%				94 153
Property rates - penalties & collection charges	635	-	835	1 001		167	120.0%	120.0%				809
Service charges - electricity revenue	390 080	16	390 096	353 171		(7 787)	97.9%	97.9%				317 543
Service charges - water revenue	51 083	36	51 129	58 332		7 202	114.1%	114.2%				80 465
Service charges - sanitation revenue	55 083	716	55 808	54 593		(1 225)	97.6%	98.1%				50 973
Service charges - refuse revenue	31 541	(594)	30 957	35 221		4 264	113.8%	111.7%				31 366
Service charges - other	(24 324)	-	(24 324)	(23 449)		(2 155)	106.7%	108.7%				(25 425)
Rental of facilities and equipment	13 825	-	13 825	13 500		(325)	97.6%	87.5%				13 167
Interest earned - external investments	9 000	-	9 000	10 919		1 919	121.3%	121.3%				10 592
Interest earned - outstanding debtors	2 073	-	2 073	3 840		1 767	143.9%	143.9%				2 897
Dividends received	-	-	-	-		-	-	-				-
Fines	55 288	-	55 288	69 121		13 833	125.1%	125.1%				28 376
License and permits	3 559	(941)	2 618	3 108		288	110.2%	84.9%				2 846
Agency services	5 618	-	5 618	6 810		992	117.7%	117.7%				5 907
Transfers recognised - operational	118 537	24 707	144 544	116 148		(25 397)	82.1%	98.4%				160 117
Other revenue	8 331	(404)	7 927	16 051		8 124	202.5%	192.7%				8 729
Gains on disposal of PPE	1 000	-	1 000	1 382		382	138.2%	138.2%				908
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>789 549</b>	<b>24 280</b>	<b>814 129</b>	<b>820 098</b>		<b>5 570</b>	<b>100.7%</b>	<b>102.8%</b>				<b>763 841</b>
<b>Expenditure By Type</b>												
Employee related costs	245 519	(14 346)	231 171	230 802		(369)	99.8%	94.0%				207 949
Remuneration of councillors	15 408	(98)	15 309	15 309		(9)	100.0%	99.4%				14 511
Debt impairment	49 414	-	49 414	75 456		26 042	152.7%	152.7%				28 650
Depreciation & asset impairment	73 080	12 719	85 799	88 311		2 512	102.9%	120.3%				76 851
Finance charges	29 894	-	29 894	24 301		(4 352)	84.7%	84.7%				25 646
Bulk purchases	288 888	-	288 888	255 456		(3 432)	98.7%	98.7%				223 818
Other materials	54 926	(4 422)	50 505	49 647		(858)	98.3%	90.4%				51 738
Contracted services	7 534	1 838	9 472	9 400		(72)	98.2%	124.8%				8 317
Transfers and grants	280	420	690	280		(400)	41.1%	107.5%				165
Other expenditure	82 888	38 980	131 859	116 863		(14 976)	88.6%	125.9%				128 556
Loss on disposal of PPE	217	-	217	3 128		2 911	1438.8%	1438.8%				1 323
<b>Total Expenditure</b>	<b>829 789</b>	<b>35 188</b>	<b>861 967</b>	<b>868 873</b>		<b>7 088</b>	<b>100.8%</b>	<b>105.1%</b>				<b>772 864</b>
<b>Surplus/(Deficit)</b>	<b>(40 240)</b>	<b>(10 918)</b>	<b>(47 838)</b>	<b>(48 875)</b>		<b>(1 038)</b>	<b>102.2%</b>	<b>132.4%</b>				<b>(8 822)</b>
Transfers recognised - capital	65 355	(21 767)	43 588	40 049		(3 539)	91.9%	81.3%				58 147
Contributions recognised - capital	-	-	-	-		-	-	-				202
Contributed assets	-	-	-	-		-	-	-				-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>28 434</b>	<b>(32 085)</b>	<b>(4 251)</b>	<b>(8 826)</b>		<b>(4 575)</b>	<b>207.6%</b>	<b>-31.0%</b>				<b>49 527</b>
Taxation	-	-	-	-		-	-	-				-
<b>Surplus/(Deficit) after taxation</b>	<b>28 434</b>	<b>(32 085)</b>	<b>(4 251)</b>	<b>(8 826)</b>		<b>(4 575)</b>	<b>207.6%</b>	<b>-31.0%</b>				<b>49 527</b>
Attributable to municipalities	-	-	-	-		-	-	-				-
<b>Surplus/(Deficit) attributable to municipality</b>	<b>28 434</b>	<b>(32 085)</b>	<b>(4 251)</b>	<b>(8 826)</b>		<b>(4 575)</b>	<b>207.6%</b>	<b>-31.0%</b>				<b>49 527</b>
Share's surplus/(deficit) of associate	-	-	-	-		-	-	-				-
<b>Surplus/(Deficit) for the year</b>	<b>28 434</b>	<b>(32 085)</b>	<b>(4 251)</b>	<b>(8 826)</b>		<b>(4 575)</b>	<b>207.6%</b>	<b>-31.0%</b>				<b>49 527</b>

112

2016-11-30

SOUTH AFRICA

AM

Appendix I A4  
WC025 Breede Valley - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2015/16						2014/15					
	Original Budget	Total Budget Adjustments (i.e. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Capital expenditure - Vote												
Multi-year expenditure												
Example 1 - Vote1												
Example 2 - Vote2												
Example 3 - Vote3												
Example 4 - Vote4												
Example 5 - Vote5												
Example 6 - Vote6												
Example 7 - Vote7												
Example 8 - Vote8												
Example 9 - Vote9												
Example 10 - Vote10												
Example 11 - Vote11												
Example 12 - Vote12												
Example 13 - Vote13												
Example 14 - Vote14												
Example 15 - Vote15												
Capital multi-year expenditure												
Single-year expenditure												
Vote 1 - Council General	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	2 050	1 286	3 346	919		(2 428)	27%	45%				121
Vote 3 - Strategic Support Services	2 941	1 489	4 430	3 911		(518)	88%	133%				124
Vote 4 - Financial Services	700	324	1 024	1 080		58	105%	154%				1 488
Vote 5 - Community Services	16 055	1 003	17 058	8 654		(8 394)	51%	54%				719
Vote 6 - Technical Services	130 184	(35 324)	94 861	68 995		(25 865)	73%	53%				3 576
Example 7 - Vote7												59 889
Example 8 - Vote8												
Example 9 - Vote9												
Example 10 - Vote10												
Example 11 - Vote11												
Example 12 - Vote12												
Example 13 - Vote13												
Example 14 - Vote14												
Example 15 - Vote15												
Capital single-year expenditure	151 930	(31 213)	120 718	83 570	-	(37 147)	68%	55%	-	-	-	75 896
Total Capital Expenditure- Vote	151 930	(31 213)	120 718	83 570	-	(37 147)	68%	55%	-	-	-	75 896

A.M

Appendix I A4  
WC025 Breede Valley - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2015/16							2014/15				
	Original Budget	Total Budget Adjustments (i.e. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Capital Expenditure - Standard												
Governance and administration	17 206	2 533	19 738	16 647	-	(3 091)	84%	97%	-	-	-	7 287
Executive and council	300	-	300	195	-	(105)	65%	65%	-	-	-	457
Budget and treasury office	700	874	1 574	1 208	-	(366)	77%	173%	-	-	-	396
Corporate services	16 206	1 659	17 865	15 244	-	(2 621)	85%	94%	-	-	-	6 414
Community and public safety	19 107	1 600	20 707	11 765	-	(8 942)	57%	62%	-	-	-	6 042
Community and social services	5 427	1 758	7 185	5 163	-	(2 022)	72%	95%	-	-	-	3 304
Sport and recreation	6 783	555	7 338	4 069	-	(3 278)	59%	80%	-	-	-	2 348
Public safety	6 762	(712)	6 049	2 489	-	(3 551)	41%	37%	-	-	-	391
Housing	135	-	135	44	-	(91)	32%	32%	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	24 530	(6)	24 524	18 844	-	(5 680)	77%	77%	-	-	-	24 376
Planning and development	36	(1)	35	35	-	-	100%	97%	-	-	-	-
Road transport	24 494	(5)	24 488	18 809	-	(5 680)	77%	77%	-	-	-	24 376
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-
Trading services	91 088	(35 340)	55 749	36 315	-	(19 433)	65%	40%	-	-	-	38 211
Electricity	24 128	(8 375)	15 754	6 732	-	(9 022)	43%	28%	-	-	-	10 977
Water	35 520	(11 210)	24 309	19 788	-	(4 521)	81%	56%	-	-	-	16 769
Waste water management	26 880	(16 558)	10 322	4 922	-	(5 400)	48%	18%	-	-	-	8 413
Waste management	4 560	804	5 364	4 873	-	(491)	91%	107%	-	-	-	2 053
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	151 930	(31 213)	120 718	83 570	-	(37 147)	69%	55%	-	-	-	75 896
Funded by:												
National Government	34 363	44	34 427	32 457	-	(1 970)	94%	94%	-	-	-	52 518
Provincial Government	29 972	(20 811)	9 161	5 624	-	(3 537)	61%	19%	-	-	-	5 628
District Municipality	1 000	(1 000)	-	-	-	-	-	#DIV/0!	-	-	-	-
Other transfers and grants	-	-	-	0	-	0	-	#DIV/0!	-	-	-	0
Transfers recognised - capital	65 355	(21 767)	43 588	38 081	-	(5 507)	87%	58%	-	-	-	58 147
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-	202
Borrowing	60 000	(10 478)	49 522	23 287	-	(26 235)	47%	39%	-	-	-	2 221
Internally generated funds	26 575	1 032	27 608	22 193	-	(5 415)	80%	84%	-	-	-	15 326
Total Capital Funding	151 930	(31 213)	120 718	83 570	-	(37 147)	69%	55%	-	-	-	75 896

A.M



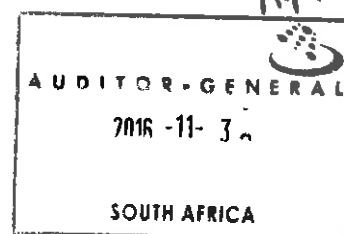
2016-11-30

SOUTH AFRICA

# Appendix J Budget Cash Flow

## WC025 Breede Valley - Reconciliation of Table A7 Budgeted Cash Flows

Description	2015/16							2014/15
	Original Budget	Budget Adjustments (I.L.O. s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>								
<b>Receipts</b>								
Ratepayers and other	614 922	(446)	614 476	599 221	(15 255)	97.5%	97.4%	545 833
Government - operating	116 837	24 272	141 109	109 604	(31 506)	77.7%	93.8%	138 589
Government - capital	65 355	(23 572)	41 783	41 994	(389)	99.1%	63.3%	55 415
Interest	11 673	-	11 673	14 469	2 796	124.0%	124.0%	13 740
Dividends	-	-	-	-	-	-	-	-
<b>Payments</b>								
Suppliers and employees	(675 331)	(22 397)	(697 728)	(664 536)	33 193	95.2%	98.4%	(663 793)
Finance charges	(27 582)	-	(27 582)	(24 471)	3 112	88.7%	88.7%	(25 305)
Transfers and Grants	(260)	(420)	(680)	(280)	400	41.1%	107.5%	(195)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>105 614</b>	<b>(22 563)</b>	<b>83 051</b>	<b>75 402</b>	<b>(7 649)</b>	<b>90.8%</b>	<b>71.4%</b>	<b>64 285</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
<b>Receipts</b>								
Proceeds on disposal of PPE	-	-	-	1 465	1 465	#DIV/0!	#DIV/0!	1 019
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	200	(80)	120	1 458	1 338	1214.7%	728.8%	6 263
Decrease (increase) in non-current investments	-	-	-	(50 000)	(50 000)	#DIV/0!	#DIV/0!	55 000
<b>Payments</b>								
Capital assets	(151 930)	31 213	(120 718)	(83 570)	37 147	89.2%	55.0%	(75 694)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(151 730)</b>	<b>31 133</b>	<b>(120 598)</b>	<b>(136 848)</b>	<b>(10 050)</b>	<b>108.3%</b>	<b>86.1%</b>	<b>(13 412)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
<b>Receipts</b>								
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	80 000	-	80 000	60 000	-	100.0%	100.0%	-
Increase (decrease) in consumer deposits	250	-	250	365	115	146.1%	146.1%	373
<b>Payments</b>								
Repayment of borrowing	(25 040)	-	(25 040)	(24 627)	413	98.4%	98.4%	(26 468)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>35 210</b>	<b>-</b>	<b>35 210</b>	<b>35 738</b>	<b>528</b>	<b>101.5%</b>	<b>101.5%</b>	<b>(26 096)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(10 906)</b>	<b>8 570</b>	<b>(2 336)</b>	<b>(19 508)</b>				<b>24 757</b>
Cash/cash equivalents at the year begin:	95 031	-	138 931	106 931				82 174
Cash/cash equivalents at the year end:	84 124	-	134 594	87 423	(47 171)	65.0%	103.9%	136 931



**BREDE VALLEY MUNICIPALITY  
APPENDIX K**

**DEVIATIONS FOR THE YEAR ENDED 30 JUNE 2016**

**JULY 2016**

Order no.	Amount	Service Provider	Reason	Additional Information (where necessary)
1130880	9 433.50	Bytes Universal System	Sole Supplier	
1131311	16 816.14	Josco Laboratories (Pty) Ltd	Sole Supplier	
1131316	10 811.19	Anastach Instruments (Pty) Ltd	Sole Supplier	
1131213	5 230.32	Maxal Projects SA (Pty) Ltd	Sole Supplier	
1131248	16 302.69	Institute of Internal Auditors	Sole Supplier	
1131415	3 866.50	Hydrexco (Pty) Ltd	Sole Supplier	
1131416	2 080.10	Audenberg Toyota	Sole Supplier	
[7]	84 648.96			
1131287	188 127.20	Specialised Industrial Distribution	Strip and Quote	
1131313	33 176.30	Hydrexco (Pty) Ltd	Strip and Quote	
1131314	30 473.24	Audenberg Toyota	Strip and Quote	
[3]	251 778.74			
1131362	5 648.00	Tony Truck Centre (Pty) Ltd	Emergency	
1130620	24 320.76	Maxal Projects (SA) PTY LTD	Emergency	
1131361	2 850.00	Tony Truck Centre (Pty) Ltd	Emergency	
1131408	87 738.80	HSM Amann Pump and Sewerage Engineers co	Emergency	
1131440	25 210.58	Current Affairs Editorial	Emergency	
1131073	5 136.00	Sprintbok Verkoop	Emergency	
213558	3 880.00	Cleaning Zone	Emergency	
[7]	186 383.44			
1131428	4 100.00	NT Design	Special Works	
[1]	4 100.00			
1130853	43 082.46	AH Marele	Exceptional case whereby it is impractical to fit a normal proc. process	
1130851	291 735.00	BP Atlantic	Exceptional case whereby it is impractical to fit a normal proc. process	Extension of BV 185
1130852	5 000.56	Essex Tyre Services co	Exceptional case whereby it is impractical to fit a normal proc. process	Extension of BV 339
1130854	7 880.00	DP Truck Hire	Exceptional case whereby it is impractical to fit a normal proc. process	extension of BV 340
1130885	22 800.00	DP Truck Hire	Exceptional case whereby it is impractical to fit a normal proc. process	extension of BV 340
1130921	4 483.83	Capital Security	Exceptional case whereby it is impractical to fit a normal proc. process	
1130927	11 308.80	DP Truck Hire	Exceptional case whereby it is impractical to fit a normal proc. process	extension of BV 340
1130939	206 620.20	BP Atlantic	Exceptional case whereby it is impractical to fit a normal proc. process	Extension of BV 185
1130952	16 580.00	Adendorff General Trading	Exceptional case whereby it is impractical to fit a normal proc. process	
1130973	13 011.46	Adendorff General Trading	Exceptional case whereby it is impractical to fit a normal proc. process	
1130928	2 006.40	Eco Car Hire co	Exceptional case whereby it is impractical to fit a normal proc. process	extension of BV 340
1130967	3 236.23	Supa Quick	Exceptional case whereby it is impractical to fit a normal proc. process	extension of BV 339
1131018	60 732.00	DP Truck Hire	Exceptional case whereby it is impractical to fit a normal proc. process	extension of BV 340
1131014	30 780.00	DP Truck Hire	Exceptional case whereby it is impractical to fit a normal proc. process	extension of BV 340
1131013	11 172.00	DP Truck Hire	Exceptional case whereby it is impractical to fit a normal proc. process	extension of BV 340
1131012	31 520.00	DP Truck Hire	Exceptional case whereby it is impractical to fit a normal proc. process	extension of BV 340
1131018	3 000.00	Eco Car Hire co	Exceptional case whereby it is impractical to fit a normal proc. process	extension of BV 340
1131016	34 884.00	DP Truck Hire	Exceptional case whereby it is impractical to fit a normal proc. process	extension of BV 340
1131032	43 411.20	Aqua Transport and Plant Hire	Exceptional case whereby it is impractical to fit a normal proc. process	extension of BV 340
1131017	6 016.00	DP Truck Hire	Exceptional case whereby it is impractical to fit a normal proc. process	extension of BV 340
1131111	24 284.00	Aqua Transport and Plant Hire	Exceptional case whereby it is impractical to fit a normal proc. process	extension of BV 340
1131107	22 800.00	DP Truck Hire	Exceptional case whereby it is impractical to fit a normal proc. process	extension of BV 340
1131110	28 388.00	DP Truck Hire	Exceptional case whereby it is impractical to fit a normal proc. process	extension of BV 340
1131287	4 788.00	DP Truck Hire	Exceptional case whereby it is impractical to fit a normal proc. process	extension of BV 340
1131108	82 060.00	DP Truck Hire	Exceptional case whereby it is impractical to fit a normal proc. process	extension of BV 340
1131108	16 880.00	DP Truck Hire	Exceptional case whereby it is impractical to fit a normal proc. process	extension of BV 340
1131350	29 760.00	Olivier Koninkman	Exceptional case whereby it is impractical to fit a normal proc. process	
1131333	6 827.00	Conradie Inc	Exceptional case whereby it is impractical to fit a normal proc. process	Legal Services
1131334	6 827.00	Conradie Inc	Exceptional case whereby it is impractical to fit a normal proc. process	Legal Services
1131075	16 580.00	Adendorff General Trading	Exceptional case whereby it is impractical to fit a normal proc. process	
1131125	30 780.00	DP Truck Hire	Exceptional case whereby it is impractical to fit a normal proc. process	extension of BV 340
1131128	6 016.00	DP Truck Hire	Exceptional case whereby it is impractical to fit a normal proc. process	extension of BV 340
1131127	7 088.00	DP Truck Hire	Exceptional case whereby it is impractical to fit a normal proc. process	extension of BV 340
1131173	24 351.16	Rentokil Initial PTY LTD	Exceptional case whereby it is impractical to fit a normal proc. process	
1131174	24 358.56	Capital Security	Exceptional case whereby it is impractical to fit a normal proc. process	
1131184	24 624.00	DP Truck Hire	Exceptional case whereby it is impractical to fit a normal proc. process	extension of BV 340
1131185	7 880.00	DP Truck Hire	Exceptional case whereby it is impractical to fit a normal proc. process	extension of BV 340
1131196	25 539.00	DP Truck Hire	Exceptional case whereby it is impractical to fit a normal proc. process	extension of BV 340
1131167	7 845.85	Bekowolse Recycling	Exceptional case whereby it is impractical to fit a normal proc. process	
1131168	7 845.85	Bekowolse Recycling	Exceptional case whereby it is impractical to fit a normal proc. process	
1131188	6 820.00	African Web Services	Exceptional case whereby it is impractical to fit a normal proc. process	
1131732	7 884.50	Eco Car Hire	Exceptional case whereby it is impractical to fit a normal proc. process	extension of BV 340
1131285	16 580.00	Adendorff General Trading	Exceptional case whereby it is impractical to fit a normal proc. process	extension of contract
1131432	9 000.00	Earth to Sky Geomatics	Exceptional case whereby it is impractical to fit a normal proc. process	
211064	7 950.00	BHA Shurdes Protectors	Exceptional case whereby it is impractical to fit a normal proc. process	Legal Services- not signed by MM
211048	37 502.12	Wilma Roux Attorneys	Exceptional case whereby it is impractical to fit a normal proc. process	Legal Services-not signed by MM
211082	6 911.24	Oliver Morkott Inc	Exceptional case whereby it is impractical to fit a normal proc. process	Legal Services- not signed by MM
1131430	9 011.50	Meatohame Trading 77CC	Exceptional case whereby it is impractical to fit a normal proc. process	
1131019	3 000.00	Eco Car Hire	Exceptional case whereby it is impractical to fit a normal proc. process	extension BV340
1131204	3 000.00	Eco Car Hire	Exceptional case whereby it is impractical to fit a normal proc. process	extension BV340
1131295	3 000.00	Eco Car Hire	Exceptional case whereby it is impractical to fit a normal proc. process	extension BV340
1131188	7 845.85	Bekowolse Recycling	Exceptional case whereby it is impractical to fit a normal proc. process	
[52]	1 388 213.89			
[70]	1 832 132.48			

**AUGUST 2015**

Order no.	Amount	Service Provider	Reason	Additional Information (where necessary)
1131567	2 044.21	Keap Agri Worcester	Sole Supplier	
1131630	24 818.77	Pelch Industrial Supplies & Consulting (Pty) Ltd	Sole Supplier	
1131678	34 312.88	Industrial Bearing Technology	Sole Supplier	
1131490	63 248.80	Game Law Traffic Collars	Sole Supplier	
1131494	13 374.37	Dr Cronje & Vermeulen Insurif	Sole Supplier	
1131515	177 046.00	Duraburne co	Sole Supplier	
1131682	69 578.00	Samro Ltd	Sole Supplier	
1132207	120 354.01	Pregma	Sole Supplier	
1131966	294 676.00	Drager South Africa	Sole Supplier	
1132251	2 052.00	Worcester Swabwerkin	Sole Supplier	
1132118	9 046.90	Asobie 288CC	Sole Supplier	
[11]	781 048.82			
1131677	73 417.80	Hydrexco (Pty) Ltd	Strip and Quote	
[1]	73 417.80			



## DEVIATIONS FOR THE YEAR ENDED 30 JUNE 2016

AUDITOR-GENERAL  
2016-11-3  
SOUTH AFRICA

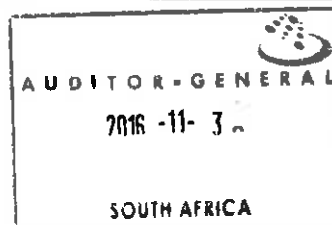
**BREDE VALLEY MUNICIPALITY  
APPENDIX K**

**DEVIATIONS FOR THE YEAR ENDED 30 JUNE 2016**

1132671	6 400.00	DJ X-Zibo	Exceptional case whereby it is impractical to fit a normal proc. process	
1132748	11 700.00	Protea Hotel Cumberland	Exceptional case whereby it is impractical to fit a normal proc. process	
1132777	81 641.30	Stemant Consulting Engineers	Exceptional case whereby it is impractical to fit a normal proc. process	
1132858	3 813.47	Cape Office Machines	Exceptional case whereby it is impractical to fit a normal proc. process	
1132880	3 813.47	Cape Office Machines	Exceptional case whereby it is impractical to fit a normal proc. process	
1132871	2 045.00	Blaser's Office Equipment co	Exceptional case whereby it is impractical to fit a normal proc. process	
1133205	14 260.00	Barcor Trading co	Exceptional case whereby it is impractical to fit a normal proc. process	
1133247	2 623.88	CSX Customer Services	Exceptional case whereby it is impractical to fit a normal proc. process	Legal Services
1133286	2 414.70	Connells Incorporated	Exceptional case whereby it is impractical to fit a normal proc. process	
1133295	5 915.81	Hippo Wessary	Exceptional case whereby it is impractical to fit a normal proc. process	
1133297	5 000.00	TS Bushwana Bus & Taxi Services	Exceptional case whereby it is impractical to fit a normal proc. process	
1133348	22 872.00	Wina Roux Attorneys	Exceptional case whereby it is impractical to fit a normal proc. process	Legal Services
1133350	48 385.00	Wina Roux Attorneys	Exceptional case whereby it is impractical to fit a normal proc. process	Legal Services
1133351	18 822.88	Wina Roux Attorneys	Exceptional case whereby it is impractical to fit a normal proc. process	Legal Services
1133358	5 086.68	Esterhuysen Inc	Exceptional case whereby it is impractical to fit a normal proc. process	Legal Services
1133380	20 085.18	Wina Roux Attorneys	Exceptional case whereby it is impractical to fit a normal proc. process	Legal Services
1133381	27 402.50	Belropias Recycling co	Exceptional case whereby it is impractical to fit a normal proc. process	Extension of By 353
1132876	3 182.72	Eco Car Hire	Exceptional case whereby it is impractical to fit a normal proc. process	Extension of By 340
1132804	7 645.65	Belropias Recycling co	Exceptional case whereby it is impractical to fit a normal proc. process	Extension of By 353
1132544	15 560.00	Adendorff General Trading	Exceptional case whereby it is impractical to fit a normal proc. process	Extension of contract
1132571	7 645.65	Belropias Recycling co	Exceptional case whereby it is impractical to fit a normal proc. process	Extension of contract
1132471	7 645.65	Belropias Recycling co	Exceptional case whereby it is impractical to fit a normal proc. process	Extension of contract
1401	888 646.37			
TOTAL	1 171 808.19			
1861				

**OCTOBER 2015**

Order no.	Amount	Service Provider	Reason	Additional Information (where necessary)
1133426	8 088.78	Worcester Minerals	Sole Supplier	
1133427	28 474.47	Gere Louw Traffic College	Sole Supplier	
1133457	42 134.40	AC Security	Sole Supplier	
1133705	15 131.22	Ideco Laboratories (PTY) LTD	Sole Supplier	
1133706	14 957.34	Maxel Projects (BA) PTY LTD	Sole Supplier	
1133707	26 448.00	Indecon Instrumentation Control	Sole Supplier	
1133708	2 602.30	Drager South Africa (PTY) LTD	Sole Supplier	
1133768	45 677.31	Knowledge Base Sales PTY LTD	Sole Supplier	
1134021	42 134.40	AC Security	Sole Supplier	
1134026	4 787.20	AC Security	Sole Supplier	
1134165	2 097.24	Orbit Motors Poland PTY LTD	Sole Supplier	
1134262	133 174.50	TGS Gear Services	Sole Supplier	
121	383 797.46			
1134009	31 780.40	Hydrexco PTY LTD	Strip & Quote above R30 000	
1134285	121 880.00	HSM Amersfoort pump & sewerage Engineers	Strip & Quote	
121	163 730.40			
1133426	3 600.00	Kino's Passengers Service	Services urgently required	
1133406	21 120.00	Rotand Packaging (EDM)BPK	Goods urgently required	
1133410	2 850.00	Winterbach Broers BK	Emergency	
1133954	8 500.00	Cleaning Zaps	Services urgently required	
1133958	513 077.21	Alex Ondermynings BT	Emergency	
1133967	2 481.00	Winterbach Broers BK	Emergency	
1134000	18 986.00	Meyer Electrical Construction	Services urgently required	
1134013	4 644.04	Maxel Projects SA PTY LTD	Emergency	
1134031	2 029.20	Turner Monte PTY LTD	Emergency	
1134032	11 785.45	WM Spilhausse Housel BK	Emergency	
1134145	12 826.00	Winterbach Broers BK	Emergency	
1134148	5 700.00	Element Consulting Engineers	Services urgently required	
1134162	2 856.51	WM Spilhausse Housel BK	Emergency	
1134163	3 789.39	WM Spilhausse Housel BK	Emergency	
1134172	3 800.00	FP Swaerworks	Services urgently required	
1134244	5 278.50	Rotand Packaging	Emergency	
1134283	63 507.12	TGS Gear Services	Emergency	
1134149	5 700.00	Element Consulting Engineers	Emergency	
1161	688 333.82			
1133371	27 800.00	Kentucky Fried Chicken	Exceptional case whereby it is impractical to fit a normal proc. process	
1133472	5 448.81	Whithead	Exceptional case whereby it is impractical to fit a normal proc. process	
1133581	2 482.40	Rotand Badge And Engraving	Exceptional case whereby it is impractical to fit a normal proc. process	
1133518	40 722.80	Atlantic Oil (PTY) LTD	Extension of BV186 and tender BV451 has been approved	
1133519	214 154.70	Atlantic Oil (PTY) LTD	Extension of BV186 and tender BV451 has been approved	
1133830	15 560.00	Adendorff General Trading	Extension of a contract on week to week basis until tender BV455 has been approved	
1133831	15 560.00	Adendorff General Trading	Extension of a contract on week to week basis until tender BV455 has been approved	
1133894	3 813.47	Cape Office Machines	Exceptional Case	
1133895	28 488.04	CAR Holdings PTY LTD	Extension of contract - By 220	
1133897	7 645.65	Belropias Recycling co	Extension of contract - By 353	
1133898	15 560.00	Adendorff General Trading	Extension of a contract on week to week basis until tender BV455 has been approved	
1133898	82 441.82	Global Force Security Services	Exceptional case whereby it is impractical to fit a normal proc. process	
1133507	55 176.00	Global Force Security Services	Exceptional case whereby it is impractical to fit a normal proc. process	
1133508	21 346.66	Global Force Security Services	Exceptional case whereby it is impractical to fit a normal proc. process	
1133509	145 714.23	Global Force Security Services	Exceptional case whereby it is impractical to fit a normal proc. process	
1133510	10 874.45	Global Force Security Services	Exceptional case whereby it is impractical to fit a normal proc. process	
1133511	33 714.53	Global Force Security Services	Exceptional case whereby it is impractical to fit a normal proc. process	
1133512	80 896.87	Global Force Security Services	Exceptional case whereby it is impractical to fit a normal proc. process	
1133513	84 228.83	Global Force Security Services	Exceptional case whereby it is impractical to fit a normal proc. process	
1133514	59 567.47	Global Force Security Services	Exceptional case whereby it is impractical to fit a normal proc. process	
1133516	18 187.21	Global Force Security Services	Exceptional case whereby it is impractical to fit a normal proc. process	
1133518	50 227.48	Global Force Security Services	Exceptional case whereby it is impractical to fit a normal proc. process	
1133517	88 405.68	Global Force Security Services	Exceptional case whereby it is impractical to fit a normal proc. process	
1133586	87 249.18	Gilmer Holdings PTY LTD	Exceptional case whereby it is impractical to fit a normal proc. process	
1133830	5 282.38	Whithead	Exceptional case whereby it is impractical to fit a normal proc. process	
1133859	246 960.00	Atlantic Oil (PTY) LTD	Extension of BV186 and tender BV451 has been approved	
1133894	1 100.00	UJ Beyers & Vennote	Exceptional case whereby it is impractical to fit a normal proc. process	
1133928	7 645.65	Belropias Recycling co	Exceptional case whereby it is impractical to fit a normal proc. process	
1133929	15 560.00	Adendorff General Trading	Exceptional case whereby it is impractical to fit a normal proc. process	
1133948	7 178.89	Hippo Wessary	Exceptional case whereby it is impractical to fit a normal proc. process	
1133981	16 000.00	Kino's Passengers Service	Exceptional case whereby it is impractical to fit a normal proc. process	
1133955	22 722.48	Rio Elektrics Snel & Lynkontraireurs	Exceptional case whereby it is impractical to fit a normal proc. process	
1133982	81 445.60	Atlantic Oil (PTY) LTD	Extension BV 186	



**BREEDER VALLEY MUNICIPALITY  
APPENDIX K**

**DEVIATIONS FOR THE YEAR ENDED 30 JUNE 2016**

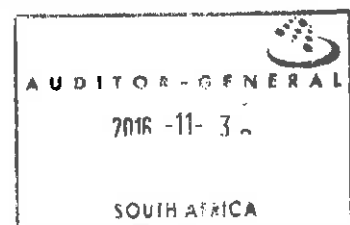
1133987	9 015.50	Mashigame Trading 77cc	Exceptional case whereby it is impractical to fit a normal proc. process
1134006	4 787.40	Bojapok verkooling	Exceptional case whereby it is impractical to fit a normal proc. process
1134030	76 841.08	Wilma Roux Attorneys	Exceptional case whereby it is impractical to fit a normal proc. process
1134081	11 458.28	Nashua Braedevall	Exceptional case whereby it is impractical to fit a normal proc. process
1134123	102 050.00	Breerivier Kommunitasale	Exceptional case whereby it is impractical to fit a normal proc. process
1134124	125 870.00	Breerivier Kommunitasale	Exceptional case whereby it is impractical to fit a normal proc. process
1134131	24 351.18	Rentold Initial PTY LTD	Exceptional case whereby it is impractical to fit a normal proc. process
1134307	602 718.58	Global Force Security Services	Exceptional case whereby it is impractical to fit a normal proc. process
1133829	16 580.00	Adendorff General	Exceptional case whereby it is impractical to fit a normal proc. process
260881	56 608.60	AC Security	Exceptional case whereby it is impractical to fit a normal proc. process
1133828	7 847.55	Bakroos Recycling co	Exceptional case whereby it is impractical to fit a normal proc. process
1133859	246 960.00	Atlantic Oil (PTY)LTD	Exceptional case whereby it is impractical to fit a normal proc. process
1134139	127 063.00	AC Security	Exceptional case whereby it is impractical to fit a normal proc. process
[49]	2 852 962.89		
Total	4 187 814.67		
[78]			

**NOVEMBER 2015**

Order nr.	Amount	Service Provider	Reason	Additional Information (where necessary)
1134664	7 158.20	Cylink Systems	Sole Supplier	
1134689	56 370.45	Global Force Security	Sole Supplier	
1134691	8 900.00	UmoyA Software (Pty) Ltd	Sole Supplier	
1134693	199 637.44	Patch Industrial Suppliers	Sole Supplier	
1134695	16 357.86	Industrial Screening Technology	Sole Supplier	
1134704	3 150.00	Water Institute of SA	Sole Supplier	
1135065	2 700.00	Hyper Doors	Sole Supplier	
1135068	7 410.00	Forme Media Independent	Sole Supplier	
1135067	4 280.00	Bushell Funerals	Sole Supplier	
1134761	3 398.00	Indecon Instrumentation	Sole Supplier	
[10]	319 080.85			
1134711	2 451.00	Winterbach Broers BK	Emergency	
1134712	2 451.00	Winterbach Broers BK	Emergency	
1134882	4 503.00	Tony's Motor Spares	Emergency	
1134938	3 068.40	Winterbach Broers BK	Emergency	
1135084	74 738.40	Stydum Amateur Winders	Emergency	
[6]	87 282.80			
1134894	31 578.09	Wynland	Strip & Quote	
[1]				
1134428	16 580.00	Adendorff General Trading	Extension of a contract on week to week basis until tender BV455 has been approved	
1134629	7 845.86	Bakroos Recycling	Extension of BV 353	
1134630	16 580.00	Adendorff General Trading	Extension of a contract on week to week basis until tender BV455 has been approved	
1134713	6 273.42	Bradley Connolly Attorneys	Exceptional case whereby it is impractical to fit a normal proc. process	
1134729	10 000.00	Eureka	Exceptional case whereby it is impractical to fit a normal proc. process	
1134772	8 721.00	New Neon Lighting	Exceptional case whereby it is impractical to fit a normal proc. process	
1134822	7 800.00	H.T. Tarblanche	Exceptional case whereby it is impractical to fit a normal proc. process	
1134827	42 134.40	AC Security	Exceptional case whereby it is impractical to fit a normal proc. process	
1134845	11 148.00	Idexx Laboratories (Pty) Ltd	Exceptional case whereby it is impractical to fit a normal proc. process	
1134859	4 990.00	Sheldon Marquardt	Exceptional case whereby it is impractical to fit a normal proc. process	
1134807	16 580.00	Adendorff General Trading	Extension of a contract on week to week basis until tender BV455 has been approved	
1134808	16 580.00	Adendorff General Trading	Extension of a contract on week to week basis until tender BV455 has been approved	
1135029	2 124.48	Murray T. Jooste	Exceptional case whereby it is impractical to fit a normal proc. process	
1135085	24 351.18	Rentold Initial (Pty) Ltd	Exceptional case whereby it is impractical to fit a normal proc. process	
1135091	70 650.00	A Security	Exceptional case whereby it is impractical to fit a normal proc. process	
1135092	32 610.36	CAB Holdings (Pty) Ltd	Exceptional case whereby it is impractical to fit a normal proc. process	
1135093	22 970.43	FG Uniforms co	Exceptional case whereby it is impractical to fit a normal proc. process	Extension of BV 220
1135533	60 488.40	Adventist monitoring Solutions	Exceptional case whereby it is impractical to fit a normal proc. process	
[18]	378 977.38			
1134438	181 627.86	Audarebam Toyota	Insurance	
[1]				
TOTAL	873 387.11			
[35]				

**DECEMBER 2015**

Order nr.	Amount	Service Provider	Reason	Additional Information (where necessary)
1135219	23 047.71	Anetech Instruments (PTY)LTD	Sole Supplier	
1135252	8 058.18	Breerivier Kommunitasale	Sole Supplier	
1135286	2 884.79	PJ Technologies CC	Sole Supplier	
1135316	11 778.00	Bentley Systems South Africa	Sole Supplier	
1135380	736.44	Rentold Initial (PTY)LTD	Sole Supplier	
1135610	2 045.18	Wurth SA Co (Pty) Ltd	Sole Supplier	
1135526	24 351.18	Rentold Initial (PTY)LTD	Sole Supplier	
1135677	137 638.69	Patch Industrial Supplies & Co	Sole Supplier	
[8]	208 780.33			
1135211	38 081.78	Orbit Motors Boland (PTY)LTD	Strip & Quote	
1135519	33 783.80	Hydrexco (PTY)LTD	Strip & Quote	
[2]	71 688.68			
1135354	3 847.86	Battery Centre - Worcester	Emergency	
1135451	3 850.00	Touws River Civils	Emergency	
1135673	28 048.00	Worcester Build IT	Emergency	
1135687	28 928.00	Meyer Electrical Construction	Emergency	
[4]	74 178.66			
1135195	7 422.80	Bradley Connolly Attorneys	Exceptional case whereby it is impractical to fit a normal proc. process	
1135196	85 807.26	Wilma Roux Attorneys	Exceptional case whereby it is impractical to fit a normal proc. process	
1135198	2 217.30	Wilma Roux Attorneys	Exceptional case whereby it is impractical to fit a normal proc. process	
1135200	10 032.00	Wilma Roux Attorneys	Exceptional case whereby it is impractical to fit a normal proc. process	
1135207	3 762.00	Wilma Roux Attorneys	Exceptional case whereby it is impractical to fit a normal proc. process	
1135248	604 205.63	Global Force Security Services	Exceptional case whereby it is impractical to fit a normal proc. process	
1135330	11 628.00	Breerivier Kommunitasale	Exceptional case whereby it is impractical to fit a normal proc. process	
1135520	4 741.44	Vision Elevators	Exceptional case whereby it is impractical to fit a normal proc. process	





**BREDE VALLEY MUNICIPALITY  
APPENDIX K**

**DEVIATIONS FOR THE YEAR ENDED 30 JUNE 2016**

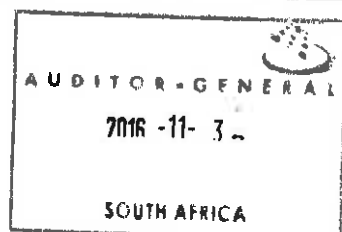
1135527	3 806.88	Hoxvillal Security Bk	Exceptional case whereby it is impractical to follow a normal proc. process	
1135549	20 702.40	Sanjesh Toilet Hire	Exceptional case whereby it is impractical to follow a normal proc. process	
1135588	4 616.88	Jaffe's Ford	Exceptional case whereby it is impractical to follow a normal proc. process	
1135600	37 781.47	Riding & Watt	Exceptional case whereby it is impractical to follow a normal proc. process	
1135603	3 813.47	Cape Office Machines	Exceptional case whereby it is impractical to follow a normal proc. process	
1135638	91 200.00	SMSPortal (PTY) LTD	Exceptional case whereby it is impractical to follow a normal proc. process	
1135633	60 488.40	Advanced Monitoring Solutions	Exceptional case whereby it is impractical to follow a normal proc. process	
1135761	64 487.70	Wilms Roux Attorneys	Exceptional case whereby it is impractical to follow a normal proc. process	
1135762	7 000.00	Adendorff General Trading	Exceptional case whereby it is impractical to follow a normal proc. process	
1135648	20 702.40	Sanjesh Toilet Hire	Exceptional case whereby it is impractical to follow a normal proc. process	
1135648	4 340.00	Muller, Terblanche & Beyers	Exceptional case whereby it is impractical to follow a normal proc. process	
[18]	1 838 747.90			
Total	1 283 824.87			
[33]				

**JANUARY 2016**

Order nr.	Amount	Service Provider	Reason	Additional information (where necessary)
1135817	4 608.84	Barloworld Equipment	Sole Supplier	
1135814	60 000.00	Kentucky Fried Chicken	Sole Supplier	
1135137	82 086.76	Leop Clothing	Sole supplier	
[5]	146 695.60			
1136300	47 850.19	Maxxi Projects (SA) Pty Ltd	Strip & Quote	
1136289	35 082.87	TFM Transact	Strip & Quote	
[2]	82 932.26			
1135616	2 451.00	Winterbach Broers Bk	Goods/ Services urgently required	
1135703	2 282.80	Mides	Goods/ Services urgently required	
1135692	11 643.00	Brandwacht Improving	Goods/ Services urgently required	
1135913	2 006.00	Koo's Passengers Service	Goods/ Services urgently required	
[4]	18 276.60			
1135885	127 063.00	AC Security	Exceptional case whereby it is impractical to follow a normal proc. process	month to month extension of security services until tender BV440 is successfully awarded
1135799	169 999.00	Dataseq (PTY) LTD	Exceptional case whereby it is impractical to follow a normal proc. process	
1135910	602 716.97	Global Force Security Services	Exceptional case whereby it is impractical to follow a normal proc. process	month to month extension of security services until tender BV440 is successfully awarded
1135823	26 483.70	Bakwolas Resolving CC	Exceptional case whereby it is impractical to follow a normal proc. process	Extension of contract
1135824	23 170.50	Bakwolas Resolving CC	Exceptional case whereby it is impractical to follow a normal proc. process	Extension of contract
1135825	22 170.50	Bakwolas Resolving CC	Exceptional case whereby it is impractical to follow a normal proc. process	Extension of contract
1135826	13 701.25	Bakwolas Resolving CC	Exceptional case whereby it is impractical to follow a normal proc. process	Extension of contract
1135903	9 011.50	Maslophane Trading 77CC	Exceptional case whereby it is impractical to follow a normal proc. process	
1135841	42 134.40	AC Security	Exceptional case whereby it is impractical to follow a normal proc. process	
1135844	168 000.00	BEE Joint Venture	Exceptional case whereby it is impractical to follow a normal proc. process	
1135948	4 340.00	Muller Terblanche & Beyers	Exceptional case whereby it is impractical to follow a normal proc. process	
1136089	70 680.00	AC Security	Exceptional case whereby it is impractical to follow a normal proc. process	
1136087	42 134.40	AC Security	Exceptional case whereby it is impractical to follow a normal proc. process	month to month extension of security services until tender BV440 is successfully awarded
1136088	127 063.00	AC Security	Exceptional case whereby it is impractical to follow a normal proc. process	month to month extension of security services until tender BV440 is successfully awarded
1136084	16 618.85	ODS Consultants cc	Exceptional case whereby it is impractical to follow a normal proc. process	
1136085	16 618.85	ODS Consultants cc	Exceptional case whereby it is impractical to follow a normal proc. process	
1136086	16 618.85	ODS Consultants cc	Exceptional case whereby it is impractical to follow a normal proc. process	
1136087	16 618.85	ODS Consultants cc	Exceptional case whereby it is impractical to follow a normal proc. process	
1136088	16 618.85	ODS Consultants cc	Exceptional case whereby it is impractical to follow a normal proc. process	
1136089	16 618.85	ODS Consultants cc	Exceptional case whereby it is impractical to follow a normal proc. process	
1136100	16 618.85	ODS Consultants cc	Exceptional case whereby it is impractical to follow a normal proc. process	
1136128	39 388.40	WEC Consult PTY LTD	Exceptional case whereby it is impractical to follow a normal proc. process	
1136124	17 100.00	Mokone Work & Du Plessis cc	Exceptional case whereby it is impractical to follow a normal proc. process	
1136357	17 243.00	Cervelle Inc	Exceptional case whereby it is impractical to follow a normal proc. process	
1136358	3 000.00	Bavels Funerals	Exceptional case whereby it is impractical to follow a normal proc. process	
1136373	8 484.04	Wholesale Systems	Exceptional case whereby it is impractical to follow a normal proc. process	
1135947	25 468.34	Earth to Sky Geomatics	Exceptional case whereby it is impractical to follow a normal proc. process	
[27]	1 714 688.41			
Total	1 922 046.06			
[25]				

**FEBRUARY 2016**

Order nr.	Amount	Service Provider	Reason	Additional information (where necessary)
1136507	3 083.90	Industrial Safety Services CC	Sole Supplier	
1136696	49 666.13	Hypower Heavy Current Maintenance	Sole Supplier	
1136926	19 802.12	Idemex Laboratories (Pty) Ltd	Sole Supplier	
1137180	30 142.00	Balemand	Sole Supplier	
1137234	22 551.32	Rentokil Initial (Pty) Ltd	Sole Supplier	
[5]	378 977.17			
1136878	48 227.00	HBM Amersl And Beyers	Strip & Quote	
1137047	53 474.32	Worcester Gearbox Centre	Strip & Quote	
1137305	188 321.16	Flab Mechanical Installations	Strip & Quote	
[3]	288 022.48			
1136798	62 198.00	Andre Burger Raadgewende Ingenieurs	Goods/ Services urgently required	
1136934	2 382.80	M & N Bekwike	Goods/ Services urgently required	
1137142	2 062.00	AC Security	Goods/ Services urgently required	
1137143	4 200.00	Clearing Zone	Goods/ Services urgently required	
1136957	29 826.00	Meyer Electrical Construction	Goods/ Services urgently required	
[5]	100 689.80			
1136388	3 000.00	Bavels Funerals	Exceptional case whereby it is impractical to follow a normal proc. process	
1136400	30 000.00	Terence Harter Angbalaur	Exceptional case whereby it is impractical to follow a normal proc. process	
1136407	16 796.50	National Laboratory Associates	Exceptional case whereby it is impractical to follow a normal proc. process	
1136464	504 577.17	Global Force Security Services	Exceptional case whereby it is impractical to follow a normal proc. process	
1136510	4 616.00	AC Security	Exceptional case whereby it is impractical to follow a normal proc. process	
1136957	5 678.00	Muller Terblanche & Beyers	Exceptional case whereby it is impractical to follow a normal proc. process	
1136676	24 611.58	Rentokil Initial (Pty) Ltd	Exceptional case whereby it is impractical to follow a normal proc. process	
1136956	9 011.50	Maslophane Trading 77 CC	Exceptional case whereby it is impractical to follow a normal proc. process	
1136705	678.00	Hoxvillal Security Bk	Exceptional case whereby it is impractical to follow a normal proc. process	
1136787	7 828.84	Cape Office Machines	Exceptional case whereby it is impractical to follow a normal proc. process	
1136788	3 618.04	Muller Terblanche & Beyers	Exceptional case whereby it is impractical to follow a normal proc. process	
1136790	24 444.80	Muller Terblanche & Beyers	Exceptional case whereby it is impractical to follow a normal proc. process	
1136802	162 356.20	De Vries De Wet & Kromwoud	Exceptional case whereby it is impractical to follow a normal proc. process	



**BREEDER VALLEY MUNICIPALITY  
APPENDIX K**

**DEVIATIONS FOR THE YEAR ENDED 30 JUNE 2016**

1138814	51 385.18	Breeder Valley Kommunikasie	Exceptional case whereby it is impractical to follow a normal proc. process	
1138825	127 053.00	AC Security	Exceptional case whereby it is impractical to follow a normal proc. process	
1138826	70 680.00	AC Security	Exceptional case whereby it is impractical to follow a normal proc. process	
1138827	42 134.40	AC Security	Exceptional case whereby it is impractical to follow a normal proc. process	
1138863	259 832.54	Aecom	Exceptional case whereby it is impractical to follow a normal proc. process	
1137148	264 480.00	Alpha Civil (Pty) Ltd	Exceptional case whereby it is impractical to follow a normal proc. process	
1137044	2 040.60	Winterbach Brothers BK	Exceptional case whereby it is impractical to follow a normal proc. process	
1136557	6 676.00	Mulder, Terblanche & Bayers	Exceptional case whereby it is impractical to follow a normal proc. process	
1136811	3 018.44	Wooroster & Wiltzenberg Brandbousers	Exceptional case whereby it is impractical to follow a normal proc. process	
[22]	1 783 381.67			
TOTAL	2 521 076.72			
[38]				

**MARCH 2016**

Order nr.	Amount	Service Provider	Reason	Additional Information (where necessary)
1137511	29 478.10	Gene Louw Traffic College	Sole Supplier	
1137889	77 018.40	Khuleni Academy	Sole Supplier	
1137821	27 417.72	Randall Interim (PTY) LTD	Sole Supplier	
1137836	11 856.00	Dura-Bump Trust	Sole Supplier	
1137838	122 814.28	Patch Industrial Supplies & Co	Sole Supplier	
1137858	2 701.80	Jaffe's Ford	Sole Supplier	
1138005	35 065.28	Industrial Screening Technology	Sole Supplier	
1138006	7 628.60	Antalis 288 CC	Sole Supplier	
1138343	4 338.41	Jaffe's Ford	Sole Supplier	
1138420	25 431.00	Jaffe's Ford	Sole Supplier	
[10]	343 847.55			
1137833	4 275.00	Winterbach Brothers BK	Goods/ Services urgently required	
1137834	45 498.99	Jo-Clara General Dealer	Goods/ Services urgently required	
1137833	4 275.00	Winterbach Brothers BK	Goods/ Services urgently required	
1137834	45 498.99	Jo-Clara General Dealer	Goods/ Services urgently required	
1137899	6 270.00	United Bulk PTY LTD	Goods/ Services urgently required	
1137807	13 882.40	Stevenson's Armatures Windows	Goods/ Services urgently required	
1137865	3 420.00	Winterbach Brothers BK	Goods/ Services urgently required	
1138345	2 080.23	Battery Centre - Worcester cc	Goods/ Services urgently required	
[8]	128 182.51			
1137506	3 425.10	Windeed Systems	Exceptional case whereby it is impractical to follow a normal proc. process	
1137388	284 886.28	Polybox (PTY) LTD	Exceptional case whereby it is impractical to follow a normal proc. process	
1137675	665 828.58	Global Force Security	Exceptional case whereby it is impractical to follow a normal proc. process	
1137675	23 041.68	Global Force Security	Exceptional case whereby it is impractical to follow a normal proc. process	
1137688	11 358.98	Breastier Kommunikasie	Exceptional case whereby it is impractical to follow a normal proc. process	
1137626	68 024.00	Conradie Incorporated	Exceptional case whereby it is impractical to follow a normal proc. process	
1137634	55 678.00	Porterville Grondewerke BK	Exceptional case whereby it is impractical to follow a normal proc. process	
1137678	82 080.00	DI Technology Solutions (PTY) LTD	Exceptional case whereby it is impractical to follow a normal proc. process	
1137701	42 134.40	AC Security	Exceptional case whereby it is impractical to follow a normal proc. process	
1137702	127 053.00	AC Security	Exceptional case whereby it is impractical to follow a normal proc. process	
1137703	70 680.00	AC Security	Exceptional case whereby it is impractical to follow a normal proc. process	
1137707	7 063.93	Buiper Petrol & Diesel Handelwerke	Exceptional case whereby it is impractical to follow a normal proc. process	
1137615	4 260.00	Le Roux Occupational Therapy	Exceptional case whereby it is impractical to follow a normal proc. process	
1137817	4 260.00	Le Roux Occupational Therapy	Exceptional case whereby it is impractical to follow a normal proc. process	
1137835	14 842.80	Wine Roux Attorneys	Exceptional case whereby it is impractical to follow a normal proc. process	
1137850	120 827.51	Wine Roux Attorneys	Exceptional case whereby it is impractical to follow a normal proc. process	
1137867	8 016.60	Mookghele Trading 77 CC	Exceptional case whereby it is impractical to follow a normal proc. process	
1138006	2 200.00	JJ Beyers & Van der Merwe	Exceptional case whereby it is impractical to follow a normal proc. process	
1138009	2 223.00	Wine Roux Attorneys	Exceptional case whereby it is impractical to follow a normal proc. process	
1138277	14 380.00	Conradie Incorporated	Exceptional case whereby it is impractical to follow a normal proc. process	
1137994	3 990.00	Winterbach Brothers	Exceptional case whereby it is impractical to follow a normal proc. process	
1137828	5 520.00	Boufal Funerals	Exceptional case whereby it is impractical to follow a normal proc. process	
[22]	1 823 867.32			
TOTAL	1 882 867.48			
[40]				

**APRIL 2016**

Order nr.	Amount	Service Provider	Reason	Additional Information (where necessary)
1138343	4 338.41	Jaffe's Ford	Sole Supplier	
1138417	11 582.86	Hyper Doors	Sole Supplier	
1138420	25 431.00	Jaffe's Ford	Sole Supplier	
1138785	5 531.80	Perma Media Independent	Sole Supplier	
1138891	30 574.80	Industrial Safety Services cc	Sole Supplier	
1138484	2 500.00	Kipos Passenger Services	Sole Supplier	
1138920	4 450.00	Curtain and Linen Centre	Sole Supplier	
[7]	84 459.67			
1138345	2 080.23	Battery Centre - Worcester CC	services urgently required	Emergency
1138788	2 278.48	Orkneych	services urgently required	Emergency
1138788	2 023.80	Winterbach Brothers BK	services urgently required	Emergency
1138790	17 058.00	Rhodes Bros Steel Products CC	services urgently required	Emergency
[4]	17 441.21			
1138803	31 566.04	Barloworld Equipment	Strip & Quote	
1138749	62 938.18	Maxel Protecta SA Pty Ltd	Strip & Quote	
1138786	16 013.58	Atlas Fire Security (PTY) LTD	Strip & Quote	
1138621	46 742.30	Hydrexco (PTY) LTD	Strip & Quote	
[4]	147 280.10			
1138407	5 520.23	Joss - Urby Management Services (PTY) LTD	Exceptional case whereby it is impractical to follow a normal proc. process	
1138449	3 000.00	Whani Jensen's Road Music	Exceptional case whereby it is impractical to follow a normal proc. process	Special works of art
1138450	6 000.00	Whani Jensen's Road Music	Exceptional case whereby it is impractical to follow a normal proc. process	Special works of art
1138451	579 305.66	Global Force Security	Exceptional case whereby it is impractical to follow a normal proc. process	
1138568	11 400.00	DI Technology Solutions (PTY) LTD	Exceptional case whereby it is impractical to follow a normal proc. process	
1138604	3 881.32	Windeed Systems A Div	Exceptional case whereby it is impractical to follow a normal proc. process	
1138606	7 085.10	DI Technology Solutions (PTY) LTD	Exceptional case whereby it is impractical to follow a normal proc. process	
1138871	2 369.35	Breeder Valley Association	Exceptional case whereby it is impractical to follow a normal proc. process	
1138789	2 023.50	Winterbach Brothers	Exceptional case whereby it is impractical to follow a normal proc. process	
1138892	2 730.00	Breeder Valley Wyn & Toefame	Exceptional case whereby it is impractical to follow a normal proc. process	
[10]	624 314.16			
TOTAL	878 465.83			
[25]				



**BREED VALLEY MUNICIPALITY  
APPENDIX K**

**DEVIATIONS FOR THE YEAR ENDED 30 JUNE 2016**

**MAY 2016**

Order nr.	Amount	Service Provider	Reason	Additional Information (where necessary)
1139087	16 860.00	Leadere Maublanders Boland	Sole Supplier	
1139088	4 300.00	Bombos Granite CC	Sole Supplier	
1139169	9 016.50	Mandhama Trading 77 CC	Sole Supplier	
1139160	13 765.50	Antra - Red (Fast Paw CC)	Sole Supplier	
1139179	13 680.00	Worcester Kommersees Verstering	Sole Supplier	
1139233	3 307.32	Audensberg Toyota	Sole Supplier	
1139249	28 551.32	Rentokil Initial (PTY) LTD	Sole Supplier	
1139311	79 185.07	Patch Industrial Suppliers & Co	Sole Supplier	
1139391	21 846.96	SABS Commercial (Soc) LTD	Sole Supplier	
1139588	31 010.00	Leadere Maublanders Boland	Sole Supplier	
1139607	26 960.00	Dura - Bump Trust	Sole Supplier	
[11]	248 464.67			
1139124	48 365.00	Worcester Build IT	Goods/ services urgently required	
1139182	2 023.50	Winterbach Bros BK	Goods/ services urgently required	
1139234	2 356.80	M & N Bakervet	Goods/ services urgently required	
1139258	3 648.00	Wesbeep Brandbakkers	Goods/ services urgently required	
1139401	10 000.00	Cheren Trading	Goods/ services urgently required	
1139508	10 762.44	Non Pencil Garage PTY LTD	Goods/ services urgently required	
1139507	196 365.00	Portofino Groundworks BK	Goods/ services urgently required	
1139572	9 493.00	Meyer Electrical & Construction	Goods/ services urgently required	
1139780	3 481.15	Worcester Nissan	Goods/ services urgently required	
1139791	5 130.00	Winterbach Bros BK	Goods/ services urgently required	
1139876	11 970.00	Winterbach Bros BK	Goods/ services urgently required	
1139876	2 707.50	Winterbach Bros BK	Goods/ services urgently required	
1139849	2 184.50	Winterbach Bros BK	Goods/ services urgently required	
1139896	2 188.00	Tom's Motor sparte	Goods/ services urgently required	
1139897	8 006.16	Orbit Motors Boland	Goods/ services urgently required	
1140009	627 287.56	Hydrower Heavy Current	Goods/ services urgently required	
[16]	842 680.15			
1139592	85 986.86	Joe Spies co	Strip & Quote	
1139553	52 787.88	HBM Amanzi Pump & Sewerage	Strip & Quote	
1139609	37 388.35	Orchard Supplies	Strip & Quote	
1139810	82 706.62	Worcester Gearbox Centre	Strip & Quote	
1139773	94 766.74	Orbit Motors Boland	Strip & Quote	
1139815	85 402.82	TM Transitech	Strip & Quote	
1139895	80 063.78	TM Transitech	Strip & Quote	
1139801	75 247.20	Hydrower Heavy Current	Strip & Quote	
1139609	37 388.35	Orchard Supplies	Strip & Quote	
[8]	882 681.84			
1139098	661 635.49	Global Force Security Services	Exceptional case whereby it is impractical to follow a normal proc. process	
1139120	25 849.50	AC Security	Exceptional case whereby it is impractical to follow a normal proc. process	
1139125	61 690.00	Belwopdas Recycling CC	Exceptional case whereby it is impractical to follow a normal proc. process	
1139126	2 323.20	AC Security	Exceptional case whereby it is impractical to follow a normal proc. process	
1139127	70 680.00	AC Security	Exceptional case whereby it is impractical to follow a normal proc. process	
1139129	127 063.00	AC Security	Exceptional case whereby it is impractical to follow a normal proc. process	
1139131	42 134.40	AC Security	Exceptional case whereby it is impractical to follow a normal proc. process	
1139197	7 846.14	Wilma Roux Attorneys	Exceptional case whereby it is impractical to follow a normal proc. process	
1139239	85 026.18	ABB South Africa PTY LTD	Exceptional case whereby it is impractical to follow a normal proc. process	
1139332	6 032.58	Windead Systems	Exceptional case whereby it is impractical to follow a normal proc. process	
1139340	3 600.00	Terence Harker Anstelduur	Exceptional case whereby it is impractical to follow a normal proc. process	
1139369	3 488.00	Worcester Tool Hire	Exceptional case whereby it is impractical to follow a normal proc. process	
1139491	6 684.42	Windead Systems	Exceptional case whereby it is impractical to follow a normal proc. process	
1139518	7 600.00	HM Treflenz	Exceptional case whereby it is impractical to follow a normal proc. process	
1139759	22 084.48	Ansteld Insurance	Exceptional case whereby it is impractical to follow a normal proc. process	
1139853	18 802.12	Legal Laboratories	Exceptional case whereby it is impractical to follow a normal proc. process	
1139853	42 783.58	Wilma Roux Attorneys	Exceptional case whereby it is impractical to follow a normal proc. process	
1139854	70 680.00	AC Security	Exceptional case whereby it is impractical to follow a normal proc. process	
1139855	42 134.40	AC Security	Exceptional case whereby it is impractical to follow a normal proc. process	
1139892	127 063.00	AC Security	Exceptional case whereby it is impractical to follow a normal proc. process	
1139892	127 063.00	Winterbach Bros BK	Exceptional case whereby it is impractical to follow a normal proc. process	
1139854	70 680.00	AC Security	Exceptional case whereby it is impractical to follow a normal proc. process	
[28]	1 868 680.21			
Total	3 310 276.87			
[28]				

**JUNE 2016**

Order nr.	Amount	Service Provider	Reason	Additional Information (where necessary)
1140022	8 018.50	Mandhama Trading 77 CC	Sole Supplier	
1140265	2 255.71	Worcester Nissan	Sole Supplier	
1140309	6 088.00	NID - National Institute	Sole Supplier	
1140418	4 919.51	Audensberg Toyota	Sole Supplier	
1140813	5 807.00	AAD Truck & Bus - Worcester	Sole Supplier	
1140524	3 976.55	Artia's Ford	Sole Supplier	
1140758	4 211.30	Gene Louw Traffic College	Sole Supplier	
1140773	8 886.00	The Pole Yard	Sole Supplier	
1140784	37 407.49	Koop Aart Worcester	Sole Supplier	
1140797	26 031.48	Rentokil Initial (PTY) LTD	Sole Supplier	
1140837	5 745.32	Skilletrain Distribution	Sole Supplier	
[11]	111 243.18			
1140423	18 900.00	Riantent Connecting PTY LTD	Goods/ services urgently required	
1140211	3 248.00	Meyer Electrical & Construction	Goods/ services urgently required	
1140373	3 646.72	WM Spillhaus Hezemel	Goods/ services urgently required	
1140603	78 800.00	Outeniqua Plastics	Goods/ services urgently required	
1140609	2 478.50	Winterbach Bros BK	Goods/ services urgently required	
1140822	2 023.50	Winterbach Bros BK	Goods/ services urgently required	
1140916	12 500.00	Meyer Electrical & Construction	Goods/ services urgently required	
[7]	123 887.72			
1140026	51 482.35	Worcester Gearbox Centre	Strip & Quote	
1140081	72 332.48	Agrico (PTY) LTD	Strip & Quote	
1140139	2 112.42	TFM Transitech	Strip & Quote	
1140525	33 056.66	Boland Ingersma	Strip & Quote	



**BREDE VALLEY MUNICIPALITY  
APPENDIX K**

**DEVIATIONS FOR THE YEAR ENDED 30 JUNE 2016**

(4)	195 884.21		
1140078	7 017.86	Escherhuyzen Inc	Exceptional case whereby it is impractical to follow a normal proc. process
1140088	61 560.00	Bakowitjes Recycling CC	Exceptional case whereby it is impractical to follow a normal proc. process
1140101	28 250.00	H Terblanche	Exceptional case whereby it is impractical to follow a normal proc. process
1140124	11 000.00	Wilma Roux Attorneys	Exceptional case whereby it is impractical to follow a normal proc. process
1140182	35 661.98	Abundant Media PTY LTD	Exceptional case whereby it is impractical to follow a normal proc. process
1140212	580 420.57	Global Force Security Services	Exceptional case whereby it is impractical to follow a normal proc. process
1140237	7 960.00	Rantwike Africa (PTY) LTD	Exceptional case whereby it is impractical to follow a normal proc. process
1140297	21 178.64	Worcester Kommunikasie BK	Exceptional case whereby it is impractical to follow a normal proc. process
1140367	12 169.20	PGWG/Dept of Cultural Affairs	Exceptional case whereby it is impractical to follow a normal proc. process
1140384	64 112.28	Wilma Roux Attorneys	Exceptional case whereby it is impractical to follow a normal proc. process
1140447	28 897.28	Renoldi Initial (PTY) LTD	Exceptional case whereby it is impractical to follow a normal proc. process
1140529	14 582.00	QDS Consultants CC	Exceptional case whereby it is impractical to follow a normal proc. process
1140562	5 431.58	Windeed Systems	Exceptional case whereby it is impractical to follow a normal proc. process
1140584	7 152.00	Applied Business Computing Services	Exceptional case whereby it is impractical to follow a normal proc. process
1140578	8 672.00	Potential Bros	Exceptional case whereby it is impractical to follow a normal proc. process
1140583	4 500.00	Kopco Passengers Busservice	Exceptional case whereby it is impractical to follow a normal proc. process
1140589	5 600.00	Meyer Electrical & Construction	Exceptional case whereby it is impractical to follow a normal proc. process
1140588	26 400.00	Boland Packaging	Exceptional case whereby it is impractical to follow a normal proc. process
1140583	14 250.00	CSX Customer Service	Exceptional case whereby it is impractical to follow a normal proc. process
1140767	41 724.00	Alpha Civil (Pty) Ltd	Exceptional case whereby it is impractical to follow a normal proc. process
1140780	141 820.00	Boland Kollage Worcester Kampus	Exceptional case whereby it is impractical to follow a normal proc. process
1140799	70 680.00	AC Security	Exceptional case whereby it is impractical to follow a normal proc. process
1140800	42 134.40	AC Security	Exceptional case whereby it is impractical to follow a normal proc. process
1140809	332 310.00	Mokete Monk & Du Pisels	Exceptional case whereby it is impractical to follow a normal proc. process
1140860	23 041.68	Global Force Security Services	Exceptional case whereby it is impractical to follow a normal proc. process
1140881	157 288.57	Global Force Security Services	Exceptional case whereby it is impractical to follow a normal proc. process
1140882	38 388.09	Global Force Security Services	Exceptional case whereby it is impractical to follow a normal proc. process
1140883	71 671.67	Global Force Security Services	Exceptional case whereby it is impractical to follow a normal proc. process
1140884	89 319.70	Global Force Security Services	Exceptional case whereby it is impractical to follow a normal proc. process
1140885	11 520.84	Global Force Security Services	Exceptional case whereby it is impractical to follow a normal proc. process
1140886	80 587.08	Global Force Security Services	Exceptional case whereby it is impractical to follow a normal proc. process
1140887	64 604.16	Global Force Security Services	Exceptional case whereby it is impractical to follow a normal proc. process
1140888	19 629.45	Global Force Security Services	Exceptional case whereby it is impractical to follow a normal proc. process
1140889	67 383.24	Global Force Security Services	Exceptional case whereby it is impractical to follow a normal proc. process
1140920	2 223.00	Tony's Motor Spares	Exceptional case whereby it is impractical to follow a normal proc. process
1351	2 153 880.59		
TOTAL	2 687 705.97		
(57)			
<b>DEVIATIONS: ORDERS CANCELLED</b>			
1130411	4 187.30	Jula	Sole Supplier
1130383	6 485.00	Cleaning Zone	Emergency
1130896	232 607.34	Business Engineering(Pty) Ltd	Exceptional case whereby it is impractical to follow a normal proc. process
1131558	24 824.00	DP Truck Hire	Exceptional case whereby it is impractical to follow a normal proc. process
1136414	5 881 857.04	ABB South Africa (pty) Ltd	Sole Supplier
1135194	5 700.00	Element Consulting Engineers	Emergency
1135973	2 252.84	AAD Truck & Bus - Worcester	Sole Supplier
1137287	199 130.00	CQS GRC Solutions (Pty) Ltd	
1138286	2 052.00	AO Security	Exceptional case whereby it is impractical to follow a normal proc. process
1138823	30 000.00	T.H.De Koker	Exceptional case whereby it is impractical to follow a normal proc. process
1138644	82 331.21	Willem Badle & Phafu Arolahts	Exceptional case whereby it is impractical to follow a normal proc. process
1140131	127 083.00	AO Security	Exceptional case whereby it is impractical to follow a normal proc. process
1140135	70 880.00	AO Security	Exceptional case whereby it is impractical to follow a normal proc. process
1140607	35 000.00	T.H.De Koker Municipal Consultants	Exceptional case whereby it is impractical to follow a normal proc. process
1140880	49 065.80	CHM Vuwani Computer Solutions	Exceptional case whereby it is impractical to follow a normal proc. process
(10)	6 682 046.33		



APPENDIX L

BUDE VALLEY MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016 (2015 Restated)

APPENDIX L: INVESTMENT

Date Invested	Name of Institution	ID	Account number	Interest	Period	Amount Invested	Expiry Date	Amount Received	Date Receipt	Receipt Number	Interest	Actual Interest	Difference
28-Apr-15	NEDBANK	97	5/7881531576/184	6.83%	91	5 000 000	23-Jul-15	5 000 000	28-Jul-15	2000237515	81 401.67	81 401.67	0.00
26-Mar-15	ABSA	92	2075372581	6.83%	128	5 000 000	27-Jul-15	5 000 000	27-Jul-15	5000267014	110 831.81	110 831.81	0.00
26-Mar-15	INVESTEC	99	DB JP1502000088	6.80%	128	5 000 000	27-Jul-15	5 000 000	27-Jul-15	9000857015	111 208.48	111 208.48	0.00
26-Mar-15	STANDARD	94	088786943-015	6.50%	124	5 000 000	28-Jul-15	5 000 000	31-Jul-15	5000857192	110 418.96	95 000.25	15 418.71
26-Mar-15	STANDARD		088786943-015	6.50%	1				31-Jul-15	5000857192	0.00	15 418.71	-15 418.71
26-Mar-15	STANDARD		088786943-015	6.50%	1				31-Jul-15	5000857192	890.41	890.41	0.00
											0.00	414 439.73	0.00
23-Apr-15	INVESTEC	98	DB MM1504238291	6.50%	129	5 000 000	24-Aug-15	5 000 000	25-Aug-15	4000356458	109 520.55	109 520.55	0.00
29-Jul-15	ABSA	100	2075372581	6.83%	80	5 000 000	28-Aug-15	5 000 000	31-Aug-15	8000338520	26 156.99	26 156.99	0.00
29-Jul-15	NEDBANK	101	5/7881531576/195	6.475%	81	10 000 000	31-Aug-15	10 000 000	31-Aug-15	8000898572	58 541.10	58 541.10	0.00
29-Jul-15	INVESTEC	102	DB JP1507289934	6.50%	89	15 000 000	31-Aug-15	15 000 000	31-Aug-15	8000338520	88 150.64	88 150.64	0.00
											0.00	282 349.32	0.00
29-Jul-15	STANDARD	103	088786943-021	6.38%	34	10 000 000	01-Sep-15	10 000 000	03-Sep-15	4000356930	58 486.14	58 486.14	0.00
				6.38%	1				29-Oct-15	5000360286	1 747.25	1 747.25	0.00
23-Apr-15	ABSA	99	2075372581	6.80%	153	5 000 000	23-Sep-15	5 000 000	13-Sep-15	2000406115	142 520.55	142 520.55	0.00
29-Jul-15	ABSA	104	2075372620	6.45%	61	10 000 000	28-Sep-15	10 000 000	28-Sep-15	5000359174	107 784.52	107 784.52	0.00
29-Jul-15	NEDBANK	105	3/7881531576/196	6.575%	62	10 000 000	28-Sep-15	10 000 000	29-Sep-15	4000357952	111 684.93	111 684.93	0.00
29-Jul-15	ENB	106	74550518109	6.80%	62	5 000 000	28-Sep-15	5 000 000	29-Sep-15	4000357978	53 806.85	53 806.85	0.01
28-Jul-15	STANDARD	107	088786943-022	6.435%	62	10 000 000	29-Sep-15	10 000 000	29-Sep-15	4000357978	108 646.38	108 646.38	0.00
29-Jul-15	INVESTEC	108	DB R11507289934	6.80%	62	5 000 000	28-Sep-15	5 000 000	28-Sep-15	4000357977	58 054.39	58 054.39	0.00
											0.00	642 386.30	0.00
29-Jul-15	NEDBANK	109	5/7881531576/197	6.475%	91	5 000 000	28-Oct-15	5 000 000	28-Oct-15	6000280590	83 208.90	83 208.90	0.00
29-Jul-15	INVESTEC	110	DB JP1507289934	6.70%	92	5 000 000	29-Oct-15	5 000 000	29-Oct-15	6000280590	84 438.36	84 438.36	0.00
											0.00	167 647.26	0.00
28-Oct-15	NEDBANK	111	5/7881531576/198	6.475%	88	5 000 000	30-Nov-15	5 000 000	30-Nov-15	6000280590	29 270.35	29 270.35	0.00
28-Oct-15	INVESTEC	112	JP PQM3488	6.90%	89	5 000 000	30-Nov-15	5 000 000	30-Nov-15	6000280590	28 885.56	28 885.56	0.00
											0.00	58 654.11	0.00
24-Nov-15	NEDBANK	112	5/7881531576/202	6.70%	61	5 000 000	25-Jan-16	5 000 000	25-Jan-16	2000248468	56 904.11	56 904.11	0.00
28-Oct-15	NEDBANK	113	5/7881531576/199	6.65%	91	5 000 000	27-Jan-16	5 000 000	27-Jan-16	8000361459	82 897.26	82 897.26	0.00
28-Oct-15	INVESTEC	114	JP PQM3489	6.75%	92	5 000 000	28-Jan-16	5 000 000	28-Jan-16	8000361514	85 068.49	85 068.49	0.00
											0.00	234 869.86	0.00
28-Oct-15	ABSA	115	2075391043	6.78%	121	5 000 000	28-Feb-16	5 000 000	28-Feb-16	5000265577	111 852.08	111 852.08	0.00
28-Oct-15	STANDARD	116	088786943-023	6.875%	124	5 000 000	28-Feb-16	5 000 000	28-Feb-16	9000348416	118 888.58	118 888.58	0.00
											0.00	234 935.61	0.00
24-Nov-15	INVESTEC	117	JP R188857	6.95%	120	5 000 000	23-Mar-16	5 000 000	23-Mar-16	6000280606	114 246.58	114 246.58	0.00
28-Oct-15	STANDARD	117	088786943-024	6.850%	152	5 000 000	28-Mar-16	5 000 000	28-Mar-16	6000280612	142 630.14	142 630.14	0.00
28-Oct-15	NEDBANK	118	5/7881531576/200	6.525%	153	5 000 000	29-Mar-16	5 000 000	29-Mar-16	6000280612	938.36	143 588.49	-142 650.13
28-Oct-15	INVESTEC	119	JP PQM3490	7.00%	153	5 000 000	29-Mar-16	5 000 000	29-Mar-16	8000361514	145 140.41	145 140.41	0.00
27-Jan-16	INVESTEC	120	JP K2A3830	6.95%	69	10 000 000	30-Mar-16	10 000 000	30-Mar-16	8000361514	145 140.41	145 140.41	0.00
											0.00	234 869.86	0.00
28-Oct-15	NEDBANK	120	5/7881531576/201	7.125%	183	5 000 000	28-Apr-16	5 000 000	28-Apr-16	2000249035	178 615.01	178 615.01	0.00
28-Oct-15	ABSA	121	2075391000	7.06%	184	5 000 000	29-Apr-16	5 000 000	29-Apr-16	3000250345	177 930.64	177 930.64	0.00
											0.00	356 563.89	0.00
27-Jan-16	INVESTEC	125	JP K2A3848	7.30%	121	10 000 000	27-Mar-16	10 000 000	27-Mar-16	6000280612	243 000.00	243 000.00	0.00
30-Mar-16	NEDBANK	127	5/7881531576/204	7.50%	82	5 000 000	31-May-16	5 000 000	31-May-16	2000250345	83 889.43	83 889.43	0.00
30-Mar-16	INVESTEC	128	JP SP44405	7.45%	82	5 000 000	31-May-16	5 000 000	31-May-16	2000250345	83 889.43	83 889.43	0.00
											0.00	167 778.87	0.00
											0.00	568 972.60	0.00
27-Jan-16	NEDBANK	126	5/7881531576/203	7.35%	152	10 000 000	27-Jun-16	10 000 000	27-Jun-16	2000250345	314 410.96	314 410.96	0.00
30-Mar-16	ABSA	129	2075390787	7.49%	90	10 000 000	28-Jun-16	10 000 000	28-Jun-16	3000250345	184 684.93	184 684.93	0.00
30-Mar-16	NEDBANK	130	3/7881531576/205	7.55%	92	10 000 000	30-Jun-16	10 000 000	30-Jun-16	2000250345	390 301.37	390 301.37	0.00
30-Mar-16	INVESTEC	131	JP SP44422	7.55%	92	10 000 000	30-Jun-16	10 000 000	30-Jun-16	5000267470	390 301.37	390 301.37	0.00
											0.00	779 688.23	0.00
28-May-16	STANDARD	134	088786943-025	7.800%	80	5 000 000	25-Jul-16				82 485.79	82 485.79	0.00
28-May-16	INVESTEC	135	JP 5171903	7.50%	61	5 000 000	26-Jul-16				63 506.85	63 506.85	0.00
30-Mar-16	ABSA	132	2075390795	7.71%	121	5 000 000	29-Jul-16				127 795.89	127 795.89	0.00
30-Mar-16	NEDBANK	133	3/7881531576/206	7.725%	121	5 000 000	29-Jul-16				128 044.52	128 044.52	0.00
											0.00	0.00	0.00
26-Mar-16	STANDARD	136	088786943-026	7.750%	80	10 000 000	24-Aug-16				191 085.89	191 085.89	0.00
26-Mar-16	NEDBANK	137	3/7881531576/207	7.80%	91	10 000 000	25-Aug-16				184 485.75	184 485.75	0.00
26-Mar-16	INVESTEC	138	JP 5171906	7.75%	92	10 000 000	26-Aug-16				185 342.47	185 342.47	0.00
											0.00	0.00	0.00
26-May-16	STANDARD	139	088786943-027	7.925%	120	5 000 000	23-Sep-16				130 273.97	130 273.97	0.00
26-May-16	ABSA	140	2076067559	7.75%	123	5 000 000	26-Sep-16				130 582.19	130 582.19	0.00
26-May-16	NEDBANK	141	3/7881531576/208	7.95%	123	5 000 000	26-Sep-16				133 952.05	133 952.05	0.00
26-May-16	INVESTEC	142	JP 5171907	7.95%	123	5 000 000	26-Sep-16				133 952.05	133 952.05	0.00
											0.00	0.00	0.00
26-May-16	NEDBANK	143	3/7881531576/209	8.18%	159	10 000 000	26-Oct-16				847 887.67	847 887.67	0.00
											0.00	0.00	0.00
						885 000 000		285 000 000			6 124 308.30	4 288 145.82	1 836 162.48
						88 000 000							



