WEST COAST DISTRICT MUNICIPALITY
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

West Coast District Municipality
Audited Financial Statements for the year ended 30 June 2024

General Information

Mayoral committee	Ald R W Strydom (Executive Mayor) Ald S M Crafford (Deputy Executive Mayor) Cllr N S Louw (Speaker) Cllr J A Engelbrecht Cllr M Schrader
Councilors	Cllr T F Waldeck Cllr S J Tshabalala Ald E Plaatjies Cllr S A Gxabalashe Cllr O M Stemele Cllr J Alexander Cllr L Venter Cllr G Stephan Cllr E C O'Kennedy Cllr A J Pool Cllr F Kamfer Cllr I S Adams Cllr A Small Cllr Z S Komani-Nkohla Cllr L Mitchell Ald M Koen Cllr B L Witbooi Cllr B J Penxa Cllr I S I Le Minnie Cllr D C Pypers
Grading of local authority	Grade 4
Credit Rating	National - Long Term : A National - Short Term : A1 International - Long Term : B+
Registered office	58 Long Street Moorreesburg 7310
Postal address	P O Box 242 Moorreesburg 7310
Bankers	Standard Bank - Primary Bank Account 332321681 ABSA Bank 4074200056 4074200129 9136067143
Auditors	Auditor General of SA Registered Auditors
Telephone	022 - 4338400
Accounting Officer	Mr D C Joubert
Chief Financial Officer (CFO)	Dr J C P Tesselaar

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

ACCOUNTING OFFICER'S RESPONSIBILITIES AND APPROVAL

I AM RESPONSIBLE FOR THE PREPARATION OF THESE AUDITED ANNUAL FINANCIAL STATEMENTS, WHICH ARE SET OUT ON PAGES 3 TO 94, IN TERMS OF SECTION 126 (1) OF THE MUNICIPAL FINANCE MANAGEMENT ACT, AND WHICH I HAVE SIGNED ON BEHALF OF THE MUNICIPALITY. THE AUDITED ANNUAL FINANCIAL STATEMENTS HAVE BEEN PREPARED IN ACCORDANCE WITH THE STANDARDS OF GENERALLY RECOGNISED ACCOUNTING PRACTICE (GRAP) INCLUDING ANY INTERPRETATIONS, GUIDELINES AND DIRECTIVES ISSUED BY THE ACCOUNTING STANDARDS BOARD. I ACKNOWLEDGE THAT I AM ULTIMATELY RESPONSIBLE FOR THE SYSTEM OF INTERNAL FINANCIAL CONTROL AND THAT THE SYSTEM OF INTERNAL CONTROL PROVIDES REASONABLE ASSURANCE THAT THE FINANCIAL RECORDS CAN BE RELIED ON.

I CERTIFY THAT THE SALARIES, ALLOWANCES AND BENEFITS OF COUNCILORS AS DISCLOSED IN NOTE 22 OF THESE ANNUAL FINANCIAL STATEMENTS ARE WITHIN THE UPPER LIMITS OF THE FRAMEWORK AS ENVISAGED IN SECTION 219 OF THE CONSTITUTION, READ WITH THE REMUNERATION OF PUBLIC OFFICE BEARERS ACT, 20 OF 1998, AND THE MINISTER OF PROVINCIAL AND LOCAL GOVERNMENT'S DETERMINATION IN ACCORDANCE WITH THIS ACT.

IN TERMS OF SECTION 13G, READ WITH REGULATION 12 OF THE B-BBEE REGULATIONS, ALL SPHERES OF GOVERNMENT, PUBLIC ENTITIES AND ORGANS OF STATE MUST REPORT ON THEIR COMPLIANCE WITH BROAD-BASED BLACK ECONOMIC EMPOWERMENT IN THEIR ANNUAL FINANCIAL STATEMENTS AND ANNUAL REPORTS. COMPLIANCE IS DISCLOSED IN THE ANNUAL REPORT.

Mr D C Joubert
Accounting Officer - 30 November 2024

Dr J C P Tesselaar
Chief Financial Officer - 30 November 2024

AUDITOR-GENERAL SOUTH AFRICA
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Statement of Financial Position as at 30 June 2024

Figures in Rand	Note(s)	2024 Actual	2023 Restated
Assets			
Current Assets			
Cash and cash equivalents	6	362 847 333	344 329 042
Trade receivables from exchange transactions	5	10 178 984	2 154 816
Other receivables from exchange transactions	4	73 239 439	32 732 394
Other receivables from non-exchange transactions	52	1 011 870	5 500 349
Inventories	3	10 562 780	10 575 277
Employee benefit - road receivable	15	1 043 619	1 154 918
VAT receivable	11	3 518 423	13 843 878
Distribution receivable	50	-	318 756
		462 402 448	**410 609 430**
Non-Current Assets			
Investment property	7	4 344 356	4 377 657
Property, plant and equipment	8	141 684 719	100 287 156
Intangible assets	9	1 588 514	1 715 747
Employee benefit - road receivable	15	16 540 456	16 617 883
		164 158 045	**122 998 443**
Total Assets		**626 560 493**	**533 607 873**
Liabilities			
Current Liabilities			
Trade payables from exchange transactions	10	52 876 147	38 554 698
Unspent conditional grants and subsidies	12	1 986 549	2 379 431
Employee benefits	13	13 598 694	12 857 701
Distributions provision	50	18 913 430	-
		87 374 820	**53 791 830**
Non-Current Liabilities			
Medical aid benefits	15	68 579 523	68 197 576
Long service awards	16	10 156 941	10 235 749
Long-term liabilities	14	46 958 233	-
		125 694 697	**78 433 325**
Total Liabilities		**213 069 517**	**132 225 155**
Net Assets		**413 490 976**	**401 382 718**
Accumulated surplus	17	413 490 976	401 382 718

AUDITOR-GENERAL SOUTH AFRICA
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Statement of Financial Performance

Figures in Rand	Note(s)	2024 Actual	2023 Restated
Revenue			
Revenue from exchange transactions			
Service concession revenue	18	144 184 824	139 358 035
Roads agency services	42	221 789 301	249 518 472
Other revenue	19	7 976 588	5 519 744
Fees earned	48	406 702	341 693
Resort income	7	5 452 299	4 745 549
Finance income	44	27 132 139	24 601 738
Total revenue from exchange transactions		**406 941 853**	**424 085 231**
Revenue from non-exchange transactions			
Other revenue	19	657 835	515 634
Actuarial gains recognised - employee benefits	15&16&43	5 288 048	10 613 558
Government grants & subsidies	20	118 268 654	117 601 597
Total revenue from non-exchange transactions		**124 214 537**	**128 730 789**
Total revenue		**531 156 390**	**552 816 020**
Expenditure			
Employee related costs	21	(242 064 806)	(226 480 458)
Remuneration of councillors	22	(6 828 857)	(7 593 787)
Depreciation and amortisation	7&8&9	(12 131 754)	(10 120 882)
Finance costs	23	(64 957)	(64 714)
Materials and supplies	47	(48 907 396)	(67 625 438)
Allowance for impairment	45	(1 448 176)	(999 221)
Bulk purchases	24	(15 147 899)	(18 564 044)
Transfers and subsidies	49	(831 660)	(2 094 300)
General expenses	25	(191 616 571)	(178 427 798)
Total expenditure		**(519 042 076)**	**(511 970 642)**
Loss on the disposal of assets	8	(83 534)	(65 002)
Surplus for the year		**12 030 780**	**40 780 376**

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West Coast District Municipality
Audited Financial Statements for the year ended 30 June 2024

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Restated*Balance at 01 July 2022	**360 602 342**	**360 602 342**
Surplus for the year	40 780 376	40 780 376
Restated* Balance at 01 July 2023	**401 382 718**	**401 382 718**
Surplus for the year	12 030 780	12 030 780
Balance before adjustment	413 413 498	413 413 498
Correction of Error	77 478	77 478
Balance as at 30 June 2024	**413 490 976**	**413 490 976**

AUDITOR-GENERAL SOUTH AFRICA
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Cash Flow Statement

Figures in Rand	Note(s)	2024 Actual	2023 Restated
Cash flows from operating activities			
Receipts			
Cash receipts from rate payers, government and other		276 069 872	270 012 557
Road services		188 874 924	265 412 096
Interest income		27 132 139	24 601 738
		492 076 935	560 026 391
Payments			
Employee costs		(241 421 428)	(225 787 933)
Suppliers		(225 675 638)	(297 621 310)
Finance costs		(64 957)	(64 714)
		(467 162 023)	(523 473 957)
Net cash flows from operating activities	27	**24 914 912**	**36 552 434**
Cash flows from investing activities			
Purchase of Capital Assets	8&9	(53 382 954)	(19 473 318)
Proceeds from sale of property, plant and equipment	8	28 100	5 665
Net cash flows from investing activities		**(53 354 854)**	**(19 467 653)**
Cash flows from financing activities			
Movement in long - term liability	14	46 958 233	(1 500 000)
Net (decrease)/increase in cash and cash equivalents		**18 518 291**	**15 584 781**
Cash and cash equivalents at the beginning of the year		344 329 042	328 744 261
Cash and cash equivalents at the end of the year	6	**362 847 333**	**344 329 042**

West Coast District Municipality

Statement of Comparison of Budget and Actual Information as at 30 June 2024

Description R thousands	2023/2024 Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	2022/2023 Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Financial Performance															
Property rates	-	-	-			-	-			0,00	0,00				
Service concession revenue	146 118	5 000	151 118	-		151 118	144 185		(6 933)	95,41	98,68				139 358
Investment revenue	14 942	500	15 442	-		15 442	27 132		11 690	175,70	181,58				24 602
Transfers recognised - operational	32 431	716	33 147	-	-	33 147	35 549		2 402	107,25	109,61				37 236
Other own revenue	309 523	64 914	374 436	-	-	374 436	324 291		(50 146)	86,61	104,77			-	351 621
Total Revenue (excluding capital transfers and contributions)	503 013	71 130	574 143	-	-	**574 143**	**531 156**	-	**(42 986)**	92,51	105,59	-	-	-	**552 816**
Employee costs	242 905	8 170	251 075			251 075	242 065	-	(9 011)	96,41	99,65	-			226 450
Remuneration of councillors	7 595		7 595			7 595	6 829	-	(767)	89,91	89,91			-	7 594
Debt impairment		1 970	1 970		-	1 970	1 448		(522)	73,51	0,00			-	999
Depreciation & asset impairment	11 238		11 238	-		11 238	12 132		894	107,95	107,95		-		10 121
Finance charges		9 600	9 600		-	9 600	65	-	(9 535)	0,68	0,00	-			65
Materials and bulk purchases	76 841	7 676	84 517			84 517	48 907		(35 609)	57,87	63,65			-	86 189
Transfers and grants	853	1 624	2 476	-		2 476	832		(1 645)	33,58	97,53		-		2 094
Other expenditure	166 942	52 704	219 647		-	219 647	206 848	-	(12 799)	94,17	123,90			-	178 493
Total Expenditure	**506 374**	**81 744**	**588 118**	-	-	588 118	**510 126**	-	**(68 993)**	88,27	102,52	-	-	-	**512 036**
Surplus/(Deficit)	(3 361)	(10 614)	(13 976)		-	(13 976)	12 031	-	26 006	-86,08	-357,93		-	-	40 780
Transfers recognised - capital	-	1 826	1 826			1 826	-		(1 826)	0	0				-
Contributions recognised - capital & contributed assets		-	-				-		-	0,00	0,00				
Surplus/(Deficit) after capital transfers & contributions	(3 361)	(8 788)	(12 150)		-	(12 150)	12 031	-	24 180	-99,02	-357,93		-	-	40 780
Share of surplus/ (deficit) of associate			-	-			-				0,00		-		-
Surplus/(Deficit) for the year	(3 361)	(8 788)	(12 150)	-	-	(12 150)	12 031		24 180	-99,02	-357,93	-	-	-	40 780
Capital expenditure & funds sources															
Capital expenditure	38 500	110 838	149 338	-	-	**149 338**	**53 383**		(95 955)	35,75	138,66	-	-	-	**19 473**
Transfers recognised - capital		1 826	1 826	-		1 826	-		(1 826)	0,00	0,00				
Public contributions & donations											0,00				
Borrowing	-	100 000	100 000			100 000	41 033		(58 967)	0,00	0,00				
Internally generated funds	38 500	9 012	47 512			47 512	12 350		(35 162)	41,03	32,08				19 473
Total sources of capital funds	**38 500**	**110 838**	**149 338**	-	-	**149 338**	53 383	-	(95 955)	25,99	138,66	-		-	**19 473**
Cash flows															
Net cash from (used) operating	20 946	70 398	91 344	-		91 344	24 915	-	(66 429)	27,28	118,95			-	35 052
Net cash from (used) investing	(38 500)	(110 838)	(149 338)			(149 338)	(53 355)		95 983	35,73	138,58				(17 968)
Net cash from (used) financing		100 000	100 000	-	-	100 000	46 958		(53 042)	46,96	0,00				(1 500)
Cash/cash equivalents at the year end	336 737	59 560	396 298	-		396 298	362 847		(33 450)	91,56	107,75				344 329
Financial Position															
Cash	336 737	(14 315)	322 422			322 422	362 847		40 425	112,54	107,75				344 329
Consumer debtors	-	1 970	1 970			1 970	10 179		8 209	516,70	0,00				2 155
Other debtors	11 249	22 913	34 162			34 162	78 813		44 651	230,70	700,60				52 395
Current portion of long-term receivables		-	-			-				0,00	0,00				1 155
Inventory	11 688	6 500	18 188			18 188	10 563		(7 626)	58,07	90,37				10 575
Current portion of asset receivable - local municipalities	-	-	-	-						0,00	0,00				-
Total current assets	359 675	17 067	376 742	-	-	376 742	462 402	-	**85 660**	122,74	128,56	-		-	**410 609**
Long-term receivable	17 463	-	17 463			17 463	16 540		(922)	94,72	94,72				16 618
Distribution receivable					-	-				0,00	0,00				-
Investment property	4 344	-	4 344			4 344	4 344		0	100,00	100,00				4 378
Property, plant and equipment	133 210	112 928	246 138			246 138	141 685		(104 453)	57,56	106,36				100 287
Intangible assets	1 821	310	2 131			2 131	1 589		(542)	74,56	87,25				1 716
Asset receivable - local municipalities	-	-	-	-			-		-	0,00	0,00				-
Total non-current assets	**156 838**	113 238	270 076	-	-	270 076	**164 158**	-	(105 918)	60,78	104,67	-	-	-	122 998
TOTAL ASSETS	516 513	130 305	646 818			646 818	626 560	-	(20 257)					-	533 608
LIABILITIES															
Borrowings		-					-		-	0,00	0,00				-
Trade and other payables	58 351	38 333	94 684			94 684	54 863		(39 821)	57,94	94,02				40 934
Provisions	7 001	-	7 001			7 001	32 512		25 511	464,41	464,41				12 858
Total current liabilities	**65 352**	**38 333**	**101 684**	-	-	101 684	**87 375**	-	(14 309)	85,93	133,70	-	-	-	53 792
Borrowings	76 147	**100 000**	176 147	-		176 147	46 958		(129 189)	26,66	61,67				
Provisions	10 873	-	10 873			10 873	78 736		67 863	724,13	724,13				78 433
Total non-current liabilities	87 020	100 000	187 020	-	-	187 020	125 695	-	(61 326)	67,21	144,44	-		-	78 433
TOTAL LIABILITIES	152 372	136 333	288 705	-		288 705	213 070		(75 635)	73,80	139,84	-		-	132 225
NET ASSETS	364 141	(6 027)	358 113			358 113	413 491		55 378	115,46	113,55			-	401 383
Accumulated Surplus / (Deficit)	364 141	(6 027)	358 113	-		358 113	413 491		55 378	115,46	113,56			-	401 383
TOTAL COMMUNITY WEALTH / EQUITY	364 141	(6 027)	358 113	-	-	358 113	413 491	-	55 378	115,46	113,55	-		-	**401 383**

GRAP 24 paragraph 16 states the management should provide reasons for the movement from original budget to the adjustment budget. Management adjusted its capital and operating budgets due to the following.

Operating Budget : Refer to appendix A for explanations on variances.

Capital Budget : Refer to appendix A for explanations on variances

Cashflow Budget : Refer to note 55 for explanations on variances

Statement of Financial Position Budget : Refer to note 55 for explanations on variances

AUDITOR-GENERAL SOUTH AFRICA

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Accounting Policies

1. Presentation of Audited Financial Statements

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

These audited financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

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

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

These accounting policies are consistent with the previous period.

1.1 Presentation currency

These audited financial statements are presented in South African Rand, which is the functional currency of the municipality. All financial information has been rounded to the nearest Rand.

1.2 Going concern assumption

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

1.3 Investment property

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

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

Investment property are depreciated on the straight line basis over their expected useful lives.

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

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement. Investment property are depreciated on the straight line basis over the expected useful lives.

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

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

Cost model

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value over the useful life of the property, which is as follows:

Item	Useful life
Land	indefinite
Property - Beach development	0 to 100 years

Accounting Policies

1.3 Investment property (continued)

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

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

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

1.4 Property, plant and equipment

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

The cost of an item of property, plant and equipment is recognised as an asset when:
- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

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

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

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

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

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised. If expenditure only restores the originally assessed standard of performance, it is regarded as repairs and maintenance and are expensed. The enhancement of an existing assets so that its use is expanded or the further development of an asset so that its original life is extended are examples of subsequent expenditure which should be capitalised.

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

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

Major spare parts and standby equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and standby equipment which can only be used in connection with an item of property, plant and equipment 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.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

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

Accounting Policies

1.4 Property, plant and equipment (continued)

Property, plant and equipment under construction - This cost include all expenditure related directly to specific projects still in progress at period end. Incomplete construction work is stated at historical cost.

Accounting Policies

1.4 Property, plant and equipment (continued)

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

Item	Depreciation method	Average useful life
Land	Straight line	Infinite
Buildings	Straight line	5 to 100
Other Structures (Infrastructure)	Straight line	0 to 100
Other	Straight line	2 to 30

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 method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

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

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

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

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

1.5 Intangible assets

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

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

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

Accounting Policies

1.5 Intangible assets (continued)

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

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

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

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

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

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

Internally generated goodwill is not recognised as an intangible asset.

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

Item	Depreciation method	Average useful life
Intangible assets	Straight line	0 - 20 years

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

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised.

1.6 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 municipality.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

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

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an municipality's statement of financial position.

A derivative is a financial instrument or other contract with all three of the following characteristics:
- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

1.6 Financial instruments (continued)

- It is settled at a future date.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an municipality shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the municipality shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another municipality; or
- a contractual right to:
  - receive cash or another financial asset from another municipality; or
  - exchange financial assets or financial liabilities with another municipality under conditions that are potentially favourable to the municipality.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another municipality; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the municipality.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an municipality in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

Accounting Policies

1.6 Financial instruments (continued)

A residual interest is any contract that manifests an interest in the assets of an municipality after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:
- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an municipality's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an municipality.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the municipality had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:
- the municipality designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:
- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
  - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
  - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
  - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
  - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

1.6 Financial instruments (continued)

Classification

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

Class	Category
Other trade receivables from exchange transactions	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost
Trade receivables from exchange transactions	Financial asset measured at amortised cost
Other receivables from non-exchange transactions	Financial asset measured at amortised cost
Distribution receivable	Financial asset measured at amortised cost

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

Class	Category
Trade and other payables from exchange transactions	Financial liability measured at amortised cost
Long-term liabilities	Financial liability measured at amortised cost
Distributions provision	Financial liability measured at amortised cost

Trade and other payables are initially measured at fair value plus transaction costs that are directly attributed to the acquisition and are subsequently measured at amortised cost using the effective interest rate method.

Trade and other receivables are initially recognised at fair value plus transaction cost that directly attributed to the acquisition and subsequently stated at amortised cost, less provision for impairment. This provision is based on a review of all outstanding amounts at year end and is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms. The amount of the provision is the effective interest rate. Bad debts are written off during the year in which they are identified. Subsequent recoveries of amounts previously written off are credited against the relevant revenue stream in the statement of financial performance.

Long-term financial liabilities are classified as financial liabilities that are measured at amortised cost.

Cash and cash equivalents includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions and are subject to an insignificant risk of change in value. For the purpose of the cash flow statement, cash and cash equivalents comprises of cash on hand, deposits held on call with banks, investments in financial instruments and net bank overdrafts. Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

Initial recognition

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

The municipality recognises financial assets using trade date accounting.

Accounting Policies

1.6 Financial instruments (continued)

Initial measurement of financial assets and financial liabilities

The municipality measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The municipality measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value].

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

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

1.6 Financial instruments (continued)

Subsequent measurement of financial assets and financial liabilities

The municipality measures all financial assets and financial liabilities after initial recognition using the following categories:
- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

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

Fair value measurement considerations

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

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

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

Reclassification

The municipality does not reclassify a financial instrument while it is issued or held unless it is:
- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

Where the entity cannot reliably measure the fair value of an embedded derivative that has been separated from a host contract that is a financial instrument at a subsequent reporting date, it measures the combined instrument at fair value. This requires a reclassification of the instrument from amortised cost or cost to fair value.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the entity reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the entity reclassifies the instrument from cost to fair value.

Gains and losses

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

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

Impairment and uncollectibility of financial assets

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

1.6 Financial instruments (continued)

Financial assets measured at amortised cost:

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

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

Financial assets measured at cost:

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

1.6 Financial instruments (continued)

Derecognition

Financial assets

The municipality derecognises financial assets using trade date accounting.

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

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

If the municipality transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognise either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognise the new financial asset, financial liability or servicing liability at fair value.

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

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the municipality has retained substantially all the risks and rewards of ownership of the transferred asset, the municipality continues to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the municipality recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

Financial liabilities

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

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

1.6 Financial instruments (continued)

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

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Dividends or similar distributions relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Distributions to holders of residual interests are recognised by the municipality directly in net assets. Transaction costs incurred on residual interests are accounted for as a deduction from net assets. Income tax [where applicable] relating to distributions to holders of residual interests and to transaction costs incurred on residual interests are accounted for in accordance with the International Accounting Standard on Income Taxes.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the municipality does not offset the transferred asset and the associated liability.

1.7 Value added tax

The municipality accounts for Value Added Tax (VAT) on a payment basis. The municipality is liable to account for VAT at the standard rate (15%) in terms of section 7 (1) (a) of the VAT Act, in respect of the supply of goods or services except where the supplies are specifically zero - rated in terms of section 11, exempted in terms of section 12 of the VAT Act or out of scope for VAT purposes. The timing of payments to / from the South African Revenue Service is on the twenty fifth day of each of the twelve months of the financial year.

1.8 Leases

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

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

Finance leases - lessor

The municipality recognises finance lease receivables as assets on the statement of financial position. Such assets are presented as a receivable at an amount equal to the net investment in the lease.

Finance revenue is recognised based on a pattern reflecting a constant periodic rate of return on the municipality's net investment in the finance lease.

1.8 Leases (continued)

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

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

Operating leases - lessor

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

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

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

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

Operating leases - lessee

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

1.9 Inventories

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

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

Inventories are measured at the lower of cost and current replacement cost where they are held for;
- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

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

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

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

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

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

Accounting Policies

1.9 Inventories (continued)

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

Water inventory represents water housed in dams within the municipal area and is measured at the lower of cost, which is deemed to be fair value, and net realisable value. In the absence of a market that trades in water outside of local government the fair value utilised to quantify water inventory is based on the unit reference value. The unit reference value is determined by a formula that is utilised in the engineering department to calculate the development cost of new water resources.

The water levels in the dams are based on cubic meter capacity taking into account the capacity of the dam, based on land surveying reports and the curve of the dam. Readings of water levels are taken at year-end, which is quantified at the above fair value. Water and purified effluent are measured at the lower of purified cost and net realisable value insofar as it is stored and controlled in reservoirs at year-end.

1.10 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. An asset that generates a commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

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

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

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Accounting Policies

1.10 Impairment of cash-generating assets (continued)

Designation

At initial recognition, the municipality designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of a municipality's objective of using the asset.

The municipality designates an asset or a cash-generating unit as cash-generating when:
- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the municipality expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate commercial return, the municipality designates the asset as a non-cash-generating asset and applies the accounting policy on Impairment of Non-cash-generating assets, rather than this accounting policy.

Identification

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

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

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

Basis for estimates of future cash flows

In measuring value in use the municipality:
- base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
- base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and
- estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

Accounting Policies

1.10 Impairment of cash-generating assets (continued)

Composition of estimates of future cash flows

Estimates of future cash flows include:
- projections of cash inflows from the continuing use of the asset;
- projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; and
- net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.

Estimates of future cash flows exclude:
- cash inflows or outflows from financing activities; and
- income tax receipts or payments.

The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the municipality expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

Recognition and measurement (individual asset)

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

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standard of GRAP.

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

1.10 Impairment of cash-generating assets (continued)

Cash-generating units

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

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

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

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

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

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:
- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

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

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

Accounting Policies

1.10 Impairment of cash-generating assets (continued)

Reversal of impairment loss

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

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

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

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

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

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

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:
- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

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

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.11 Impairment of non-cash-generating assets

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

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

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

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

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:
- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Identification

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

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

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

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standards of GRAP.

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

Reversal of an impairment loss

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

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

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

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

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

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

Accounting Policies

1.12 Employee benefits

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

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

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

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

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

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

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

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

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

Short-term employee benefits

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

Short-term employee benefits include items such as:

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

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

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

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

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

Accounting Policies

1.12 Employee benefits (continued)

Post-employment benefits

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

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

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

1.12 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

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

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

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting municipality) that are held by an municipality (a fund) that is legally separate from the reporting municipality and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting municipality's own creditors (even in liquidation), and cannot be returned to the reporting municipality, unless either:
- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting municipality; or
- the assets are returned to the reporting municipality to reimburse it for employee benefits already paid.

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

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

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

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

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

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

The municipality account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the municipality's informal practices. Informal practices give rise to a constructive obligation where the municipality has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the municipality's informal practices would cause unacceptable damage to its relationship with employees.

The amount recognised as a defined benefit liability is the net total of the following amounts:
- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement.

The amount determined as a defined benefit liability may be negative (an asset). The municipality measures the resulting asset at the lower of:
- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

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

Accounting Policies

1.12 Employee benefits (continued)

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

The municipality recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:
- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

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

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, an municipality shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, an entity shall attribute benefit on a straight-line basis from:
- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

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

The municipality recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:
- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

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

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is [OR is not] presented as the net of the amount recognised for a reimbursement.

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

Accounting Policies

1.12 Employee benefits (continued)

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

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

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

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

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs. An actuarial valuation was performed and a liability was determined as a result of the valuation. The actuarial valuation will be revised on a annual basis.

Other post retirement obligations

The municipality provides post-retirement health care benefits, upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:
- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The municipality shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:
- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

1.12 Employee benefits (continued)

Termination benefits

The municipality recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:
- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The municipality is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:
- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

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

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

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

1.13 Provisions

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

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

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

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

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

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

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

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

Provisions are not recognised for future operating surplus (deficit).

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

Accounting Policies

1.13 Provisions (continued)

A constructive obligation to restructure arises only when an entity:

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

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

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

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is,there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

1.14 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

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

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

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

1.14 Revenue from exchange transactions (continued)

Rendering of services

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

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

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

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

Service charges relating to distribution of 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 on a monthly basis 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. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is raised based on the average monthly consumption. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters are read. These adjustments are recognised as revenue in the invoicing period.

Service charges relating to refuse removal are recognised on a monthly basis by applying the approval tariff to each property receiving services. Tariffs are determined per category of property 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.

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

Service charges relating to sewerage and sanitation services are based on the type of service and the number of sewer connections on all developed property, using the tariffs approved by Council. Revenue is recognised on a monthly basis.

Interest, royalties and dividends

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

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

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

Rental income from operating leases is recognised on a straight line basis over the lease term.

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

Commission for agency services is recognised as per the service level agreement with the municipality. The percentage calculated during a financial year are based on the total funds received from the agent.

1.15 Revenue from non-exchange transactions

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

1.15 Revenue from non-exchange transactions (continued)

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

Control of an asset arise when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

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

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

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

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

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

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

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

Revenue from rates, including collection charges and penalty interest, is recognised on a monthly basis when the taxes are levied as this is regarded to be the date when it is probable that the economic benefits or service potential will flow to the municipality, the amount of the revenue can be measured reliably and there has been compliance with the relevant legal requirements.

Revenue from donations is recognised when it is probable that the economic benefits or service potential will flow to the municipality, the amount of the revenue can be measured reliably and any restrictions associated with the donation have been met.

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

Revenue from unconditional grants is recognised when it is probable that the economic benefits or service potential will flow to the municipality, the amount of the revenue can be measured reliably. Since these grants are unconditional and there are no attached stipulations, the grants are recognised as revenue or, if the recognition criteria has been met, as assets in the reporting period in which they are received or receivable.

Revenue from conditional grants is recognised when it is probable that the economic benefits or service potential will flow to the municipality, the amount of the revenue can be measured reliably and to the extent that there has been compliance with any restrictions associated with the grant.

1.15 Revenue from non-exchange transactions (continued)

Recognition

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

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

Measurement

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

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

Transfers

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

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

Fines

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

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

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

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

Gifts and donations, including goods in-kind

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

Services in-kind

Except for financial guarantee contracts, the municipality recognise services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

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

Accounting Policies

1.16 Borrowing costs

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

Qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use of sale.

The capitalisation of borrowing costs commences when all the following conditions have been met:

- expenditures for the asset have been incurred;
- borrowing costs have been incurred; and
- activities that are necessary to prepare the asset for its intended use or sale are undertaken.

When the carrying amount or the expected ultimate cost of the qualifying asset exceeds its recoverable amount or recoverable service amount or net realisable value or replacement cost, the carrying amount is written down or written off in accordance with the accounting policy on Impairment of Assets and Inventories. In certain circumstances, the amount of the write-down or write-off is written back in accordance with the same accounting policy.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

When the municipality completes the construction of a qualifying asset in parts and each part is capable of being used while construction continues on other parts, the municipality ceases capitalising borrowing costs when it completes substantially all the activities necessary to prepare that part for its intended use or sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.17 Accounting by principals and agents

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether a municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Accounting Policies

1.17 Accounting by principals and agents (continued)

Assessing which entity benefits from the transactions with third parties

When the municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the municipality concludes that it is not the agent, then it is the principal in the transactions.

The municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:
- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that is an agent. The municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the municipality is an agent.

Recognition

The municipality is the agent and recognises in the Statement of Financial Performance only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP. The revenue and expenditure of the principal is recognised in the notes.

The municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.18 Comparative figures

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

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatement of comparative information. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.19 Unauthorised expenditure

Unauthorised expenditure means any expenditure incurred by the municipality otherwise than in accordance with section 15 or 11 (3) of the Municipal Finance Management Act (Act No 56 of 2003), and includes:
- overspending of the total amount appropriated in the approved budget;
- expenditure from a vote unrelated to the department or functional area covered by the vote.

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

1.20 Fruitless and wasteful expenditure

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

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

Accounting Policies

1.21 Irregular expenditure

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

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

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

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

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

1.22 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessment of users made on the basis of the annual financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. Materiality is defined as 1% of the total operating expenditure. The materiality is from management's perspective and does not correlate with the auditor's materiality.

1.23 Contingencies

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

A contingent liability :

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

1.24 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Accounting Policies

1.24 Segment information (continued)

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

Management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure.

1.25 Capital commitments

Items are classified as commitments when the municipality has committed itself to future transactions that will normally result in the outflow of cash. Disclosures are required in respect of unrecognised capital commitments, which are disclosed in note 33.

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

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

1.26 Budget information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

The budget for the economic entity includes all the entities approved budgets under its control.

The audited financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts. Explanations of significant variances greater than ten percent versus the budget are given in appendix A. Explanatory comments for the Statement of Financial Position and Cashflow are provided in the Comparison of Budget and Actual on a overall growth or decline basis.

1.27 Related parties

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

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

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

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed. Government Departments are excluded.

1.28 Service concession arrangements

Operator

The District Municipality as an operator in the service concession arrangement recognises revenue and expenditure in relation to the service concession arrangement in accordance with its accounting policies on revenue and expenditure recognition and with reference to the contract with the grantor.

In terms of the service concession arrangement the following types of revenue are recognised:

- Recognised and measurement of the arrangement consideration.
- Construction and upgrade services.
- Operating services.

The District does not recognise the assets relating to the service concession arrangement as these are recognised in the accounting records of the grantor.

The District Municipality recognises a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services.

The District Municipality recognises an intangible asset to the extent that it receives a right (a licence) to charge users of the public service.

1.29 Accumulated surplus

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

1.30 Critical accounting estimates and judgements

The contingent liabilities, contingent assets and provisions represents management's best estimate of the municipality's exposure. The probability that an outflow of economic resources will be required to settle the obligation must be assessed and a reliable estimate must be made of the amount of the obligation. Actual results may, however, differ from these estimates.

Management has made estimates of the selling price and direct cost to sell of certain inventory items to calculate the allowance to write down to the lower of cost or net realisable value. The write down is zero.

The present value of the post retirement obligation depends on a number of factors that are determined on a actuarial basis using a number of assumptions, which include the discount rate. Any changes in these assumptions will impact in the carrying amount of post retirement obligation.

The estimation of useful lives of assets is based on management's judgement. Any material adjustments to the estimated remaining useful lives of items of property, plant and equipment will have an impact on the carrying value of these items.

Where impairment indicators exist, the determination of the recoverable amount of assets or cash generating units require management to make assumptions to determine the fair value less cost to sell. Key assumptions on which management has based its determination of fair values less costs to sell include projected revenues, earnings multiple, capital expenditure and market share. The judgements, assumptions and methodologies used can have a material impact on the fair value and ultimately the amount of the impairment.

Where impairment indicators exist, the determination of the recoverable service amount of a non-cash generating asset requires management to make assumptions to determine the fair value less cost to sell and the value in use based on the depreciated replacement cost model. Key assumptions include the current replacement cost of non-cash generating assets and in certain instances an assumption about the commissioning date which determines the depreciated replacement cost of the non-cash generating assets.

An estimate for the impairment of receivables is made when collection of the full amount is no longer probable. The provision for doubtful debt is calculated on trade receivables only, i.e. service debtors, housing rentals and other debtors. The total impairment provision of the municipality is calculated per risk category.

1.31 Events after reporting date

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

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

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

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

1.32 Statutory receivables

Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or

1.32 Statutory receivables (continued)

- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

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

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

Accrued interest

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

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

Other charges

Where the municipality is required or entitled in terms of legislation, supporting regulations, by-laws or similar means to levy additional charges on overdue or unpaid amounts, and such charges are levied, the municipality applies the principles as stated in "Accrued interest" above, as well as the relevant policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers).

Impairment losses

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

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

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

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

In estimating the future cash flows, an municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

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

1.32 Statutory receivables (continued)

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

Derecognition

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

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

Notes to the Audited Financial Statements

Figures in Rand	2024	2023

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2024 or later periods:

Standard/ Interpretation:	Expected impact:
• Guideline: Guideline on the Application of Materiality to Financial Statements and IGRAP 21 - The effect of past decisions on materiality.	Unlikely there will be a material impact

Notes to the Audited Financial Statements

Figures in Rand	2024	2023

3. Inventories

Consumable Inventory	7 805 316	7 817 814
Water Stock	2 757 464	2 757 463
	10 562 780	**10 575 277**

Inventory pledged as security

No inventory was pledged as security.

No inventory was written-down during the period.

The amount of inventory recognised as an expense is R1 534 001 (2023 : R6 395 677).

4. Other receivables from exchange transactions

Water : sales	6 202 922	3 164 163
Operating Leases - refer to note 36	50 091	42 066
Other	6 764 176	3 481 003
Road receivable	56 557 395	23 643 018
Advance payment - SALGA levies paid	3 807 653	2 469 316
Net Balance (Allowance for impairment)	(142 798)	(67 172)
	73 239 439	**32 732 394**
Less - Allowance for impairment - refer to note 5	(142 798)	(67 172)

5. Receivables from exchange transactions

Gross balances		
Electricity	178 109	192 055
Water	10 057 837	2 071 882
Sewerage	24 239	23 887
Other	4 057	-
Housing rental	401 702	423 058
	10 665 944	**2 710 882**

Figures in Rand	2024	2023

5. Receivables from exchange transactions (continued)

Less : Allowance for impairment	(486 961)	(556 066)

Net balance		
Electricity	178 109	192 055
Water	10 061 895	2 071 882
Sewerage	24 239	23 887
Housing rental	401 702	423 058
Net balance (Allowance for impairment)	(486 961)	(556 066)
	10 178 984	**2 154 816**

Reconciliation of allowance for impairment (including other receivables from exchange transactions)		
Balance at the beginning of the year	(623 238)	(1 029 940)
Contributions to provision - refer to note 45	(1 448 176)	(999 221)
Debt impairment written-off against provision	1 441 655	1 405 923
	(629 759)	**(623 238)**

Reconciliation of allowance for impairment between trade and other receivables		
Trade receivables from exchange transactions	(486 961)	(556 066)
Other receivables from exchange transactions	(142 798)	(67 172)
	(629 759)	**(623 238)**

Age analysis per service (Gross of allowance for impairment) Service Debtors (Water, Electricity, Sewerage and Other)		
Current (0-30 days)	9 686 075	1 775 025
31-60 days	350 216	355 305
61-90 days	153 133	119 759
91-120 days	45 592	9 067
121-365 days	29 227	28 668
	10 264 243	**2 287 824**

Housing Rental		
Current (0-30 days)	223 717	203 479
31-60 days	168 128	150 572
61-90 days	98	56 641
91-120 days	9 758	12 366
	401 701	**423 058**

Summary of debtors age analysis (Trade receivables)		
Current (0-30 days)	9 909 793	1 978 504
31-60 days	518 344	505 878
61-90 days	153 231	176 400
91-120 days	45 592	9 067
121-365 days	38 985	41 033
Less : Allowance for impairment	(486 961)	(556 066)
	10 178 984	**2 154 816**

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6. Cash and cash equivalents

Cash and cash equivalents consist of:

	2024	2023
Cash book balances	362 846 883	344 328 592
Floats	450	450
Total cash and cash equivalents	**362 847 333**	**344 329 042**

The municipality had the following bank accounts

Account number / description	Bank statement balances 30 June 2024	Bank statement balances 30 June 2023	Bank statement balances 30 June 2022	Cash book balances 30 June 2024	Cash book balances 30 June 2023	Cash book balances 30 June 2022
Floats	450	450	450	450	450	450
Standard Bank - Current Account - Primary bank account	332 378 401	334 405 016	307 963 846	331 426 515	335 617 604	307 976 078
Standard Bank - Current Account - Primary bank account	31 420 368	8 710 988	20 694 527	31 420 368	8 710 988	20 694 527
ABSA Bank - Current Account	-	-	65	-	-	65
ABSA Bank - Current Account	-	-	65	-	-	65
ABSA Bank - Current Account	-	-	73 076	-	-	73 076
Total	**363 799 219**	**343 116 454**	**328 732 029**	**362 847 333**	**344 329 042**	**328 744 261**

	2024	2023
Average rate of return on short-term investments	7.75%	7.17%

Cash and cash equivalents includes cash-on-hand and cash in bank. No cash and cash equivalents were pledge as security for financial liabilities or any restriction were placed on any cash and cash equivalents. The fair value of the cash and cash equivalents was determined after considering the terms and conditions of the agreement entered into between the municipality and the financial institution.

7. Investment property

	2024 Cost / Valuation	2024 Accumulated depreciation and accumulated impairment	2024 Carrying value	2023 Cost / Valuation	2023 Accumulated depreciation and accumulated impairment	2023 Carrying value
Investment property	5 512 774	(1 168 418)	4 344 356	5 512 774	(1 135 117)	4 377 657

Pledged as security

No properties was pledges as security and no restrictions in the current and prior financial period.

	2024	2023
Fair value of Investment property - Buildings	22 700 000	18 100 000
Fair value of Investment property - Land	60 000 000	44 155 000

The municipality owns a beach development (Ganzekraal). The property is 2332.6578 hectares and the municipality receives rental income (camping fees). A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.Please refer to appendix B of Property, plant and equipment, Intangible and Investment property for detailed disclosures.

Resort income from investment property was R5 452 299 (2023:R4 745 549) as disclosed in the Statement of Financial Performance. Please refer to note 46 for the investment property repairs and maintenance and note 53 for operating expenditure disclosure.

Notes to the Audited Financial Statements

8. Property, plant and equipment

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	27 776 505	-	27 776 505	27 776 505	-	27 776 505
Buildings	58 880 974	(37 836 209)	21 044 765	58 815 744	(35 084 413)	23 731 331
Infrastructure	49 017 305	(797 755)	48 219 550	6 178 732	(651 480)	5 527 252
Other	120 131 477	(75 487 578)	44 643 899	110 762 905	(67 510 837)	43 252 068
Total	**255 806 261**	**(114 121 542)**	**141 684 719**	**203 533 886**	**(103 246 730)**	**100 287 156**

Pledged as security

No properties were pledged as security and no restrictions in the current and prior financial period.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality. Please refer to appendix B of Property, plant and equipment, Intangibles and Investment property for detailed disclosure. The amount disclosed as work in process (WIP) relates to the development costs of a regional landfill site, computer equipment and electricity supply / reticulation - solar plant. The municipality did not experience any significant delays on the work in process (WIP). Please refer to note 46 for the property, plant and equipment repairs and maintenance.

9. Intangible assets

	2024			2023		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Intangible assets	6 368 890	(4 780 376)	1 588 514	5 889 209	(4 173 462)	1 715 747

Pledged as security

No assets have been pledged as security and no restrictions in the current and prior financial period.

Other information

The municipality acquired intangible assets with finite useful lives of five years. The straight-line method of amortisation will be used to allocate the depreciable amount of an asset on a systematic basis over its useful life. Please refer to appendix B of Property, plant and equipment, Intangibles and Investment property for detailed disclosure. The amount disclosed as work in process (WIP) relates to the development costs of a regional landfill site.

10. Trade payables from exchange transactions

	2024	2023
Sundry creditors	3 274 647	3 958 357
Accrued leave pay	15 403 063	14 451 734
Trade payables	34 198 437	20 142 431
Operating lease payables	-	2 176
	52 876 147	**38 554 698**

Figures in Rand	2024	2023

11. VAT receivable

VAT 201 return as at 30 June	7 110 371	16 100 666
VAT in suspense	(3 591 948)	(2 256 788)
	3 518 423	**13 843 878**

VAT is payable on the payment basis. Only once payment are received from debtors VAT is paid to SARS.

VAT - Roads Function:

The municipality requested a legal opinion concerning the output VAT treatment of the roads funding received from the Western Cape Department of Transport and Public Works. The objective of the opinion or request was to confirm if the municipality must declare output VAT at 15% or zero % on the funding received from the Western Cape Department of Transport and Public Works. At the date of these financial statements, there is still uncertainty about the obligation the municipality has, and the timing of the outflow of the economic benefits and / or service potential is also uncertain. The South African Revenue Service with other role players are in the process of formulating a grid but this was not available at this reporting date.

GRAP 108 Statutory Receivables:

Remeasurement may result due to the fact that GRAP 108 requires the receivable to be measured at transaction price plus interest and penalties, while GRAP 104 requires measurement at amortised cost.

The Municipality's only Statutory Receivable is VAT receivable.

12. Unspent conditional grants and receipts

See note 20 for detailed reconciliation of grants.

These amounts are invested and ring-fenced within the municipality's cash and cash equivalents until utilised.

Unspent conditional grants and receipts comprises of :		
Community Development Workers (CDW)	-	15 595
Local Government - Graduate Internship Grant	200 000	167 151
Provincial Government - Financial Management	-	700 000
Provincial Government - Municipal Service Delivery Grant	99	99
Mayor's Charity Fund	(265)	(265)
Provincial Government - Regional Co-ordination and Mentoring Grant	149 181	149 181
Rural Road Asset Management Grant	408 050	350
Provincial Government - Community Safety : WOSA	334 890	346 680
Western Cape Financial Management Grant - IDP and Internship	640	640
Fire Services Grant	514 222	-
Provincial Government - Joint District Initiative	-	1 000 000
Water Resilience Grant	179 732	-
Intervention Grant	200 000	-
	1 986 549	**2 379 431**

13. Employee Benefits

Reconciliation of short-term portion of employee benefits - 2024	Opening Balance	Additions	Utilised during the year	Total
Short-term portion of medical aid benefits	3 922 213	4 141 910	(3 922 213)	4 141 910
Short-term portion of long service awards	2 046 498	1 882 064	(2 046 498)	1 882 064
Short-term portion of performance bonus	961 758	993 337	(961 758)	993 337
Short-term portion of bonus	5 927 232	6 581 383	(5 927 232)	6 581 383
	12 857 701	**13 598 694**	**(12 857 701)**	**13 598 694**

Reconciliation of short-term portion of employee benefits - 2023	Opening Balance	Additions	Utilised during the year	Total
Short-term portion of medical aid benefits	4 224 837	3 922 213	(4 224 837)	3 922 213
Short-term portion of long service awards	1 703 535	2 046 498	(1 703 535)	2 046 498
Short-term portion of performance bonus	948 309	961 758	(948 309)	961 758
Short-term portion of bonus	5 716 860	5 927 232	(5 716 860)	5 927 232
	12 593 541	**12 857 701**	**(12 593 541)**	**12 857 701**

The performance bonus represents management's best estimate of the municipality's liability under performance contracts of Sec 57 employees.

The bonus represents management's best estimate of the municipality's liability to pay employees thirteenth cheque.

Refer to disclosure note 16 (long service awards) and note 15 (medical aid benefits) for detail disclosure.

14. Long-term liabilities

	2024	2023
Local registered stock loans	46 958 233	-
Less : Current portion transferred to current liabilities	-	-
	46 958 233	**-**

The municipality has an unsecured external loan at the Development Bank of South Africa at a fixed rate of 12.64%. The redeemable date of the loan is 30 June 2044. The loan is redeemed on a half-yearly basis. The amount borrowed in terms of the loan was to provide finance for capital projects - Regional Landfill Site.

Refer to appendix E (1) for more detail on long term liabilities. The liabilities relates to the water service concession arrangement.

Local registered stock loans capital portion are payable as follows	2024	2023
Payable within one year	-	-
Payable within two to five years	2 582 394	-
Payable after five years	44 375 839	-
Present value of the loans	**46 958 233**	**-**

15. Medical aid benefits

Defined benefit plan

The most recent actuarial valuation of the present value of the obligation were carried out at 30 June 2024 by One Pangaea Expertise & Solutions.

In-service members will receive a post-employment subsidy of 60% of the contribution payable should they be a member of a medical scheme at retirement, subject to the following conditions, a) In-service members employed on or after 1 August 2011 need a minimum of 15 years of continuous service to be eligible for the benefit, and b) Upon a member's death-in-service the surviving dependents will continue to receive a subsidy of 60%.

All continuation members and their eligible dependents receive a 70% or 100% subsidy. Upon a member's death-in-retirement the surviving dependents will continue to receive the same subsidy.

Notable benefit plan risks faced by the Municipality can be summarised as follows:

a) Inflation - Future CPI and medical aid contribution inflation can be higher than assumed and present in a uncontrolled manner. b) Longevity - Eligible members or dependents live longer than assumed. c) Volatility of open-ended, long-term defined benefit obligation - The defined benefit obligation may be volatile which is exacerbated by its long-term nature. d) Enforcement of eligibility criteria and rules - This is not strictly or consistently enforced, to the detriment of the Municipality. e) Future changes in legislation - This can increase the defined-benefit obligation for the Municipality.

The Municipality contributes to Bonitas, Hosmed, Keyhealth, LA Health and Samwumed medical schemes on a monthly basis.

The expected contribution and maturity analysis - The net defined benefit liability is equal to the defined benefit obligation. The plan will be fully funded from the Municipality's cash and cash equivalents.The Municipality expects to make contributions to the schemes amounting to R11 428 355 and the Road section amounting to R2 986 793. The municipality's expected obligation will amount to within one year - R4 141 910 and greater than one year - R68 580 346 and the road section within one year - R1 043 619 and greater than one year - R16 540 456.

	2024	2023
Defined benefit plan	72 722 256	72 119 789

	2024	2023
Change in liability		
Opening balance	68 197 576	71 577 456
Service costs	2 827 886	3 001 094
Interest costs	8 600 469	8 963 095
Recognised actuarial loss / (gain)	(7 075 388)	(12 171 102)
Benefits paid	(3 750 500)	(3 475 588)
Current portion transferred to current liabilities	(220 520)	302 621
	68 579 523	**68 197 576**

	2024	2023
Net expenses recognised in the statement of financial performance		
Current service costs - Employee related costs	2 827 886	3 001 094
Interest costs - Employee related costs	8 600 469	8 963 095
Actuarial loss / (gain)	(7 075 388)	(12 171 102)
Total included in employee related costs and actuarial loss / (gain)	**4 352 967**	**(206 913)**

	2024	2023
Changes in the short-term portion - refer to note 13		
Opening balance	3 922 213	4 224 834
Contributions by employer	219 697	(302 621)
	4 141 910	**3 922 213**

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Notes to the Audited Financial Statements

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15. Medical aid benefits (continued)

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	12,17 %	12,78 %
Consumer price inflation	6,21 %	6,84 %
Health care cost inflation	7,71 %	8,34 %
Net discount rate	4,14 %	4,09 %

It is the relative levels of the discount rate and health care cost inflation to one another that are important, rather than the nominal values. The assumption regarding the relative levels of these two rates is our expectation of the long-term average.

The methodology of setting the financial assumptions has been updated to be more duration specific. At the previous date, 30 June 2023 the duration of liabilities was 11.30 years. At this duration the discount rate determined by using the Bond Exchange Zero Coupon Yield Curve as at 30 June 2024 is 12.17% per annum, and the yield on the inflation linked bonds of a similar term was about 5.14% per annum, implying an underlying expectation of inflation of 6.21% per annum ([1+12.17% - 0.5%] / [1+5.14%] - 1).

A healthcare cost inflation rate of 7.71% was assumed. This is 1.5% in excess of the expected inflation over the expected term of the liability, consistent with the previous actuary.

However, it is the relative levels of the discount rate and healthcare inflation to one another that are important, rather than the nominal values. We have thus assumed a net discount factor of 4.14% per annum ([1+12.17%] / [1+7.71%] - 1). This year's valuation basis is therefore stronger than previous year's basis from a discount rate perspective.

The demographic and decrement assumptions were consistent in the previous and current valuation period, and are as follows:

	Active employees	Pensioners
Normal retirement age	65	-
Fully accrued age (to take account for ill-health and early retirement decrements)	63	-
Employment age used for past service period	Actual service ages	Actual service ages
Age difference between spouses	5 years	Actual ages used
Proportion married	90% assumed married at retirement	Actual marital status
Mortality	SA85-90 (Normal)	PA (90)

15. Medical aid benefits (continued)

The withdrawal rates assumption used are as follows:

Age	Withdrawal rates (Male)	Withdrawal rates (Female)
20	16%	24%
25	12%	18%
30	10%	15%
35	8%	10%
40	6%	6%
45	4%	4%
50	2%	2%
55	1%	1%
60+	-	-

Employee benefit - roads receivable (Medical aid)

In terms of the memorandum of agreement between the Western Cape Provincial Government, Department of Public Works and Transport, and past experience hereon, funds will be made available to maintain the approved organogram of the roads division in the municipality. The future claim for roads staff for post employment medical aid has therefore been recognised as a long-term debtor.

Employee benefits - roads receivable (Medical aid)	2024	2023
Opening balance	17 772 801	18 823 785
Current service costs	823 962	823 962
Interest costs	2 196 784	2 196 784
Expected benefits paid	(1 154 918)	(1 449 820)
Actuarial (loss) / gain	(2 054 554)	(2 621 910)
	17 584 075	**17 772 801**

Statement of Financial Position	2024	2023
Employee benefits - roads receivable (current assets)	1 043 619	1 154 918
Employee benefits - roads receivable (non-current assets)	16 540 456	16 617 883
	17 584 075	**17 772 801**

Other assumptions

Sensitivity Analysis : The valuation results are sensitive to changes in the underlying assumptions. The effects of varying these assumptions are illustrated below:

	One percentage point increase	**One percentage point decrease**
Effect on the employer's accrued liability - Medical inflation rate	82 500 923	64 608 785
Effect on the employer's current service cost - Medical inflation rate	3 404 484	2 367 773
Effect on the employer's interest cost - Medical inflation rate	9 789 671	7 613 980
Effect on the employer's accrued liability - Discount rate	65 135 056	81 966 551
Effect on the employer's current service costs - Discount rate	2 409 751	3 353 109
Effect on the employer's interest cost - Discount rate	8 307 511	8 926 833

Amounts for the current and previous four years are as follows:

	2024 R	2023 R	2022 R	2021 R	2020 R
Defined benefit obligation	72 722 256	72 119 789	75 802 290	73 594 919	62 401 717

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Figures in Rand	2024	2023

16. Long-term portion of long service awards

Long service awards		
Provision of long service awards	11 946 620	12 282 247
Less : Transferred to current provision	(1 789 679)	(2 046 498)
Net long service awards liability	**10 156 941**	**10 235 749**

A long service award is granted to municipal employees after the completion of fixed periods of continuous service with the municipality. The provision represents an estimation of the awards to which employees in the service of the municipality at 30 June 2024 become entitled to in future, based on an actuarial valuation performed at that date.

An actuarial valuation of the present value of the obligation was done at 30 June 2024 by One Pangaea Expertise & Solutions.

The future service cost for ensuring year is established to be R822 588 whereas the interest-cost for the next year is estimated to be R1 135 878.

The expected contribution and maturity analysis - The defined benefit liability is equal to the defined benefit obligation. The plan will be fully funded from the Municipality's cash and cash equivalents. The municipality's expected oblgation will amount to within one year - R1 789 679 and greater than one year - R10 156 941.

The principal assumption used for the purposes of the actuarial valuations were as follows :

- Discounted rate - 10.28%
- General salary inflation (long-term) - 5.77%
- Net effective discount rate - 4.26%
- Mortality - SA85-90
- Normal retirement age - 65

2024 - Details of employees eligible for long service awards are Jetailed below	Active Employees	Salaries Weighted Average Age (years)	Weighted Average Past Service (years)
All employees	539	43	11

2023 - Details of employees eligible for long service awards are detailed below	Active Employees	Salaries Weighted Average Age (years)	Weighted Average Past Service (years)
All employees	505	45	11

The amount recognised in the Statement of Financial Position are as follows :		
Present value of fund obligations	11 946 620	12 282 248

The amount recognised in the Statement of Financial Performance are as follows :		
Current service costs - Employee related costs	819 239	844 156
Interest costs - Employee related costs	1 222 727	1 262 788
Actuarial loss / (gain) on the obligation	(267 214)	(1 064 366)
	1 774 752	**1 042 578**

The movement in the long service awards liability over the year is as follows :		
Balance at the beginning of the year	12 282 248	12 576 815
Current service costs	819 239	844 156
Interest costs	1 222 727	1 262 788
Benefits paid	(2 110 380)	(1 337 145)
Actuarial loss / (gain) on the obligation	(267 214)	(1 064 366)
	11 946 620	**12 282 248**

Figures in Rand	2024	2023

16. Long-term portion of long service awards (continued)

The average past services cost has increased by 1% due to the effect of an increase in the average salary and an increase in the average past service, being mostly offset by the effect of an increase in the net discount rate.

Changes in withdrawal rate - The effect of a 1% movement in the withdrawal rates will be as follow :

Employer's accrued liability	-1% Withdrawal rate	Valuation Assumption	+1% Withdrawal rate
Salary increase rate	11 255 545	11 946 620	12 706 516
Discount rate	12 680 999	11 946 620	11 288 228
	23 936 544	**23 893 240**	**23 994 744**

Employer's expense cost	-1% Withdrawal rate	Valuation Assumption	+1% Withdrawal rate
Salary increase rate	1 832 427	1 958 466	2 097 853
Discount rate	1 975 324	1 958 466	1 942 332
	3 807 751	**3 916 932**	**4 040 185**

17. Accumulated surplus

	2024	2023
Balance as at 1 July	401 382 718	360 602 342
Surplus for the year	12 030 780	40 780 376
Adjustment directly in the Statement of Net-Assets	77 478	-
	413 490 976	**401 382 718**

18. Service concession revenue

	2024	2023
Management fee	7 102 191	6 980 204
Sale of electricity	1 573 971	1 253 579
Sale of water	151 790 392	130 661 119
Distribution - Contribution for the year - Refer to note 50	(16 446 461)	277 179
Sewerage and sanitation charges	164 731	185 954
	144 184 824	**139 358 035**

The management fee is recovered through the tariff in terms of the concession agreement.

The surplus distribution is due to the local municipalities. Refer to note 50.

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Notes to the Audited Financial Statements

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19. Other revenue

The amount included in other revenue arising from non-exchanges of goods or services are as follows:		
Unclaimed funds (monies)	34 936	38 746
Other income	622 899	476 888
	657 835	**515 634**

The amount included in other revenue arising from exchange transactions is as follows:		
Rent	3 642 413	3 295 559
Water services	-	2 214
Interest on debtors	91 868	80 355
Sale of scrap	21 484	167 179
Fire services (WCDM)	2 512 025	1 254 133
Other income	1 708 798	720 304
	7 976 588	**5 519 744**

20. Government grants and subsidies

The following grants and subsidies were received and recognised : No funds destined for the municipality in terms of the annual Division of Revenue Act were delayed, withheld or withdrawn.

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Figures in Rand	2024	2023

20. Government grants and subsidies (continued)

Unconditional grants		
RSC Levy Replacement Grant (Equitable share)	82 720 000	80 366 000
Equitable share	24 309 000	23 008 000
	107 029 000	**103 374 000**
Conditional grants		
Local Government Graduate Internship Grant	200 000	182 849
Western Cape Financial Management Grant (IDP & Internship)	-	40 985
Community Development Grant (CDW)	91 595	89 843
Provincial Government - Regional Co-ordination and Mentoring Grant	-	50 819
Financial Management Grant	1 000 000	1 000 000
EPWP Grant	1 242 000	1 194 000
Road Infrastructure Grant	-	1 900 000
Provincial Government - Joint District Initiative	1 000 000	1 820 000
Rural Roads Management	2 310 300	2 706 650
Provincial Government - Public Employment Grant	-	200 000
Fire Services Grant	911 778	821 000
Provincial Government - Community Safety : WOSA	1 571 790	3 030 440
Working for Water	-	624 414
Water Resilience Grant	2 220 267	-
Intervention Grant	200 000	-
Other Government Grant and Subsidies	491 924	566 597
	11 239 654	**14 227 597**
Total Government Grants and Subsidies	118 268 654	117 601 597

20.1) Local Government Graduate Internship Grant

Balance unspent at the beginning of the year	167 151	312 713
Current year receipts	300 000	100 000
Current year interest	-	-
Conditions met - transferred to revenue	(200 000)	(182 849)
Transferred to Provincial Treasury	(67 151)	(62 713)
Conditions still to be met - transferred to liabilities	**200 000**	**167 151**

Strategic objective - Good governance and financial viability. The purpose of the grant is to assist the graduate internship programme within the West Coast District.

20.2) Financial Management Grant

Balance unspent at the beginning of the year	-	-
Current year receipts	1 000 000	1 000 000
Current year interest	-	-
Conditions met - transferred to revenue	(1 000 000)	(1 000 000)
Conditions still to be met - transferred to liabilities	**-**	**-**

Strategic objective - Good governance and financial viability. The purpose of the grant was to support the training of municipal officials in financial management, the appointment of interns and the acquisition, upgrade and maintenance of financial management systems

20.3) Fire Services Grant

Balance unspent at the beginning of the year		-
Current year receipts	1 426 000	821 000
Current year interest	-	-
Conditions met - transferred to revenue	(911 778)	(821 000)
Conditions still to be met - transferred to liabilities	**514 222**	**-**

Notes to the Audited Financial Statements

Figures in Rand	2024	2023

20. Government grants and subsidies (continued)

Strategic objective - Social well-being. The purpose of the grant is to provide fire services within the West Coast District area.

20.4) Provincial Government - Joint District Metro Approach

	2024	2023
Balance unspent at the beginning of the year	1 000 000	1 820 000
Current year receipts	-	1 000 000
Current year interest	-	-
Conditions met - transferred to revenue	(1 000 000)	(1 820 000)
Conditions still to be met - transferred to liabilities	**-**	**1 000 000**

Strategic objective - Good governance and financial viability. The purpose of the grant for joint district initiatives within the West Coast District.

20.5) EPWP Grant

	2024	2023
Balance unspent at the beginning of the year	-	-
Current year receipts	1 242 000	1 194 000
Current year interest	-	-
Conditions met - transferred to revenue	(1 242 000)	(1 194 000)
Conditions still to be met - transferred to liabilities	**-**	**-**

Strategic objective - Environmental Integrity. The purpose of the grant was for community safety, sustainable land-based livelihoods, development and maintenance of buildings, health, roads and stormwater system development and maintenance and other social sector projects.

20.6) Community Development Workers (CDW)

	2024	2023
Balance unspent at the beginning of the year	15 594	30 437
Current year receipts	76 000	75 000
Current year interest	-	-
Conditions met - transferred to revenue	(91 594)	(89 843)
Conditions still to be met - transferred to liabilities	**-**	**15 594**

Strategic objective - Social well-being. The purpose of the grant is for the development of community within the West Coast District.

20.7) Western Cape Financial Management Grant (IDP and Internship)

	2024	2023
Balance unspent at the beginning of the year	-	40 985
Current year receipts	-	-
Current year interest	-	-
Conditions met - transferred to revenue	-	(40 985)
Conditions still to be met - transferred to liabilities	**-**	**-**

Strategic objective - Good governance and financial viability. The purpose of the grant is to support the internship programme as well as strategic services within the West Coast District area.

20.8) Rural Roads Management

	2024	2023
Balance unspent at the beginning of the year	350	-
Current year receipts	2 718 000	2 707 000
Current year interest	-	-
Conditions met - transferred to revenue	(2 310 300)	(2 706 650)
Transferred to National Treasury	-	-
Conditions still to be met - transferred to liabilities	**408 050**	**350**

Strategic objective - Environmental Integrity. The purpose of the grant is to develop a rural roads management plan within the West Coast District area.

Notes to the Audited Financial Statements

Figures in Rand	2024	2023

20. Government grants and subsidies (continued)

20.9) Provincial Government - Financial Management

Balance unspent at the beginning of the year	700 000	500 000
Current year receipts	-	200 000
Current year interest	-	-
Conditions met - transferred to revenue	-	-
Transferred to National Treasury	(700 000)	-
Conditions still to be met - transferred to liabilities	**-**	**700 000**

Strategic objective - Good governance and financial viability. The purpose of this grant is to assist with financial management within the West Coast District.

20.10) Western Cape Financial Management Grant (IDP & Internship)

Balance unspent at the beginning of the year	640	640
Current year receipts	-	-
Current year interest	-	-
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liabilities	**640**	**640**

Strategic objective - Good governance and financial viability. The purpose of the grant is to assist with financial management within the West Coast District.

20.11) Provincial Government - Community Safety : WOSA

Balance unspent at the beginning of the year	346 680	1 877 120
Current year receipts	1 560 000	1 500 000
Current year interest	-	-
Conditions met - transferred to revenue	(1 571 790)	(3 030 440)
Conditions still to be met - transferred to liabilities	**334 890**	**346 680**

Strategic objective - Social well - being. The purpose of the grant is safety planning within the communities.

20.12) Mayor's Charity Fund

Balance unspent at the beginning of the year	(265)	(265)
Current year receipts	-	-
Current year interest	-	-
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liabilities	**(265)**	**(265)**

20.13) Provincial Government - Municipal Service Delivery Grant

Balance unspent at the beginning of the year	99	99
Current year receipts	-	-
Current year interest	-	-
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liabilities	**99**	**99**

Strategic objective - Good governance and financial viability. The purpose of the grant is to improve service delivery within the West Coast District.

20.14) Provincial Government - Regional co-ordination and Mentoring Grant

Balance unspent at the beginning of the year	149 181	-
Current year receipts	-	200 000
Current year interest	-	-
Conditions met - transferred to revenue	-	(50 819)
Conditions still to be met - transferred to liabilities	**149 181**	**149 181**

Notes to the Audited Financial Statements

Figures in Rand	2024	2023

20. Government grants and subsidies (continued)

Strategic objective - Good governance and financial viability. The purpose of the grant is to improve regional co-ordination and mentoring within the West Coast District.

20.15) Provincial Government - Public Employment Grant		
Balance unspent at the beginning of the year	-	200 000
Current year receipts	-	-
Current year interest	-	-
Conditions met - transferred to revenue	-	(200 000)
Conditions still to be met - transferred to liabilities	**-**	**-**

Strategic objective - Social well - being. The purpose of the grant is for public employment within the West Coast District.

20.16) Working for Water		
Balance unspent at the beginning of the year	-	-
Current year receipts	-	624 414
Current year interest	-	-
Conditions met - transferred to revenue	-	(624 414)
Conditions met - transferred to liabilities	**-**	**-**

Strategic objective - Environmental Integrity. The purpose of the grant is to clear alien plants within the West Coast District.

20,17) Road Infrastructure		
Balance unspent at the beginning of the year	-	-
Current year receipts	-	1 900 000
Current year interest	-	-
Conditions met - transferred to revenue	-	(1 900 000)
Conditions met - transferred to liabilities	**-**	**-**

Strategic objective - Essential Bulk Services. The purpose of the grant is to improve road infrastructure within the West Coast District.

20,18) Water Resilience Grant		
Balance unspent at the beginning of the year	-	-
Current year receipts	2 400 000	-
Current year interest	-	-
Conditions met - transferred to revenue	(2 220 268)	-
	179 732	**-**

Strategic objective - Essential Bulk Services. The purpose of the grant is to improve water infrastructure within the West Coast District.t

20,19) Intervention Grant		
Balance unspent at the beginning of the year	-	-
Current year receipts	400 000	-
Current year interest	-	-
Conditions met - transferred to revenue	(200 000)	-
	200 000	**-**

Strategic objective - Social well - being. The purpose of the grant is safety planning within the communities.

Unspent conditional grants and subsidies		
PAWC and Sate funds - various projects (see note 12)	1 986 550	2 379 431

Notes to the Audited Financial Statements

Figures in Rand	2024	2023

21. Employee related costs

Employee related costs - Salaries and wages	141 030 907	131 223 233
Employee related costs - Contributions for UIF, pensions and medical aids	35 335 077	32 693 657
Bonus paid	8 262 918	7 783 055
Bonus paid - Roads	3 682 025	3 112 604
Travel, motor car, accommodation, subsistence and other allowances	17 570 936	13 454 522
Other payroll levies	3 039 651	2 737 016
Overtime payments	11 853 293	14 337 859
Contributions to employee benefits	11 604 494	12 504 207
Leave accrual	2 177 477	1 652 852
Special allowances	6 532 399	5 987 895
Housing benefits and allowances	975 629	993 558
	242 064 806	**226 480 458**

Remuneration of Municipal Manager (This expense forms part of employee related costs)

Annual Remuneration	1 516 064	1 626 594
Car Allowance	120 000	120 000
Performance Bonuses	337 986	344 569
Contributions to UIF, Medical and Pension Funds	38 867	36 019
Telephone allowance	20 184	20 184
Other	137	130
	2 033 238	**2 147 496**

Remuneration of Chief Finance Officer (This expense forms part of employee related costs)

Annual Remuneration	1 771 246	1 724 051
Car Allowance	72 000	72 000
Performance Bonuses	374 851	357 094
Contributions to UIF, Medical and Pension Funds	2 125	2 125
Telephone allowance	20 184	20 184
Other	137	130
	2 240 543	**2 175 584**

Remuneration of Director - Technical services (This expense forms part of employee related costs)

Annual Remuneration	1 037 980	1 204 269
Car Allowance	211 456	211 456
Performance Bonuses	392 261	296 915
Contributions to UIF, Medical and Pension Funds	2 125	2 125
Telephone allowance	20 184	20 184
Other	137	130
	1 664 143	**1 735 079**

Remuneration of Director - Corporate and Community services (This expense forms part of employee related costs)

Annual Remuneration	1 461 494	1 426 587
Car Allowance	120 000	120 000
Performance Bonuses	374 851	357 837
Contributions to UIF, Medical and Pension Funds	263 877	251 589
Telephone allowance	20 184	20 184
Other	137	130
	2 240 543	**2 176 327**

Notes to the Audited Financial Statements

Figures in Rand	2024	2023

22. Remuneration of councilors

The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee members are full-time Councilors. Each is provided with an office and secretarial support at the cost of the municipality.

The Executive Mayor has the use of a council owned vehicle for official duties.

Certification by the Accounting Officer

I certify that the remuneration of Councilors and in-kind benefits are within the upper limits of the framework envisage in Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

	2024	2023
Executive Mayor	1 005 268	1 006 008
Deputy Executive Mayor	814 126	808 918
Mayoral Committee Members	1 616 001	1 614 859
Speaker	814 126	800 125
Councilor's and Secretarial support	2 546 707	3 317 744
Councilor's pension contribution	32 629	46 133
	6 828 857	**7 593 787**

23. Finance costs

	2024	2023
Long-term liabilities	64 957	64 714

24. Bulk purchases

	2024	2023
Water	15 147 899	18 564 044

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Notes to the Audited Financial Statements

Figures in Rand	2024	2023

25. General expenses

Advertising	565 975	444 101
Assessment rates & municipal charges	46 977 476	27 970 434
Auditors remuneration	4 040 029	4 888 691
Study - rural roads	2 174 400	2 571 300
Computer expenses	10 199 999	8 170 237
Consulting and professional fees	8 115 284	5 638 491
Insurance	2 105 094	1 959 940
Rental offices	356 820	209 466
Water demand management	-	90 341
Lease rental on operating lease	361 835	397 323
Fuel and oil	23 636 954	28 832 115
Printing and stationary	1 606 809	849 370
Security (Guarding of municipal property)	944 395	1 019 094
Subscriptions and membership fees	62 343	48 470
Telephone and fax	2 821 694	3 165 299
Transport and freight	67 899	41 841
Training	689 636	532 634
Travel - local (subsistence allowance)	4 154 299	4 411 997
Water and milk samples	8 809	12 795
Uniforms	2 837 282	1 978 525
Exhibitions	166 193	339 568
Professional services (Water services)	-	212 495
Infrastructure and planning - civil and land	44 139 473	45 835 418
Maintenance of buildings and equipment	12 950 610	13 664 620
Hire charges	4 800 095	7 881 689
Workmen's compensation	1 484 248	1 145 962
Skills development levies	2 025 946	1 876 891
Security services	412 176	559 126
Traffic and street lights	1 790 991	1 111 612
Fire services	638 465	119 699
SALGA levies	2 469 317	2 222 134
Signage	371 076	908 170
Air pollution	233 404	143 331
Other operating expenses	8 407 545	9 174 619
	191 616 571	**178 427 798**

26. Prior period errors

The correction of errors resulted in adjustments as follows:

	Adjustment
The Municipality corrected a error in the prior period - The municipality paid invoices related to computer and other expenses of the prior year in the current period.	854 905
Correction of assets - This error is corrected directly in the statement of net assets	77 478
	932 383

Accumulated Surplus - 30 June 2023	Balance before adjustment	Adjustment	Balance after adjustment
Prior period error corrected.	402 237 623	(854 905)	401 382 718

Figures in Rand	2024	2023

26. Prior period errors (continued)

Statement of Financial Performance - 30 June 2023	Balance before adjustment	Adjustment	Balance after adjustment
General expenses	(177 572 893)	(854 905)	(178 427 798)

General expenses	Balance before adjustment	Adjustment	Balance after adjustment
Other operating expenses - Refer to note 25	(9 097 436)	(77 183)	(9 174 619)
Computer expenses - Refer to note 25	(7 392 515)	(777 722)	(8 170 237)
	(16 489 951)	**(854 905)**	**(17 344 856)**

Statement of Financial Position - 30 June 2023	Balance before adjustment	Adjustment	Balance after adjustment
Trade payables from exchange transactions - Refer to note 10	(37 699 793)	(854 905)	(38 554 698)

Statement of Changes in Net Assets	Balance before adjustment	Adjustment	Balance after adjustment
Adjustment to assets	413 413 498	77 478	413 490 976

27. Cash generated from operations

	2024	2023
Surplus	12 030 780	40 780 376
Adjustments for:		
Depreciation and amortisation	12 131 754	10 120 882
Roads receivable - Employee benefits	188 726	1 050 984
Capital redemption - Concession arrangement	-	1 500 000
Adjustment	(19 986)	-
Loss on property. plant and equipment	83 534	65 002
Changes in working capital:		
Inventories	12 497	(290 116)
Receivables from exchange transactions	(8 024 168)	318 848
Other receivables from exchange transactions	(36 018 565)	17 234 728
Other receivables from non-exchange transactions	-	1 302 501
Payables from exchange transactions	14 321 450	(5 774 013)
VAT	10 325 454	188 906
Unspent conditional grants and receipts	(392 882)	(2 402 298)
Employee benefits	1 044 132	(3 753 250)
Distribution receivable - Concession arrangement	318 756	(318 756)
Distribution provision - Concession arrangement	18 913 430	(23 471 360)
	24 914 912	**36 552 434**

28. Utilisation of Long-term liabilities reconciliation

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that long-term liabilities can be repaid on redemption date.

Figures in Rand	2024	2023

29. Unauthorised expenditure

Opening balance as previously reported	-	-
Correction of prior period error	-	-
Opening balance as restated	**-**	**-**
Add: Unauthorised expenditure - prior period	-	-
Add: Unauthorised expenditure - current	-	-
Less: Amounts recoverable - current	-	-
Less: Amounts recoverable - prior period	-	-
Less: Amount written off - current	-	-
Less: Amount written off - prior period	-	-
Closing balance	**-**	**-**

30. Fruitless and wasteful expenditure

Opening balance as previously reported	635 843	635 843
Correction of prior period error	-	-
Opening balance as restated	**635 843**	**635 843**
Add: Fruitless and wasteful expenditure - prior period	53 250	-
Add: Fruitless and wasteful expenditure - current	63 042	15 622
Less: Amounts recoverable - current	-	-
Less: Amounts recoverable - prior period	(15 000)	-
Less: Amount written off - current	(63 042)	(15 622)
Less: Amount written off - prior period	-	-
Closing balance	**674 093**	**635 843**

30 June 2024 and 2023

The municipality identified one incident of fruitless and wasteful expenditure in this financial year. Reasonable steps were taken by management to address the control deficiency and the responsible official/s and were held accountable for any loss incurred by the municipality.

Incident 1 - An employee's salary was not deposited into the correct bank account.	63 042	-
Incident 2 - An employee sold the municipality's store items for personal gain.	-	15 622
	63 042	**15 622**

31. Irregular expenditure

Opening balance as previously reported	78 120	682 294
Correction of prior period error	-	-
Opening balance as restated	**78 120**	**682 294**
Add: Irregular Expenditure - current	217 609	5 053 752
Add: Irregular Expenditure - prior period	205 476	1 022 358
Less: Amounts recoverable - current	-	-
Less: Amounts recoverable - prior period	(1 000)	(8 977)
Less: Amount written off - current	-	(5 053 752)
Less: Amount written off - prior period	(111 680)	(1 617 555)
Closing balance	**388 525**	**78 120**

Subsequent to clarity provided by National Treasury, the irregular expenditure relating to the Supply Chain Management regulation 29 has been corrected. There is no non-compliance and no irregular expenditure as the municipality applied MFMA Circular 34 - Guidelines Bid Adjudication Committees dated 28 June 2006.

Figures in Rand	2024	2023

31. Irregular expenditure (continued)

30 June 2024 and 2023		
Incident 1 - The Supply Chain Management Regulation, paragraph 36 states that the accounting officer may dispense with the official procurement process in certain circumstances. The reason provided by management for this deviation was found to be invalid	406 107	-
Incident 2 - The Supply Chain Management Regulation, paragraph 36 states that the accounting officer may dispense with the official procurement process in certain circumstances. The reason provided by management for this deviation was found to be invalid. The irregular expenditure was identified in the previous years and must be declared until the contract comes to an end.	-	1 022 358
Incident 3 - The Supply Chain Management Regulation, paragraph 32 states that the accounting officer may procure goods and services under a contract secured by another organ of state. The municipality did not comply with this regulation regarding the scope of a contract. The irregular expenditure was identified in the previous years and must be declared until the contract comes to an end.	-	4 749 052
Incident 4 - Following an investigation conducted by the municipality it was found that procurement was made in contravention with paragraph 39(d) of the Supply Chain Management policy. According to this provision, it is mandatory that before a payment is approved, certification by the responsible employee must be made that the goods and/or services are received and/or rendered on time and is in accordance with the order, the general conditions of the contract and specifications where applicable and that the price charged are as quoted in terms of the contract.	-	304 700
Incident 5 - During the regulatory audit it was found that the municipality did not comply with the Supply Chain Management Policy which requires in paragraph 100 that the reasons for obtaining less than three quotations must be recorded and approved quarterly. Additionally, non-compliance with paragraph 101 of the policy was incurred as the reasons for not obtaining three quotes was not reported to the Chief Financial Officer within three days of the end of that specific month.	16 978	-
	423 085	6 076 110

32. Additional disclosure in terms of Municipal Finance Management Act

32.1) Contributions to organised local government

Opening balance	-	-
Current year subscription / fee	2 469 316	2 222 135
Amount paid - current year	(2 469 316)	(2 222 135)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-

32.2) Audit fees

Opening balance	-	-
Current year subscription / fee	4 040 028	4 888 691
Amount paid - current year	(4 040 028)	(4 888 691)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-

Figures in Rand	2024	2023

32. Additional disclosure in terms of Municipal Finance Management Act (continued)

32.3) PAYE and UIF

	2024	2023
Opening balance	-	-
Current year subscription / fee	37 304 995	39 321 438
Amount paid - current year	(37 304 995)	(39 321 438)
Amount paid - previous years	-	-
Balance unpaid (Included in creditors)	-	-

32.4) Pension and Medical Aid Deductions

	2024	2023
Opening balance	-	-
Current year subscription / fee	34 211 038	31 620 120
Amount paid - current year	(34 211 038)	(31 620 120)
Amount paid - previous years	-	-
Balance unpaid (Included in creditors)	-	-

32.5) VAT

	2024	2023
VAT receivable	3 518 423	13 843 878

VAT output payables and VAT input receivables are shown in note 11.

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

32.6) Councilors' arrear consumer accounts

The following Councilors had arrear accounts outstanding for more than 90 days at 30 June 2024:

30 June 2024	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Councilor	-	-	-

32.7) Non-compliance to laws and regulations

In terms of section 65(2)(e) of the Local Government: Municipal Finance Management Act the accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure that all money owing by the municipality be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure. This was not done by the relevant officials as prescribed.

In terms of section 23(5) of the Municipal Budget and Reporting Regulations an adjustment budget referred to in section 28 (2) (e) of the Act may only be tabled after the end of the financial year to which the roll-over relate, and must be approved by the municipal council by 25 August of the financial year following the financial year to which the roll-over relate. This was not done by the relevant officials as prescribed.

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Notes to the Audited Financial Statements

Figures in Rand	2024	2023

33. Capital Commitments

Authorised capital expenditure

Capital commitments are specific capital projects approved per tender and budget but still in progress at period end. The municipality has the following capital commitments for this financial period. The capital commitments are presented VAT inclusive.

Total Commitments		
Regional Landfill Site	53 822 224	-

34. Retirement benefit information

The municipality provides retirement benefits for all its permanent employees through a defined contribution plan, which is subject to the Pension Fund Act, 1956 as amended. The contributions made by the municipality and the employees to the plan during the year was :

Cape Joint Pension Fund	148 981	138 036
Cape Joint Retirement Fund	34 327 713	32 128 473
	34 476 694	**32 266 509**

Cape Joint Pension Fund, which is a defined multi - employer contribution fund. Contribution ratio for employees 9% and Council 18%. Contribution ratio for Councillors 9% and Council 18%.

Multi employer funds are treated as defined contribution funds.

35. Related parties

Relationships	
The following related parties exist:	D Joubert (Municipal Manager)
Members of key management - Refer to note 21 for the amounts payable to key management	J C P Tesselaar (Chief Financial Officer) W Markus (Director - Corporate and Community services) A C Koch (Director - Technical services)
Councilors - Refer to note 22 for the amount paid to Councillors	Ald R W Strydom (Executive Mayor) Ald S M Crafford (Deputy Executive Mayor) Cllr N S Louw (Speaker) Cllr J A Engelbrecht (Mayoral committee member) Cllr M Schrader (Mayoral committee member) Cllr S A Gxabalashe Cllr O M Stemele Cllr J Alexander Cllr G Stephan Cllr L Venter Cllr A J Pool Cllr F Kamfer Cllr I S Adams Cllr Z S Komani-Nkohla Cllr L Mitchell Ald M Koen Ald E Plaatjies Cllr B J Penxa Cllr I S Le Minnie Cllr D C Pypers Cllr S J Tshabalala Cllr T F Waldeck Cllr B L Witbooi Cllr A Small Cllr E C O'Kennedy

Notes to the Audited Financial Statements

Figures in Rand	2024	2023

36. Leases

36.1) Lease payable

The total future minimum operating lease payments payable under existing arrangements are categorised as follows:

a) Within one year of the reporting date	853 703	315 611
b) More than one year but less than five years of the reporting date	1 163 015	219 330
	2 016 718	**534 941**

The municipality entered into an operating lease for the rental of photocopiers for three years with Konica Minolta. There is no escalation clause.

The municipality entered into an operating lease for the rental of two offices. The lease is between Strassberger and the municipality. The contract is for a month to month period.

The municipality entered into an operating lease for the rental of two offices. The lease is between Swemmerspark and the municipality. The contract is for a period of two years. The property involved is site 86 Velddift.

An operating lease exits between G R Damp and the municipality. The contract is for a month to month period. The property involved is Swartberg, Malmesbury (Section 5 of farm 619 Malmesbury road).

An operating lease exist between SITA and the municipality. The contract is for a period of one year. This involves the maintenance of Microsoft software, products and services.

The municipality entered into a operating lease for the rental of storage capacity. The lease is between Saldanhabay municipality and this municipality. The contract is for a month to month period. The property involved is erf 860 Langebaan.

The municipality entered into a operating lease for the rental of storage capacity. The lease is between Linu farms and this municipality. The contract is for a two year period. The property involved is Petersfield 455, Voortrekker Street, Citrusdal, Section Clanwilliam.

The municipality entered into a operating lease with Marcelle Ann Ellis and Jannie Nel Ellis. The contract is for a three year period. The property involved is Die Trek 28 Piketberg.

The municipality entered into a operating lease with Strassberger Investments. The contract is for a three year period. The property involved is erf 2715 Hoofweg 28A Clanwilliam.

36.2) Lease receivable

The following future minimum significant operating lease receivable under the existing operating lease arrangement are categorised as follows:

a) Within one year of the reporting date	634 372	202 811
b) More than one year but less than five years of the reporting date	1 163 015	-
	1 797 387	**202 811**

The municipality entered into an operating lease as lessor with the Department of Transport and Public Works as the lessee. Lease term one commenced on 1 March 2014 and expire with option to extend on 28 February 2024 and cover a period of 10 years. The extension options was taken by the municipality for the period from 1 May 2024 to 30 May 2027 (3 years).The property involved is the Moorreesburg ambulance station situated on erf 641.

37. Risk management and Financial instrument disclosure

Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance. The municipality uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by a central treasury department (entity treasury) under policies approved by the accounting officer. Municipality treasury identifies, evaluates and hedges financial risks in close co-operation with the municipality's operating units. The accounting officer provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Liquidity risk

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

Credit risk

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

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

Figures in Rand	2024	2023

37. Risk management and Financial instrument disclosure (continued)

Interest rate risk

The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the municipality to cash flow interest rate risk. Borrowings issued at fixed rates expose the municipality to fair value interest rate risk.

37.1) Credit Risk

The carrying amount of financial assets and loans represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was : Refer to note 4, 5 and 52.

Trade and other receivables	80 622 640	37 918 243

The ageing of trade and other receivables at the reporting date was :		
Current	80 496 247	37 809 103
30 Days	518 344	505 878
60 Days	153 231	176 400
90 Days	45 592	9 067
120 Days plus	38 985	41 033
Less : Provision for bad debt	(629 759)	(623 238)
	80 622 640	**37 918 243**

The movement in the allowance for bad debt in respect of trade receivables over the year was :		
Balance at the beginning of the year	623 238	1 029 940
Contribution to provision	1 448 176	999 221
Expenditure incurred	(1 441 655)	(1 405 923)
	629 759	**623 238**

The allowance for impairment in respect of trade and other receivables is used to record impairment losses until the municipality is satisfied that no recovery of the amount owing is possible. At that point the amount is considered irrecoverable and written off directly against the financial asset.

37.2) Liquidity risk

The following are contractual maturities of financial liabilities, including interest payments and excludes the impact of netting agreements :

Non-derivative financial liabilities 2024	Carrying Amount	Contractual Cash Flows	Within 1 Year	2 - 5 Years	More than 5 Years
Distributions provision	18 913 430	18 913 430	18 913 430	-	-
Trade and other payables	56 386 514	56 386 514	56 386 514	-	-
Long term liabilities	46 958 233	131 931 294	5 935 521	25 945 563	100 050 210
	122 258 177	**207 231 238**	**81 235 465**	**25 945 563**	**100 050 210**

37.3) Interest rate risk

Interest rate risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes. Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long term debtors, consumer debtors, other debtors and bank and cash balances. The municipality is exposed to interest rate risk as the municipality's borrowed funds is at a fixed interest rate. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the municipality can be required to pay. The financial assets are based on the interest rate provided by the banks and National Treasury at the reporting date. The municipality's exposure to interest rate risk and the effective interest rates on financial instruments at reporting date are as follows :

Figures in Rand	2024	2023

37. Risk management and Financial instrument disclosure (continued)

Non-derivative financial assets 2024	Within 1 Year	2 - 5 Years	More than 5 Years
Trade and other receivables (8%)	80 622 640	-	-
Cash and cash equivalents - Cash book balances (Prime less 4%)	362 847 333	-	-
	443 469 973	**-**	**-**

Non-derivative financial liabilities 2024	Within 1 Year	2 - 5 Years	More than 5 Years
Long term liabilities (12,64%)	5 935 521	25 945 563	100 050 210

Sensitivity analysis

An increase of 1% in interest rates at 30 June would have increased / (decreased) financial assets and profit or loss by the amounts shown below. A decrease of 1% in interest at 30 June would have had the equal but opposite effect on the above financial instruments, on the basis that all other variables remain constant. There where no changes in the municipality's approach from the prior year.

Non-derivative financial assets 2024	Statement of Financial Position	Profit or loss
Trade and other receivables	80 622 640	806 226
Cash and cash equivalents - Cash book balances	362 847 333	3 628 474
	443 469 973	**4 434 700**

37.4) Fair value

Due to their short maturities the fair values of all financial instruments are substantially identical to the values reflected in the Statement of Financial Position.

37.5) Receivables past due

Refer to note 5 for more information regarding the provision for impairment raised against receivables considered to be past due.

No receivables were pledged as security for liabilities and no collateral is held from any consumers.

The following service receivables are past due, but not impaired:

Electricity	34 103	58 163
Water	540 637	451 095
Sewerage	3 427	3 540
Housing rental	177 985	219 580
	756 152	**732 378**

Past due receivables are aged as follow:

Past due (31-60 days)	518 344	505 878
Past due (61-90 days)	153 231	176 400
Past due (91-120 days)	45 592	9 067
Past due (121-365 days)	38 985	41 033
	756 152	**732 378**

38. Contingent assets

The municipality has a claim for breach of contract / damages against West Coast Builders CC amounting to R250 000. The High Court case number is 19112/2018.

Figures in Rand	2024	2023

39. Deviation from supply chain management regulations

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

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the audited financial statements. The value of the award is disclosed in the financial statements.

Caseware Adapt IT - Sole Suppliers	65 954	-
Walters Kluwer Tax and Accounting Southern Africa (Proprietary) - Exceptional case and it is impractical or impossible to follow the official procurement processes.	20 988	-
Vision Elevators - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	32 237	-
Stephen Du Plessis Grondverskuiwing (Pty) Ltd - Emergency	4 000 000	-
Hydraberg - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	75 785	-
Stephen Du Plessis Grondverskuiwing (Pty) Ltd - Emergency	11 473 001	-
Prof H H Ballard - Exceptional case and it is impractical or impossible to follow the official procurement processes.	18 694	-
Xneelo (Pty) Ltd - Emergency	2 270	-
Indecon Instrumentation - Emergency	11 293	-
Xneelo (Pty) Ltd - Emergency	2 599	-
South African Weather Service - Sole Supplier	11 083	-
Solvem Consulting - Sole Supplier	21 956	-
Eddy Current Testing SA - Emergency	336 628	-
Jaqueline's Conference and Event Planners - Exceptional case and it is impractical or impossible to follow the official procurement processes.	5 700	-
Ignite Advisory Services - Exceptional case and it is impractical or impossible to follow the official procurement processes.	46 368	-
Rainbow Polyurethane - Sole Supplier	33 344	-
North West University - Exceptional case and it is impractical or impossible to follow the official procurement processes.	88 000	-
Nexia SAB & T - Exceptional case and it is impractical or impossible to follow the official procurement processes.	37 618	-
Barloworld Equipment - Sole Supplier	98 650	-
Bell Equipment Sales South Africa - Exceptional case and it is impractical or impossible to follow the official procurement processes.	71 867	-
Spec Hardware - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	1 811 134	-
Case CE Cape Town - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	127 472	-
Paltechnologies - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	4 907 900	-
FRJ Electrical & Maintenance - Exceptional case and it is impractical or impossible to follow the official procurement processes.	21 223	-
Stephen Du Plessis Grondverskuiwing - Emergency	3 247 484	-
Hydraberg Hydraulics - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	228 183	-
Xneelo - Emergency	2 610	-
Mowers Durbanville - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	2 390	-
CEA Bande - Emergency	6 259	-
Werner Zybrands - Exceptional case and it is impractical or impossible to follow the official procurement processes.	8 514	-
De Kock Panelbeaters & Spraypainters - Emergency	9 200	-

Notes to the Audited Financial Statements

Figures in Rand	2024	2023
39. Deviation from supply chain management regulations (continued)		
Master Airbrake Truck Services CC - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature of extent of the work required in order to call for bids.	17 365	-
Interactive Trading 498 CC t/a Caravan Show - Exceptional case and it is impractical or impossible to follow the official procurement processes.	23 603	-
Vetties Waste - Emergency	85 273	-
KF Potgieter - Exceptional case and it is impractical or impossible to follow the official procurement processes.	7 950	-
FRJ Electrical & Maintenance - Exceptional case and it is impractical or impossible to follow the official procurement processes.	3 276	-
West Industries (Pty) Ltd - Exceptional case and it is impractical or impossible to follow the official procurement processes.	10 511	-
Rooiheuwel Trust - Exceptional case and it is impractical or impossible to follow the official procurement processes.	7 950	-
Argos Scientific Africa - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	9 919	-
Paltechnologies - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	417 795	-
Eskom - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	2 140	-
Truck & Marine Centre CC - Emergency	6 219	-
Sulzer Pumps - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	108 446	-
Prof H H Ballard - Exceptional case and it is impractical or impossible to follow the official procurement processes.	35 602	-
CIGFARO - Exceptional case and it is impractical or impossible to follow the official procurement processes.	7 899	-
Mowers Durbanville - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	2 607	-
Switch Electical and Projects - Exceptional case and it is impractical or impossible to follow the official procurement processes.	5 957	-
Taylor's Automotive Services - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	4 301	-
Perdeberg Malmesbury - Sole Supplier	9 128	-
FRJ Electrical - Sole Supplier	8 017	-
Microsoft Ireland Operations Limited - Sole Supplier	1 290 733	-
First Technology - Exceptional case and it is impractical or impossible to follow the official procurement processes.	9 174	-
Hasler Business System (Pty) Ltd - Sole Supplier	5 710	-
CNHI - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	9 447	-
Lawn Mower Mecca - Sole Supplier	9 127	-
Greater Cederberg FPA - Emergency	12 073	-
Perdeberg Motors - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	6 750	-
DT Sibenza Security Services - Emergency	-	4 800
Bergrivier Gutters - Emergency	-	3 950
Adapt IT - Sole supplier	-	75 847
Chartered Institute of Government - Exceptional case it is impractical or impossible to follow the official procurement processes	-	6 740
Chartered Institute of Government - Exceptional case it is impractical or impossible to follow the official procurement prosesses	-	21 180
Wolters Kluwer Tax and Accounting - Sole supplier	-	19 615
Channel Data (Pty) Ltd t/a Powermode - Emergency	-	2 887
Switch Electrical and Projects - Exceptional case and it is impractical or impossible to follow the official procurement processes	-	2 600
Nexia SAB & T - Exceptional case and it is impractical or impossible to follow the official procurement processes	-	189 274

Notes to the Audited Financial Statements

Figures in Rand	2024	2023
39. Deviation from supply chain management regulations (continued)		
Solvem Consulting - Sole supplier	-	12 581
EOH Mthombo - Exceptional case and it is impractical or impossible to follow the official procurement processes	-	11 500
CK Coetzee - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids	-	35 029
Dr Wilhemina Erasmus - Exceptional case and it is impractical or impossible to follow the official procurement processes	-	2 700
Perdeberg Motors - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids	-	19 347
Institute of Internal Auditors - Exceptional case and it is impractical or impossible to follow the official procurement processes	-	6 325
CSE Equipment CO (Pty) Ltd - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids	-	96 174
FRJ Electrical and Maintenance - Exceptional case and it is impractical or impossible to follow the official procurement processes	-	22 122
Microsoft Ireland Operations - Sole supplier	-	1 239 316
Dr Wilhelmina Erasmus - Exceptional case and it is impractical or impossible to follow the official procurement processes	-	1 400
Perdeberg Motors - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids	-	36 916
Namibia Tourism Expo - Exceptional case and it is impractical or impossible to follow the official procurement processes	-	22 566
BNA Brake and Radiators - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids	-	9 585
Eric Jerome Pots - Exceptional case and it is impractical or impossible to follow the official procurement processes	-	15 000
Radio Dot Comm - Emergency	-	11 425
Cape Truck and Van - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids	-	3 483
Exilite 407 - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids	-	13 877
W J Cotter Electrical - Emergency	-	55 085
Vision Elevators - Ad-hoc repairs of plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids	-	2 686
FRJ Electrical and Maintenance - Exceptional case and it is impractical or impossible to follow the official procurement processes	-	24 105
Baymont Cape Projects - Emergency	-	44 939
Exilite 407 - Emergency	-	351 707
Baymont Cape Projects - Emergency	-	482 856
Ignite Advisory Services - Exceptional case and it is impractical or impossible to follow the official procurement processes	-	43 746
W J Cotter - Electrical - Emergency	-	450 858
Solvem Consulting - Sole supplier	-	15 043
Switch Electrical - Exceptional case and it is impractical or impossible to follow the official procurement processes	-	7 371
Vetties Waste (Pty) Ltd - Emergency	-	100 772
FRJ Electrical and Maintenance - Exceptional case and it is impractical or impossible to follow the official procurement processes	-	14 876
Vision Elevators - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids	-	16 118
SPOC Managed Services - Emergency	-	62 262
West Coast Petroleum - Emergency	-	40 250
Vetties Waste (Pty) Ltd - Emergency	-	76 407
Advanced Energies Africa - Sole Supplier	-	3 301 402
Interactive Trading 498 CC - Exceptional case and it is impractical or impossible to follow the official procurement processes	-	31 850
CK Coetzee - Emergency	-	40 020

39. Deviation from supply chain management regulations (continued)

	2024	2023
Loekie Oosthuizen Arbeidsterapeut - Exceptional case and it is impractical or impossible to follow the official procurement processes	-	7 500
Perdeberg Motors - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids	-	6 568
Vetties Waste (Pty) Ltd - Emergency	-	5 739
Vetties Waste (Pty) Ltd - Emergency	-	25 763
CK Coetzee - Emergency	-	21 942
Peninsula Industries - Emergency	-	53 066
AmandlaGCF Constuction - Exceptional case and it is impractical or impossible to follow the official procurement processes	-	1 155 023
Water Insitute of Southern Africa - Sole supplier	-	9 800
Switch Electrical and Projects - Exceptional case and it is impractical or impossible to follow the official procurement processes	-	19 545
FRJ Electrical and Maintenance - Exceptional case and it is impractical or impossible to follow the official procurment processes	-	7 528
Wesgro - Exceptional case and it is impractical or impossible to follow the official procurement processes	-	33 000
Xneelo (Hetzner) - Sole supplier	-	5 270
Neuron Logistics - Emergency	-	1 372 385
Neuron Logistics - Emergency	-	2 232 175
Juno Corp - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids	-	14 375
AL Abbott and Associates - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids	-	3 379
FRJ Electrical and Maintenance - Exceptional case and it is impractical or impossible to follow the official procurement processes	-	8 034
Paltechnologies - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids	-	556 046
Coetzee Coach Works - Emergency	-	8 115
FRJ Electrical and Maintenance - Exceptional case and it is impractical or impossible to follow the official procurement processes	-	2 004
Switch Electrical and Projects - Exceptional case and it is impractical or impossible to follow the official procurement processes	-	9 661
Indexx Labaratories - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids	-	158 494
	28 943 376	**12 764 004**

In terms of the Supply Chain Regulations No 27636 - 30 May 2005 Section 45 the municipality is allowed to make awards to close family members of persons in the service of the state, or who have been in the service of the state in the previous twelve months. As per the reporting period the municipality made the following awards :

The transactions were concluded in full compliance with the municipality's Supply Chain Management Policy and the transactions are considered to be at arm's length.

	2024	2023
Piston Power Chemicals CC - Mrs N Andhee - KZN Department of Education - Teacher	544 843	508 547
Blackbird Trading CC - Mrs M Smit - Employee - Swartland Municipality	4 500	15 000
African Oxygen Limited - Nomfundo Qanguis, Mr C Wells, Mr K Mokhele, Mr N Thompson - Goega Development Corporation - Employee	149 298	103 638
Amandla Construction - J Jacobs (Employee) - National Government Employment and Labour, U Franzenburg (Employee) - National Government Deeds Office Kimberly, E Franzenburg (Teacher) - Western Cape Government Education Eersteriver HS, J Franzenburg (Teacher) - Western Cape Government Education Kleinvlei HS, B Franzenburg (Employee) - City of Cape Town.	-	1 187 441
Global Credit Rating Co - Mr M Ngossheng - Goega Development Corporation - Non-executive director	200 000	200 000
Sheq and Risk Partners (Pty) Ltd - M Lazenby - Employee - Western Cape Government	-	15 640

Notes to the Audited Financial Statements

Figures in Rand	2024	2023
39. Deviation from supply chain management regulations (continued)		
Golden Rewards 1873CC - Mr R de Jager - WC - Department of Education - Teacher	61 250	43 200
Ithuba Industries - Mrs De Monrey - Sir Lowry's Pass Primary - Teacher	298 032	344 825
W J Cotter Electrical - S Crafford - Councillor - West Coast District Municipality	-	1 351 561
Improchem t/a AECI Water - K Mokhele - Employee - University of Free State	-	7 196 795
Siphakame - N S Vacu - Employee - Drakenstein Municipality	-	127 325
Pison Hawila Construction - G Scheepers (Employee) - Bergrivier Municipality, R Swarts (Councilor) - Bergrivier Municipality	-	49 260
RDB Building and Construction - R Basson - Director - Cederberg Municipality	-	522 324
Bubbles Household Chemicals - C Pieters - Owner - City of Cape Town - Employee	13 069	-
Koos Smit - M Smit - Swartland Municipality - Employee	22 500	-
Euraf Agencies CC - Mrs R Fourie - Employee - Department of Health	-	6 090
Indecon Instrumentation - Mrs L Barnard - Teacher - Schoonspruit Secondary School	346 960	382 700
Dinah Traders - Mr N Hendricks - Employee - Western Cape Department of Education	3 356 963	2 666 128
	4 997 415	**14 720 474**

40. Reticulation Losses

	2024	2023
Water		
Kilolitres purchased - after purification	23 684 512	21 779 427
Kilolitres sold	(20 777 649)	(19 590 033)
Reticulation loss	**2 906 863**	**2 189 394**
Percentage	12.27%	10.05%

The norm for water losses is 10%. The losses occurred due to burst pipes and leaks from the reservoirs to the consumers.

Electricity

No electricity losses were incurred.

Figures in Rand	2024	2023

41. Reconciliation between budget and statement of financial performance

Reconciliation of budget surplus/deficit with the surplus/deficit in the statement of financial performance. Please refer to appendix A for more detailed disclosures.

Net surplus per the statement of financial performance		
Adjusted for :	12 030 780	40 780 376
Accounts exceeding budget	-	-
Resort income	(1 703 282)	(1 217 489)
Investment revenue	(11 690 138)	(9 659 737)
Service concession revenue	6 932 749	(12 725 442)
Depreciation and asset impairment	893 753	-
Bulk purchases	-	18 564 044
Licences and permits	(148 834)	(94 693)
Transfers recognised - operational	(2 402 060)	(3 522 676)
Other expenditure	9 553 212	-
Accounts not exceeding budget	-	-
Employee costs	(9 241 205)	(3 110 551)
Transfers recognised - capital	1 826 000	4 810 620
Transfers and subsidies	(1 644 796)	(1 061 002)
Agency service	14 605 699	8 631 028
Interest on debtors	87 149	71 511
Finance charges	(9 535 043)	(1 209 641)
Debt impairment	(521 824)	(970 779)
Depreciation and asset impairment	-	(1 117 120)
Other expenditure	-	(14 121 434)
Other materials	(55 906 396)	(54 996 410)
Other own revenue	34 714 581	27 979 791
	(12 149 655)	**(2 969 604)**

42. Road agency services

Revenue recognised	221 789 301	249 518 472

43. Actuarial gains recognised - employee benefits

Employee benefits - Refer to note 15 and 16	5 288 048	10 613 558

44. Finance income

Short-term investments	-	17 413 180
Primary bank account	27 132 139	7 123 844
Water service concession	-	64 714
	27 132 139	**24 601 738**

45. Allowance for impairment

Trade receivables from exchange transactions - Refer to note 5	1 448 176	999 221

46. Repairs and maintenance

In accordance with GRAP 17 paragraph 88 and 89 the municipality shall separately disclose expenditure incurred to repair and maintain property, plant and equipment in the notes to the financial statements. Below are repairs and maintenance per asset class :

46. Repairs and maintenance (continued)

Repairs and maintenance per asset class	Buildings	Infrastructure	Other	Investment property	Total - 30 June 2024
Water reticulation	-	3 969 472	-	-	3 969 472
Buildings	1 384 768	-	-	367 570	1 752 338
Computer equipment	-	-	58 298	-	58 298
Furniture and office equipment	-	-	6 137	-	6 137
Machinery and equipment	-	-	8 950 834	-	8 950 834
Transport assets	-	-	1 826 867	-	1 826 867
	1 384 768	**3 969 472**	**10 842 136**	**367 570**	**16 563 946**

The repairs and maintenance expenses for the year amounts to R113 212 004, R96 648 058 of the amount pertains to the cost of repairs incurred on the provincial roads in terms of a signed agreement between the Department of Transport and Public works on an agency basis. The remaining R16 563 946 pertains to repair cost incurred to the municipal assets as depicted in the note above.

Repairs and maintenance per asset class	Buildings	Infrastructure	Other	Investment property	Total - 30 June 2023
Water reticulation	-	3 689 318	-	-	3 689 318
Buildings	1 781 929	-	-	593 683	2 375 612
Computer equipment	-	-	71 312	-	71 312
Furniture and office equipment	-	-	2 698	-	2 698
Machinery and equipment	-	-	12 459 459	-	12 459 459
Transport assets	-	-	1 502 870	-	1 502 870
	1 781 929	**3 689 318**	**14 036 339**	**593 683**	**20 101 269**

The repairs and maintenance expense for the year amounts to R138 451 143, R118 349 874 of the amount pertains to the cost of repairs incurred on the provincial roads in terms of a signed agreement between the Department of Transport and Public works on an agency basis. The remaining R20 101 269 pertains to repair cost incurred to the municipal assets as depicted in the note above.

47. Materials and supplies

	2024	2023
Materials	48 907 396	67 625 438

48. Fees earned

	2024	2023
Environmental health certificates and trading	406 702	341 693

49. Transfers and subsidies

	2024	2023
Farmer support houses	-	(78 770)
Local municipal support	831 660	2 173 070
	831 660	**2 094 300**

Figures in Rand	2024	2023

50. Distribution

Balance at the beginning of the year	(318 756)	23 471 360
Contribution for the year - Refer to note 18	16 446 461	(277 179)
Payments to local municipalities	-	(23 471 360)
VAT Payable to / (Receivable from) local municipalities	2 785 725	(41 577)
	18 913 430	**(318 756)**

West Coast District Municipality (operator) is operating a water concession on behalf of the following B (local) municipalities (grantor), namely Saldanha Bay, Swartland and Bergriver. The current water concession agreement is renewed on an annual basis. The stakeholders (operator and grantor) are however busy with a Section 78 process in terms of the Local Government : Municipal System Act, 2000 (Act 32 of 2000) to decide on the future service delivery mechanism.

West Coast District Municipality as the operator of the water concession is responsible for the day to day operations of the bulk water purification works, including the maintaining of the water network. The relevant local municipalities (grantor) are responsible for capital replacement and upgrading. The only change facilitated during the financial year was the tariff structure. Cashflows are limited to the sale of water that are based on the tariff charged in terms of the agreement. Future cashflows is dependent on the Section 78 process and future agreements.

Distribution provision	18 913 430	-
Distribution receivable	-	(318 756)
	18 913 430	**(318 756)**

51. Change in accounting estimate

The following change in estimate amounting to R265 987 (2023: R469 463) was made to depreciation of assets with zero book values but still in use reported in the financial statements of the municipality and is applied prospectively. The effect on future periods are not disclosed because it is impracticable. Refer to Appendix B for detailed disclosure.

Depreciation adjustment to assets	265 987	469 463

52. Other receivables from non-exchange transactions

Fire services - Cederberg and Matzikama Local Municipalities	675 438	5 163 917
Deposits - ESKOM	336 432	336 432
	1 011 870	**5 500 349**

Notes to the Audited Financial Statements

53. Segment information

General information

Identification of segments

Reports to management are on the basis of three major functional areas: public safety, environmental health and sports and recreation - Ganzekraal. The segments were organised around the type of service delivered and the target market. Management uses these same segments for determining strategic objectives. Some segments were aggregated for reporting purposes. Non-reportable segments includes water, roads and administrative functions.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Aggregated segments

Segments like fire services and disaster management were aggregated to public safety on the basis of services delivered as management considered that the economic characteristics of the segments were sufficiently similar to warrant aggregation.

Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment	Goods and/or services
Segment 1	Public Safety
Segment 2	Environmental Health
Segment 3	Sport and Recreation (Ganzekraal)

Notes to the Audited Financial Statements

Figures in Rand

53. Segment information (continued)

Segment surplus or deficit, assets and liabilities

2024

	Public Safety	Environmental Health	Sports and Recreation (Ganzekraal)	Non-reportable Segments	Total
Revenue					
Revenue from non-exchange transactions - Transfers and Subsidies	12 154 500	12 154 500	-	93 959 654	118 268 654
Revenue from non-exchange transactions - Other	1 112 097	1 309 938	-	3 523 849	5 945 884
Revenue from exchange transactions	2 512 024	406 702	5 452 299	371 438 688	379 809 713
Interest revenue	-	-	-	27 132 139	27 132 139
Total segment revenue	**15 778 621**	**13 871 140**	**5 452 299**	**496 054 330**	**531 156 390**
Total revenue					**531 156 390**
Expenditure					
Salaries and wages	44 562 773	26 218 392	3 826 361	167 457 280	242 064 806
Depreciation and amortisation	5 392 501	336 896	291 729	6 110 628	12 131 754
Goods and services	27 328 942	14 134 768	5 374 548	218 025 835	264 864 093
Interest expense	-	-	-	64 957	64 957
Total segment expenditure	**77 284 216**	**40 690 056**	**9 492 638**	**391 658 700**	**519 125 610**
Total segmental surplus/(deficit)	**(61 505 595)**	**(26 818 916)**	**(4 040 339)**	**104 395 630**	**12 030 780**
Assets					
Segment assets	36 425 943	2 967 509	6 782 568	101 441 570	147 617 590
Total assets as per Statement of financial Position					**147 617 590**

	Public Safety	Environmental Health	Sports and Recreation (Ganzekraal)	Non-reportable Segments	Total
Other information					
Capital expenditure	4 153 114	421 370	417 505	48 390 965	53 382 954

53. Segment information (continued)

2023

	Public Safety	Environmental Health	Sports and Recreation - Ganzekraal	Non-reportable Segments	Total
Revenue					
Revenue from non-exchange transactions - Transfers and Subsidies	11 504 000	11 504 000	-	94 593 597	117 601 597
Revenue from non-exchange transactions - Other	900 799	1 951 014	-	8 277 379	11 129 192
Revenue from exchange transactions	1 254 131	328 064	4 745 549	393 155 749	399 483 493
Interest revenue	-	-	-	24 601 738	24 601 738
Total segment revenue	**13 658 930**	**13 783 078**	**4 745 549**	**520 628 463**	**552 816 020**
Total revenue					**552 816 020**
Expenditure					
Salaries and wages	37 226 025	25 345 708	3 879 183	160 029 542	226 480 458
Depreciation and amortisation	4 088 928	310 466	254 597	5 466 891	10 120 882
Goods and services	6 686 254	3 862 298	3 530 396	261 290 642	275 369 590
Interest expense	-	-	-	64 714	64 714
Total segment expenditure	**48 001 207**	**29 518 472**	**7 664 176**	**426 851 789**	**512 035 644**
Total segmental surplus/(deficit)	**(34 342 277)**	**(15 735 394)**	**(2 918 627)**	**93 776 674**	**40 780 376**
Assets					
Segment assets	37 480 442	2 873 607	6 571 709	59 454 802	106 380 560
Total assets as per Statement of financial Position					**106 380 560**

	Public Safety	Environmental Health	Sports and Recreation - Ganzekraal	Segment 4	Non-reportable Segments
Other information					
Capital expenditure	4 513 288	232 221	1 180 055	13 547 754	19 473 318

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Notes to the Audited Financial Statements

Figures in Rand	2024	2023

53. Segment information (continued)

Basis of accounting for transactions between reportable segments

The accounting policies of the segments are the same as those described in the summary of significant accounting policies.

Information about geographical areas

The municipality's operations are in the West Coast District within the Western Cape Province.

The table below indicates the relevant geographical information after eliminating inter segmental transfers:

2024

	External revenues from non-exchange transactions	External revenues from exchange transactions	Total expenditure	Non-current assets*
Whole of the district	126 804 926	401 489 553	513 468 572	140 835 022
Swartland municipal area	-	5 452 299	8 247 426	6 782 568
Total	**126 804 926**	**406 941 852**	**521 715 998**	**147 617 590**

2023

	External revenues from non-exchange transactions	External revenues from exchange transactions	Total expenditure	Non-current assets*
Whole of the district	128 730 789	419 339 682	504 371 468	99 808 851
Swartland municipal area	-	4 745 549	7 664 176	6 571 709
Total	**128 730 789**	**424 085 231**	**512 035 644**	**106 380 560**

54. Budget differences

Material differences between budget and actual amounts

Current Assets

The municipality accounts for a receivable on the roads account, which had a increasing effect on other receivables.

Non-current Assets

The capital expenditure are low due to savings and the effects of cost containment implemented by the municipality, which had a decreasing effect on property, plant and equipment.

Current Liabilities :

The operating expenditure are low due to savings and the effects of cost containment implemented by the municipality, which had a decreasing effect on trade and other payables.

Net cash from (used) operating

The operating expenditure are low due to savings and the effects of cost containment implemented by the municipality.

Net cash from (used) investing :

The capital expenditure are low due to savings and the effects of cost containment implemented on projects.

Explanatory comments for expenditure and revenue are provided in appendix A of the financial statements. The municipality did well on an overall basis comparing total amounts as per the financial statements compared to the budget.

Actual versus Budget(Revenue and Expenditure) for the year ended 30 June 2024.

	Act. Bal. Rand	Adjusted budget Rand	Variance Rand	Var	Explanation of Significant Variances greater than 10% versus Budget
Revenue					
Service concession revenue	144 184 824	151 117 573	(6 932 749)	(4,6)	
Rental of facilities and equipment	5 452 299	3 749 017	1 703 282	45,4	Increase in revenue at Ganzekraal due to an increase in the occupancy rate.
Interest received - Investments	27 132 139	15 442 001	11 690 138	75,7	Increase due to the prime rate increase in South Africa in this financial year.
Interest received - Debtors received	90 838	177 987	(87 149)	(49,0)	Decrease in the bad debt provision,
Agency services	221 789 301	236 395 000	(14 605 699)	(6,2)	
Licences and permits	406 702	257 868	148 834	57,7	Increase in permits issued by the municipality.
Transfers recognised - operating	35 548 654	33 146 594	2 402 060	7,2	The municipality received more fund from National and Provincial Government.
Transfers recognised - capital	-	1 826 000	(1 826 000)	(100,0)	Due to the difference between the Municipal Standard Chart of Accounts and the Generally Recognised Accounting Practice.
Other revenue	96 551 633	133 856 602	(37 304 969)	(27,9)	Due to the difference between the Municipal Standard Chart of Accounts and the Generally Recognised Accounting Practice.
	531 156 390	575 968 642	(44 812 252)	(7,8)	
Expenses					
Employee costs	(242 064 806)	(251 075 343)	9 010 537	(3,6)	
Remuneration of councillors	(6 828 857)	(7 595 359)	766 502	(10,1)	Decrease in expenditure due to election year.
Debt impairment	(1 448 176)	(1 970 000)	521 824	(26,5)	Decrease in the bad debt provision.
Depreciation and asset impairment	(12 131 754)	(11 238 001)	(893 753)	8,0	The municipality's capital expenditure was lower than expected.
Finance charges	(64 957)	(9 600 000)	9 535 043	(99,3)	Loan not fully utilized.
Other materials	(48 907 396)	(104 813 792)	55 906 396	(53,3)	Decrease in the expenditure for the maintenance of provincial roads. which the municipality carries out on behalf of the Department of Transport and less expenditure due to savings and the implementation of cost containment..
Transfers and subsidies	(831 660)	(2 476 456)	1 644 796	(66,4)	Decrease in the expenditure for the maintenance of provincial roads. which the municipality carries out on behalf of the Department of Transport.

Actual versus Budget(Revenue and Expenditure) for the year ended 30 June 2024.

	Act. Bal.	Adjusted budget	Variance		Explanation of Significant Variances greater than 10% versus Budget
General Expenses	(206 848 004)	(199 349 346)	(7 498 658)	3,8	Increase in the allocation for the maintenance of provncial roads. which the municipality carries out on behalf of the Department of Transport and the annual price increases on goods and services. Less expenditure due to savings and the implementation of cost containment.. There are also differences between the Municipal Standard Chart of Accounts and the Generally Recognised Accounting Practice.
	(519 125 610)	(588 118 297)	68 992 687	(11,7)	Less expenditure due to the reasons stated above.
Net surplus/ (deficit) for the year	12 030 780	(12 149 655)	24 180 435	(199,0)	Surplus for the year is mainly due to the reasons stated above.

West Coast District Municipality
Appendix B
June 2024

Analysis of property, plant and equipment as at 30 June 2024

	Cost/Revaluation							Accumulated depreciation						
	Opening Balance	Other Changes, movements	Additions	Disposals	WIP	Reclassification	Closing Balance	Opening Balance	Corrections and Transfers	Additions	Disposals	Other Changes, movements	Closing Balance	Carrying value
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Land														
Land	27 776 505	-	-	-	-	-	27 776 505	-	-	-	-	-	-	27 776 505
	27 776 505	-	-	-	-	-	**27 776 505**	-	-	-	-	-	-	**27 776 505**
Infrastructure														
Electricity supply / reticulation	1 220 470	-	-	-	3 334 796	-	4 555 266	(148 471)	-	(37 479)	-	-	(185 950)	4 369 316
Mini sub stations	3 663	-	-	-	-	-	3 663	(1 619)	-	(91)	-	-	(1 710)	1 953
Pump stations	14 289	-	-	-	-	-	14 289	(6 977)	-	(358)	-	-	(7 335)	6 954
Reservoirs	3 328	-	-	-	-	-	3 328	(2 352)	-	(134)	-	-	(2 486)	842
Electric panels	44	-	-	-	-	-	44	(788)	-	(12 239)	-	-	(13 027)	(12 983)
Electricity perimeter protection	53 529	-	-	-	-	-	53 529	(34 799)	-	(2 146)	-	-	(36 945)	16 584
Water reticulation and other	4 883 409	-	-	-	39 503 774	-	44 387 183	(456 474)	-	(93 827)	-	-	(550 301)	43 836 882
	6 178 732	-	-	-	**42 838 570**	-	**49 017 302**	**(651 480)**	-	**(146 274)**	-	-	**(797 754)**	**48 219 548**
Buildings														
Residences (Personnel)	1 577 100	-	-	-	-	-	1 577 100	(635 901)	-	(72 701)	-	-	(708 602)	868 498
Warehouses	1 416 000	-	-	-	-	-	1 416 000	(1 061 855)	-	(70 963)	-	-	(1 132 818)	283 182
Community halls	8 417	-	-	-	-	-	8 417	(6 313)	-	(422)	-	-	(6 735)	1 682
Office buildings	10 761 533	-	-	(11 290)	-	-	10 750 243	(5 533 467)	-	(490 526)	4 366	-	(6 019 627)	4 730 616
Recreational facilities	17 081	-	-	-	-	-	17 081	(4 287)	-	(570)	-	-	(4 857)	12 224
Clinics / Ambulance	3 249 440	-	-	-	-	-	3 249 440	(2 275 055)	-	(162 910)	-	-	(2 437 965)	811 475
Non residential perimeter protection	591 729	-	-	-	-	-	591 729	(22 505)	-	(745)	-	-	(23 250)	568 479
Workshops / Store rooms	561 271	-	-	-	-	-	561 271	(334 577)	-	(22 511)	-	-	(357 088)	204 183
Public parking as part of buildings	1 004 546	-	-	-	-	-	1 004 546	(753 547)	-	(50 362)	-	-	(803 909)	200 637
Fire, safety & emergency	35 236 549	-	-	-	-	-	35 236 549	(24 179 760)	-	(1 766 580)	-	-	(25 946 340)	9 290 209
Car ports / Garage	4 086 530	-	76 520	-	-	-	4 163 050	(127 499)	-	(106 795)	-	-	(234 294)	3 928 756
Internal roads as part of buildings	253 448	-	-	-	-	-	253 448	(149 169)	-	(8 465)	-	-	(157 634)	95 814
Ablution / Public	52 100	-	-	-	-	-	52 100	(478)	-	(2 611)	-	-	(3 089)	49 011
	58 815 744	-	**76 520**	**(11 290)**	-	-	**58 880 974**	**(35 084 413)**	-	**(2 756 161)**	**4 366**	-	**(37 836 208)**	**21 044 766**

Analysis of property, plant and equipment as at 30 June 2024

	Cost/Revaluation							Accumulated depreciation						
	Opening Balance	Other Changes, movements	Additions	Disposals	WIP	Reclassification	Closing Balance	Opening Balance	Corrections and Transfers	Additions	Disposals	Other Changes, movements	Closing Balance	Carrying value
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Other assets														
General vehicles	45 181 819	-	4 468 684	(131 170)	-	-	49 519 333	(32 727 119)	-	(2 854 490)	118 052	-	(35 463 557)	14 055 776
Audiovisual equipment	2 409 812	-	345 263	(2 692)	-	-	2 752 383	(705 509)	-	(215 786)	2 663	-	(918 632)	1 833 751
Computer Equipment	18 188 361	-	1 788 592	-	67 096	-	20 044 049	(7 697 058)	-	(2 138 042)	203 068	-	(9 632 032)	10 412 017
Domestic equipment	935 853	-	72 863	-	-	-	1 008 716	(283 069)	-	(136 784)	-	-	(419 853)	588 863
Electrical wire and power distribution	340 894	-	-	-	-	-	340 894	(145 915)	-	(65 733)	-	-	(211 648)	129 246
Emergency / rescue equipment	2 552 306	-	-	-	-	-	2 552 306	(1 283 667)	-	(326 816)	-	-	(1 610 483)	941 823
Fire fighting equipment	10 510 018	-	343 748	-	-	-	10 853 766	(6 055 161)	-	(508 327)	-	-	(6 563 488)	4 290 278
Gardening equipment	416 823	-	7 103	-	-	-	423 926	(231 402)	-	(52 396)	-	-	(283 798)	140 128
Kitchen appliances	664 785	-	56 408	(10 586)	-	-	710 607	(339 762)	-	(43 130)	42 971	-	(339 921)	370 686
Laboratory equipment	1 323 490	-	65 745	-	-	-	1 389 235	(944 046)	-	(79 358)	-	-	(1 023 404)	365 831
Medical and allied equipment	226 435	-	-	-	-	-	226 435	(194 546)	-	(15 672)	-	-	(210 218)	16 217
Pump / Pluming	3 197 341	-	76 037	(55 705)	-	-	3 217 673	(2 635 679)	-	(156 628)	17 797	-	(2 774 510)	443 163
Radio equipment	5 040 820	-	1 117 308	(8 759)	-	-	6 149 369	(2 841 612)	-	(400 149)	6 727	-	(3 235 034)	2 914 335
Security equipment	791 262	-	-	-	-	-	791 262	(402 436)	-	(126 315)	-	-	(528 751)	262 511
Workshop equipment	7 597 489	-	467 031	-	-	-	8 064 520	(3 158 486)	-	(834 045)	14 844	-	(3 977 667)	4 086 853
Air conditioners	1 088 842	-	201 645	-	-	-	1 290 487	(801 195)	-	(67 622)	-	-	(868 817)	421 670
Office furniture	5 037 792	-	201 313	(20 640)	-	-	5 218 465	(3 822 557)	-	(214 844)	44 692	-	(3 992 709)	1 225 756
Domestic and hostel furniture	2 274 841	-	160 731	(110 031)	-	-	2 325 541	(1 471 645)	-	(151 115)	125 666	-	(1 497 094)	828 447
Other	2 983 922	-	645 860	(377 272)	-	-	3 252 510	(1 769 995)	-	(201 850)	35 884	-	(1 935 961)	1 316 549
	110 762 905	**-**	**10 018 331**	**(716 855)**	**67 096**	**-**	**120 131 477**	**(67 510 839)**	**-**	**(8 589 102)**	**612 364**	**-**	**(75 487 577)**	**44 643 900**

Analysis of property, plant and equipment as at 30 June 2024

Cost/Revaluation / Accumulated depreciation

	Cost/Revaluation: Opening Balance	Other Changes, movements	Additions	Disposals	WIP	Reclassification	Closing Balance	Accumulated depreciation: Opening Balance	Corrections and Transfers	Additions	Disposals	Other Changes, movements	Closing Balance	Carrying value
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Total property plant and equipment														
Land	27 776 505	-	-	-	-	-	27 776 505	-	-	-	-	-	-	27 776 505
Infrastructure	6 178 732	-	-	-	42 838 570	-	49 017 302	(651 480)	-	(146 274)	-	-	(797 754)	48 219 548
Buildings	58 815 744	-	76 520	(11 290)	-	-	58 880 974	(35 084 413)	-	(2 756 161)	4 366	-	(37 836 208)	21 044 766
Other assets	110 762 905	-	10 018 331	(716 855)	67 096	-	120 131 477	(67 510 839)	-	(8 589 102)	612 364	-	(75 487 577)	44 643 900
	203 533 886	**-**	**10 094 851**	**(728 145)**	**42 905 666**	**-**	**255 806 258**	**(103 246 732)**	**-**	**(11 491 537)**	**616 730**	**-**	**(114 121 539)**	**141 684 719**
Intangible assets														
Computers - software & programming	5 889 209	-	143 420	-	336 261	-	6 368 890	(4 173 461)	-	(606 915)	-	-	(4 780 376)	1 588 514
	5 889 209	**-**	**143 420**	**-**	**336 261**	**-**	**6 368 890**	**(4 173 461)**	**-**	**(606 915)**	**-**	**-**	**(4 780 376)**	**1 588 514**
Investment properties														
Investment property	5 512 774	-	-	-	-	-	5 512 774	(1 135 117)	-	(33 301)	-	-	(1 168 418)	4 344 356
	5 512 774	**-**	**-**	**-**	**-**	**-**	**5 512 774**	**(1 135 117)**	**-**	**(33 301)**	**-**	**-**	**(1 168 418)**	**4 344 356**
Total														
Land	27 776 505	-	-	-	-	-	27 776 505	-	-	-	-	-	-	27 776 505
Infrastructure	6 178 732	-	-	-	42 838 570	-	49 017 302	(651 480)	-	(146 274)	-	-	(797 754)	48 219 548
Buildings	58 815 744	-	76 520	(11 290)	-	-	58 880 974	(35 084 413)	-	(2 756 161)	4 366	-	(37 836 208)	21 044 766
Other assets	110 762 905	-	10 018 331	(716 855)	67 096	-	120 131 477	(67 510 839)	-	(8 589 102)	612 364	-	(75 487 577)	44 643 900
Intangible assets	5 889 209	-	143 420	-	336 261	-	6 368 890	(4 173 461)	-	(606 915)	-	-	(4 780 376)	1 588 514
Investment properties	5 512 774	-	-	-	-	-	5 512 774	(1 135 117)	-	(33 301)	-	-	(1 168 418)	4 344 356
	214 935 869	**-**	**10 238 271**	**(728 145)**	**43 241 927**	**-**	**267 687 922**	**(108 555 310)**	**-**	**(12 131 753)**	**616 730**	**-**	**(120 070 333)**	**147 617 589**

West Coast District Municipality
Appendix B
June 2024

Analysis of property, plant and equipment as at 30 June 2023

	Cost/Revaluation							Accumulated depreciation						
	Opening Balance Rand	Other Changes, movements Rand	Additions Rand	Disposals Rand	WIP Rand	Reclassifications Rand	Closing Balance Rand	Opening Balance Rand	Corrections and Transfers Rand	Additions Rand	Disposals Rand	Other Changes, movements Rand	Closing Balance Rand	Carrying value Rand
Land														
Land	27 776 505	-	-	-	-	-	27 776 505	-	-	-	-	-	-	27 776 505
	27 776 505	-	-	-	-	-	**27 776 505**	-	-	-	-	-	-	**27 776 505**
Infrastructure														
Electricity supply / reticulation	372 715	-	847 758	-	1 529 021	-	2 749 494	(139 239)	-	(9 232)	-	-	(148 471)	2 601 023
Mini sub stations	3 663	-	-	-	-	-	3 663	(1 527)	-	(92)	-	-	(1 619)	2 044
Pump stations	14 289	-	-	-	-	-	14 289	(6 620)	-	(357)	-	-	(6 977)	7 312
Reservoirs	3 328	-	-	-	-	-	3 328	(2 219)	-	(133)	-	-	(2 352)	976
Electric panels	44	-	-	-	-	-	44	(18)	-	(770)	-	-	(788)	(744)
Electricity perimeter protection	53 529	-	-	-	-	-	53 529	(32 658)	-	(2 141)	-	-	(34 799)	18 730
Water reticulation and other	1 385 209	-	-	-	1 969 176	-	3 354 385	(351 482)	-	(104 992)	-	-	(456 474)	2 897 911
	1 832 777	-	**847 758**	-	**3 498 197**	-	**6 178 732**	**(533 763)**	-	**(117 717)**	-	-	**(651 480)**	**5 527 252**
Buildings														
Residences (Personnel)	1 577 100	-	-	-	-	-	1 577 100	(563 405)	-	(72 496)	-	-	(635 901)	941 199
Warehouses	1 416 000	-	-	-	-	-	1 416 000	(991 085)	-	(70 770)	-	-	(1 061 855)	354 145
Community halls	8 417	-	-	-	-	-	8 417	(5 893)	-	(420)	-	-	(6 313)	2 104
Office buildings	9 619 874	-	1 141 659	-	-	-	10 761 533	(5 092 168)	-	(441 299)	-	-	(5 533 467)	5 228 066
Recreational facilities	17 081	-	-	-	-	-	17 081	(3 718)	-	(569)	-	-	(4 287)	12 794
Clinics	3 249 440	-	-	-	-	-	3 249 440	(2 112 588)	-	(162 467)	-	-	(2 275 055)	974 385
Non residential perimeter protection	591 729	-	-	-	-	-	591 729	(21 762)	-	(743)	-	-	(22 505)	569 224
Workshops / Store rooms	561 271	-	-	-	-	-	561 271	(312 126)	-	(22 451)	-	-	(334 577)	226 694
Public parking as part of buildings	1 004 546	-	-	-	-	-	1 004 546	(703 322)	-	(50 225)	-	-	(753 547)	250 999
Fire, safety & emergency	35 236 549	-	-	-	-	-	35 236 549	(22 417 989)	-	(1 761 771)	-	-	(24 179 760)	11 056 789
Car ports / Garage	4 086 530	-	-	-	-	-	4 086 530	(21 549)	-	(105 950)	-	-	(127 499)	3 959 031
Internal roads as part of buildings	253 448	-	-	-	-	-	253 448	(140 727)	-	(8 442)	-	-	(149 169)	104 279
Ablution / Public	-	-	52 100	-	-	-	52 100	-	-	(478)	-	-	(478)	51 622
	57 621 985	-	**1 193 759**	-	-	-	**58 815 744**	**(32 386 332)**	-	**(2 698 081)**	-	-	**(35 084 413)**	**23 731 331**

AUDITOR-GENERAL SOUTH AFRICA
Auditing to build public confidence

Analysis of property, plant and equipment as at 30 June 2023

	Cost/Revaluation							Accumulated depreciation						
	Opening Balance	Other Changes, movements	Additions	Disposals	WIP	Reclassifications	Closing Balance	Opening Balance	Corrections and Transfers	Additions	Disposals	Other Changes, movements	Closing Balance	Carrying value
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Other assets														
General vehicles	41 479 894	-	4 434 206	(732 281)	-	-	45 181 819	(30 894 085)	-	(2 517 291)	684 257	-	(32 727 119)	12 454 700
Audiovisual equipment	1 559 238	-	854 265	(3 691)	-	-	2 409 812	(531 710)	-	(180 311)	3 661	2 851	(705 509)	1 704 303
Computer Equipment	16 428 641	-	1 971 424	(211 704)	-	-	18 188 361	(6 212 486)	-	(1 774 508)	203 774	86 162	(7 697 058)	10 491 303
Domestic equipment	628 458	-	308 290	(895)	-	-	935 853	(164 641)	-	(121 562)	886	2 248	(283 069)	652 784
Electrical wire and power distribution	340 894	-	-	-	-	-	340 894	(78 627)	-	(67 288)	-	-	(145 915)	194 979
Emergency / Rescue equipment	2 552 306	-	-	-	-	-	2 552 306	(962 357)	-	(342 439)	-	21 129	(1 283 667)	1 268 639
Fire fighting equipment	9 892 797	-	617 221	-	-	-	10 510 018	(5 520 252)	-	(607 064)	-	72 155	(6 055 161)	4 454 857
Gardening equipment	243 323	-	173 500	-	-	-	416 823	(217 091)	-	(21 451)	-	7 140	(231 402)	185 421
Kitchen appliances	647 385	-	30 346	(12 946)	-	-	664 785	(303 981)	-	(43 331)	6 768	782	(339 762)	325 023
Laboratory equipment	1 143 216	-	182 651	(2 377)	-	-	1 323 490	(840 544)	-	(113 784)	2 118	8 164	(944 046)	379 444
Medical and allied equipment	226 435	-	-	-	-	-	226 435	(179 320)	-	(15 644)	-	418	(194 546)	31 889
Pump / Pluming	3 099 850	-	97 491	-	-	-	3 197 341	(2 332 337)	-	(380 123)	-	76 781	(2 635 679)	561 662
Radio equipment	4 400 492	-	642 698	(2 370)	-	-	5 040 820	(2 494 198)	-	(353 918)	1 481	5 023	(2 841 612)	2 199 208
Security equipment	697 272	-	93 990	-	-	-	791 262	(287 825)	-	(118 827)	-	4 216	(402 436)	388 826
Workshop equipment	3 538 820	-	4 081 952	(23 283)	-	-	7 597 489	(3 083 046)	-	(110 487)	22 092	12 975	(3 158 466)	4 439 023
Air conditioners	963 289	-	125 553	-	-	-	1 088 842	(758 623)	-	(49 806)	-	7 234	(801 195)	287 647
Office furniture	4 533 101	-	548 043	(43 352)	-	-	5 037 792	(3 702 574)	-	(170 144)	40 935	9 226	(3 822 557)	1 215 235
Domestic and hostel furniture	2 121 022	-	216 100	(62 281)	-	-	2 274 841	(1 396 483)	-	(144 677)	58 536	10 979	(1 471 645)	803 196
Other	2 763 037	-	223 408	(2 523)	-	-	2 983 922	(1 700 478)	-	(188 227)	2 527	116 185	(1 769 993)	1 213 929
	97 259 470	-	**14 601 138**	**(1 097 703)**	-	-	**110 762 905**	**(61 660 658)**	-	**(7 320 882)**	**1 027 035**	**443 668**	**(67 510 837)**	**43 252 068**

Analysis of property, plant and equipment as at 30 June 2023

	Cost/Revaluation							Accumulated depreciation						
	Opening Balance	Other Changes, movements	Additions	Disposals	WIP	Reclassifications	Closing Balance	Opening Balance	Corrections and Transfers	Additions	Disposals	Other Changes, movements	Closing Balance	Carrying value
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Total property plant and equipment														
Land	27 776 505	-	-	-	-	-	27 776 505	-	-	-	-	-	-	27 776 505
Infrastructure	1 832 777	-	847 758	-	3 498 197	-	6 178 732	(533 763)	-	(117 717)	-	-	(651 480)	5 527 252
Buildings	57 621 985	-	1 193 759	-	-	-	58 815 744	(32 386 332)	-	(2 698 081)	-	-	(35 084 413)	23 731 331
Other assets	97 259 470	-	14 601 138	(1 097 703)	-	-	110 762 905	(61 660 658)	-	(7 320 882)	1 027 035	443 668	(67 510 837)	43 252 068
	184 490 737	**-**	**16 642 655**	**(1 097 703)**	**3 498 197**	**-**	**203 533 886**	**(94 580 753)**	**-**	**(10 136 680)**	**1 027 035**	**443 668**	**(103 246 730)**	**100 287 156**
Intangible assets														
Computers - software & programming and internally generated masthead	4 746 744	-	832 465	-	310 000	-	5 889 209	(3 778 803)	-	(420 454)	-	25 795	(4 173 462)	1 715 747
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	4 746 744	**-**	**832 465**	**-**	**310 000**	**-**	**5 889 209**	**(3 778 803)**	**-**	**(420 454)**	**-**	**25 795**	**(4 173 462)**	**1 715 747**
Investment properties														
Investment property	5 512 774	-	-	-	-	-	5 512 774	(1 101 907)	-	(33 210)	-	-	(1 135 117)	4 377 657
	5 512 774	**-**	**-**	**-**	**-**	**-**	**5 512 774**	**(1 101 907)**	**-**	**(33 210)**	**-**	**-**	**(1 135 117)**	**4 377 657**
Total														
Land	27 776 505	-	-	-	-	-	27 776 505	-	-	-	-	-	-	27 776 505
Infrastructure	1 832 777	-	847 758	-	3 498 197	-	6 178 732	(533 763)	-	(117 717)	-	-	(651 480)	5 527 252
Buildings	57 621 985	-	1 193 759	-	-	-	58 815 744	(32 386 332)	-	(2 698 081)	-	-	(35 084 413)	23 731 331
Other assets	97 259 470	-	14 601 138	(1 097 703)	-	-	110 762 905	(61 660 658)	-	(7 320 882)	1 027 035	443 668	(67 510 837)	43 252 068
Intangible assets	4 746 744	-	832 465	-	310 000	-	5 889 209	(3 778 803)	-	(420 454)	-	25 795	(4 173 462)	1 715 747
Investment properties	5 512 774	-	-	-	-	-	5 512 774	(1 101 907)	-	(33 210)	-	-	(1 135 117)	4 377 657
	194 750 255	**-**	**17 475 120**	**(1 097 703)**	**3 808 197**	**-**	**214 935 869**	**(99 461 463)**	**-**	**(10 590 344)**	**1 027 035**	**469 463**	**(108 555 309)**	**106 380 560**

West Coast District Municipality
Appendix C
June 2024

Segmental analysis of property, plant and equipment as at 30 June 2024

	Cost/Revaluation							Accumulated Depreciation						
	Opening Balance Rand	Additions Rand	Disposals Rand	Corrections and Transfers Rand	WIP Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Corrections and Transfers Rand	Depreciation Rand	Other changes, movements Rand	Closing Balance Rand	Carrying value Rand
Municipality														
Administration	24 666 512	144 843	(225 125)	-	-	-	24 586 230	(8 991 823)	208 356	-	(539 441)	-	(9 322 908)	15 263 322
Council general	2 815 335	-	(3 217)	-	-	-	2 812 118	(503 599)	3 202	-	(496 740)	-	(997 137)	1 814 981
Municipal manager	438 318	120 258	-	-	-	-	558 576	(147 580)	-	-	(59 354)	-	(206 934)	351 642
Tourism	198 913	-	(736)	-	-	-	198 177	(172 486)	736	-	(5 703)	-	(177 453)	20 724
Internal audit	37 073	-	(796)	-	-	-	36 277	(36 466)	793	-	(260)	-	(35 933)	344
Human resources	249 801	-	(157)	-	-	-	249 644	(184 949)	158	-	(14 574)	-	(199 365)	50 279
Strategic services	85 311	-	-	-	-	-	85 311	(75 408)	708	-	(1 526)	-	(76 226)	9 085
Risk management	16 224	-	(730)	-	-	-	15 494	(16 072)	-	-	(47)	-	(16 119)	(625)
Health	5 334 474	390 340	-	-	-	-	5 724 814	(2 449 631)	21 917	-	(295 862)	-	(2 723 576)	3 001 238
Ganzekraal - Public amenity	9 841 211	402 634	(173 395)	-	-	-	10 070 450	(3 174 101)	191 818	-	(258 952)	-	(3 241 235)	6 829 215
Disaster management - Public safety	84 993 964	3 490 573	-	-	-	-	88 484 537	(53 457 937)	14 601	-	(4 021 644)	-	(57 464 980)	31 019 557
Disaster management - Public safety	17 239 705	628 027	-	-	-	-	17 867 732	(11 092 643)	871	-	(1 198 404)	-	(12 290 176)	5 577 556
Finance	12 031 159	903 763	(312 337)	-	239 958	-	12 862 543	(7 859 107)	140 739	-	(754 345)	-	(8 472 713)	4 389 830
Land & buildings	1 893 869	-	-	-	-	-	1 893 869	(424 232)	-	-	(34 479)	-	(458 711)	1 435 158
Water	38 033 900	3 386 073	-	-	3 808 197	-	45 228 170	(16 818 112)	28 331	-	(2 804 919)	-	(19 594 700)	25 633 470
Planning and development	8 830 074	185 412	-	-	39 193 772	-	48 209 258	(499 683)	-	-	(608 766)	-	(1 108 449)	47 100 809
Development	48 276	-	-	-	-	-	48 276	(46 411)	-	-	(175)	-	(46 586)	1 690
Information technology	8 181 750	586 348	(11 652)	-	-	-	8 756 446	(2 605 070)	4 500	-	(1 036 562)	-	(3 637 132)	5 119 314
	214 935 869	10 238 271	(728 145)	-	43 241 927	-	267 687 922	(108 555 310)	616 730	-	(12 131 753)	-	(120 070 333)	147 617 589

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West Coast District Municipality
Appendix D
June 2024

Segmental Statement of Financial Performance for the year ended

30 June 2023				30 June 2024		
Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand		Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand
			Municipality			
4 850 440	18 352 689	(13 502 249)	Executive & Council/Mayor and Council	3 274 942	27 839 112	(24 564 170)
144 721 992	28 344 691	116 377 301	Finance & Admin/Finance	122 264 711	20 346 921	101 917 790
2 640 662	8 068 041	(5 427 379)	Planning and Development/Economic Development/Plan	91 595	3 598 132	(3 506 537)
13 783 078	29 518 473	(15 735 395)	Health/Clinics	13 871 140	29 964 649	(16 093 509)
54 612	3 725 610	(3 670 998)	Comm. & Social/Libraries and archives	199 916	4 324 727	(4 124 811)
3 130 329	2 323 313	807 016	Housing	3 673 903	2 467 772	1 206 131
13 658 930	48 001 207	(34 342 277)	Public Safety/Police	15 578 705	54 692 020	(39 113 315)
4 745 549	7 664 176	(2 918 627)	Sport and Recreation	5 452 299	6 911 255	(1 458 956)
232 413 117	232 413 117	-	Road Transport/Roads	224 370 987	224 427 378	(56 391)
132 817 311	133 624 327	(807 016)	Water/Water Distribution	142 378 192	144 553 644	(2 175 452)
552 816 020	**512 035 644**	**40 780 376**		**531 156 390**	**519 125 610**	**12 030 780**

West Coast District Municipality
Appendix E (1)
June 2024

Schedule of external loans as at 30 June 2024

	Loan Number	Redeemable	Balance at 30 June 2023 Rand	New loan during the period Rand	Redeemed written off during the period Rand	Balance at 30 June 2024 Rand	Interest paid during the period Rand	Other Costs in accordance with the MFMA Rand
External loans								
Development Bank of South Africa - DBSA	1	30/06/2044	-	46 893 276	-	46 893 276	64 957	-
			-	**46 893 276**	**-**	**46 893 276**	**64 957**	**-**

West Coast District Municipality
Appendix E(2)
June 2024

Budget Analysis of Capital Expenditure as at 30 June 2024

	Additions	Revised Budget	Variance	Variance	Explanation of significant variances from budget
	Rand	Rand	Rand	%	
Municipality					
Executive & Council/Mayor and Council	46 494	520 000	473 506	91	Less expenditure due to savings and the implementation of cost containment on projects..
Finance & Admin/Finance	1 824 065	4 943 500	3 119 435	63	Less expenditure due to savings and the implementation of cost containment on projects.
Planning and Development/Economic Development/Plan	-	31 197 000	31 197 000	100	Less expenditure due to savings and the implementation of cost containment on projects.
Health	421 370	966 500	545 130	56	Less expenditure due to savings and the implementation of cost containment on projects.
Disaster Management	732 077	850 000	117 923	14	Less expenditure due to savings and the implementation of cost containment on projects.
Public Safety	3 421 038	2 081 000	(1 340 038)	(64)	The municipality spent more per the sub-vote but the expenditure was within the municipal budget vote allocated to the department administration.
Sport and Recreation	417 505	2 700 000	2 282 495	85	Less expenditure due to savings and the implementation of cost containment on projects.
Landfill	40 967 703	102 080 000	61 112 297	60	Less expenditure due to savings and the implementation of cost containment on projects
Water/Water Distribution	5 552 702	4 000 000	(1 552 702)	(39)	The municipality spent more per the sub-vote but the expenditure was within the municipal budget vote allocated to the department of technical services.
	53 382 954	**149 338 000**	**95 955 046**	**64**	

West Coast District Municipality
Appendix F
Disclosures of Grants and Subsidies in terms of Section 123 MFMA, 56 of 2003
June 2024

Name of Grants	**Quarterly Receipts**					**Quarterly Expenditure**					**Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act**
	Jun	**Sep**	**Dec**	**Mar**	**Jun**	**Jun**	**Sep**	**Dec**	**Mar**	**Jun**	**Yes/ No**
EPWP Grant	-	311 000	558 000	373 000	-	150 409	254 284	366 716	386 088	234 912	Yes
FMG Grant	-	1 000 000	-	-	-	643 850	120 918	299 082	(65 602)	645 602	Yes
Rural Roads management	-	-	-	-	2 718 000	1 323 898	-	-	-	2 310 300	Yes
Working for Water	205 083	-	-	-	-	145 500	-	-	-	-	Yes
CDW Grant	-	-	76 000	-	-	83 018	-	-	-	91 594	Yes
Co-ordination and Model	200 000	-	-	-	-	-	-	-	-	-	Yes
Provincial : LG internship	-	-	-	200 000	-	223 833	-	-	-	-	Yes
Provincia Government	-	-	-	-	2 900 000	200 000	-	-	-	2 920 268	Yes
Provincial Government - Joint District Metro Approach	1 000 000	-	-	-	-	1 820 000	-	-	-	-	Yes
Fire services	-	-	-	-	1 426 000	-	-	-	-	911 778	Yes
Road Infrastructure	1 900 000	-	-	-	-	1 900 000	-	-	-	-	Yes
WSOA	-	-	-	-	1 160 000	1 098 985	-	-	-	1 571 790	Yes
Provincial Government - Financial Management	200 000	-	-	-	400 000	-	-	-	-	200 000	Yes
	3 505 083	1 311 000	634 000	573 000	8 604 000	7 589 493	375 202	665 798	320 486	8 886 244	

Unaudited schedule: Appendix G

Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Description R thousand	2023/2024 Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	2022/2023 Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Revenue - Standard															
Governance and administration	138 428	5 403	143 831	–	–	143 831	124 207	–	(19 624)	86,36	89,73	–	–	–	149 572
Executive and council	1 560	1 000	2 560	–	–	2 560	3 275	–	715	127,93	209,93	–	–	–	4 850
Budget and treasury office	136 868	4 403	141 271	–	–	141 271	120 918	–	(20 353)	85,59	88,35	–	–	–	144 712
Corporate services	–	–	–	–	–	–	14	–	14	-	-	–	–	–	10
Community and public safety	34 266	(863)	33 403	–	–	33 403	38 776	–	5 373	116,09	113,16	–	–	–	35 372
Community and social services	–	100	100	–	–	100	200	–	100	-	-	–	–	–	55
Sport and recreation	4 267	250	4 517	–	–	4 517	5 452	–	936	120,71	127,78	–	–	–	4 746
Public safety	16 370	(1 213)	15 157	–	–	15 157	15 579	–	422	102,79	95,17	–	–	–	13 659
Housing	–	–	–	–	–	–	3 674	–	3 674	-	-	–	–	–	3 130
Health	13 629	–	13 629	–	–	13 629	13 871	–	242	101,77	101,77	–	–	–	13 783
Economic and environmental services	185 710	53 816	239 526	–	–	239 526	224 463	–	(15 063)	93,71	120,87	–	–	–	235 054
Planning and development	361	16	377	–	–	377	92	–	(285)	24,32	25,37	–	–	–	2 641
Road transport	185 349	53 800	239 149	–	–	239 149	224 371	–	(14 778)	93,82	121,05	–	–	–	232 413
Environmental protection	–	–	–	–	–	–	–	–	–	-	-	–	–	–	–
Trading services	144 610	14 600	159 210	–	–	159 210	143 711	–	(15 498)	90,27	99,38	–	–	–	132 817
Electricity	–	–	–	–	–	–	–	–	–	-	-	–	–	–	–
Water	144 610	5 000	149 610	–	–	149 610	142 378	–	(7 231)	95,17	98,46	–	–	–	132 817
Waste water management	–	–	–	–	–	–	–	–	–	-	-	–	–	–	–
Waste management	–	9 600	9 600	–	–	9 600	1 333	–	(8 267)	13,89	-	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	-	-	–	–	–	–
Total Revenue - Standard	503 013	72 956	575 969	–	–	575 969	531 156	–	(44 812)	92,22	105,59	–	–	–	552 816
Expenditure - Standard															
Governance and administration	70 712	12 628	83 340	–	–	83 340	45 840	–	(37 501)	55,00	64,83	–	–	–	44 063
Executive and council	17 295	1 630	18 925	–	–	18 925	25 558	–	6 633	135,05	147,78	–	–	–	15 718
Budget and treasury office	50 955	10 213	61 169	–	–	61 169	16 186	–	(44 982)	26,46	31,77	–	–	–	20 277
Corporate services	2 462	785	3 247	–	–	3 247	4 096	–	849	126,14	166,36	–	–	–	8 068
Community and public safety	92 868	300	93 168	–	–	93 168	98 360	–	5 192	105,57	105,91	–	–	–	91 233
Community and social services	3 468	100	3 568	–	–	3 568	4 325	–	757	121,22	124,71	–	–	–	3 726
Sport and recreation	7 834	–	7 834	–	–	7 834	6 911	–	(922)	88,23	88,23	–	–	–	7 664
Public safety	49 855	–	49 855	–	–	49 855	54 692	–	4 837	109,70	109,70	–	–	–	48 001
Housing	–	–	–	–	–	–	2 468	–	2 468	-	-	–	–	–	2 323
Health	31 712	200	31 912	–	–	31 912	29 965	–	(1 948)	93,90	94,49	–	–	–	29 518
Economic and environmental services	195 121	54 216	249 336	–	–	249 336	228 026	–	(21 311)	91,45	116,86	–	–	–	240 463
Planning and development	9 772	416	10 187	–	–	10 187	3 598	–	(6 589)	35,32	36,82	–	–	–	8 049
Road transport	185 349	53 800	239 149	–	–	239 149	224 427	–	(14 722)	93,84	121,08	–	–	–	232 413
Environmental protection	–	–	–	–	–	–	–	–	–	-	-	–	–	–	–
Trading services	144 434	14 600	159 034	–	–	159 034	144 619	–	(14 415)	90,94	100,13	–	–	–	133 643
Electricity	–	–	–	–	–	–	–	–	–	-	-	–	–	–	–
Water	144 430	5 000	149 430	–	–	149 430	144 554	–	(4 876)	96,74	100,09	–	–	–	133 624
Waste water management	–	–	–	–	–	–	–	–	–	-	-	–	–	–	–
Waste management	4	9 600	9 604	–	–	9 604	65	–	(9 539)	0,68	1 558,45	–	–	–	19
Other	3 240	–	3 240	–	–	3 240	2 281	–	(958)	70,42	70,42	–	–	–	2 635
Total Expenditure - Standard	506 374	81 744	588 118	–	–	588 118	519 126	–	(68 993)	88,27	102,52	–	–	–	512 036
Surplus/(Deficit) for the year	(3 361)	(8 788)	(12 150)			(12 150)	12 031		24 180						40 780

Unaudited schedule: Appendix G

Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2023/2024											2022/2023			
R thousand	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Revenue by Vote															
Vote 1- EXECUTIVE AND COUNCIL	1 851	1 016	2 866	–	–	2 866	3 367	–	500	117,46	181,92	–	–	–	6 057
Vote 2 - FINANCE	135 769	4 653	140 422	–	–	140 422	120 019	–	(20 403)	85,47	88,40	–	–	–	146 853
Vote 3 - ADMINISTRATION	30 107	(1 113)	28 994	–	–	28 994	29 636	–	642	102,21	98,44	–	–	–	27 507
Voe 4 - TECHNICAL	152 655	14 600	167 255	–	–	167 255	153 764	–	(13 491)	91,93	100,73	–	–	–	142 693
Vote 5 - AGENCIES	182 631	53 800	236 431	–	–	236 431	224 371	–	(12 060)	94,90	122,85	–	–	–	229 706
Vote 6 - [NAME OF VOTE 6]															
Vote 7 - [NAME OF VOTE 7]															
Vote 8 - [NAME OF VOTE 8]															
Vote 9 - [NAME OF VOTE 9]															
Vote 10 - [NAME OF VOTE 10]															
Vote 11 - [NAME OF VOTE 11]															
Vote 12 - [NAME OF VOTE 12]															
Vote 13 - [NAME OF VOTE 13]															
Vote 14 - [NAME OF VOTE 14]															
Vote 15 - [NAME OF VOTE 15]															
Total Revenue by Vote	503 013	72 956	575 969	–	–	575 969	531 156	–	(44 812)	92,22	105,59	–	–	–	552 816
Expenditure by Vote ***to be appropriated***															
Vote 1- EXECUTIVE AND COUNCIL	36 917	6 386	43 303	–	–	43 303	31 612	–	(11 691)	73,00	85,63	–	–	–	32 143
Vote 2 - FINANCE	37 754	4 458	42 212	–	–	42 212	39 141	–	(3 071)	92,72	103,67	–	–	–	25 884
Vote 3 - ADMINISTRATION	93 013	2 100	95 113	–	–	95 113	70 994	–	(24 120)	74,64	76,33	–	–	–	89 313
Voe 4 - TECHNICAL	156 059	15 000	171 059	–	–	171 059	152 952	–	(18 107)	89,41	98,01	–	–	–	134 990
Vote 5 - AGENCIES	182 631	53 800	236 431	–	–	236 431	224 427	–	(12 004)	94,92	122,89	–	–	–	229 706
Vote 6 - [NAME OF VOTE 6]															
Vote 7 - [NAME OF VOTE 7]															
Vote 8 - [NAME OF VOTE 8]															
Vote 9 - [NAME OF VOTE 9]															
Vote 10 - [NAME OF VOTE 10]															
Vote 11 - [NAME OF VOTE 11]															
Vote 12 - [NAME OF VOTE 12]															
Vote 13 - [NAME OF VOTE 13]															
Vote 14 - [NAME OF VOTE 14]															
Vote 15 - [NAME OF VOTE 15]															
Total Expenditure by Vote	506 374	81 744	588 118	–	–	588 118	519 126	–	(68 993)	88,27	102,52	–	–	–	512 036
Surplus/(Deficit) for the year	(3 361)	(8 788)	(12 150)	–	–	(12 150)	12 031	–	24 180	0	0	–	–	–	40 780

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Unaudited schedule: Appendix G

Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2023/2024											2022/2023			
R thousand	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Revenue By Source															
Property rates	–	–	–	–	–	–	–	–	–	-	-	–	–	–	–
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–	-	-	–	–	–	–
Service concession - electricity revenue	1 238	–	1 238	–	–	1 238	1 574	–	336	127,15	127,15	–	–	–	1 254
Service concession - water revenue	144 676	5 000	149 676	–	–	149 676	142 446	–	(7 230)	95,17	98,46	–	–	–	137 919
Service concession - sanitation revenue	119	–	119	–	–	119	82	–	(37)	69,07	69,07	–	–	–	108
Service concession - refuse revenue	84	–	84	–	–	84	83	–	(2)	98,04	98,04	–	–	–	78
Service concession - other	–	–	–	–	–	–	–	–	–	-	-	–	–	–	–
Rental of facilities and equipment	3 749	–	3 749	–	–	3 749	5 452	–	1 703	145,43	145,43	–	–	–	4 746
Interest earned - external investments	14 942	500	15 442	–	–	15 442	27 132	–	11 690	175,70	181,58	–	–	–	24 602
Interest earned - outstanding debtors	178	–	178	–	–	178	91	–	(87)	51,04	51,04	–	–	–	80
Actuarial gains recognised Employee Benefits	–	–	–	–	–	–	–	–	–	-	-	–	–	–	–
Fines	–	–	–	–	–	–	–	–	–	-	-	–	–	–	–
Licences and permits	258	–	258	–	–	258	407	–	149	157,72	157,72	–	–	–	342
Agency services	182 595	53 800	236 395	–	–	236 395	214 687	–	(21 708)	90,82	117,58	–	–	–	249 518
Transfers recognised - operational	32 431	716	33 147	–	–	33 147	35 549	–	2 402	107,25	109,61	–	–	–	37 236
Other revenue	122 743	11 114	133 857	–	–	133 857	103 654	–	(30 203)	77,44	84,45	–	–	–	96 935
Gains on disposal of PPE	–	–	–	–	–	–	–	–	–	-	-	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	**503 013**	**71 130**	**574 143**	–	–	**574 143**	**531 156**	–	**(42 986)**	**92,51**	**105,59**	–	–	–	**552 816**
Expenditure By Type															
Employee related costs	242 905	8 170	251 075	–	–	251 075	242 065	–	(9 011)	96,41	99,65	–	–	–	226 480
Remuneration of councillors	7 595	–	7 595	–	–	7 595	6 829	–	(767)	89,91	89,91	–	–	–	7 594
Debt impairment	1 970	–	1 970	–	–	1 970	1 448	–	(522)	73,51	73,51	–	–	–	999
Depreciation & asset impairment	11 238	–	11 238	–	–	11 238	12 132	–	894	107,95	107,95	–	–	–	10 121
Finance charges	–	9 600	9 600	–	–	9 600	65	–	(9 535)	0,68	-	–	–	–	65
Bulk purchases	–	–	–	–	–	–	–	–	–	-	-	–	–	–	–
Other materials	76 841	27 973	104 814	–	–	104 814	48 907	–	(55 906)	46,66	63,65	–	–	–	86 189
Contracted services	–	–	–	–	–	–	–	–	–	-	-	–	–	–	72 631
Transfers and grants	853	1 624	2 476	–	–	2 476	832	–	(1 645)	33,58	97,53	–	–	–	2 094
Other expenditure	163 245	34 377	197 622	–	–	197 622	206 764	–	9 143	104,63	126,66	–	–	–	105 797
Loss on disposal of PPE	1 727	–	1 727	–	–	1 727	84	–	(1 644)	4,84	4,84	–	–	–	65
Total Expenditure	**506 374**	**81 744**	**588 118**	–	–	**588 118**	**519 126**	–	**(68 993)**	**88,27**	**102,52**	–	–	–	**512 036**
Surplus/(Deficit)	(3 361)	(10 614)	(13 976)	–	–	(13 976)	12 031	–	26 006	(86,08)	(357,93)	–	–	–	40 780
Transfers recognised - capital	–	1 826	1 826	–	–	1 826	–	–	(1 826)	-	-	–	–	–	–
Contributions recognised - capital	–	–	–	–	–	–	–	–	–	-	-	–	–	–	–
Contributed assets	–	–	–	–	–	–	–	–	–	-	-	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(3 361)	(8 788)	(12 150)	–	–	(12 150)	12 031	–	24 180	(99,02)	(357,93)	–	–	–	40 780
Taxation	–	–	–	–	–	–	–	–	–			–	–	–	–
Surplus/(Deficit) after taxation	(3 361)	(8 788)	(12 150)	–	–	(12 150)	12 031	–	24 180	(99,02)	(357,93)	–	–	–	40 780
Attributable to minorities	–	–	–	–	–	–	–	–	–			–	–	–	–
Surplus/(Deficit) attributable to municipality	(3 361)	(8 788)	(12 150)	–	–	(12 150)	12 031	–	24 180	(99,02)	(357,93)	–	–	–	40 780
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–			–	–	–	–
Surplus/(Deficit) for the year	(3 361)	(8 788)	(12 150)	–	–	(12 150)	12 031	–	24 180	(99,02)	(357,93)	–	–	–	40 780

Unaudited schedule: Appendix G

Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	2023/2024											2022/2023			
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Capital expenditure - Vote															
Multi-year expenditure															
Vote 1 - EXECUTIVE AND COUNCIL	–	–	–	–	–	–	–	–	–			–	–	–	1 272
Vote 2 - FINANCE	1 900	3 300	5 200	–	–	5 200	2 095	–	(3 105)	40,30	110,28	–	–	–	1 583
Vote 3 - ADMINISTRATION	1 424	995	2 419	–	–	2 419	4 721	–	2 302	195,15	331,51	–	–	–	4 274
Voe 4 - TECHNICAL	31 900	104 562	136 462	–	–	136 462	40 958	–	(95 494)	30,02	128,43	–	–	–	10 037
Vote 5 - AGENCIES	–	–	–	–	–	–	–	–	–			–	–	–	–
Vote 6 - [NAME OF VOTE 6]	–	–	–	–	–	–	–	–	–			–	–	–	–
Vote 7 - [NAME OF VOTE 7]	–	–	–	–	–	–	–	–	–			–	–	–	–
Vote 8 - [NAME OF VOTE 8]	–	–	–	–	–	–	–	–	–			–	–	–	–
Vote 9 - [NAME OF VOTE 9]	–	–	–	–	–	–	–	–	–			–	–	–	–
Vote 10 - [NAME OF VOTE 10]	–	–	–	–	–	–	–	–	–			–	–	–	–
Vote 11 - [NAME OF VOTE 11]	–	–	–	–	–	–	–	–	–			–	–	–	–
Vote 12 - [NAME OF VOTE 12]	–	–	–	–	–	–	–	–	–			–	–	–	–
Vote 13 - [NAME OF VOTE 13]	–	–	–	–	–	–	–	–	–			–	–	–	–
Vote 14 - [NAME OF VOTE 14]	–	–	–	–	–	–	–	–	–			–	–	–	–
Vote 15 - [NAME OF VOTE 15]	–	–	–	–	–	–	–	–	–	-	-	–	–	–	–
Capital multi-year expenditure sub-total	35 224	108 857	144 081	–	–	144 081	47 784	–	(96 297)	0	1	–	–	–	17 166
Single-year expenditure															
Vote 1 - EXECUTIVE AND COUNCIL	185	700	885	–	–	885	46	–	(839)	5,25	25,13	–	–	–	244
Vote 2 - FINANCE	650	–	650	–	–	650	–	–	(650)	-		–	–	–	1 161
Vote 3 - ADMINISTRATION	1 691	1 281	2 972	–	–	2 972	–	–	(2 972)	-		–	–	–	560
Voe 4 - TECHNICAL	750	–	750	–	–	750	5 553	–	4 803	740,36	740,36	–	–	–	343
Vote 5 - AGENCIES	–	–	–	–	–	–	–	–	–			–	–	–	–
Vote 6 - [NAME OF VOTE 6]	–	–	–	–	–	–	–	–	–			–	–	–	–
Vote 7 - [NAME OF VOTE 7]	–	–	–	–	–	–	–	–	–			–	–	–	–
Vote 8 - [NAME OF VOTE 8]	–	–	–	–	–	–	–	–	–			–	–	–	–
Vote 9 - [NAME OF VOTE 9]	–	–	–	–	–	–	–	–	–			–	–	–	–
Vote 10 - [NAME OF VOTE 10]	–	–	–	–	–	–	–	–	–			–	–	–	–
Vote 11 - [NAME OF VOTE 11]	–	–	–	–	–	–	–	–	–			–	–	–	–
Vote 12 - [NAME OF VOTE 12]	–	–	–	–	–	–	–	–	–			–	–	–	–
Vote 13 - [NAME OF VOTE 13]	–	–	–	–	–	–	–	–	–			–	–	–	–
Vote 14 - [NAME OF VOTE 14]	–	–	–	–	–	–	–	–	–			–	–	–	–
Vote 15 - [NAME OF VOTE 15]	–	–	–	–	–	–	–	–	–		-	–	–	–	–
Capital single-year expenditure sub-total	3 276	1 981	5 257	–	–	5 257	5 599	–	342	106,51	170,92				2 307
Total Capital Expenditure - Vote	38 500	110 838	149 338	–	–	149 338	53 383	–	(95 955)	35,75	138,66	–	–	–	19 473
Capital Expenditure - Standard															
Governance and administration	3 019	2 445	5 464	–	–	5 464	1 871	–	(3 739)	34,24	61,97	–	–	–	3 367
Executive and council	120	400	520	–	–	520	46	–	(474)	8,94	38,75	–	–	–	1 719
Budget and treasury office	2 899	2 045	4 944	–	–	4 944	1 678	–	(3 266)	33,94	57,89	–	–	–	1 648
Corporate services	–	–	–	–	–	–	146	–	–			–	–	–	–
Community and public safety	2 767	3 831	6 598	–	–	6 598	4 992	–	(1 606)	75,66	180,44	–	–	–	5 726
Community and social services	850	–	850	–	–	850	732	–	(118)	86,13	86,13	–	–	–	546
Sport and recreation	1 000	1 700	2 700	–	–	2 700	418	–	(2 282)	15,46	41,75	–	–	–	1 245
Public safety	800	1 281	2 081	–	–	2 081	3 421	–	1 340	164,39	427,63	–	–	–	3 760
Housing	–	–	–	–	–	–	–	–	–	-		–	–	–	–
Health	117	850	967	–	–	967	421	–	(545)	43,60	361,69	–	–	–	176
Economic and environmental services	28 715	2 482	31 197	–	–	31 197	–	–	(31 197)	-	-	–	–	–	3 619
Planning and development	28 715	2 482	31 197	–	–	31 197	–	–	(31 197)			–	–	–	3 619
Road transport	–	–	–	–	–	–	–	–	–			–	–	–	–
Environmental protection	–	–	–	–	–	–	–	–	–			–	–	–	–
Trading services	4 000	102 080	106 080	–	–	106 080	46 520	–	(59 560)	43,85	1 163,01	–	–	–	6 761
Electricity	–	–	–	–	–	–	–	–	–	-		–	–	–	–
Water	4 000	–	4 000	–	–	4 000	5 553	–	1 553	138,82	138,82	–	–	–	6 292
Waste water management	–	–	–	–	–	–	–	–	–			–	–	–	–
Waste management	–	102 080	102 080	–	–	102 080	40 968	–	(61 112)	40,13	-	–	–	–	469
Other	–	–	–	–	–	–	–	–	–			–	–	–	–
Total Capital Expenditure - Standard	38 500	110 838	149 338	–	–	149 338	53 383	–	(96 101)	35,75	138,66	–	–	–	19 473
Funded by:															
National Government	–	–	–	–	–		–	–	–		-	–	–	–	–
Provincial Government	–	–	–	–	–	–	–	–	–		-	–	–	–	–
District Municipality	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other transfers and grants	–		–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	–	–	–	–	–	–	–	–	–	-	-	–	–	–	–
Public contributions & donations	–	–	–	–	–	–	–	–	–	-	-	–	–	–	–
Borrowing	–	100 000	100 000	–	–	100 000	41 033	–	(58 967)	41,03	-	–	–	–	–
Internally generated funds	38 500	9 012	47 512	–	–	47 512	12 350	–	(35 162)	25,99	32,08	–	–	–	19 473
Total Capital Funding	38 500	109 012	147 512	–	–	147 512	53 383	–	(94 129)	36,19	138,66	–	–	–	19 473

Unaudited schedule: Appendix G
Reconciliation of Table A7 Budgeted Cash Flows

Description R thousand	2023/2024 Original Budget	Budget Adjustments (i.t.o. s28)	Final adjustments budget	Final Budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	2022/2023 Restated Audited Outcome
	1	2	3	6	7	9	10	11	12
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Service concession revenue	146 118	5 000	151 118	151 118	144 185	(6 933)	95,41	98,68	139 358
Government - operating	32 431	700	33 131	33 131	35 549	2 418	107,30	109,61	37 236
Government - capital	–	400	400	400	–	(400)	-	-	–
Other revenue	309 345	64 914	374 258	374 258	285 211	(89 047)	76,21	92,20	357 331
Interest	15 120	500	15 620	15 620	27 132	11 512	–	–	24 602
Dividends	–	–	–	–	–	–	–	–	–
Payments	–	–	–		–				–
Suppliers and employees	(480 924)	(1 116)	(482 040)	(482 040)	(466 265)	15 774	96,73	96,95	(521 315)
Finance charges	(290)	–	(290)	(290)	(65)	225	22,37	22,37	(65)
Transfers and Grants	(853)	–	(853)	(853)	(832)	21	97,53	97,53	(2 094)
CASH FROM/(USED) OPERATING ACTIVITIES	**20 946**	**70 398**	**91 344**	**91 344**	**24 915**	**(66 429)**	**27,28**	**118,95**	**35 052**
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	–	–	–	–	28	–	–	–	–
Decrease (Increase) in non-current debtors		–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables	–	–	–	–	–	–		-	1 500
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–
Payments			–						
Capital assets	(38 500)	(110 838)	(149 338)	(149 338)	(53 383)	95 955	35,75	138,66	(19 468)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(38 500)**	**(110 838)**	**(149 338)**	**(149 338)**	**(53 355)**	**95 955**	**35,73**	**138,58**	**(17 968)**
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	–	–	–		–	-	–	
Borrowing long term/refinancing	–	–	100 000	100 000	46 958	(53 042)	46,96	-	–
Increase (decrease) in consumer deposits	–	–	–	–		–	-	–	
Payments							-		
Repayment of borrowing	–	–	–	–	–	–	-		(1 500)
Finance lease payments	–	–	–	–	–	–		-	–
NET CASH FROM/(USED) FINANCING ACTIVITIES	–	–	**100 000**	**100 000**	**46 958**	**(53 042)**	-		**(1 500)**
NET INCREASE/ (DECREASE) IN CASH HELD	(17 554)	(40 440)	42 006	42 006	18 518	(23 488)	44,08	–	15 585
Cash/cash equivalents at the year begin:	354 291	–	354 291	–	344 329	344 329	–	–	328 744
Cash/cash equivalents at the year end:	336 737	(40 440)	396 298	42 006	362 847	320 841	–	–	344 329