



BATHO PELE CITY MUNICIPALITY

Annual Financial Statements
for the year ended 30 June 2021

This is illustrative financial statements for the
year 30 June 2021

Issued by National Treasury

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General Information

General information	Details
Legal form of entity	: Municipality in terms of section 1 of the Local Government: Municipal Structures Act (Act 117 of 1998) read with section 155 (1) of the Constitution of the republic of South Africa (Act 108 of 1996)
Nature of business and principal activities	: The provision of services (electricity, water, sanitation and refuse) to communities in a sustainable manner, to promote social and economic development; and to promote a safe and healthy environment.
Legislation governing the municipality's operations	: <ul style="list-style-type: none"> Constitution of the Republic of south Africa (Act 108 of 1998) Local Government: Municipal Finance Management Act (Act no.56 of 2003) Local Government: Municipal Systems Act (Act 32 of 2000) Local Government: Municipal Structures Act (Act 117 of 1998) Municipal Property Rates Act (act of 6 2004) Division of Revenue Act (Act 1 of 2007)
Mayoral committee	
Executive Mayor	: <Include where relevant to the municipality>
Deputy Executive Mayor	: <Include where relevant to the municipality>
Speaker	:
Chief WIP	: <Include where relevant to the municipality>
MMC (Please specify)	:
MMC (Please specify)	:
MMC (Please specify)	:
MMC (Please specify)	:
MMC (Please specify)	:
MMC (Please specify)	:

General information	Details
Grading of local authority	:
Accounting Officer	:
Chief Finance Officer (CFO)	:
Registered office	:
Business address	:
Postal address	:
Bankers	: Refer to note 2
Auditors	: Auditor-General of South Africa (AGSA)
Legal representative	:

Accounting Officer's Statement

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 were prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) as well as relevant 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.

I/We, as the Accounting Officer (accounting authority), acknowledge that I/we am 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 me/us to meet these responsibilities, I/we have set 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.

I/We am/are 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.

I/We have reviewed the municipality's cash flow forecast for the year to 30 June 2021 and, in the light of this review and the current financial position, I/we is/are satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

Although, I/we am/are primarily responsible for the financial affairs of the municipality, this is supported by the municipality's external auditors.

I would like to bring to your attention the following material matters to your attention:

I certify that the salaries, allowances and benefits of councillors as disclosed in note 33 to these annual financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution of the Republic of South Africa, read with the Remuneration of Public Office Bearers Act, Act 20 of 1998 and the Minister of Provincial and Local Government's determination in accordance with the Act.

Batho Pele City Municipality

Illustrative Annual Financial Statements for the year ended 30 June 2021

The external auditor, being the Auditor General of South Africa, is responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements have been examined by the municipality's external auditors and their report is presented on page XXX.

The annual financial statements set out on pages X to XX, which have been prepared on the going concern basis, were approved on 31 August 20XX [14p.23]:

Accounting Officer

Date:

Abbreviations

DBSA	Development Bank of South Africa
COID	Compensation for Occupational Injuries and Diseases
HDF	Housing Development Act
GRAP	Generally Recognised Accounting Practice
LGSETA	Local Government Services Sector Education & Training Authority
MFMA	Municipal Finance Management Act
<i>m</i> SCOA	Municipal Standard Chart of Accounts
MSIG	Municipal System Improvement grant
NDPG	Neighbourhood Development and Partnership Grant
SALGA	South African Local Government Association
SRAC	Sports, Recreation, Arts & Culture

Batho Pele City Municipality

Illustrative Annual Financial Statements for the year ended 30 June 2021

Comparison of Budget and Actual Amounts for the year ended 30 June 2021

	2020/2021 (R'000s)							
	Original Budget	*Budget adjustments	Final adjustments budget	**Shifting of funds	***Virement	Final Budget	Actual Outcome	Variance
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
Financial Performance								
Property rates								
Service charges								
Investment revenue								
Transfers recognised – operational								
Other own revenue								
Total revenue (excl capital transfers and contributions)								
Employee costs								
Remuneration of councillors								
Depreciation & asset impairment								
Finance charges								
Materials and bulk purchases								
Transfers and grants								
Other expenditure								
Total expenditure								

Comparison of Budget and Actual Amounts for the year ended 30 June 2021 (Continued)

	2020/2021 (R'000s)							
	Original Budget [1]	*Budget adjustments [2]	Final adjustments budget [3]	**Shifting of funds [4]	***Virement [5]	Final Budget [6]	Actual Outcome [7]	Variance [8]
Surplus/(deficit)								
Transfers and subsidies – capital								
Contributions recognised								
Surplus/(deficit) after capital transfers and contributions								
Share of surplus/(deficit) of associate								
Surplus/(deficit) for the year								
Reconciliation to statement of financial performance								
<reconciling item>								
<reconciling item>								
<reconciling item>								
Surplus/(deficit) per the statement of financial performance								

Comparison of Budget and Actual Amounts for the year ended 30 June 2021 (Continued)

	2020/2021 (R'000s)							
	Original Budget [1]	*Budget adjustments [2]	Final adjustments budget [3]	**Shifting of funds [4]	***Virement [5]	Final Budget [6]	Actual Outcome [7]	Variance [9]
Capital expenditure and fund source								
Transfers recognised – capital								
Public contributions & donations								
Borrowings								
Internally generated funds								
Financial position								
Total current assets								
Total non-current assets								
Total current liabilities								
Total non-current liabilities								
Community wealth/equity								

Comparison of Budget and Actual Amounts for the year ended 30 June 2021 (Continued)

	2020/2021 (R'000s)							
	Original Budget [1]	*Budget adjustments [2]	Final adjustments budget [3]	**Shifting of funds [4]	***Virement [5]	Final Budget [6]	Actual Outcome [7]	Variance [8]
Cash Flows								
Net cash from (used) operating								
Net cash from (used) investing								
Net cash from (used) financing								
Net increase/decrease in cash held								

Commentary:

*budget adjustments done in terms of section 28 and section 31 of the MFMA

**shifting of funds done in terms of section 31 of the MFMA

***virement in terms of Council Approve Policy, virements must offset each other so that virements in Total Expenditure column equals zero

[3] = sum of column [1] and [2]

[2] represents movements in original budget to get to final adjustments budget (including shifting of funds)

[6] = sum of column [3], [4] and [5]

[8] = [7] minus [6] (the municipality can also express this variance as a %). Note that GRAP 24 requires an explanation of material differences (by way of note disclosures), and acknowledges that it can also be presented in the financial statements. An explanation of the material difference will assist users in understanding the reasons for material departures from the approved budget.

Comparison of Budget and Actual Amounts for the year ended 30 June 2021 (Continued)

	2020/2021 (R'000s)		
	Final Budget	Actual Outcome	Variance
Financial Performance			
Property rates			
Service charges			
Investment revenue			
Transfers recognised – operational			
Other own revenue			
Total revenue (excl capital transfers and contributions)			
Employee costs			
Remuneration of councillors			
Depreciation & amortisation			
Finance charges			
Materials and bulk purchases			
Transfers and grants			
Other expenditure			
Total expenditure			
Surplus/(deficit)			
Transfers and subsidies – capital			
Contributions recognised			
Surplus/(deficit) after capital transfers and contributions			
Share of surplus/(deficit) of associate			
Surplus/(deficit) for the year			
Reconciliation to statement of financial performance			
<reconciling item>			
<reconciling item>			
<reconciling item>			
Surplus/(deficit) per the statement of financial performance			

Comparison of Budget and Actual Amounts for the year ended 30 June 2021 (Continued)

	2020/2021 (R'000s)		
	Final Budget	Actual Outcome	Variance
Capital expenditure and fund source			
Transfers recognised – capital			
Public contributions & donations			
Borrowings			
Internally generated funds			
Financial position			
Total current assets			
Total non-current assets			
Total current liabilities			
Total non-current liabilities			
Community wealth/equity			
Cash Flows			
Net cash from (used) operating			
Net cash from (used) investing			
Net cash from (used)			
Net increase/decrease in cash held			

Commentary:

Comparative information is not required by GRAP 24, this however illustrates some information on the prior period that a municipality may elect to present.

Statement of Financial Position as at 30 June 2021

	Note	2020/2021 (R'000s)	2019/2020 (R'000s)
ASSETS			
Current Assets			
Cash and Cash Equivalents [A6] [1p.79(k)]	2		
Receivables from Exchange Transactions [A6] [1p.79(j)]	3		
Receivables from Non-exchange Transactions [1p.79(i)]	4		
Inventory [A6] [1p.79(g)]	5		
Other Current Assets [A6]	6		
Total Current Assets			
Non-Current Assets			
Long-term receivables [A6] [1p.79(e)]	7		
Investments [A6] [1p.79(e)]	8		
Investment property [A6] [1p.79(b)]	9		
Property, plant and equipment [A6] [1p.79(a)]	10		
Biological assets [A6] [1p.79(h)]	11		
Living resources [1p.79(hA), 110p.120]	12		
Heritage assets [1p.79(d)]	13		
Intangible assets [A6] [1p.79(c)]	14		
Other Non-current assets [A6]			
Total Non-current Assets			
TOTAL ASSETS			
LIABILITIES			
Current Liabilities			
Bank Overdraft [A6]	2		
Financial Liabilities [A6] [1p.79(p)]	15		
Consumer Deposits [A6]	16		
Trade and other payables from exchange transactions [A6] [1p.79(m)]	17		
Trade and other payables from non-exchange transactions [1p.79(l)]	18		
Provisions [A6] [1p.79(n)]	19		
Other Current Liabilities	20		
Total Current Liabilities			

Statement of Financial Position at 30 June 2021 (Continued)

	Note	2020/2021 (R'000s)	2019/2020 (R'000s)
Non-current Liabilities			
Financial liabilities [A6] [1p.79(p)]	15		
Provisions [A6] [1p.79(n)]	19		
Other Non-current liabilities	20		
Total Non-current Liabilities			
TOTAL LIABILITIES			
NET ASSETS [1p.79(r)]			
Accumulated Surplus / (Deficit) [A6] [1p.87(b)]			
Reserves [A6] [1p.79(c)]			
TOTAL NET ASSETS			

Statement of Financial Performance for the year ended 30 June 2021

	Note	2020/2021 (R'000s)	2019/2020 (R'000s)
Revenue [1p.96(a)]			
Non-Exchange Revenue [1p.103, 23p.115]			
Property rates [A4]	21		
Licences and permits [A4*]	28.2		
Transfers and Subsidies – Operational [A4]	30		
Fines, penalties and forfeits [A4]	27		
Interest on receivables [A4]	25		
Exchange Revenue [1p.103, 9p.39(b)]			
Service charges - Electricity [A4]	22		
Service charges - Water [A4]	22		
Service charges – Waste Water Management [A4]	22		
Service charges – Waste Management [A4]	22		
Service charges - Other [A4]	22		
Rental [A4]	23		
Interest on Investments [A4]	24		
Interest on Receivables [A4]	25		
Dividends [A4]	26		
Licences and permits [A4*]	28.1		
Agency services [A4]	29		
Operational revenue [A4]	31		
Gains on disposal of assets	31		
Total Revenue (excl. capital transfers and subsidies)			
Expenditure [1p.104]			
Employee related costs [A4]	33		
Remuneration of councillors [A4]	34		
Debt impairment gain/loss [A4]			
Bad debts written off			
Depreciation, amortisation and impairment [A4]	34		
Finance costs [A4] [1p.96(b)]	36		
Bulk purchases [A4]	37		
Inventory consumed [A4] [12p.47(d)]	38		
Contracted services [A4]	39		
Transfers and subsidies [A4]	40		
Operational costs [A4]	41		
Losses on disposal of assets	31		
Total Expenditure			

Statement of Financial Performance for the year ended 30 June 2021 (Continued)

	Note	2020/2021 (R'000s)	2019/2020 (R'000s)
Surplus/(Deficit)			
Transfers and subsidies – Capital [A4] [23p.115]	30		
Surplus/(Deficit) After Capital Transfers and Contributions			
Taxation [A4] [1p.96(d)]	42		
Surplus/(Deficit) for the year [A4] [1p.96(f)]			

Cash Flow Statement for the year ended 30 June 2021

	Note	2020/2021 (R'000s)	2019/2020 (R'000s)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Property Rates [A7]			
Service Charges [A7]			
Operational Revenue [A7]			
Transfers and Subsidies – Capital [A7]			
Transfers and Subsidies – Operational [A7]			
Interest [A7]			
Dividends [A7]			
Payments			
Suppliers and Employees [A7]			
Finance Charges [A7]			
Transfers and Subsidies [A7]			
Taxes [2p.35]			
NET CASH FROM(USED) OPERATING ACTIVITIES	43		
CASH FLOW FROM INVESTING ACTIVITIES			
Receipts			
Proceeds on Disposal of Fixed and Intangible Assets [A7]			
Decrease (Increase) in Non-current Receivables [A7]			
Decrease (Increase) in Investments [A7]			
Payments			
Capital Assets [A7]			
NET CASH FROM(USED) INVESTING ACTIVITIES			
NET CASH FROM FINANCING ACTIVITIES			
Receipts			
Short-term Loans [A7]			
Borrowing Long-term [A7]			
Increase (Decrease) in Consumer Deposits [A7]			
Payments			
Repayment of Borrowing [A7]			
NET INCREASE (DECREASE) IN CASH [2p.46]			
Cash and Cash Equivalents at year begin [A7]			
Cash and Cash Equivalents at year end [A7]			

Statement of Changes in Net Assets at 30 June 2021

	Housing Development Reserve	Capital Replacement Reserve	Self-Insurance Reserve	Accumulated Surplus / (Deficit)	Revaluation Reserve* [note 44]	TOTAL
Balance as at 30 June 2019 as previously reported						
Change in accounting policy [note 53]						
Correction of error [note 54]						
Balance as at 30 June 2019 as restated						
Surplus / Deficit for the period [1p.113(a)]						
Transfers to / from Accumulated Surplus / Deficit						
Increase / decrease in Revaluation Reserve [17p.92(d) & 31p.125(b) & 103p.95(e)]						
Property, Plant and Equipment Purchased						
Impairment losses recognised/reversed [21p.75(c)&(d) , 26p.117(c)&(d)]						
Share of net assets of associates/joint ventures						
Balance as at 30 June 2020						

Statement of Changes in Net Assets at 30 June 2021 (Continued)

	Housing Development Reserve	Capital Replacement Reserve	Self-Insurance Reserve	Accumulated Surplus / (Deficit)	Revaluation Reserve* [note 44]	TOTAL
Balance as at 30 June 2020 (continued)						
Change in accounting policy [note 53]						
Correction of error [note 54]						
Balance as at 30 June 2020 as restated						
Surplus / Deficit for the period [1p.113(a)]						
Transfers to / from Accumulated Surplus / Deficit						
Increase / decrease in Revaluation Reserve [17p.92(d) & 31p.125(b) & 103p.95(e)]						
Property, Plant and Equipment Purchased						
Impairment losses recognised/reversed [21p.75(c)&(d), 26p.117(c)&(d)]						
Share of net assets of associates/joint ventures						
Balance as at 30 June 2021						

**This reserve is only applicable if the reporting entity adopts the revaluation model as per GRAP 17 on Property, Plant and Equipment, GRAP 31 on Intangible Assets, GRAP 103 on Heritage Assets.*

Reportable Segments for the year ended 30 June 2021

For management purposes, the municipality is organised and operates in four key functional segments (or business units). To this end, management monitors the operating results of these business units for the purpose of making decisions about resource allocations and assessment of performance. Revenues and expenditures relating to these business units are allocated at a transactional level. Costs relating to the governance and administration of the municipality are not allocated to these business units.

The four key business units comprise of:

- Community and public safety which includes community and social services, sport and recreation, public safety, health and housing services;
- Economic and environmental services which includes planning and development, road transport and environmental protection services;
- Trading services which includes energy sources, water management, waste water management and waste management services;

The grouping of these segments is consistent with the functional classification of government activities which considers the nature of the services, the beneficiaries of such services and the fees charged for the services rendered (if any).

Management does monitor performance geographically but does not at present have reliable separate financial information for decision making purposes. Processes have been put in place to generate this information at a transaction level and in the most cost effective manner.

Reportable Segments for the year ended 30 June 2021 (continued)

[18p.21] [A2]	2020/2021 (R'000s)					
	Community and public safety	Economic and environmental services	Trading Services	Other	Unallocated	Total
Segment Revenue External revenue from non-exchange transactions External revenue from exchange transactions Revenue from transactions with other segments Interest revenue Segment Expenses Total segment expenses Depreciation and amortisation Interest expense Internal charges Share of Surplus/(Deficit) of Associates / Joint Ventures Taxation Surplus/deficit for the year						

Reportable Segments for the year ended 30 June 2021 (continued)

[18p.21] [2p51(d)]	2020/2021 (R'000s)					
	Community and Public Safety	Economic and Environmental Services	Trading Services	Other Services	Unallocated	Total
Other Information Segment assets Segment liabilities Additions to non-current assets Non-cash revenue (included above) Non-cash expenses (included above) Cash flows from operating activities Cash flows from investing activities Cash flows from financing activities						

Reportable Segments for the year ended 30 June 2021 (continued)

[18p.21] [A2]	2019/2020 (R'000s)					
	Community and public safety	Economic and environmental services	Trading Services	Other	Unallocated	Total
Segment Revenue External revenue from non-exchange transactions External revenue from exchange transactions Revenue from transactions with other segments Interest revenue Segment Expenses Total segment expenses Depreciation and amortisation Interest expense Internal charges Share of Surplus/(Deficit) of Associates / Joint Ventures Taxation Surplus/deficit for the year						

Reportable Segments for the year ended 30 June 2021 (continued)

[18p.21] [2p51(d)]	2019/2020 (R'000s)					
	Community and Public Safety	Economic and Environmental Services	Trading Services	Other Services	Unallocated	Total
Other Information Segment assets Segment liabilities Additions to non-current assets Non-cash revenue (included above) Non-cash expenses (included above) Cash flows from operating activities Cash flows from investing activities Cash flows from financing activities						

Notes to the annual financial statements

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Notes to the financial statements

The financial statements of Batho Pele City Municipality for the year ended 30 June 2021 were authorized for issue Accounting Officer on XXXX. [14p.23]

Basis of Preparation

These 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 No 56 of 2003).

The Annual Financial Statements were prepared on the accrual basis of accounting and incorporate the historical cost conventions as the basis of measurement, except where specified otherwise.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these consolidated annual financial statements, is disclosed below.

1. Summary of Significant Accounting Policies.

Notes to the financial statements

Presentation currency

These Annual Financial Statements are presented in South African Rand, which is the functional currency of the Municipality and all values are rounded to the nearest thousand (R000).

Going Concern Assumption

These Annual Financial Statements were prepared based on the expectation that the Municipality will continue to operate as a going concern for at least the next 12 months.

Offsetting

Financial assets and liabilities are offset and the net amount reported on the Statement of Financial Position only when there is a legally enforceable right to set off the recognised amount, and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Comparative of actual information to budgeted information

The annual budget figures have been prepared in accordance with the Municipal Budget and Reporting Regulations, 2009. A comparative of actual to budgeted amounts are reported in a separate additional financial statement, called the Statement of Comparison of Budget and Actual amounts. Explanatory comment is provided in the notes to the Statement giving motivations for over- or under spending on line items where it is found to be material. The budgeted figures are those approved by the Council at the beginning and during the year following a period of consultation with the public as part of the Integrated Development Plan. The budget is prepared and approved on an accrual basis by nature classification. The approved budget covers the period from 1 July 2020 to 30 June 2021.

In general, a difference of 10% or more is considered material, although the surrounding circumstances are taken into account if it could influence the decisions or assessments of the users of the financial statements in determining whether a difference between the budgeted and actual amount is material.

Current year comparatives

When the presentation or classification of items in the Annual Financial Statements is amended, prior period comparative amounts are also reclassified and restated, unless such comparative reclassification and / or restatement is not required by a Standard of GRAP. The nature and reason for such reclassifications and restatements are also disclosed.

Where material accounting errors, which relate to prior periods, 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 current year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

The presentation and classification of items in the current year is consistent with prior periods.

Foreign Currencies

Transactions in foreign currencies are translated to the functional currency of the entity at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gains or loss on monetary items is the difference between amortised cost or fair value in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in surplus or deficit.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Cash flows arising from transactions in a foreign currency are recorded in Rand's by applying, to the foreign currency amount, the exchange rate between the Rand and the foreign currency at the date of the cash flow.

Significant judgements and estimates

In the application of the municipality's accounting policies, which are described below, management is required to make judgement, estimates and assumption that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. The estimates and associated assumptions are based on historical experiences and other factors that are considered too reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates

These estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Commentary:

The municipality should add further details as required in GRAP 1 paragraph .135 - .142.

Notes to the financial statements (Continued)

Cash and cash equivalents [note 2]

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 and are subject to an insignificant risk of change in value. Cash and cash equivalents are carried at amortised cost. 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 carried at amortised cost.

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.

Inventory [note 5]

Inventory consist of raw materials, work in progress, consumables and finished goods, which are valued at the lower of cost, determined on the first in first out basis, and net realisable value, except for items which are valued at the tariffs charged. Where it is held for distribution or consumption at no charge or for a nominal amount, inventories are valued at the lower of cost and current replacement value.

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

Redundant and slow moving inventory are identified and written down to their estimated net realisable values estimated by management. Inventories are written down according to their age, condition and utility. Differences arising on the measurement of such inventory at the lower of cost and net realisable value are recognised in the Statement of Financial Performance in the year in which they arise. The amount of any reversal of any write-down of inventory arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventory recognised as an expense in the period in which the reversal occurs.

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

Water Inventory

Water is regarded as inventory when the Municipality purchases water in bulk with the intention to resell it to the consumers or to use it internally, or where the Municipality has incurred purification costs on water obtained from natural resources (rain, rivers, springs, boreholes etc.). However, water in dams, that are filled by natural resources and that has not yet been treated, and is under the control of the Municipality but cannot be measured reliably as there is no cost attached to the water, and it is therefore not recognised in the Statement of Financial Position.

The basis of determining the cost of water purchased and not yet sold at Statement of Financial Position date comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventory to its present location and condition, net of trade discounts and rebates. Water is valued by using the weighted average method, at the lowest of purified cost and net realisable value, insofar as it is stored and controlled in reservoirs at year-end.

Housing Inventory

Housing inventory is Building New Ground houses still in process of construction or completed and not yet transferred. These houses are entirely funded by the National Department of Human Settlements, through the Provincial Department of Human Settlements, but the Municipality is regarded as a principal in terms of the current interpretation of the Standard of GRAP 109 on Accounting for Agent and Principal Transactions and therefore recognises these costs as inventory up to the point of transfer to the allocated beneficiary where after the cost is expensed through the Statement of Financial Performance. Housing inventory is measured at the lower of cost and current replacement cost as they will be distributed through a non-exchange transaction.

Notes to the financial statements (Continued)

Investment Property [note 9]

Investment property includes property held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations. Investment property also includes land held for an undetermined future use.

Initial recognition

At initial recognition, the Municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

Where the classification of an investment property is based on management's judgement, the following criteria have been applied to distinguish investment properties from owner-occupied property or property held for resale:

- All properties held to earn market-related rentals or for capital appreciation or both and that are not used for administrative purposes and that will not be sold within the next 12 months are classified as Investment Properties.
- Land held for a currently undetermined future use;
- A building owned (or held by under a finance lease) and leased out under one or more operating leases;
- Leased properties that are held to provide a social (community) service or that are necessary for employees to perform their job functions, but which also generates rental revenue are not seen as investment properties. The rental revenue generated is incidental to the purposes for which the property is held;
- A building that is vacant but is held to be leased out under one or more operating leases;
- Property that is being constructed or developed for future use as investment property.

Subsequent measurement – fair value model

Investment property is subsequently measured using the **fair value model**. Investment property is carried at fair value, representing open market value determined by external valuer on reporting date. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. A gain or loss arising from a change in the fair value of investment property is included in surplus or deficit for the period in which it arises.

If the Municipality determines that the fair value of an investment property under construction is not reliably measurable but expects the fair value to be reliably measurable when construction is completed, it measures that investment property at cost until the fair value can be reliably determined or construction has been completed.

Where the Municipality has determined that the fair value of an investment property (other than investment property under construction) is not determinable on a continuing basis, the Municipality measures that investment property using the cost model.

Subsequent measurement – cost model

Subsequent to initial recognition, investment properties are measured using the **cost model** and are depreciated over a X-year period. All useful lives of investment properties are reviewed annually on an indicator basis.

Commentary:

The above accounting policy demonstrates the choice on subsequent measurement allowed in GRAP 16 on the Investment Property, being the cost or the fair value model.

Notes to the financial statements (Continued)

Derecognition/Disposal

Investment properties are derecognised (eliminated from the statement of financial position) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal. The gain or loss arising on the disposal of an investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property (property, plant and equipment), the deemed cost for subsequent accounting is the fair value [or carrying amount if cost model is used] at the date of change in use. If owner-occupied property becomes an investment property, the entity accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

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

Property, Plant and Equipment [note 10]

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 year.

The cost of an item of property, plant and equipment is recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and if the cost or fair value of the item can be measured reliably.

Initial recognition and measurement

Property, plant and equipment are initially recognised at cost on its acquisition date. 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 the Municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

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

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up.

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

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

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

Notes to the financial statements (Continued)

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the entity and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the Municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Subsequent measurement – cost model. Subsequently all property plant and equipment, excluding land and buildings, are measured at **cost**, less accumulated depreciation and accumulated impairment losses.

Subsequent measurement – revaluation model

Subsequent to initial recognition, land and buildings are carried at a **revalued** amount based on municipal valuations, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed by external independent values every four years to coincide with the implementation of the general valuation such that the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

An increase in the carrying amount of land and buildings 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.

When revalued assets are sold or retired, the amounts included in the revaluation reserve in respect of that assets, are transferred to accumulated surplus or deficit.

Commentary:

The above accounting policy demonstrates the choice on subsequent measurement allowed in GRAP 17 on the Property, Plant and Equipment being the cost or revaluation model.

Depreciation

Land is not depreciated as it is regarded as having an unlimited life. Depreciation on assets other than land is calculated using the straight line method, to allocate their cost or revalued amounts less their residual values over the estimated useful lives of the assets. The depreciation method used reflects the pattern in which the assets' future economic benefits or service potential are expected to be consumed by the Municipality. 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 rates are based on the following estimated useful lives.

Asset Class	Useful Lives (Years)
Buildings	
Infrastructure assets	
Community assets	
Leased assets	
Transport assets	
Other assets	

Notes to the financial statements (Continued)

The estimated useful life, residual values and depreciation method are assessed at each reporting date on an indicator basis.

Depreciation of an asset commences when the asset is ready for its intended use. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or, where shorter, the term of the relevant lease. The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is ready for use.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. Gains are not classified as revenue. Gains or losses are calculated as the difference between the carrying values of assets.

Assets which the group 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.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is included in surplus or deficit when the compensation becomes receivable.

Site rehabilitation and restoration costs

Where the Municipality has an obligation to rehabilitate and restore items of property, plant and equipment such obligations are referred to as "rehabilitation provisions". The cost of an item of property, plant and equipment includes the initial estimate of the costs of rehabilitation and restoring the site on which it is located, the obligation for which the Municipality incurs either when the item is acquired or as a consequence of having used the item during a particular period.

As the related asset is measured using the cost model: -

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

Notes to the financial statements (Continued)

Biological Assets that form part of an agricultural activity [note 11]

A biological asset is a living animal or plant that is used by the Municipality in an agricultural activity to attain agricultural produce, the harvested product of the Municipality's biological assets.

Initial and subsequent measurement

Biological assets and agricultural produce are initially and subsequently measured at their fair value less estimated point-of-sale costs and agricultural produce harvested from the entity's biological assets are measured at their fair value less estimated point-of-sale costs at the point of harvest.

Where biological assets and agricultural produce are acquired for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

Point-of-sale costs include commissions to brokers and dealers, levies by regulatory agencies and commodity exchanges, transfer taxes and duties but exclude transport and other costs necessary to get the assets to a market.

The fair value of biological assets is estimated by reference to the market prices. The fair value of the plantations is based on the combined fair value of the land and the trees. The fair value of the raw land and land improvements is then deducted from the combined fair value to determine the fair value of the trees.

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

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

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

Derecognition

Biological assets are derecognised when the Municipality disposes thereof or when it is no longer probable that future economic benefits or service potential will be generated from the biological asset. Any gain or loss that arises at the point of derecognition is recognised in the Statement of Financial performance at the point of derecognition.

Living resources [note 12]

Living resources are those resources, other than Biological Assets that form part of an agricultural activity, that undergo biological transformation.

Initial and subsequent measurement

Living resources are initially recognised at cost on its acquisition date. The cost of a living resource 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 the Municipality. Trade discounts and rebates are deducted in arriving at the cost.

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

Notes to the financial statements (Continued)

Subsequent expenditure relating to living is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the entity and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset.

Subsequent measurement – cost model.

Subsequently all living resources [or specify class] are measured at **cost**, less accumulated depreciation and accumulated impairment losses.

Subsequent measurement – revaluation model

Subsequent to initial recognition, living resources [or specify class] are carried at a **revalued** amount based on fair value, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed by external independent values every [specify] years such that the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

An increase in the carrying amount of living resources [or specify class] 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.

When revalued assets are sold or retired, the amounts included in the revaluation reserve in respect of that assets, are transferred to accumulated surplus or deficit.

Depreciation

Depreciation on living resources is calculated using the straight line method, to allocate their cost or revalued amounts less their residual values over the estimated useful lives of the assets. The depreciation method used reflects the pattern in which the assets' future economic benefits or service potential are expected to be consumed by the Municipality. The depreciation rates are based on the following estimated useful lives.

Asset Class	Useful Lives (Years)
Zoological animals	10 – 15 years
Policing and protection animals	5 – 8 years
<i>Specify asset class</i>	

The estimated useful life, residual values and depreciation method are assessed at each reporting date.

Depreciation of an asset commences when the asset is ready for its intended use. The depreciation charge for each period is recognised in surplus or deficit.

Derecognition

The carrying amount of a living resource derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal. The gain or loss arising from the is included in surplus or deficit when the item is derecognised. Gains are not classified as revenue. Gains or losses are calculated as the difference between the carrying values of assets and consideration received / receivable.

Notes to the financial statements (Continued)

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is included in surplus or deficit when the compensation becomes receivable.

Non-living Resources

Non-living resources are those resources, other than living resources, that occur naturally and have not been extracted.

Non-living resources, other than land, are not recognised as assets in the financial statements of the Municipality.

Notes to the financial statements (Continued)

Heritage Assets [note 13]

A heritage asset is defined as an asset that has a cultural, environmental, historical, natural, scientific, technological or artistic significance, and is held and preserved indefinitely for the benefit of present and future generations.

The Municipality classifies assets as heritage assets where the significance as a heritage asset can be determined. In regards to land and buildings all graded sites are classified as Heritage Assets. Furthermore, land with a natural significance is not componentised but seen as a single Heritage Asset due to all parts contributing together to make up its significance.

Land and buildings that qualify as Heritage assets, but of which a significant portion of that land and buildings is held for use in the production or supply of goods or services or for administrative purposes, are recognised as property, plant and equipment, rather than heritage assets.

Initial recognition and measurement

The cost of an item of heritage assets is recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and if the cost or fair value of the item can be measured reliably.

Heritage assets are initially recognised at cost on its acquisition date or in the case of assets acquired by grant or donation, deemed cost, being the fair value of the asset on initial recognition. The cost of an item of heritage assets 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 the Municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired. The cost of an item of heritage assets acquired in exchange for a non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up.

Subsequent Measurement

Subsequent expenditure relating to Heritage Assets is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the entity and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the Municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Subsequently all heritage assets (excluding Heritage Assets which are land and buildings) are measured at cost less accumulated impairment losses. Heritage assets are not depreciated.

Derecognition

The carrying amount of an item of Heritage Assets is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

Gains or losses are calculated as the difference between the carrying value of assets (cost less accumulated impairment losses) and the disposal proceeds is included in the Statement of Financial Performance as a gain or loss on disposal of Heritage Assets.

Notes to the financial statements (Continued)

Intangible Assets [note 14]

Intangible assets are identifiable non-monetary assets without physical substance held for use in the production or supply of goods or services, for rental to others, or for administrative purposes are classified and recognised as intangible assets.

Initial recognition and measurement

Intangible assets are initially recognised at cost. The cost of an intangible asset is the purchase price and other costs attributable to bring the intangible asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality, or where an intangible asset is acquired at no cost, or for a nominal cost, the cost shall be its fair value as at the date of acquisition. Trade discounts and rebates are deducted in arriving at the cost.

Intangible assets acquired separately or internally generated are reported at cost less accumulated amortisation and accumulated impairment losses.

Subsequent measurement

Amortisation is calculated on cost, using the straight-line method, over the useful lives of the assets, which is estimated to be between 3 to 10 years upon initial recognition. Where intangible assets are deemed to have an indefinite useful life, such intangible assets are not amortised.

Derecognition

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

Borrowing Costs

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

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

Commentary:

Both the benchmark and allowed alternative treatment are illustrated here. A municipality must elect one option and apply it consistently to all borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised to the cost of the asset. All other borrowing costs are recognised as an expense in the period in which it is incurred. The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is disclosed in the notes below.

Notes to the financial statements (Continued)

Impairment of Property, Plant and Equipment, Investment Property [where the cost model is used], Intangible Assets and Heritage Assets

The Municipality classifies all assets held with the primary objective of generating a commercial return as cash-generating assets. A commercial return means that the return charged by the entity is commensurate with the risk associated with holding the asset and the asset is intended to generate positive cash inflows. All other assets are classified as non-cash-generating assets.

Impairment of Cash-generating 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 amount of the individual asset.

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

The best evidence of fair value less cost to sell is the price in a binding sale agreement in an arm's length transaction, adjusted for the incremental cost that would be directly attributable to the disposal of the asset.

The recoverable 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.

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

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable 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.

An impairment of assets carried at revalued amount reduces the revaluation surplus for that asset. The decrease shall be debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

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

Notes to the financial statements (Continued)

Impairment of Non-cash-generating 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.

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 is the higher of a non-cash generating asset's fair value less costs to sell and its value in use. The value in use for a non-cash generating asset is the present value of the asset's remaining service potential.

The value in use for a non-cash generating asset is the present value of the asset's remaining service potential.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable and willing parties, less the costs of disposal.

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.

Notes to the financial statements (Continued)

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity. Financial instruments are classified into three categories namely, financial instruments at fair value, financial instruments at amortised cost or financial instruments at cost. The Municipality determines the classification of its financial instruments at initial recognition.

Initial recognition and measurement

A financial instrument is recognised, when the Municipality becomes a party to the contractual provisions of the instrument, and are initially measured at fair value. In the case of a financial instrument not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial instrument are added or deducted from the fair value, as appropriate on initial recognition.

Subsequent measurement – financial assets

Financial assets consist of cash and cash equivalents, deposits, receivables and investments.

Receivables are subsequently measured at amortised cost using the effective interest rate method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

A provision for impairment of receivables is established when there is objective evidence that the Municipality will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Changes in the carrying amount of the provision is recognised in the Statement of Financial Performance. When a receivable is considered uncollectible, it is written off against the provision. Any gains or losses arising from the change in fair value of investments measured at fair value are recognised in the Statement of Financial Performance.

Residual interests that do not have a quoted market price in an active market, and the fair value of which cannot be reliably are subsequently measured at cost less any impairment. Impairment is considered when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. Any calculated impairment is recognised in the Statement of Financial Performance.

Subsequent measurement – financial liabilities

Financial liabilities consist of payables, interest bearing loans and bank overdrafts. These liabilities are subsequently measured at amortised cost, using the effective interest rate method. Finance costs are expensed in the Statement of Financial Performance in the period in which they are incurred except where stated otherwise (see accounting policy on borrowing costs).

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the Municipality establishes fair value using a valuation technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on municipality-specific inputs.

Notes to the financial statements (Continued)

Provisions [note 19]

Provisions are recognised when the Municipality has a present (legal 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.

The best estimate of the expenditure required to settle the present obligation is the amount that an entity would rationally pay to settle the obligation at the reporting date or to transfer it to a third party at that time and are determined by the judgment of the management of the entity, supplemented by experience of similar transactions and, in some cases, reports from independent experts. The evidence considered includes any additional evidence provided by events after the reporting date. Uncertainties surrounding the amount to be recognised as a provision are dealt with by various means according to the circumstances, where the provision being measured involves a large population of items; the obligation is estimated by weighting all possible outcomes by their associated probabilities.

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. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it - this unavoidable cost resulting from the contract is the amount of the provision to be recognised.

Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in the Statement of Financial Performance as a finance cost as it occurs.

Environmental Rehabilitation Provisions

Estimated long-term environmental provisions, comprising rehabilitation and landfill site closure, are based on the Municipality's policy, taking into account current technological, environmental and regulatory requirements. The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the asset, they are capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are charged to the Statement of Financial Performance.

Service Concession Arrangements [note 10 & 14]

The municipality analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a party (operator) contributes an asset to the arrangement, the municipality recognises that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognised are measured at their fair value. To the extent that an asset has been recognized, the municipality also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

Notes to the financial statements (Continued)

Employee Benefits [note 17.5 and note 20]

The Municipality provides short term benefits, long term benefits and retirement benefits for its employees and councillors.

Short-term Employee Benefits

Remuneration to employees is recognised in the Statement of Financial Performance as the services are rendered, except for non-accumulating benefits which are only recognised when the specific event occurs.

The costs of all short-term employee benefits such as leave pay, are recognised during the period in which the employee renders the related service.

Leave pay

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total accrued leave days at year end and is shown as an accrual in the Statement of Financial Position.

Bonus Provisions

The Municipality recognises the expected cost of bonuses as a provision only when the Municipality has a present legal or constructive obligation to make such payment and a reliable estimate can be made at reporting date.

Post-employment Benefits: *Defined Contribution Plans*

A defined contribution plan is a plan under which the Municipality pays fixed contributions into a separate entity. The Municipality has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior periods.

The Municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in the Statement of Financial Performance in the period in which the service is rendered by the relevant employees.

Post-employment Benefits: *Defined Benefit Plans*

A defined benefit plan is a plan that defines an amount of benefit that an employee will receive on retirement.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded. The defined benefit obligation is calculated using the projected unit credit method, incorporating actuarial assumptions and a discount rate based on the government bond rate. Valuations of these obligations are carried out by independent qualified actuaries regularly, as may be required for fair presentation.

Actuarial gains or losses recognised immediately in the Statement of Financial Performance.

Post-retirement Health Care Benefits

The Municipality has an obligation to provide post-retirement health care benefits to certain of its retirees. According to the rules of the Medical Aid Funds, with which the Municipality is associated, a member (who is on the current Conditions of Service), on retirement, is entitled to remain a continued member of the Medical Aid Fund, in which case the Municipality is liable for a certain portion of the medical aid membership fee.

The **defined benefit** liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded. The present value of the defined benefit obligation is calculated using the projected unit credit method,

Notes to the financial statements (Continued)

incorporating actuarial assumptions and a discount rate based on the government bond rate. Valuations of these obligations are carried out annually by independent qualified actuaries.

Past-service costs are recognised immediately, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

Ex-gratia Pension Benefits

The Municipality provides pension and retirement gratuity benefits to certain employees who were in the employment of the former (include name of the municipalities) Municipalities (now incorporated into the (add name of the Municipality) Municipality) at 31 December 1994 (include name of the Municipality) and 31 March 1995 (include name of the Municipality) and still in the employment of (include name of the Municipality) Municipality at date of normal retirement, medical disability, retrenchment or death. The gratuity is calculated on the salary benefits during 1994/1995.

Long-service Allowance

The Municipality has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the Municipality instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continued service. The Municipality's liability is based on an actuarial valuation. The projected unit credit method has been used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through the statement of financial performance.

National- and Provincially Administered Defined Benefit Plans

The Municipality contributes to various National- and Provincial-administered **Defined Benefit Plans** on behalf of its qualifying employees. The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. These defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis.

Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

The Municipality does not apply defined benefit accounting to the defined benefit funds to which it is a member where these funds are classified in terms of the Standard of GRAP 25 on Employee Benefits as multiemployer plans, as sufficient information is not available to apply the principals involved. As a result, this standard of GRAP is applied and such funds are accounted for as defined contribution funds.

Salaried personnel are members of the Cape Joint Pension fund established in terms of the Local Authorities Pension Fund Ordinance, 1969 (Ordinance 23 of 1969), and the provisions of the Pension Fund Act, 1956 (Act 24 of 1956) or the SAMWU National Provident Fund.

Commentary:

The accounting policy for various types of post-employment schemes have been illustrated here.

Notes to the financial statements (Continued)

Leases

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Municipality as Lessee [note 15.2 and note 41]

Property, plant and equipment subject to finance lease agreements are capitalised at their cash cost equivalent. Corresponding liabilities are included in the Statement of Financial Position as Finance Lease Obligations. The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

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

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Municipality as Lessor [note 7.1 note 23]

Amounts due from lessees under finance leases or instalment sale agreements are recorded as receivables at the amount of the Municipality's net investment in the leases. Finance lease or instalment sale income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Municipality's net investment outstanding in respect of the leases or instalment sale agreements.

Operating lease rental income is recognised on a straight-line basis over the term of the relevant lease.

Tax [note 42]

Current tax assets and liabilities

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable surplus will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

Notes to the financial statements (Continued)

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

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

Tax expenses

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

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

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

Revenue, expenses and assets are recognised net of the amount of VAT except:

- Where the VAT incurred on the purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- Receivables and payables that are stated with the amount VAT included.

Revenue

Revenue, excluding value-added taxation where applicable, is derived from a variety of sources which include rates levied, grants from other tiers of government and revenue from trading activities and other services provided.

Recognition and measurement

The Municipality recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Municipality and when specific criteria have been met for each of the municipalities' activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Municipality bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Furthermore, services rendered are recognised by reference to the stage of completion of the transaction at the reporting date.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, stock rotation, price protection, rebates and other similar allowances.

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

Notes to the financial statements (Continued)

Service Charges – exchange revenue [note 22]

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without it being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the type of service and the number of sewer connections on all developed property, using the tariffs approved by Council and are levied monthly.

In circumstances where services cannot readily be measured and quantified, a flat rate service charge is levied monthly on such properties.

Pre-paid Electricity – exchange revenue

Revenue from the sale of electricity pre-paid meter cards are recognised at the point of sale. Revenue from the sale of electricity prepaid meter cards are recognised based on an estimate of the prepaid electricity consumed as at the reporting date.

Sale of goods – exchange revenue

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

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

Dividends – exchange revenue

Dividends are recognised on the date that the Municipality becomes entitled to receive the dividend in accordance with the substance of the relevant agreement, where applicable.

Revenue Recognition of Unclaimed Deposits – exchange revenue

Unclaimed deposits older than three (3) years are recognised as revenue.

Notes to the financial statements (Continued)

Rates and Taxes – non-exchange revenue

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

Fines – non-exchange revenue

Fines constitute both spot fines and camera fines. Fines are recognised when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset. It is measured at the best estimate, based on past experience, of the amount of revenue the Municipality is entitled to collect.

Subsequent to initial recognition and measurement, the Municipality assess the collectability of the revenue and recognises a separate impairment loss where appropriate.

Donations and Contributions – non-exchange revenue

Donations and funding are recognised as revenue to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

Transfers and subsidies – non-exchange revenue

Unconditional Grants

Equitable share allocations are recognised in revenue at the start of the financial year.

Conditional Grants

Conditional grants recognised as revenue to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

Interest earned on grants received and invested is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor and if it is the Municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

Services Received In-kind – non-exchange revenue

Services in kind are recognised at its fair value when it is significant to the operations and/or service delivery objectives and when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably. If the services in-kind are not significant to the operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, only the nature and type of services in-kind received during the reporting period is disclosed.

Notes to the financial statements (Continued)

Transfers and subsidies – non-exchange expenditure

The Municipality transfers money to individuals, organisations and other sectors of government from time to time. These transfers are recognised in the financial statements as expenses in the period that the events giving rise to the transfer occurred.

Related parties and related party transactions

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Management is regarded as a related party and comprises the councillors, Executive Mayor, Mayoral Committee members, Municipal Manager, executive directors and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

Events after reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the Annual Financial Statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the Annual Financial Statements.

Housing Development Reserve

Sections 15(5) and 16 of the Housing Act, 1997 (Act 107 of 1997), which came into operation on 1 April 1998, requires that the Municipality maintain a separate housing operating account. This legislated separate operating account will be known as the Housing Development Fund. The Housing Act also requires in terms of section 14(4)(d)(iii)(aa) read with, inter alia, section 16(2) that the net proceeds of any letting, sale of property or alienation, financed previously from government housing funds, be paid into a separate operating account and be utilised by the Municipality for housing development, subject to the approval of the Provincial MEC responsible for housing. Loans from national and provincial government that were used to finance housing selling schemes were extinguished on 1 April 1998 and transferred to the Housing Development Fund.

The following provisions are set for the creation and utilisation of the Housing Development Fund:

- The Housing Development Fund must have its own separate bank account or allocated investments and must be backed by cash or related assets.
- Any contributions to or from the fund must be shown as transfers in the Statement of Changes in Net Assets.
- Interest earned on the investments backing up this fund must be recorded as part of interest earned in surplus or deficit for the year and can be transferred via the Statement of Changes in Net Assets to the Housing Development Fund.

Commentary:

This accounting policy may differ depending on the terms and conditions approved by the relevant authorities in relation to the operation of the Housing Development Fund.

Principal-Agent Arrangement

The municipality is party to a principal-agent arrangement for [include details here]. In terms of the arrangement the municipality is the [principal / agent] and is responsible for [include details here].

Notes to the financial statements (Continued)

Self-insurance Reserve

Self-insurance reserve

A self-insurance reserve was established and, subject to external insurance where deemed necessary, covers claims that might occur. Premiums are charged to the respective services, taking into account the claims history and replacement value of the insured assets.

Contributions to and from the reserve are transferred via the Statement of Changes in Net Assets to the reserve in line with the amount provided for in the operating budget.

The self-insurance reserve is based on recognised insurance industry principles. To determine the level of capacity required, an agreed methodology has been adopted and is consistently applied annually based on the following methodology:

Compensation for occupational injuries and diseases (COID) reserve

The Municipality has been exempted from making contributions to the Compensation Commissioner for Occupational Injuries and Diseases (COID). In terms of this exemption the Municipality established a COID reserve to offset claims from employees. Amounts are transferred to the COID reserve from the accumulated surplus based on the statutory rate of contributions set out in the Compensation for Occupational Injuries and Diseases Act, 1993 (Act 130 of 1993) as well as additional amounts deemed necessary to ensure that the balance of the reserve is adequate to offset potential claims.

Contributions to the COID reserve are based on 1% of the annual remuneration of employees that qualify for COID benefits. All employees earning more than a predetermined amount per annum are reinsured by what is called a "COID wrap-around" policy. Claims are paid as determined by the Compensation Commissioner and are reflected in surplus or deficit for the year. Claims are settled by transferring a corresponding amount from the COID reserve to the accumulated surplus in the Statement of Changes in Net Assets.

The Compensation Commissioner required a ceded investment or guarantee. This amount is calculated annually by the Department of Labour. The Municipality opted to supply the Compensation Commissioner with a bank guarantee.

Commentary:

This accounting policy may differ depending on the terms and conditions approved by the relevant authorities in relation to the operation of such reserves.

Notes to the financial statements (Continued)

2. Cash and cash equivalents

2.1 Cash and cash equivalents

	2020/2021 (R'000s)	2019/2020 (R'000s)
<i>Cash and cash equivalents consist of the following:</i>		
Call deposits and investments		
Contractual Rights		
Demand and Time Loans, Banker's Acceptance		
Deposit taking Institutions		
Marketable Securities		
National Government Investment Securities		
Short Term portion of Investments		
Special Deposit for the Payment of Dividend		
Special Deposit for the Payment of Interest		
Unamortised Discount		
Cash at Bank		
Bank account		
Savings account		
Cash on hand		
Cashier Floats		
Cash in Transit		
Petty Cash		
Total cash and cash equivalents		

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods, depending on the immediate cash requirements earn interest at the respective short-term deposit rate.

Bank balances amounting to RXX million include an amount of RXX million which must be used on infrastructure projects. **[2p.49]**

Commentary:

An entity may also consider disclosing amounts of any undrawn borrowing facilities that are available for future operating activities and to settle capital commitments (including any restrictions on the use of these facilities).

Bank overdrafts which are repayable on demand may form an integral part of an entity's cash management activities. In these circumstances, bank overdrafts are included as a component of cash and cash equivalents. Bank overdrafts that are not part of cash and cash equivalents (and are material) are disclosed separately under current liabilities.

Notes to the financial statements (Continued)

2.2 Bank accounts [MFMA125(2)(a)]

	2020/2021 (R'000s)	2019/2020 (R'000s)
<i>The municipality has the following bank accounts:</i>		
xx Bank Limited - xx Branch: Account Number xxx		
xx Bank Limited - xx Branch: Account Number xxx		
xx Bank Limited - xx Branch: Account Number xxx		
Total		

Commentary:

The note can separate the primary bank account from any other bank accounts and savings accounts. The significant terms and conditions per bank account must be disclosed. In addition, the note should include the following on overdrafts:

- *whether any balance is in default at the reporting date;*
- *the cause of the default and the consequences thereof;*
- *any terms of renegotiations (where relevant);*

Notes to the financial statements (Continued)

2.3 Difference between Cash Book and Bank Statement

	2020/2021 (R'000s)		
	Cash book	Bank Statement	Difference
xx Bank Limited - xx Branch: Account Number xxx xx Bank Limited - xx Branch: Account Number xxx xx Bank Limited - xx Branch: Account Number xxx			
	2019/2020 (R'000s)		
	Cash book	Bank Statement	Difference
xx Bank Limited - xx Branch: Account Number xxx xx Bank Limited - xx Branch: Account Number xxx xx Bank Limited - xx Branch: Account Number xxx			

Commentary:

The above disclosure must be provided for each bank account. Reasons for differences must also be included.

Notes to the financial statements (Continued)

3. Receivables from exchange transactions

		2020/2021 (R'000s)	2019/2020 (R'000s)
Consumer receivables from exchange transactions	3.1		
Electricity			
Waste Management			
Waste Water Management			
Water			
Other			
Other receivables from exchange transactions	3.2		
Abeyance			
Affiliated/Related Parties/Associated Companies			
Housing Selling Scheme			
Land Sale Debtors			
Market Agency			
Merchandising, Jobbing and Contracts			
Property Rental Debtors			
Total Receivables from Exchange Transactions			

Commentary:

The amount disclosed in this note is **net** of impairment. Refer to note 3.1 and 3.2 for the amount before the provision (gross) and the actual value of the provision.

Notes to the financial statements (Continued)

3.1 Consumer Receivables

	2020/2021 (R'000s)			2019/2020 (R'000s)		
	Gross	Impairment	Total	Gross	Impairment	Total
Consumer receivables from exchange transactions						
Electricity						
Waste Management						
Waste Water Management						
Water						
Other						
Total consumer receivables from exchange transactions						

Notes to the financial statements (Continued)

3.1.1 Impairment Reconciliation of Consumer Receivables

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening balance	Impairment raised	Impairment reversed / debt written off	Closing balance	Opening balance	Impairment raised	Impairment reversed / debt written off	Closing balance
Consumer receivables from exchange transactions								
Electricity								
Waste Management								
Waste Water Management								
Water								
Other								
Total consumer receivables								

Notes to the financial statements (Continued)

3.1.2 Ageing of Impaired Consumer Receivables [104p129(b)]

	2020/2021 (R'000s)						
	Total	Current	30 days	60 days	90 days	120 days	120+ days
Consumer receivables from exchange transactions							
<i>Ageing by debt type</i>							
Electricity							
Waste Management							
Waste Water Management							
Water							
Other							
Total by debt type							
<i>Ageing per customer group</i>							
Organs of State							
Commercial Customers							
Households							
Other							
Total by customer group							

Notes to the financial statements (Continued)

3.1.2 Ageing of Impaired Consumer Receivable (Continued)

	2019/2020 (R'000s)						
	Total	Current	30 days	60 days	90 days	120 days	120+ days
Consumer receivables from exchange transactions							
<i>Ageing by debt type</i>							
Electricity							
Waste Management							
Waste Water Management							
Water							
Other							
Total by debt type							
<i>Ageing per customer group</i>							
Organs of State							
Commercial Customers							
Households							
Other							
Total by customer group							

Notes to the financial statements (Continued)

3.1.3 Consumer Debt Past Due Not Impaired [104p129(a)]

	2020/2021 (R'000s)					
	Total	30 days	60 days	90 days	120 days	120+ days
Consumer receivables from exchange transactions						
Electricity						
Waste Management						
Waste Water Management						
Water						
Other						
Total Consumer Receivables						

Notes to the financial statements (Continued)

3.1.3 Consumer Debt Past Due Not Impaired [104p129(a)] (Continued)

	2019/2020 (R'000s)					
	Total	30 days	60 days	90 days	120 days	120+ days
Consumer receivables from exchange transactions						
Electricity						
Waste Management						
Waste Water Management						
Water						
Other						
Total Consumer Receivables						

Notes to the financial statements (Continued)

3.1.4 Consumer Receivables Pledged as Security [104p.109]

	2020/2021 (R'000s)	2019/2020 (R'000s)
Carrying value of receivables pledged as security		

Commentary:

The note should include detail per debt type (where relevant).

3.1.5 Credit Quality of Consumer Receivables

Commentary:

Provide commentary on the credit quality of consumer receivables and the method of determining such.

3.1.6 Collection Rate of Consumer Receivables

	2020/2021 (R'000s)	2019/2020 (R'000s)
Electricity		
Waste Management		
Waste Water Management		
Water		
Property Rates		
Other		
Overall collection rate		

Notes to the financial statements (Continued)

3.2 Other Receivables from Exchange Transactions

	2020/2021 (R'000s)			2019/2020 (R'000s)		
	Gross	Impairment	Total	Gross	Impairment	Total
Abeyance						
Affiliated/Related Parties/Associated Companies						
Housing Selling Scheme						
Land Sale Debtors						
Market Agency						
Merchandising, Jobbing and Contracts						
Property Rental Debtors						
Total						

Notes to the financial statements (Continued)

3.2.1 Impairment Reconciliation of Other Receivables from Exchange Transactions

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening balance	Impairment raised	Impairment reversed / debt w/off	Closing balance	Opening balance	Impairment raised	Impairment reversed / debt w/off	Closing balance
Abeyance								
Affiliated/Related/Associated Companies								
Housing Selling Scheme								
Land Sale Debtors								
Market Agency								
Merchandising, Jobbing and Contracts								
Property Rental Debtors								
Total								

Notes to the financial statements (Continued)

3.2.2 Ageing of Other Impaired Receivables from Exchange Transactions [108p129(b)]

	2020/2021 (R'000s)						
	Total	Current	30 days	60 days	90 days	120 days	120+ days
Abeyance							
Affiliated/Related Parties/Associated Companies							
Housing Selling Scheme							
Land Sale Debtors							
Market Agency							
Merchandising, Jobbing and Contracts							
Property Rental Debtors							
Total							

Notes to the financial statements (Continued)

3.2.2 Ageing of Other Receivables from Exchange Transactions (Continued)

	2019/2020 (R'000s)						
	Total	Current	30 days	60 days	90 days	120 days	120+ days
Abeyance							
Affiliated/Related/Associated Companies							
Housing Selling Scheme							
Land Sale Debtors							
Market Agency							
Merchandising, Jobbing and Contracts							
Property Rental Debtors							
Total							

Notes to the financial statements (Continued)

3.2.3 Other Receivables from Exchange Transactions Past Due Not Impaired [104p129(a)]

	2020/2021 (R'000s)					
	Total	30 days	60 days	90 days	120 days	120+ days
Abeyance						
Affiliated/Related Parties/Associated Companies						
Housing Selling Scheme						
Land Sale Debtors						
Market Agency						
Merchandising, Jobbing and Contracts						
Property Rental Debtors						
Total						

Notes to the financial statements (Continued)

3.2.3 Other Receivables from Exchange Transactions Past Due Not Impaired [104p129(a)] (Continued)

	2019/2020 (R'000s)					
	Total	30 days	60 days	90 days	120 days	120+ days
Abeyance						
Affiliated/Related Parties/Associated Companies						
Housing Selling Scheme						
Land Sale Debtors						
Market Agency						
Merchandising, Jobbing and Contracts						
Property Rental Debtors						
Total						

Notes to the financial statements (Continued)

3.2.4 Other Receivables from Exchange Transactions Pledged as Security [104p.109 & p129(c)]

	2020/2021 (R'000s)	2019/2020 (R'000s)
Carrying value of receivables pledged as security		

Commentary:

The note should include detail per debt type (where relevant).

3.2.5 Credit Quality of Other Receivables from Exchange Transactions

Commentary:

Provide commentary on the credit quality of consumer receivables and the method of determining such.

Notes to the financial statements (Continued)

4. Receivables from Non-Exchange Transactions [23p.115(b), 108p.35]

		2020/2021 (R'000s)	2019/2020 (R'000s)
Consumer receivables	4.1		
Property Rates			
Other receivables	4.1		
Fines			
Insurance Claims			
LGSETA Interns			
Over payment of contractors			
R/D Cheques			
UIF Refund			
Unauthorised, Irregular, Fruitless and Wasteful Expenditure			
Accrued Income			
Total Receivables			

Notes to the financial statements (Continued)

4.1 Receivables from Non-Exchange Transactions [108p.36 & .37]

	2020/2021 (R'000s)			2019/2020 (R'000s)		
	Gross	Impairment	Total	Gross	Impairment	Total
Consumer receivables						
Property Rates						
Other receivables						
Fines						
Insurance Claims						
LGSETA Interns						
Over payment of contractors						
R/D Cheques						
UIF Refund						
Unauthorised, Irregular, Fruitless and Wasteful Expenditure						
Accrued Income						
Total						

Notes to the financial statements (Continued)

4.1.1 Impairment Reconciliation of Receivables from Non-Exchange Transactions

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening balance	Impairment raised	Impairment reversed / debt w/off	Closing balance	Opening balance	Impairment raised	Impairment reversed / debt w/off	Closing balance
Consumer receivables								
Property Rates								
Other receivables								
Fines								
Insurance Claims								
LGSETA Interns								
Over payment of contractors								
R/D Cheques								
UIF Refund								
Unauthorised, Irregular, Fruitless and Wasteful Expenditure								
Accrued Income								
Total								

Notes to the financial statements (Continued)

4.1.2 Ageing of Impaired Receivables from Non-Exchange Transactions [108p.41(a)]

	2020/2021 (R'000s)						
	Total	Current	30 days	60 days	90 days	120 days	120+ days
Consumer receivables							
Property Rates							
Other receivables							
Fines							
Insurance Claims							
LGSETA Interns							
Over payment of contractors							
R/D Cheques							
UIF Refund							
Unauthorised, Irregular, Fruitless and Wasteful Expenditure							
Accrued Income							
Total							

Commentary:

The note should also include factors considered in assessing impairment losses [108p41(c)]

Notes to the financial statements (Continued)

4.1.2 Ageing of Impaired Receivables from Non-Exchange Transactions (Continued)

	2019/2020 (R'000s)						
	Total	Current	30 days	60 days	90 days	120 days	120+ days
Consumer receivables							
Property Rates							
Other receivables							
Fines							
Insurance Claims							
LGSETA Interns							
Over payment of contractors							
R/D Cheques							
UIF Refund							
Unauthorised, Irregular, Fruitless and Wasteful Expenditure							
Accrued Income							
Total							

Commentary:

The note should also include factors considered in assessing impairment losses [108p41(c)]

Notes to the financial statements (Continued)

4.1.3 Ageing of Receivables from Non-Exchange Transactions Past Due Not Impaired [108p.41(b)]

	2020/2021 (R'000s)					
	Total	30 days	60 days	90 days	120 days	120+ days
Consumer receivables						
Property Rates						
Other receivables						
Fines						
Insurance Claims						
LGSETA Interns						
Over payment of contractors						
R/D Cheques						
UIF Refund						
Unauthorised, Irregular, Fruitless and Wasteful Expenditure						
Accrued Income						
Total						

Commentary:
 The note should also include factors considered in assessing impairment losses [108p41(c)]

Notes to the financial statements (Continued)

4.1.3 Ageing from Receivables Non-Exchange Transactions Past Due Not Impaired [108p.41(b)]

	2019/2020 (R'000s)					
	Total	30 days	60 days	90 days	120 days	120+ days
Consumer receivables						
Property Rates						
Other receivables						
Fines						
Insurance Claims						
LGSETA Interns						
Over payment of contractors						
R/D Cheques						
UIF Refund						
Unauthorised, Irregular, Fruitless and Wasteful Expenditure						
Accrued Income						
Total						

Commentary:
 The note should also include factors considered in assessing impairment losses [108p41(c)]

Notes to the financial statements (Continued)

4.1.4 Other Receivables from Non-Exchange Transactions Pledged as Security [108p.40] [104p.109]

	2020/2021 (R'000s)	2019/2020 (R'000s)
Carrying value of receivables pledged as security		

Commentary:

The note should include detail per debt type (where relevant).

4.1.5 Credit Quality of Other Receivables from Non-Exchange Transactions

Commentary:

Provide commentary on the credit quality of consumer receivables and the method of determining such.

Notes to the financial statements (Continued)

5. Inventory [12p.47(b)]

	2020/2021 (R'000s)	2019/2020 (R'000s)
Consumables		
Materials and Supplies		
Water 5.1		
Housing Stock		
Land		
Agricultural		
Work-in -progress		
Finished Goods		
Total Inventories		

RXX million (2020/2021: RXX million) of total inventory was carried at fair value less cost to sell. [12p.47(c)]

The amount of write-down of inventories recognized as an expense is RXXX million (2020/2021: RXXX million). Refer to **Note 37.1**.

RXXX million previously written-down was reversed during the current year.

Commentary:

Also provide the carrying amount of inventories pledged as security for liabilities

5.1 Water

	2020/2021 (R'000s)	2019/2020 (R'000s)
Opening Balance		
System Input Volume		
Authorised Consumption		
Water Losses [Note 36.2]		
Data Transfer and Management Errors		
Unavoidable Annual Real Losses		
Non-revenue Water		
Closing Balance		

Notes to the financial statements (Continued)

5.2 Inventories Pledged as Security

	2020/2021 (R'000s)	2019/2020 (R'000s)
Carrying value of inventories pledged as security		

Commentary:

The note should include detail per debt type (where relevant).

Notes to the financial statements (Continued)

6. Other Current Assets

	2020/2021 (R'000s)	2019/2020 (R'000s)
Prepaid Expenses		
Construction Contract Receivables		
VAT Receivable		
Investments		
Income Tax Receivable		
Current Portion of Non-Current Receivables	7	
Total		

6.1 Other Current Assets Pledged as Security [104p109]

	2020/2021 (R'000s)	2019/2020 (R'000s)
Carrying value of other current assets pledged as security		

Notes to the financial statements (Continued)

7. Long-term Receivables

		2020/2021 (R'000s)	2019/2020 (R'000s)
Consumer Receivables	3.1		
Electricity			
Waste Management			
Waste Water Management			
Water			
Other			
Property Rates			
Total			
Transferred to Current Receivables			
Total Non-Current Consumer Receivables	7.2		
Other Receivables			
Associates			
Bursary Obligations			
Car			
Computer and Electronic Equipment			
Employee Benefits			
Finance Lease Receivable	7.1		
Housing Land Sales			
Housing Loans			
Housing Selling Schemes			
Intercompany/Parent-subsiidiary Transactions			
Joint Ventures			
Operating Lease			
Public Organisation			
Sporting and Other Bodies			
Staff Loans/Recoveries			
Subsidiaries			
Total			
Transferred to Current Receivables	6		
Total Non-Current Other Receivables	7.3		

Notes to the financial statements (Continued)

7.1 Finance Lease Receivable [13p.57]

	(R'000s)
Gross Investment in Lease Due	
Within 1 year	
2 to 5 years	
More than 5 years	
Less: Unearned Finance Revenue	
Present Value of Minimum Lease Payments	
Within 1 year	
2 to 5 years	
More than 5 years	
Non-current Assets	
Current Assets	
Accumulated allowance for uncollectible minimum lease payments receivable	
Total contingent rent recognised as revenue in the period	

Commentary:

In addition to the above, the reporting entity discloses:

- ✓ *The unguaranteed residual values accruing to the benefit of the lessor (the reporting entity);*
- ✓ *A general description of material leasing arrangements.*

It is acknowledged that finance leases are accounted for in terms of GRAP 13. This however does not mean that a finance lease receivable does not meet the definition of a financial asset as defined in GRAP 104. Further, GRAP 104 requires an entity to apply its impairment, derecognition, presentation and disclosure requirements to finance lease receivables recognised by a lessor [104p03(c)(i)].

Notes to the financial statements (Continued)

7.2 Non-current Consumer Receivables

A policy exists which grants consumer debtors an opportunity to make arrangements to pay off their arrear debt over a period of 12, 24 or 36 months with a deposit payable.

	2020/2021 (R'000s)			2019/2020 (R'000s)		
	Gross	Impairment	Total	Gross	Impairment	Total
Electricity						
Waste Management						
Waste Water Management						
Water						
Other						
Total						

Notes to the financial statements (Continued)

7.2.1 Impairment Reconciliation of Non-Current Consumer Receivables

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening balance	Impairment raised	Impairment reversed / debt w/off	Closing balance	Opening balance	Impairment raised	Impairment reversed / debt w/off	Closing balance
Electricity								
Waste Management								
Waste Water Management								
Water								
Other								
Total								

Notes to the financial statements (Continued)

7.2.2 Ageing of Non-Current Consumer Receivables

	2020/2021 (R'000s)			2019/2020 (R'000s)		
	Total	121 – 365 days	>365 days	Total	121 – 365 days	>365 days
<i>Non-Current Consumer Receivables Impaired</i>						
Electricity						
Waste Management						
Waste Water Management						
Water						
Other						
Total						
<i>Non-Current Consumer Receivables Not Impaired</i>						
Electricity						
Waste Management						
Waste Water Management						
Water						
Other						
Total						

Notes to the financial statements (Continued)

7.3 Other Non-Current Receivables

	2020/2021 (R'000s)			2019/2020 (R'000s)		
	Gross	Impairment	Total	Gross	Impairment	Total
Associates						
Bursary Obligations						
Car						
Computer and Electronic Equipment						
Employee Benefits						
Finance Lease Receivable						
Housing Land Sales						
Housing Loans						
Housing Selling Schemes						
Intercompany/Parent-subsiary Transactions						
Joint Ventures						
Operating Lease						
Public Organisation						
Sporting and Other Bodies						
Staff Loans/Recoveries						
Subsidiaries						
Total						

Notes to the financial statements (Continued)

7.3.1 Impairment Reconciliation of Non-Current Receivables

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening balance	Impairment raised	Impairment reversed / debt w/off	Closing balance	Opening balance	Impairment raised	Impairment reversed / debt w/off	Closing balance
Associates								
Bursary Obligations								
Car								
Computer and Electronic Equipment								
Employee Benefits								
Finance Lease Receivable								
Housing Land Sales								
Housing Loans								
Housing Selling Schemes								
Intercompany Transactions								
Joint Ventures								
Operating Lease								
Public Organisation								
Sporting and Other Bodies								
Staff Loans/Recoveries								
Subsidiaries								
Total								

Notes to the financial statements (Continued)

7.3.2 Ageing of Non-Current Receivables

	2020/2021 (R'000s)			2019/2020 (R'000s)		
	Total	121 – 365 days	>365 days	Total	121 – 365 days	>365 days
Associates						
Bursary Obligations						
Car						
Computer and Electronic Equipment						
Employee Benefits						
Finance Lease Receivable						
Housing Land Sales						
Housing Loans						
Housing Selling Schemes						
Intercompany Transactions						
Joint Ventures						
Operating Lease						
Public Organisation						
Sporting and Other Bodies						
Staff Loans/Recoveries						
Subsidiaries						
Total						

Notes to the financial statements (Continued)

7.4 Long-term Receivables Pledged as Security [104p109]

	2020/2021 (R'000s)	2019/2020 (R'000s)
Carrying value of long-term receivables pledged as security		

Notes to the financial statements (Continued)

8. Investments

8.1 Carrying Value of Investments [104p.106] [MFMA125(2)(b)]

	Fair Value	Amortised Cost	Cost	Total
Carrying value as at 30 June 2021				
Bankers' Acceptance Certificate				
Deposit Taking Institutions				
Bank Repurchase Agreements				
Derivative Financial Assets				
Guaranteed Endowment Policies (Sinking)				
Listed/Unlisted Bonds and Stocks				
Municipal Bonds				
National Government Securities				
Negotiable Certificate of Deposits: Banks				
Unamortised Debt Expense				
Unamortised Preference Share Expense				
Interest Rate Swaps				
Provision for Impairment				
Reclassifications [104p107]				
Net Investment				
Transferred to Current Investments				
Transferred to Cash and Cash Equivalents				
Total				

Notes to the financial statements (Continued)

8.1 Carrying Value of Investments (Continued)

	Fair Value	Amortised Cost	Cost	Total
Carrying value as at 30 June 2020				
Bankers' Acceptance Certificate				
Deposit Taking Institutions				
Bank Repurchase Agreements				
Derivative Financial Assets				
Guaranteed Endowment Policies (Sinking)				
Listed/Unlisted Bonds and Stocks				
Municipal Bonds				
National Government Securities				
Negotiable Certificate of Deposits: Banks				
Unamortised Debt Expense				
Unamortised Preference Share Expense				
Interest Rate Swaps				
Provision for Impairment				
Reclassifications [104p107]				
Net Investment				
Transferred to Current Investments				
Transferred to Cash and Cash Equivalents				
Total				

Commentary:

All the mSCOA accounts have been listed in the grey shaded rows. The reporting entity may remove or group rows into different classes as deemed necessary.

The carrying amounts are disclosed according to how the instrument has been classified into the three categories defined in GRAP 104 on Financial Instruments.

Where the reporting entity has reclassified any financial instruments, it shall also disclose the reason for the reclassification.

Notes to the financial statements (Continued)

8.1.1 Provision for Impairment [104p.111]

	2020/2021 (R'000s)			
	Opening balance	Adjustment of impairment recognised in surplus and deficit	Reversal of impairment recognised in surplus and deficit	Closing balance
Bankers' Acceptance Certificate				
Deposit Taking Institutions				
Bank Repurchase Agreements				
Derivative Financial Assets				
Guaranteed Endowment Policies (Sinking)				
Listed/Unlisted Bonds and Stocks				
Municipal Bonds				
National Government Securities				
Negotiable Certificate of Deposits: Banks				
Unamortised Debt Expense				
Unamortised Preference Share Expense				
Interest Rate Swaps				

Notes to the financial statements (Continued)

8.1.1 Provision for Impairment (Continued)

	2019/2020 (R'000s)			
	Opening balance	Adjustment of impairment recognised in surplus and deficit	Reversal of impairment recognised in surplus and deficit	Closing balance
Bankers' Acceptance Certificate				
Deposit Taking Institutions				
Bank Repurchase Agreements				
Derivative Financial Assets				
Guaranteed Endowment Policies (Sinking)				
Listed/Unlisted Bonds and Stocks				
Municipal Bonds				
National Government Securities				
Negotiable Certificate of Deposits: Banks				
Unamortised Debt Expense				
Unamortised Preference Share Expense				
Interest Rate Swaps				

Commentary:

The above disclosure is required per class of financial assets.

Notes to the financial statements (Continued)

8.2 Investments Pledged as Collateral [104p109]

	2020/2021 (R'000s)	2019/2020 (R'000s)
Carrying value of investments pledged as collateral		
Reclassification due to default		
Total		

Commentary:

The reporting entity may separately list the investments, or the class of investments pledged as collateral. The reclassification occurs when the reporting entity has defaulted, and the transferee has the right by contract or custom to sell or repledge the collateral.

The note should also include the terms and conditions relating to the pledges made.

Notes to the financial statements (Continued)

9. Investment Property

9.1 Reconciliation of Carrying Value [Cost Model] [16p.96]

	2020/2021 (R'000s)	2019/2020 (R'000s)
Opening Carrying Value		
Cost		
Accumulated Depreciation and Impairment Losses		
Additions from Acquisitions		
Additions from Transfer of Functions and/or Mergers		
Capitalised Costs (including WIP)		
Depreciation [Note 34]		
Carrying Value of Disposals / Transfers		
Cost		
Accumulated Depreciation and Impairment Losses		
Impairment Loss / Reversal of Impairment Loss [Note 34]		
Foreign Exchange Translation Differences		
Other Changes		
Closing Carrying Value		
Cost		
Accumulated Depreciation and Impairment Losses		

Commentary:

The reporting entity completes either the note for the cost model or the fair value model as appropriate. Both notes are completed **only** as permitted by GRAP 16 on Investment Property.

The capitalised costs line includes all subsequent expenditure on existing property as well as costs relating to the construction of.

Other changes will include transactions such as transfers from/(to) Property, Plant and Equipment and/or Inventories.

Notes to the financial statements (Continued)

9.1 Reconciliation of Carrying Value [Fair Value Model] (Continued) [16p.93]

	2020/2021 (R'000s)	2019/2020 (R'000s)
Opening Carrying Value		
Additions from Acquisitions		
Additions from Transfer of Functions and/or Mergers		
Capitalised Costs		
Foreign Exchange Translation Differences		
Fair Value Adjustments		
Carrying Value of Disposals / Transfers		
Impairment Loss / Reversal Of Impairment Loss		
Other Movements		
Closing Carrying Value		

9.1.1 Investment Property Valued at Cost and Disposed of [Fair Value Model] [16p.95(d)]

	2020/2021 (R'000s)	2019/2020 (R'000s)
Carrying value at date of disposal		
Gain / loss on disposal		

Commentary:

The above note is only completed in instances where the reporting entity applies the fair value model but has some investment property carried at cost which is subsequently disposed of.

In addition, where the reporting entity applies the cost model, it also discloses:

- ✓ a description of the investment property;
- ✓ an explanation why fair value cannot be determined reliably; and
- ✓ if possible, the range of estimates within which fair value is highly likely to lie.

Notes to the financial statements (Continued)

9.1.2 Significant Adjustments to Fair Value [Fair Value Model] [16p.94]

	2020/2021 (R'000s)	2019/2020 (R'000s)
<i>During the year the entity obtained / conducted a valuation of its investment properties. To avoid the double counting of assets and liabilities this valuation was adjusted for inclusion in the annual financial statements. Presented below is a reconciliation of the adjustments made, to the valuation, to arrive at the value included in the annual financial statements:</i>		
Value per valuation (prior to adjustment)		
Elimination of other assets also included in the valuation		
Adjustment for liabilities included in the valuation		
Other significant adjustment		
Other significant adjustment		
Valuation included in the financial statements		

9.1.3 Investment Property Under Construction [Cost and Fair Value Model]

	2020/2021 (R'000s)	2019/2020 (R'000s)
Accumulated expenditure included in carrying value of investment property [16p.92(a)]		
<i>Of which:</i>		
Accumulated borrowing costs included in the carrying amount of investment property [5p.33(c)]		
Borrowing costs capitalised during the period [5p.33(b)]		
Carrying value of investment property taking significantly longer than expected [16p.92(b)]		
Carrying value of investment property halted [16p.92(c)]		

The borrowing cost capitalisation rate is X% (2019/2020: X%). [5p.33(d)]

Commentary:

According to GRAP 16 the reporting entity may present the above information individually or in aggregate (as shown above). Where development / construction activities are taking significantly longer than expected or have halted, the reporting entity must include reasons for such. In addition, the reporting entity should include whether any impairment losses have been recognised in relation to any activities that have halted.

The disclosures relating to borrowing costs only apply when the reporting entity adopts a policy of capitalising such.

Notes to the financial statements (Continued)

9.2 Investment Property Contractual Commitments [16p.91(g)]

	2020/2021 (R'000s)	2019/2020 (R'000s)
<i>The following commitments exist at the reporting date</i>		
Commitments for the acquisition of investment property		
Commitments to construct or develop investment property		
Commitments to enhance existing investment property		
Commitments to repair / maintain investment property		
Total		

9.3 Restrictions on Investment Property [16p.91(f)]

	2020/2021 (R'000s)	2019/2020 (R'000s)
Total		

Commentary:

The above note should include a description and amount of any restrictions on the reliability of investment property or the remittance of revenue and proceeds on disposal.

9.4 Investment Property Pledged as Security

	2020/2021 (R'000s)	2019/2020 (R'000s)
Carrying value of investment property pledged as security		

Notes to the financial statements (Continued)

9.5 Maintenance of Investment Property [16p.91(e)]

	2020/2021 (R'000s)	2019/2020 (R'000s)
<i>The following maintenance costs were incurred:</i>		
Preventative Maintenance incurred on		
Revenue generating investment property		
Non-revenue generating investment property		
Corrective Maintenance incurred on		
Revenue generating investment property		
Non-revenue generating investment property		
Total		

Commentary:

GRAP 16 paragraph 91(e)(i) and (ii) also require separate disclosure of direct operating expenses included in surplus/deficit arising from investment property that generated rental revenue and on investment property that did not generate rental revenue during the year. These can be included in this note or in a separate note to investment properties.

9.5.1 Maintenance of Investment Property by Condition

	2020/2021 (R'000s)	2019/2020 (R'000s)
Preventative Maintenance		
Interval Based		
Condition Based		
Corrective Maintenance		
Planned		
Emergency		
Total		

Notes to the financial statements (Continued)

9.5.2 Maintenance of Investment Property by Nature and Type of Expenditure

	2020/2021 (R'000s)	2019/2020 (R'000s)
Direct Costs		
List by <i>m</i> SCOA account description		
Indirect Costs		
List by <i>m</i> SCOA account description		
Total		

9.6 Funding of Investment Property Acquisitions

	Funding Type	2020/2021 (R'000s)	2019/2020 (R'000s)
<i>Additions to investment property was funded from the following sources:</i>			
Source 1			
Source 2			
Source 2			
Source 4			
Source 5			
Source 6			
Total			

Notes to the financial statements (Continued)

10. Property, Plant and Equipment

10.1 Reconciliation of Carrying Value [17p.85(e)]

	2020/2021 (R'000s)						
	Land and Buildings	Infrastructure Assets	Community Assets	Leased Assets	Transport Assets	Other Assets	Total
Opening Carrying Value at 1 July 2019							
Cost							
Accumulated Depreciation and Impairment							
Additions from Acquisitions							
Additions from Transfer of Functions / Mergers							
Revaluation Adjustments**							
Capitalised Costs (including WIP)							
Depreciation [Note 34]							
Carrying Value of Disposals / Transfers							
Cost							
Accumulated Depreciation and Impairment Losses							
Impairment Loss / Reversal of Impairment Loss							
Foreign Exchange Translation Differences							
Other Changes							
Closing Carrying Value at 30 June 2021							
Cost							
Accumulated Depreciation and Impairment							

**Applies only if the Revaluation Model is used.

Notes to the financial statements (Continued)

The remaining useful lives of all assets were adjusted during 2020/2021, and was treated as a change in accounting estimate (refer to note 53). All changes in accounting estimates are applied prospectively, accordingly no prior year adjustments were made.

Commentary:

GRAP 17 on Property, Plant and Equipment requires the above disclosure per class of asset, being a grouping of assets of a similar nature or function in an entity's operations.

For the purpose of this specimen the mSCOA accounts have been grouped as follows:

<i>Land and buildings</i>	<i>Land; Libraries,</i>
<i>Infrastructure assets</i>	<i>Costal Infrastructure; Electrical Infrastructure; Information and Communication Infrastructure; Rails Infrastructure; Roads Infrastructure; Sanitation Infrastructure, Solid Waste Infrastructure; Water Supply Infrastructure;</i>
<i>Community assets</i>	<i>Community Assets;</i>
<i>Leased assets</i>	<i><any category of assets leased by the reporting entity></i>
<i>Transport assets</i>	<i>Transport Assets;</i>
<i>Other assets</i>	<i>Computer Equipment; Furniture and Office Equipment; Machinery and Equipment; Other Assets;</i>

The capitalised costs line includes all subsequent expenditure on existing property as well as costs relating to the construction of.

Other changes will include transactions such as transfers from/(to) Property, Plant and Equipment and/or Inventories.

Entities are reminded to consider the disclosure requirements of iGRAP 18 on Recognition and Derecognition of Land.

Notes to the financial statements (Continued)

10.1 Reconciliation of Carrying Value (Continued) [17p.85(e)]

	2019/2020 (R'000s)						
	Land and Buildings	Infrastructure Assets	Community Assets	Leased Assets	Transport Assets	Other Assets	Total
Opening Carrying Value at 1 July 2018							
Cost							
Accumulated Depreciation and Impairment							
Additions from Acquisitions							
Additions from Transfer of Functions / Mergers							
Revaluation Adjustments**							
Capitalised Costs (including WIP)							
Depreciation							
Carrying Value of Disposals / Transfers							
Cost							
Accumulated Depreciation and Impairment Losses							
Impairment Loss / Reversal of Impairment Loss							
Foreign Exchange Translation Differences							
Other Changes							
Closing Carrying Value at 30 June 2020							
Cost							
Accumulated Depreciation and Impairment							

****Applies only if the Revaluation Model is used.**

Notes to the financial statements (Continued)

10.2 Property, Plant and Equipment Under Construction [17p.87]

	2020/2021 (R'000s)						
	Land and Buildings	Infrastructure Assets	Community Assets	Leased Assets	Transport Assets	Other Assets	Total
Accumulated expenditure included in carrying value of property, plant and equipment							
<i>Of which:</i>							
Accumulated borrowing costs included in the carrying amount of property, plant and equipment [5p.33(c)]							
Borrowing costs capitalised during the period [5p.33(b)]							
Carrying value of property, plant and equipment taking significantly longer than expected							
Carrying value of property, plant and equipment halted							

Notes to the financial statements (Continued)

10.2 Property, Plant and Equipment Under Construction (Continued) [17p.87]

	2019/2020 (R'000s)						
	Land and Buildings	Infrastructure Assets	Community Assets	Leased Assets	Transport Assets	Other Assets	Total
Accumulated expenditure included in carrying value of property, plant and equipment							
<i>Of which:</i>							
Accumulated borrowing costs included in the carrying amount of property, plant and equipment [5p.33(c)]							
Borrowing costs capitalised during the period [5p.33(b)]							
Carrying value of property, plant and equipment taking significantly longer than expected							
Carrying value of property, plant and equipment halted							

The borrowing cost capitalisation rate is X% (2019/2020: X%). [5p.33(d)]

Commentary:

Where development / construction activities are taking significantly longer than expected or have halted, the reporting entity must include reasons for such. In addition, the reporting entity should include whether any impairment losses have been recognised in relation to any activities that have halted. According to GRAP 17 the reporting entity may present the last two disclosure items individually or in aggregate. The disclosures relating to borrowing costs only apply when the reporting entity adopts a policy of capitalising such.

Notes to the financial statements (Continued)

10.3 Property, Plant and Equipment Contractual Commitments [17p.86(b)]

	2020/2021 (R'000s)						
	Land and Buildings	Infrastructure Assets	Community Assets	Leased Assets	Transport Assets	Other Assets	Total
<i>The following commitments exist at the reporting date</i>							
Commitments for the acquisition of property, plant and equipment							
Commitments to construct or develop property, plant and equipment							
Commitments to enhance existing property, plant and equipment							
Commitments to repair / maintain property, plant and equipment							
Total							

Commentary:

GRAP 17p86(b) only requires disclosure of contractual commitments for the acquisition of property, plant and equipment. This note includes additional disclosures taken from GRAP 16 which may be useful to the users of the financial statements.

Commitments arise when an entity has irrevocably bound itself to a future transaction(s) that will result in the outflow of economic benefits or service potential.

Notes to the financial statements (Continued)

10.3 Property, Plant and Equipment Contractual Commitments (Continued) [17p.86(b)]

	2019/2020 (R'000s)						
	Land and Buildings	Infrastructure Assets	Community Assets	Leased Assets	Transport Assets	Other Assets	Total
<i>The following commitments exist at the reporting date</i>							
Commitments for the acquisition of property, plant and equipment							
Commitments to construct or develop property, plant and equipment							
Commitments to enhance existing property, plant and equipment							
Commitments to repair / maintain property, plant and equipment							
Total							

Notes to the financial statements (Continued)

10.4 Restrictions on Property, Plant and Equipment [17p.86(a)]

	2020/2021 (R'000s)						
	Land and Buildings	Infrastructure Assets	Community Assets	Leased Assets	Transport Assets	Other Assets	Total
Total							

	2019/2020 (R'000s)						
	Land and Buildings	Infrastructure Assets	Community Assets	Leased Assets	Transport Assets	Other Assets	Total
Total							

Commentary:

The above note should include a description and amount of any restrictions on asset titles.

Notes to the financial statements (Continued)

10.5 Property, Plant and Equipment Pledged as Security [17p.86(a)]

	2020/2021 (R'000s)						
	Land and Buildings	Infrastructure Assets	Community Assets	Leased Assets	Transport Assets	Other Assets	Total
Carrying value of property, plant and equipment pledged as security							

	2019/2020 (R'000s)						
	Land and Buildings	Infrastructure Assets	Community Assets	Leased Assets	Transport Assets	Other Assets	Total
Carrying value of property, plant and equipment pledged as security							

Notes to the financial statements (Continued)

10.6 Maintenance of Property, Plant and Equipment [17p.88]

	2020/2021 (R'000s)						
	Land and Buildings	Infrastructure Assets	Community Assets	Leased Assets	Transport Assets	Other Assets	Total
<i>The following maintenance costs were incurred:</i>							
Preventative Maintenance							
Corrective Maintenance							
Total							

	2019/2020 (R'000s)						
	Land and Buildings	Infrastructure Assets	Community Assets	Leased Assets	Transport Assets	Other Assets	Total
<i>The following maintenance costs were incurred:</i>							
Preventative Maintenance							
Corrective Maintenance							
Total							

Notes to the financial statements (Continued)

10.6.1 Maintenance of Property, Plant and Equipment by Condition [17p.88]

	2020/2021 (R'000s)						
	Land and Buildings	Infrastructure Assets	Community Assets	Leased Assets	Transport Assets	Other Assets	Total
Preventative Maintenance							
Interval Based							
Condition Based							
Corrective Maintenance							
Planned							
Emergency							
Total							

	2019/2020 (R'000s)						
	Land and Buildings	Infrastructure Assets	Community Assets	Leased Assets	Transport Assets	Other Assets	Total
Preventative Maintenance							
Interval Based							
Condition Based							
Corrective Maintenance							
Planned							
Emergency							
Total							

Notes to the financial statements (Continued)

10.6.2 Maintenance of Property, Plant and Equipment by Nature and Type of Expenditure [17p89]

	2020/2021 (R'000s)						
	Land and Buildings	Infrastructure Assets	Community Assets	Leased Assets	Transport Assets	Other Assets	Total
Direct Costs							
List per <i>m</i> SCOA account description							
Indirect costs							
List per <i>m</i> SCOA account description							
Total							

	2019/2020 (R'000s)						
	Land and Buildings	Infrastructure Assets	Community Assets	Leased Assets	Transport Assets	Other Assets	Total
Direct Costs							
List per <i>m</i> SCOA account description							
Indirect costs							
List per <i>m</i> SCOA account description							
Total							

Notes to the financial statements (Continued)

10.7 Funding of Property, Plant and Equipment Acquisitions

	Funding Type	2020/2021 (R'000s)	2019/2020 (R'000s)
<i>Additions to property, plant and equipment was funded from the following sources:</i>			
Land and Buildings			
Include funding source			
Infrastructure Assets			
Include funding source			
Community Assets			
Include funding source			
Leased Assets			
Include funding source			
Transport Assets			
Include funding source			
Other Assets			
Include funding source			
Total			

Notes to the financial statements (Continued)

11. Biological Assets

11.1 Reconciliation of Carrying Value [27p.46 & .51]

	2020/2021 (R'000s)			2019/2020 (R'000s)		
	Biological Assets Measured at Fair Value	Biological Assets Measured at Cost	Total	Biological Assets Measured at Fair Value	Biological Assets Measured at Cost	Total
Opening Carrying Value						
Additions from Acquisitions						
Additions from Non-exchange Transactions						
Additions due to Transfer of Functions / Merger						
Disposals through Sales						
Transfers due to Transfer of Function / Merger						
Distributions in a Non-exchange Transaction						
Harvests						
Depreciation [Note 35]						
Impairment Loss / Reversal Of Impairment Loss						
Fair Value less Costs to Sell Adjustments						
Bearer assets						
Consumable assets						
Foreign Exchange Translation Differences						
Other Changes						
Closing Carrying Value						

Notes to the financial statements (Continued)

Commentary:

GRAP 27 on Agriculture does not specify that disclosures (above and below) be completed per class of assets. The reporting entity may however elect to do so.

The disclosures on “Biological Assets Measured at Cost” only apply when the reporting entity cannot determine fair value reliably. Refer to GRAP 27 for specific guidance thereon.

GRAP 27 also requires a description of biological assets that distinguishes between consumable and bearer biological assets and between biological assets held for sale and those held for distribution at no charge or for a nominal charge.

11.1.1 Biological Assets Measured at Cost [27p.50(f)]

	Biological Assets (R'000s)
<i>Analysis of Carrying Value of Biological Assets Measured at Cost</i>	
Opening Carrying Value at 1 July 2018	
Cost	
Accumulated Depreciation and Impairment	
Closing Value at 30 June 2020	
Cost	
Accumulated Depreciation and Impairment	
Closing Value at 30 June 2021	
Cost	
Accumulated Depreciation and Impairment	

Commentary:

The above may be incorporated into note 12.1 should the reporting entity deem it more useful to the users of the financial statements to do so.

In addition to the above, the reporting entity should include the following with regards to biological assets measured at cost:

- ✓ A description of the biological assets;
- ✓ An explanation of why fair value cannot be measured reliably;
- ✓ If possible, the range of estimates within which fair value is highly likely to lie;

If the fair value of these biological assets becomes reliably measurable during the current period, the following should be included:

- ✓ A description of the biological assets;
- ✓ An explanation of why fair value has become reliably measurable; and
- ✓ The effect of the change.

Notes to the financial statements (Continued)

11.2 Biological Asset Contractual Commitments [27p.45(c)]

	2020/2021 (R'000s)	2019/2020 (R'000s)
<i>The following commitments exist at the reporting date</i>		
Commitments for the acquisition of biological assets		
Commitments to develop biological assets		
Total		

11.3 Restrictions on Biological Assets [27p.45(b)]

	2020/2021 (R'000s)	2019/2020 (R'000s)
Total		

Commentary:

The above note should include a description and amount of any restrictions on the use or capacity to sell any biological assets as well as any restrictions on titles.

11.4 Biological Assets Pledged as Security [27p.45(a)]

	2020/2021 (R'000s)	2019/2020 (R'000s)
Carrying value of biological assets pledged as security		

11.5 Financial Risk Management Strategies [27p.45(d)]

Commentary:

Provide commentary on the reporting entity's financial risk management strategies with regard to its agricultural activities.

Notes to the financial statements (Continued)

11.6 Funding of Biological Asset Acquisitions

	Funding Type	2020/2021 (R'000s)	2019/2020 (R'000s)
<i>Additions to biological assets were funded from the following sources:</i>			
Source 1			
Source 2			
Source 2			
Source 4			
Source 5			
Source 6			
Total			

Commentary:

GRAP 27p42 requires the following disclosure in the financial statements (if not disclosed elsewhere in information published with the financial statements:

- (a) a description of the nature of its activities involving each group of biological assets; and
- (b) non-financial measures or estimates of the physical quantities of (i) each group of the entity's biological assets at the end of the period and (ii) output of agricultural produce during the period.

11.7 Fair Value of Agricultural Produce at Point of Harvest [27p44]

	2020/2021 (R'000s)	2019/2020 (R'000s)
Fair value of agricultural produce at point of harvest		
Less: costs to sell		
Value of agricultural produce at point of harvest		

Commentary:

GRAP 27p43 requires an entity to disclose the methods and significant assumptions applied in determining the fair value of each group of agricultural produce at the point of harvest and each group of biological assets. This can be done in the accounting policy or the actual note on biological assets.

12. Living Resources

12.1 Reconciliation of Carrying Value [110p.117]

	2020/2021 (R'000s)			2019/2020 (R'000s)		
	Zoological animals	Policing and protection animals	Total	Zoological animals	Policing and protection animals	Total
Opening Carrying Value						
Cost						
Accumulated Depreciation and Impairment						
Additions from Acquisitions						
Additions from Non-exchange Transactions						
Additions due to Transfer of Functions / Merger						
Disposals through Sales						
Transfers due to Transfer of Function / Merger						
Distributions in a Non-exchange Transaction						
Deaths						
Harvests						
Depreciation [Note 35]						
Impairment Loss / Reversal Of Impairment Loss						
Revaluation Adjustments **						
Foreign Exchange Translation Differences						
Closing Carrying Value						
Cost						
Accumulated Depreciation and Impairment						

****Applies only if the Revaluation Model is used**

Notes to the financial statements (Continued)

Commentary:

GRAP 110 on Living and Non-living Resources specifies that disclosures (above and below) be completed per class of assets, the merely note illustrates a class.

For a group of living resources stated at revalued amounts, the entity discloses:

- ✓ The effective date of the revaluation and the method used to determine fair value
- ✓ the significant judgements, assumptions applied in estimating the fair value
- ✓ the extent to which the fair value was determined directly by reference to observable prices in an active market or recent market transactions on arm's length terms, or estimated using valuation techniques and any significant adjustments made

12.2 Custodial responsibilities for Living Resources [110p.114]

Commentary:

Where the entity acts as a custodian, GRAP 110 on Living and Non-living Resources requires an entity to disclose an explanation of the nature of its custodial responsibility, including the legislation or similar means that establishes the custodial responsibility over the resources This note can include a reference to other public documents.

12.3 Living Resources that are borrowed from or on loan to other entities [110p.118]

Commentary:

GRAP 110 on Living and Non-living Resources requires such disclosure when it provides useful and relevant information to the users of the financial statements.

This disclosure could be in the form of a narrative discussion or include quantities and quantification of the value of the resources borrowed or loaned to other entities.

12.4 Restrictions on Living Resources [110p.119(a) – (b)]

	2020/2021 (R'000s)	2019/2020 (R'000s)
Total		

Commentary:

The above note should include the carrying amounts of living resources or groups of living resources whose title is restricted, the nature and extent of restrictions on the entity's use or capacity to sell living resources or groups of living resources.

Notes to the financial statements (Continued)

12.5 Living Resources Pledged as Security [110p.119(a)]

	2020/2021 (R'000s)	2019/2020 (R'000s)
Carrying value of living resources pledged as security		

12.6 Living Resource Contractual Commitments [110p.119(c)]

	2020/2021 (R'000s)	2019/2020 (R'000s)
<i>The following commitments exist at the reporting date</i>		
Commitments for the acquisition of living resources		
Commitments to dispose of living resources		
Commitments to develop living resources		
Total		

12.7 Compensation from 3rd parties [110p.119(d)]

	2020/2021 (R'000s)	2019/2020 (R'000s)
<i>Compensation from 3rd parties for living resources or groups of living resources that were impaired, lost or giving up that is included in surplus or deficit</i>		
Total		

12.8 Living Resources not recognised [110p.126]

Commentary:

When the entity has not recognised a living resource (or group) because the definition of an asset is not met, or because of the recognition criteria not being met, the entity discloses:

- ✓ *A description of the nature and type of living resources or group of living resources*
- ✓ *Key judgements made and assumptions applied to conclude that the definition of an asset is not met and the reasons why the recognition criteria are not met (individually, by group or in totality)*
- ✓ *On disposal the compensation received and amount recognised in the statement of financial performance*

Notes to the financial statements (Continued)

12.9 Non-living Resources

Commentary:

The note has been included here to illustrate the disclosures for non-living resources. These resources are not recognised in financial statements but have disclosures for the users of the financial statements. Any amounts disclosed here will not tie up to note 12 in the statement of financial position.

12.10 Custodial responsibilities for Non-living Resources [110p.114]

Commentary:

Where the entity acts as a custodian, GRAP 110 on Living and Non-living Resources requires an entity to disclose an explanation of the nature of its custodial responsibility, including the legislation or similar means that establishes the custodial responsibility over the resources. This note can include a reference to other public documents.

Commentary:

In addition to the above, the entity discloses a description of the following for each group of non-living resources, other than land:

- ✓ *The nature and types of non-living resources for which the entity is responsible*
- ✓ *Any liabilities and/or contingent liabilities that arise from the non-living resources*
- ✓ *If it is not disclosed separately on the face of the statement of financial performance, the amount of compensation from third parties for non-living resources or groups of non-living resources that were given up that is included in surplus/deficit*

Notes to the financial statements (Continued)

13. Heritage Assets

13.1 Reconciliation of Carrying Value [Cost Model] [103p.86(c)]

	2020/2021 (R'000s)				
	Land and Buildings	Monuments and Parks	Archives	Other Assets	Total
Opening Carrying Value at 1 July 2019					
Cost					
Accumulated Impairment Losses					
Additions from Acquisitions					
Additions from Transfer of Functions / Mergers					
Capitalised Costs (including WIP)					
Carrying Value of Disposals / Transfers					
Cost					
Accumulated Impairment Losses					
Impairment Loss / Reversal of Impairment Losses [note 35]					
Foreign Exchange Translation Differences					
Other Changes					
Closing Carrying Value at 30 June 2021					
Cost					
Accumulated Impairment Losses					

Notes to the financial statements (Continued)

13.1 Reconciliation of Carrying Value [Cost Model] (Continued)

	2019/2020 (R'000s)				
	Land and Buildings	Monuments and Parks	Archives	Other Assets	Total
Opening Carrying Value at 1 July 2018					
Cost					
Accumulated Impairment Losses					
Additions from Acquisitions					
Additions from Transfer of Functions / Mergers					
Capitalised Costs (including WIP)					
Carrying Value of Disposals / Transfers					
Cost					
Accumulated Impairment Losses					
Impairment Loss / Reversal of Impairment Losses [note 35]					
Foreign Exchange Translation Differences					
Other Changes					
Closing Carrying Value at 30 June 2020					
Cost					
Accumulated Impairment Losses					

Notes to the financial statements (Continued)

Commentary:

GRAP 103 on Heritage Assets requires the above disclosure per class of asset, being a grouping of assets of a similar nature or function in an entity's operations.

For the purpose of this specimen the mSCOA accounts have been grouped as follows:

Land and buildings Areas of Land of Historic Specific Significance; Culturally Significant Buildings,

Monuments and Parks National Monuments; National Parks;

Archives Archives;

Other Assets Antiques and Collections; Municipal Jewellery; Paintings; Sculptures; Works of Art and Collections

A class may also comprise of leased assets.

The capitalised costs line includes all subsequent expenditure on existing property as well as costs relating to the construction of.

Other changes will include transactions such as transfers from/(to) Property, Plant and Equipment and/or Inventories etc.

13.1 Reconciliation of Carrying Value [Revaluation Model] (Continued)

	2020/2021 (R'000s)					
	Land and Buildings	Monuments and Parks	Archives	Other Assets	Heritage Assets measured at cost	Total
Opening Carrying Value at 1 July 2019						
Cost						
Accumulated Impairment Losses						
Additions from Acquisitions						
Additions from Transfer of Functions / Mergers						
Revaluation Adjustments						
Capitalised Costs (including WIP)						
Carrying Value of Disposals / Transfers						
Cost						
Accumulated Impairment Losses						
Impairment Loss / Reversal of Impairment Losses						
Foreign Exchange Translation Differences						
Other Changes						
Closing Carrying Value at 30 June 2021						
Cost						
Accumulated Impairment Losses						

Notes to the financial statements (Continued)

13.1 Reconciliation of Carrying Value [Cost Model] (Continued)

	2019/2020 (R'000s)					
	Land and Buildings	Monuments and Parks	Archives	Other Assets	Heritage Assets measured at cost	Total
Opening Carrying Value at 1 July 2018						
Cost						
Accumulated Impairment Losses						
Additions from Acquisitions						
Additions from Transfer of Functions / Mergers						
Revaluation Adjustments						
Capitalised Costs (including WIP)						
Carrying Value of Disposals / Transfers						
Cost						
Accumulated Impairment Losses						
Impairment Loss / Reversal Of Impairment Losses						
Foreign Exchange Translation Differences						
Other Changes						
Closing Carrying Value at 30 June 2020						
Cost						
Accumulated Impairment Losses						

Notes to the financial statements (Continued)

Commentary:

The above note illustrates the disclosures required where an entity elects to apply the revaluation model for the measurement of its heritage assets.

The column "Heritage Assets measured at cost" illustrates the requirement in GRAP 103 to separately disclose heritage assets for which the reporting entity could not reliably determine a fair value and accordingly applies the cost model in accounting for that specific heritage asset or class of heritage assets. The column heading should include a description of the asset or the class of heritage assets carried at cost. This requirement is unique to GRAP 103.

In addition to the above, the entity must include the following:

- ✓ *A description of the heritage asset or class of heritage assets;*
- ✓ *An explanation why fair value cannot be determined reliably;*
- ✓ *The carrying amount of the heritage asset or class of heritage assets at the time of disposal, and any gain or loss thereon;*

If the fair value becomes reliably measurable, the entity must disclose the following in relation to the heritage asset or class of heritage assets:

- ✓ *A description of the heritage asset or class of heritage assets;*
- ✓ *An explanation why fair value has become reliably measurable; and*
- ✓ *The effect of the change.*

An entity should also disclose information about the alternative use and value of heritage assets that are used by the entity for more than one purpose.

The capitalised costs line includes all subsequent expenditure on existing property as well as costs relating to the construction of.

Other changes will include transactions such as transfers from/(to) Property, Plant and Equipment and/or Inventories etc.

Notes to the financial statements (Continued)

13.1.1 Heritage Assets Retired from Use [103p.97]

	2020/2021 (R'000s)				
	Land and Buildings	Monuments and Parks	Archives	Other Assets	Total
Carrying value of heritage assets retired from active use and held for disposal					

	2019/2020 (R'000s)				
	Land and Buildings	Monuments and Parks	Archives	Other Assets	Total
Carrying value of heritage assets retired from active use and held for disposal					

Notes to the financial statements (Continued)

13.1.2 Heritage Assets Not Recognised [103p.99]

Commentary:

Where the reporting entity does not recognise a heritage asset or a class of heritage assets (in accordance with GRAP 103), the following information should be included in this note:

- ✓ *A description of the heritage asset or class of heritage assets;*
- ✓ *An explanation why the heritage asset or class of heritage assets could not be measured reliably (either its cost or fair value);*
- ✓ *Any proceeds on disposal of these heritage assets received and recognised in the financial statements.*

Notes to the financial statements (Continued)

13.2 Heritage Assets Under Construction [103p.87]

	2020/2021 (R'000s)				
	Land and Buildings	Monuments and Parks	Archives	Other Assets	Total
Accumulated expenditure included in carrying value of heritage assets					
<i>Of which:</i>					
Accumulated borrowing costs included in the carrying amount of heritage assets [5p.33(c)]					
Borrowing costs capitalised during the period [5p.33(b)]					
Carrying value of heritage assets taking significantly longer than expected					
Carrying value of heritage assets halted					

Notes to the financial statements (Continued)

13.2 Heritage Assets Under Construction (Continued)

	2019/2020 (R'000s)				
	Land and Buildings	Monuments and Parks	Archives	Other Assets	Total
Accumulated expenditure included in carrying value of heritage assets					
<i>Of which:</i>					
Accumulated borrowing costs included in the carrying amount of heritage assets [5p.33(c)]					
Borrowing costs capitalised during the period [5p.33(b)]					
Carrying value of heritage assets taking significantly longer than expected					
Carrying value of heritage assets halted					

The borrowing cost capitalisation rate is X% (2017/2018: X%). [5p.33(d)]

Commentary:

Where development / construction activities are taking significantly longer than expected or have halted, the reporting entity must include reasons for such. In addition, the reporting entity should include whether any impairment losses have been recognised in relation to any activities that have halted. According to GRAP 103 the reporting entity may present the last two disclosure items individually or in aggregate.

The disclosures relating to borrowing costs only apply when the reporting entity adopts a policy of capitalising such.

Notes to the financial statements (Continued)

13.3 Heritage Asset Contractual Commitments [103p.91(c)]

	2020/2021 (R'000s)				
	Land and Buildings	Monuments and Parks	Archives	Other Assets	Total
<i>The following commitments exist at the reporting date</i>					
Commitments for the acquisition of heritage assets					
Commitments to maintain / restore heritage assets					
Total					

	2019/2020 (R'000s)				
	Land and Buildings	Monuments and Parks	Archives	Other Assets	Total
<i>The following commitments exist at the reporting date</i>					
Commitments for the acquisition of heritage assets					
Commitments to maintain / restore heritage assets					
Total					

Notes to the financial statements (Continued)

13.4 Restrictions on Heritage Assets [103p.91(a)]

	2020/2021 (R'000s)				
	Land and Buildings	Monuments and Parks	Archives	Other Assets	Total
Total					

	2019/2020 (R'000s)				
	Land and Buildings	Monuments and Parks	Archives	Other Assets	Total
Total					

Commentary:

The above note should include a description and amount of any restrictions on asset titles and on the disposal thereof.

Notes to the financial statements (Continued)

13.5 Heritage Assets Pledged as Security [103p.91(b)]

	2020/2021 (R'000s)				
	Land and Buildings	Monuments and Parks	Archives	Other Assets	Total
Carrying value of heritage assets pledged as security					

	2019/2020 (R'000s)				
	Land and Buildings	Monuments and Parks	Archives	Other Assets	Total
Carrying value of heritage assets pledged as security					

Notes to the financial statements (Continued)

13.6 Maintenance of Heritage Assets [103p.88]

	2020/2021 (R'000s)				
	Land and Buildings	Monuments and Parks	Archives	Other Assets	Total
<i>The following maintenance costs were incurred:</i>					
Preventative Maintenance					
Corrective Maintenance					
Total					

	2019/2020 (R'000s)				
	Land and Buildings	Monuments and Parks	Archives	Other Assets	Total
<i>The following maintenance costs were incurred:</i>					
Preventative Maintenance					
Corrective Maintenance					
Total					

Notes to the financial statements (Continued)

13.6.1 Maintenance of Heritage Assets by Condition

	2020/2021 (R'000s)				
	Land and Buildings	Monuments and Parks	Archives	Other Assets	Total
Preventative Maintenance					
Interval Based					
Condition Based					
Corrective Maintenance					
Planned					
Emergency					
Total					

	2019/2020 (R'000s)				
	Land and Buildings	Monuments and Parks	Archives	Other Assets	Total
Preventative Maintenance					
Interval Based					
Condition Based					
Corrective Maintenance					
Planned					
Emergency					
Total					

Notes to the financial statements (Continued)

13.6.2 Maintenance of Heritage Assets by Nature and Type of Expenditure [103p89]

	2020/2021 (R'000s)				
	Land and Buildings	Monuments and Parks	Archives	Other Assets	Total
Direct Costs					
List per <i>m</i> SCOA account description					
Indirect costs					
List per <i>m</i> SCOA account description					
Total					

	2019/2020 (R'000s)				
	Land and Buildings	Monuments and Parks	Archives	Other Assets	Total
Direct Costs					
List per <i>m</i> SCOA account description					
Indirect costs					
List per <i>m</i> SCOA account description					
Total					

Notes to the financial statements (Continued)

13.7 Funding of Heritage Asset Acquisitions

	Funding Type	2020/2021 (R'000s)	2019/2020 (R'000s)
<i>Additions to heritage assets were funded from the following sources:</i>			
Land and Buildings			
Include funding source			
Monuments and Parks			
Include funding source			
Archives			
Include funding source			
Other Assets			
Include funding source			
Total			

Notes to the financial statements (Continued)

14. Intangible Assets

14.1 Reconciliation of Carrying Value [31p.118(e)]

	2020/2021 (R'000s)					
	Computer Software	Masterheads, & Publishing Titles	Patents, Trademarks etc.	Service, Operating & Land Rights	Other Assets	Total
Opening Carrying Value at 1 July 2019						
Cost						
Accumulated Depreciation and Impairment						
Additions from Acquisitions						
Additions from Internal Developments						
Additions from Transfer of Functions / Mergers						
Revaluation Adjustments**						
Capitalised Costs (including WIP)						
Amortisation [Note 35]						
Carrying Value of Disposals / Transfers						
Cost						
Accumulated Amortisation and Impairment						
Impairment Loss / Reversal of Impairment [Note 35]						
Foreign Exchange Translation Differences						
Other Changes						
Closing Carrying Value at 30 June 2021						
Cost						
Accumulated Amortisation and Impairment						

****Applies only if the Revaluation Model is used.**

Notes to the financial statements (Continued)

14g.1 Reconciliation of Carrying Value (Continued) [31p.118(e)]

	2019/2020 (R'000s)					
	Computer Software	Masterheads, & Publishing Titles	Patents, Trademarks etc.	Service, Operating & Land Rights	Other Assets	Total
Opening Carrying Value at 1 July 2018						
Cost						
Accumulated Amortisation and Impairment						
Additions from Acquisitions						
Additions from Internal Developments						
Additions from Transfer of Functions / Mergers						
Revaluation Adjustments**						
Capitalised Costs (including WIP)						
Amortisation						
Carrying Value of Disposals / Transfers						
Cost						
Accumulated Amortisation and Impairment						
Impairment Loss / Reversal of Impairment						
Foreign Exchange Translation Differences						
Other Changes						
Closing Carrying Value at 30 June 2020						
Cost						
Accumulated Amortisation and Impairment						

****Applies only if the Revaluation Model is used.**

Notes to the financial statements (Continued)

Commentary:

A description, the carrying amount and remaining amortisation period of any individual intangible asset that is material to the entity's financial statement should also be disclosed [27p123(b)]

14.1.1 Intangible Assets with Indefinite Useful Lives [31p.123(a)]

	2020/2021 (R'000s)	2019/2020 (R'000s)
<i>The following intangible assets have been assessed to have indefinite useful lives:</i>		
Intangible Asset 1		
Intangible Asset 2		

Commentary:

The amount disclosed per intangible asset is the carrying value at the reporting date. In addition to the above, the entity must disclose:

The reasons supporting the assessment of an indefinite useful life;

Notes to the financial statements (Continued)

14.2 Intangible Assets Under Development [31p.119]

	2020/2021 (R'000s)					
	Computer Software	Masterheads, & Publishing Titles	Patents, Trademarks etc.	Service, Operating & Land Rights	Other Assets	Total
Accumulated expenditure included in carrying value of heritage assets						
Internally generated intangible assets						
<i>Of which:</i>						
Accumulated borrowing costs included in the carrying amount [5p.33(c)]						
Borrowing costs capitalised during the period						
Other Intangible assets						
<i>Of which:</i>						
Accumulated borrowing costs included in the carrying amount [5p.33(c)]						
Borrowing costs capitalised during the period [5p.33(b)]						
Carrying value of intangible assets taking significantly longer than expected						
Carrying value of intangible assets halted						

Notes to the financial statements (Continued)

14.2 Intangible Assets Under Development (Continued)

	2019/2020 (R'000s)					
	Computer Software	Masterheads, & Publishing Titles	Patents, Trademarks etc.	Service, Operating & Land Rights	Other Assets	Total
Accumulated expenditure included in carrying value of heritage assets						
Internally generated intangible assets						
<i>Of which:</i>						
Accumulated borrowing costs included in the carrying amount [5p.33(c)]						
Borrowing costs capitalised during the period						
Other Intangible assets						
<i>Of which:</i>						
Accumulated borrowing costs included in the carrying amount [5p.33(c)]						
Borrowing costs capitalised during the period [5p.33(b)]						
Carrying value of intangible assets taking significantly longer than expected						
Carrying value of intangible assets halted						

The borrowing cost capitalisation rate is X% (2019/2020: X%). **[5p.33(d)]**

Notes to the financial statements (Continued)

Commentary:

Where development activities are taking significantly longer than expected or have halted, the reporting entity must include reasons for such. In addition, the reporting entity should include whether any impairment losses have been recognised in relation to any activities that have halted. According to GRAP 31 the reporting entity may present the last two disclosure items individually or in aggregate.

The disclosures relating to borrowing costs only apply when the reporting entity adopts a policy of capitalising such.

Notes to the financial statements (Continued)

14.3 Intangible Asset Contractual Commitments [31p.123(d)]

	2020/2021 (R'000s)					
	Computer Software	Masterheads, & Publishing Titles	Patents, Trademarks etc.	Service, Operating & Land Rights	Other Assets	Total
<i>The following commitments exist at the reporting date</i>						
Commitments for the acquisition of intangible assets						
Total						

	2019/2020 (R'000s)					
	Computer Software	Masterheads, & Publishing Titles	Patents, Trademarks etc.	Service, Operating & Land Rights	Other Assets	Total
<i>The following commitments exist at the reporting date</i>						
Commitments for the acquisition of intangible assets						
Total						

Notes to the financial statements (Continued)

14.4 Restrictions on Intangible Assets [31p.123(c)]

	2020/2021 (R'000s)					
	Computer Software	Masterheads, & Publishing Titles	Patents, Trademarks etc.	Service, Operating & Land Rights	Other Assets	Total
Total						

	2019/2020 (R'000s)					
	Computer Software	Masterheads, & Publishing Titles	Patents, Trademarks etc.	Service, Operating & Land Rights	Other Assets	Total
Total						

Commentary:

The above note should include a description and amount of any restrictions on asset titles.

Notes to the financial statements (Continued)

14.5 Intangible Assets Pledged as Security

	2020/2021 (R'000s)					
	Computer Software	Masterheads, & Publishing Titles	Patents, Trademarks etc.	Service, Operating & Land Rights	Other Assets	Total
Carrying value of intangible assets pledged as security						

	2019/2020 (R'000s)					
	Computer Software	Masterheads, & Publishing Titles	Patents, Trademarks etc.	Service, Operating & Land Rights	Other Assets	Total
Carrying value of intangible assets pledged as security						
Total						

Notes to the financial statements (Continued)

14.6 Funding of Intangible Asset Additions

	Funding Type	2020/2021 (R'000s)	2019/2020 (R'000s)
<i>Additions to heritage assets were funded from the following sources:</i>			
Computer Software			
Include funding source			
Masterheads, & Publishing Titles			
Include funding source			
Patents, Trademarks etc.			
Include funding source			
Service, Operating & Land Rights			
Include funding source			
Other Assets			
Include funding source			
Total			

Notes to the financial statements (Continued)

15. Financial Liabilities

15.1 Carrying Value of Financial Liabilities

	Fair Value	Amortised Cost	Cost	Total
Carrying value as at 30 June 2021				
Annuity and Bullet Loans				
Bankers' Acceptance Certificate				
Concessionary Loan				
Derivative Financial Liability				
Government Loans				
Intercompany/Parent-subsiary Transactions				
Local Registered Stocks				
Marketable Bonds				
Non-marketable Bonds				
Service Concessions				
PPP Liabilities				
Securities				
Finance leases				
Reclassifications				
Sub-total				
Transferred to Current Liabilities				
Total				

Commentary:

In addition to the above, the reporting entity discloses:

- ✓ Significant terms and conditions of concessionary loans received;
- ✓ Details of any defaults during the period of principal, interest, sinking fund or redemption terms of loans payable (including whether the default was remedied or whether the terms were renegotiated before the financial statements were authorised for issue);
- ✓ The reason for reclassification of financial liabilities (if any) should be disclosed;

The reporting entity should also include disclosure any concessions on loans received, and the off-market portion recognised.

Notes to the financial statements (Continued)

15.2 Finance Lease Payable [13p.38]

	(R'000s)
Total Future Minimum Lease Payments	
Within 1 year	
2 to 5 years	
More than 5 years	
Less: Future Finance Charges	
Present Value of Minimum Lease Payments	
Within 1 year	
2 to 5 years	
More than 5 years	
Non-current Liability	
Current Liability	
Total future minimum sublease payments expected to be received	
Total contingent rents recognised as an expense	

Commentary:

In addition to the above, the reporting entity discloses:

- ✓ *A general description of material leasing arrangements, including but not limited to:*
- ✓ *The basis on which contingent rent payable is determined;*
- ✓ *The existence and terms of renewal or purchase options and escalation clauses;*
- ✓ *Restrictions imposed by lease arrangements;*

It is acknowledged that finance leases are accounted for in terms of GRAP 13. This however does not mean that a finance lease liability does not meet the definition of a financial liability as defined in GRAP 104. Further, GRAP 104 requires an entity to apply its derecognition, presentation and disclosure requirements to finance lease payables recognised by a lessee [104p03(c)(ii)].

Notes to the financial statements (Continued)

16. Consumer Deposits

	2020/2021 (R'000s)	2019/2020 (R'000s)
Building Plans		
Buying Card		
Electricity		
Hiring of Decorative Items		
Library Books		
Posters		
Refuse		
Rental Properties		
Sewer		
Street Closure		
Valuation Appeal		
Water		
Wayleave		
Total		

Deposits are released on termination of the contract or when the contractual services are delivered.

Notes to the financial statements (Continued)

17. Trade and Other Payables from Exchange Transactions

		2020/2021 (R'000s)	2019/2020 (R'000s)
Affiliates, Related Parties and Associated Companies	17.1		
Bulk Purchases	17.2		
Contractors	17.3		
Control and Clearing Accounts	17.4		
Employee Benefits	17.5		
Other Payables	17.6		
Statutory Payables	17.7		
Total			

17.1 Affiliates, Related Parties and Associated Companies

		2020/2021 (R'000s)	2019/2020 (R'000s)
<Specify Name of Entity>			
<Specify Name of Entity>			
<Specify Name of Entity>			
<Specify Name of Entity>			
<Specify Name of Entity>			
<Specify Name of Entity>			
<Specify Name of Entity>			
Total			

17.2 Bulk Purchases

		2020/2021 (R'000s)	2019/2020 (R'000s)
Bulk Water			
Bulk Electricity			
Total			

Notes to the financial statements (Continued)

17.3 Contractors

	2020/2021 (R'000s)	2019/2020 (R'000s)
Retentions		
Total		

17.4 Control and Clearing Accounts

	2020/2021 (R'000s)	2019/2020 (R'000s)
Cash and Bank		
Disposal Clearing		
Employee Deductions FICS		
Goods Received/Invoice Received		
Group Life Control		
Inventory Stores		
Leave Control		
Licensing and Registration		
Medical Aid Control [MFMA125(1)(c)]		
Pension Control [MFMA125(1)(c)]		
Prepaid Electricity		
Salary Control		
Skills Control		
Tax Control [MFMA125(1)(c)]		
Travel Control		
UIF Control		
Unions Control		
Employee Net pay and Bond payment		
Garnishee Payments		
Total		

Notes to the financial statements (Continued)

17.5 Employee Benefits

	2020/2021 (R'000s)	2019/2020 (R'000s)
Bonus		
Leave Accrual		
Long Service Award		
Overtime		
Pension and Retirement Contributions		
Standby		
Total		

17.6 Other Payables

	2020/2021 (R'000s)	2019/2020 (R'000s)
Agency Fees		
AGSA [MFMA125(1)(c)]		
Dividends or Similar Distributions Declared and Not Paid		
Fair Value Adjustment		
Intercompany/Parent-subsiary Transactions		
Payables and Accruals		
Unallocated Deposits		
Accrued Interest		
Advance Payments		
Total		

17.7 Statutory Payables

	2020/2021 (R'000s)	2019/2020 (R'000s)
Compensation Commission (COID)		
PAYE Deductions		
Total		

Notes to the financial statements (Continued)

18. Trade and other Payables from Non-Exchange Transactions – Unspent Transfers and Subsidies [23p.115(c)]

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
Capital								
Allocations In-kind	18.1							
Monetary Allocations	18.2							
Operational								
Allocations In-kind	18.3							
Monetary Allocations	18.4							
Total								

Notes to the financial statements (Continued)

18.1 Unspent Capital Allocations In-kind

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
Departmental Agencies and Accounts								
National Departmental Agencies								
Provincial Departmental Agencies								
Social Security Funds								
Total								
District Municipalities								
Eastern Cape								
Free State								
Gauteng								
Limpopo								
Mpumalanga								
Western Cape								
Northern Cape								
KwaZulu-Natal								
Total								

Notes to the financial statements (Continued)

18.1 Unspent Capital Allocations In-kind (Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
Foreign Governments and International Organisations								
Africa Regional Technical Assistance Centre South Africa								
African Development Bank								
African Program Rethinking Development Economy								
African Union Commission								
African World Heritage Fund								
Asia-Africa Legal Consultation Organisation								
Association for African University								
Association for the Development of Education in Africa								
BRICS African New Development Bank								
Collaborative African Budget Reform Initiative								
Common Wealth Fund Technology Cooperation								
Common Wealth Magistrate and Judicial Association (CMJA)								

Batho Pele City Municipality

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Notes to the financial statements (Continued)

18.1 Unspent Capital Allocations In-kind (Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
Cop 12, Kenya								
FIFA								
Foreign Rates and Taxes (FIGO)								
Fulbright Commission								
Gambian Government Local Office								
Global Environment Fund (GEF)								
Guidance Council and Youth Development Malawi								
Highly Indebted Poor Centre (HIPC)								
India, Brazil, South African Dialogue Forum								
Institute for Economic Development and Planning								
International Communication Union (FIGO)								
International Fund Faculty for Immunization								
International Oil Pollution Fund								
Investment Climate Facility								
Komati River Basin Water Authority								
Lesotho and Namibia								
Limpopo Commission (LIMCOM)								

Notes to the financial statements (Continued)

18.1 Unspent Capital Allocations In-kind (Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
Orange-Senqu River Basin Commission								
Organisation for Economic Co-operation and Development								
Permanent Court of Arbitration								
Regional Centre for Mapping and Resource Development								
Southern and Eastern African Consortium for Monitoring Educational Quality (SACMEQ)								
United Kingdom Tax								
United Nations Council								
World Bank								
Total								
Higher Educational Institutions								
Cape Peninsula University of Technology								
Central University of Technology Free State								
Durban University of Technology								

Notes to the financial statements (Continued)

18.1 Unspent Capital Allocations In-kind (Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
Mangosuthu University of Technology								
National Institute for Higher Education - Mpumalanga								
National Institute for Higher Education - Northern Cape								
Nelson Mandela Metropolitan University								
North West University								
Rhodes University								
Sefako Makgatho Health Science University								
Sol Plaatje University (Northern Cape)								
Tshwane University of Technology								
University of Cape Town								
University of Fort Hare								
University of Johannesburg								
University of KwaZulu Natal								
University of Limpopo								
University of Mpumalanga								
University of Pretoria								
University of South Africa								

Notes to the financial statements (Continued)

18.1 Unspent Capital Allocations In-kind (Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
University of Stellenbosch								
University of The Free State								
University of the Western Cape								
University of the Witwatersrand								
University of Venda								
University of Zululand								
Vaal University of Technology								
Walter Sisulu University, Technology and Science Eastern Cape								
Total								
Households								
Employee Social Benefits								
Other Transfers (Cash)								
Social Assistance								
Social Security Payments								
Total								

Notes to the financial statements (Continued)

18.1 Unspent Capital Allocations In-kind (Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
National Government								
Bucket Eradication Programme Grant [Schedule 6B]								
Integrated National Electrification Programme [Schedule 5B]								
Municipal Infrastructure Grant [Schedule 6B]								
Municipal Systems Improvement Grant [Schedule 6B]								
Municipal Water Infrastructure Grant [Schedule 6B]								
Neighbourhood Development Partnership Grant [Schedule 6B]								
Regional Bulk Infrastructure Grant [Schedule 5B]								
Rural Household Infrastructure Grant [Schedule 6B]								
Urban Settlements Development Grant [Schedule 6B]								
Water Services Infrastructure Grant [Schedule 5B]								
Total								

Notes to the financial statements (Continued)

18.1 Unspent Capital Allocations In-kind (Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
Non-profit Institutions								
Clerical Assist (Pole Parties)								
Constituency Allowance (Pole Parties)								
Political Parties								
Pretoria Society for The Blind								
Public Schools								
Total								
Private Enterprises								
Other Transfers to Private Enterprises								
Total								
Public Corporations								
Other Transfers to Public Corporations								
Total								
Total Unspent Capital Allocations In-kind								

Notes to the financial statements (Continued)

18.2 Unspent Capital Monetary Allocations

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
Departmental Agencies and Accounts								
National Departmental Agencies								
Provincial Departmental Agencies								
Social Security Funds								
Total								
District Municipalities								
Eastern Cape								
Free State								
Gauteng								
Limpopo								
Mpumalanga								
Western Cape								
Northern Cape								
KwaZulu-Natal								
Total								

Notes to the financial statements (Continued)

18.2 Unspent Capital Monetary Allocations (Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
Foreign Governments and International Organisations								
Africa Regional Technical Assistance Centre South Africa								
African Development Bank								
African Program Rethinking Development Economy								
African Union Commission								
African World Heritage Fund								
Asia-Africa Legal Consultation Organisation								
Association for African University								
Association for the Development of Education in Africa								
BMZ								
BRICS African New Development Bank								
Carnegie Corporation of New York								
City Of Bremen								
Collaborative African Budget Reform Initiative								

Notes to the financial statements (Continued)

18.2 Unspent Capital Monetary Allocations (Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
Common Wealth Fund Technology Cooperation								
Common Wealth Magistrate and Judicial Association (CMJA)								
Cop 12, Kenya								
FIFA								
Foreign Rates and Taxes (FIGO)								
Fulbright Commission								
Gambian Government Local Office								
Global Environment Fund (GEF)								
Guidance Council and Youth Development Malawi								
Highly Indebted Poor Centre (HIPC)								
India- Brazil, South African Dialogue Forum (IBSA)								
India-Brazil-South Africa Trilateral Committee								
Institute for Economic Development and Planning								
International Communication Union (FIGO)								

Notes to the financial statements (Continued)

18.2 Unspent Capital Monetary Allocations (Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
International Fund Faculty for Immunization								
International Oil Pollution Fund								
Investment Climate Facility								
Komati River Basin Water Authority								
Lesotho and Namibia								
Limpopo Commission (LIMCOM)								
Orange-Senqu River Basin Commission								
Organisation for Economic Co-operation and Development								
Orio Dutch Funding								
Permanent Court of Arbitration								
Regional Centre for Mapping and Resource Development								
Royal Netherlands								
Southern and Eastern African Consortium for Monitoring Educational Quality (SACMEQ)								
UNITAR								
United Kingdom Tax								

Notes to the financial statements (Continued)

18.2 Unspent Capital Monetary Allocations (Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
United National Council								
Unspecified								
World Bank								
Total								
Higher Education Institutions								
Cape Peninsula University of Technology								
Central University of Technology Free State								
Durban University of Technology								
Mangosuthu University of Technology								
National Institute for Higher Education - Mpumalanga								
National Institute for Higher Education - Northern Cape								
Nelson Mandela Metropolitan University								
North West University								
Rhodes University								
Sefako Makgatho Health Science University								

Notes to the financial statements (Continued)

18.2 Unspent Capital Monetary Allocations (Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
Sol Plaatje University (Northern Cape)								
Tshwane University of Technology								
University of Cape Town								
University of Fort Hare								
University of Johannesburg								
University of KwaZulu Natal								
University of Limpopo								
University of Mpumalanga								
University of Pretoria								
University of South Africa								
University of Stellenbosch								
University of The Free State								
University of the Western Cape								
University of the Witwatersrand								
University of Venda								
University of Zululand								
Vaal University of Technology								

Notes to the financial statements (Continued)

18.2 Unspent Capital Monetary Allocations (Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
Walter Sisulu University, Technology and Science Eastern Cape								
Total								
Households								
Employee Social Benefits								
Other Transfers (Cash)								
Social Assistance								
Social Security Payments								
Total								
National Government								
Aquaponics Project								
Community Library								
Energy Efficiency and Demand-side [Schedule 5B]								
Expanded Public Works Programme Grant for Municipalities [Schedule 5B]								

Notes to the financial statements (Continued)

18.2 Unspent Capital Monetary Allocations (Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
Infrastructure Skills Development Grant [Schedule 5B]								
Integrated City Development Grant [Schedule 4B]								
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]								
Khayelitsha Urban Renewal								
Local Government Financial Management Grant [Schedule 5B]								
Municipal Disaster Recovery Grant [Schedule 4B]								
Municipal Human Settlement								
Municipal Infrastructure Grant [Schedule 5B]								
Municipal Systems Improvement Grant [Schedule 6B]								
Municipal Water Infrastructure Grant [Schedule 5B]								
Neighbourhood Development Partnership Grant [Schedule 5B]								

Notes to the financial statements (Continued)

18.2 Unspent Capital Monetary Allocations (Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
Public Transport Infrastructure Grant [Schedule 5B]								
Public Transport Network Grant [Schedule 5B]								
Public Transport Network Operating Grant [Schedule 5B]								
Regional Bulk Infrastructure Grant [Schedule 5B]								
Restitution Settlement								
Rural Household Infrastructure Grant [Schedule 5B]								
Rural Road Asset Management Systems Grant [Schedule 5B]								
Urban Settlement Development Grant [Schedule 4B]								
Water Services Infrastructure Grant [Schedule 5B]								
Wi-Fi Connectivity								
Total								

Notes to the financial statements (Continued)

18.2 Unspent Capital Allocations In-kind (Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
Non-profit Institutions								
Blind South Africa								
Business Arts South Africa								
Clerical Assist (Pole Parties)								
Constituency Allowance (Pole Parties)								
Engel House Art Collect: Pretoria								
Paradise Valley								
Political Parties								
Pretoria Society for The Blind								
Public Schools								
Silverglen								
South Africa Transplant Sports Association (SATSA)								
Spencer Grove								
Unspecified								
Virginia Bush Trust								
Total								

Notes to the financial statements (Continued)

18.2 Unspent Capital Allocations In-kind (Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
Private Enterprises								
Other Transfers to Private Enterprises								
Total								
Provincial Government								
Eastern Cape								
Free State								
Gauteng								
Kwa-Zulu Natal								
Northern Cape								
Western Cape								
Total								
Public Corporations								
Other Transfers to Public Corporations								
Total								
Total Unspent Capital Monetary								

Notes to the financial statements (Continued)

18.3 Unspent Operational Allocations In-kind

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
Departmental Agencies and Accounts								
National Departmental Agencies								
Provincial Departmental Agencies								
Social Security Funds								
Total								
District Municipalities								
Free State								
Gauteng								
Limpopo								
Mpumalanga								
Western Cape								
Total								

Notes to the financial statements (Continued)

18.3 Unspent Operational Allocations In-kind (Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
Foreign Governments and International Organisations								
Africa Regional Technical Assistance Centre South Africa								
African Development Bank								
African Program Rethinking Development Economy								
African Union Commission								
African World Heritage Fund								
Agency Francaise de Development								
Asia-Africa Legal Consultation Organisation								
Association for African University								
Association for the Development of Education in Africa								
BMZ								
BRICS African New Development Bank								
City Of Bremen								
Collaborative African Budget Reform Initiative								

Notes to the financial statements (Continued)

18.3 Unspent Operational Allocations In-kind (Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
Common Wealth Fund Technology Cooperation								
Common Wealth Magistrate and Judicial Association (CMJA)								
Cop 12, Kenya								
Danish Technological Institute								
Enesco								
European Union								
FIFA								
Foreign Rates and Taxes (FIGO)								
Fulbright Commission								
Gambian Government Local Office								
Global Environment Fund (GEF)								
Global Forum – Monaco								
Guidance Council and Youth Development Malawi								
Highly Indebted Poor Centre (HIPC)								
India, Brazil, South African Dialogue Forum								

Notes to the financial statements (Continued)

18.3 Unspent Operational Allocations In-kind (Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
Institute for Economic Development and Planning								
International Communication Union (FIGO)								
International Fund Faculty for Immunization								
International Oil Pollution Fund								
Investment Climate Facility								
Khayelitsha Libraries								
Komati River Basin Water Authority								
Lesotho and Namibia								
Limpopo Commission (LIMCOM)								
Medicines Sans Frontiers								
Metropolis								
Orange-Senqu River Basin Commission								
Organisation for Economic Co-operation and Development								
Permanent Court of Arbitration								
Photo Voice								
Regional Centre for Mapping and Resource Development								

Notes to the financial statements (Continued)

18.3 Unspent Operational Allocations In-kind (Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
Southern and Eastern African Consortium for Monitoring Educational Quality (SACMEQ)								
Sustainable Energy Africa								
UN Women Safe Cities Initiative								
United Kingdom Tax								
United Nations Council								
Unspecified								
World Bank								
Total								
Higher Education Institutions								
Cape Peninsula University of Technology								
Central University of Technology Free State								
Durban University of Technology								
Mangosuthu University of Technology								
National Institute for Higher Education - Mpumalanga								

Notes to the financial statements (Continued)

18.3 Unspent Operational Allocations In-kind (Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
National Institute for Higher Education - Northern Cape								
Nelson Mandela Metropolitan University								
North West University								
Rhodes University								
Sefako Makgatho Health Science University								
Sol Plaatje University (Northern Cape)								
Tshwane University of Technology								
University of Cape Town								
University of Fort Hare								
University of Johannesburg								
University of KwaZulu Natal								
University of Limpopo								
University of Mpumalanga								
University of Pretoria								
University of South Africa								
University of Stellenbosch								
University of The Free State								

Notes to the financial statements (Continued)

18.3 Unspent Operational Allocations In-kind (Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
University of the Western Cape								
University of the Witwatersrand								
University of Venda								
University of Zululand								
Vaal University of Technology								
Walter Sisulu University, Technology and Science Eastern Cape								
Total								
Households								
Employee Social Benefits								
Other Transfers (Cash)								
Social Assistance								
Social Security Payments								
Total								

Notes to the financial statements (Continued)

18.3 Unspent Operational Allocations In-kind (Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
National Government								
Water Services Operating Subsidy [Schedule 6B]								
Total								
Non-profit Institutions								
1000 Hills CTO								
Blind South Africa								
Business Arts South Africa								
Clerical Assist (Pole Parties)								
Clermont CTO								
Constituency Allowance (Pole Parties)								
Durban Automotive Cluster								
Durban Central CTO								
Durban Chemicals Cluster								
Durban Film art								
Durban West CTO								
Duzi Umgeni Conservation Trust								

Notes to the financial statements (Continued)

18.3 Unspent Operational Allocations In-kind (Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
Engel House Art Collect: Pretoria								
eThekwini Filmmaker Association								
eThekwini Maritime Cluster								
Inanda CTO								
Kwazulu Natal United Music Industry Association								
KZN Clothing Textile								
KZN Fashion Cluster								
KZN Frasha Association (Recycling Project)								
Newlands Mashu Community Development Centre								
Phoenix Settlement Trust								
Political Parties								
Pretoria Society for The Blind								
Public Schools								
Sapphire Coast CTO								
SEDA - Trade Point								
Smart exchange								

Notes to the financial statements (Continued)

18.3 Unspent Operational Allocations In-kind (Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
South Africa Transplant Sports Association (SATSA)								
South Durban (Sodurba) CTO								
Umhlanga CTO								
Umlazi CTO								
Unspecified								
Use-it								
Total								
Private Enterprises								
Other Transfers Private Enterprises								
Total								
Provincial Government								
Eastern Cape								
KwaZulu-Natal								
Western Cape								
Total								

Notes to the financial statements (Continued)

18.3 Unspent Operational Allocations In-kind (Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
Public Corporations								
Other Transfers Public Corporations								
Total								
Total Unspent Operational Allocations In-kind								

Notes to the financial statements (Continued)

18.4 Unspent Operational Monetary Allocations

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
Departmental Agencies and Accounts								
National Departmental Agencies								
Provincial Departmental Agencies								
Social Security Funds								
Total								
District Municipalities								
Eastern Cape								
Free State								
Gauteng								
KwaZulu-Natal								
Limpopo								
Mpumalanga								
Northern Cape								
Western Cape								
Total								

Notes to the financial statements (Continued)

18.4 Unspent Operational Monetary Allocations (Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
Foreign Governments and International Organisations								
Africa Regional Technical Assistance Centre South Africa								
African Development Bank								
African Program Rethinking Development Economy								
African Union Commission								
African World Heritage Fund								
Agency Francaise de Development								
Asia-Africa Legal Consultation Organisation								
Association for African University								
Association for the Development of Education in Africa								
BMZ								
BRICS African New Development Bank								
City Of Bremen								
Collaborative African Budget Reform Initiative								

Notes to the financial statements (Continued)

18.4 Unspent Operational Monetary Allocations (Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
Common Wealth Fund Technology Cooperation								
Common Wealth Magistrate and Judicial Association (CMJA)								
Cop 12, Kenya								
Danish Technological Institute								
Dutch-Government (Orio-Project)								
Enesco								
European Union								
FIFA								
Foreign Rates and Taxes (FIGO)								
Fulbright Commission								
Gambian Government Local Office								
Global Environment Fund (GEF)								
Global Forum – Monaco								
Guidance Council and Youth Development Malawi								
Highly Indebted Poor Centre (HIPC)								
India, Brazil, South African Dialogue Forum								

Notes to the financial statements (Continued)

18.4 Unspent Operational Monetary Allocations (Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
India-Brazil-South Africa Trilateral Committee								
Institute for Economic Development and Planning								
International Communication Union (FIGO)								
International Fund Faculty for Immunization								
International Oil Pollution Fund								
Investment Climate Facility								
Khayelitsha Libraries								
Komati River Basin Water Authority								
Lesotho and Namibia								
Limpopo Commission (LIMCOM)								
Medicines Sans Frontiers								
Metropolis								
Orange-Senqu River Basin Commission								
Organisation for Economic Co-operation and Development								
Permanent Court of Arbitration								
Photo Voice								

Notes to the financial statements (Continued)

18.4 Unspent Operational Monetary Allocations (Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
Regional Centre for Mapping and Resource Development								
Royal Netherlands								
Southern and Eastern African Consortium for Monitoring Educational Quality (SACMEQ)								
Sustainable Energy Africa								
UN Women Safe Cities Initiative								
United Kingdom Tax								
United Nations Council								
University of Connecticut 2								
Unspecified								
World Bank								
Total								
Higher Education Institutions								
Cape Peninsula University of Technology								
Central University of Technology Free State								
Durban University of Technology								

Notes to the financial statements (Continued)

18.4 Unspent Operational Monetary Allocations (Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
Mangosuthu University of Technology								
National Institute for Higher Education - Mpumalanga								
National Institute for Higher Education - Northern Cape								
Nelson Mandela Metropolitan University								
North West University								
Rhodes University								
Sefako Makgatho Health Science University								
Sol Plaatje University (Northern Cape)								
Tshwane University of Technology								
University of Cape Town								
University of Fort Hare								
University of Johannesburg								
University of KwaZulu Natal								
University of Limpopo								
University of Mpumalanga								
University of Pretoria								

Notes to the financial statements (Continued)

18.4 Unspent Operational Monetary Allocations (Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
University of South Africa								
University of Stellenbosch								
University of The Free State								
University of the Western Cape								
University of the Witwatersrand								
University of Venda								
University of Zululand								
Vaal University of Technology								
Walter Sisulu University, Technology and Science Eastern Cape								
Total								
Households								
Employee Social Benefits								
Other Transfers (Cash)								
Social Assistance								
Social Security Payments								
Total								

Notes to the financial statements (Continued)

18.4 Unspent Operational Monetary Allocations (Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
National Government								
2014 African Nations Championship Host City Operating Grant [Schedule 5B]								
Agriculture Research and Technology								
Agriculture, Conservation and Environmental								
Arts and Culture Sustainable Resource Management								
Community Library								
Department of Environmental Affairs								
Department of Tourism								
Department of Water Affairs: Masibambane								
Department of Water and Sanitation: Smart Living Handbook								
Emergency Medical Service								
Energy Efficiency and Demand-side Management Grant [Schedule 5B]								
Equitable Share								
Expanded Public Works Programme								
Integrated Grant for Municipalities [S 5B]								

Notes to the financial statements (Continued)

18.4 Unspent Operational Monetary Allocations (Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
Health Hygiene and Informal Settlements								
HIV and Aids								
Housing Accreditation								
Housing Top structure								
Infrastructure Skills Development Grant [Schedule 5B]								
Integrated City Development Grant [Schedule 5B]								
Integrated National Electrification Programme [Schedule 5B]								
Khayelitsha Urban Renewal								
Local Government Financial Management Grant [Schedule 5B]								
Mitchell's Plain Urban Renewal								
Municipal Demarcation Transition Grant [Schedule 5B]								
Municipal Disaster Grant [Schedule 5B]								
Municipal Human Settlements Capacity Grant [Schedule 5B]								

Notes to the financial statements (Continued)

18.4 Unspent Operational Monetary Allocations Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
Municipal Systems Improvement Grant [Schedule 5B]								
Municipal Water Infrastructure Grant [Schedule 5B]								
Natural Resource Management Project								
Neighbourhood Development Partnership Grant [Schedule 5B]								
Operation Clean Audit								
Provincial Disaster Recovery Grant [Schedule 5B]								
Public Service Improvement Facility								
Public Transport Network Grant [Schedule 5B]								
Public Transport Network Operations Grant [Schedule 5B]								
Restructuring - Seed Funding								
Revenue Enhancement Grant: Debtors Book								
Rural Road Asset Management Systems Grant [Schedule 5B]								
Smart Connect Grant								

Notes to the financial statements (Continued)

18.4 Unspent Operational Monetary Allocations (Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
Sport and Recreation								
Street Lighting								
Terrestrial Invasive Alien Plants								
Traditional Leaders - Imbizon								
Urban Settlement Development Grant [Schedule 4B]								
Water Services Operating Subsidy Grant [Schedule 5B]								
Wifi Grant [Department of Telecommunications and Postal Services]								
Total								
Non-profit Institutions								
1000 Hills CTO								
Bat Centre								
Blind South Africa								
Business Arts South Africa								
Centre for Creative Arts								
Clerical Assist (Pole Parties)								

Notes to the financial statements (Continued)

18.4 Unspent Operational Monetary Allocations (Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
Clermont CTO								
Constituency Allowance (Pole Parties)								
Durban Automotive Cluster								
Durban Central CTO								
Durban Chemicals Cluster								
Durban Musical School								
Durban Film art								
Durban West CTO								
Duzi Umgeni Conservation Trust								
Engel House Art Collect: Pretoria								
ETA Fund Account								
eThekwini Filmmaker Association								
eThekwini Maritime Cluster								
Inanda CTO								
K-Cap								
Kwazulu Natal United Music Industry Association								
KZN Clothing Textile								

Notes to the financial statements (Continued)

18.4 Unspent Operational Monetary Allocations (Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
KZN Fashion Cluster								
KZN Frasha Association (Recycling Project)								
National Arts Society								
National Research Foundation								
Newlands Mashu Community Development Centre								
Old Age Homes								
Paradise Valley								
Phoenix Settlement Trust								
Point Precinct Trust								
Political Parties								
Pretoria Society for The Blind								
Public Schools								
Sapphire Coast CTO								
SEDA - Trade Point								
SEDA Constructions								
Smart exchange								

Notes to the financial statements (Continued)

18.4 Unspent Operational Monetary Allocations (Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
South Africa Transplant Sports Association (SATSA)								
South African Association for Marine Biological Research								
South Durban (Sodurba) CTO								
Spencer Grove								
Sporting Bodies - Rent								
Sporting Bodies - Umkomaas Golf Course								
Sporting Bodies - Westville Old Boys								
Umhlanga CTO								
Umlazi CTO								
Unspecified								
Use-it								
Virginia Bush Trust								
Total								
Private Enterprises								
Other Transfers Private Enterprises								
Total								

Notes to the financial statements (Continued)

18.4 Unspent Operational Monetary Allocations (Continued)

	2020/2021 (R'000s)				2019/2020 (R'000s)			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance	Opening Balance	Funds Received	Funds Utilised	Closing Balance
Provincial Government								
Eastern Cape								
Free State								
Gauteng								
KwaZulu-Natal								
Mpumalanga								
Northern Cape								
North West								
Western Cape								
Total								
Public Corporations								
Other Transfers Public Corporations								
Total								
Total Unspent Operational Monetary Allocations								

Notes to the financial statements (Continued)

19. Provisions

	2020/2021 (R'000s)	2019/2020 (R'000s)
Alien Vegetation	19.1	
Bonus		
Ex-gratia Pension	19.2	
Insurance Claims	19.3	
Landfill Sites	19.4	
Litigation	19.5	
Long service Awards		
Non-specific	19.6	
Pension Fund Investment Return Shortfall	19.7	
Staff Parity	19.8	
Total		
Transferred to Current Provisions		
Total		

19.1 Alien Vegetation [19p.98]

	2020/2021 (R'000s)
Opening Balance	
Additional Provisions Raised	
Increases (Passage of Time/Discounted Rate)	
Reductions (Payments, Remeasurement etc.)	
Reversals	
Closing Balance	
Transferred to Current Provisions	
Total Non-current provision	

Notes to the financial statements (Continued)

19.2 Ex-gratia Pension [19p.98]

	2020/2021 (R'000s)
Opening Balance	
Additional Provisions Raised	
Increases (Passage of Time/Discounted Rate)	
Reductions (Payments, Remeasurement etc.)	
Reversals	
Closing Balance	
Transferred to Current Provisions	
Total Non-current provision	

19.3 Insurance Claims [19p.98]

	2020/2021 (R'000s)
Opening Balance	
Additional Provisions Raised	
Increases (Passage of Time/Discounted Rate)	
Reductions (Payments, Remeasurement etc.)	
Reversals	
Closing Balance	
Transferred to Current Provisions	
Total Non-current provision	

Notes to the financial statements (Continued)

19.4 Landfill Sites [19p.98]

	2020/2021 (R'000s)
Opening Balance	
Additional Provisions Raised	
Increases (Passage of Time/Discounted Rate)	
Reductions (Payments, Remeasurement etc.)	
Reversals	
Closing Balance	
Transferred to Current Provisions	
Total Non-current provision	

19.5 Litigation [19p.98]

	2020/2021 (R'000s)
Opening Balance	
Additional Provisions Raised	
Increases (Passage of Time/Discounted Rate)	
Reductions (Payments, Remeasurement etc.)	
Reversals	
Closing Balance	
Transferred to Current Provisions	
Total Non-current provision	

Notes to the financial statements (Continued)

19.6 Non-Specific

	2020/2021 (R'000s)
Opening Balance	
Additional Provisions Raised	
Increases (Passage of Time/Discounted Rate)	
Reductions (Payments, Premeasurement etc.)	
Reversals	
Closing Balance	
Transferred to Current Provisions	
Total Non-current provision	

Commentary:

Where the reporting entity recognises a provision for any financial guarantees and/or loan commitments, the required disclosure may be included here.

19.7 Pension Fund Investment Return Shortfall

	2020/2021 (R'000s)
Opening Balance	
Additional Provisions Raised	
Increases (Passage of Time/Discounted Rate)	
Reductions (Payments, Premeasurement etc.)	
Reversals	
Closing Balance	
Transferred to Current Provisions	
Total Non-current provision	

Notes to the financial statements (Continued)

19.8 Staff Parity

	2020/2021 (R'000s)
Opening Balance	
Additional Provisions Raised	
Increases (Passage of Time/Discounted Rate)	
Reductions (Payments, Premeasurement etc.)	
Reversals	
Closing Balance	
Transferred to Current Provisions	
Total Non-current provision	

Commentary:

In addition to the above, the reporting entity must disclose the following for each class of provision:

- ✓ *A brief description of the nature of the obligation and the expected timing of any resulting outflows of economic benefits or service potential;*
- ✓ *An indication of the uncertainties about the amount or timing of those outflows (this may include major assumptions made concerning future events);*
- ✓ *The amount of any expected reimbursement, stating the amount of any asset that has been recognised for that expected reimbursement.*

Notes to the financial statements (Continued)

20. Other Liabilities

Commentary:

For illustrative purposes, this note will demonstrate the disclosures in relation to defined benefit obligations

Defined Benefit Obligations [25p.64]

The entity makes provision for post-retirement benefits to eligible councillors and employees.

<include a discussion on the number and types of schemes>

	2020/2021 (R'000s)	2019/2020 (R'000s)
Defined Benefit Plan Liability		
Present value of defined benefit obligation	20.1	
Fair value of plan assets	20.4	
Funding obligation		
Post-Employment Medical Benefits Liability		
Present value of defined benefit obligation	20.1	
Fair value of plan assets	20.4	
Funding obligation		
Total		

Retirement pension benefits

For past service of employees and retired employees, the entity recognises and provides for the actuarially determined present value of post retirement pensions on an accrual basis, using the projected unit credit method. The discount rate is determined with reference to market yields on government bonds.

The number of employees who were eligible for a post retirement pension as at 30 June 2021 was XX (2020: XX) in-service employees and XX (2020: XX) pensioners.

Commentary:

An additional section may be added for long-service awards payable by the entity.

Notes to the financial statements (Continued)

20.1 Reconciliation of Present Value of the Defined Benefit Obligations [25p.136(b)]

	Defined Benefit Plan	Post-Employment Medical Benefits	Total
Defined benefit obligation at 1 July 2018			
Interest Cost			
Current Service Cost			
Contributions Received			
Actuarial (Gains) / Losses			
Foreign Currency Exchange Rate Translations			
Benefits Paid			
Past Service Costs			
Entity Combinations			
Curtailments			
Settlements			
Defined benefit obligation at 30 June 2020			
Interest Cost			
Current Service Cost			
Contributions Received			
Actuarial (Gains) / Losses			
Foreign Currency Exchange Rate Translations			
Benefits Paid			
Past Service Costs			
Entity Combinations			
Curtailments			
Settlements			
Defined benefit obligation at 30 June 2021			

Contributions of RXXX (2020: RXXX) are recognized in surplus and deficit in each year respectively [25p.136(n)]

Commentary:
In addition to the above, the reporting entity must include a general description of the type of plan.

Notes to the financial statements (Continued)

20.2 Analysis of Funding [25p.136(c)]

	2020/2021 (R'000s)	2019/2020 (R'000s)
<i>The present value of the following defined benefit obligations is unfunded:</i>		
<Include name defined benefit scheme >		
<Include name defined benefit scheme >		
<i>The present value of the following defined benefit obligations is fully or partially funded:</i>		
<Include name defined benefit scheme and how it is fully funded>		
<Include name defined benefit scheme and how it is fully funded>		

20.3 Net Benefit Expense [25p.136(f)]

	Defined Benefit Plan	Post- Employment Medical Benefits	Total
For the year ended 30 June 2021			
Current Service Costs			
Past Service Costs			
Curtailments / Settlements			
Interest Cost on Benefit Obligation			
Actuarial Gains / Losses Recognised			
Total expense recognised in the statement of financial performance			
For the year ended 30 June 2020			
Current Service Costs			
Past Service Costs			
Interest Cost on Benefit Obligation			
Curtailments / Settlements			
Actuarial Gains / Losses Recognised			
Total expense recognised in the statement of financial performance			

Notes to the financial statements (Continued)

20.4 Reconciliation of Fair value of Plan Assets [25p.136(d)]

	Defined Benefit Plan	Post-Employment Medical Benefits	Total
Plan Assets at 1 July 2019			
Expected Return On Plan Assets			
Actuarial (Gains) / Losses			
Foreign Currency Exchange Rate Translations			
Contributions by Bath Pele City			
Contributions by Plan Participants			
Benefits Paid			
Entity Combinations			
Settlements			
Plan Assets at 30 June 2020			
Expected Return On Plan Assets			
Actuarial (Gains) / Losses			
Foreign Currency Exchange Rate Translations			
Contributions by Bath Pele City			
Contributions by Plan Participants			
Benefits Paid			
Entity Combinations			
Settlements			
Plan Assets at 30 June 2021			

Notes to the financial statements (Continued)

20.5 Composition of Plan Assets [25p.136(g)&(h)]

	Defined Benefit Plan	Post-Employment Medical Benefits
Plan Assets at 30 June 2020		
% equity instruments		
% debt instruments		
% property (of which % X relates to property owned by Batho Pele City)		
% other		
Plan Assets at 30 June 2021		
% equity instruments		
% debt instruments		
% property (of which % X relates to property owned by Batho Pele City)		
% other		

Commentary:

In addition to the above, the reporting entity includes:

- ✓ a narrative description of the basis used to determine the overall expected rate of return on assets, including the effect of the major categories of plan assets;
- ✓ the actual return on plan assets, as well as the actual return on any reimbursement right recognised as an asset;
- ✓ the principal actuarial assumption used (in absolute terms) as at the reporting date, including when applicable:
 - the discount rates used;
 - the basis on which the discount rate has been determined;
 - the expected rates of return on any plan assets for the reporting periods presented in the financial statements;
 - the expected rates of return for the reporting periods presented in the financial statements for any reimbursement right recognised as an asset;
 - the expected rates of salary increases (and any changes in an index or other variable specified in the formal or constructive terms of a plan as the basis for future benefit increases);
 - medical cost trend rates; and
 - another other material assumption used;

Notes to the financial statements (Continued)

20.6 Key actuarial assumptions [25p.136(k)]

The principal actuarial assumptions used in determining the present value of the defined benefit obligation for the pension and post-employment medical benefits include:

	2020 %	2019 %
Discount rate		
Consumer price inflation		
General salary inflation rate		
Healthcare cost inflation rate		
Net effect on discount rate		

20.7 Sensitivity analysis [25p.136(l)]

A one percentage point change in the assumed rate of increase in healthcare inflation would have the following effects:

	Increase R'000	Decrease R'000
2020		
Effect on current service cost		
Effect on current interest cost		
Effect on the defined benefit obligation		
2021		
Effect on current service cost		
Effect on current interest cost		
Effect on the defined benefit obligation		

Notes to the financial statements (Continued)

Sensitivity analysis [25p.136(l)] (Continued)

A one percentage point change in the assumed discount rate would have the following effects:

	Increase R'000	Decrease R'000
2020		
Effect on current service cost		
Effect on current interest cost		
Effect on the defined benefit obligation		
2021		
Effect on current service cost		
Effect on current interest cost		
Effect on the defined benefit obligation		

20.8 Historical analysis [25p.136(m)]

	2016/2017 R'000	2017/2018 R'000	2018/2019 R'000	2019/2020 R'000	2020/2021 R'000
Defined Benefit Plan					
Defined benefit obligation					
Plan assets					
Surplus/deficit in the plan					
Experience adjustments:					
Plan liabilities					
Plan assets					
Post-employment medical benefits					
Defined benefit obligation					
Plan assets					
Surplus/deficit in the plan					
Experience adjustments:					
Plan liabilities					
Plan assets					

Notes to the financial statements (Continued)

21. Property Rates

	2020/2021 (R'000s)	2019/2020 (R'000s)
Agricultural Property		
Business and Commercial Properties		
Communal Land		
Farm Properties		
Formal and Informal Settlements		
Industrial Properties		
Mining Properties		
Multiple Purposes		
Municipal Properties		
National Monument Properties		
Other Categories		
Privately Owned Towns Serviced by the Owner		
Protected Areas		
Public Benefit Organisations		
Public Service Infrastructure Properties		
Residential Properties		
Restitution and Redistribution Properties		
Small Holdings		
Special Rating Area		
State Trust Land		
State-owned Properties		
Total		

Commentary:

The reporting entity should include the basis on which the fair value of non-exchange revenue has been determined (for major classes).

The note should also include a description of when the municipality last updated its valuation roll and whether interim valuations were performed and when. The basic rate levied for the different consumer types; the date that rates are levied and the regularity of billing (monthly or annually). Also whether interest is charged on outstanding amounts and the rate used along with any rebates granted.

Notes to the financial statements (Continued)

22. Service Charges

	2020/2021 (R'000s)	2019/2020 (R'000s)
Electricity		
Consumption – Electricity		
Other – Electricity		
Total		
Waste Management		
Consumption – Waste Management		
Other – Waste Management		
Total		
Waste Water Management		
Consumption – Waste Water Management		
Other – Waste Water Management		
Total		
Water Management		
Consumption – Water Management		
Other – Water Management		
Total		
Total Service Charges		

Notes to the financial statements (Continued)

23. Rental

	2020/2021 (R'000s)	2019/2020 (R'000s)
Market Related		
Non-market Related		
Rent on Land		
Total		
Total amount earned from investment property (included above) [16p.91(e)(i)]		

Commentary:

mSCOA has not classified this as market related and non-market related. The reporting entity must make this classification when performing the disclosure

Operating leases (as a lessor) **[13p.66]**

	2020/2021 (R'000s)	2019/2020 (R'000s)
Minimum lease payments due		
Within one year		
In second to fifth year inclusive		
After five years		
Total		
Total contingent rents recognised as revenue in the period		

Commentary:

Also include a general description of the leasing arrangements. Reference may be included to the amounts receivable and recognised in the statement of financial position at the reporting date. However the receivable will not be included in this note.

Notes to the financial statements (Continued)

23.1 Rental by Asset Class

	2020/2021 (R'000s)	2019/2020 (R'000s)
Market Related		
Property, Plant and Equipment		
Land and Buildings		
Infrastructure Assets		
Community Assets		
Transport Assets		
Other Assets		
Investment Property		
Biological Assets		
Heritage Assets		
Land and Buildings		
Monuments & Parks		
Archives		
Total		
Non-market Related		
Property, Plant and Equipment		
Land and Buildings		
Infrastructure Assets		
Community Assets		
Transport Assets		
Other Assets		
Investment Property		
Biological Assets		
Heritage Assets		
Land and Buildings		
Monuments & Parks		
Archives		
Total		

Notes to the financial statements (Continued)

Rental by Asset Class (Continued)

	2020/2021 (R'000s)	2019/2020 (R'000s)
Rent on Land		
Land		
Prospecting, Mining, Royalties		
Servitudes		
Total		
Total		

Commentary:

The same categories per the asset notes above have been used in this note.

Notes to the financial statements (Continued)

23.2 Rental by Type

	2020/2021 (R'000s)	2019/2020 (R'000s)
Market Related		
Property, Plant and Equipment		
Land and Buildings		
Ad-hoc rentals		
Contingent		
Straight-lined Operating		
Sub-lease Payment		
Infrastructure Assets		
Ad-hoc rentals		
Contingent		
Straight-lined Operating		
Sub-lease Payment		
Community Assets		
Ad-hoc rentals		
Contingent		
Straight-lined Operating		
Sub-lease Payment		
Transport Assets		
Ad-hoc rentals		
Contingent		
Straight-lined Operating		
Sub-lease Payment		
Other Assets		
Ad-hoc rentals		
Contingent		
Straight-lined Operating		
Sub-lease Payment		
Investment Property		
Ad-hoc rentals		
Contingent		
Straight-lined Operating		
Sub-lease Payment		

Notes to the financial statements (Continued)

Rental by Type (Continued)

	2020/2021 (R'000s)	2019/2020 (R'000s)
Biological Assets		
Ad-hoc rentals		
Contingent		
Straight-lined Operating		
Sub-lease Payment		
Heritage Assets		
Land and Buildings		
Ad-hoc rentals		
Contingent		
Straight-lined Operating		
Sub-lease Payment		
Monuments & Parks		
Ad-hoc rentals		
Contingent		
Straight-lined Operating		
Sub-lease Payment		
Archives		
Ad-hoc rentals		
Contingent		
Straight-lined Operating		
Sub-lease Payment		
Total		

Notes to the financial statements (Continued)

24. Interests on Investments [104p.116(b)]

	2020/2021 (R'000s)	2019/2020 (R'000s)
Bank Accounts		
Financial Assets		
Short-term Investments and Call Accounts		
Total		

25. Interest Earned from Receivables [104p.116(b), 108]

	2020/2021 (R'000s)	2019/2020 (R'000s)
Exchange Receivables	25.1	
Non-exchange Receivables	25.2	
Total		

Notes to the financial statements (Continued)

25.1 Interest Earned from Exchange Receivables

	2020/2021 (R'000s)	2019/2020 (R'000s)
Consumer Receivables		
Electricity		
Waste Management		
Waste Water Management		
Water		
Other		
Other Receivables		
Abeyance		
Affiliates/Related Parties/Associated Companies		
Housing Selling Schemes		
Merchandising, Jobbing and Contracts		
Property Rental Debtors		
Staff		
Total		

25.2 Interest Earned from Non-Exchange Receivables

	2020/2021 (R'000s)	2019/2020 (R'000s)
Consumer Receivables		
Property Rates		
Other Receivables		
Fines		
Insurance claims		
Over payments		
R/D cheques		
Total		

Notes to the financial statements (Continued)

26. Dividends

	2020/2021 (R'000s)	2018/2020 (R'000s)
External Investments		
Municipal Entities		
Total		

27. Fines, Penalties and Forfeits

	2020/2021 (R'000s)	2019/2020 (R'000s)
Fines	27.1	
Penalties	27.2	
Forfeits	27.3	
Total		

27.1 Fines

	2020/2021 (R'000s)	2018/2020 (R'000s)
Traffic Fines		
Court Fines		
Service Provider Fines		
Municipal Fines		
Other Fines		
Building Fines		
Councillor Fines		
Illegal Connections		
Law Enforcement		
Overdue Books		
Pound Fees		
Total		

Notes to the financial statements (Continued)

27.2 Penalties

	2020/2021 (R'000s)	2019/2020 (R'000s)
Bus Operator Penalties		
Disconnection Fees		
Motor Vehicle Licenses		
Property Rates		
Tender Withdrawals		
Total		

27.3 Forfeits

	2020/2021 (R'000s)	2019/2020 (R'000s)
Deposits		
Retentions		
Unclaimed Money		
Total		

28. Licenses and Permits

		2020/2021 (R'000s)	2019/2020 (R'000s)
Exchange Revenue	27.1		
Non-exchange Revenue	27.2		
Total			

Notes to the financial statements (Continued)

28.1 Licenses and Permits – Exchange Revenue

	2020/2021 (R'000s)	2019/2020 (R'000s)
Angling/Fishing		
Atmospheric Emissions		
Boat		
Dog		
Fauna and Flora		
Filming Fees		
Game		
Health Certificates		
Hiking Trails		
Hoarding (collecting/storing)		
Market Porters		
Road and Transport		
Threatened and Protected Species		
Trading		
Total		

Notes to the financial statements (Continued)

28.2 Licenses and Permits – Non-exchange Revenue

	2020/2021 (R'000s)	2019/2020 (R'000s)
Angling/Fishing		
Atmospheric Emissions		
Boat		
Dog		
Fauna and Flora		
Filming Fees		
Game		
Health Certificates		
Hiking Trails		
Hoarding (collecting/storing)		
Market Porters		
Road and Transport		
Threatened and Protected Species		
Trading		
Total		

Notes to the financial statements (Continued)

29. Agency Fees

	2020/2021 (R'000s)	2019/2020 (R'000s)
District municipalities		
National		
Provincial		
Total		

30. Transfers and Subsidies

	2020/2021 (R'000s)	2019/2020 (R'000s)
Operational		
Allocations In-kind	30.1	
Monetary Allocations	30.2	
Total Transfers and Subsidies: Operational		
Capital		
Allocations In-kind	30.3	
Monetary Allocations	30.4	
Total Transfers and Subsidies: Capital		
Total		

Commentary:

The note should indicate whether the municipality has complied with the conditions of any allocations made to the municipality in terms of section 214(1)(c) of the Constitution and any allocations made to the municipality other than by national organs of state. The reasons for any non-compliance should be included.

[MFMA s123(1)(d)&(e)]

In addition the note should indicate whether funds destined for the municipality in terms of the DORA were delayed or withheld, and the reasons advanced to the municipality for such delay or withholding

[MFMA s123(1)(f)]

Notes to the financial statements (Continued)

30.1 Allocations In-kind: Operational [MFMA123(1)(a)]

	2020/2021 (R'000s)	2019/2020 (R'000s)
Departmental Agencies and Accounts		
District Municipalities		
Foreign Government and International Organisations		
Higher Educational Institutions		
Households		
National Government		
Non-profit Institutions		
Private Enterprises		
Provincial Government		
Public Corporations		
Parent Municipality		
Total		

30.2 Monetary Allocations: Operational [MFMA123(1)(a)]

	2020/2021 (R'000s)	2019/2020 (R'000s)
Departmental Agencies and Accounts		
District Municipalities		
Foreign Government and International Organisations		
Higher Educational Institutions		
Households		
National Government		
Non-profit Institutions		
Private Enterprises		
Provincial Government		
Public Corporations		
Parent Municipality		
Total		

Notes to the financial statements (Continued)

30.3 Allocations In-kind: Capital [MFMA123(1)(a)]

	2020/2021 (R'000s)	2019/2020 (R'000s)
Departmental Agencies and Accounts		
District Municipalities		
Foreign Government and International Organisations		
Higher Educational Institutions		
Households		
National Government		
Non-profit Institutions		
Private Enterprises		
Provincial Government		
Public Corporations		
Parent Municipality		
Total		

30.4 Monetary Allocations: Capital [MFMA123(1)(a)]

	2020/2021 (R'000s)	2019/2020 (R'000s)
Departmental Agencies and Accounts		
District Municipalities		
Foreign Government and International Organisations		
Higher Educational Institutions		
Households		
National Government		
Non-profit Institutions		
Private Enterprises		
Provincial Government		
Public Corporations		
Parent Municipality		
Total		

Notes to the financial statements (Continued)

31. Operational Revenue

	2020/2021 (R'000s)	2019/2020 (R'000s)
Administrative Handling Fees		
Bad Debts Recovered		
Breakages and Losses Recovered		
Collection Charges		
Commission		
Discounts and Early Settlements		
Incidental Cash Surpluses		
Inspection Fees		
Registration Fees		
Request for Information		
Staff Recoveries		
Insurance Refund		
Sale of Property		
Merchandising, Jobbing and contracts		
Skills Development Levy Refund		
Bursary Repayment		
Recovery Infrastructure Maintenance		
Abor City Awards Competition		
Bontle ke Batho Cleaning and Greening Award		
Total		

32. Gain/Loss on Disposal of Fixed and Intangible Assets

	2020/2021 (R'000s)	2019/2020 (R'000s)
Gains / losses on Disposal	32.1	
Total		

Notes to the financial statements (Continued)

32.1 Gains / losses on Disposals

	2020/2021 (R'000s)	2019/2020 (R'000s)
Investment Property		
Property Plant and Equipment		
Biological Assets		
Heritage Assets		
Intangible Assets		
Total		

33. Employee Related Costs

		2020/2021 (R'000s)	2019/2020 (R'000s)
Senior Management	33.1		
Municipal Staff	33.2		
Board Members of Entities			
Total			

Notes to the financial statements (Continued)

33.1 Senior Management Costs [20p.35] [MFMA124(1)(c)]

	2020/2021 (R'000s)				
	Municipal Manager	Chief Financial Officer	Designation (*)	Designation (All)	Total
Basic Salary					
Bonuses					
Service-related Benefits					
Allowances					
Bargaining Council					
Group Life Insurance					
Pension					
Post-retirement Benefit: Medical					
Post-retirement Benefit: Pension					
Post-retirement Benefit: Other Benefits					
Unemployment Insurance					
Termination benefits					
Less: Costs Capitalised					
Total					

Commentary:

To be disclosed per person and in aggregate [20p35].

Notes to the financial statements (Continued)

33.1. Senior Management Costs (Continued)

	2019/2020 (R'000s)				
	Municipal Manager	Chief Financial Officer	Designation (*)	Designation (All)	Total
Basic Salary					
Bonuses					
Service-related Benefits					
Allowances					
Bargaining Council					
Group Life Insurance					
Pension					
Post-retirement Benefit: Medical					
Post-retirement Benefit: Pension					
Post-retirement Benefit: Other Benefits					
Unemployment Insurance					
Termination benefits					
Less: Costs Capitalised					
Total					

Notes to the financial statements (Continued)

33.2 Municipal Staff Costs

	2020/2021 (R'000s)	2019/2020 (R'000s)
Basic Salary		
Bonuses		
Service-related Benefits		
Allowances		
Bargaining Council		
Group Life Insurance		
Pension		
Post-retirement Benefit: Medical		
Post-retirement Benefit: Pension		
Post-retirement Benefit: Other Benefits		
Unemployment Insurance		
Termination benefits		
Less: Costs Capitalised		
Total		

Notes to the financial statements (Continued)

34. Remuneration of Councillors [20p.35] [MFMA124(1)(a)]

		2020/2021 (R'000s)	2019/2020 (R'000s)
Executive Mayor	34.1		
Deputy Executive Mayor	34.2		
Speaker	34.3		
Chief Whip	34.4		
Executive Committee	34.5		
All Other Councillors	34.6		
Section 79 committee chairperson	34.7		
Total			

34.1 Executive Mayor

	2020/2021 (R'000s)	2019/2020 (R'000s)
Allowances and Service Related Benefits		
Basic Salary		
Cell phone Allowance		
Housing Allowance		
In-kind Benefits		
Market Related Non-Pensionable Allowance		
Motor Vehicle Allowance		
Office-bearer Allowance		
Out of pocket Expenses		
Travelling Allowance		
Use of Personal Facilities		
Social Contributions		
Medical Aid Benefits		
Pension Fund Contributions		
Total		

Notes to the financial statements (Continued)

34.2 Deputy Executive Mayor

	2020/2021 (R'000s)	2019/2020 (R'000s)
Allowances and Service Related Benefits		
Basic Salary		
Cell phone Allowance		
Housing Allowance		
In-kind Benefits		
Market Related Non-Pensionable Allowance		
Motor Vehicle Allowance		
Office-bearer Allowance		
Out of pocket Expenses		
Travelling Allowance		
Use of Personal Facilities		
Social Contributions		
Medical Aid Benefits		
Pension Fund Contributions		
Total		

Notes to the financial statements (Continued)

34.3 Speaker

	2020/2021 (R'000s)	2019/2020 (R'000s)
Allowances and Service Related Benefits		
Basic Salary		
Cell phone Allowance		
Housing Allowance		
In-kind Benefits		
Market Related Non-Pensionable Allowance		
Motor Vehicle Allowance		
Office-bearer Allowance		
Out of pocket Expenses		
Travelling Allowance		
Use of Personal Facilities		
Social Contributions		
Medical Aid Benefits		
Pension Fund Contributions		
Total		

Notes to the financial statements (Continued)

34.4 Chief Whip

	2020/2021 (R'000s)	2019/2020 (R'000s)
Allowances and Service Related Benefits		
Basic Salary		
Cell phone Allowance		
Housing Allowance		
In-kind Benefits		
Market Related Non-Pensionable Allowance		
Motor Vehicle Allowance		
Office-bearer Allowance		
Out of pocket Expenses		
Travelling Allowance		
Use of Personal Facilities		
Social Contributions		
Medical Aid Benefits		
Pension Fund Contributions		
Total		

Notes to the financial statements (Continued)

34.5 Executive Committee

	2020/2021 (R'000s)	2019/2020 (R'000s)
Allowances and Service Related Benefits		
Basic Salary		
Cell phone Allowance		
Housing Allowance		
In-kind Benefits		
Market Related Non-Pensionable Allowance		
Motor Vehicle Allowance		
Office-bearer Allowance		
Out of pocket Expenses		
Travelling Allowance		
Use of Personal Facilities		
Social Contributions		
Medical Aid Benefits		
Pension Fund Contributions		
Total		

Notes to the financial statements (Continued)

34.6 All Other Councillors

	2020/2021 (R'000s)	2019/2020 (R'000s)
Allowances and Service Related Benefits		
Basic Salary		
Cell phone Allowance		
Housing Allowance		
In-kind Benefits		
Market Related Non-Pensionable Allowance		
Motor Vehicle Allowance		
Office-bearer Allowance		
Out of pocket Expenses		
Travelling Allowance		
Use of Personal Facilities		
Social Contributions		
Medical Aid Benefits		
Pension Fund Contributions		
Total		

34.7 Section 79 committee chairperson

	2020/2021 (R'000s)	2019/2020 (R'000s)
Allowances and Service Related Benefits		
Basic Salary		
Cell phone Allowance		
Housing Allowance		
In-kind Benefits		
Market Related Non-Pensionable Allowance		
Motor Vehicle Allowance		
Office-bearer Allowance		
Out of pocket Expenses		
Travelling Allowance		
Use of Personal Facilities		
Social Contributions		
Medical Aid Benefits		
Pension Fund Contributions		

Total		
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Commentary:

MFMA section 124(1)(b) also requires disclosure of any arrears owed by individual councillors to the municipality for rates or services and which at any time during the relevant financial year were outstanding for more than 90 days. The disclosure should also include the names of the councillors;

Illustration provided below

	Amount outstanding for more than 90 days
<i>List the name of the councillor which at any time during the relevant financial year was in arrears for more than 90 days</i>	

Notes to the financial statements (Continued)

35. Depreciation, Amortisation and Impairment

		2020/2021 (R'000s)	2019/2020 (R'000s)
Amortisation [31p.118(d)]			
Intangible Assets	13.1		
Depreciation			
Investment Property**	9.1		
Property, Plant and Equipment	10.1		
Biological Assets**	11.1		
Living Resources**	12.1		
Impairment Loss / Reversal Of Impairment [21p.75(a)&(b), 26p.117(a)&(b)]			
Intangible Assets	13.1		
Investment Property**	9.1		
Property, Plant and Equipment	10.1		
Biological Assets**	11.1		
Heritage Assets**	12.1		
Total			
Compensation from third parties for items of PPE and Heritage Assets that were impaired, lost or given up that is included in the municipality's surplus/deficit [17p.86(c) & 103p.91(d)]			

Commentary:

With regard to any material impairment loss recognised or reversed, the reporting entity should disclose:

- ✓ the events and circumstances that led to the recognition or reversal of the impairment loss;
- ✓ the amount of the impairment loss recognised or reversed;
- ✓ the nature of the asset or cash-generating assets or cash-generating unit;
- ✓ whether the recoverable service amount is fair value less costs to sell, or its value in use and the method used to determine either;
- ✓ whether an independent valuer was used to determine the recoverable service amount.

**relevant where the cost model is applied in terms of the relevant standard.

Notes to the financial statements (Continued)

36. Interest, Dividends and Rent on Land

		2020/2021 (R'000s)	2019/2020 (R'000s)
Interest	36.1		
Dividends	36.2		
Rent on Land	36.3		
Total			

36.1 Interest Cost [104p.116(b)]

		2020/2021 (R'000s)	2019/2020 (R'000s)
Arrears Salaries	16.5		
Bank Overdraft	2.2		
Financial Liabilities	14.1		
Annuity Loans			
Bankers' Acceptance Certificate			
Derivative Financial Liability			
Government Loans			
Local Registered Stock			
Marketable Bonds			
Non-marketable Bonds			
Public Private Partnerships Liabilities			
Securities			
Deposits	15		
Discounting of Financial Instruments	16		
Finance Leases	14.2		
Intercompany/Parent-subsidiary Transactions	16.6		
Interest costs non-current Provisions	18		
Long Service Awards			
Overdue Accounts	16.6		
Overpayments of Interest due to Queries Resolved	16.6		
Transfers and Subsidies Payable	17		
Total			

Notes to the financial statements (Continued)

36.2 Dividends Paid/Declared

	2020/2021 (R'000s)	2019/2020 (R'000s)
Total		

36.3 Rent on Land

	2020/2021 (R'000s)	2019/2020 (R'000s)
Total		

37. Bulk Purchases

	2020/2021 (R'000s)	2019/2020 (R'000s)
Electricity: Eskom		
Electricity: Independent Power Producers		
Electricity: Self Generation		
Total		

Notes to the financial statements (Continued)

37.1 Electricity Losses

	2020/2021		2019/2020	
	KWH	(R'000s)	KWH	(R'000s)
Units Purchased				
Units sold				
Total Loss				
<i>Comprising of</i>				
Technical losses				
Non-technical losses				
Total				
<i>Percentage Loss:</i>				
Technical losses				
Non-technical losses				
Total				

Commentary:

The municipality is encouraged to include reasons for the losses and any action taken by the municipality to mitigate against the reoccurrence of such losses.

Notes to the financial statements (Continued)

37.2 Water Losses

	2020/2021 (R'000s)	2019/2020 (R'000s)
Water Losses		
Apparent Losses: Unauthorised Consumption		
Apparent Losses: Customer Meter Inaccuracies		
Real Losses: Leakage on Transmission and Distribution Mains		
Real Losses: Leakage and Overflows at Storage Tanks/Reservoirs		
Real Losses: Leakage on Service Connections up to the point of Customer Meter		
Data Transfer and Management Errors		
Unavoidable Annual Real Losses		
Total		

Commentary:

The municipality is encouraged to include reasons for the losses and any action taken by the municipality to mitigate against the reoccurrence of such losses.

	2020/2021		2019/2020	
	ML	(R'000s)	ML	(R'000s)
Units Purchased				
Units sold				
Total Loss				
<i>Comprising of</i>				
Technical losses				
Non-technical losses				
Total				
<i>Percentage Loss:</i>				
Technical losses				
Non-technical losses				
Total				

Notes to the financial statements (Continued)

38. Inventory Consumed

	2020/2021 (R'000s)	2019/2020 (R'000s)
Agricultural		
Consumables		
Finished Goods		
Housing Stock		
Land		
Materials and Supplies		
Water		
Less Capitalisation of inventory consumed		
Total		

38.1 Inventory adjustments

	2020/2021 (R'000s)	2019/2020 (R'000s)
Inventory - Reversal of write down to net-realizable Value [12p.47(f)]		
Inventory - Write-down to net-realizable Value [12p.47(e)]		
Total		

Commentary:

The above disclosure should include a discussion on the circumstances or events that led to the reversal of a write-down of inventories.

The above can be broken down per inventory type.

39. Contracted Services

	2020/2021 (R'000s)	2019/2020 (R'000s)
Consultants and Professional Services	39.1	
Contractors	39.2	
Outsourced Services	39.3	
Total		

Notes to the financial statements (Continued)

39.1 Consultants and Professional Services

	2020/2021 (R'000s)	2019/2020 (R'000s)
Business Advisory Services		
Accounting and Auditing		
Air Pollution		
Audit Committee		
Board Member		
Business and Financial Management		
Commissions and Committees		
Communications		
Credit Rating Agencies		
Forensic Investigators		
Human Resources		
Medical Examinations		
Occupational Health and Safety		
Organisational		
Project Management		
Qualification Verification		
Quality Control		
Research and Advisory		
Valuer and Assessors		
Total Business and Advisory Services		
Laboratory Services		
Agriculture		
Medical		
Roads		
Water		
Sewer		
Food		
Total Laboratory Services		
Legal Services		
Issue of Summons		
Legal Advice and Litigation		
Collection		
Total Legal Services		

Notes to the financial statements (Continued)

39.1 Consultants and Professional Services (Continued)

	2020/2021 (R'000s)	2019/2020 (R'000s)
Engineering Services		
Aeronautical Engineering		
Agricultural Engineering		
Chemical Engineering		
Civil Engineering		
Electrical Engineering		
Industrial Engineering		
Mechanical Engineering		
Metallurgical Engineering		
Mining Engineering		
Structural Engineering		
Total Engineering Services		
Infrastructure and Planning Services		
Agriculture Infrastructure and Planning		
Architectural Infrastructure and Planning		
Geodetic, Control and Surveys Infrastructure and Planning		
Geoinformatic Services Infrastructure and Planning		
Geologist Infrastructure and Planning		
Land and Quantity Surveyors Infrastructure and Planning		
Landscape Designer Infrastructure and Planning		
Total Infrastructure and Planning Services		
Total Consultants and Professional Services		

Notes to the financial statements (Continued)

39.2 Contractors

	2020/2021 (R'000s)	2019/2020 (R'000s)
General Services		
Aerial Photography		
Aerial Surveillance		
Artists and Performers		
Auctioneers		
Audio-visual Services		
Bore Waterhole Drilling		
Bottling and Packaging		
Building		
Chipping		
Electrical		
Employee Wellness		
Event Promoters		
Exhibit Installations		
Fire Protection		
Fire Services		
First Aid		
Forestry		
Gardening Services		
Gas		
Grading of Sport Fields		
Graphic Designers		
Haulage		
Interior Decorator		
Management of Informal Settlements		
Medical Services		
Mint of Decorations		
Pest Control and Fumigation		
Photographer		
Plants, Flowers and Other Decorations		
Preservation/Restoration/Dismantling/Cleaning Services		
Relief Drivers		
Removal of Hazardous Waste		

Notes to the financial statements (Continued)

39.2 Contractors (Continued)

	2020/2021 (R'000s)	2019/2020 (R'000s)
Safeguard and Security		
Sewerage Services		
Shark Nets		
Sports and Recreation		
Stage and Sound Crew		
Stream Cleaning and Ditching		
Tracing Agents and Debt Collectors		
Transmission of Electricity by Other: Ancillary Charges		
Transportation		
Total General Services		
Maintenance Services		
Inspection Fees		
Maintenance of Buildings and Facilities		
Maintenance of Equipment		
Maintenance of Unspecified Assets		
Total Maintenance Services		
Trading Services		
Distribution of Electricity by Others: Ancillary Charges		
Distribution of Electricity by Others: Network Charges		
Distribution of Electricity by Others: Reliability Charges		
Prepaid Electricity Vendors		
Prepaid Water Vendors		
Transmission of Electricity by Other: Network Charges		
Total Trading Services		
Total Contractor		

Notes to the financial statements (Continued)

39.3 Outsourced Services

	2020/2021 (R'000s)	2019/2020 (R'000s)
Business and Advisory Services		
Accounting and Auditing		
Business and Financial Management		
Commissions and Committees		
Communications		
Human Resources		
Occupational Health and Safety		
Organisational		
Project Management		
Qualification Verification		
Quality Control		
Research and Advisory		
Valuer		
Total Business and Advisory Services		
General Services		
Administrative and Support Staff		
Alien Vegetation Control		
Animal Care		
Call Centre		
Catering Services		
Cleaning Services		
Clearing and Grass Cutting Services		
Drivers Licence Cards		
Fire Services		
Hygiene Services		
Illegal Dumping		
Internal Auditors		
Litter Picking and Street Cleaning		
Medical Services [Medical Health Services & Support]		
Medical Waste Removal		
Meter Management		
Mini Dumping Sites		

Notes to the financial statements (Continued)

39.3 Outsourced Services (Continued)

	2020/2021 (R'000s)	2019/2020 (R'000s)
Organic and Building Refuse Removal		
Personnel and Labour		
Post Mortem		
Refuse Removal		
Removal of Structures and Illegal Signs		
Researcher		
Sewerage Services		
Swimming Supervision		
Traffic Fines Management		
Translators, Scribes and Editors		
Transport Services		
Veterinary Services		
Total General Services		
Trading Services		
Connection/Dis-connection: Electricity		
Connection/Dis-connection: Restricted Water Flow		
Connection/Dis-connection: Water		
Electrical		
Security Services		
Total Trading Services		
Total Outsourced Services		

Notes to the financial statements (Continued)

40. Transfers and Subsidies

		2020/2021 (R'000s)	2019/2020 (R'000s)
Operational			
Allocations In-kind	40.1		
Monetary Allocations	40.2		
Total Transfers and Subsidies: Operational			
Capital			
Allocations In-kind	40.3		
Monetary Allocations	40.4		
Total Transfers and Subsidies: Capital			
Total			

Notes to the financial statements (Continued)

40.1 Allocations In-kind: Operational [MFMA123(1)(b)]

	2020/2021 (R'000s)	2019/2020 (R'000s)
District Municipalities		
Departmental Agencies and Accounts		
Foreign Government and International Organisations		
Higher Educational Institutions		
Households		
Non-profit Institutions		
Private Enterprises		
Provincial Government		
Public Corporations		
Parent Municipality		
Total		

40.2 Monetary Allocations: Operational [MFMA123(1)(b)]

	2020/2021 (R'000s)	2019/2020 (R'000s)
District Municipalities		
Departmental Agencies and Accounts		
Foreign Government and International Organisations		
Higher Educational Institutions		
Households		
Non-profit Institutions		
Private Enterprises		
Provincial Government		
Public Corporations		
Parent Municipality		
Total		

Notes to the financial statements (Continued)

40.3 Allocations In-kind: Capital [MFMA123(1)(b)]

	2020/2021 (R'000s)	2019/2020 (R'000s)
District Municipalities		
Departmental Agencies and Accounts		
Foreign Government and International Organisations		
Higher Educational Institutions		
Households		
Non-profit Institutions		
Private Enterprises		
Provincial Government		
Public Corporations		
Parent Municipality		
Total		

40.4 Monetary Allocations: Capital [MFMA123(1)(b)]

	2020/2021 (R'000s)	2019/2020 (R'000s)
District Municipalities		
Departmental Agencies and Accounts		
Foreign Government and International Organisations		
Higher Educational Institutions		
Households		
Non-profit Institutions		
Private Enterprises		
Provincial Government		
Public Corporations		
Parent Municipality		
Total		

Notes to the financial statements (Continued)

41. Operational Costs

	2020/2021 (R'000s)	2019/2020 (R'000s)
Achievements and Awards		
Advertising, Publicity and Marketing		
Atmospheric Emission Licence		
Bank Charges, Facility and Card Fees		
Bargaining Council		
Bond Issue Amortisation Costs		
Brokers Fees		
Bursaries (Employees)		
Cleaning Services		
Commission		
Communication		
Contribution to Provisions		
Copy Right Fees		
Cost relating to the Sale of Houses		
Courier and Delivery Services		
Deeds		
Drivers Licences and Permits		
Dumping Fees (District Council)		
Electricity Compliance Certificate		
Entertainment		
Entrance Fees		
Environmental Levy		
Eskom Connection Fees		
External Audit Fees [MFMA125(1)(c)]		
External Computer Service		
Fines and Penalties		
Firearm Handling Fees		
Freight Services		
Full Time Union Representative		
Hire Charges		
Honoraria (Voluntarily Workers)		
Insurance Underwriting		
Land Alienation Costs		

Notes to the financial statements (Continued)

41. Operational Costs (Continued)

	2020/2021 (R'000s)	2019/2020 (R'000s)
Learnerships and Internships		
Levies Paid - Water Resource Management Charges		
Licences		
Management Fee		
Municipal Services		
Office Decorations		
Parking Fees		
Personnel Agency Fees [Personnel Recruitment Costs]		
Printing, Publications and Books		
Professional Bodies, Membership and Subscription		
Registration Fees		
Remuneration to Section 79 Committee Members		
Remuneration to Ward Committees		
Repayment of Forfeited Deposits		
Resettlement Cost		
Rewards Incentives		
Road Worthy Test		
Samples and Specimens		
Search Fees		
Seating Allowance for Traditional Leaders		
Servitudes and Land Surveys		
Signage		
Skills Development Fund Levy		
Storage of Assets and Goods		
Storage of Files (Archiving)		
Supplier Development Programme		
System Access and Information Fees		
Toll Gate Fees		
Transport Provided as Part of Departmental Activities		
Travel Agency and Visa's		
Travel and Subsistence		
Uniform and Protective Clothing		
Vehicle Tracking		

Notes to the financial statements (Continued)

41. Operational Costs (Continued)

	2020/2021 (R'000s)	2019/2020 (R'000s)
Warrantees and guarantees		
Wet Fuel		
Witness Fees		
Workmen's Compensation Fund		
Assets below capitalisation threshold		
Cash Discount		
Total		

Operating leases (as a lessee) [13p.42]

	2020/2021 (R'000s)	2019/2020 (R'000s)
Minimum lease payments		
Within one year		
In second to fifth year inclusive		
After five years		
Total		
Total future minimum sublease payments expected to be received at the reporting date		
Total contingent rents recognised as expense in the period		

Commentary:

Also include a general description of the leasing arrangements, the basis on which contingent rent payable is determined, the existence and terms of renewal or purchase options and escalation clauses, and restrictions imposed on lease arrangements.

Notes to the financial statements (Continued)

42. Taxation

	2020/2021 (R'000s)	2019/2020 (R'000s)
Current		
Income Tax		
Deferred		
Originating and reversing temporary differences		
Income tax expense reported in the statement of financial performance		
Reconciliation between accounting surplus and tax expense		
Accounting surplus		
Taxation at the applicable tax rate		
Tax effect of adjustments on taxable income		
Non-taxable and non-deductible items		
(Over)/ under provision of prior years		
Tax effect of previously unused tax losses		
Effective tax at rate of XX %		

42.1 Deferred Taxation

	Statement of Financial Position		Statement of Financial Performance	
	2020/2021 (R'000s)	2019/2020 (R'000s)	2020/2021 (R'000s)	2019/2020 (R'000s)
<i>Deferred tax for Batho Pele City relates to the following</i>				
Accelerated depreciation for taxation purposes				
Revaluation of assets				
Post-employment benefits				
<Other – specify>				
<Other – specify>				
<Other – specify>				
Total – Statement of financial position				
Total – Statement of financial performance				

Notes to the financial statements (Continued)

43. Net Cash from/(used) Operating Activities

	2020/2021 (R'000s)	2019/2020 (R'000s)
Surplus/(Deficit) After Capital Transfers and Contributions		
Adjusted for:		
Depreciation and Amortisation		
Write-offs		
(Gains) / Losses on Disposal of Assets		
Goods/Services and Assets Received In-kind		
Increase / (Decrease) in Provisions		
Increase / (Decrease) in Impairment Allowance		
Interest Received		
Interest Paid		
<Other – specify>		
<Other – specify>		
<Other – specify>		
Movement in Working Capital		
(Increase) / Decrease in Inventory		
(Increase) / Decrease in Receivables		
Increase / (Decrease) in Payables		
Increase / (Decrease) in Unspent Conditional Grants And Receipts		
<Other – specify>		
Net Cash Flows From Operating Activities		

Notes to the financial statements (Continued)

44. Revaluation Reserve

	Property, Plant and Equipment [17p92(d)]	Intangible Assets [31p125(b)]	Heritage Assets [103p95(e)]	Living Resources [110p122(e)]	Total
<i>Movement in revaluation reserve per asset category</i>					
Balance as at 30 June 2019					
Increase/decrease in revaluation reserve					
Impairment loss recognised/reversed					
Balance as at 30 June 2020					
Increase/decrease in revaluation reserve					
Impairment loss recognised/reversed					
Balance as at 30 June 2021					

Notes to the financial statements (Continued)

45. Contingent Liabilities [19p.101] [MFMA125(2)(c)]

	2020/2021 (R'000s)	2019/2020 (R'000s)
<Description>		
<Description>		
<Description>		
<Description>		

Commentary:

In addition to the above, the reporting entity should disclose:

- ✓ *an indication of the uncertainties relating to the amount or timing of any outflows; and*
- ✓ *the possibility of any reimbursement.*

Where a provision and a contingent liability arise from the same set of circumstances, the reporting entity should create a clear link between the two disclosures in the financial statements.

Where the amount cannot be estimated, the fact should be disclosed.

46. Contingent Assets [19p.106]

	2020/2021 (R'000s)	2019/2020 (R'000s)
<Description>		
<Description>		
<Description>		
<Description>		

Commentary:

Where an amount cannot be estimated, the reporting entity should state that fact.

Notes to the financial statements (Continued)

47. Goods and/or Services Received in Kind [23p.116(d)&(e)]

	2020/2021 (R'000s)	2019/2020 (R'000s)
<i>The following goods were received in-kind by Batho Pele City during the year by way of bequests, gifts and/or donations</i>		
<Description>		
<Description>		
<Description>		
<Description>		
<i>The following services were received in-kind by Batho Pele City during the year</i>		
<Description>		
<Description>		
<Description>		
<Description>		

48. Research and Development Costs [31p.127]

	2020/2021 (R'000s)	2019/2020 (R'000s)
Total Research and Development Costs recognised as an expense		

Commentary:

Research and Development is not a line item in the mSCOA as this activity comprise of a number of inputs and is accordingly usually a specific project within an entity.

Notes to the financial statements (Continued)

49. Related Party Disclosures

49.1 Nature of Related Party Relationships [20p.24] [MFMA125(1)(a)]

Related Party	Nature of Relationship
<Name of party>	<Nature of relationship>
<Name of party>	<Nature of relationship>
<Name of party>	<Nature of relationship>
<Name of party>	<Nature of relationship>

49.2 Related Party Transactions [20p.27]

Entity	Nature of Transaction	2020/2021 (R'000s)	2019/2020 (R'000s)
Revenue			
<Name of party>	<Source>		
<Name of party>	<Source>		
<Name of party>	<Source>		
Expenditure			
<Name of party>	<Type>		
<Name of party>	<Type>		
<Name of party>	<Type>		

Notes to the financial statements (Continued)

49.3 Related Party Balances Outstanding [20p.27]

	2020/2021 (R'000s)	2019/2020 (R'000s)
Receivables		
<i>Of which the provision for impairment included above</i>		
<i>Debt written off during the year</i>		
Payables		
Commitments		

Commentary:

The disclosure should include terms and conditions on outstanding balances, whether they are secured and the nature of consideration to be provided in settlement as well as any guarantees given or received.

The disclosure required above should be made separately for each of the following categories:

- ✓ Controlled entities;
- ✓ Associates
- ✓ Joint ventures in which the entity is a venture;
- ✓ Management;
- ✓ Other related parties.

Where the reporting entity is exempt from disclosures (as per GRAP 20), it must disclose narrative information about the nature of transactions and the related outstanding balances.

50. Contributions to organised local government [MFMA125(1)(b)]

	2020/2021 (R'000s)	2019/2020 (R'000s)
Amount paid to organised local government		
Amounts due at reporting date		

Notes to the financial statements (Continued)

51. Non-adjusting Events after the Reporting Date [14p.27]

	2020/2021 (R'000s)
<i>Nature of event</i>	
<i>Include an estimate of the financial effect of the subsequent non-adjusting events or a statement that such an estimate cannot be made</i>	

52. Principal-agent Arrangements

52.1 Municipality acting as the principal [109p.67]

	2020/2021 (R'000s)	2019/2020 (R'000s)
Resources (assets and liabilities) of the municipality that are under the custodianship of the agent		
Fee paid as commission to the agent		

Commentary:

The disclosure should include a discussion of the resources or cost implications for the municipality if the principal-agent arrangement is terminated.

In addition:

- ✓ *A description of the arrangement, including the transactions undertaken by the agent;*
- ✓ *Significant terms and conditions of the arrangement and whether any changes occurred during the reporting period;*
- ✓ *An explanation of the purpose of the principal-agent relationship and any significant risks (including risk mitigation strategies) and benefits associated with the arrangement.*

Notes to the financial statements (Continued)

52.2 Municipality acting as the agent [109p.63 - .66]

	2020/2021 (R'000s)	2019/2020 (R'000s)
Resources (assets / liabilities) recognise by the municipality that are held / incurred on behalf of a principal		
Revenue recognised as compensation for the transactions carried out on behalf of the principal		
Revenue received or to be received on behalf of the principal		
Expenditure paid or incurred on behalf of the principal		
Receivables held on behalf of the principal		
Opening balance		
Revenue receivable		
Amounts written-off, settlements or waivers of amounts due		
Amounts received		
Closing balance		
Payables held on behalf of the principal		
Opening balance		
Expenses incurred		
Cash paid		
Closing balance		

Commentary:

The disclosure should include a discussion of the resources or cost implications for the municipality if the principal-agent arrangement is terminated.

In addition:

- ✓ A description of the arrangement, including the transactions undertaken by the agent;
- ✓ Significant terms and conditions of the arrangement and whether any changes occurred during the reporting period;
- ✓ An explanation of the purpose of the principal-agent relationship and any significant risks (including risk mitigation strategies) and benefits associated with the arrangement.

53. **Change in Accounting Policy [3p.21 & .31]**

Effective 1 June 2020 the municipality changed its accounting policy <include discussion on the nature of the change in accounting policy and the reason for such change>.

The change in the accounting policy has been applied retrospectively, a summary of the impact of the change is provided below:

	2020/2021 (R'000s)	2019/2020 (R'000s)
<i>Statement of Financial Position</i>		
<Specify line item>		
<Specify line item>		
<Specify line item>		
<i>Statement of Financial Performance</i>		
<Specify line item>		
<Specify line item>		
<Specify line item>		

Commentary:

If retrospective application is impracticable for a particular prior period, or for periods before those presented, the circumstances that led to the existence of that condition and a description of how and from when the change in accounting policy has been applied.

Notes to the financial statements (Continued)

54. Correction of Error [3p51]

During the 2020/2021 financial period the municipality’s management realised that property rates amounting to RXXX was not recognised in 2018/2019 and RXXX for the 2019/2020 financial year in the statement of financial performance due to a calculation error. The prior period was adjusted retrospectively.

The effect of the error on the individual line items in the financial statements is as follows:

	2019/2020 (R'000s)	2018/2019 (R'000)
<i>Statement of Financial Position</i>		
<Specify line item>		
<Specify line item>		
<Specify line item>		
<i>Statement of Financial Performance</i>		
E.g. Increase in revenue from property rates	XXX	XXX
<Specify line item>		
<Specify line item>		
<i>Statement of Change in Net Assets</i>		
Increase / Decrease in Accumulated Surplus	XXX	XXX

Commentary:

.

55. Change in Estimate [3p41]

The useful lives of all asset classes were adjusted during 2020/2021 to more accurately reflect the period of economic benefits or service potential derived from these assets. Refer to note 10. The effect of changing the remaining useful life of assets for the Municipality during 2020/2021 has decreased the depreciation charge for the current by RXXX and future periods. It is impracticable to estimate the effect of these changes on future periods.

Notes to the financial statements (Continued)

56. Unauthorised, Irregular, Fruitless and Wasteful Expenditure [MFMA s125 and Circular 68]

56.1 Unauthorised Expenditure

	2020/2021 (R'000s)	2019/2020 (R'000s)
Opening balance as previously reported		
Add: Expenditure identified - current		
Add: Expenditure identified - prior period		
Less: Approved by Council		
Closing balance		
The over expenditure incurred by municipal departments during the year is attributable to the following categories		
Non-cash		
Cash		
Analysed as follows: non-cash		
Employee related cost (e.g. actuarial valuations)		
Depreciation and amortisation		
Finance charges (e.g. interest charge on the provision for the rehabilitation)		
Loss on disposal of property, plant and equipment		
Provision of impairment		
Other (disaggregate or list these)		
Analysed as follows: cash		
Bulk purchases		
Contracted services		
General expenditure		
Employee related costs		
Other (disaggregate or list these)		
Unauthorised expenditure: Budget overspending – per municipal department		
Transport		
Safety and security		
Electricity		
Water		
Environment and agriculture Management		
Community and social development		
Infrastructure		
Finance		

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Property Management		
Other (disaggregate or list these)		
Total		

Commentary:

The municipality should include further discussions and analysis of unauthorised expenditure as deemed necessary and as set out in MFMA Circular 68.

Notes to the financial statements (Continued)

56.2 Irregular Expenditure

	2020/2021 (R'000s)	2019/2020 (R'000s)
*Opening balance as previously reported		
Opening balance as restated		
Add: Irregular Expenditure - current		
Add: Irregular Expenditure - prior period		
Less: Amount recoverable - current		
Less: Amount recoverable - prior period		
Less: Amount written off - current		
Less: Amount written off - prior period		
*Closing balance		
*Inclusive of VAT		
Cases under investigations		
xx (prior period: xx) cases related to non-compliance with procurement process requirements		
xx (prior period: xx) cases related to other non-compliance with laws, regulations, council policies and/or by-laws.		
Municipal Finance Management Act		
Municipal Systems Act		
Public Bearers Act		
Municipal Supply Chain Management Policies or By-laws		

Commentary:

The municipality should include further discussions and analysis of irregular expenditure as deemed necessary and as set out in MFMA Circular 68.

Notes to the financial statements (Continued)

56.3 Fruitless and Wasteful Expenditure

	2020/2021 (R'000s)	2019/2020 (R'000s)
*Opening balance as previously reported		
Opening balance as restated		
Add: Irregular Expenditure - current		
Add: Irregular Expenditure - prior period		
Less: Amount recoverable - current		
Less: Amount recoverable - prior period		
Less: Amount written off - current		
Less: Amount written off - prior period		
*Closing balance		
*Inclusive of VAT		

Commentary:

The municipality should include further discussions and analysis of fruitless and wasteful expenditure as deemed necessary and as set out in MFMA Circular 68.

Notes to the financial statements (Continued)

57. Councillor’s Municipal Accounts in Arrears [MFMA 124(1)(b)]

	Amount outstanding for more than 90 days
<i>List the name of the councillor which at any time during the relevant financial year was in arrears for more than 90 days</i>	

Commentary:

MFMA section 124(1)(b) also requires disclosure of any arrears owed by individual councillors to the municipality for rates or services and which at any time during the relevant financial year were outstanding for more than 90 days. The disclosure should also include the names of the councillors.

58. Deviations from SCM Regulations [SCM Regulation Number 36]

In terms of section 36 of the municipal SCM regulations, any deviations from SCM policy needs to be approved by the accounting officer and noted by Council. The awards listed below have been approved by the Accounting Officer and noted by Council.

	2020/2021 (R'000s)	2019/2020 (R'000s)
<i>Nature and value of deviations from SCM Regulations granted during the reporting period</i>		
Appointment of consultants		
Information technology upgrades		
Extension of contracts (period/value)		
Upgrading of infrastructure		
<other to be specified>		
<other to be specified>		
Deviations less than R200,000		
Total amount approved by the Accounting Officer and noted by Council		

All deviations considered by the Accounting Officer are processed in terms of the SCM regulations and the municipality’s SCM policy. This process entails being assessed by the SCM Bid Adjudication Committee in terms of the stipulated criteria for emergency procurements and circumstances where it is impractical or not possible to follow the official procedure.

Notes to the financial statements (Continued)

59. Awards to close family members [SCM Regulation Number 45]

	2020/2021 (R'000s)
<i>Provide name of close family member along with nature and extent of award</i>	

60. Other Compulsory Disclosures [MFMA 125(1)(c)]

	SALGA Contributions	Audit fees	PAYE and UIF	Pension and Medical Aid
As at 30 June 2021				
Opening balance				
Subscription/fees				
Amount paid – current year				
Amount paid – previous years				
Balance unpaid (included in payables)				
Total amount approved by the Accounting Officer and noted by Council				
As at 30 June 2020				
Opening balance				
Subscription/fees				
Amount paid – current year				
Amount paid – previous years				
Balance unpaid (included in payables)				
Total amount approved by the Accounting Officer and noted by Council				