



**Ndwedwe Local Municipality
Annual financial statements
for the year ended 30 June 2015**

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

General Information

Councillors

Mayor

Councillors

M Hadebe

EN Blose Deputy Mayor

MJ Zondi Speaker

MI Tshaba Member of the Executive Committee

RM Cele Member of the Executive Committee

BJ Shozi Member of the Executive Committee

KW Madlala Member of the Executive Committee

MP Busane Member of the Executive Committee

SB Sibisi (Ward Councillor)

MM Khuzwayo (Ward Councillor)

MN Gwamanda (Ward Councillor)

SE Dladla (Ward Councillor)

BJ Blose (Ward Councillor)

BM Ngcobo (Ward Councillor)

TF Dlamini (Ward Councillor)

LM Ngcobo (Ward Councillor)

NP Ngcobo (Ward Councillor)

LM Ndlovu (Ward Councillor)

ML Ngcobo (Ward Councillor)

LG Ngcobo (Ward Councillor)

N Khuzwayo (Ward Councillor)

B Nzama (Ward Councillor)

MM Zulu (Ward Councillor)

LZ Makhanya (Ward Councillor)

HJ Phakathi (Ward Councillor)

ZS Thoolsi (Party Representative)

SA Luthuli (Party Representative)

FP Nkosi (Party Representative)

BS Gumede (Party Representative)

CP Ngidi (Party Representative)

PS Shezi (Party Representative)

MF Ngcobo (Party Representative)

DR Sibisi (Party Representative)

BB Vilakazi (Party Representative)

MS Mgenge (Party Representative)

ML Sibisi (Party Representative)

SK Mzobe (Party Representative)

Accounting Officers

T Cibane

Municipal Manager

Chief Finance Officer (CFO)

T Nkosi

Auditors

The Auditor General of South Africa

Bankers

ABSA Bank Verulam Branch

Registered office

Ndwedwe Local Municipality

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

General Information

Business address

P100
Ndwedwe
4342

Postal address

P/Bag X 503
Ndwedwe
4342

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Index

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

Index	Page
Accounting Officer's Responsibilities and Approval	4
Statement of Financial Position	5
Statement of Financial Performance	6
Statement of Changes in Net Assets	7
Cash Flow Statement	8
Statement of Comparison of Budget and Actual Amounts	9 - 11
Accounting Policies	12 - 20
Appendixes:	
Appendix B: Analysis of Property, Plant and Equipment	46

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Accounting Officer's Responsibilities and Approval

As an accounting officer I am responsible for the preparation of these annual financial statements, which are set out on pages **s 5 to 45**, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in note 18 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.



T Cibane
Municipal Manager

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Statement of Financial Position as at 30 June 2015

Figures in Rand	Note(s)	2015	2014 Restated*
Assets			
Current Assets			
Receivables from exchange transactions	2	2 838 236	2 129 225
VAT receivable	3	2 868 717	3 516 659
Consumer debtors	4	3 549 449	1 399 877
Cash and cash equivalents	5	76 667 391	57 484 334
		85 923 793	64 530 095
Non-Current Assets			
Property, plant and equipment	6	219 961 057	166 556 757
Intangible assets	7	24 712	49 359
		219 985 769	166 606 116
Total Assets		305 909 562	231 136 211
Liabilities			
Current Liabilities			
Finance lease obligation	8	132 646	266 639
Operating lease liability	9	595 980	429 718
Payables from exchange transactions	10	9 338 547	3 486 028
Unspent conditional grants and receipts	11	18 921 027	36 452 528
Provisions	12	3 124 245	2 475 317
		32 112 445	43 110 230
Non-Current Liabilities			
Finance lease obligation	8	-	132 646
Provisions	12	959 157	721 279
		959 157	853 925
Total Liabilities		33 071 602	43 964 155
Net Assets		272 837 960	187 172 056
Accumulated surplus		272 837 960	187 172 056

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Statement of Financial Performance

Figures in Rand	Note(s)	2015	2014 Restated*
Revenue			
Revenue from exchange transactions			
Rental of facilities and equipment		430 571	192 283
Interest received (trading)		570 862	430 548
Debt impairment reversal		736 021	-
Other income		839 936	588 093
Interest received - investment		5 471 212	3 738 426
Total revenue from exchange transactions		8 048 602	4 949 350
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	14	5 871 298	4 270 976
Transfer revenue			
Government grants & subsidies	15	160 953 500	99 910 628
Public contributions and donations		663 800	85 709
Total revenue from non-exchange transactions		167 488 598	104 267 313
Total revenue	13	175 537 200	109 216 663
Expenditure			
Employees related cost	17	(28 384 239)	(22 163 945)
Remuneration of councillors	18	(9 645 978)	(9 084 880)
Depreciation and amortisation	19	(12 528 286)	(11 792 849)
Impairment loss/ Reversal of impairments		(709 950)	(65 096)
Debt impairment	20	-	(2 262 606)
Finance costs	21	(209 666)	(109 801)
Repairs and maintenance		(3 365 594)	(3 211 749)
Contracted services	22	(4 498 392)	(4 489 088)
General Expenses	16	(30 932 883)	(28 699 017)
Increase in provision for leave pay		(603 503)	(871 885)
Total expenditure		(90 878 491)	(82 750 916)
Operating surplus		84 658 709	26 465 747
Loss on disposal of assets and liabilities		(89 778)	(258 477)
Surplus for the period		84 568 931	26 207 270

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	151 673 164	151 673 164
Adjustments		
Correction of errors	8 200 176	8 200 176
Prior year adjustments	1 091 446	1 091 446
Balance at 01 July 2013 as restated*	160 964 786	160 964 786
Changes in net assets		
Surplus for the year	26 207 270	26 207 270
Total changes	26 207 270	26 207 270
Opening balance as previously reported	178 977 407	178 977 407
Adjustments		
Correction of errors	9 291 622	9 291 622
Restated* Balance at 01 July 2014 as restated*	188 269 029	188 269 029
Changes in net assets		
Surplus for the year	84 568 931	84 568 931
Total changes	84 568 931	84 568 931
Balance at 30 June 2015	272 837 960	272 837 960

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Cash Flow Statement

Figures in Rand	Note(s)	2015	2014 Restated*
Cash flows from operating activities			
Receipts			
Grants		150 121 186	113 634 000
Interest income		5 471 212	3 738 426
Other receipts		5 888 887	11 409 848
		<u>161 481 285</u>	<u>128 782 274</u>
Payments			
Employee costs		(37 396 871)	(31 248 825)
Suppliers		(38 386 684)	(51 088 914)
Finance costs		(209 666)	(109 801)
		<u>(75 993 221)</u>	<u>(82 447 540)</u>
Net cash flows from operating activities	23	<u>85 488 064</u>	<u>46 334 734</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(66 038 368)	(28 780 814)
Proceeds from sale of property, plant and equipment	6	-	(44 162)
Net cash flows from investing activities		<u>(66 038 368)</u>	<u>(28 824 976)</u>
Movement in finance lease payments			
Finance lease payments		(266 639)	(873 853)
Net increase/(decrease) in cash and cash equivalents		<u>19 183 057</u>	<u>16 635 905</u>
Cash and cash equivalents at the beginning of the year		57 484 334	40 848 429
Cash and cash equivalents at the end of the year	5	<u>76 667 391</u>	<u>57 484 334</u>

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Percentage	Reference
Figures in Rand							
Statement of Financial Performance							
Revenue							
Revenue from exchange transactions							
Rental of facilities and equipment	214 631	194 761	409 392	430 571	21 179	5.17 %	
Interest received (trading)	487 600	-	487 600	570 862	83 262	17.08 %	1
Recoveries	-	-	-	736 021	736 021	DIV/0 %	
Other income	300 000	(20 000)	280 000	839 936	559 936	199.98 %	2
Interest received - investment	1 847 000	2 153 000	4 000 000	5 471 212	1 471 212	36.78 %	3
Total revenue from exchange transactions	2 849 231	2 327 761	5 176 992	8 048 602	2 871 610	55.47 %	
Revenue from non-exchange transactions							
Taxation revenue							
Property rates	6 314 000	(20 200)	6 293 800	5 871 298	(422 502)	(6.71)%	3
Internally generated funds	-	33 213 196	33 213 196	-	(33 213 196)	(100.00)%	
Government grants & subsidies	143 254 000	17 922 598	161 176 598	160 953 500	(223 098)	(0.14)%	
Transfer revenue							
Public contributions and donations	-	-	-	663 800	663 800	DIV/0 %	
Total revenue from non-exchange transactions	149 568 000	51 115 594	200 683 594	167 488 598	(33 194 996)	(16.54)%	
Total revenue	152 417 231	53 443 355	205 860 586	175 537 200	(30 323 386)	(14.73)%	
Expenditure							
Personnel	(28 631 174)	378 435	(28 252 739)	(28 384 239)	(131 500)	0.47 %	
Remuneration of councillors	(9 451 425)	(313 229)	(9 764 654)	(9 645 978)	118 676	(1.22)%	
Depreciation and amortisation	(10 800 000)	(1 392 000)	(12 192 000)	(12 528 286)	(336 286)	2.76 %	
Impairment loss/ Reversal of impairments	-	-	-	(709 950)	(709 950)	DIV/0 %	
Finance costs	(951 000)	900 000	(51 000)	(209 666)	(158 666)	311.11 %	4
Debt impairment	(2 525 600)	-	(2 525 600)	-	2 525 600	(100.00)%	5
Repairs and maintenance	(5 360 600)	50 600	(5 310 000)	(3 365 594)	1 944 406	(36.62)%	6
Contracted Services	(3 400 000)	(1 761 040)	(5 161 040)	(4 498 392)	662 648	(12.84)%	7
General Expenses	(31 792 432)	(2 779 925)	(34 572 357)	(31 536 386)	3 035 971	(8.78)%	
Total expenditure	(92 912 231)	(4 917 159)	(97 829 390)	(90 878 491)	6 950 899.00	(7.11)%	
Operating surplus	59 505 000	48 526 196	108 031 196	84 658 709	(23 372 487)	(21.63)%	
Loss on disposal of assets and liabilities	-	-	-	(89 778)	(89 778)	-	
Surplus before taxation	59 505 000	48 526 196	108 031 196	84 568 931	(23 462 265)		
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	59 505 000	48 526 196	108 031 196	84 568 931	(23 462 265)		

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

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

Comments

- 1 Underbudgeting due to unexpected increase in current debtors.
- 2 Increase in tender documents income more than originally anticipated for the current year.
- 3 Increase in interest earned due to Municipal income that has been incorrectly accounted for as unspent grants.
- 4 Underspending due to anticipation to acquire fleet through finance which was subsequently acquired for cash.
- 5 Overbudgeting for debt impairment due to overstated debtors in the prior period.
- 6 Low spending due to usage of own equipment.
- 7 Low spending due to less utilization of consultants.
- 8 Budget provided for debt portion of asset, but assets were eventually bought for cash, and full amount was realised.

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Position						
Assets						
Current Assets						
Receivables from exchange transactions	-	-	-	2 838 236	2 838 236	
VAT receivable	-	-	-	2 868 717	2 868 717	
Consumer debtors	-	-	-	3 549 449	3 549 449	
Cash and cash equivalents	-	-	-	76 667 391	76 667 391	
	-	-	-	85 923 793	85 923 793	
Non-Current Assets						
Property, plant and equipment	59 505 000	48 526 196	108 031 196	219 961 057	111 929 861	8
Intangible assets	-	-	-	24 712	24 712	
	59 505 000	48 526 196	108 031 196	219 985 769	111 954 573	
Total Assets	59 505 000	48 526 196	108 031 196	305 909 562	197 878 366	
Liabilities						
Current Liabilities						
Finance lease obligation	-	-	-	132 646	132 646	
Operating lease liability	-	-	-	595 980	595 980	
Payables from exchange transactions	-	-	-	9 338 548	9 338 548	
Unspent conditional grants and receipts	-	-	-	18 921 027	18 921 027	
Provisions	-	-	-	3 124 245	3 124 245	
	-	-	-	32 112 446	32 112 446	
Non-Current Liabilities						
Provisions	-	-	-	959 157	959 157	
Total Liabilities	-	-	-	33 071 603	33 071 603	
Net Assets	59 505 000	48 526 196	108 031 196	272 837 959	164 806 763	
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated surplus	59 505 000	48 526 196	108 031 196	272 837 959	164 806 763	

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

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.

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, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period, except for the changes set out in note The details on any changes in accounting policies are explained in the relevant policy.

1.1 Presentation currency

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

1.2 Comparative figures

When the presentation or classification of items in the financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the correct year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.3 Standards, amendments to standards and interpretations issued but not yet effective

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

GRAP 18 Segment reporting - Issued March 2005

-No significant impact is expected as the municipality does not engage in segmental reporting.

GRAP 108 Statutory Receivables - Issued September 2013

-No significant impact is expected as this Standard is not yet effective to the municipality.

GRAP 32 Service Concession arrangements - Issued August 2013

-No significant impact is expected as this Standard is not yet effective to the municipality.

GRAP 105 Transfer of functions between entities under common control - Issued November 2007

-No significant impact is expected as the municipality does not have separate entities

GRAP 106 Transfer of functions between entities under common control - Issued July 2008

-No significant impact is expected as the municipality does not have separate entities.

GRAP 107 Mergers - Issued November 2010

-No significant impact is expected as the municipality did not engage in any mergers during or after the date of preparation of the annual financial statements.

GRAP 20 Related Party Disclosures (Revised)

IGRAP 17 Service Concession Arrangements where a Grantor controls a significant Residual Interest in an Asset.

1.4 Going concern assumption

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

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

1.5 Property, plant and equipment

Initial recognition

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

Initial measurement

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. The cost also includes the necessary costs of dismantling and removing the assets and restoring the site on which it is located.

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

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

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

Subsequent expenditure

Where the entity replaces parts of an asset, it derecognises the part of the asset being replaced and capitalised the new component.

Subsequent expenditure includes major spare part and serving equipment qualify as property, plant and equipment if the recognition criteria are met.

Subsequent Measurement

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

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

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

Depreciation

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

Impairment

Refer to accounting policy number 1.10.

Derecognition

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

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

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

Item	Average useful life
Buildings	30 years
Motor vehicles	5 years
Infrastructure	
• Road and paving	15 years
• Economic Development	20 years
• Sewerage	20 years
• Electricity	20 years
Community	
• Buildings	30 years
• Recreational Facilities	20-30 years
• Security	5 years
Other property, plant and equipment	
• Informal Markets	0 years
• Building Improvements	20 years
• Heavy and Mobile plant	10 years
• Furniture and Fitting	7 years
• Bins and Containers	5 years
• Plant - General	5 years
• Office Equipment	3-5 years
• Other items of Plant and Equipment	3-5 years

Reviewing the useful life of an asset on an annual basis does not require the entity 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.

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

1.6 Intangible assets

Initial Recognition

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

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

- the municipality intends to complete the intangible asset;
- it is technically feasible to complete the intangible asset;

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

- the municipality has the resources to complete the project; and
- it is probable that the municipality will receive the future economic benefits or service potential. Intangible assets are initially recognised at cost.

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

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

Subsequent Measurement - Cost Model

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

Amortisation and Impairment

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

Item	Useful life
Computer software	5 years

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

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

Derecognition

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

1.7 Financial Instruments

Initial Recognition and Measurement

Financial instruments are recognised initially recognised at fair value.

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

Subsequent measurement of financial assets and financial liabilities

Financial Assets are categorised according to their nature as either financial assets at fair value through profit or loss, held to maturity, loans and receivables, or available for sale have been discontinued. Financial liabilities are categorised as either at fair value through profit or loss or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation and is in accordance with GRAP 104.

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

Cash and Cash Equivalents

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets: loans and receivables. Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

Trade and Other Receivables

Trade and other receivables are categorised as financial assets: loans and receivables and are initially recognised at fair value and subsequently carried at amortised cost. Impairments are determined by discounting expected future cash flows to their present value. Amounts that are receivable within 12 months from the reporting date are classified as current.

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

Debtors

Debtors are recognised at fair value and measured at amortised cost using the effective interest method.

The amount of the provision is the difference between the assets carrying value and the present value of estimated future cash flows, discounted at the effective interest rate. Impairment losses are recognised in the Statement of Financial Statement. An estimate is made for doubtful debts based on the categorisation of debts and a review of past trends in collection rates applied to all outstanding amounts at year-end.

Trade and Other Payables

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

Trade creditors and other payables are measured at fair value.

1.8 Taxation

Value Added Taxation

The Municipality accounts for Value Added Tax on the payments basis. This means that VAT is declared to the South African Revenue Services as input VAT or output VAT only when payments are made to suppliers or payments are received for goods or services. The net output VAT on debtors where money has not been received or creditors where payment has not yet been made is disclosed separately in the Statement of Financial Position in terms of GRAP 1.

1.9 Leases

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

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

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

Municipality as Lessee

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

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

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

1.10 Impairment of assets

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

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

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

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual

asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the cash-generating unit to which the asset belongs is determined.

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

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

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

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

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

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

1.11 Provisions and contingencies

Provisions are recognised when the municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate.

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

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

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

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

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

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

1.12 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.

1.13 Fruitless and wasteful expenditure

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

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

1.14 Irregular expenditure

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

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

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

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

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

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

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

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

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

1.15 Capital commitments

Items are classified as commitments where the Municipality commits itself to future transactions that will normally result in the outflow of resources. Capital commitments are not recognised in the statement of financial position as a liability but are included in the disclosure notes in the following cases. Approved and contracted commitments, where the expenditure has been approved and the contract has been awarded at the reporting date, where disclosure is required by a specific standard of GRAP.

1.16 Revenue

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

Revenue from exchange transactions is only recognised once all of the following criteria have been satisfied:

The entity 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; and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from exchange transactions is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the entity.

Interest revenue is recognised on a time proportion basis.

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

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

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

Grant, Transfers and Donations

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

1.17 Events after reporting date

No events took place after year end.

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

1.18 Budget information

The annual budget figures have been presented in accordance with the GRAP reporting framework. A separate statement of comparison of budget and actual amounts, which forms part of the annual financial statements has been prepared. The comparison of budget and actual amount will be presented on the same accounting basis, same classification basis and for the same entity and period as for the approved budget. The budget of the municipality is taken for a stakeholder consultative process and upon approval the approved budget is made publicly available.

Material differences in terms of the basis, timing or entity have been disclosed in the notes to the annual financial statements.

The most recent approved budget by Council is the final budget for the purpose of comparison with the actual amounts.

1.19 Employee benefits

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

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

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

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

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

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

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

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

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

1.20 Retirement benefits

Provident fund contribution

The municipality and its employees contribute to one provident fund that caters for the majority of the staff. The KZN Joint Municipal Provident Fund is a defined contribution fund. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year they become payable.

Defined contribution plans

The municipality provides retirement benefits for its employees. The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year it becomes payable. The defined contribution funds, which are administered on a provincial basis, are actuarially valued triennially according to the Discounted Cash Flow and Discontinuance Method Approach.

1.21 Related parties

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

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

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

1.22 Significant judgements and sources of estimation uncertainty

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

Trade receivables

The municipality assesses its trade 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 financial asset.

The impairment for trade receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

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 [name a key assumption] assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible 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. In addition, goodwill is tested on an annual basis for impairment. 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 goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including [list entity specific variables, i.e. production estimates, supply demand], together with economic factors such as [list economic factors such as exchange rates inflation interest].

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 12 - Provisions.

Post retirement benefits

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

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

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 26.

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

Effective interest rate

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

Allowance for doubtful debts

On debtors 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 debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

Figures in Rand	2015	2014
2. Receivables from exchange transactions		
Other Debtors	2 419 301	1 786 769
Distribution account -KDM	2 030	2 030
Accrued revenue	416 905	340 426
	<u>2 838 236</u>	<u>2 129 225</u>
Other debtors consist of:		
Salaries suspense	232 397	98 067
Rental debtors	1 699 627	1 688 702
Salary over-payments	487 277	-
	<u>2 419 301</u>	<u>1 786 769</u>
<p>Salary over-payments of R487 277 refers to an amount allegedly misappropriated by the Payroll Officer, the matter is still to be dealt with accordingly through disciplinary processes.</p>		
<p>Included in Other Debtors of R2 419 301, is an amount of R1 214 879 which relates to an overpayment of creditors in prior year, the amount is deemed to be recoverable, hence no provision has been raised. The Municipality is currently in negotiation with the creditors regarding payment of this amount.</p>		
3. VAT receivable		
VAT	<u>2 868 717</u>	<u>3 516 659</u>
<p>VAT is payable on the payment basis. VAT is paid over to SARS only once payments is received from debtors.</p>		
4. Consumer debtors		
Gross balances		
Rates	<u>6 930 291</u>	<u>5 516 741</u>
Less: Allowance for impairment		
Rates	<u>(3 380 842)</u>	<u>(4 116 864)</u>
Net balance		
Rates	<u>3 549 449</u>	<u>1 399 877</u>
Rates		
Current (0 -30 days)	335 185	151 752
31 - 60 days	86 037	125 949
61 - 90 days	86 601	122 238
91 - 120 days	67 210	123 467
121 - 365 days	592 916	362 008
> 365 days	2 381 500	514 463
	<u>3 549 449</u>	<u>1 399 877</u>

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

Figures in Rand	2015	2014
4. Consumer debtors (continued)		
Summary of debtors by customer classification		
Residential		
Current (0 -30 days)	96 020	36 724
31 - 60 days	29 646	36 410
61 - 90 days	33 477	35 837
91 - 120 days	28 627	35 689
121 - 365 days	113 996	102 837
> 365 days	599 196	494 124
	900 962	741 621
Industrial/ commercial		
Current (0 -30 days)	152 146	132 049
31 - 60 days	110 529	96 276
61 - 90 days	106 972	90 291
91 - 120 days	106 980	90 681
121 - 365 days	425 958	253 773
> 365 days	1 957 504	52 029
	2 860 089	715 099
National and provincial government		
Current (0 -30 days)	120 591	97 076
31 - 60 days	63 499	97 539
61 - 90 days	63 328	97 104
91 - 120 days	49 035	96 670
121 - 365 days	165 812	287 403
> 365 days	2 706 975	4 217 051
	3 169 240	4 892 843
Total		
Current (0 -30 days)	368 758	265 849
31 - 60 days	203 675	230 225
61 - 90 days	203 777	223 232
91 - 120 days	184 641	223 040
121 - 365 days	705 765	4 574 395
> 365 days	5 263 675	-
	6 930 291	5 516 741
Less: Allowance for impairment	(3 380 842)	(4 116 864)
	3 549 449	1 399 877
Less: Allowance for impairment		
Current (0 -30 days)	(33 573)	(114 095)
31 - 60 days	(117 638)	(104 275)
61 - 90 days	(117 176)	(100 994)
91 - 120 days	(117 431)	(99 572)
121 - 365 days	(112 850)	(282 004)
> 365 days	(2 882 174)	(3 415 924)
	(3 380 842)	(4 116 864)

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

Figures in Rand	2015	2014
4. Consumer debtors (continued)		
Reconciliation of allowance for impairment		
Balance at beginning of the year	(4 116 864)	(1 854 258)
Contributions to allowance	-	(2 262 606)
Reversal of allowance	736 022	-
	(3 380 842)	(4 116 864)

Credit quality of consumer debtors

The credit quality of consumer debtors 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:

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	1 000	1 000
Bank balances	3 366 395	2 315 484
Short-term deposits	73 299 996	55 167 850
	76 667 391	57 484 334

The municipality had the following bank accounts

Account number / description	Bank statement balances		Cash book balances	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
Main Bank account 4079294191 ABSA BANK - Cheque Account	5 760 130	4 120 735	3 366 395	1 581 435
Short Term Deposit - ABSA CALL ACCOUNT 9123945833	6 550 966	868 238	6 550 966	868 238
FIXED DEPOSIT 2068130142	5 245 810	4 938 031	5 245 810	4 938 031
FIXED DEPOSIT 2073633680	5 529 572	5 204 022	5 529 572	5 204 022
FIXED DEPOSIT 2074031386	-	5 067 047	-	5 067 047
FIRST NATIONAL BANK CALL ACCOUNT 62087920635	4 196 455	4 827 402	4 196 455	4 827 402
FIXED DEPOSIT 7439884232	6 715 650	6 330 705	6 715 650	6 330 705
FIXED DEPOSIT 74305967356	7 678 750	7 231 175	7 678 750	7 231 175
ITHALA CALL ACCOUNT 17621154	5 994 745	1 032 546	5 994 745	1 032 546
FIXED DEPOSIT 17621146	2 124 016	2 000 000	2 124 016	2 000 000
INVESTEC BANK CALL ACCOUNT 1100463139501	-	283 492	-	283 492
FIXED DEPOSIT 1100463139452	-	3 163 548	-	3 163 548
FIXED DEPOSIT 1100463139453	-	6 397 365	-	6 397 365
FIXED DEPOSIT 1100463139454	4 945 195	4 655 056	4 945 195	4 655 056
FIXED DEPOSIT 1100463139455	3 366 753	3 169 223	3 366 753	3 169 223
CASH ON HAND	1 000	1 000	1 000	1 000
FIRST NATIONAL BANK CHEQUE ACCOUNT 62027922930	1 778 992	427 853	-	423 482
CALL ACCOUNT 058681019001 STANDARD BANK	5 344 994	-	5 344 994	-
FIXED DEPOSIT 058681019005 STANDARD BANK	3 024 981	-	3 024 981	-
FIXED DEPOSIT 17627657 ITHALA BANK	5 236 602	-	5 236 602	-
CALL ACCOUNT 1100463139502 INVESTEC BANK	3 979 500	-	3 979 500	-
FIXED DEPOSIT 1100463139450	3 366 007	-	3 366 007	-
Total	80 840 118	59 717 438	76 667 391	57 173 767

Ndwedwe Local Municipality
Annual Financial Statements for the year ended 30 June 2015
Notes to the Annual Financial Statements

Figures in Rand

6. Property, plant and equipment

	2015		2014			
	Cost / Valuation	Accumulated depreciation and impairment	Carrying value	Cost / Valuation	Accumulated depreciation and impairment	Carrying value
Buildings	13 988 466	(3 357 015)	10 631 451	13 988 465	(2 860 931)	11 127 534
Motor vehicles	9 742 058	(2 765 321)	6 976 737	3 590 392	(2 230 764)	1 359 628
Infrastructure	86 640 009	(31 486 704)	55 153 305	81 805 443	(24 127 724)	57 677 719
Community	60 403 643	(16 753 771)	43 649 872	60 403 644	(12 993 388)	47 410 256
Other property, plant and equipment	14 691 260	(5 274 233)	9 417 027	13 344 375	(4 210 648)	9 133 727
Work in Progress	94 132 665	-	94 132 665	39 847 893	-	39 847 893
Total	279 598 101	(59 637 044)	219 961 057	212 980 212	(46 423 455)	166 556 757

Ndwedwe Local Municipality
Annual Financial Statements for the year ended 30 June 2015
Notes to the Annual Financial Statements

Figures in Rand

6. Property, plant and equipment (continued)										
Reconciliation of property, plant and equipment - 2015										
	Opening balance	Additions	Disposals	Transfers	Revaluations	Other changes and movements	Restatement	Depreciation	Impairment loss	Total
Buildings	11 127 534	-	-	131 191	-	-	-	(627 274)	-	10 631 451
Motor vehicles	1 359 628	6 151 666	-	-	-	-	-	(515 455)	(19 102)	6 976 737
Infrastructure	57 677 719	-	-	4 834 566	-	-	-	(7 290 447)	(68 533)	55 153 305
Community	47 410 256	-	-	(131 191)	-	-	-	(3 003 889)	(625 304)	43 649 872
Other property, plant and equipment	9 133 727	767 364	(89 778)	-	5 500	663 800	-	(1 066 575)	2 989	9 417 027
Work in Progress	39 847 893	59 119 338	-	(4 834 566)	-	-	-	-	-	94 132 665
	166 556 757	66 038 368	(89 778)	-	5 500	663 800	-	(12 503 640)	(709 950)	219 961 057

Reconciliation of property, plant and equipment - 2014										
	Opening balance	Additions	New assets at fair value	Disposals	Transfers	Donations	Restatement	Depreciation	Impairment loss	Total
Buildings	12 241 985	50 895	-	-	-	-	(477 604)	(687 742)	-	11 127 534
Motor vehicles	1 732 593	-	-	(193)	-	-	-	(347 761)	(25 011)	1 359 628
Infrastructure	54 976 445	-	-	-	3 545 379	-	6 199 036	(7 043 141)	-	57 677 719
Community	49 804 144	-	-	-	-	-	477 604	(2 871 492)	-	47 410 256
Other property, plant and equipment	3 957 752	5 983 598	156 888	(214 122)	-	85 709	-	(796 014)	(40 084)	9 133 727
Work in Progress	26 966 063	22 589 433	-	-	(3 545 379)	-	(6 162 224)	-	-	39 847 893
	149 678 982	28 623 926	156 888	(214 315)	-	85 709	36 812	(11 746 150)	(65 095)	166 556 757

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.

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

Figures in Rand 2015 2014

7. Intangible assets

	2015			2014		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	229 073	(204 361)	24 712	229 073	(179 714)	49 359

Reconciliation of intangible assets - 2015

	Opening balance	Write-off	Amortisation	Total
Computer software, other	49 359	-	(24 647)	24 712

Reconciliation of intangible assets - 2014

	Opening balance	Write-off	Amortisation	Total
Computer software, other	140 193	(44 135)	(46 699)	49 359

8. Finance lease obligation

Minimum lease payments due				
- within one year			132 646	399 285
- in second to fifth year inclusive			-	753 009
			132 646	1 152 294
less: future finance charges			-	(753 008)
Present value of minimum lease payments			132 646	399 286
Present value of minimum lease payments due				
- within one year			132 646	309 549
- in second to fifth year inclusive			-	89 737
			132 646	399 286
Non-current liabilities			-	132 646
Current liabilities			132 646	266 639
			132 646	399 285

Lease with Wesbank for the purchase of vehicles.

Lease ending 2016 financial year.

9. Operating lease liability

Minimum lease payments due		
Balance at the beginning	429 718	254 790
Current year lease (accrual)	166 262	174 928
	595 980	429 718

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

Figures in Rand	2015	2014
10. Payables from exchange transactions		
Trade payables	3 023 234	2 063 593
Retentions	6 221 261	1 355 076
Other payables	38 358	-
Debtors with credit balance	55 694	67 359
	9 338 547	3 486 028

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

11. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts		
Access Road - MIG	7 671 176	11 066 981
NDPG	6 635 696	4 398 832
Kwaloshe Tourism Project grant	97 097	97 097
KZN Sports & Recreation grant	142 065	230 303
INEP	2 249 403	14 634 855
Small Town Rehabilitation Grant	-	4 000 000
Support for Thusong centre	-	10 261
Synergistic Partnership grant	-	14 199
COGTA Massification grant	2 125 590	-
Cogta Housing Connection grant	-	2 000 000
	18 921 027	36 452 528

Movement during the year

Balance at the beginning of the year	36 452 527	13 871 540
Additions during the year	60 670 000	56 700 855
Income recognition during the year	(78 201 500)	(34 119 867)
	18 921 027	36 452 528

Grant register 2014 / 2015

	Opening Balance	Received	Expenditure	Balance
MSIG	-	934 000	934 000	-
FMG	-	1 800 000	1 800 000	-
KZN Sports & Recreation	230 303	-	88 238	142 065
Synergistic Partnership	14 199	-	14 199	-
KwaLoshe Tourism	97 097	-	-	97 097
MIG	11 066 981	24 936 000	28 331 805	7 671 176
NDPG	4 398 832	11 000 000	8 763 136	6 635 696
National Electrification	14 634 855	8 000 000	20 385 452	2 249 403
Small Town Rehabilitation	4 000 000	(4 000 000)	-	-
Thusong Centre	10 261	-	10 261	-
EPWP	-	1 000 000	1 000 000	-
COGTA Connection	2 000 000	(2 000 000)	-	-
COGTA Massification	-	19 000 000	16 874 410	2 125 590
	36 452 528	60 670 000	78 201 501	18 921 027

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

Figures in Rand 2015 2014

12. Provisions

Reconciliation of provisions - 2015

	Opening Balance	Additions	Utilised during the year	Total
Long-service awards	721 279	268 762	(30 884)	959 157
Leave pay provision	2 043 293	603 504	(232 856)	2 413 941
Salary Provision	432 024	710 304	(432 024)	710 304
	3 196 596	1 582 570	(695 764)	4 083 402

Reconciliation of provisions - 2014

	Opening Balance	Additions	Utilised during the year	Total
Long service awards	485 545	269 200	(33 466)	721 279
Leave pay provision	1 384 555	871 885	(213 147)	2 043 293
Salary provision	-	432 024	-	432 024
	1 870 100	1 573 109	(246 613)	3 196 596

Non-current liabilities	959 157	721 279
Current liabilities	3 124 245	2 475 317
	4 083 402	3 196 596

13. Revenue

Rental of facilities and equipment	430 571	192 283
Interest received (trading)	570 862	430 548
Recoveries	736 021	-
Other income	839 936	588 093
Interest received - investment	5 471 212	3 738 426
Property rates	5 871 298	4 270 976
Government grants & subsidies	160 953 500	99 910 628
Public contributions and donations	663 800	85 709
	175 537 200	109 216 663

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

Rental of facilities and equipment	430 571	192 283
Interest received (trading)	570 862	430 548
Recoveries	736 021	-
Other income	839 936	588 093
Interest received - investment	5 471 212	3 738 426
	8 048 602	4 949 350

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

Taxation revenue		
Property rates	5 871 298	4 270 976
Transfer revenue		
Government grants & subsidies	160 953 500	99 910 628
Public contributions and donations	663 800	85 709
	167 488 598	104 267 313

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

Figures in Rand	2015	2014
14. Property rates		
Rates received		
Property rates	5 871 298	4 270 976
Valuations		
Residential	14 348 000	17 072 000
Commercial	4 995 000	750 000
State	543 527 000	59 904 000
Agriculture	577 553 000	407 342 200
Institutional	1 015 000	-
Special Purposes	2 265 000	4 210 000
Agriculture (Residential/Commercial)	-	181 066 000
Industrial	1 875 000	-
Rural	8 249 000	-
Place of worship	2 835 000	-
Municipal	20 951 000	-
public Service Infrastructure	193 000	-
	1 177 806 000	670 344 200

The municipal valuations and property rates were implemented with effect 1 July 2009 in terms of Municipal Rates Act.

Valuations on land and buildings are valid for four years.

The first valuation roll came into effect on 1 July 2009.

A new valuation roll was implemented on 1 July 2014

Interim valuations are processed on a quarterly basis to take into account changes on individual property values due to alterations, consolidations, subdivisions and new township development. Various rates in the Rand were applied in accordance with categories determined in terms of the Municipal Property Rates Act.

Rebates applicable were applied in line with the municipal property rates policy. Rebates are levied on a monthly basis in terms of municipal rates policy and interest is charged on outstanding amounts as determined by the municipality in terms of rates policy and tariff of charges.

15. Government grants and subsidies

Operating grants

Equitable share	82 752 000	67 373 000
	82 752 000	67 373 000

Capital grants

Municipal Infrastructure Grant and Capital Grants	57 219 071	27 492 887
Department of Co-operative Governance and Traditional Affairs KZN	18 181 781	853 570
Municipal System Improvement Grant	1 000 648	1 742 188
Department of Finance: National Treasury	1 800 000	2 448 983
	78 201 500	32 537 628
	160 953 500	99 910 628

Equitable Share

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

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

Figures in Rand	2015	2014
16. General expenses		
Advertising	205 471	216 788
Assets expensed	14 945	449
Bank charges	99 046	99 666
Cleaning	256 429	206 029
Community development and training	1 701 571	1 283 941
Computer expenses	-	13 859
Conditional Grant	29 286	5 156 450
Conferences and seminars	243 728	101 277
Consulting and professional fees	519 835	1 887 290
Council Industrial	6 305	5 449
Council committee	80 586	91 369
Disaster Infrastructure	70 500	-
Electricity	795 339	761 522
Entertainment	130 349	163 803
Fuel and oil	1 223 097	927 659
IDP Programme	1 105 380	499 824
IT expenses	268 762	269 200
Indigent Burial	387 300	413 300
Indigent Support	-	143 374
Insurance	1 022 680	239 123
Lease rentals on operating lease	517 984	462 879
Magazines, books and periodicals	26 046	5 705
Marketing	309 451	245 999
Medical expenses	850	690
Motor vehicle expenses	117 992	50 537
Municipal Ward Committee	2 594 022	1 706 565
National Calendar	586 506	177 198
Occupational Health	476 507	536 272
Postage and courier	17 981	23 742
Printing and stationery	498 349	315 491
Property rates	68 062	697 885
Re-location costs	-	6 684
Refuse	874 366	570 857
Research and development costs	2 126 316	1 964 817
SALGA Games	580 607	585 379
Skills Development	298 114	266 893
Social Responsibility	244 700	199 388
Software expenses	1 870 712	1 322 571
Sport, Arts and Recreation	1 267 825	790 440
Staff welfare	588 372	433 516
Subscriptions and membership fees	505 942	450 439
Sundries	-	195
Telephone and fax	1 509 606	770 963
Tourism development	569 834	451 105
Training	969 252	33 625
Travel - local	6 095 033	4 087 660
Uniforms	57 845	61 150
	30 932 883	28 699 017

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

Figures in Rand	2015	2014
17. Employee related costs		
Basic	22 683 732	14 864 601
Medical aid - company contributions	1 149 662	965 694
UIF	138 470	106 317
Pension Funds	2 306 320	1 943 818
Overtime payments	417 310	524 583
Travel, Motor car and other allowances	1 570 641	411 366
Housing benefits and allowances	118 104	95 602
	28 384 239	18 911 981
Remuneration of Municipal Manager- Thembeke Cibane		
Annual Remuneration	780 945	738 535
Car Allowance	239 156	221 560
Contributions to UIF, Medical and Pension Funds	1 785	1 785
Other	10 022	7 965
	1 031 908	969 845
Remuneration of Chief Finance Officer- Thula Monde Nkosi		
Annual Remuneration	640 914	606 527
Car Allowance	196 354	181 958
Contributions to UIF, Medical and Pension Funds	29 224	27 190
Other	8 496	6 538
	874 988	822 213
Remuneration of Director Corporate Services- Sihle Ndaba		
Annual Remuneration	371 948	487 926
Car Allowance	112 817	146 378
Contributions to UIF, Medical and Pension Funds	50 095	63 232
Other	9 441	5 262
	544 301	702 798
Acting allowance as Municipal manager from August 2013 - March 2014	-	136 455
Remuneration of acting Municipal Manager - Isibuko Financial Services (Mr. Basie Strydom)		
Acting allowance as Municipal Manager from September 2014 - December 2014	382 035	-
Remuneration of Director EDP- Phakama Noble Mhlongo		
Annual Remuneration	616 085	568 230
Car Allowance	188 670	172 903
Contributions to UIF, Medical and Pension Funds	1 785	1 785
Other	7 906	14 190
	814 446	757 108
Acting allowance as Municipal Manager from July - August 2014	11 346	-
Director technical - Mzwakhe Dlamini		
Annual Remuneration	580 487	-
Car Allowance	194 176	-

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

Figures in Rand	2015	2014
17. Employee related costs (continued)		
Contributions to UIF, Medical and Pension Funds	31 809	-
Other	66 766	-
	873 238	-
18. Remuneration of councillors		
Mayor: M Hadebe		
Salary	394 147	374 889
Travel	168 191	158 671
Telephone allowance	20 868	20 868
Backpay	21 420	17 000
Pension	59 122	56 233
Medical aid	29 884	27 889
	693 632	655 550
Deputy mayor: EN Blose		
Salary	186 943	156 173
Travel	55 503	69 815
Telephone allowance	-	20 868
Backpay	12 566	7 480
Pension	28 041	23 426
Medical aid	16 103	22 366
	299 156	300 128
Speaker: M Zondi		
Salary	324 835	285 109
Travel	100 914	126 936
Telephone allowance	20 868	20 868
Backpay	17 136	13 600
Pension	48 725	42 766
Medical aid	46 599	41 037
	559 077	530 316
Executive Committee Members and other Councillors		
Salaries	5 681 009	6 026 013
Travel	479 612	383 077
Telephone allowances	736 849	605 172
Backpay	362 594	-
Pension	699 744	537 910
Medical aid	134 304	46 714
	8 094 112	7 598 886
19. Depreciation and amortisation		
Property, plant and equipment	12 503 639	11 746 150
Intangible assets	24 647	46 699
	12 528 286	11 792 849

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

Figures in Rand	2015	2014
20. Debt impairment		
Contributions to debt impairment provision		2 262 606
21. Finance costs		
Non-current borrowings	209 666	109 801
22. Contracted services		
Audit fees	1 814 490	1 449 695
Mayoral VIP services	2 683 902	3 039 393
	4 498 392	4 489 088
23. Cash generated from operations		
Surplus	84 568 931	26 207 270
Adjustments for:		
Depreciation and amortisation	12 528 286	11 792 849
Gain on sale of assets and liabilities	89 778	258 477
Impairment deficit	709 950	65 096
Debt impairment	-	2 262 606
Movements in operating lease assets and accruals	166 262	174 928
Movements in provisions	886 806	1 326 496
Restatement of prior year accumulated surplus	1 096 973	(1 461 916)
Other non-cash items	(669 300)	(78 387)
Changes in working capital:		
Receivables from exchange transactions	(709 011)	(1 518 911)
Consumer debtors	(2 149 572)	(611 861)
Payables from exchange transactions	5 852 520	(6 198 978)
VAT	647 942	396 195
Unspent conditional grants and receipts	(17 531 501)	13 720 870
	85 488 064	46 334 734

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

Figures in Rand 2015 2014

24. Commitments

Authorised capital expenditure

Already contracted for but not provided for

• Infrastructure	45 544 398	30 526 310
• Other property, plant and equipment	-	13 611 932
• Operating lease due within one year	424 242	425 452
• Operating lease due within 2 to 5 years	113 521	537 763
	46 082 161	45 101 457

This expenditure will be financed from:

• Municipal Infrastructure Grant	20 547 700	-
• National Development Planning Grant	14 530 998	-
• National Infrastructure Energy Grant	6 706 084	-
• Department of Co-operative Governance and Traditional Affairs KZN	1 803 748	-
• Human Settlements Housing Grant	1 955 868	-
	45 544 398	-

Operating leases - as lessee (expense)

Operating lease payments represent rentals payable by the municipality for certain of its office properties. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable.

25. Related parties

Related party balances

Loan accounts - Owing (to) by related parties

KDM	2 030	2 030
-----	-------	-------

26. Employee benefit obligations

Defined contribution plan

It is the policy of the municipality to provide retirement benefits to all its employees [or specify number of employees covered]. 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.

Included in defined contribution plan information above, is the following plan(s) which is (are) a Multi-Employer Funds and is (are) a Defined Benefit Plans, but due to the fact that sufficient information is not available to enable the municipality to account for the plan(s) as a defined benefit plan(s). The municipality accounted for this (these) plan(s) as a defined contribution plan(s):

27. Taxation

Municipalities are exempt from paying tax in terms of section 10(1)(a) of the Income Tax Act

28. Prior period errors

The following adjustments were made to amounts previously reported in the annual financial statements

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

Statement of financial position

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

Figures in Rand	2015	2014	
28. Prior period errors (continued)			
	Previously reported	Adjustment	Restated balance
Consumer debtors	1 399 877	-	1 399 877
Cash and cash equivalents	57 173 767	310 567	57 484 334
Property, plant and equipment	166 449 726	(79 395)	166 370 331
Payables from exchange transactions	(3 828 228)	342 200	(3 486 028)
Unspent conditional grants and receipts	(39 962 468)	3 509 940	(36 452 528)
Accumulated surplus	(182 902 318)	(8 200 176)	(191 102 494)

Statement of financial performance

	Previously reported	Adjustment	Restated balance
Government grants & subsidies	96 400 688	3 509 940	99 910 628
Depreciation and amortisation	(11 723 350)	(69 499)	(11 792 849)
Contracted services	(3 039 393)	(1 449 695)	(4 489 088)
General Expenses	(30 597 231)	1 898 214	(28 699 017)

Consumer debtors

	Previously reported	Adjustment	Restated balance
Opening balance - debtors	9 155 576	(3 638 670)	5 516 906
Opening balance - provision	(7 755 699)	3 638 670	(4 117 029)
	1 399 877	-	1 399 877

Cash and cash equivalents

Opening balance as previously reported	-	57 173 767
Correction of prior period error	-	153 022
Correction of prior period error - Computer software	-	157 545
	-	57 484 334

Reversal of unclaimed cheques.

Property, plant and equipment

Opening balance as previously reported	-	166 449 726
Movement in Infrastructure	-	(116 198)
Movement in Work in progress	-	36 803
	-	166 370 331

Road with a completion certificate signed in 2013/14 but only recognised in 2014/15.

Payables from exchange transactions

Opening balance as previously reported	-	(3 828 228)
Correction of prior period error - Legal fees	-	352 200
Correction of prior period error -Entertainment	-	(10 000)
	-	(3 486 028)

Unspent conditional grants and receipts

Opening balance as previously reported	-	(39 962 468)
Correction of prior period error	-	3 509 940
	-	(36 452 528)

VAT and retention not recognised in prior year.

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

Figures in Rand	2015	2014
28. Prior period errors (continued)		
Accumulated surplus		
Opening balance as previously reported	-	(182 902 318)
Correction of prior period error	-	(8 200 176)
		<u>(191 102 494)</u>
Government grants & subsidies		
Opening balance as previously reported	-	96 400 688
Correction of prior period error	-	3 509 940
		<u>99 910 628</u>
VAT and retention not recognised in prior year.		
Depreciation and amortisation		
Opening balance as previously reported	-	(11 723 350)
Correction of prior period error	-	(116 198)
Reallocation to amortisation	-	46 699
		<u>(11 792 849)</u>
Depreciation for an asset with a completion certificate dated 2013/14, but recognised in 2014/15.		
Contracted services		
Opening balance as previously reported	-	(3 039 393)
Correction of prior period error	-	(1 449 695)
		<u>(4 489 088)</u>
Auditing fees now recognised under contracted services.		
General Expenses		
Opening balance as previously reported	-	(30 597 231)
Correction of prior period error - Auditors remuneration	-	1 522 085
Correction of prior period error - Conditional Grants	-	2 509
Correction of prior period error - Consulting and professional fees	-	352 200
Correction of prior period error - Electricity	-	7 670
Correction of prior period error - Entertainment	-	(10 000)
Correction of prior period error - Software expenses	-	23 750
		<u>(28 699 017)</u>

29. Going concern

We draw attention to the fact that at 30 June 2015, the municipality had accumulated surplus of R 272 837 960 and that the municipality's total assets exceed its liabilities by R 272 837 960.

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.

30. Events after the reporting date

No events took place after year end.

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

Figures in Rand	2015	2014
31. Fruitless and wasteful expenditure		
Opening balance	1 226 494	-
Car rental	-	25 249
Over payments	-	3 265 726
Recovered	-	(2 064 481)
	1 226 494	1 226 494
Matters are being investigated by MPAC.		
32. Unauthorised expenditure		
Personnel	-	648 925
Remuneration of councillors	-	168 442
Depreciation and amortisation	344 317	2 323 350
Impairment loss/ reversal of impairments	709 950	65 096
Finance costs	158 666	-
Debt impairment	855 243	-
General expenses	-	119 613
	2 068 176	3 325 426
33. Irregular expenditure		
Opening balance	22 706 276	14 834 911
Add: Irregular Expenditure - current year	3 485 796	7 871 365
	26 192 072	22 706 276
Summary of cases for 2014/2015		Number of cases
SCM related cases		71
Discharged Councillor		1
Cellphone		1
		73
Matters are being investigated by MPAC.		
34. Additional disclosure in terms of Municipal Finance Management Act		
Contributions to organised local government		
Current year subscription / fee	500 000	-
Amount paid - current year	(500 000)	-
	-	-
Audit fees		
Current year subscription / fee	1 082 099	1 023 134
Amount paid - current year	(1 081 443)	(1 023 134)
	656	-
PAYE and UIF		
Current year subscription / fee	4 503 323	4 417 653
Amount paid - current year	(4 503 323)	(4 417 653)
	-	-

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

Figures in Rand	2015	2014
34. Additional disclosure in terms of Municipal Finance Management Act (continued)		
Pension and Medical Aid Deductions		
Current year subscription / fee	3 424 819	2 231 011
Amount paid - current year	(3 424 819)	(2 231 011)
	<u>-</u>	<u>-</u>
VAT		
VAT receivable	<u>2 868 717</u>	<u>3 516 659</u>

VAT output payables and VAT input receivables are shown in note 3.

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

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

Figures in Rand

2015

2014

35. Employee benefit obligations

Defined benefit plan

The Council provides retirement benefits to employees by contributing to a provident fund. Membership of the provident fund is compulsory for all permanent employees. The personnel are members of the following provident funds:

Kwazulu-Natal Joint Municipality Provident Fund

Actuarial valuation as at 31 March 2014

Results of the valuation

The Fund self-insures its risk benefits in excess of the full benefit. It therefore maintains a Risk Reserve Account as a measure of protection against volatility in claims experience. The amount of R18 897 000 is required to be held in the Risk Reserve Account. The market value of the assets exceeded the liabilities by R187 820 000 at the valuation date. At the previous valuation date there was a surplus. The Fund is financially sound as at the valuation date.

Benefits

Pension age 65 years
Earliest retirement age 58 years (55 years if more than 10 years continuous service)

Full benefit - Initial transfer plus member's contributions plus employer's contributions for full benefits plus investment earnings and bonuses.

Member's portion of full benefits - Initial transfer plus members contributions plus local authorities contributions for full benefits plus interim, special and final bonuses.

Benefit on retirement after earliest retirement age or pension age - Full benefit.

Benefit on retirement because of ill health - Full benefit.

Benefit on death in service - Full benefit plus 0,7% of annual pensionable salary for each month of potential service to a maximum of 2.1 years salary.

Contributions

: Members may choose to contribute at a rate of 5%, 7% or 9,25% of their pensionable emoluments in terms of regulation 14(a)

: Participating employers contribute at a rate of 1,95 times of the rate of members contribution in terms of regulation 17(1)(b)

: Of the contribution by the Employer, 3.75% of pensionable emoluments is applied to meeting cost of the risk benefits and expenses

Asset allocation

Domestic Investments	1 399 436 000
International Investments	356 769 000
Risk Reserve Account	18 897 000
Unallocated Assets (deficit)	66 473 000
Membership	10 579 members

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

Figures in Rand

2015

2014

Long Service Award Liability

Introduction

In estimating the unfunded liability for LSA of the Municipality a number of actuarial assumptions are required. The GRAP 25 Statement places the responsibility on management to set these assumptions, as guided by the principles set out in the Statement and in discussion with the actuary.

It should be noted that the valuation method and assumptions do not affect the ultimate cost of the LSA arrangement – this is determined by actual experience and by the benefits provided. The method and assumptions influence how the past service liability and current-service costs are recognised over time.

The key financial and demographic assumptions are summarised below.

Key Financial Assumptions

The summary of the key financial assumptions used for the liabilities at the Valuation Date and the expense figures for the ensuing year.

Assumptions	Value p.a.
Discount rate	8.33%
General Salary Inflation (long-term)	7.27%
Net effective discount rate	0.99%

The salaries used in the valuation include an assumed increase on 1 July 2015 of 7% as per the SALGBC Circular No.: 3/2014. The next salary increase was assumed to take place on 1 July 2016.

Key demographic Assumptions

The summary of the key demographic assumptions used.

Assumptions	Value	Rate
Average retirement age	60	
Mortality during employment	SA 85-90	
Withdrawal from service (sample annual rates)	Age	Female Male
	20	24% 16%
	30	15% 10%
	40	6% 6%
	50	2% 2%
	55	0% 0%

Result

Introduction

The results presented in this report focus on the Accrued Liability, as described in Section 4.2. This section contains a summary of the results.

Accrued Liability

The summary of the Unfunded Accrued Liability as at 30 June 2015.

Unfunded Accrued Liability

Unfunded Accrued Liability		
Total Value of Liabilities	959 157	721 279
Value of Assets	-	-
Unfunded Accrued Liability	959 157	721 279

Current-Service and Interest Costs

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

Figures in Rand

2015

2014

The summary of the Current-service Cost and the Interest Cost for the current and next financial years.

Current-Service and Interest Costs

Current-service Cost	133 987	104 632
Interest Cost	78 550	59 157

Notes:

(i) The Current-service Cost reflects the additional liability that is expected to accrue in respect of in-service members' service over the corresponding year.

(ii) The Interest Cost represents the accrual of interest on the Accrued Liability, allowing for benefit vestings, over the corresponding year. This arises because all future LSA benefits are one year closer to payment.

36. Financial instruments disclosure

Fair Value:

The following methods and assumptions were used to estimate the Fair Value of each class of Financial Instrument for which it is practical to estimate such value:

Cash and bank balances:

The carrying amount approximates the Fair Value because of the short maturity of these instruments.

Assumptions used in determining Fair Value of Financial Assets and Financial Liabilities

The table below analyses financial instruments carried at fair value at the end of the reporting period by the level of fair-value hierarchy as required by GRAP104. The different levels are based on the extent to which quoted prices are used in the calculation of the fair value of the financial instruments. The levels have been defined as follows:

Level 1:-

Fair Values are based on quoted market prices (unadjusted) in active markets for an identical instrument.

Level 2:-

Fair Values are calculated using valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active, or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3:-

Fair Values are based on valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have significant effect on the instrument's valuation. Also, this category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Categories of financial instruments

2015

Financial assets

	At fair value	At amortised cost	Total
Consumer debtors	-	3 549 449	3 549 449
Cash and cash equivalents	76 667 391	-	76 667 391
	76 667 391	3 549 449	80 216 840

In accordance with GRAP 104.3 the financial assets of the municipality were classified as above.

2014

Financial assets

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

Figures in Rand 2015 2014

36. Financial instruments disclosure (continued)

	At fair value	At amortised cost	Total
Consumer debtors	-	9 792 723	9 792 723
Cash and cash equivalents	55 167 850	-	55 167 850
Bank balance	2 004 917	-	2 004 917
Interest on outstanding debtors	-	430 548	430 548
	57 172 767	10 223 271	67 396 038

37. Risk management

Credit risk

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

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

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

Financial Instrument		
Consumer Debtors	3 549 449	2 232 699
Cash and cash equivalent	76 667 391	57 173 767
Trade and other receivables from exchange transactions	2 838 236	1 788 799

Market risk

The municipality's activities expose it primarily to the financial risks of changes in interest rates. No formal policy exists to hedge volatilities in the interest rate market.

There has been no change to the municipality's exposure to market risks or the manner in which it manages and measures the risk.

Interest rate risk

The municipality's activities expose it primarily to the financial risks of changes in interest rates. No formal policy exists to hedge volatilities in the interest rate market.

There has been no change to the municipality's exposure to market risks or the manner in which it manages and measures the risk.

Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

Ndwedwe Local Municipality

Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

Figures in Rand

2015

2014

38. Change In estimate

Key Sources of Estimation Uncertainty and Judgements

The following areas involve a significant degree of estimation uncertainty:

- Useful lives and residual values of property, plant, and equipment;
- Recoverable amounts of property, plant and equipment;
- Present value of defined benefit obligation;
- Fair value of plan assets;
- Provision for doubtful debts;
- Impairment of assets;
- Provision for long-term service award.

**Ndwedwe Local Municipality
Ndwedwe Local Municipality
Appendix B**

**Analysis of property, plant and equipment as at 30 June 2015
Cost/Revaluation
Accumulated depreciation**

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Newly Identified Assets at fair value Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Land and buildings												
Land	150 000	-	-	-	-	-	150 000	-	-	-	-	150 000
Landfill Sites (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-
Quarries (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-
Office Buildings	13 838 467	-	-	-	-	-	13 838 467	(2 729 742)	(627 274)	-	(3 357 016)	10 481 451
	13 988 467	-	-	-	-	-	13 988 467	(2 729 742)	(627 274)	-	(3 357 016)	10 631 451
Infrastructure												
Roads, Pavements & Bridges	81 737 016	-	-	4 834 566	-	-	86 571 582	(24 109 644)	(7 284 189)	(69 533)	(31 462 336)	55 109 246
Solid Waste Generation	68 427	-	-	-	-	-	68 427	(18 079)	(6 288)	-	(24 367)	44 060
Transmission & Reticulation	-	-	-	-	-	-	-	-	-	-	-	-
Street lighting	-	-	-	-	-	-	-	-	-	-	-	-
Dams & Reservoirs	-	-	-	-	-	-	-	-	-	-	-	-
Water purification	-	-	-	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-	-	-	-
Sewerage purification	-	-	-	-	-	-	-	-	-	-	-	-
Transportation (Airports, Car Parks, Bus Terminals and Taxi Ranks)	-	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-	-	-	-
Other (fibre optic, WIFI Infrastructure)	-	-	-	-	-	-	-	-	-	-	-	-
W.I.P	39 847 803	59 119 337	-	(4 834 566)	-	-	94 132 674	-	-	-	-	94 132 674
	121 653 346	59 119 337	-	(4 834 566)	-	-	180 772 683	(24 127 723)	(7 280 447)	(69 533)	(31 486 703)	149 285 980
Community Assets												
Parks & gardens	-	-	-	-	-	-	-	-	-	-	-	-
Sportsfields and stadium	-	-	-	-	-	-	-	-	-	-	-	-
Swimming pools	-	-	-	-	-	-	-	-	-	-	-	-
Community buildings	60 403 644	-	-	-	-	-	60 403 644	(13 124 577)	(3 003 890)	(625 304)	(16 753 771)	43 649 873
Libraries	-	-	-	-	-	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-	-	-	-
Museums & art galleries	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-	-	-	-
Fire, safety & emergency	-	-	-	-	-	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-	-	-	-
	60 403 644	-	-	-	-	-	60 403 644	(13 124 577)	(3 003 890)	(625 304)	(16 753 771)	43 649 873

**Ndwedwe Local Municipality
Ndwedwe Local Municipality
Appendix B**

**Analysis of property, plant and equipment as at 30 June 2015
Cost/Revaluation
Accumulated depreciation**

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Newly identified Assets at fair value Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Heritage assets														
Buildings														
Other														
Specialised vehicles														
Refuse														
Fire														
Conservancy														
Ambulances														
Buses														
Other assets														
Transport Assets	3 580 392	6 151 666	-				9 742 058	(2 230 764)			(515 455)	(19 104)	(2 765 323)	6 876 735
Machinery & equipment	9 288 511	240 467	(14 853)			663 800	10 177 925	(2 038 516)	8 147		(355 140)	-	(2 886 809)	7 591 416
Computer Equipment	1 682 096	257 389	(31 407)				1 918 038	(946 181)	25 791		(285 154)	605	(1 184 939)	733 099
Computer Software (part of computer equipment)														
Furniture and Office equipment	2 363 808	269 508	(43 518)		5 500		2 595 288	(1 224 952)	27 688		(307 906)	2 381	(1 602 789)	1 082 509
Office Equipment														
Office Equipment - Leased														
Abattoirs														
Markets														
Airports														
Security measures														
Civic land and buildings														
Other buildings														
Other land														
Other land														
Bins and Containers														
Work in progress														
Other														
Other Assets - Leased														
Surplus Assets - (Investment or Inventory)														
Housing development														
Other														
TOTAL	16 934 767	6 919 030	(89 778)		5 500	663 800	24 433 319	(6 441 413)	61 626		(1 643 655)	(16 116)	(8 039 860)	16 393 759

**Ndwedwe Local Municipality
Ndwedwe Local Municipality
Appendix B**

**Analysis of property, plant and equipment as at 30 June 2015
Cost/Revaluation
Accumulated depreciation**

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Newly identified Assets at fair value Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Total property plant and equipment														
Land and buildings	13 988 467						13 988 467	(2 728 742)			(627 274)		(3 357 016)	10 631 451
Infrastructure	121 653 346	59 119 337					180 772 683	(24 127 723)			(7 290 447)	(68 533)	(31 486 703)	149 285 980
Community Assets	60 403 644						60 403 644	(13 124 577)			(3 003 890)	(625 304)	(16 753 771)	43 649 873
Heritage assets														
Specialised vehicles														
Other assets	16 934 767	6 919 030	(89 778)		5 500	663 800	24 433 319	(6 441 413)	61 626		(1 643 655)	(16 118)	(8 038 580)	16 393 759
	212 980 224	66 038 367	(89 778)		5 500	663 800	279 698 113	(46 423 465)	61 626		(12 566 266)	(709 955)	(59 637 050)	219 981 063
Agricultural/Biological assets														
Agricultural Biological assets														
Intangible assets														
Computers - software & programming	229 072						229 072	(179 714)			(24 647)		(204 361)	24 711
Other														
	229 072						229 072	(179 714)			(24 647)		(204 361)	24 711
Investment properties														
Investment property														
Total														
Land and buildings	13 988 467						13 988 467	(2 728 742)			(627 274)		(3 357 016)	10 631 451
Infrastructure	121 653 346	59 119 337					180 772 683	(24 127 723)			(7 290 447)	(68 533)	(31 486 703)	149 285 980
Community Assets	60 403 644						60 403 644	(13 124 577)			(3 003 890)	(625 304)	(16 753 771)	43 649 873
Heritage assets														
Specialised vehicles														
Other assets	16 934 767	6 919 030	(89 778)		5 500	663 800	24 433 319	(6 441 413)	61 626		(1 643 655)	(16 118)	(8 038 580)	16 393 759
Agricultural/Biological assets														
Intangible assets	229 072						229 072	(179 714)			(24 647)		(204 361)	24 711
Investment properties														
	213 209 286	66 038 367	(89 778)		5 500	663 800	279 627 185	(46 603 199)	61 626		(12 569 913)	(709 955)	(59 641 411)	219 981 774

**Ndwedwe Local Municipality
Ndwedwe Local Municipality
Appendix B**

**Analysis of property, plant and equipment as at 30 June 2014
Cost/Revaluation
Accumulated depreciation**

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Newly identified assets at fair value Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Land and buildings														
Land (Separate for AFS purposes)	150 000	-	-	-	-	-	150 000	-	-	-	-	-	-	150 000
Landfill Sites (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Quarries (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings (Separate for AFS purposes)	13 787 571	50 894	-	-	-	-	13 838 465	(2 173 190)	-	-	(687 742)	-	(2 860 932)	10 977 533
	13 937 571	50 894	-	-	-	-	13 988 465	(2 173 190)	-	-	(687 742)	-	(2 860 932)	11 127 533
Infrastructure														
Roads, Pavements & Bridges	78 191 636	-	-	3 545 380	-	-	81 737 016	(17 072 793)	-	-	(6 920 654)	-	(23 993 447)	57 743 569
Solid Waste Disposal	68 427	-	-	-	-	-	68 427	(11 790)	-	-	(6 289)	-	(18 079)	50 348
Generation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission & Refiltration	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Street lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dams & Reservoirs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water purification	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retriculation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Refiltration	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sewerage purification	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation (Airports, Car Parks, Bus Terminals and Taxi Ranks)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (fibre optic, WIFI infrastructure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
W.I.P	20 803 844	22 403 013	-	(3 545 380)	-	-	39 661 477	-	-	-	-	-	-	39 661 477
	99 063 907	22 403 013	-	-	-	-	121 466 920	(17 094 593)	-	-	(6 926 943)	-	(24 011 526)	97 455 394
Community Assets														
Parks & gardens	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sportsfields and stadium	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Swimming pools	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community halls	60 403 644	-	-	-	-	-	60 403 644	(10 121 895)	-	-	(2 871 492)	-	(12 993 387)	47 410 257
Libraries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Museums & art galleries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cameteries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire, safety & emergency	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	60 403 644	-	-	-	-	-	60 403 644	(10 121 895)	-	-	(2 871 492)	-	(12 993 387)	47 410 257

**Ndwedwe Local Municipality
Ndwedwe Local Municipality
Appendix B**

**Analysis of property, plant and equipment as at 30 June 2014
Cost/Revaluation**

Accumulated depreciation

	Opening Balance	Additions	Disposals	Transfers	Newly identified assets at fair value	Other changes, movements	Closing Balance	Opening Balance	Disposals	Transfers	Depreciation	Impairment loss	Closing Balance	Carrying value
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Heritage assets														
Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles														
Refuse	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Conservancy	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets														
General vehicles	3 591 292	-	(900)	-	-	-	3 590 392	(1 858 697)	705	-	(347 761)	(25 011)	(2 230 764)	1 359 628
Machinery and equipment	3 549 856	5 613 123	(24 070)	-	149 602	-	9 288 511	(1 818 345)	16 548	-	(232 045)	(5 674)	(2 038 516)	7 248 965
Computer Equipment	1 987 217	162 634	(462 510)	-	4 716	-	1 692 057	(1 006 762)	358 338	-	(281 421)	(14 335)	(846 180)	745 877
Computer Software (part of computer equipment)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture and office equipment	2 307 552	293 550	(239 864)	-	2 570	-	2 363 808	(1 061 761)	139 437	-	(282 548)	(20 075)	(1 224 947)	1 138 861
Office Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Equipment - Leased	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security measures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Civic land and buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other land	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bins and Containers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Work in progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets - Leased	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	11 435 917	8 069 307	(727 344)	-	158 888	-	18 934 768	(6 746 565)	513 028	-	(1 143 776)	(86 095)	(8 441 407)	10 483 361

**Ndwedwe Local Municipality
Ndwedwe Local Municipality
Appendix B**

**Analysis of property, plant and equipment as at 30 June 2014
Cost/Revaluation
Accumulated depreciation**

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Newly identified assets at fair value Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Total property plant and equipment														
Land and buildings	13 937 571	50 894	-	-	-	-	13 988 465	(2 173 190)	-	-	(687 742)	-	(2 860 932)	11 127 533
Infrastructure	99 053 907	22 403 013	-	-	-	-	121 456 920	(17 084 583)	-	-	(6 926 943)	-	(24 011 526)	97 455 394
Community Assets	60 403 644	-	-	-	-	-	60 403 644	(10 121 895)	-	-	(2 871 492)	-	(12 993 387)	47 410 257
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	11 435 917	6 069 307	(727 344)	-	156 888	-	16 934 768	(5 745 565)	513 028	-	(1 143 775)	(65 095)	(6 441 407)	10 493 361
	164 841 038	28 523 214	(727 344)	-	156 888	-	212 793 797	(35 725 233)	513 028	-	(11 629 982)	(65 095)	(46 307 252)	168 486 545
Agricultural/Biological assets														
Agricultural Biological assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets														
Computers - software & programming	485 162	-	(256 090)	-	-	-	229 072	(344 969)	211 954	-	(46 699)	-	(179 714)	49 358
Other	485 162	-	(256 090)	-	-	-	229 072	(344 969)	211 954	-	(46 699)	-	(179 714)	49 358
Investment properties														
Investment property	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total														
Land and buildings	13 937 571	50 894	-	-	-	-	13 988 465	(2 173 190)	-	-	(687 742)	-	(2 860 932)	11 127 533
Infrastructure	99 053 907	22 403 013	-	-	-	-	121 456 920	(17 084 583)	-	-	(6 926 943)	-	(24 011 526)	97 455 394
Community Assets	60 403 644	-	-	-	-	-	60 403 644	(10 121 895)	-	-	(2 871 492)	-	(12 993 387)	47 410 257
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	11 435 917	6 069 307	(727 344)	-	156 888	-	16 934 768	(5 745 565)	513 028	-	(1 143 775)	(65 095)	(6 441 407)	10 493 361
Agricultural/Biological assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	485 162	-	(256 090)	-	-	-	229 072	(344 969)	211 954	-	(46 699)	-	(179 714)	49 358
Investment properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	185 326 201	28 523 214	(983 434)	-	156 888	-	213 022 869	(35 470 202)	724 982	-	(11 676 661)	(65 095)	(46 485 966)	168 535 903

