



ANNUAL FINANCIAL STATEMENTS

30 JUNE 2010



CAPE WINELANDS DISTRICT
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

VISION - Growing, Sharing, Delivering and Innovating Together

MISSION - The Cape Winelands District Municipality, in partnership with its citizens and stakeholders, commit themselves to inclusive, informed and responsible governance where sustainable service delivery and development create opportunities for all

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

General Information

Mayoral committee

Executive Mayor

Cllr. B.J. CHAABAN (Executive Mayor from 02/07/2009)

Cllr. C.W. JOHNSON (Up to 01/06/2009)

Cllr. C.C.BRINK

Cllr. C.G. DU PLESSIS

Cllr. Z.J. MTHINI

Cllr. S. SWANGAZA

Cllr. N.D. HANI (Speaker)

Cllr. E.N. BUSHWANA

Cllr. M.M. Smith

Councillors

Ald. (Dr.) N.E. KAHLBERG

Ald. D.J. OOSTHUIZEN

Cllr. A.M. DU TOIT

Cllr. A.N. MHLAMBENI

Cllr. C. DU PLESSIS

Cllr. C. PHILANDER

Cllr. C.A. DE BRUYN

Cllr. E.J. VAN ZYL

Cllr. H.J. SMIT

Cllr. H.M. JANSEN

Cllr. J. THOMAS

Cllr. J.F. NEL (Up to 27 August 2009)

Cllr. J.I.K. GAGIANO

Cllr. J.J. ABRAHAMS

Cllr. L. RICHARDS

Cllr. L. SIWAKAMISA

Cllr. L.N. MBESHU

Cllr. G.J. CARINUS

Cllr. P.B.B. DU TOIT

Cllr. P.W. BISCOMBE

Cllr. C. DAMENS

Cllr. R. BRAND

Cllr. S. GELDENHUYS

Cllr. S. ROSS

Cllr. S.W. VAN EEDEN

Cllr. J.R.F. TORR (From 28 August 2009)

Cllr. A. TITUS

Cllr. B.E. VOS

Grading of local authority

GRADE 9

Accounting Officer

M MGAJO

Chief Finance Officer (CFO)

J. G. MARAIS

Registered office

46 ALEXANDER STREET
STELLENBOSCH
7600

Business address

46 ALEXANDER STREET
STELLENBOSCH
7600

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

General Information

Postal address

P.O. BOX 100
STELLENBOSCH
7599

Bankers

ABSA

Auditors

AUDITOR GENERAL

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Index

Index	Page
Accounting Officer's Responsibilities and Approval	5
Statement of Financial Position	6
Statement of Financial Performance	7
Statement of Changes in Net Assets	8
Cash Flow Statement	9
Accounting Policies	10 - 20
Notes to the Annual Financial Statements	21 - 52
Appendixes:	
Appendix A: Schedule of External loans	53
Appendix B: Analysis of Property, Plant and Equipment	54
Appendix C: Segmental analysis of Property, Plant and Equipment	58
Appendix D: Segmental Statement of Financial Performance	59
Appendix E(1): Actual versus Budget (Revenue and Expenditure)	60
Appendix E(2): Actual versus Budget (Acquisition of Property, Plant and Equipment)	61
Appendix F: Disclosure of Grants and Subsidies in terms of the Municipal Finance Management Act	64
Appendix G: Deviations from Supply Chain Management Regulation	65
Appendix H: Financial Commitments	67
Appendix I: Busarries to Related Parties	68
Appendix J: List of irregular expenditure	74
Appendix K: Non- current assets held for sale	75

Abbreviations

COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Index

IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Accounting Officer's Responsibilities and Approval

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

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practices (GRAP).

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

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

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

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2011 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The municipality is wholly dependent on the government grants for continued funding of operations. The annual financial statements are prepared on the basis that the municipality is a going concern and that the government has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements will be examined by the municipality's external auditors.

The annual financial statements set out on pages 5 to 52, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2010 and were signed on its behalf by:

Accounting Officer

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Statement of Financial Position

Figures in Rand	Note(s)	2010	2009
Assets			
Current Assets			
Inventories	8	1 730 301	1 551 426
Other financial assets	5	-	41 241
Other Receivables	9	13 567 972	10 688 279
VAT receivable		5 416 351	3 548 097
Consumer debtors	10	1 564 616	628 347
Cash and cash equivalents	11	349 251 371	351 387 867
		371 530 611	367 845 257
Non-Current Assets			
Property, plant and equipment	4	175 255 740	172 795 575
Non-current assets held for sale and assets of disposal groups	12	345 237	-
Non-Current Assets		175 255 740	172 795 575
Current Assets		371 530 611	367 845 257
Non-current assets held for sale (and) (assets of disposal groups)		345 237	-
Total Assets		547 131 588	540 640 832
Liabilities			
Current Liabilities			
Finance lease obligation	15	156 267	175 632
Trade and other payables from exchange transaction	19	24 070 670	14 180 698
Liabilities relating to conditional grants	16	7 674 968	9 014 373
Medical Aid Liability	17	12 209 000	10 843 000
		44 110 905	34 213 703
Non-Current Liabilities			
Finance lease obligation	15	127 317	111 796
Medical Aid Liability	17	92 546 300	81 591 945
Pension Obligation	18	3 487 548	3 703 195
		96 161 165	85 406 936
Non-Current Liabilities		96 161 165	85 406 936
Current Liabilities		44 110 905	34 213 703
Liabilities of disposal groups		-	-
Total Liabilities		140 272 070	119 620 639
Assets		547 131 588	540 640 832
Liabilities		(140 272 070)	(119 620 639)
Net Assets		406 859 518	421 020 193
Net Assets			
Revaluation reserve	13	118 268 290	120 815 895
Accumulated surplus	14	288 591 228	300 204 298

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Statement of Financial Performance

Figures in Rand	Note(s)	2010	2009
Revenue			
Property rates	23	395 666	926 987
Service charges	24	823 955	1 327 935
Property rates - penalties imposed and collection charges		19 774	72 589
Rental of facilities and equipment		105 071	105 121
Interest received (trading)		32 752	4 625
Income from agency services		4 882 757	5 426 603
Government grants & subsidies	25	263 920 236	250 159 400
Contribution from Surplus		32 886 291	11 679 024
Deferred Income		-	4 431 882
Other income	42	8 413 955	7 791 732
Interest received - investment	30	30 556 854	45 638 005
Total Revenue		342 037 311	327 563 903
Expenditure			
Employee related costs	27	(96 539 864)	(80 924 544)
Remuneration of councillors	28	(7 062 975)	(6 140 707)
Medical Aid Liability	29	(3 046 000)	(2 752 000)
Depreciation and amortisation	31	(10 347 966)	(35 320 547)
Finance costs	32	(8 679 122)	(10 113 016)
Debt impairment		(278 905)	-
Repairs and maintenance		(57 314 542)	(67 458 263)
General Expenses	26	(133 606 780)	(107 221 175)
Total Expenditure		(316 876 154)	(309 930 252)
Gain or loss on disposal of assets and liabilities		35 599	-
Revenue		342 037 311	327 563 903
Expenditure		(316 876 154)	(309 930 252)
Other		35 599	-
Surplus for the year		25 196 756	17 633 651

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Accumulated surplus	Total net assets
Balance at 01 July 2008 (Restated)	101 882 386	269 961 994	371 844 380
Changes in net assets			
Surplus for the year	-	17 633 651	17 633 651
PPE purchased (CRR)	-	13 140 858	13 140 858
Offsetting of Depreciation	-	37 433 199	37 433 199
Other	-	(11 211 740)	(11 211 740)
Receipts to NDR	56 459 414	869 026	57 328 440
Grants used to purchase PPE	(37 525 905)	(4 356 873)	(41 882 778)
Prior Year Adjustments	-	(14 481 514)	(14 481 514)
Contributions from CRR	-	75 000 000	75 000 000
Cash Utilised (CRR)	-	(13 140 858)	(13 140 858)
Transfer to CRR	-	(75 000 000)	(75 000 000)
Actuarial Gain	-	4 356 555	4 356 555
Total changes	18 933 509	30 242 304	49 175 813
Balance at 01 July 2009	120 815 895	300 204 310	421 020 205
Changes in net assets			
Surplus for the year	-	25 196 756	25 196 756
Receipts to NDR	-	158 756	158 756
Transfer to Income Statement	(2 547 605)	(579 371)	(3 126 976)
Cash Utilised (CRR)	-	(7 028 845)	(7 028 845)
Actuarial Gain/ Loss	-	(4 355 530)	(4 355 530)
Transfer to CRR	-	7 028 845	7 028 845
Offsetting of Depreciation	-	3 126 976	3 126 976
Prior year adjustments	-	(812 338)	(812 338)
Capital Grants to purchase PPE	-	(158 756)	(158 756)
Other	-	(34 189 575)	(34 189 575)
Total changes	(2 547 605)	(11 613 082)	(14 160 687)
Balance at 30 June 2010	118 268 290	288 591 228	406 859 518
Note(s)	13		

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Cash Flow Statement

Figures in Rand	Note(s)	2010	2009
Cash flows from operating activities			
Receipts			
Grants		268 585 653	255 586 003
Interest income		30 556 854	45 638 005
Interest received (trading)		32 752	4 625
Other receipts		10 579 092	3 942 535
		<u>309 754 351</u>	<u>305 171 168</u>
Payments			
Employee costs		(96 510 211)	(80 924 544)
Suppliers		(200 793 777)	(174 792 651)
Finance costs		(8 647 931)	(3 914 117)
Other payments		(7 031 784)	(6 140 707)
		<u>(312 983 703)</u>	<u>(265 772 019)</u>
Total receipts		309 754 351	305 171 168
Total payments		(312 983 703)	(265 772 019)
Net cash flows from operating activities	34	(3 229 352)	39 399 149
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(14 174 370)	(17 158 847)
Proceeds from sale of property, plant and equipment	4	392 130	1 312 277
Proceeds from sale of financial assets		41 241	213 357
		<u>(13 740 999)</u>	<u>(15 633 213)</u>
Cash flows from financing activities			
Non Cash Transfers		3 288 179	-
Movement in pension obligation		12 104 708	(25 606)
Prior year movements		(523 997)	-
Finance lease payments		(35 035)	123 274
		<u>14 833 855</u>	<u>97 668</u>
Net increase/(decrease) in cash and cash equivalents		(2 136 496)	23 863 604
Cash and cash equivalents at the beginning of the year		351 387 867	327 524 263
Cash and cash equivalents at the end of the year	11	349 251 371	351 387 867

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board prescribed by the Minister of Finance in terms of Notices 991 and 992 in Government Gazette 28095 and notice 516 in Government Gazette 31021.

The standards are summarised as follows:

Standard of GRAP

GRAP 1	Presentation of financial statements
GRAP 2	Cash flow statements
GRAP 3	Accounting policies, changes in accounting estimates and errors
GRAP 4	The effects of changes in foreign exchange rates
GRAP 5	Borrowing Costs
GRAP 6	Consolidated and Separate financial statements.
GRAP 7	Investments in associates
GRAP 8	Investments in joint ventures
GRAP 9	Revenue from Exchange Transactions
GRAP 10	Financial Reporting in Hyperinflationary Economies
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events after Reporting Date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 100	Non-current Asset held for sale and discontinued operations
GRAP 101	Agriculture
GRAP 102	Intangible Assets

Accounting policies for material transactions, events or conditions not covered by the above GRAP standards have been developed in accordance with Paragraphs 7, 11 and 12 of GRAP 3. Where a standard of GRAP that has been issued by the Accounting Standards Board, but for which an effective date has not yet been determined by the Minister of Finance, accounting policies were developed based on the principles relevant GRAP standard.

In the process of applying the Municipality's accounting policies, management has made the following significant accounting judgments, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments – Municipality as lessor

When the Municipality has entered into commercial property leases on its investment property portfolio, the Municipality has determined that it retains all the significant risks and rewards of ownership of these properties based on the terms of the respective leases, and so accounts for them as operating leases.

Pension and other post-employment benefits

The cost of defined benefit pension plans and other employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Impairment of trade and other receivables

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

Property, plant and equipment

The useful lives of assets are based on management's estimation. Management considers the impact of technology,

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Accounting Policies

availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their useful lives, and what their condition will be at that time.

Provisions and contingent liabilities

Management judgement is required when recognising and measuring provisions, and when measuring contingent liabilities, as set out in Note 17. Provisions are discounted where the effect of discounting is material.

1.1 Going Concern Assumption

These annual financial statements are prepared on the going concern basis.

In finalising the financial statements, management must in terms of GRAP 1 disclose any material uncertainties related to events or conditions, which may cast significant doubt upon the organisation's ability to continue as a going concern. The determination whether the going concern assumption is appropriate is primarily relevant for individual entities rather than for a government as a whole.

The primary source of revenue for the Cape Winelands District Municipality is transfer payments from the National Government. The following National allocations were made to Cape Winelands District Municipality in respect of RSC Levy Replacement Grant. See note 24 at *:

2007/2008 Financial Year R143 203 000
2008/2009 Financial Year R161 122 430
2009/2010 Financial Year R177 491 000
2010/2011 Financial Year R182 783 000

The abovementioned allocations are sufficient for the sustainability of the District Municipality. An alternative source of income should be explored to reduce the dependency of the District Municipality on National funds.

1.2 Housing development fund

Housing Development Fund, it should be accounted for as set out below:

The Housing Development Fund was established in terms of the Housing Act (Act No. 107 of 1997

Sections 15(5) and 16 of the Housing Act, which came into operation on 1 April 1998, requires the municipality to maintain a separate housing operating account. This legislated separate operating account is known as the Housing Development Fund.

The Housing Act also requires in terms of Section 14(4)(d)(ii)(aa), read with, inter alia, Section 16(2), that the net proceeds of any letting, sale or alienation of property, previously financed from government housing funds, be paid into a separate operating account, and be utilised by the municipality for housing development in accordance with the National Housing Policy.

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

- The Housing Development Fund is cash backed, and invested in accordance with the investment policy of the municipality.
- The proceeds of this fund are to be utilised for housing development in accordance with the National Housing Policy, and also for housing development projects approved by the MEC for Housing.
- Any contributions to or from the fund are to be shown as transfers in the Statement of Changes in Net Assets.
- Interest earned on the investments of the fund is disclosed as interest earned in the Statement of Financial Performance.

1.3 Internal Reserves

Capital replacement reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred, for internal record keeping purposes, from the accumulated surplus/(deficit) to the CRR in terms of a Council resolution. A corresponding amount is transferred to a designated CRR bank. The cash in the designated CRR bank account can only be utilised to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus/(deficit) is credited by a corresponding amount when the amounts in the CRR are utilised.

- The cash which backs up the CRR is invested until it is utilised. The cash may only be invested in accordance

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Accounting Policies

1.3 Internal Reserves (continued)

with the investment policy of the municipality.

- Interest earned on the CRR investment is recorded as part of total interest earned in the Statement of Financial Performance, whereafter such interest may be transferred from accumulated surplus to CRR.
- The CRR may only be utilised for the purpose of purchasing items of property, plant and equipment for the municipality and may not be used for the maintenance of these items.
- The CRR is reduced and the accumulated surplus/(deficit) credited with corresponding amounts when the funds are utilised.
- If a gains or losses is made on the sale of assets the gains or losses on the sale of assets is reflected in the Statement of Financial Performance.
- The amounts transferred to the CRR is based on the municipality's need to finance future capital projects included in the Integrated Development Plan.

Government grant reserve

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/deficit to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/deficit. The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/deficit.

When an item of property, plant and equipment financed from government grants is disposed of the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus or deficit.

Donations and public contributions reserve

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/deficit to the Donations and Public Contributions Reserve equal to the donations and public contributions recorded as revenue in the Statement of Financial Performance in accordance with a directive issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Donations and Public Contributions Reserve to the accumulated surplus/deficit. The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions.

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Donations and Public Contributions Reserve relating to such item is transferred to the accumulated surplus/deficit.

Revaluation reserve

The surplus arising from the revaluation of property, plant and equipment is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/deficit. On disposal, the net revaluation surplus is transferred to the accumulated surplus or deficit while gains or losses on disposal, based on revalued amounts, are recognised in the Statement of Financial Performance.

1.4 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Where an asset is acquired at no cost or for nominal cost its cost is its fair value as the date of acquisition.

Heritage assets, which are culturally significant resources and are shown at cost, are not depreciated, owing to the uncertainty regarding their estimated useful lives.

- Heritage assets : Building in 46 Alexander street, was declared as an Provincial Heritage site on 8 September 1967.

Land is not depreciated.

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Accounting Policies

1.4 Property, plant and equipment (continued)

potential service delivery of the assets are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the originally assessed standard of performance, it is regarded as repairs and maintenance, and is recognised in surplus or deficit as incurred.

The gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value, and is included in surplus or deficit such items is derecognised.

Depreciation and impairment losses

Depreciation is calculated using the straight line method, over the estimated useful lives of the assets. The depreciation rates are based on the following estimated useful lives for the current and comparative years:

Item	Estimated useful life
Buildings	30-40
Specialist plant & equipment	10-15
Furniture and Fittings	5-10
Other vehicles	5-10
Office equipment & Air Conditioners	3-5
Other Plant & Equipment	5-10
Specialised vehicles	10-15

In the case of vehicles Depreciation is calculated on cost less residual values, using the straight line method, over the estimated useful lives of the assets. The Auto Dealers Guide was used to determine the following percentages for residual values:

Motor Cars	40%
LDV's	50%
Combi's	30%
Specialized Fire Vehicles	60%

Assets under construction are carried at cost. Depreciation of an asset commences when the asset is ready for its intended use. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or, where shorter, the term of the relevant lease.

Impairment of property, plant and equipment

Property, plant and equipment are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment charged to the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of impairment is recognised in the Statement of Financial Performance.

1.5 Investment property

Investment properties are properties held either to earn rental income, and for capital appreciation or both. Investment properties are measured at cost less accumulated depreciation. Investment properties are written down for impairment where considered necessary. Investment property excludes owner-occupied property that is used in the production or supply of goods or services, or for administrative purposes, or property held to provide a social service. When investment property is acquired at no cost or for nominal cost, its cost is its fair value as at the date of acquisition.

1.6 Intangible assets

An intangible asset is as an identifiable, non-monetary asset without physical substance, held for use in the production or supply of goods or services, for rental to others, or for administrative purposes.

The Municipality recognises computer development software costs as intangible assets if the costs are clearly associated with an identifiable and unique system controlled by the Municipality, and have a probable benefit exceeding one year. Direct costs include software development employee costs and an appropriate portion of relevant overheads.

Direct computer software development costs recognised as assets and are amortised on the straight-line basis over the useful lives of the assets estimated at three to five years.

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Accounting Policies

1.7 Non - current assets held for sale and disposal groups

Non-current assets and disposal groups are classified as held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition applies only when the sale is highly probable, and the asset (or disposal group) is available for immediate sale in its present condition. The municipality must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from date of classification.

1.8 Financial instruments

Classification

The municipality classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through surplus or deficit - held for trading
- Held-to-maturity investment
- Loans and receivables
- Available-for-sale financial assets

The classification depends on the purpose for which the financial asset is acquired, and is as follows:

Held-to-maturity investments are financial assets with fixed or determinable payments and fixed maturity, where the Municipality has the positive intent and ability to hold the investment to maturity. They are subsequently measured at amortised cost, using the effective interest rate method. Any adjustment is recorded in the Statement of Financial Performance in the period in which it arises.

Loans and receivables are financial assets that are created by providing money, goods or services directly to a debtor. They are subsequently measured at amortised cost, using the effective interest rate method. Any adjustment is recorded in the Statement of Financial Performance in the period in which it arises.

Available-for-sale financial assets are financial assets that are designated as available for sale, and are subsequently measured at fair value at Statement of Financial Position date, except for investments in equity instruments that do not have quoted market price in an active market, and whose fair value cannot be reliably measured, which shall be measured at cost. Any adjustment is recorded in the Statement of Financial Performance in the period in which it arises.

Held-for-trading financial assets include derivative financial instruments used by the Municipality to manage its exposure to fluctuations in interest rates attached to certain of its external borrowings interest swap agreements. Any fair value adjustment is recorded in the Statement of Financial Performance in the period in which it arises. To the extent that a derivative instrument has a maturity period of longer than a year, the fair value of these instruments will be reflected as a non-current asset or liability, and is subsequently measured at fair value at Statement of Financial Position date.

An assessment is performed at each Statement of Financial Position date to determine whether objective evidence exists that a financial asset is impaired. The carrying amounts of cash investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments. This reduction in carrying value is recognised in the Statement of Financial Performance.

Initial recognition and measurement

Transaction costs on financial instruments at fair value through surplus or deficit are recognised in profit or loss.

Financial instruments are recognised when the Municipality becomes a party to the contractual provisions of the instrument, and are initially measured at fair value plus, in the case of a financial asset or liability not at fair value through the Statement of Financial Performance, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. The subsequent measurement of financial instruments is dealt with as follows:

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred, and the Municipality has transferred substantially all risks and rewards of ownership, or when the enterprise loses control of contractual rights that comprise the assets. Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled or expire.

Trade and other receivable

Trade and other receivables are recognised initially at fair value, and subsequently stated at amortised cost, less provision

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Accounting Policies

1.8 Financial instruments (continued)

for impairment. An estimate is made for doubtful debt based on past default experience of all outstanding amounts at year-end. Bad debts are written off in the year in which they are identified as irrecoverable, subject to the approval of the necessary dedicated authority. Amounts receivable within 12 months from the date of reporting are classified as current.

A provision for impairment of trade receivables is established when there is objective evidence that the Municipality will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Interest is charged on overdue amounts.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand deposits held on call with banks and investment in financial instruments, net of bank overdrafts.

Bank overdrafts are recorded based on facility utilised. Finance charges on bank overdrafts are expensed as incurred.

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the municipality's accounting policy for borrowing costs.

Financial liabilities and equity instruments

The Municipality measures all financial liabilities, including trade and other payables, at amortised cost, using the effective interest method. Financial liabilities include borrowings, other non-current liabilities (excluding provisions) and trade and other payables (excluding provisions). Interest-bearing external loans and bank overdrafts are recorded net of direct issue costs. Finance charges, including premiums payable, are accounted for on an accrual basis.

1.9 Inventories

Inventories consist of raw materials, work in progress, consumables and finished goods, which are measured at the lower of cost, determined on the weighted average basis, and net realisable value, except for plants and compost, which are measured at the tariffs charged. Where inventories are held for distribution or consumption at no charge or for a nominal amount, inventories are measured at the lower of cost and current replacement cost. Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

Cost of inventories comprises all costs of purchase, cost of conversion, and other costs incurred in bringing the inventories to their present location and condition. Where inventories are acquired at no cost or for nominal consideration, the cost is deemed to be the fair value as at the date of acquisition.

Redundant and slow moving inventories are identified and written down to their estimated net realisable values. Consumables are written down according to their age, condition and utility.

1.10 Revenue Recognition

Revenue excluding value-added taxation where applicable is derived from a variety of sources which include rates levied in the District Management Area, Grants from other spheres of Government, RSC Levies and other services provided. Revenue is recognised when it is Probable that future Economic Benefits or Service potential will flow to the Municipality and these benefits can be measured reliably.

Revenue from exchange transaction

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Accounting Policies

1.10 Revenue Recognition (continued)

- The Regional Establishment Levy and Regional Services Levy are recognized at the time of receipt. Levies that must be recognised are calculated as a percentage of turnover and remuneration. RSC Levies have been abolished at June 2006, however legislation was issued to allow municipalities to recover all outstanding RSC Levies until June 2008.
- Revenue from rates in the DMA is recognised when the Legal Entitlement to this revenue arises. Rates are levied on the land and improvements value of property. The DMA has been transferred to certain local municipalities as determined by the Demarcation Board, therefore council will not account for Revenue from Rates as from the 01 July 2009.
- Income in respect of housing rental and instalments sales agreements is accrued monthly in terms of the agreement.
- Government grants and public contributions are recognised as revenue when all conditions associated with the grant have been met.
- Interest earned on unutilised conditional grants is allocated directly to the Statement of Financial Performance. Then the interest is allocated to the creditor: Unspent Conditional Grants, if the grant conditions indicate that interest is payable to the funder.
- Interest on outstanding debtors is recognised on a time proportionate basis and is charged on all outstanding debtors older than 30 days.
- Collection charges are recognized when such amounts are legally enforceable.
- Donations are recognized on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are brought into use.
- Revenue arising from the application of the approved tariff of charges is recognized when the relevant service is rendered by applying the relevant authorized tariff. This includes the issuing of licenses and permits.
- Various services are provided on a prepayment basis, in which case no formal billing takes place, and revenue is recognised when received.
- Revenue from the sale of goods is recognised when all the following conditions have been satisfied:
 - The Municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
 - The Municipality retains neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.
 - The amount of revenue can be measured reliably.
 - The costs incurred or to be incurred in respect of the transaction can be measured reliably.
- Prepaid electricity sold is only recognised as income once the related units are consumed.

Revenue from non-exchange transactions

- Donations are recognised on a cash receipt basis, or at fair value, or where the donation is in the form of property, plant and equipment, when the risks or rewards of ownership have transferred to the Municipality.
- Income from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No 56 of 2003), and is recognised when the recovery thereof from the responsible councillors or officials is probable.

1.11 Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amount, and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. Revenue and expenses have not been offset except when offsetting is required or permitted by a standard of GRAP.

1.12 Conditional Grants and receipts

Income received from conditional grants, donations and subsidies is recognised to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised and funds invested until it is utilised.

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

Grants and receipts of a revenue nature

Income is transferred to the Statement of Financial Performance as revenue to the extent that the criteria, conditions or

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Accounting Policies

1.12 Conditional Grants and receipts (continued)

obligations have been met.

Grants and receipts of a capital nature

Income is transferred to the Statement of Financial Performance to the extent that the criteria, conditions or obligations have been met.

1.13 Provisions and contingencies

A provision is recognised when the municipality has a present legal or constructive obligation as a result of a past event, and 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 amount of the obligation.

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

When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in the Statement of Financial Performance as a finance cost.

Provision for Performance Bonuses

The Municipality makes provision for bonuses payable owing to officials in terms of performance agreements.

Provision for Bonuses

Provision is made for unpaid bonuses payable to officials in their next bonus cycle prorated to the end of the financial year.

1.14 Environmental Rehabilitation Provisions

Estimated long-term environmental provisions, comprising rehabilitation and landfill site closure, are based on the Municipality's policy, taking into account current technological, environmental and regulatory requirements.

The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the asset, they are capitalised as part of the cost of those assets. Any subsequent changes to an obligation that do not relate to the initial related asset are charged to the Statement of Financial Performance.

1.15 Employee Benefits

Short-and long term employee benefits

The cost of all short-term employee benefits, such as leave pay, is recognised during the period in which the employee renders the related service. The municipality recognises the expected cost of performance bonuses only when the Municipality has a present legal or constructive obligation to make such payment, and a reliable estimate can be made.

The Municipality provides long-term incentives to eligible employees, payable on completion of years of employment. The Municipality's liability is based on an actuarial valuation. The projected unit credit method has been used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through the Statement of Financial Performance.

Post- retirement pension funds

Pension contributions in respect of employees who were not members of a pension fund are recognised as an expense when incurred. Staff provident funds are maintained to accommodate personnel who, due to age, cannot join or be part of the various pension funds. The Municipality contributes monthly to the funds.

These contributions are charged to the operating account when employees have rendered the service entitling them to the

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Accounting Policies

1.15 Employee Benefits (continued)

contribution. Actuarial valuation of the liability is performed on an annual basis. The projected unit credit method has been used to value the liabilities.

The liability in respect of current pensioners is regarded as fully accrued, and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the fair value of the obligation, together with adjustments for the unrecognised actuarial gains and losses, and past service costs.

Actuarial gains or losses are accounted for using the 'corridor method'. Actuarial gains and losses are eligible for recognition in the Statement of Financial Performance to the extent that they exceed 10% of the present value of the gross defined benefit obligations in the scheme. Actuarial gains and losses exceeding 10% are spread over the expected average remaining working lives of the employees participating in the scheme. Actuarial valuations are performed annually.

Medical aid: continued members

The Municipality provides retirement benefits for its employees and councillors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year they become payable.

Defined benefit plans are post-employment benefit plans other than defined contribution plans. The defined benefit funds, which are administered on a provincial basis, are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities. The contributions and lump sum payments are charged against income in the year they become payable.

Post retirement medical obligations

The Municipality provides post-retirement benefits by subsidising the medical aid contributions of certain retired staff. According to the rules of the medical aid funds with which the Municipality is associated, a member (who is on the current conditions of service) on retirement, is entitled to remain a continued member of such medical aid fund, in which case the member is liable for 30% of the medical aid membership fee, and the Municipality for the remaining 70%. Under an accrued rights position agreed to by Council, the age of internally appointed staff under the Municipality's new conditions of service determines, on a sliding-scale basis, the post-retirement subsidy for medical aid. External appointments do not qualify for a post-retirement medical aid subsidy.

These contributions are charged to the operating account when employees have rendered the service entitling them to the contribution. In addition, the Municipality will contribute annually for the next five years, with effect from 1 July 2003, towards funding the unrecognised transitional liability that was calculated by means of the projected unit credit actuarial valuation method.

The liability in respect of current pensioners is regarded as fully accrued, and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the fair value of the obligation, together with adjustments for the unrecognised actuarial gains and losses, and past service costs.

Actuarial gains or losses are accounted for using the 'corridor method'. Actuarial gains and losses are eligible for recognition in the Statement of Financial Performance to the extent that they exceed 10% of the present value of the gross defined benefit obligations in the scheme. Actuarial gains and losses exceeding 10% are spread over the expected average remaining working lives of the employees participating in the scheme. Actuarial valuations are performed annually.

1.16 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.

Finance leases – lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality.

Assets subject to finance lease agreements are capitalised at their cash cost equivalent, and the corresponding liabilities are raised. The cost of the assets is depreciated at appropriate rates on the straight-line basis over the estimated useful lives of

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Accounting Policies

1.16 Leases (continued)

the assets. Lease payments are allocated between the lease finance cost and the capital repayment, using the effective interest rate method. Lease finance costs are expensed when incurred.

Municipality as lessor

Operating lease revenue is recognised as an revenue on a straight-line basis over the lease term.

Operating leases – lessee

Operating leases are those leases that do not fall within the scope of the above definition. Payments made under operating leases are charged to the Statement of Financial Performance on a straight-line basis over the period of the lease.

1.17 Grants-In-Aid

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

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

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

1.18 Tax

The Municipality accounts for value-added tax on the payment basis.

1.19 Unauthorised expenditure

Unauthorised expenditure is expenditure that has not been budgeted for, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state, and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance, and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.20 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 municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance, and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.21 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain, and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance, and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.22 Translation of foreign currencies

Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the rate of exchange ruling on the date of the transaction. Trade creditors denominated in foreign currency are reported at balance sheet date by applying the exchange rate at that date. Exchange differences arising from the settlement of creditors, or on reporting of creditors at rates different from those at which they were initially recorded during the period, are recognised as income or as expenses in the period in which they arise. Council is considering the necessity to take out forward cover before entering into foreign exchange transactions in order to avoid possible losses due to fluctuation in exchange rates.

1.23 Borrowing costs

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Accounting Policies

1.23 Borrowing costs (continued)

Borrowing costs are capitalised against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalised over the period during which the asset is being acquired or constructed, and borrowings have been incurred. Capitalisation ceases when construction of the asset is complete. Further borrowing costs are charged to the Statement of Financial Performance.

1.24 Segmental Information

The principal segments have been identified on a primary basis by service operation and on a secondary basis by the classification of income and expenditure. The primary basis is representative of the internal structure for both budgeting and management purposes. The secondary basis classifies all operations based on the classification of income and expenditure.

1.25 Community Support

The Cape Winelands District Municipality annually awards grants to organisations in terms of section 67 of the MFMA. When making these transfers, Council does not:

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

These transfers are recognised in the financial statements as expenses in the period that the events giving rise to the transfer occurred.

In order to comply with the MFMA section 67(4)(a) a limit of R30 000 was approved by Council.

1.26 Comparative figures

Comparative figures are re-classified or restated as necessary to afford a proper and more meaningful comparison of results, as set out in the affected notes to the financial statements.

1.27 Non-current assets held for sale (and) (disposal groups)

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale (or disposal group) are measured at the lower of its carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in surplus or deficit.

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
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2. Changes in accounting policy

Council implemented GAMAP/ GRAP in 2004/2005. Since then no changes were made that had a material impact on the annual financial statements.

3. New standards and interpretations

3.1 Standards and interpretations effective and adopted in the current year

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

3.2 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2010 or later periods:

3.3 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2010 or later periods but are not relevant to its operations:

IFRIC 14 (AC 447) IAS 19 - The Limitation on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The interpretation addresses the limitation of a defined benefit asset in accordance with paragraph 58 of IAS 19 (AC 116) Employee Benefits. The interpretation provides guidance in the determination of the amount of economic benefits available in the form of refunds and reductions in future contributions, which will affect the maximum amount which may be measured as a defined benefit asset.

The effective date of the interpretation is for years beginning on or after 01 January 2011.

The municipality expects to adopt the interpretation for the first time in the 2012 annual financial statements.

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

GRAP 18: Segment Reporting

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

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

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

Directive 2 - Transitional provisions for public entities, municipal entities and constitutional institutions, states that no comparative segment information need to be presented on initial adoption of this Standard.

Directive 3 - Transitional provisions for high capacity municipalities states that no comparative segment information need to be presented on initial adoption of the Standard. Where items have not been recognised as a result of transitional provisions under the Standard of GRAP on Property, Plant and Equipment, recognition requirements of this Standard would not apply to such items until the transitional provision in that Standard expires.

Directive 4 - Transitional provisions for medium and low capacity municipalities states that no comparative segment information need to be presented on initial adoption of the Standard. Where items have not been recognised as a result of transitional provisions on the Standard of GRAP on Property, Plant and Equipment and the Standard of GRAP on

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

3. New standards and interpretations (continued)

Agriculture, the recognition requirements of the Standard would not apply to such items until the transitional provision in that standard expires.

The effective date of the standard is for years beginning on or after 01 July 2011.

The municipality has early adopted the standard for the first time in the 2012 annual financial statements.

The impact of the standard is set out in note 2 Changes in Accounting Policy.

GRAP 23: Revenue from Non-exchange Transactions

Revenue from non-exchange transactions arises when an entity receives value from another entity without directly giving approximately equal value in exchange. An asset acquired through a non-exchange transaction shall initially be measured at its fair value as at the date of acquisition.

This revenue will be measured at the amount of increase in net assets recognised by the municipality.

An inflow of resources from a non-exchange transaction recognised as an asset shall be recognised as revenue, except to the extent that a liability is recognised for the same inflow. As an entity 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 will reduce the carrying amount of the liability recognised as recognise an amount equal to that reduction.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 July 2009.

The municipality has adopted the standard for the first time in the 2010 annual financial statements.

The impact of the standard is set out in note 2 Changes in Accounting Policy.

GRAP 24: Presentation of Budget Information in the Financial Statements

Subject to the requirements of paragraph .19, an entity shall present a comparison of the budget amounts for which it is held publicly accountable and actual amounts either as a separate additional financial statement or as additional budget columns in the financial statements currently presented in accordance with Standards of GRAP. The comparison of budget and actual amounts shall present separately for each level of legislative oversight:

- the approved and final budget amounts;
- the actual amounts on a comparable basis; and
- by way of note disclosure, an explanation of material differences between the budget for which the entity is held publicly accountable and actual amounts, unless such explanation is included in other public documents issued in conjunction with the financial statements, and a cross reference to those documents is made in the notes.

Where an entity prepares its budget and annual financial statements on a comparable basis, it includes the comparison as an additional column in the primary annual financial statements. Where the budget and annual financial statements are not prepared on a comparable basis, a separate statement is prepared called the 'Statement of Comparison of Budget and Actual Amounts'. This statement compares the budget amounts with the amounts in the annual financial statements adjusted to be comparable to the budget.

A comparable basis means that the budget and annual financial statements:

- are prepared using the same basis of accounting i.e. either cash or accrual;
- include the same activities and entities;
- use the same classification system; and
- are prepared for the same period.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 July 2011.

The municipality expects to adopt the standard for the first time in the 2012 annual financial statements.

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

3. New standards and interpretations (continued)

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

GRAP 103: Heritage Assets

The full amount of revenue will be recognised at initial recognition. Assessing impairment is an event that takes place subsequently to initial recognition. Such impairment is an expense. Revenue is not reduced by this expense.

The effective date of the interpretation is for years beginning on or after 01 April 2009.

The municipality has adopted the interpretation for the first time in the 2010 annual financial statements.

The impact of the interpretation is set out in note 2 Changes in Accounting Policy.

GRAP 21: Impairment of non-cash-generating assets

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

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

An 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, an entity estimates the recoverable service amount of the asset.

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

- Depreciated replacement cost approach
- Restoration cost approach
- Service units approach

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.

An municipality assess 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, an entity estimates the recoverable service amount of that asset.

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.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2010.

The municipality has early adopted the standard for the first time in the 2010 annual financial statements.

The impact of the standard is set out in note 2 Changes in Accounting Policy.

GRAP 26: Impairment of cash-generating assets

Cash-generating assets are those assets held by an municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

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

An entity assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, an municipality estimates the recoverable amount of the asset. When estimating the value in use of an asset, an municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and an municipality applies the appropriate discount rate to those future cash flows.

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

3. New standards and interpretations (continued)

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.

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, an 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, an entity 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.

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.

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.

An municipality assess 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, an municipality estimates the recoverable amount of that asset.

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.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2010.

The municipality has early adopted the standard for the first time in the 2010 annual financial statements.

The impact of the standard is set out in note 2 Changes in Accounting Policy.

GRAP 25: Employee benefits

The objective of GRAP25 is to prescribe the accounting and disclosure for employee benefits. The Standard requires an municipality to recognise:

- a liability when an employee has provided service in exchange for employee benefits to be paid in the future; and
- an expense when an municipality consumes the economic benefits or service potential arising from service provided by an employee in exchange for employee benefits.

GRAP25 must be applied by an employer in accounting for all employee benefits, except share based payment transactions.

GRAP25 defines, amongst others, the following:

- Employee benefits as all forms of consideration given by an municipality in exchange for service rendered by employees;
- Defined contribution plans as post-employment benefit plans under which an municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods;

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

3. New standards and interpretations (continued)

- Defined benefit plans as post-employment benefit plans other than defined contribution plans;
- Multi-employer plans as 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 municipality that employs the employees concerned;
- Other long-term employee benefits as employee benefits (other than post-employment benefits and termination benefits) that is not due to be settled within twelve months after the end of the period in which the employees render the related service;
- Post-employment benefits as employee benefits (other than termination benefits) which are payable after the completion of employment;
- Post-employment benefit plans as formal or informal arrangements under which an municipality provides post-employment benefits for one or more employees;
- Short-term employee benefits as 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;
- State plans as plans other than composite social security programmes established by legislation which operate as if they are multi-employer plans for all entities in economic categories laid down in legislation;
- Termination benefits as employee benefits payable as a result of either:
 - an entity's decision to terminate an employee's employment before the normal retirement date; or
 - an employee's decision to accept voluntary redundancy in exchange for those benefits;
- Vested employee benefits as employee benefits that are not conditional on future employment.

The standard states the recognition, measurement and disclosure requirements of:

- Short-term employee benefits;
 - All short-term employee benefits;
 - Short-term compensated absences;
 - Bonus, incentive and performance related payments;
- Post-employment benefits: Defined contribution plans;
- Other long-term employee benefits;
- Termination benefits.

The standard states Post-employment benefits: Distinction between defined contribution plans and defined benefit plans:

- Multi-employer plans;
- Defined benefit plans where the participating entities are under common control;
- State plans;
- Composite social security programmes;
- Insured benefits.

The standard states, for Post-employment benefits: Defined benefit plans, the following requirements:

- Recognition and measurement;
- Presentation;
- Disclosure;
- Accounting for the constructive obligation;
- Statement of financial position;
- Asset recognition ceiling;
- Asset recognition ceiling: When a minimum funding requirement may give rise to a liability;
- Statement of financial performance.

The standard prescribes recognition and measurement for:

- Present value of defined benefit obligations and current service cost:
 - Actuarial valuation method;
 - Attributing benefits to periods of service;
 - Actuarial assumptions;
 - Actuarial assumptions: Discount rate;
 - Actuarial assumptions: Salaries, benefits and medical costs;
 - Actuarial gains and losses;
 - Past service cost.
- Plan assets:
 - Fair value of plan assets;
 - Reimbursements;
 - Return on plan assets.

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

3. New standards and interpretations (continued)

The standard also deals with Entity combinations and Curtailments and settlements.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2011.

The municipality has early adopted the standard for the first time in the 2010 annual financial statements.

The impact of the standard is set out in note 2 Changes in Accounting Policy.

GRAP 104: Financial Instruments

The standard prescribes recognition, measurement, presentation and disclosure requirements for financial instruments. Financial instruments are defined as those contracts that results in a financial asset in one municipality and a financial liability or residual interest in another municipality. A key distinguishing factor between financial assets and financial liabilities and other assets and liabilities, is that they are settled in cash or by exchanging financial instruments rather than through the provision of goods or services.

One of the key considerations in initially recognising financial instruments is the distinction, by the issuers of those instruments, between financial assets, financial liabilities and residual interests. Financial assets and financial liabilities are distinguished from residual interests because they involve a contractual right or obligation to receive or pay cash or another financial instrument. Residual interests entitle a municipality to a portion of another municipality's net assets in the event of liquidation and, to dividends or similar distributions paid at management's discretion.

In determining whether a financial instrument is a financial asset, financial liability or a residual interest, a municipality considers the substance of the contract and not just the legal form.

Where a single instrument contains both a liability and a residual interest component, the issuer allocates the instrument into its component parts. The issuer recognises the liability component at its fair value and recognises the residual interest as the difference between the carrying amount of the instrument and the fair value of the liability component. No gain or loss is recognised by separating the instrument into its component parts.

Financial assets and financial liabilities are initially recognised at fair value. Where an municipality subsequently measures financial assets and financial liabilities at amortised cost or cost, transactions costs are included in the cost of the asset or liability.

The transaction price usually equals the fair value at initial recognition, except in certain circumstances, for example, where interest free credit is granted or where credit is granted at a below market rate of interest.

Concessionary loans are loans either received by or granted to another municipality on concessionary terms, e.g. at low interest rates and flexible repayment terms. On initial recognition, the fair value of a concessionary loan is the present value of the agreed contractual cash flows, discounted using a market related rate of interest for a similar transaction. The difference between the proceeds either received or paid and the present value of the contractual cash flows is accounted for as non-exchange revenue by the recipient of a concessionary loan in accordance with Standard of GRAP on Revenue from Non-exchange Revenue Transactions (Taxes and Transfers), and using the Framework for the Preparation and Presentation of Financial Statements (usually as an expense) by the grantor of the loan.

Financial assets and financial liabilities are subsequently measured either at fair value or, amortised cost or cost. A municipality measures a financial instrument at fair value if it is:

- a derivative;
- a combined instrument designated at fair value, i.e. an instrument that includes a derivative and a non-derivative host contract;
- held-for-trading;
- a non-derivative instrument with fixed or determinable payments that is designated at initial recognition to be measured at fair value;
- an investment in a residual interest for which fair value can be measured reliably; and
- other instruments that do not meet the definition of financial instruments at amortised cost or cost.

Derivatives are measured at fair value. Combined instruments that include a derivative and non-derivative host contract are accounted for as follows:

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

3. New standards and interpretations (continued)

- Where an embedded derivative is included in a host contract which is a financial instrument within the scope of this Standard, an entity can designate the entire contract to be measured at fair value or, it can account for the host contract and embedded derivative separately using GRAP 104. An municipality is however required to measure the entire instrument at fair value if the fair value of the derivative cannot be measured reliably.
- Where the host contract is not a financial instrument within the scope of this Standard, the host contract and embedded derivative are accounted for separately using GRAP 104 and the relevant Standard of GRAP.

Financial assets and financial liabilities that are non-derivative instruments with fixed or determinable payments, for example deposits with banks, receivables and payables, are measured at amortised cost. At initial recognition, an municipality can however designate such an instrument to be measured at fair value.

An municipality can only measure investments in residual interests at cost where the fair value of the interest cannot be determined reliably.

Once an municipality has classified a financial asset or a financial liability either at fair value or amortised cost or cost, it is only allowed to reclassify such instruments in limited instances.

An entity derecognises a financial asset, or the specifically identified cash flows of an asset, when:

- the cash flows from the asset expire, are settled or waived;
- significant risks and rewards are transferred to another party; or
- despite having retained significant risks and rewards, an municipality has transferred control of the asset to another municipality.

An municipality derecognises a financial liability when the obligation is extinguished. Exchanges of debt instruments between a borrower and a lender are treated as the extinguishment of an existing liability and the recognition of a new financial liability. Where an municipality modifies the term of an existing financial liability, it is also treated as the extinguishment of an existing liability and the recognition of a new liability.

An municipality cannot offset financial assets and financial liabilities in the statement of financial position unless a legal right of set-off exists, and the parties intend to settle on a net basis.

GRAP 104 requires extensive disclosures on the significance of financial instruments for an municipality's statement of financial position and statement of financial performance, as well as the nature and extent of the risks that an municipality is exposed to as a result of its annual financial statements. Some disclosures, for example the disclosure of fair values for instruments measured at amortised cost or cost and the preparation of a sensitivity analysis, are encouraged rather than required.

GRAP 104 does not prescribe principles for hedge accounting. An municipality is permitted to apply hedge accounting, as long as the principles in IAS 39 are applied.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2011.

The municipality has early adopted the standard for the first time in the 2010 annual financial statements.

The impact of the amendment is set out in note 2 Changes in Accounting Policy.

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand

2010

2009

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand

2010

2009

4. Property, plant and equipment

	2010			2009		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Land and Buildings	157 839 630	(30 785 240)	127 054 390	156 939 629	(27 753 668)	129 185 961
Infrastructure	1 531 061	(512 429)	1 018 632	3 186 788	(462 264)	2 724 524
Other property, plant and equipment	76 224 222	(39 925 092)	36 299 130	68 721 612	(32 235 238)	36 486 374
Heritage	3 048 575	(1 558 183)	1 490 392	3 048 575	(1 558 183)	1 490 392
Work in Progress	9 738 433	-	9 738 433	2 908 324	-	2 908 324
Total	248 381 921	(72 780 944)	175 600 977	234 804 928	(62 009 353)	172 795 575

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand

2010

2009

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2010

	Opening Balance	Additions	Disposals	Transfers	Other changes, movements	Depreciation	Total
Land and Buildings	129 185 961	-	-	894 820	(3 026 391)	-	127 054 390
Infrastructure	2 724 524	-	-	(1 655 728)	(11 585)	(38 579)	1 018 632
Other property, plant and equipment	36 486 374	7 344 261	(356 531)	755 726	5 181	(7 935 881)	36 299 130
Heritage	1 490 392	-	-	-	-	-	1 490 392
Work in Progress	2 908 324	6 830 109	-	-	-	-	9 738 433
	172 795 575	14 174 370	(356 531)	(5 182)	(3 032 795)	(7 974 460)	175 600 977

Reconciliation of property, plant and equipment - 2009

	Opening Balance	Additions	Disposals	Transfers	Revaluations	Other changes, movements	Depreciation	Impairment loss	Total
Land and Buildings	-	2 751 343	(1 445 671)	120 510 084	45 587 278	(3 071 016)	(799 743)	(34 346 314)	129 185 961
Infrastructure	2 529 189	1 740 013	12 835	(1 508 326)	72 735	(8 163)	(113 759)	-	2 724 524
Community	26 030 085	-	-	(26 030 085)	-	-	-	-	-
Other property, plant and equipment	132 739 308	9 759 168	120 559	(92 028 020)	97 000	(39 689)	(14 161 952)	-	36 486 374
Capital work in progress	10 334	-	-	(10 334)	-	-	-	-	-
Heritage	3 048 575	-	-	-	-	-	-	(1 558 183)	1 490 392
Other property, plant and equipment	26 361	2 908 323	-	(26 360)	-	-	-	-	2 908 324
	164 383 852	17 158 847	(1 312 277)	906 959	45 757 013	(3 118 868)	(15 075 454)	(35 904 497)	172 795 575

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
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4. Property, plant and equipment (continued)

Assets subject to finance lease (Net carrying amount)

Other property, plant and equipment	311 238	255 510
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Revaluations

The effective date of the revaluations was 30 June 2009. Revaluations were performed by independent valuer, Mr. C.S. Dockel, of Dockel Sibanda & Associates. Dockel Sibanda & Associates is not connected to the municipality.

Land and buildings are re-valued independently every 3 years.

The valuation was performed using the Capitalisation of Income Method, Comparable Sales Method and the Depreciated Replacement Cost Method.

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. Two housing schemes was transferred from the Department Public Works to council to do further upgrading and development. During the 2008/2009 financial year several erven in these housing projects were disposed at no cost to the beneficiaries. Although these transactions is reflected as a loss on sale in the Income Statement, but there was no cash implications to the municipality in this regard.

5. Other financial assets

Loans and receivables

Loans and receivables	-	41 241
	-	-
	-	-
	-	-
	-	-
	-	41 241
Total other financial assets	-	41 241

Current assets

Loans and receivables	-	41 241
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6. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

2010

	Loans and receivables	Total
Other Receivables	9 093 309	9 093 309
Cash and cash equivalents	349 251 371	349 251 371
Consumer Debtors	1 529 646	1 529 646
	359 874 326	359 874 326

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
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6. Financial assets by category (continued)

2009

	Loans and receivables	Total carrying amount
Other Receivables	10 322 423	10 322 423
Cash and cash equivalents	351 387 867	351 387 867
Consumer Debtors	628 347	628 347
	362 338 637	362 338 637

7. Retirement benefits

Defined benefit plan

All Council's employees belong to one of the following funds. These schemes are subject to a tri- annual, bi- annual or annual actuarial valuation as set out. The Council's contributions to these funds are reflected in surplus or deficit.

Cape Joint Pension fund, which is a defined benefit fund and is governed by the Pension funds Act of 1956. 6.81% of Council's employees are members of this fund. The fund is also a multi employer plan and the contribution rate payable is 27 %, 9% by the members and 18 % by Council. The 2009/2010 actuarial valuation is available yet. The 2008/2009 actuarial valuation of the Cape Joint Pension Fund disclosed a market value of assets of R 2 957 536 on 30 June 2009. The funding level of the fund was 100% on 30 June 2009. The 2009/2010 Financial Statements are not available yet.

According to current information available the Fund is still fully funded. If it should happen that the Fund becomes under funded, Council will have an obligation to cover the shortfall in terms of the rules of this fund. There was a shortfall in annual earnings of R 195 856 424 as at 30 June 2009 according to Rule 17 (5) the portion of the investment shortfall allocated to Council amounts to R 2 644 061.72

Cape Joint Retirement Fund is defined contribution fund and is governed by the Pensions Funds Act of 1956. 86.88 of Council's employees are members of this fund. The contribution rate paid by the members (9%) and Council (18%) is sufficient to fund the benefits accruing from the fund in future. According to the actuarial valuation the value of total net assets of the Cape Joint Retirement Fund is R 6 860 000 on 30 June 2006. The funding level of the Pensions Account was 137.4%. Financial Statements for the 2008/2009 financial year are not available yet.

SAMWU National Provident Fund, which is a privately-administered fund. The fund is subject to actuarial valuation. According to the actuarial valuation the value of total assets of the SAMWU National provident Fund was R 2 007 million on 30 June 2006. 6.49 % of Council's employees are members of this fund. The funding level of the fund was 110.3% on 30 June 2006. Financial Statements for the 2009/2010 financial year are not available yet.

13 Councillors of the Cape Winelands District Municipality are members of the Municipal Councillors Pension Fund, which operates as a defined contribution scheme. The fund was established in 1988 and an actuarial valuation is carried out every 3 years. The fund was sound at its previous valuation in 2005 and was valued at R 691 million. The 2007/2008 Financial Statements and Actuarial Valuation will be available in December 2008.

8. Inventories

Consumable stores	1 730 301	1 551 426
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CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
9. Other Receivables		
Insurance	17 192	14 183
*Other receivable	13 550 780	10 674 096
	13 567 972	10 688 279
*Other Receivable		
Accrued Interest	5 686 961	7 119 995
Recoverable Grouplife	993 219	993 219
Outstanding Department of Water Affairs- claims	1 584 350	1 083 385
Deposits	255 000	132 861
TCTA year end Debtor	487 556	-
Suspense vote Conditional Grant	-	869 235
Suspense General	45 000	-
Other debit balances	24 031	109 545
	9 076 117	10 308 240
10. Consumer debtors		
Gross balances		
Rates	706 114	589 029
Other	1 297 784	199 695
	2 003 898	788 724
Less: Provision for bad debts		
Rates	153 933	129 999
Other	285 348	30 378
	439 281	160 377
Net balance		
Rates	552 181	459 030
Other	1 012 435	169 317
	1 564 616	628 347
Rates		
Current (0 -30 days)	61	19
61 - 90 days	143 490	-
121 + Days	562 563	589 010
	706 114	589 029
Other		
Current (0 -30 days)	45 516	85 995
31 - 60 days	27 677	46 958
61 - 90 days	-	1 689
91 - 120 days	-	954
121+ Days	1 223 591	64 099
	1 296 784	199 695
Summary of debtors by customer classification		
Consumers		
Current (0 -30 days)	15 006	18 548
31 - 60 days	928	20 944
61 - 90 days	143 490	954

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
10. Consumer debtors (continued)		
91 - 120 days	-	954
121 + Days	1 786 154	653 109
	<u>1 945 578</u>	<u>694 509</u>
Less: Provision for bad debts	(426 567)	(160 377)
	<u>1 519 011</u>	<u>534 132</u>
National and provincial government		
Current (0 -30 days)	31 571	67 466
31 - 60 days	26 748	26 013
61 - 90 days	-	735
	<u>58 319</u>	<u>94 214</u>
Less: Provision for bad debts	(12 714)	-
	<u>45 605</u>	<u>94 214</u>
Total		
Current (0 -30 days)	46 577	86 014
31 - 60 days	27 677	46 957
61 - 90 days	143 490	1 689
91 - 120 days	-	954
121 + Days	1 786 154	653 109
	<u>2 003 898</u>	<u>788 723</u>
Less: Provision for bad debts	(439 281)	(160 377)
	<u>1 564 617</u>	<u>628 346</u>
Less: Provision for debt impairment		
Current (0 -30 days)	(10 154)	(19 009)
31 - 60 days	(6 033)	(10 378)
61 - 90 days	(31 281)	(373)
91 - 120 days	-	(618)
121 + Days	(391 813)	(129 999)
	<u>(439 281)</u>	<u>(160 377)</u>

Council does not have trade services and it is therefore complicated to determine payment trends on debtors. However, over the past five years an average of 21.8% (2008/2009 - 22.07%) of the amount of debtors levied did not make any payments on their accounts. Hence, a provision for bad debt on trade debtors was made at a rate of 21.8% (2008/2009 - 22.07%). However, a 100% provision for bad debt on individual cases, relating to encroachment fees, rentals and tourism exhibitions, have been made as it was advised by the debt collection attorneys in correspondence dated 1 July 2010, that these claims are either not practically and economically viable to pursue through further litigation or to pursue may not be in the interest of the municipality.

Reconciliation of bad debt provision

Opening Balance	160 377	101 880
Contributions to provision	278 905	151 374
Bad debts written off against provision	-	(92 877)
	<u>439 282</u>	<u>160 377</u>

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
11. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	4 640	5 090
Bank balances	2 824 760	4 085 303
Short-term Investments (See note 34)	346 421 971	347 297 474
	349 251 371	351 387 867

12. Non-current assets held for sale

A decision was made by management to sell redundant property, plant and equipment in the 2010/2011 financial year. See Appendix K for detailed list.

13. Revaluation reserve

Opening balance	120 815 895	101 882 386
Receipts/ Additions to NDR	-	56 459 414
Transfer. to Depreciation	(2 547 605)	(37 525 905)
	118 268 290	120 815 895

14. Accumulated surplus

Ring-fenced internal funds and reserves within accumulated surplus - 2010

	Capital replacement reserve	Actuarial Gains/ Losses	Government grant reserve	Total
Opening balance	83 114 158	4 356 555	2 128 393	89 599 106
Transfer to Unappropriate Surplus	-	(4 355 530)	-	(4 355 530)
Cash Utilised	(7 028 845)	-	-	(7 028 845)
Transfer to Depreciation	-	-	(579 371)	(579 371)
Received Additions to NDR	-	-	158 756	158 756
	76 085 313	1 025	1 707 778	77 794 116

Ring-fenced internal funds and reserves within accumulated surplus - 2009

	Capital replacement reserve	Actuarial Gains/ Losses	Government grant reserve	Total
Opening balance	21 255 016	-	5 616 241	26 871 257
Receipts to NDR	-	-	869 025	869 025
Property, plant and equipment purchases	(13 140 858)	-	-	(13 140 858)
Gain for Financial year	-	4 356 555	-	4 356 555
Transfer to Statement of Financial Performance	-	-	(4 356 873)	(4 356 873)
Contributions Recieved	75 000 000	-	-	75 000 000
	83 114 158	4 356 555	2 128 393	89 599 106

Reconciliation of Accumulated surplus

Opening Balance	300 204 307	269 961 994
Acruarial Gains/ Losses	(4 355 530)	4 356 555
Contributions Received (CRR)	-	75 000 000
Cash Utilised (CRR)	(7 028 845)	(13 140 858)
Transfer to Income Statement (GGR)	(579 371)	(4 356 873)
Capital Grants used to purchase PPE (GGR)	158 756	869 026
Transfer to CRR	7 028 845	(61 859 142)
Capital Grants used to purchase PPE	(158 756)	-

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
14. Accumulated surplus (continued)		
Transfer to Offset Depreciation	3 126 976	37 433 199
Other	(34 189 575)	(11 211 740)
Prior Year Adjustments	(812 337)	(14 481 514)
Net income/loss for the period	25 196 754	17 633 660
Rounding error	3	-
	288 591 227	300 204 307

15. Finance lease obligation

It is the policy of the council to lease cellphones under finance leases.

The lease term is 24 months.

Interest rates are linked to prime through the lease term.

Depreciation and interest paid will be added to and disclosed together with the other depreciation and interest paid of the municipality.

Opening Balance	287 429	143 418
Capitalised lease liabilities	206 058	242 325
Payments during the year	(160 504)	(98 314)
	332 983	287 429
Less short term portion transferred to current liabilities	(156 267)	(175 632)
Long term liabilities	176 716	111 797

It is the policy of the council to lease cellphones under finance leases.

The lease term is 24 months.

Interest rates are linked to prime through the lease term.

The municipality's obligations under finance leases are secured by the lessor's charge over the leased assets.

Depreciation and interest paid will be added to and disclosed together with the other depreciation and interest paid of the municipality.

16. Liabilities relating to conditional grants

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

Government Grants and Subsidies	7 674 968	9 014 373
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See Appendix F for reconciliation of grants from National/Provincial Government.

17. Liabilities

Reconciliation of liabilities - 2010

	Opening balance	Expected payments	Current service cost	Interest paid	Actuarial gain/loss	Total
Medical Contribution	92 434 945	(3 288 179)	3 046 000	8 207 000	4 355 530	104 755 296

Reconciliation of liabilities - 2009

	Opening balance	Expected payments	Current service cost	Interest paid	Actuarial gain/loss	Total
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CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand			2010	2009
17. Liabilities (continued)				
Medical Contribution	89 872 107	(3 073 608)	2 752 000	7 241 000
			(4 356 554)	92 434 945

17.1 Medical aid liability

Reconciliation of Net liability recognized in the Statement of Financial Position:

Opening balance			92 434 945	89 872 108
Medical Aid Liability - Current Service Cost			3 046 000	2 752 000
Interest paid on Future Medical Aid Liability			8 207 000	7 241 000
Actuarial Gain			4 355 530	(4 356 555)
			<u>108 043 475</u>	<u>95 508 553</u>
Expected Employer Benefit Payments			(3 288 179)	(3 073 608)
			<u>104 755 296</u>	<u>92 434 945</u>

Reconciliation of Assets and Liabilities Recognised in the Statement of Financial Position

Opening balance			92 434 945	89 872 108
Actuarial Gain/ loss			4 355 530	-
Interest paid on Future Medical Aid Liability			8 207 000	7 241 000
Medical Aid Liability - Current Service Cost			3 046 000	2 752 000
Expected Employer Benefit Payments			(3 288 179)	(7 430 163)
			<u>104 755 296</u>	<u>92 434 945</u>

17.2 Valuation Methodology and Assumptions

17.2.1 Methodology

Liabilities are valued using discounted cash flow techniques. Using a set of Actuarial assumptions, future cashflows are projected and discounted back to the Valuation Date, allowing for future investment returns and the probability of each cashflow occurring.

This methodology allows for the probability of and benefit payable in respect of different types of exit from Active Employment e.g. Withdrawal, Death, Retirement.

We assume that benefit entitlement accrues uniformly over each Employee's Total Service. The accrued liability is calculated as the ratio of the Past Service to Total Service for each Employee.

The method of valuing the PRMA liabilities of the Municipality is consistent with the Previous Valuation.

We have not explicitly allowed for the impact of HIV/AIDS on projected future healthcare costs. This could be a source of significant strain over the short to medium term future, leading to higher Medical Aid Inflation than was allowed for.

It was implicitly assumed that all Members would stay on the same Medical Aid Scheme and chosen option in future. We have also not allowed for any significant shift in the demographic profiles of the various Medical Aid Schemes e.g. the impact of an aging population.

17.2.2 Assumptions

In order to project the liability, it was necessary to make a number of assumptions concerning future experience.

Assumptions should not be assessed in isolation, but rather in relation to each other. The difference between the financial assumptions drives the results of the Valuation.

The set of assumptions used in this Valuation is largely similar to that used in the Previous Valuation. Differences have been highlighted below.

Financial Assumptions

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
-----------------	------	------

17. Liabilities (continued)

The main financial assumptions are as follows:

Medical Aid inflation rate	7,5 %
Investment return	8,5 %

Accounting Standard AC, 116, Employee Benefits defines the determination of the Investment Return assumption to be used as the rate that can

“be determined by reference to Market Yields at the Statement of Financial Position Date on high quality Corporate Bonds. In countries where there is no deep market in such bonds, the market yields (at the Statement of Financial Position Date) on Government Bonds should be used. The currency and term of the Corporate Bonds or Government Bonds should be consistent with the currency and estimated term of the Post-Employment Benefit obligations.”

Our investment return assumption was based on the current yields of long-term Government bonds plus a risk premium as a proxy for the yield on high quality Corporate Bonds.

Medical Aid Inflation was based on an assumed long-term rate of consumer inflation of 6% p.a. plus a margin of 1.5% p.a.

The Real Rate of Return (Investment Return less Medical Aid Inflation) is thus 1% p.a.

Mortality Rates

Mortality for Pre-Retirement benefits has been based on the SA 56-62 mortality table rated down by three years for Females.

Mortality for Post-Retirement benefits has been based on the PA (90) ultimate mortality table.

Withdrawal rates from Employment were allowed for using the following rates:

Withdrawal Rate

	Males	Females
20	16,00 %	24,00 %
25	12,00 %	18,00 %
30	10,00 %	15,00 %
35	8,00 %	10,00 %
40	6,00 %	6,00 %
45	4,00 %	4,00 %
50	2,00 %	2,00 %
55+	- %	- %

III- Health Retirement Rates

	Males	Females
25	- %	- %
30	0,01 %	0,02 %
35	0,08 %	0,12 %
40	0,21 %	0,22 %
45	0,38 %	0,32 %
50	0,82 %	0,50 %
55	1,96 %	1,02 %
59	3,00 %	1,50 %
64	4,30 %	2,50 %

Early Retirement Rates

	Males	Females
55	2,00 %	2,00 %
56	1,00 %	1,00 %
57	1,00 %	1,00 %
58	1,00 %	1,00 %

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
17. Liabilities (continued)		
59	2,00 %	2,00 %
60	2,00 %	2,00 %
61	2,00 %	2,00 %
62	3,00 %	3,00 %
63	4,00 %	4,00 %
64	5,00 %	5,00 %

Family and General Assumptions

It was assumed that all Employees currently married will be married at the time of their exit from Employment. It was assumed that 90% of current single Male Employees and 50% of current single Female Employees would be married at the time of their exit from Employment.

We assumed that husbands are on average 4 years older than their wives.

After Retirement the actual number of qualifying children was taken into account up to a maximum of three. It was assumed that Child Dependant status ceases at age 25.

An increase in Medical Aid premiums was allowed for to reflect the Valuation Date being set midway through a Calendar Year.

18. Pension Obligation

Ex Gratia Pension Provision

Opening Balance	3 703 195	3 728 801
Movements	(148 929)	(25 606)
	3 554 266	3 703 195

19. Trade and other payables from exchange transaction

Payments received in advanced	114 807	7 970
Retention	2 217 180	1 465 817
Accrued leave pay	5 987 525	5 498 285
Accrued bonus	5 187 558	4 694 623
Task Back Pay	434 049	-
Other creditors	10 129 551	2 514 003
	24 070 670	14 180 698

20. VAT payable

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

21. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

2010

	Financial liabilities at amortised cost	Fair value through surplus or deficit - held for trading	Fair value through surplus or deficit - designated	Total
Other financial liabilities	156 267	-	-	156 267
Trade and other receivables	24 070 669	-	-	24 070 669
	24 226 936	-	-	24 226 936

2009

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand 2010 2009

21. Financial liabilities by category (continued)

	Financial liabilities at amortised cost	Fair value through surplus or deficit - held for trading	Fair value through surplus or deficit - designated	Total
Other financial liabilities	175 632	-	-	175 632
Creditors	14 180 698	-	-	14 180 698
	14 356 330	-	-	14 356 330

22. Revenue

Property rates	395 666	926 987
Property rates – Penalties imposed and collection charges	19 774	72 589
Service charges	823 955	1 327 935
Rental of facilities & equipment	105 071	105 121
Income from agency services	4 882 757	5 426 603
Government grants & subsidies	263 920 236	250 159 400
Contribution from Surplus	32 886 291	11 679 024
	303 033 750	269 697 659

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

Service charges	823 955	1 327 935
Rental of facilities & equipment	105 071	105 121
Income from agency services	4 882 757	5 426 603
	5 811 783	6 859 659

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

Property rates	395 666	926 987
Property rates – Penalties imposed and collection charges	19 774	72 589
Government grants & subsidies	263 920 236	250 159 400
Contribution from Surplus	32 886 291	11 679 024
	297 221 967	262 838 000

23. Property Rates

Rates received

Residential	395 666	926 987
	395 666	926 987
Property rates - penalties imposed and collection charges	19 774	72 589
	415 440	999 576

Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2006.

Supplementary valuations are processed on an annual basis to take into account changes in the individual property values due to alterations

24. Service charges

Building Plan and Scrutiny Fees	753	34 616
Fire Fighting Services	823 202	1 293 319
	823 955	1 327 935

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009		
25. Government grants and subsidies				
Equitable share	National Treasury	Yes	8 520 000	6 485 000
Imvusa Trading	Public Contributions	Yes	627 324	-
RSC Replacement Grant	National Treasury	Yes	177 467 076	161 122 430
MIG/ CMIP grant	Local Government and Housing	Yes	6 681 000	3 647 000
Perception Survey	Local Government and Housing	Yes	1 793 176	8 510
Busroete Slanghoek	Department of Transport (PAWC)	Yes	-	1 055 949
Masimbambane Project	Department of Water Affairs and Forestry	Yes	640 647	139 017
Non Motorised Transport Grant	Department of Transport	Yes	-	1 143 193
Municipal Systems Improvement Grant	Department of Local Government	Yes	714 960	841 108
Financial Management Grant	National Treasury	Yes	1 628 398	1 047 170
Provincial LED Projects	PAWC	Yes	-	451 450
Bulk Infrastructure Grant	Department of Housing	Yes	484 343	-
Working For Water	Department of Water Affairs and Forestry	Yes	8 340 937	8 720 768
Tourism: Road Signage	PAWC	Yes	-	24 033
Sandhills - Toilet Hire	Department of Transport and Public Works	Yes	421 386	392 120
Contributions towards meetings	Dept. of Local Government and Housing	Yes	-	3 500
Training of Housing Officials	Dept. of Local Government and Housing	Yes	20 400	-
Consumer Housing Education	Dept. of Local Government and Housing	Yes	33 356	151 568
Planning Grant	Department of Environmental Affairs	Yes	-	1 216 376
Water and Sanitation Master Plan	Department of Water Affairs and Forestry	Yes	161 000	-
Income Agency Roads	Department of Transport and Public Works	Yes	52 641 085	60 694 255
Fire (PAWC)	Department of Local Government and Housing	Yes	280 000	255 000
Environmental Planning Grant	Department of Environmental Affairs	Yes	105 618	-
River Improvement Project	Department of Water Affairs and Forestry	Yes	-	493 000
Water and Sanitation to Schools	Department of Water Affairs and Forestry	Yes	-	418 204
Ward Committee Summit	Department of Local Government and Housing	Yes	-	77 387
Tourism Training	Dept. of Local Government and Housing	Yes	-	517 562
Integrated Transport Plan	Department of Transport and Public Works	Yes	699 826	-
Contribution from Private Land Owners	Public Contributions	Yes	2 492 741	996 282
Health Agency Income	Department of Health	Yes	166 963	258 518
	-		263 920 236	250 159 400

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
26. General expenses		
Accounting fees	75 418	53 072
Advertising	788 376	1 209 781
Assessment rates & municipal charges	32 713	2 997
Auditors remuneration	2 102 017	1 343 924
Bank charges	83 315	81 979
Cleaning	353 660	294 456
Study Bursary Fund	1 003 127	1 000 000
Fire Breaks	487 200	-
Consulting and professional fees	1 224 880	2 205 597
Consumables	366 283	327 015
Debt collection	5 382	80 776
Voluntary Fire Service	1 122 093	1 303 535
Entertainment	225 311	216 300
Flowers	8 909	15 504
Insurance	941 227	1 508 065
Conferences and seminars	277 010	299 617
Public Participation	311 703	327 727
IT expenses	652 134	20 696
Incorporation costs	397 565	601 586
Office Rentals	1 474 573	879 641
Marketing	-	556 794
Levies	24 463	22 609
Magazines, books and periodicals	7 029	6 270
Medical expenses	2 835	11 839
Motor vehicle expenses	2 340 057	2 551 080
Pest control	275 770	218 353
Fuel and oil	6 792 876	7 687 318
Placement fees	9 533	78 845
Postage and courier	50 048	59 122
Printing and stationery	1 594 649	1 442 746
Communications	1 945 622	827 258
Protective clothing	88 074	85 733
Projects	88 396 012	59 183 071
Lisence Fees - Radio	23 181	31 203
Security (Guarding of municipal property)	465 279	378 785
Software expenses	264 460	704 286
Subscriptions and membership fees	1 108 623	755 435
Telephone and fax	3 464 481	3 356 983
Transport and freight	1 675 224	3 428 804
Training	3 841 796	3 530 396
Travel - local	3 180 299	2 428 382
Loss on sale	-	12 014 680
Title deed search fees	-	3 459
Exhibitions and Event	1 378 235	2 421 782
Electricity	1 176 638	933 716
Sewerage and waste disposal	166 163	111 041
Water	126 634	137 246
Refuse	44 007	46 053
Uniforms	1 156 873	1 079 921
Tourism development	176 109	326 170
Co- operational agreements	34 656	180 173
Stock Write-Off	-	55 969
Workshop Cost	4 342 667	4 035 138
Audit and Risk Support Services	322 524	365 822
Expenditure Debited Elsewhere	(44 580 787)	(41 205 900)
Office Accomodation	29 451 118	17 048 904
Fire fighting special events	5 428 548	4 516 930
Venue expenses	139 949	156 595
Chemicals	227 019	180 646

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
26. General expenses (continued)		
Other expenses (See footnote)*	5 546 166	4 999 857
Property only	987 054	695 393
	133 606 780	107 221 175
* Items included in other expenses greater than R 100 000		
Contingencies	5 898	522 153
Emergency Aid	479 017	568 448
Contribution Academy of Learning	154 533	563 050
Herbicides	25 892	142 147
NGO Services	923 000	465 501
Payment in Advance	662 367	-
Public Functions	206 951	248 834
Relocation Cost	213 731	282 938
Task post evaluation	-	4 959
Translation	286 062	240 929
Water/ food samples testing	757 606	571 321
Workshop/ training	1 140	21 711
Year end function	187 580	212 654
Video/ DVD	276 502	83 877
Womens Day Celebrations	188 076	51 219
Disciplinary Hearings	263 107	16 000
* Other expenses less than R 100 000	914 705	1 004 116
	5 546 167	4 999 857

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
27. Employee related costs		
Basic	50 424 068	45 759 873
Bonus	4 907 032	4 048 370
Medical aid - company contributions	5 263 228	4 483 586
UIF	456 134	412 686
WCA	552 974	456 059
Leave pay provision charge	506 550	(17 560)
Other short term costs	2 097 051	2 708 263
Post-employment benefits - Pension - Defined contribution plan	8 252 744	7 811 863
Travel, motor car, accommodation, subsistence and other allowances	8 526 085	7 999 802
Overtime payments	1 548 851	1 487 609
Long-service awards	1 000	6 500
Housing benefits and allowances	1 987 310	2 507 186
Other Allowances	3 354 132	2 159 628
Group Schemes	817 859	728 190
Telephone	79 945	69 314
Performance Bonus	479 874	303 175
Termination benefits	1 626 487	-
	90 881 324	80 924 544
Remuneration of Chief Financial Officer		
Annual Remuneration	606 630	578 531
Car Allowance	78 000	30 000
Performance Bonuses	75 828	50 891
Contributions to UIF, Medical and Pension Funds	161 824	149 749
Other	14 370	10 085
	936 652	819 256
Remuneration of Executive Director (Corporate and Strategic Services)		
Annual Remuneration	-	569 831
Car Allowance	-	70 000
Performance Bonuses	51 544	50 891
Contributions to UIF, Medical and Pension Funds	125	123 789
Other	515	59 036
	52 184	873 547
Remuneration of Executive Director (Community and Developmental Services)		
Annual Remuneration	756 052	678 760
Car Allowance	62 000	62 000
Performance Bonuses	59 808	-
Contributions to UIF, Medical and Pension Funds	16 497	6 840
Other	37 903	25 940
	932 260	773 540
Remuneration of Executive Director (Rural and Social Development)		
Annual Remuneration	540 065	234 783
Car Allowance	166 000	83 000
Performance Bonuses	29 904	-
Contributions to UIF, Medical and Pension Funds	128 484	56 018
Other	92 161	20 105
	956 614	393 906

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
27. Employee related costs (continued)		
Remuneration of Executive Director (Regional Development and Planning)		
Annual Remuneration	633 517	561 507
Car Allowance	76 000	76 000
Performance Bonuses	74 760	50 891
Contributions to UIF, Medical and Pension Funds	125 131	109 494
Other	37 716	23 279
	947 124	821 171
Remuneration of executive director (Engineering and Infrastructure Services)		
Annual Remuneration	732 905	666 520
Car Allowance	72 000	60 000
Performance Bonuses	75 828	50 891
Contributions to UIF, Medical and Pension Funds	41 549	31 760
Other	65 049	58 942
	987 331	868 113
28. Remuneration of councillors		
Executive Major	513 967	378 636
Deputy Executive Mayor	536 280	360 158
Mayoral Committee Members	1 889 230	1 569 569
Speaker	384 452	371 652
Councillors	1 891 121	1 615 473
Councillors' pension contribution	385 462	504 941
Travelling Expenses	1 115 079	1 002 521
Allowances: Other	347 384	337 757
	7 062 975	6 140 707
In-kind benefits		
The Mayor and the Deputy Mayor each have the use of separate Council owned vehicles for official duties.		
The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.		
As certified in the declaration by the municipal manager, salaries, allowances and benefits of Councillors as disclosed in this note are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.		
29. Medical Aid Liability		
Medical Aid - Current Service Cost	3 046 000	2 752 000
30. Investment revenue		
Interest revenue		
Other Interest	30 556 854	45 638 005
31. Depreciation and amortisation		
Property, plant and equipment	10 347 966	35 320 547

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
32. Finance costs		
Interest paid on to Future Medical Aid Liability	8 207 000	7 241 000
Finance leases	31 191	20 736
Interest paid on Unspend Grant and Funds	440 931	2 851 280
	8 679 122	10 113 016
33. Auditors' remuneration		
Fees	2 102 017	1 343 924
34. Cash (used in) generated from operations		
Surplus	25 196 756	17 633 651
Adjustments for:		
Depreciation and amortisation	10 347 966	35 320 547
Loss on sale of assets and liabilities	(35 599)	-
Finance costs - Finance leases	(31 191)	(20 736)
Internal Transfers	(53 747 856)	-
Impairment deficit	32 752	-
Debt impairment	278 905	-
Movements in provisions	12 320 351	(709 141)
Actuarial Gains/ Losses	-	4 356 555
Changes in working capital:		
Inventories	(178 875)	396 354
Other Receivables	(2 879 693)	(573 041)
Consumer debtors	(1 215 175)	(170 447)
Trade and other payables from exchange transaction	9 889 966	(10 747 894)
VAT	(1 868 254)	(2 621 792)
Liabilities relating to conditional grants	(1 339 405)	(6 078 255)
Prior Year Transactions	-	2 613 348
	(3 229 352)	39 399 149

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
35. Short-term Investments		
Invested as at 30 June 2010 at the following A1 banks as prescribed by Council's Investment Policy.		
ABSA Call Account		
Opening balance	15 530 754	11 013 443
Current year Movements	6 891 216	3 284 031
	22 421 970	14 297 474
ABSA		
Opening balance	65 000 000	60 000 000
Current year Movements	5 000 000	5 000 000
	70 000 000	65 000 000
FNB		
Opening balance	63 000 000	70 000 000
Current year Movements	(8 000 000)	(7 000 000)
	55 000 000	63 000 000
INVESTEC		
Opening balance	50 000 000	50 000 000
Current year Movements	7 000 000	30 000 000
	57 000 000	80 000 000
NEDCOR		
Opening balance	50 000 000	65 000 000
Current year Movements	30 000 000	(15 000 000)
	80 000 000	50 000 000
STANDARD BANK		
Opening Balance	75 000 000	70 000 000
Current year Movements	(13 000 000)	5 000 000
	62 000 000	75 000 000
Total Short-term Investments (See note 11)	346 421 970	347 297 474
Bank/ Cash - Absa		
Bank balances	2 824 760	4 085 303
	349 246 730	351 382 777
Future Obligations and Reserves linked to investments.		
Future Medical Aid	104 755 296	92 434 945
Capital replacement reserve	76 085 313	83 114 158
Government grant reserve	1 707 778	2 128 393
Unspent conditional grants and receipts	7 674 968	9 014 373
Accrued leave pay	5 987 525	5 498 285
Retention	2 217 180	1 465 817
Other creditors	10 129 551	2 514 009
Working Capital	140 689 119	155 212 797
	349 246 730	351 382 777

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
-----------------	------	------

36. Contingencies

Contingent Asset

(i) Council rendered a Primary Health care service on an agency basis for the Provincial Government. The Department of Health refuse to accept responsibility for the difference between the amounts claimed by the Council and the amounts paid to Council as a debt (R8 633 044) in their books.

(ii) The municipality has a challenge regarding the recovery of debt amounting to R500,800,413 arising from the levying of RSC levies. It is unlikely that the municipality will recover a major part of these levies.

(iii) The municipality has outstanding fire accounts of R 4 792 598. Currently 179 cases has been handed over for legal action. Council withdrew all fire fighting accounts levied to organs of state (R3 075 199) and other municipalities (R2 289 174) and indemnify organs of state and other municipalities from all fees and chargers regarding the rendering of fire fighting services

Municipalities	-	2 287 089
Organs of State	-	3 268 411
Other	4 792 598	4 272 810
	4 792 598	9 828 310

Contingent liabilities

(i) Cape Joint Pension Fund - There might be a possibility that this fund is not 100% funded. The amount cannot be disclosed because it cannot be calculated from the information that is currently available from the fund.

(ii) Guarantees to Building Societies and Banks in respect of housing loans to employees.	-	118 580
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(iii) The obligation to implement task was phased out, because personnel are being remunerated according to the posts they were placed in although the Task Job Evaluation process has not been completed yet.

(iv) During December 2005 mountain fires caused extensive damage to various properties in the district. The fire started at approximately 15:24 on the 25th December 2005 above "Groendal" informal settlement near Franschoek. The fire rapidly spread upslope in extreme weather conditions, (hot, dry and windy). Although the response was quick the fire was beyond reach by the time the resources arrived. The fire spread to inaccessible mountain terrain, fanned by strong, gusty winds. It spread towards Wemmershoek dam and Du Toitskloof. A number of farms, buildings, vineyards, orchards and plantations were threatened. Fire fighters battled under extremely difficult and dangerous conditions to save lives and property. On the 2nd of January 2006, it was necessary to close both the N1 toll road and the Du Toitskloof pass due to heavy smoke and fire in close proximity to the traffic. The fire was brought under control and finally extinguished on the 5th January 2006. The area destroyed by the fire was ±12 380 hectares (123,8m²) which consists mainly of fynbos and damage to some orchards. No structural damage has been reported. It must be noted that Stellenbosch Municipality is the first defendant on this case. The plaintiff (Cape Nature) sues the first defendant (Stellenbosch Municipality) or second defendant (Cape Winelands District Municipality) for R 10 706 557.

37. Related parties

Only the known related parties was disclosed. An forensic investigation is currently being conducted, therefore the related parties might change. See Appendix G and Appendix I (Study Bursaries).

38. Restatement of corresponding figures

Certain corresponding figures as at 30 June 2009 have been restated as a result of an error discovered in the financial statements of the municipality as at 30 June 2009 as well as for 30 June 2010.

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

Statement of financial position

(dr) Other Creditors	-	365 856
(cr) Other Debtors	-	(365 856)

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
38. Restatement of corresponding figures (continued)		
(i) Debtor denies the existence of the debt in its entirety		
(dr) Provision for bad debts	-	8 696 956
(cr) Other Debtors	-	(8 696 956)
	-	-
(ii) Inclusion of the Valuation Roll in Property, Plant and Equipment		
(dr) Provision for depreciation	-	539 029
(cr) Property, Plant and Equipment	-	(539 029)
	-	-
(iii) Finance Lease (in respect of cell phones)		
(dr) Property, Plant and Equipment	-	255 510
(cr) Prior year adjustment	-	(255 510)
	-	-
(iv) Government grants incorrectly disclosed		
(dr) Government grant	-	66 379 376
(cr) Income from agency services	-	(66 379 376)
	-	-
(v) Challenge regarding the RSC levy debts		
(dr) Contingent Asset – Prior year adjustment	-	459 162 782
(cr) Regional Services Levies	-	(459 162 782)
	-	-
(vi) Challenge regarding the Regional Services Council (RSC levy) levy debts		
(dr) Contingent Asset – Prior year adjustment	-	457 498 961
(cr) Provision for bad debts	-	(457 498 961)
	-	-
(vii) Challenge regarding the Regional Services Council levy (RSC levy) debts (reversal of interest)		
(dr) Provision for bad debts	-	35 003 427
(cr) Interest on debtors	-	(35 003 427)
	-	-
(viii) Challenge regarding the Regional Services Council levy (RSC levy) debts (reversal of interest)		
(dr) Prior year adjustments	-	88 576 510
(cr) Interest on debtors	-	(88 576 510)
	-	-
(ix) Reversal of overprovision for leave		
(dr) Leave provision	-	2 026 323
(cr) Prior year adjustment	-	(2 026 323)
	-	-

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand	2010	2009
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39. Risk management

Interest rate risk

The Council has no outstanding loans as at 30 June 2010. The increases in interest rates will therefore have no effect on the liquidity of Council.

Credit risk

Credit Risk primarily relates to cash investments. Council deposits cash surpluses with financial institutions of high quality and standing. A cash management and investment policy has been approved.

In terms of the MFMA Act 56 of 2003 the granting of credit (Loans) are prohibited.

Foreign exchange risk

Foreign currency risk is deemed to be minimal as very few international transactions are conducted.

RELIANCE ON NATIONAL GOVERNMENT FOR FUNDS (INCOME)

With the phasing out of the Regional Services Levies on 30 June 2006 the Cape Winelands will be dependant on the National and Provincial Governments for its income +/-80%. This created a lot of uncertainties regarding the future of District Municipalities.

POLITICAL RISK

The political landscape of the Western Cape has been quite stable and there is respect for the rule of law.

DISCLOSURE ON COLLATERAL

Refer to note 36.

40. Irregular expenditure

During the 2009/2010 financial year items were identified which may be fruitless and wasteful or irregular expenditure. Attached as Appendix J is a schedule of these items which also indicate the progress on each item.

41. Deviation from supply chain management regulations

See Appendix G.

42. Other Income

Contribution Future Medical Aid Liability	3 288 179	-
Seta Refunds	403 229	1 224 385
Exhibition Income	51 380	149 565
Admin Income Health	-	108 619
Admin: Work for Water	681 501	355 022
Glas Blowing	-	100 000
Income: City of Cape Town	592 800	570 000
Income from Insurance	-	171 404
Shop Steward Refund	4 084	4 540
RSC Levies Recovered	1 781	276 660
Future Medical Aid Liability	-	3 073 608
Emergency Kit	16 000	-
Bad Debt Recovered	41 148	-
Health Debt Recovered	25 041	-
Miscellaneous Roads Income	1 627 148	35 096
Miscellaneous Income	1 618 964	1 722 833
	8 351 255	7 791 732

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand

2010

2009

43. Fair Value

Financial instruments which includes short-term trade receivables and payables are stated at cost excluding debt premiums and discounts which is also equal to their fair value. Therefore every material line item in the financial instruments carrying value approximates the fair value.

Although there are no specific investments linked to the Future Medical Aid Liability Fund, it was cash backed.

Councils surplus funds are not managed by external asset management service providers.

44. Pension Fund Liability

Net Assets Available for benefits: R 3 626 285 000

The market value of the assets for benefits, for the purpose of comparison with the actuarial present value of promised retirement benefits:

- Defined Benefit Section: R 3 251 953 000
- Defined Contribution Section: R 374 332 000

The actuarial value of of promised retirement benefits:

Defined Benefit Section

Active and paid-up members liabilities: R 895 689 000

Pensioners: R 1 925 459 000

Defined contribution Section

Active Members Shares: R 362 299 000

Reserve account balances:

Defined Benefit investment reserve: R 248 072 000

Defined Contribution investment reserve: R 12 033 000

Details of the valuation method adopted (including that in respect of any contingency reserve) and details of any changes since the previous summary of report:

The value of the assets has been presented at market value with separate provision for an "investment reserve" in the Defined Benefit Section. The principle of consistency between the value of the assets and the value of liabilities is thus maintained.

The future service contribution rate has been calculated according to the Attained Age method. This method aims to give a uniform rate of contribution required benefits over the remaining working lifetime of the membership.

Liabilities for Defined Benefit active service members and pensioners are taken as the actuarial present values of all future benefit payments using the long term valuation assumptions. For the Defined Benefit active service members, salaries are projected to retirement. Past service liabilities are calculated based on member's pensionable service completed at the valuation date including bonus service. Minimum benefits are allowed for based on the long term valuation assumptions.

The value of the Defined Benefit investment reserve has been determined by discounting the expected future investment proceeds generated by a notional portfolio of assets at the valuation rate of interest. The investment reserve is determined as the market value of the assets less the discounted value of the assets. The notional portfolio aims to reflect the investment strategy of the fund.

Provisions have been made for expected future improvements in pensioner mortality. Both active member and pensioner liabilities allow for a 1.5 % p.a. improvement in post retirement mortality. In the previous valuation as at 30 June 2007, an allowance for mortality improvements was provided for in separate solvency reserve. In the current valuation as at 30 June 2008, the allowance for mortality improvement has been included in the active member and pensioner liabilities.

Provisions have been made for expected future improvements in pensioner mortality. Both active member and pensioner

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2010

Notes to the Annual Financial Statements

Figures in Rand 2010 2009

liabilities allow for a 1.5 % p.a. improvement in post retirement mortality. In the previous valuation as at 30 June 2007, than allowance for mortality improvements was provided for in separate solvency reserve. In the current valuation as at 30 June 2008, the allowance for mortality improvement has been included in the active member and pensioner liabilities.

Details of the actuarial assumptions adopted (including that in respect of any contingency reserve) and details of any changes since the previous summary report.

Interest Rate	10 % p.a.
Pension Increases	3.6 % p.a.
Interest rate net of pension increases	6.18 % p.a.
Price Inflation	6 % p.a.
Dividend growth	6.5 % p.a.
Mortality of pensioners	PA 90 - 2 years and 1.5% p.a. improvement
Mortality of ill- health pensioners	PA 90 + 8 years and 1.5% p.a. improvement
Husband's age greater than wife	4 years
Portion married: Active retirement	90 %
Portion married: Pensioners qualifying for spouse's pension	80 %

Financial Condition: Defined Benefit Section

Market Value of Assets	R 2 957 536	R 3 251 953
Active Service members	R 1 024 604	R 895 476
Paid- up members	R 214	R213
Pensioner liabilities	R 2 078 102	R 1 925 459
Solvency reserve	R 220 609	0
Investment reserve	(R 365 993)	R 248 072
Surplus/ (Deficit)	R 0	R 182 733
Funding level (DB Section)	100 %	106.5 %
	-	-

Financial Condition: Defined Contribution Section

	Declared 2 % p.a.	Declared 3 % p.a.
Market value of assets	R 357 479	R 374 332
Members Shares	R 356 308	R 362 299
Investment reserve	R 1 171	R 12 033
Funding level (DC Section)	100.3%	103.3 %
	-	-

A final interest rate of 2.0% p.a. was declared in the DC Section for the year ending 30 June 2009.

A pension increase of 2.0% on 1 January 2010 and a pensioner bonus of 60 % of monthly pension in December 2009 were awarded.

The fund had a sound financial condition as at 30 June 2009

45. Commitments

Future commitments	25 539 719	25 073 629
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See Appendix H for detail on future commitments

APPENDIX B

ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2010

	Opening Balance	Changes in Balance	Restated Balance	Additions	WIP	Disposal	Closing Balance	Opening Balance	Additions	WIP	Disposal	Closing Balance
Land/ Heritage												
Historical Buildings	3 048 575	-	3 048 575				3 048 575	1 558 183				1 558 183
	3 048 575	-	3 048 575	-	-	-	3 048 575	1 558 183	-	-	-	1 558 183
Buildings												
Buildings	21 698 769	-1	21 698 768		2 589 322		24 288 090	12 927 893	751 549			13 679 442
Care Centres	101 778	-0	101 778				101 778	101 778	-			101 778
Community Centre	2 295 919	-0	2 295 919				2 295 919	434 410	78 991			513 401
Clinics/ Hospitals	4 896 202	0	4 896 202				4 896 202	2 078 819	115 145			2 193 964
Hostel Workers	1 795 084	-0	1 795 084				1 795 084	1 111 034	84 154			1 195 188
Housing Schemes	7 293 989	0	7 293 989		2 908 324		10 202 313	509 695	278 817			788 512
Informal Housing	859 192	-0	859 192				859 192	-	-			-
Laboratories	40 172	-	40 172				40 172	7 034	1 339			8 373
Office building	30 878 715	0	30 878 715				30 878 715	7 975 267	1 225 277			9 200 544
Outdoor Sports	19 652	-31	19 621				19 621	5 234	654			5 888
Parks	196 211	-0	196 211				196 211	52 340	6 540			58 880
Public Conveniences	218 824	-0	218 824				218 824	149 414	6 128			155 542
Workshops/ Depots	16 892 720	-0	16 892 720				16 892 720	2 400 751	482 979			2 883 730
												-
	87 187 227	-32	87 187 195	-	5 497 646	-	92 684 841	27 753 669	3 031 572	-	-	30 785 241
Land												
Other Land	70 652 434	0	70 652 434				70 652 434	-				-
	70 652 434	0	70 652 434	-	-	-	70 652 434	-	-	-	-	-

	Opening Balance	Changes in Balance	Restated Balance	Additions	WIP	Disposal	Closing Balance	Opening Balance	Additions	WIP	Disposal	Closing Balance
Infrastructure												
Car Parks	189 800	0	189 800				189 800	46 413	6 327			52 739
Fencing		-	-				-		-			-
Water meters	11 547	0	11 547				11 547	9 433	1 271			10 704
Office Buildings		-	-				-		-			-
Paving	168 916	0	168 916				168 916	84 632	2 809			87 441
Power Stations	328 681	-	328 681				328 681	155 024	12 022			167 046
Purification	-	-	-				-	-	-			-
Airports/ Radio	832 114	0	832 114				832 114	166 762	27 737			194 499
Security System	-	-	-				-	-	-			-
Roads	-	-	-		3 060 380		3 060 380	-	-			-
Water mains	-	-	-				-	-	-			-
Mains Electric	-	-	-				-	-	-			-
	1 531 058	2	1 531 060	-	3 060 380	-	4 591 439	462 264	50 165	-	-	512 429

Other property, plant and equipment

Access Control	6 300	-	6 300				6 300	210 R	377.97			588
Agency Services	2 089 059	144 330	2 233 389	149 307		-2 090	2 380 606	-2 958 R	-19 641.19		209	-22 808
Air Conditioner	365 812	0	365 812				365 812	347 646 R	-10 917.28			336 729
Audio Equipment	746 892	-5 966	740 926	33 578		-13 603	760 900	608 915 R	98 001.51		2 907	704 010
Bulk Containers	189 895	-	189 895	158 571			348 466	9 754 R	32 946.58			42 701
Cabinets/ Cupboards	738 857	-9 998	728 859	27 900		-8 408	748 351	646 432 R	28 040.44		7 570	666 902
Canopy	32 114	-0	32 114				32 114	19 266 R	9 160.51			28 427
Chairs	1 280 461	-10 655	1 269 806	29 606		-17	1 299 395	1 081 424 R	48 857.46			1 130 281
Cleaner- steam	-	-	-	35 086			35 086	R	4 881.99			4 882
Computer Hardware	11 305 436	-75 641	11 229 795	1 260 647	789 013	-17 894	13 261 561	7 013 547 R	2 898 169.63		5 896	9 905 821
Conveyors	40 387	0	40 387				40 387	40 387 R	-4 038.00			36 349
Drill Concrete	313	-1	313				313	105 R	150.08			255
Equipment/ Apparatus	219 842	-	219 842				219 842	26 357 R	63 294.31			89 651
Electrical Equipment	493 998	-0	493 998	25 412		-876	518 533	233 785 R	103 817.37		175	337 427
Laboratory Equipment	7 059	-1	7 059				7 059	1 088 R	2 257.95			3 346

	Opening Balance	Changes in Balance	Restated Balance	Additions	WIP	Disposal	Closing Balance	Opening Balance	Additions	WIP	Disposal	Closing Balance
Radio Equipment	743 445	-	743 445	97 937			841 382	604 276 R	51 941.81			656 218
Telecommunication	177 581	-0	177 581				177 581	141 936 R	107 483.95			249 420
Fencing	1 052 625	-0	1 052 625				1 052 625	193 818 R	284 025.61			477 844
Fire Equipment	2 229 374	-0	2 229 374	657 875			2 887 249	584 151 R	250 374.38			834 525
Generator	1 309 017	-0	1 309 017	15 000			1 324 017	546 992 R	495 550.50			1 042 543
General Plant	1 228 639	0	1 228 639	9 750	391 394	-53 639	1 576 144	1 115 027 R	21 985.97		48 298	1 088 715
Fire Hoses	36 800	-	36 800				36 800	29 326 R	-396.78			28 929
Emergency light	21 850	0	21 850	20 500			42 350	9 491 R	-1 912.88			7 578
Miscellaneous	2 193 975	-36 620	2 157 355	125 915		-3 020	2 280 249	1 049 413 R	307 654.06		2 723	1 354 344
Office Machines	3 770 909	0	3 770 909	262 438			4 033 347	2 909 220 R	707 997.04			3 617 217
Pumps	36 017	0	36 017	205 448			241 465	20 956 R	45 012.20			65 968
Water Purification	372 500	-	372 500				372 500	16 000 R	51 049.66			67 050
Security System	511 487	0	511 487				511 487	117 445 R	90 407.88			207 853
Tables/ Desks	1 278 668	-2 767	1 275 901	10 565			1 286 465	1 114 075 R	58 920.90			1 172 996
Tools	56 073	-2 681	53 392				53 392	11 624 R	19 980.08			31 604
Trailers	2 173 590	-0	2 173 590				2 173 590	992 110 R	1 048 604.30			2 040 714
Valuation Roll	-	-	-				-	- R	-			-
Vehicles	11 644 035	0	11 644 035	1 867 792			13 511 828	5 433 790 R	581 901.26			6 015 691
Ambulances	73 448	-0	73 448				73 448	73 448 R	-			73 448
Compressors	35 747	-	35 747				35 747	15 835 R	4 977.88			20 813
Fire Engines	15 850 728	0	15 850 728	2 194 276		-171 342	17 873 662	3 944 410 R	395 161.60		10 626	4 328 946
Lawnmowers	-	-	-				-	- R	-			-
Trucks and Bakkies	6 758 250	-1	6 758 249			-326 487	6 431 763	3 183 728 R	40 463.89		163 244	3 060 948
Corrections	-	-	-				-	-34 411 R	-		-	-34 411
Task	-	-	-				-	- R	-		-	-
Cellphones	-	-	-				-	-	-			-
	69 071 183	-0	69 071 183	7 187 601	1 180 407	-597 377	76 841 814	32 098 618	7 816 543	-	241 648	39 673 513

Leased Assets **39 925 092**

Cellphones: Agent Services		76 974	76 974	33 860			110 834					-
Cellphones	406 157	-136 371	269 786	182 197			451 983	150 647	100 932			251 579
	406 157	-59 397	346 760	216 057	-	-	562 817	150 647	100 932	-	-	251 579

	Opening Balance	Changes in Balance	Restated Balance	Additions	WIP	Disposal	Closing Balance	Opening Balance	Additions	WIP	Disposal	Closing Balance
Summary												
Land/ Heritage	3 048 575	-	3 048 575	-	-	-	3 048 575	1 558 183	-	-	-	1 558 183
Buildings	87 187 227	-32	87 187 195	-	5 497 646	-	92 684 841	27 753 669	3 031 572	-	-	30 785 241
Leasehold property	-	-	-	-	-	-	-	-	-	-	-	-
Plant and machinery	-	-	-	-	-	-	-	-	-	-	-	-
Furniture and fixtures	-	-	-	-	-	-	-	-	-	-	-	-
Motor vehicles	-	-	-	-	-	-	-	-	-	-	-	-
Office equipment	-	-	-	-	-	-	-	-	-	-	-	-
IT equipment	-	-	-	-	-	-	-	-	-	-	-	-
Computer software	-	-	-	-	-	-	-	-	-	-	-	-
Housing Develop Fund	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	1 531 058	2	1 531 060	-	3 060 380	-	4 591 439	462 264	50 165	-	-	512 429
Community	-	-	-	-	-	-	-	-	-	-	-	-
Other property, plant and ec	139 723 617	-0	139 723 617	7 187 601	1 180 407	-597 377	147 494 248	32 098 618	7 816 543	-	241 648	39 673 513
Lease Assets	406 157	-59 397	346 760	216 057	-	-	562 817	150 647	100 932	-	-	251 579
	231 896 634	-59 428	231 837 206	7 403 658	9 738 433	-597 377	248 381 920	62 023 381	10 999 213	-	241 648	72 780 945

APPENDIX C

ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2010

	Opening Balance	Changes in Balance	Restated Balance	Additions	Under Construction	Disposal	Closing Balance	Opening Balance	Changes in Balance	Restated Balance	Additions	Under Construction	Disposal	Closing Balance
Executive and Council	2 224 709	962 269	1 262 440	48 477	-	-	1 310 917	-1 812 269	-766 751	-1 045 518	-164 072	-	-	-1 209 590
Finance and Admin	192 006 725	-868 385	192 875 110	2 049 699	2 281 384	-26 404	197 179 789	-46 901 199	478 002	-47 379 201	-7 242 580	-	6 586	-54 615 195
Planning and Development	4 535 927	3 622 335	913 592	10 939	-	9 725	934 256	-1 385 480	-568 797	-816 683	-194 581	-	-	-1 011 264
Health	1 783 363	10 617	1 772 746	9 460	-	-67 175	1 715 031	-1 099 924	14 659	-1 114 583	-412 846	-	58 801	-1 468 628
Community and Social Services	211 290	-10 567	221 857	2 940	-	-	224 797	-118 673	2 940	-121 613	-22 846	-	-	-144 459
Housing	2 908 324	-1 158 404	4 066 728	14 949	6 641 228	-	10 722 906	-	1 062 764	-1 062 764	-96 493	-	-	-1 159 257
Public Safety	28 170 794	400 272	27 770 522	4 568 888	424 426	-513 523	32 250 312	-10 109 683	-261 937	-9 847 746	-2 728 858	-	176 261	-12 400 343
Sport and Recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental Protection	75 288	-34 804	110 092	-	-	-	110 092	-2 063	13 658	-15 721	-47 180	-	-	-62 900
Waste Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road Transport	2 402 174	-77 061	2 479 235	671 979	391 394	-	3 542 608	-212 078	5 721	-217 799	-162 484	-	-	-380 282
Water	34 804	34 804	-	-	-	-	-	-13 658	-13 658	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-350 857	350 857	26 328	-	-	377 185	-402 767	-103 218	-299 549	-77 919	-	-	-377 468
Corrections	451 530	451 530	-	-	-	-	-	34 411	-	34 411	-	-	-	34 411
Task	-	-14 028	14 028	-	-	-	14 028	14 028	-	14 028	-	-	-	14 028
	234 804 928	2 967 722	231 837 206	7 403 658	9 738 433	-597 377	248 381 920	-62 009 355	-136 619	-61 872 736	-11 149 860	-	241 648	-72 780 948

APPENDIX D

CAPE WINELANDS DISTRICT MUNICIPALITY: SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 June 2010

2009 Actual Income	2009 Actual Expenditure	2009 Surplus/ (Deficit)		2010 Actual Income	2010 Actual Expenditure	2010 Surplus/ (Deficit)
R	R	R		R	R	R
56 482 040	(38 397 586)	18 084 454	Executive & Council	49 171 294	(52 515 241)	(3 343 947)
170 781 654	(84 151 860)	86 629 794	Finance & Admin	185 223 709	(35 879 831)	149 343 878
1 943 985	(12 637 968)	(10 693 983)	Planning & Development	2 016 710	(15 074 821)	(13 058 111)
258 518	(1 879 419)	(1 620 901)	Health	1 911 967	(30 654 390)	(28 742 422)
2 551 373	(7 140 853)	(4 589 480)	Community & Social Services	2 770 507	(12 342 603)	(9 572 095)
6 825 605	(16 994 257)	(10 168 652)	Housing	34 107 593	(45 127 454)	(11 019 861)
1 654 722	(31 959 112)	(30 304 390)	Public Safety	1 685 081	(39 083 670)	(37 398 589)
12 575 205	(34 415 772)	(21 840 567)	Environmental Protection	8 846 556	(11 118 825)	(2 272 269)
74 341 245	(74 973 340)	(632 095)	Road Transport	55 838 112	(65 992 753)	(10 154 640)
149 565	(7 380 088)	(7 230 523)	Other	501 380	(9 086 567)	(8 585 187)
		-				-
327 563 912	(309 930 255)	17 633 657	Sub Total	342 072 910	(316 876 154)	25 196 756
17 048 904	(17 048 904)	-	Less Inter-Dep Charges	28 924 207	(28 924 207)	-
344 612 816	(326 979 159)	17 633 657	Total	370 997 117	(345 800 361)	25 196 756
		17 633 657				25 196 756

APPENDIX E(1)

CAPE WINELANDS DISTRICT MUNICIPALITY: ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2010

REVENUE		2010 Actual (R)	2010 Budget (R)	2010 Variance (R)	2010 Variance (%)
Property rates	*	395 666		395 666	0.00%
Property rates - penalties imposed and collection charges	*	19 774		19 774	0.00%
Service charges	*	823 955	239 260	584 695	244.38%
Regional Services Levies - remuneration	*			-	0.00%
Regional Services Levies - turnover	*			-	0.00%
Rental of facilities and equipment	*	105 071	139 700	(34 629)	-24.79%
Interest earned - external investments	*	30 556 855	30 000 000	556 855	1.86%
Interest earned - outstanding debtors	*	32 751	3 000	29 751	991.72%
Dividends received				-	0.00%
Fines				-	0.00%
Licences and permits				-	0.00%
Income for agency services	*	4 882 757	5 027 500	(144 743)	-2.88%
Government grants and subsidies	*	263 920 236	266 589 759	(2 669 523)	-1.00%
Other income	*	8 413 955	8 415 199	(1 244)	-0.01%
Contributions from Surplus		32 886 291	38 876 000	(5 989 709)	-15.41%
Public contributions, donated/contributed PPE				-	0.00%
Gains on disposal of property, plant and equipment		35 599		35 599	0.00%
Total Revenue		342 072 910	349 290 418	(7 217 508)	-2.07%
EXPENDITURE					
Employee related costs	*	96 539 864	121 367 196	(24 827 332)	-20.46%
Remuneration of Councillors	*	7 062 975	R 7 167 600.00	(104 625)	-1.46%
Bad debts	*	278 905	371 300	(92 395)	-24.88%
Collection costs	*	-		-	0.00%
Depreciation	*	10 347 966	R 9 812 226.00	535 740	5.46%
Repairs and maintenance	*	57 314 542	69 761 791	(12 447 249)	-17.84%
Internal Interest paid		8 679 122		8 679 122	0.00%
Medical Aid Liability - Interest Paid				-	0.00%
Medical Aid Liability - Current Service Cost		3 046 000	1 650 000	1 396 000	84.61%
Medical Aid Liability - Transitional Liability Recognised				-	0.00%
Bulk purchases				-	0.00%
Contracted services				-	0.00%
Grants and subsidies paid				-	0.00%
General expenses - other	*	133 606 780	139 160 305	(5 553 525)	-3.99%
Contributions to Capital Replacement Reserve				-	0.00%
Loss on disposal of property, plant and equipment				-	0.00%
Total Expenditure		316 876 154	349 290 418	(32 414 264)	-9.28%
NET SURPLUS/(DEFICIT) FOR THE YEAR		25 196 756	-	25 196 756	0.00%

CAPE WINELANDS DISTRICT MUNICIPALITY

APPENDIX E(2) for the period ended 30 June 2010
June 2010

GOVERNMENT TEMPLATE: ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2009

	Additions	Under	Closing	Budget	Variance	Variance	Explanation of Significant Variances greater than 5% versus Budget
	Rand	Construction	Balance	Rand	Rand	%	
		Rand	Rand				
Land/ Heritage	-	-	-	-	-	-	-
Buildings							
Buildings	-	2 589 835	2 589 835	2 760 000	(170 165)	(7)	
Care Centres	-	-	-	-	-	-	
Community Centre	-	-	-	-	-	-	
Clinics/ Hospitals	-	-	-	-	-	-	
Hostel Workers	-	-	-	-	-	-	
Housing Schemes	-	2 908 324	2 908 324	-	2 908 324	100	
Informal Housing	-	-	-	-	-	-	
Laboratories	-	-	-	-	-	-	
Office Building	-	-	-	-	-	-	
Other Land	-	-	-	-	-	-	
Outdoor Sports	-	-	-	-	-	-	
Parks	-	-	-	-	-	-	
Public Convenies	-	-	-	-	-	-	
Workshops/ Depots	-	-	-	-	-	-	
Correction	-	-	-	-	-	-	
	-	5 498 159	5 498 159	2 760 000	2 738 159	50	-
Leasehold property	-	-	-	-	-	-	-
Plant and machinery	-	-	-	-	-	-	-
Furniture and fixtures	-	-	-	-	-	-	-
Motor vehicles	-	-	-	-	-	-	-
Office equipment	-	-	-	-	-	-	-
IT equipment	-	-	-	-	-	-	-
Computer software	-	-	-	-	-	-	-
Housing Develop Fund	-	-	-	-	-	-	-
Infrastructure							
Car Parks	-	-	-	-	-	-	-
Mains Eelctrical	-	-	-	-	-	-	-
Meters Water	-	-	-	-	-	-	-
Paving	-	-	-	-	-	-	-
Power Stations	-	-	-	-	-	-	-
Airports/ Radio	-	-	-	-	-	-	-
Other Roads	-	3 060 380	3 060 380	3 500 000	(439 620)	(14)	
Sewers	-	-	-	-	-	-	
	-	3 060 380	3 060 380	3 500 000	(439 620)	(14)	-

CAPE WINELANDS DISTRICT MUNICIPALITY

APPENDIX E(2) for the period ended 30 June 2010
June 2010

	Additions	Under Construction	Closing Balance	Budget	Variance	Variance	Explanation of Significant Variances greater than 5% versus Budget
	Rand	Rand	Rand	Rand	Rand	%	
Community	-	-	-	-	-	-	-
Other property, plant and equipment							
Acces Control	-	-	-	-	-	-	
Agent Services	149 307	-	149 307	-	149 307	100	
Air Conditioner	-	-	-	-	-	-	
Audio Equipment	33 577	-	33 577	77 160	(43 583)	(130)	
Bulk Containers	158 571	-	158 571	158 571	-	-	
Cabinets/ Cupboards	27 900	-	27 900	74 200	(46 300)	(166)	
Canopy	-	-	-	-	-	-	
Chairs	29 606	-	29 606	54 924	(25 318)	(86)	
Computer Hardware	1 260 646	789 013	2 049 659	3 656 519	(1 606 860)	(78)	
Drill- Concrete	-	-	-	-	-	-	
Equipment/ Apparatus	-	-	-	-	-	-	
Electrical Equipment	25 412	-	25 412	29 396	(3 984)	(16)	
Laboratory Equipment	-	-	-	-	-	-	
Radio Equipment	97 937	-	97 937	104 983	(7 046)	(7)	
Telecommunication	-	-	-	-	-	-	
Fencing	-	-	-	-	-	-	
Fire Equipment	657 875	-	657 875	775 179	(117 304)	(18)	
Generator	15 000	-	15 000	15 000	-	-	
General Plant	9 750	391 394	401 144	441 750	(40 606)	(10)	
Fire Hoses	-	-	-	-	-	-	
Emergency Light	20 500	-	20 500	20 500	-	-	
Miscellaneous Furniture	125 915	-	125 915	245 626	(119 711)	(95)	
Office Machines	262 438	-	262 438	262 438	-	-	
Pumps	205 448	-	205 448	238 160	(32 712)	(16)	
Water Purification	-	-	-	-	-	-	
Security System	-	-	-	-	-	-	
Tables/ Desks	10 565	-	10 565	14 548	(3 983)	(38)	
Tools	-	-	-	275	(275)	-	
Trailers	-	-	-	-	-	-	
Valuation Roll	-	-	-	-	-	-	
Vehicles	1 867 792	-	1 867 792	2 826 804	(959 012)	(51)	
Ambulances	-	-	-	-	-	-	
Compressors	-	-	-	-	-	-	
Fire Engines	2 194 276	-	2 194 276	1 406 879	787 397	36	
Cellphones	216 057	-	216 057	5 562	210 495	97	
Cleaner Steam	35 086	-	35 086	80 086	(45 000)	(128)	
Total	7 403 658	1 180 407	8 584 065	10 488 560	(1 904 495)	(22)	-

CAPE WINELANDS DISTRICT MUNICIPALITY

APPENDIX E(2) for the period ended 30 June 2010
June 2010

	Additions	Under Construction	Closing Balance	Budget	Variance	Variance	Explanation of Significant Variances greater than 5% versus Budget
	Rand	Rand	Rand	Rand	Rand	%	
Buildings	-	5 498 159	5 498 159	2 760 000	2 738 159	50	
Leasehold property	-	-	-	-	-	-	
Plant and machinery	-	-	-	-	-	-	
Furniture and fixtures	-	-	-	-	-	-	
Motor vehicles	-	-	-	-	-	-	
Office equipment	-	-	-	-	-	-	
IT equipment	-	-	-	-	-	-	
Computer software	-	-	-	-	-	-	
Housing Develop Fund	-	-	-	-	-	-	
Infrastructure	-	3 060 380	3 060 380	3 500 000	(439 620)	(14)	
Community	-	-	-	-	-	-	
Other property, plant and equipment	7 403 658	1 180 407	8 584 065	10 488 560	(1 904 495)	(22)	
	7 403 658	9 738 946	17 142 604	16 748 560	394 044	2	-

APPENDIX F

DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

DESCRIPTION	FUNDS UNSPENT	INCOME RECEIVED	EXPENDITURE	UNSPENT
	01/07/2009	2009/2010	2009/2010	30/06/2010 (B+E+F)
TRAINING OF HOUSING OFFICIALS	-22 559	-	20 400	-2 159
PLANNING	-232 189	-	-	-232 189
MASIBAMBANE: MEETINGS/ WORKSHOPS	-63 086	-	63 086	-0
MASIBAMBANE: BASE LINE INFO	-577 560	-	577 560	-0
PERCEPTION SURVEY	-3 184 956	-	1 793 176	-1 391 780
COMMUNITY DEVELOPMENT WORKERS	-99 937	-	38 416	-61 521
CONSUMER HOUSING	-78 370	-35 000	48 356	-65 014
TOURISM DEVELOPMENT FRAMEWORK	-115 904	-	-	-115 904
TOURISM TRAINING- PAWC	-72 248	-	-	-72 248
PUBLIC WORKS: MEERLUST HOUSING	-81 109	-	-	-81 109
PAWC: ECON. DEV. - MADIBA HOUSE	-254 812	-	-	-254 812
FINANCE MANAGEMENT GRANT	-2 551 582	-750 000	1 628 398	-1 673 184
WARD COMMITTEE SUMMIT	-23 884	-	-	-23 884
DEPARTMENT ENVIRONMENTAL AFFAIRS	-105 618	-	105 618	-0
BREERIVIER STRUKTUURPLAN	-383 327	-	-	-383 327
MANAGEMENT SUPPORT PROGRAMME	-51 415	-	-	-51 415
LED- PROGRAM: RURAL TOURISM	-2 516	-	-	-2 516
PUBLIC CONTRIBUTION WATER	-1 113 300	-	1 113 300	-
MUNICIPAL SYSTEMS IMPROVEMENT GRANT	-	-735 000	714 960	-20 040
INTEGRATED TRANSPORT PLAN	-	-2 000 000	699 826	-1 300 174
BULK INFRASTRUCTURE GRANT	-	-1 000 000	484 343	-515 657
CONTRIBUTION TO PRIVATE LAND (ELECTR)	-	-216 663	41 123	-175 541
WATER & SANITATION MANAGEMENT	-	-350 000	161 000	-189 000
BOCMA DONATION	-	-60 000	-	-60 000
WORKING FOR WATER ADVANCE	-	-1 003 495	-	-1 003 495
	-9 014 373	-6 150 158	7 489 562	-7 674 969

Name of the Person/Organisation to whom the award was made:	Amount	The reason why the award was made:	Procurement Method Followed:	Comments:
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Cape Winelands District Municipality

SUMMARY: Report i.t.o. Procurement Exceptions & Deviations - Acquisitions made JULY 2009 to JUNE 2010

SUMMARY OF EXCEPTIONS / DEVIATIONS:

PPPFA SEC.2(1)(f) (11 Exceptions = 13.06 %)	1 494 919.74	Preferential Procurement Policy Framework Act, 2000. Sec 2. Framework for implementation of preferential procurement policy.— (1) An organ of state must determine its preferential procurement policy and implement it within the following framework: (f) the contract must be awarded to the tenderer who scores the highest points, unless objective criteria in addition to those contemplated in paragraphs (d) and (e) justify the award to another tenderer;
REG.16(c) WQ - (550 Exceptions = 17.60 %)	2 015 619.80	SCM Reg.16. Written or verbal quotations.— A supply chain management policy must stipulate the conditions for the procurement of goods or services through written or verbal quotations, which must include conditions stating— (c) that if it is not possible to obtain at least three quotations, the reasons must be recorded and reported quarterly to the accounting officer or another official designated by the accounting officer; (Delegated to the Chief Financial Officer)
REG.17(1)(c) FWPQ - (256 Exceptions = 63.23 %)	7 239 780.94	SCM Reg.17. Formal written price quotations.— (1) A supply chain management policy must stipulate the conditions for the procurement of goods or services through formal written price quotations, which must include conditions stating— (c) that if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the chief financial officer or an official designated by the chief financial officer; (Delegated to the Deputy Director: Finance - To report to the CFO by the 3rd working day of the next month)
REG.31(1)	-	Procurement of IT related goods or services - SCM Reg.31(1) The accounting officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.
REG.32(1) (4 Exceptions = 2.29 %)	262 076.99	Procurement of goods and services under contracts secured by other organs of state SCM Reg.32. (1) The accounting officer may procure goods or services under a contract secured by another organ of state, but only if – (a) the contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state; (b) there is no reason to believe that such contract was not validly procured; (c) there are demonstrable discounts or benefits to do so; and (d) that other organ of state and the provider have consented to such procurement in writing.
DEV-REG.36(1)(a)(i) (4 Exceptions = 0.66 %)	75 140.13	SCM Reg.36. Deviation from, and ratification of minor breaches of, procurement processes.— (1) A supply chain management policy may allow the accounting officer— (a) to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only— (i) in an emergency; (ii) if such goods or services are produced or available from a single provider only; (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile; (iv) acquisition of animals for zoos; or (v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and (b) to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature. (2) The accounting officer must record the reasons for any deviations in terms of subregulation (1) (a) and (b) and report them to the next meeting of the council, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements.
DEV-REG.36(1)(a)(ii)	-	
DEV-REG.36(1)(a)(iii)	-	
DEV-REG.36(1)(a)(iv)	-	
DEV-REG.36(1)(a)(v)	-	
DEV-REG.36(1)(b) (3 Exceptions = 1.94 %)	222 300.00	
UNAUTHORISED EXPENDITUR	-	Officials acquired goods and/or Services without an official Order and/or following the correct procurement procedures
EXPENDITURE TO BE APPROVED (7 Exceptions = 1.23 %)	140 454.45	Expenditure incurred where the prescribed legislation were not complied to in all aspects

11 450 292.05

Name of the Person/Organisation to whom the award was made:	Amount	The reason why the award was made:	Procurement Method Followed:	Comments:
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1.09% of expenditure excluding salaries.

BREAKDOWN OF PROCUREMENT PER CATEGORY:

No. 2 185 953 816.79
Trans.

11016	<R2000-NO PROCUREMENT:	8 107 364.53	Acquisitions less than R2,000 - no procurement process is followed for small purchases
1989	3rd PARTY PAYMENT:	46 203 358.95	Transactions where procurement plays no role - contribution payments / S&Ts / etc.
522	COUNCIL POLICY:	18 944 428.21	Study Bursaries / Sponsorships / Donations / etc.
11	DEV-PPPFA SEC.2(1)(f)	1 494 919.74	The supplier selected for the contract/tenderer did not score the highest points
3	DEV-REG.36(1)(a)	75 140.13	Transactions where no procurement process were followed - Emergencies
3	DEV-REG.36(1)(b)	222 300.00	Ratifying minor breaches of the procurement processes which are purely of a technical nature.
233	DWAF: PRE-PROCURED	6 566 007.31	DWAF Contracts where the CWDM did not do the procurement.
1	PAWC: PRE-PROCURED	595.46	PAWC Contracts where the CWDM did not do the procurement.
283	PETTY CASH:	10 420.12	Mainly small out of pocket refunds
2258	QUOTATION PROCESS:	28 692 990.66	Acquisitions made in terms of a full quotation process up to R200,000 - minimum three quotes
57	QUOTES: INVEST/POLICY:	753 000 000.00	Investments are made in terms of council policy - Quotes are obtained from A-Rated Banks
550	REG.16(c) < 3 WQ	2 015 619.80	Acquisitions where it was not possible to obtain at least three quotations up to R10,000
256	REG.17(1)(c) < 3 FWPQ	7 239 780.94	Acquisitions where it was not possible to obtain at least three quotations between R10,000-R30,000
0	REG.31 SITA	-	Where SITA assists with acquisitions of IT related goods or services.
4	REG.32 ORGANS OF STATE:	262 076.99	Services contracted through Contracts from Other Organs of State
1429	SERVICE ACCOUNTS:	8 270 317.71	Contracts with service providers - Telkom / Vodacom / municipal services / copy machines / etc.
251	SERVICE PROVIDERS:	8 385 956.99	Payments made in terms of contracts/agreements with long-term service providers
241	STATUTORY PAYMENTS:	20 824 581.52	Prescriptive payments made in terms of legislation - licensing / taxes / membership fees / etc.
132	SUBSCRIPTIONS:	1 824 004.97	Service provider is selected for the specific service and cannot be procured - sole providers
0	SUBSIDY:	-	Mainly seed funding for small farmers / SMMEs / PDIs per pre-qualification
15812	TENDER PROCESS:	142 547 214.40	Acquisitions made in terms of a full tender process on amounts above R200,000
0	UNAUTHORISED EXPENDITUR	-	Officials acquired goods and/or Services without an official Order
7	EXPENDITURE TO BE APPROVED	140 544.45	Expenditure incurred where the prescribed legislation were not complied to in all aspects

35058	TOTAL:	1 054 827 622.88
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CAPITAL: Included in Total Procurement	18 981 711.00
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DECLARATIONS IN TERMS OF:-

Regulation 44. Prohibition on awards to persons in the service of the state

NONE

Regulation 45. Awards to close family members of persons in the service of the state

<u>NAME:</u>	<u>TOTAL AMOUNT</u>	<u>RELATION:</u>
KLEINPLASIE RESTAURANT The total procurement for the period amounted to:	65 399.62	The owner of the restaurant is the spouse of an official working at Council. The official does not work in the Department: Financial Management Services and has no influence over the SCMU

APPENDIX H

FINANCIAL COMMITMENTS

Project name	Classification	Amount R
Hermon Housing : Restoration of Houses	Engineering and Infrastructure	4 500 000
Planning: Groot Drakenstein Housing Project	Engineering and Infrastructure	1 000 000
Planning: Nieuwedrift Housing	Engineering and Infrastructure	400 000
Recreational Area (Freedom Square)	Engineering and Infrastructure	1 200 000
Planning: Bulf Infrastructure (DORA)	Engineering and Infrastructure	1 000 000
Planning Regional Landfill Site	Engineering and Infrastructure	1 000 000
Upgrading of Sanitation and Facilities	Engineering and Infrastructure	15 500 000
		24 600 000.00

APPENDIX I :BURSARIES ALLOCATED DURING FINANCIAL YEAR

MAYORAL BURSARY FUND ALLOCATIONS 2009/2010

Name	Surname	Related Parties	Amount
Simone	Aaron	Not Related	R 6 250.00
Cathrine	Abrahams	Not Related	R 1 000.00
Celeste	Abrahams	Not Related	R 1 000.00
Nandi	Abrahams	Not Related	R 7 050.00
Simone	Adams	Not Related	R 7 050.00
Wellesley	Adonis	Not Related	R 1 000.00
Jamey Tracey	Adriaanse	Not Related	R 3 500.00
Suleiman	Africa	Not Related	R 3 500.00
Craig	Albertus	Not Related	R 3 500.00
Mohamed	Allie	Not Related	R 2 200.00
Faizel	America	Not Related	R 2 250.00
Alison	America	Not Related	R 7 050.00
Lodewyk	Amerika	Not Related	R 7 050.00
Bianca	Anthony	Not Related	R 1 200.00
Beaulihn	Arendse	Not Related	R 1 000.00
Blane	Arries	Not Related	R 3 500.00
Ilana	Arries	Not Related	R 3 500.00
Beaton	Bailey	Not Related	R 3 500.00
Zane	Bailey	Not Related	R 3 500.00
Geanine	Barends	Not Related	R 2 250.00
Margo	Baron	Not Related	R 3 500.00
Angelique	Baxter	Not Related	R 3 500.00
Kellen	Bells	Not Related	R 3 500.00
Ameen	Benjamin	Not Related	R 1 000.00
Shane	Bergstedt	Not Related	R 6 000.00
Zoliswa	Betana	Not Related	R 2 200.00
Lavisa	Bethana	Not Related	R 2 200.00
Quintillian	Beukes	Not Related	R 7 050.00
Ihron	Beukes	Not Related	R 7 050.00
Chantal	Boer	Not Related	R 1 000.00
Heinrich	Boock	Not Related	R 3 500.00
Ricus	Boock	Related	R 7 050.00
Thandeka	Booi	Not Related	R 2 200.00
Sandile	Booyesen	Not Related	R 2 200.00
Chantel	Bothman	Not Related	R 2 250.00
Delthia	Botman	Not Related	R 2 250.00
Nkosinathi	Botozo	Not Related	R 2 200.00
Eugene	Braaf	Not Related	R 7 050.00
Colleen	Burton	Not Related	R 3 590.00
Ntando	Bushwana	Related	R 2 200.00
Mlungisi	Bushwana	Related	R 2 200.00
Cordelia	Ceasar	Not Related	R 2 250.00
Jamey-Ann	Clark	Not Related	R 8 760.00
Johan	Coetzer	Not Related	R 2 200.00
George	Coetzer	Not Related	R 7 050.00
Wesley	Conradie	Not Related	R 1 000.00
Inge	Conradie	Not Related	R 7 050.00
Tian	Cronje	Not Related	R 7 050.00

Name	Surname	Related Parties	Amount
Lydia	Cupido	Not Related	R 2 200.00
Jovan-Re	Cupido	Not Related	R 2 250.00
Monique Allodine	Cupido	Not Related	R 3 500.00
Robin	Daames	Not Related	R 2 200.00
Abdullah	Daniels	Not Related	R 7 050.00
Shinita	Daniels	Not Related	R 7 000.00
Thurston	Davids	Not Related	R 7 050.00
Tamsin	Davids	Not Related	R 7 050.00
Jo-Ann	De Bruyn	Not Related	R 1 000.00
Wouter	De Wet	Not Related	R 7 050.00
Tembukazi	Dishi	Not Related	R 1 000.00
Amiera	Du Plessis	Not Related	R 2 200.00
Farren-Joy	Du Preez	Not Related	R 2 250.00
Farren-Joy Tracey	Du Preez	Not Related	R 2 250.00
Anja	Esau	Not Related	R 2 200.00
Bradwin	Faulding	Not Related	R 4 850.00
Romeo	Felix	Not Related	R 2 760.00
Thando	Fihlani	Not Related	R 1 000.00
Jillian	Fischer	Not Related	R 2 200.00
Johandre	Flemmit	Not Related	R 7 050.00
Lizle	Flemmit	Not Related	R 7 050.00
Elton	Fortuin	Not Related	R 1 000.00
Nicholas	Foyo	Not Related	R 2 200.00
Clement	Frantz	Not Related	R 3 500.00
Angelo	Fredericks	Not Related	R 3 500.00
Therese	Fredericks	Not Related	R 2 250.00
Johnai	Fredericks	Not Related	R 3 000.00
Albertus	Frieslaar	Not Related	R 1 000.00
Bryan	Fritz	Not Related	R 2 200.00
Cindy Elize	Gelant	Not Related	R 2 200.00
Marli	Geldenuys	Not Related	R 1 000.00
Ettienne	Geldenuys	Not Related	R 3 500.00
Asonela	George	Not Related	R 2 200.00
Tesna	Haas	Not Related	R 7 050.00
Jo-Ann Dorette	Hankey	Not Related	R 2 200.00
Sindi	Hansen	Not Related	R 2 200.00
Elde	Heradien	Not Related	R 4 800.00
Haley	Hermanus	Not Related	R 2 200.00
Lilian	Heswick	Not Related	R 1 000.00
Farahdiba	Heynes	Not Related	R 2 200.00
Zaid	Heynes	Not Related	R 2 200.00
Pieter	Hough	Not Related	R 2 980.80
Mandla	Hoza	Not Related	R 2 200.00
Mugammad	Ismail	Not Related	R 2 200.00
Aqeel	Ismail	Not Related	R 3 500.00
Zaakiya	Jacobs	Not Related	R 1 000.00
Ilse	Jacobs	Not Related	R 3 500.00
Dee-Wayne	Jaftha	Not Related	R 2 200.00
Johnvin	Jaftha	Not Related	R 3 500.00
Avukile	Janda	Not Related	R 3 500.00
Siyabonga	Jebese	Not Related	R 4 000.00
Moonisah	Jeftha	Not Related	R 7 050.00
Nadeem	Jeftha	Not Related	R 7 050.00
Davin	Jefthas	Not Related	R 3 500.00

Name	Surname	Related Parties	Amount
Mark	Jones	Not Related	R 7 050.00
Jadine	Jonkers	Not Related	R 1 000.00
Tamzin	Josephs	Not Related	R 7 050.00
Shandrè	Julies	Not Related	R 7 050.00
Stacey	Julius	Not Related	R 1 000.00
Remona	Jumat	Not Related	R 5 168.00
Phumla	Kahla	Not Related	R 2 200.00
Sherwin	Kariem	Not Related	R 2 200.00
Hendrik	Keyser	Related	R 7 050.00
Riyaadh	Khan	Not Related	R 1 000.00
Edward	Kiewiets	Not Related	R 1 000.00
Yudin	Kiewietz	Related	R 2 200.00
Melissa	King	Not Related	R 1 000.00
Danzal	King	Not Related	R 3 500.00
Lazelle	Kleinsmidt	Not Related	R 7 050.00
Sharlene	Krotz	Not Related	R 3 500.00
Stacey	Krotz	Not Related	R 3 500.00
Allister	Lackay	Not Related	R 2 200.00
Deelyn	Lackay	Not Related	R 8 000.00
Mechaid	Lakay	Not Related	R 7 050.00
Bukiwe Thelma	Langa	Not Related	R 2 190.00
Laken	Langeveldt	Not Related	R 7 050.00
Mischka	Langeveldt	Not Related	R 7 050.00
Aubrey	Langeveldt	Not Related	R 2 200.00
Lehlohonolo	Lebenya	Not Related	R 7 050.00
Bongiwe	Lentoni	Not Related	R 2 200.00
Jeandre	Lobb	Not Related	R 5 000.00
Farahnaaz	Loggenberg	Not Related	R 2 200.00
Chante	Losper	Not Related	R 6 750.00
Megan	Louw	Not Related	R 1 000.00
Francois	Lucas	Not Related	R 7 050.00
Donovan	Mack	Not Related	R 2 200.00
Dane	Mackier	Not Related	R 6 750.00
Mthulisi	Madywabe	Not Related	R 3 500.00
Yandiswa Ivis	Mafungwa	Not Related	R 4 800.00
Xabiso	Magalakanqa	Not Related	R 2 200.00
Nokuzola	Magodo	Not Related	R 2 200.00
Nonkanyiso	Makwekwe	Not Related	R 3 000.00
Gcobisa	Malalange	Not Related	R 2 200.00
Zanele	Mangena	Not Related	R 1 000.00
Mxolisi	Mangxola	Not Related	R 6 750.00
Andria	Manuel	Not Related	R 1 000.00
Kay-Lee	Manuel	Not Related	R 3 500.00
Francis	Marais	Not Related	R 3 500.00
Melanie	Marais	Not Related	R 2 200.00
Faith	Marais	Not Related	R 3 500.00
Mauricia	Mars	Not Related	R 2 200.00
Deidre	Martin	Not Related	R 7 050.00
Aziza	Matolla	Not Related	R 2 200.00
Luyanda	Matsila	Not Related	R 2 200.00
Leighroy	Matthys	Not Related	R 7 050.00
Nelisa	Mbambalala	Not Related	R 3 500.00
Eric	Mbambalala	Not Related	R 2 200.00
Ntombizanele	Mbodla	Not Related	R 1 000.00

Name	Surname	Related Parties	Amount
Nomboso Princess	Mbuli	Not Related	R 6 000.00
Marenice	McClune	Not Related	R 1 000.00
Nerisa	McNeil	Not Related	R 5 216.00
Thembinkosi	Mdemka	Not Related	R 1 000.00
Phumla	Mdlankmomo	Not Related	R 1 000.00
Heidi	Meisenheimer	Not Related	R 6 500.00
Gaylin	Mentoor	Not Related	R 2 200.00
Chandre	Mepomie	Not Related	R 1 879.20
Sandise	Metshane	Not Related	R 3 500.00
Zandile	Mgoqi	Not Related	R 2 200.00
Vumile	Mgqudu	Not Related	R 3 500.00
Kholeka Assistance	Mhambi	Not Related	R 3 500.00
Moses	Michaels	Not Related	R 1 266.60
Ian	Minnaar	Not Related	R 7 050.00
Nicole	Mintoor	Not Related	R 7 050.00
Angelica	Mohammed	Not Related	R 1 000.00
Nthabiseng	Monaheng	Not Related	R 2 200.00
Andre	Moses	Not Related	R 4 500.00
Piwokazi	Mosibunge	Not Related	R 3 500.00
Andiswa Beauty	Msuthwana	Not Related	R 2 190.00
Daniel	Muko	Not Related	R 1 000.00
Jason	Muller	Not Related	R 1 000.00
Lucienne	Myburgh	Not Related	R 2 200.00
Christopher	Naidoo	Not Related	R 2 200.00
Haylene	Naude	Not Related	R 3 500.00
Alvin	Ncube	Not Related	R 3 500.00
Dean	Neethling	Not Related	R 7 050.00
Liezel	Neethling	Not Related	R 7 050.00
Maxine	Newman	Not Related	R 2 300.00
Tulile	Ngwexana	Not Related	R 3 500.00
Siphamandla	Ngxito	Not Related	R 2 200.00
Brendon	Nicholls	Not Related	R 3 500.00
Sizeka	Nobuntu	Not Related	R 2 200.00
Nacius	Nokhonya	Not Related	R 2 200.00
Thembisa	Nokonya	Not Related	R 3 500.00
Olwethu	Nomfengo	Not Related	R 2 200.00
Chadwick	November	Not Related	R 2 200.00
Clive	November	Not Related	R 1 000.00
Lisoletu	Ntoyakhe	Not Related	R 3 500.00
Noluntu	Ntwana	Not Related	R 2 200.00
Ferhana	Onardien	Not Related	R 3 000.00
Gillian	Ontong	Related	R 1 000.00
Bianca	Oppelt	Not Related	R 7 050.00
Kyle	Page	Not Related	R 2 200.00
Adrian	Papier	Not Related	R 7 050.00
Mercia	Parks	Not Related	R 4 800.00
Danville	Petersen	Not Related	R 1 000.00
Granville	Petersen	Not Related	R 1 000.00
Viall Osruc	Petrus	Not Related	R 3 500.00
Asandisa	Phatella	Not Related	R 2 200.00
Lee-Roy	Philander	Not Related	R 1 000.00
Sibongile	Philibane	Not Related	R 3 500.00
Olwethu	Phillip	Not Related	R 3 500.00
Chandre	Pienaar	Not Related	R 7 050.00

Name	Surname	Related Parties	Amount
Bandlakazi	Pienaar	Not Related	R 2 200.00
Donovan	Pietersen	Not Related	R 1 500.00
Merissa	Pietersen	Not Related	R 1 000.00
Charlton	Pietersen	Not Related	R 3 500.00
Agatha-Wade	Pietersen	Not Related	R 1 000.00
Ilze	Plaatjies	Not Related	R 7 050.00
Chanelle	Plaatjies	Not Related	R 2 200.00
Natasha	Posthumus	Related	R 7 050.00
Johannes	Posthumus	Related	R 7 050.00
Elea	Pretorius	Not Related	R 6 250.00
Ntsindiso	Puteni	Not Related	R 2 200.00
Buntu	Qwela	Not Related	R 2 200.00
Davene	Reitz	Not Related	R 3 500.00
Ilaam	Retief	Not Related	R 6 250.00
Junaid	Rodgers	Not Related	R 3 500.00
Cameron	Roziers	Not Related	R 6 000.00
Icke	Ruthford	Not Related	R 2 200.00
Gustav	Ruthford	Not Related	R 3 000.00
Urban	Ryneveldt	Not Related	R 7 050.00
Heidre	Saal	Not Related	R 2 422.00
Lerato	Samasesane	Not Related	R 2 200.00
Bronwen	Samuels	Not Related	R 2 200.00
Marchalaine	Sauls	Not Related	R 3 500.00
Brent	Schuurman	Not Related	R 3 500.00
Shukry	Sedan	Not Related	R 2 200.00
Lebohang	Setona	Not Related	R 2 200.00
Nondumisa	Sidiena	Not Related	R 1 008.00
Ntandazo	Siduli	Not Related	R 2 200.00
Ntombekhaya	Sikiti	Not Related	R 1 000.00
Constance	Simon	Not Related	R 2 200.00
Marsha	Simons	Not Related	R 1 586.00
Pearl	Simpson	Not Related	R 7 050.00
Yentl	Simpson	Not Related	R 3 500.00
Anelisa	Sishuba	Not Related	R 2 200.00
Edward	Small	Not Related	R 3 500.00
Millecent	Smit	Not Related	R 7 050.00
Lynne	Smith	Not Related	R 2 200.00
Eldene	Snyders	Not Related	R 3 500.00
Wanda	Sokapase	Not Related	R 2 200.00
Grant	Solomon	Related	R 2 260.00
Joheinn	Steenberg	Not Related	R 1 000.00
Dominiques	Strauss	Not Related	R 3 500.00
Petra-Joy	Strauss	Not Related	R 2 200.00
Virgil	Stynder	Not Related	R 3 500.00
Leandri	Swart	Not Related	R 2 200.00
Lyndall	Swartz	Not Related	R 2 200.00
Edrich	Theodore	Not Related	R 2 200.00
Alecha	Thops	Not Related	R 7 050.00
Chandrè Gaylene	Thops	Not Related	R 2 763.60
Gershwin	Toerien	Not Related	R 3 500.00
Makaziwe	Tshologwana	Not Related	R 2 200.00
Habibullah	Valley	Not Related	R 3 500.00
Francois	Van Eck	Not Related	R 2 200.00
Andrea	Van Eck	Related	R 4 800.00

Name	Surname	Related Parties	Amount
Christoffel	Van Schalkwyk	Not Related	R 7 050.00
Seymourne	Van West	Not Related	R 3 500.00
Cornley	Van Wyk	Not Related	R 1 000.00
Zandri Seaton	Van Wyk	Not Related	R 7 050.00
Remick	Van Wyk	Not Related	R 2 200.00
Angelo Marlyn	Van Wyk	Not Related	R 1 580.00
Blain	Van Wyk	Related	R 7 050.00
Martin	Verhoeven	Not Related	R 2 200.00
Ruana	Visagie	Not Related	R 2 250.00
Roderiques	Vlotman	Not Related	R 2 200.00
Bianca	Volmink	Not Related	R 2 200.00
Louwallen	Volmink	Not Related	R 4 800.00
Elsabe	Wessels	Not Related	R 3 500.00
Lamies	Willemse	Not Related	R 2 200.00
Tracy	Williams	Not Related	R 2 985.00
Camron	Williams	Not Related	R 3 500.00
Genobia	Williams	Not Related	R 1 000.00
Jamie-Lee	Wilson	Not Related	R 2 200.00
Reagan	Witbooi	Not Related	R 3 500.00
Debora	Xayimpi	Not Related	R 2 200.00
Daylynn	Zimri	Related	R 3 500.00
Zimkhitha	Zwebi	Not Related	R 2 200.00
			R 983 005.20

Related Parties	R	53 410.00
Not Related Parties	R	929 595.20
	R	983 005.20

APPENDIX J

LIST OF ALLEDGED NON COMPLIANCE (IRREGULAR EXPENDITURE) – ENDING 30 JUNE 2010

No	Department	Supplier/ Service Provider	Nature of the incident	Payment Date	Amount	Item served on Committee	Item Identified	Discussed with Management	Submitted for investigation	Submitted to the committee
1	Engineering and Infrastructure	Georges Furniture	Service provider was instructed to render services prior to obtaining an official order	9-Apr-10	R 14 250.00	No	Yes	Yes	Yes	No
2	Engineering and Infrastructure	WJ De Bruin	Service provider was instructed to render services prior to obtaining an official order	7-Apr-10	R 28 424.15	No	Yes	Yes	Yes	No
3	Engineering and Infrastructure	Valley Interiors	Service provider was instructed to render services prior to obtaining an official order	19-Apr-10	R 3 480.00	No	Yes	Yes	Yes	No
4	Office of the Municipal Manager	Webber Wentzel Attorneys	Service provider was instructed to render services prior to obtaining an official order	Not Paid Yet	R 29 403.45	No	Yes	Yes	Yes	No
5	Regional Development and Planning Services	Svenka Massan	Service provider was instructed to render services prior to obtaining an official order	Not Paid Yet	R 15 781.50	No	Yes	Yes	Yes	No
6	Office of the Speaker	Boland Athletics	Transaction is not in accordance with Section 17 (3)(j) of the MFMA	Not Paid Yet	R 50 000.00	No	Yes	Yes	Yes	No
7	Rural and Social Development	Quenets Pharmacy	A gift for a resigning secretary was bought, where in fact an amount of R500.00 was also paid into the employees salary	30-Jun-10	R 390.00	No	Yes	Yes	Yes	No
8	Engineering	Georges Furniture	Service provider was instructed to render services prior to obtaining an official order	19-May-10	R 4 850.00	No	Yes	Yes	Yes	No
9	Office of the Speaker	Calvyn Heynes Shuttle and Tours	Service provider was instructed to render services prior to obtaining an official order	Not Yet Paid	R 750.00	No	Yes	Yes	Yes	No
10	Office of the Executive Mayor	Mqhamkana Tours	Service provider was instructed to render services prior to obtaining an official order	Not Yet Paid	R 1 300.00	No	Yes	Yes	Yes	No
11	Office of the Executive Mayor	Mighty Peace Football Club	Service provider was instructed to render services prior to obtaining an official order	Not Yet Paid	R 1 200.00	No	Yes	Yes	Yes	No
12	Office of the Executive Mayor	Mighty Peace Football Club	Service provider was instructed to render services prior to obtaining an official order	Not Yet Paid	R 1 400.00	No	Yes	Yes	Yes	No
13	Office of the Executive Mayor	Loggenberg Tours	Service provider was instructed to render services prior to obtaining an official order	Not Yet Paid	R 1 900.00	No	Yes	Yes	Yes	No
14	Office of the Executive Mayor	FCLM	Service provider was instructed to render services prior to obtaining an official order	Not Yet Paid	R 1 000.00	No	Yes	Yes	Yes	No
15	Office of the Executive Mayor	Zengele Tours	Service provider was instructed to render services prior to obtaining an official order	Not Yet Paid	R 2 000.00	No	Yes	Yes	Yes	No
16	Office of the Executive Mayor	Mqhamkana Tours	Service provider was instructed to render services prior to obtaining an official order	Not Yet Paid	R 2 992.00	No	Yes	Yes	Yes	No
TOTAL VALUE					R 159 121.10					

Appendix K: Non - current assets held for sale

DESCRIPTION	ASSET ID	BOOK VALUE
4220 DESK 6 DRAWER		
Commodity: D0009 DESK 6 DRAWER	101464	85.00
4230 DESK 2 DRAWER		
Commodity: D0005 DESK 2 DRAWER	101465	85.00
7321 DESK 6 DRAWER		
Commodity: D0009 DESK 6 DRAWER	101458	190.00
11755 CHAIR VISITOR		
Commodity: C0055 CHAIR VISITOR	101471	54.00
11838 CHAIR VISITOR		
Commodity: C0055 CHAIR VISITOR	102534	62.93
10789 CHAIR DESK HIGH BACK WITH ARMS		
Commodity: C0041 CHAIR DESK HIGH BACK WITH ARMS	106082	160.00
10792 HEATER WITH BAR OR FAN		
Commodity: H0006 HEATER WITH BAR OR FAN	109132	7.00
3033 CABINET FILING METAL 4 DRAWER		
Commodity: C0015 CABINET FILING METAL 4 DRAWER	104440	5.00
3143 CUPBOARD WOOD 2 DOOR		
Commodity: C0177 CUPBOARD WOOD 2 DOOR	107932	2.00
3152 MACHINE DETACHER WATERFALL		
Commodity: 00292 MACHINE DETACHER WATERFALL	108251	181.00
3153 MACHINE DETACHER MORE BUSTER		
Commodity: 00293 MACHINE DETACHER MORE BUSTER	108799	133.00
3161 CHAIR WOOD NO ARMS		
Commodity: C0064 CHAIR WOOD NO ARMS	104953	49.00
3234 DESK 6 DRAWER		
Commodity: D0009 DESK 6 DRAWER	108301	2.00
4331 DESK 3 DRAWER		
Commodity: D0006 DESK 3 DRAWER	108343	60.00
9405 CHAIR DESK HIGH BACK WITH ARMS		
Commodity: C0041 CHAIR DESK HIGH BACK WITH ARMS	105952	48.00
3683 CABINET STEEL		
Commodity: C0022 CABINET STEEL	102343	209.00
9601 CHAIR DESK HIGH BACK NO ARMS		
Commodity: C0040 CHAIR DESK HIGH BACK NO ARMS	106052	98.00
2826 TABLE WOOD WITH GLASS		
Commodity: T0025 TABLE WOOD	108576	14.00
3189 CHAIR VISITOR		
Commodity: C0055 CHAIR VISITOR	106562	5.00
3227 CHAIR WOOD NO ARMS		
Commodity: C0064 CHAIR WOOD NO ARMS	106563	5.00
3052 DESK		
Commodity: D0003 DESK	111293	312.00
3197 CABINET STEEL		
Commodity: C0022 CABINET STEEL	108097	12.00
3102 CHAIR VISITOR		
Commodity: C0055 CHAIR VISITOR	106659	12.00
3119 CHAIR VISITOR		
Commodity: C0055 CHAIR VISITOR	106660	12.00

DESCRIPTION	ASSET ID	BOOK VALUE
5824 CABINET DRAWER CARD INDEX		
Commodity: C0008 CABINET DRAWER CARD INDEX	104672	3.00
5825 CABINET DRAWER CARD INDEX		
Commodity: C0008 CABINET DRAWER CARD INDEX	104682	207.00
5826 CABINET DRAWER CARD INDEX		
Commodity: C0008 CABINET DRAWER CARD INDEX	104683	207.00
5827 TROLLEY TEA STAINLESS STEEL		
Commodity: T0128 TROLLEY TEA STAINLESS STEEL	104704	7.00
9282 DESK COMPUTER		
Commodity: D0011 DESK COMPUTER	107767	21.00
2009 CHAIR DESK MID BACK WITH ARMS		
Commodity: C0044 CHAIR DESK MID BACK WITH ARMS	106152	37.00
4268 CHAIR DESK HIGH BACK WITH ARMS		
Commodity: C0041 CHAIR DESK HIGH BACK WITH ARMS	106293	70.00
4860 DESK 2 DRAWER		
Commodity: D0005 DESK 2 DRAWER	108328	25.00
10553 CHAIR DESK HIGH BACK WITH ARMS		
Commodity: C0041 CHAIR DESK HIGH BACK WITH ARMS	106097	188.00
12363 CHAIR DESK HIGH BACK WITH ARMS		
Commodity: C0041 CHAIR DESK HIGH BACK WITH ARMS	106075	138.00
56 CABINET FILING METAL 4 DRAWER		
Commodity: C0015 CABINET FILING METAL 4 DRAWER	104438	9.78
1988 CUPBOARD WOOD		
Commodity: C0165 CUPBOARD WOOD	108018	1 105.58
1995 DESK 2 DRAWER		
Commodity: D0005 DESK 2 DRAWER	108291	5.06
2199 CHAIR DESK MID BACK WITH ARMS		
Commodity: C0044 CHAIR DESK MID BACK WITH ARMS	106304	43.36
2203 DESK 6 DRAWER		
Commodity: D0009 DESK 6 DRAWER	108294	10.20
3364 CABINET FILING		
Commodity: C0009 CABINET FILING	108078	15.00
3517 CABINET STEEL		
Commodity: C0022 CABINET STEEL	108079	16.50
3584 CHAIR DESK HIGH BACK WITH ARMS		
Commodity: C0041 CHAIR DESK HIGH BACK WITH ARMS	106303	43.35
3727 TABLE WOOD		
Commodity: 00299 TABLE WOOD	108321	196.09
3903 CUPBOARD WOOD		
Commodity: C0165 CUPBOARD WOOD	108022	1 105.58
13153 GRINDER		
Commodity: G0011 GRINDER	103447	1 600.00
13508 CABINET FILING METAL 4 DRAWER		
Commodity: C0015 CABINET FILING METAL 4 DRAWER	104645	773.90
3729 CHAIR DESK MID BACK WITH ARMS		
Commodity: C0044 CHAIR DESK MID BACK WITH ARMS	105963	53.00
3888 REFRIGERATOR DEFY		
Commodity: R0016 REFRIGERATOR DEFY	109041	184.00
10550 CHAIR VISITOR		
Commodity: C0055 CHAIR VISITOR	107404	99.00
7233 CABINET FILING METAL 4 DRAWER		
Commodity: C0015 CABINET FILING METAL 4 DRAWER	104451	26.00
15215 DESK 3 DRAWER		
Commodity: D0006 DESK 3 DRAWER	108317	10.00

DESCRIPTION	ASSET ID	BOOK VALUE
12 BOOKCASE		
Commodity: B0031 BOOKCASE	104160	125.00
2731 CHAIR STACKABLE		
Commodity: C0048 CHAIR STACKABLE	105662	15.00
2746 CHAIR STACKABLE		
Commodity: C0048 CHAIR STACKABLE	105664	18.84
2827 DESK 2 DRAWER		
Commodity: D0005 DESK 2 DRAWER	108573	12.00
4803 CHAIR TYPIST LOW BACK NO ARMS		
Commodity: C0050 CHAIR TYPIST LOW BACK NO ARMS	106208	18.00
4290 CHAIR DESK MID BACK NO ARMS		
Commodity: C0043 CHAIR DESK MID BACK NO ARMS	106209	21.00
9429 DESK COMPUTER		
Commodity: D0011 DESK COMPUTER	111346	14.00
3294 CHAIR STACKABLE		
Commodity: C0048 CHAIR STACKABLE	105704	39.00
7047 CHAIR VISITOR		
Commodity: C0055 CHAIR VISITOR	106517	3.00
12346 RACK WOOD		
Commodity: R0004 RACK WOOD	102253	25.00
5770 DESK 3 DRAWER		
Commodity: D0006 DESK 3 DRAWER	108327	25.00
383 DESK 6 DRAWER		
Commodity: D0009 DESK 6 DRAWER	108335	50.00
17393 URN STAINLESS STEEL		
Commodity: U0005 URN STAINLESS STEEL	111803	44.00
4397 DESK 3 DRAWER		
Commodity: D0006 DESK 3 DRAWER	108581	18.00
4427 DESK 6 DRAWER		
Commodity: D0009 DESK 6 DRAWER	108285	228.00
4431 DESK 2 DRAWER		
Commodity: D0005 DESK 2 DRAWER	108324	22.00
13372 DESK 6 DRAWER		
Commodity: D0009 DESK 6 DRAWER	108374	338.00
17438 VACUUM CLEANER		
Commodity: V0001 VACUUM CLEANER	107467	94.00
17462 DESK 6 DRAWER		
Commodity: D0009 DESK 6 DRAWER	108378	338.00
5781 CHAIR VISITOR		
Commodity: C0055 CHAIR VISITOR	106674	13.00
4454 CHAIR VISITOR		
Commodity: C0055 CHAIR VISITOR	106419	2.00
11815 CHAIR DESK HIGH BACK WITH ARMS		
Commodity: C0041 CHAIR DESK HIGH BACK WITH ARMS	106111	231.00
3273 CHAIR STACKABLE		
Commodity: C0048 CHAIR STACKABLE	105908	30.00
16266 DESK 3 DRAWER		
Commodity: D0009 DESK 6 DRAWER	108519	386.00
17574 CHAIR STACKABLE		
Commodity: C0048 CHAIR STACKABLE	105679	2.00
10200 COMPUTER PRINTER HP LASERJET		
Commodity: C0122 COMPUTER PRINTER HP LASERJET	112129	654.82
10704 COMPUTER PC CPU		
Commodity: C0085 COMPUTER PC CPU	107488	100.00

DESCRIPTION	ASSET ID	BOOK VALUE
Ln. Description		
1 KEYBOARD		
2 MOUSE		
3 SPEAKERS		
13521 COMPUTER PC CPU		
Commodity: C0085 COMPUTER PC CPU	107489	320.00
Ln. Description		
1 KEYBOARD		
2 MOUSE		
13834 COMPUTER PC MONITOR		
Commodity: C0086 COMPUTER PC MONITOR	107502	376.00
14635 COMPUTER PC CPU		
Commodity: C0085 COMPUTER PC CPU	107508	376.00
9410 COMPUTER PRINTER HP LASERJET 1200		
Commodity: C0116 COMPUTER PRINTER HP LASERJET 1	102693	98.00
11379 COMPUTER PC CPU		
Commodity: C0085 COMPUTER PC CPU	107503	376.00
Ln. Description		
1 KEYBOARD		
2 MOUSE		
9220 COMPUTER PC MONITOR		
Commodity: C0086 COMPUTER PC MONITOR	103289	172.00
13660 COMPUTER PC CPU		
Commodity: C0085 COMPUTER PC CPU	100037	1 184.00
Ln. Description		
1 KEYBOARD		
2 MOUSE		
3 SPEAKERS		
10702 COMPUTER PC CPU		
Commodity: C0085 COMPUTER PC CPU	100038	1 184.00
Ln. Description		
1 KEYBOARD		
2 MOUSE		
3 SPEAKERS		
10791 COMPUTER PC CPU		
Commodity: C0085 COMPUTER PC CPU	100039	1 184.00
Ln. Description		
1 KEYBOARD		
2 MOUSE		
2444 COMPUTER PC MONITOR		
Commodity: C0086 COMPUTER PC MONITOR	109981	2.00
12652 COMPUTER PC MONITOR		
Commodity: C0086 COMPUTER PC MONITOR	112209	993.66
12483 COMPUTER PRINTER HP DESKJET 5150		
Commodity: 00043 COMPUTER PRINTER HP DESKJET 51	109832	75.00
1687 TELEVISION GOLDSTAR		
Commodity: T0035 TELEVISION GOLDSTAR	102411	263.00
2342 COMPUTER PRINTER HP DESKJET 840C		
Commodity: C0113 COMPUTER PRINTER HP DESKJET 84	107549	475.00
10979 CALCULATER DESK		
Commodity: C0027 CALCULATER DESK	104831	15.00
4287 CALCULATER DESK		
Commodity: C0027 CALCULATER DESK	104889	76.00
12383 COMPUTER PC MONITOR		

DESCRIPTION	ASSET ID	BOOK VALUE
Commodity: C0086 COMPUTER PC MONITOR 12384 COMPUTER PC MONITOR	102093	100.00
Commodity: C0086 COMPUTER PC MONITOR 8546 POWER SUPPLY	102096	100.00
Commodity: P0009 POWER SUPPLY 11359 COMPUTER PC CPU	111788	438.00
Commodity: C0085 COMPUTER PC CPU Ln. Description	100071	1 224.00
1 KEYBOARD		
2 MOUSE		
3 SPEAKERS		
9075 LADDER STEP METAL		
Commodity: L0003 LADDER STEP METAL 10824 COMPUTER PC MONITOR	109224	13.00
Commodity: C0086 COMPUTER PC MONITOR 11899 COMPUTER PC CPU	102978	221.00
Commodity: C0085 COMPUTER PC CPU 14535 COMPUTER PC MONITOR	100072	1 224.00
Commodity: C0086 COMPUTER PC MONITOR 14636 COMPUTER PC MONITOR	102979	221.00
Commodity: C0086 COMPUTER PC MONITOR 2679 COMPUTER PRINTER HP DESKJET 930C	102980	221.00
Commodity: 00108 COMPUTER PRINTER HP DESKJET 93 4264 COMPUTER PRINTER SEIKO PRECISION SP 241	109784	200.00
Commodity: 00053 COMPUTER PRINTER SEIKO PRESCIS 4849 CALCULATER DESK	109821	94.00
Commodity: C0027 CALCULATER DESK 8424 CALCULATER DESK	104830	28.00
Commodity: C0027 CALCULATER DESK 10730 COMPUTER PC CPU	104845	28.00
Commodity: C0085 COMPUTER PC CPU Ln. Description	107490	324.00
1 KEYBOARD		
2 MOUSE		
3 SPEAKERS		
4556 COMPUTER PC MONITOR		
Commodity: C0086 COMPUTER PC MONITOR 13175 GRINDER	101802	223.00
Commodity: G0011 GRINDER 14660 COMPUTER PRINTER LASER HP1315	109097	63.60
Commodity: C0125 COMPUTER PRINTER LASER 4532 COMPUTER PC MONITOR	102024	850.00
Commodity: C0086 COMPUTER PC MONITOR 9704 COMPUTER PRINTER CANON BUBBLEJET	107708	102.00
Commodity: C0095 COMPUTER PRINTER CANON BUBBLEJ 12626 COMPUTER LAZERJET HP 1010	109731	14.00
Commodity: 00288 COMPUTER LAZERJET HP 1010 12633 COMPUTER PRINTER OKI C3100	109873	75.00
Commodity: 00335 COMPUTER PRINTER OKI C3100 9316 COMPUTER PC CPU	101780	298.00
Commodity: C0085 COMPUTER PC CPU Ln. Description	107539	475.00
1 KEYBOARD		
3 LG DVD WRITER		

DESCRIPTION	ASSET ID	BOOK VALUE
2 SEAGATE BARRACUDA 160GB H/DRIVE		
11380 COMPUTER PC MONITOR		
Commodity: C0086 COMPUTER PC MONITOR	107682	100.00
11381 COMPUTER PRINTER HP DESKJET 5150		
Commodity: 00043 COMPUTER PRINTER HP DESKJET 51	109859	99.00
14833 COMPUTER PC MONITOR		
Commodity: C0086 COMPUTER PC MONITOR	107651	100.00
14790 COMPUTER PC MONITOR		
Commodity: C0086 COMPUTER PC MONITOR	102120	100.00
15197 COMPUTER PC MONITOR		
Commodity: C0086 COMPUTER PC MONITOR	102112	51.00
9678 VACUUM CLEANER		
Commodity: V0001 VACUUM CLEANER	107479	890.00
14513 COMPUTER PC CPU		
Commodity: C0085 COMPUTER PC CPU	107537	475.00
9423 COMPUTER PC CPU		
Commodity: C0085 COMPUTER PC CPU	100077	1 227.00
12430 COMPUTER UPS		
Commodity: C0151 COMPUTER UPS	107564	751.00
2468 MACHINE PHOTOCOPY		
Commodity: M0017 MACHINE PHOTOCOPY	109685	707.00
14524 COMPUTER PC CPU		
Commodity: C0085 COMPUTER PC CPU	107525	475.00
15255 TABLE WOOD		
Commodity: T0025 TABLE WOOD	111090	162.40
14744 COMPUTER PC MONITOR (F. MULLER)		
Commodity: C0086 COMPUTER PC MONITOR	107751	332.00
15170 COMPUTER PC CPU (CRISTELL)		
Commodity: C0085 COMPUTER PC CPU	107494	355.00
4276 COMPUTER MODEM 56K EXT		
Commodity: C0080 COMPUTER MODEM 56K EXT	107607	35.00
9719 COMPUTER PC CPU		
Commodity: C0085 COMPUTER PC CPU	107563	814.00
11392 COMPUTER PRINTER HP DESKJET 5652		
Commodity: 00345 COMPUTER PRINTER HP DESKJET 56	109732	101.00
12400 COMPUTER MODEM FAX		
Commodity: C0082 COMPUTER MODEM FAX	107609	35.00
14669 COMPUTER PC CPU		
Commodity: C0085 COMPUTER PC CPU	107538	475.00
12150 COMPUTER PC MONITOR		
Commodity: C0086 COMPUTER PC MONITOR	107734	113.00
12340 COMPUTER PC CPU		
Commodity: C0085 COMPUTER PC CPU	107499	376.00
10841 COMPUTER PC MONITOR		
Commodity: C0086 COMPUTER PC MONITOR	107747	182.00
14756 COMPUTER PC MONITOR		
Commodity: C0086 COMPUTER PC MONITOR	107647	100.00
9533 MACHINE PHOTOCOPY INDUSTRIAL		
Commodity: M0018 MACHINE PHOTOCOPY INDUSTRIAL	100326	4 063.00
9534 CUPBOARD WOOD		
Commodity: C0165 CUPBOARD WOOD	104811	37.00
9141 COMPUTER PC MONITOR		
Commodity: C0086 COMPUTER PC MONITOR	107710	102.00
15812 COMPUTER PC CPU		

DESCRIPTION	ASSET ID	BOOK VALUE
Commodity: C0085 COMPUTER PC CPU 15822 COMPUTER PC CPU	102168	317.00
Commodity: C0085 COMPUTER PC CPU 15826 COMPUTER PC CPU	102169	317.00
Commodity: C0085 COMPUTER PC CPU 15819 COMPUTER PC CPU	102170	317.00
Commodity: C0085 COMPUTER PC CPU 15825 COMPUTER PC CPU	102171	317.00
Commodity: C0085 COMPUTER PC CPU 15821 COMPUTER PC CPU	102172	317.00
Commodity: C0085 COMPUTER PC CPU 15816 COMPUTER PC CPU	102173	317.00
Commodity: C0085 COMPUTER PC CPU 15824 COMPUTER PC CPU	102174	317.00
Commodity: C0085 COMPUTER PC CPU 15799 COMPUTER PC CPU	102175	317.00
Commodity: C0085 COMPUTER PC CPU 15827 COMPUTER PC CPU	102176	317.00
Commodity: C0085 COMPUTER PC CPU 15828 COMPUTER PC CPU	102177	317.00
Commodity: C0085 COMPUTER PC CPU 11511 COMPUTER PC CPU	102178	317.00
Commodity: C0085 COMPUTER PC CPU 16123 COMPUTER PRINTER ALL IN ONE	100610	6 115.00
Commodity: C0198 COMPUTER PRINTER ALL IN ONE 16356 MACHINE PHOTOCOPY INDUSTRIAL	109779	150.00
Commodity: M0018 MACHINE PHOTOCOPY INDUSTRIAL 3236 VACUUM CLEANER	100573	2 990.00
Commodity: V0001 VACUUM CLEANER 16137 COMPUTER PRINTER HP950 OFFICEJET	107462	52.00
Commodity: 00486 HP OFFICEJET PRO K550 11556 COMPUTER PC CPU	102579	157.00
Commodity: C0085 COMPUTER PC CPU 12547 COMPUTER PC MONITOR	102179	317.00
Commodity: C0086 COMPUTER PC MONITOR 12574 COMPUTER PC MONITOR	107720	102.00
Commodity: C0086 COMPUTER PC MONITOR 12332 CAMERA DIGITAL	107721	102.00
Commodity: 00080 CAMERA DIGITAL 11387 COMPUTER PRINTER HP DESKJET 5652	101732	328.00
Commodity: C0106 COMPUTER PRINTER HP DESKJET 56 14943 COMPUTER PC CPU	102013	1 220.00
Commodity: C0085 COMPUTER PC CPU 14961 MONITOR ACER "19"	102696	354.00
Commodity: M0073 MONITOR ACER 15102 COMPUTER KEYBOARD CORDLESS + MOUSE	102907	259.00
Commodity: C0075 COMPUTER KEYBOARD 14832 COMPUTER PRINTER HP LAZERJET 1020	102911	66.00
Commodity: 00436 COMPUTER PRINTER HP LAZERJET 1 15109 COMPUTER KEYBOARD CORDLESS + MOUSE	102953	98.00
Commodity: C0075 COMPUTER KEYBOARD 15294 COMPUTER PC CPU	102957	66.00
Commodity: C0085 COMPUTER PC CPU 15691 MACHINE FAX	103216	600.00

DESCRIPTION	ASSET ID	BOOK VALUE
Commodity: M0009 MACHINE FAX 15748 COMPUTER PC CPU	103288	520.00
Commodity: C0085 COMPUTER PC CPU 15749 COMPUTER PC CPU	103570	477.00
Commodity: C0085 COMPUTER PC CPU 15750 COMPUTER PC CPU	103571	477.00
Commodity: C0085 COMPUTER PC CPU 15754 COMPUTER PC CPU	103572	477.00
Commodity: C0085 COMPUTER PC CPU 15755 COMPUTER PC CPU	103576	477.00
Commodity: C0085 COMPUTER PC CPU 15756 COMPUTER PC CPU	103577	477.00
Commodity: C0085 COMPUTER PC CPU 15741 COMPUTER PC MONITOR	103578	477.00
Commodity: C0086 COMPUTER PC MONITOR 15829 COMPUTER PC CPU	103611	139.00
Commodity: C0085 COMPUTER PC CPU 15729 COMPUTER PC CPU	103697	39.00
Commodity: C0085 COMPUTER PC CPU 14217 DESK 3 DRAWER	103704	388.00
Commodity: D0006 DESK 3 DRAWER 4699 TABLE WOOD	102475	92.00
Commodity: 00299 TABLE WOOD 15270 RADIO HOMEBASE	110816	10.00
Commodity: R0008 RADIO HOMEBASE 16570 RADIO HOMEBASE	102523	255.00
Commodity: R0008 RADIO HOMEBASE 5605 RADIO HOMEBASE	103065	293.56
Commodity: R0008 RADIO HOMEBASE 9606 COMPUTER PRINTER HP LASERJET	103066	293.56
Commodity: C0122 COMPUTER PRINTER HP LASERJET 12083 COMPUTER PC MONITOR	109874	75.00
Commodity: C0086 COMPUTER PC MONITOR 11975 COMPUTER PC MONITOR	107715	102.00
Commodity: C0086 COMPUTER PC MONITOR 17344 COMPUTER PC MONITOR	107692	100.00
Commodity: C0086 COMPUTER PC MONITOR 5287 COMPUTER MODEM 56K EXT	102925	64.00
Commodity: C0080 COMPUTER MODEM 56K EXT 5536 RADIO HOMEBASE	107612	35.00
Commodity: R0008 RADIO HOMEBASE 5537 POWER SUPPLY	110107	108.00
Commodity: P0009 POWER SUPPLY 8525 COMPUTER PC MONITOR	110247	51.00
Commodity: C0086 COMPUTER PC MONITOR 9437 DESK COMPUTER	102427	100.00
Commodity: D0011 DESK COMPUTER 16566 POWER SUPPLY	102424	396.00
Commodity: P0009 POWER SUPPLY 16569 RADIO HOMEBASE	110252	51.00
Commodity: R0008 RADIO HOMEBASE 17505 COMPUTER PRINTER HP LASERJET	110108	108.00
Commodity: C0122 COMPUTER PRINTER HP LASERJET 11954 COMPUTER LAZERJET HP 1010	111917	425.42

DESCRIPTION	ASSET ID	BOOK VALUE
Commodity: 00288 COMPUTER LAZERJET HP 1010 15823 COMPUTER PC CPU	109884	131.00
Commodity: C0085 COMPUTER PC CPU 12485 COMPUTER FLOPPY DISK DRIVE UNIT	102185	317.00
Commodity: C0149 COMPUTER TAPE DRIVE 15303 COMPUTER SWITCH D-LINK	108812	930.00
Commodity: C0148 COMPUTER SWITCH SMC 8PORT 13835 COMPUTER PRINTER HP LASERJET 1200	107794	528.00
Commodity: C0116 COMPUTER PRINTER HP LASERJET 1 5278 COMPUTER PRINTER 1150C OFFICEJET	102111	89.00
Commodity: C0124 COMPUTER PRINTER HP950 OFFICEJ 12052 COMPUTER PC CPU	109870	149.00
Commodity: C0085 COMPUTER PC CPU 17846 RADIO HAND	102184	317.00
Commodity: R0007 RADIO HAND 17852 RADIO HAND	112784	2 757.69
Commodity: R0007 RADIO HAND 12097 COMPUTER PC CPU	112788	2 757.69
Commodity: C0085 COMPUTER PC CPU 14796 COMPUTER PC MONITOR	102180	317.00
Commodity: C0086 COMPUTER PC MONITOR 11544 COMPUTER PC MONITOR	102154	51.00
Commodity: C0086 COMPUTER PC MONITOR	102155	51.00
		68 198.57

Appendix K: Non - current aastes held for sale

JAAR MODEL	FABRIKAAT	REGISTRASIE= NOMMER	TOEWYSINGS= NOMMER	STANDPLAAS	BATE ID	BOEKWAARDE
1994	Isuzu N4000D 3.5 ton	CL 54822	152 16 1555	Stellenbosh	100482	72 166.00
1994	Ford Laser Tracer 1300	CJ 70504	152 10 1613	Stellenbosch	100257	12 481.00
1997	Ford Courier Leisure 3L 4X4	CW 16049	152 11 4170	Worcester Werkswinkel	100425	47 381.00
1998	Honda Ballade 180i	CW 81	152 10 4004	Worcester	100404	26 849.00
1998	Ford Courier 1800	CL 20395	152 11 1624	Stellenbosch	100376	28 613.00
1999	Toyota Venture 1.8	CW 25330	152 10 4088	Worcester	100410	30 008.00
1999	Volkswagen Mikrobus 2.6i	CW 18013	152 20 4001	Worcester	100394	18 478.00
2000	Mazda 323 1600	CW 15192	152 10 4073	Worcester	100364	20 531.00
2000	Mazda 323 1600	CW 17860	152 10 4078	Worcester	100363	20 531.00
277 038.00						