

Fezile Dabe District Municipality Trust
Annual Financial Statements
for the year ended 30 June 2017

Fezile Dabe District Municipality Trust

Annual Financial Statements for the year ended 30 June 2017

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 | 2 |
| Statement of Financial Position | 3 |
| Statement of Financial Performance | 4 |
| Statement of Changes in Net Assets | 5 |
| Cash Flow Statement | 6 |
| Accounting Policies | 7 |
| Notes to the Annual Financial Statements | 8 |

Abbreviations

| | |
|------|--|
| GRAP | Generally Recognised Accounting Practice |
| MFMA | Municipal Finance Management Act |

Fezile Dabe District Municipality Trust

Annual Financial Statements for the year ended 30 June 2017

Accounting Officer's Responsibilities and Approval

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

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

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

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

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

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2018 and, in the light of this review and the current financial position, she is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

The external auditors are responsible for auditing and reporting on the municipality's annual financial statements. The annual financial statements have been examined by the municipality's external auditors and their report is presented on page 3.

The annual financial statements set out on pages 3 to 8, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2017 and were signed on:

ML Molibeli
Municipal Manager

Fezile Dabe District Municipality Trust

Annual Financial Statements for the year ended 30 June 2017

Statement of Financial Position as at 30 June 2017

| Figures in Rand | 2017 | 2016 |
|--|------|------|
| Assets | | |
| Current Assets | | |
| Receivables from exchange transactions | - | - |
| Receivables from non-exchange transactions | - | - |
| VAT receivable | - | - |
| Cash and cash equivalents | - | - |
| | - | - |
| Non-Current Assets | | |
| Property, plant and equipment | - | - |
| Intangible assets | - | - |
| | - | - |
| Liabilities | | |
| Current Liabilities | | |
| Payables from exchange transactions | - | - |
| Unspent conditional grants and receipts | - | - |
| | - | - |
| Non-Current Liabilities | | |
| Finance lease obligation | - | - |
| Operating lease liability | - | - |
| Employee benefit obligation | - | - |
| | - | - |
| Reserves | | |
| Revaluation reserve | - | - |
| Accumulated surplus | - | - |
| Total Net Assets | - | - |

Fezile Dabe District Municipality Trust

Annual Financial Statements for the year ended 30 June 2017

Statement of Financial Performance

| Figures in Rand | 2017 | 2016 |
|---|------|------|
| Revenue from exchange transactions | | |
| Interest received (trading) | - | - |
| Administration and management fees received | - | - |
| Total revenue from exchange transactions | - | - |
| Revenue from non-exchange transactions | | |
| Transfer revenue | | |
| Government grants & subsidies | - | - |
| Public contributions and donations | - | - |
| Total revenue from non-exchange transactions | - | - |
| Expenditure | | |
| Personnel | - | - |
| Administration | - | - |
| Finance costs | - | - |
| Repairs and maintenance | - | - |
| Grants and subsidies paid | - | - |
| General Expenses | - | - |
| Total expenditure | - | - |

Fezile Dabe District Municipality Trust

Annual Financial Statements for the year ended 30 June 2017

Statement of Changes in Net Assets

Figures in Rand

Balance at 01 July 2015

Changes in net assets

Surplus for the year

Total changes

Balance at 01 July 2016

Changes in net assets

Surplus for the year

Total changes

Balance at 30 June 2017

Note(s)

Fezile Dabe District Municipality Trust

Annual Financial Statements for the year ended 30 June 2017

Cash Flow Statement

| Figures in Rand | 2017 | 2016 |
|---|------|------|
| Cash flows from operating activities | | |
| Receipts | | |
| Interest income | - | - |
| Other receipts | - | - |
| | - | - |
| Payments | | |
| Employee costs | - | - |
| Suppliers | - | - |
| Finance costs | - | - |
| | - | - |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | - | - |
| Cash flows from financing activities | | |
| Finance lease payments | - | - |
| Net increase/(decrease) in cash and cash equivalents | - | - |
| Cash and cash equivalents at the beginning of the year | - | - |
| Cash and cash equivalents at the end of the year | - | - |

Fezile Dabe District Municipality Trust

Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1. Presentation of Annual Financial Statements

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

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

A summary of the significant accounting policies are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Presentation currency

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

1.2 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.

1.3 Comparative figures

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

1.4 Events after reporting date

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

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

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

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

Fezile Dabe District Municipality Trust

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand

2017

2016

2. De-establishment of Fezile Dabe District Municipality Trust

De-establishment

During 2009/2010 financial year, the Council resolved to de-establish Fezile Dabe District Municipality Trust (Item 25). The Council is in the process of dissolving the trust, as a result no activities took place during the 2016/17 financial year.