

ANNEXURE A: FINANCIAL STATEMENTS



Overstrand Municipality

**Annual Financial Statements
for the year ended June 30, 2012**

OVERSTRAND MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2012

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 84, in terms of Section 126(1)(a) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

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



GC Groenewald

Municipal Manager

19 November 2012

Overstrand Municipality

Annual Financial Statements for the year ended June 30, 2012

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Overstrand Municipality

Annual Financial Statements for the year ended June 30, 2012

Statement of Financial Position

Figures in Rand	Note(s)	2012	Restated 2011
Assets			
Current Assets			
Inventories	8	7,076,011	51,566,543
Operating lease asset		738,266	777,879
Receivables from exchange transactions	9	13,158,003	6,252,507
Other receivables from non-exchange transactions	10	8,471,930	20,920,434
VAT receivable	11	3,566,924	17,676,711
Consumer debtors	12	50,320,199	44,422,097
Long term receivables	7	25,298	24,261
Cash and cash equivalents	13	126,699,467	70,003,701
		210,056,098	211,644,133
Non-Current Assets			
Investment property	2	87,822,500	87,989,228
Property, plant and equipment	3	3,065,756,551	3,024,360,542
Intangible assets	4	3,547,265	2,837,625
Other financial assets	5	5,691,303	1,261,697
Long term receivables	7	126,072	147,060
		3,162,943,691	3,116,596,152
Non-current assets held for sale	14	22,823,298	27,902,162
Total Assets		3,395,823,087	3,356,142,447
Liabilities			
Current Liabilities			
Other financial liabilities	15	16,423,592	14,217,516
Finance lease obligation	16	997,769	-
Payables from exchange transactions	19	71,919,620	80,873,018
Consumer deposits	20	31,206,423	18,362,889
Retirement benefit obligation	6	1,943,000	1,777,000
Unspent conditional grants and receipts	17	7,975,247	9,954,951
Provisions	18	5,610,667	4,694,037
		136,076,318	129,879,411
Non-Current Liabilities			
Other financial liabilities	15	340,580,681	247,081,490
Retirement benefit obligation	6	71,562,000	61,660,000
Provisions	18	39,534,817	35,754,187
		451,677,498	344,495,677
Total Liabilities		587,753,816	474,375,088
Net Assets		2,808,069,271	2,881,767,359
Net Assets			
Reserves			
Revaluation reserve		315,176,077	315,176,077
Housing development fund		1,919,828	1,912,522
Accumulated surplus		2,490,973,366	2,564,678,760
Total Net Assets		2,808,069,271	2,881,767,359

Overstrand Municipality

Annual Financial Statements for the year ended June 30, 2012

Statement of Financial Performance

Figures in Rand	Note(s)	2012	Restated 2011
Revenue			
Property rates	21	136,510,901	128,737,266
Service charges	22	405,669,978	344,977,157
Property rates - penalties imposed and collection charges		995,095	853,371
Rental of facilities and equipment		6,731,614	6,531,785
Public contributions and donations		14,300,171	21,561,318
Fines		5,278,097	5,468,996
Licences and permits		1,786,476	1,710,778
Government grants and subsidies	23	95,422,704	82,469,589
Agency services		1,907,238	1,790,255
Other income	24	17,228,746	17,071,216
Interest received	30	9,210,119	6,168,274
Total Revenue		695,041,139	617,340,005
Expenditure			
Employee costs	27	(207,938,265)	(187,332,817)
Remuneration of councillors	28	(6,717,244)	(4,839,707)
Depreciation and amortisation	31	(100,668,631)	(103,346,664)
Impairment loss/ Reversal of impairments	32	(3,111,159)	(3,430,555)
Finance costs	33	(31,727,084)	(19,372,688)
Debt impairment	29	190,129	(4,805,546)
Repairs and maintenance		(64,844,769)	(58,239,214)
Bulk purchases	37	(126,669,077)	(101,683,452)
Contracted services	35	(24,777,215)	(20,253,361)
Grants and subsidies paid	36	(28,454,141)	(23,619,539)
General Expenses	25	(167,555,412)	(116,277,775)
Total Expenditure		(762,272,868)	(643,201,318)
Gain on disposal of assets		2,256,088	13,170,653
Fair value adjustments		(8,729,753)	22,425,882
(Deficit) surplus for the year		(73,705,394)	9,735,222

Overstrand Municipality

Annual Financial Statements for the year ended June 30, 2012

Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Housing development fund	Total reserves	Accumulated surplus	Total net assets
Opening balance as previously reported	315,176,077	1,918,404	317,094,481	2,537,045,809	2,854,140,290
Adjustments					
Correction of errors	-	-	-	19,029,447	19,029,447
Prior year adjustments	-	-	-	(1,131,718)	(1,131,718)
Balance at July 01, 2010 as restated	315,176,077	1,918,404	317,094,481	2,554,943,538	2,872,038,019
Changes in net assets					
Surplus for the year	-	-	-	9,735,222	9,735,222
Transfer to Housing development fund	-	(5,882)	(5,882)	-	(5,882)
Total changes	-	(5,882)	(5,882)	9,735,222	9,729,340
Opening balance as previously reported	315,176,077	1,912,522	317,088,599	2,497,044,508	2,814,133,107
Adjustments					
Correction of errors	-	-	-	68,318,825	68,318,825
Prior year adjustments	-	-	-	(684,573)	(684,573)
Balance at July 01, 2011 as restated	315,176,077	1,912,522	317,088,599	2,564,678,760	2,881,767,359
Changes in net assets					
Surplus for the year	-	-	-	(73,705,394)	(73,705,394)
Transfer to Housing development fund	-	7,306	7,306	-	7,306
Total changes	-	7,306	7,306	(73,705,394)	(73,698,088)
Balance at June 30, 2012	315,176,077	1,919,828	317,095,905	2,490,973,366	2,808,069,271

Note(s)

Overstrand Municipality

Annual Financial Statements for the year ended June 30, 2012

Cash Flow Statement

Figures in Rand	Note(s)	2012	Restated 2011
Cash flows from operating activities			
Receipts			
Taxation		138,756,438	124,220,898
Sale of goods and services		413,655,141	345,318,721
Grants		93,443,000	90,502,524
Interest income		9,210,119	6,168,274
Other receipts		64,634,577	57,855,867
Movement in housing development fund		7,306	-
		<u>719,706,581</u>	<u>624,066,284</u>
Payments			
Employee costs		(197,870,265)	(180,482,817)
Suppliers		(126,669,077)	(101,683,452)
Finance costs		(31,669,076)	(19,372,688)
Other payments		(251,653,598)	(251,553,156)
Movement in housing development fund		-	(5,882)
		<u>(607,862,016)</u>	<u>(553,097,995)</u>
Net cash flows from operating activities	38	<u>111,844,565</u>	<u>70,968,289</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(162,366,177)	(150,378,527)
Proceeds from sale of property, plant and equipment	3	13,721,879	21,429,215
Proceeds from sale of investment property	2	-	2,009,272
Purchase of other intangible assets	4	(928,401)	(118,275)
Proceeds from sale of other intangible assets	4	-	8,089
Movement in financial assets		(4,429,606)	(1,261,697)
Movement in long term receivables		19,951	29,063
Movement in non-current assets held for sale		2,188,527	17,137,128
Net cash flows from investing activities		<u>(151,793,827)</u>	<u>(111,145,732)</u>
Cash flows from financing activities			
Movement in other financial liabilities		95,705,267	80,557,836
Movement in finance leases		939,761	-
Net cash flows from financing activities		<u>96,645,028</u>	<u>80,557,836</u>
Net increase/(decrease) in cash and cash equivalents		<u>56,695,766</u>	<u>40,380,393</u>
Cash and cash equivalents at the beginning of the year		70,003,701	29,623,308
Cash and cash equivalents at the end of the year	13	<u>126,699,467</u>	<u>70,003,701</u>

Overstrand Municipality

Annual Financial Statements for the year ended June 30, 2012

Accounting Policies

1. Presentation of Annual Financial Statements

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

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

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

Impairment testing

Accounting Policy 1.5, 1.9 and 1.10 on Impairment of financial assets, cash generating assets and non-cash generating assets describes the process followed to determine the value with which financial assets should be impaired. In making the estimation of the impairment, the management of the municipality considers the detailed criteria of impairment of financial assets as set out in IAS 39: Financial Instruments - Recognition and Measurement. The management of the municipality is satisfied that impairment of financial assets recorded during the year is appropriate. Details of the impairment loss calculation are provided in Note 32 to the Annual Financial Statements.

Useful lives of property, plant and equipment

As described in Accounting Policy 1.3, the municipality depreciates its property, plant and equipment, investment property and intangible assets over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives, which is determined when the assets are available for use. The useful lives and residual values of the assets are based on industry knowledge.

Defined benefit plan liabilities

As described in Accounting Policy 1.11, the municipality obtains actuarial valuations of its defined benefit plan liabilities. The defined benefit obligations of the municipality that were identified are Post-retirement Health Benefit Obligations and Long service Awards. The estimated liabilities are recorded in accordance with the requirements of IAS 19. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in Notes 6 and 18 to the Annual Financial Statements.

Revenue recognition

Accounting Policy 1.13 on Revenue from Exchange Transactions and Accounting Policy 1.14 on Revenue from Non-exchange Transactions describes the conditions under which revenue will be recorded by the management of the municipality.

In making their judgement, management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and, in particular, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services is rendered, whether the service has been rendered. The management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

Financial assets and liabilities

The classification of financial assets and financial liabilities is based on judgement by management.

Provisions and contingent liabilities

Management judgement is required when recognising and measuring provisions and when measuring contingent liabilities as set out in notes 18 and 40 respectively. Provisions are discounted where the effect of discounting is material using actuarial valuations.

Overstrand Municipality

Annual Financial Statements for the year ended June 30, 2012

Accounting Policies

1.2 Investment property

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

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

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Fair value

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

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

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

Property interests held under operating leases are classified and accounted for as investment property in the following circumstances:

When classification is difficult, the criteria used to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of business, are as follows:

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

1.3 Property, plant and equipment

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at date of acquisition.

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

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

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

Overstrand Municipality

Annual Financial Statements for the year ended June 30, 2012

Accounting Policies

1.3 Property, plant and equipment (continued)

Land and buildings are carried at revalued amount based on municipal valuations, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed by external independent valuers with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

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

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

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

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

Item	Useful life in years
Infrastructure	
• Roads and paving	3 - 60
• Pedestrian malls	25 - 80
• Electricity	3 - 60
• Water	5 - 100
• Sewerage	10 - 60
• Housing	30
Community	
• Improvements	5 - 30
• Recreational facilities	5 - 30
• Security	5 - 15
Other property, plant and equipment	
• Buildings	5 - 30
• Specialist vehicles	4 - 10
• Other vehicles	4 - 10
• Office equipment	3 - 15
• Furniture and fittings	3 - 15
• Watercraft	4 - 10
• Bins and containers	10 - 15
• Specialised plant and equipment	3 - 15
• Other plant and equipment	3 - 15

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

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

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

Overstrand Municipality

Annual Financial Statements for the year ended June 30, 2012

Accounting Policies

1.3 Property, plant and equipment (continued)

Land is not depreciated as it is deemed to have an indefinite useful life.

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

1.4 Intangible assets

An asset is identified as an intangible asset when it:

- is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, assets or liability; or
- arises from contractual rights or other legal rights, regardless whether those rights are transferable or separate from the municipality or from other rights and obligations.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

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

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

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

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

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

Item	Useful life
Computer software, other	2 - 5

1.5 Heritage assets

Class of heritage assets means a grouping of heritage assets of a similar nature or function in an municipality's operations that is shown as a single item for the purpose of disclosure in the annual financial statements.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

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

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

An inalienable item is an asset that an municipality is required by law or otherwise to retain indefinitely and cannot be disposed of without consent.

Recognition

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

Overstrand Municipality

Annual Financial Statements for the year ended June 30, 2012

Accounting Policies

1.5 Heritage assets (continued)

Initial measurement

Heritage assets are measured at cost.

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

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

Impairment

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

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Derecognition

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

1.6 Financial instruments

Classification

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

- Financial assets at fair value through surplus or deficit - designated
- Held-to-maturity investment
- Loans and receivables
- Available-for-sale financial assets
- Financial liabilities at fair value through surplus or deficit - designated
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through surplus or deficit, which shall not be classified out of the fair value through surplus or deficit category.

Initial recognition and measurement

Financial instruments are recognised initially when the municipality becomes a party to the contractual provisions of the instruments.

The municipality classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument.

Overstrand Municipality

Annual Financial Statements for the year ended June 30, 2012

Accounting Policies

1.6 Financial instruments (continued)

Financial instruments designated as at fair value through surplus or deficit

Financial assets at fair value through profit or loss are financial assets that meet either of the following conditions:

- they are classified as held for trading; or
- upon initial recognition they are designated as at fair value through the Statement of Financial Performance.

They are subsequently measured at fair value at the statement of financial position date with the profit or loss being recognised in the Statement of Financial Performance.

Financial instruments designated as available-for-sale

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and comprises of cash and equity instruments held in shares. They are included under current assets in the statement of financial position and are initially and subsequently measured at fair value at the 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 are measured at cost.

Receivables from exchange transactions

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in surplus or deficit within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

Trade and other receivables are classified as loans and receivables.

Payables from exchange transactions

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 and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand and cash with bank, net of bank overdrafts.

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

Overstrand Municipality

Annual Financial Statements for the year ended June 30, 2012

Accounting Policies

1.6 Financial instruments (continued)

Held to maturity

These financial assets are initially measured at fair value plus direct transaction costs.

At subsequent reporting dates these are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts. An impairment loss is recognised in surplus or deficit when there is objective evidence that the asset is impaired, and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Financial assets that the municipality has the positive intention and ability to hold to maturity are classified as held to maturity.

Financial liabilities

Financial liabilities are classified according to the substance of contractual agreements entered into. Trade and other payables are stated at their nominal value. There are two main categories of Financial Liabilities, the classification determining how they are measured. Financial liabilities may be measured at:

- Fair value through profit or loss; or
- Other financial liabilities at amortised cost

All financial liabilities including trade and other payables, are measured at amortised cost using the effective interest rate 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.

Derecognition

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the municipality has transferred its rights to receive cash flows from the asset and either
 - has transferred substantially all the risks and rewards of the asset, or
 - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the municipality has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the municipality's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the municipality could be required to repay. Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the municipality's continuing involvement is the amount of the transferred asset that the municipality may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the municipality's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in surplus or deficit.

Overstrand Municipality

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Accounting Policies

1.6 Financial instruments (continued)

Impairment of financial assets

The municipality assesses at each statement of financial position date whether a financial asset or group of financial assets is impaired.

Initially Accounts Receivable are valued at fair value and subsequently carried at amortised cost using the effective interest rate method. An estimate is made for doubtful debt based on past default experience of all outstanding amounts at year-end. Bad debts are written off the year in which they are identified as irrecoverable. 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 original effective interest rate.

Consumer Debtors are stated at cost less a provision for bad debts. The provision is made so that the recoverability of Consumer Debtors is assessed individually and then collectively after grouping the assets in financial assets with similar credit risk characteristics. Government accounts are not provided for as such accounts are regarded as receivable. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the Statement of Financial Performance.

With the exception of Available-for-Sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Financial Performance to the extent that the carrying amount of the investment, at the date the impairment is reversed, does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of Available-for-Sale equity securities, impairment losses previously recognised through profit or loss are not reversed through the Statement of Financial performance. Any increase in fair value subsequent to an impairment loss is recognised directly in equity.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

1.7 Leases

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

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

Finance leases - lessor

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

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

Overstrand Municipality

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Accounting Policies

1.7 Leases (continued)

Finance leases - lessee

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

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

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

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

Operating leases - lessor

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

Operating leases - lessee

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

1.8 Inventories

Inventories are initially measured at cost except where inventories are acquired at no cost, or for nominal consideration, then their costs are their fair value as at the date of acquisition.

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

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

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

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

Water and purified effluent are valued at purified cost insofar as it is stored and controlled in reservoirs at year-end.

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

1.9 Non-current assets held for sale

Non-current assets 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 is regarded as met only when the sale is highly probable and the asset 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 are measured at the lower of its carrying amount and fair value less costs to sell.

The gain or loss on the eventual sale of non-current assets held for sale is included in the Statement of Financial Performance as gain or loss on sale of assets. The gain or loss on the eventual sale of non-current assets held for sale, is calculated on the difference between the net disposal proceeds and the carrying amount of the individual asset.

Overstrand Municipality

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Accounting Policies

1.10 Impairment of cash-generating assets

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

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

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

Identification

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

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

Value in use

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

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

1.11 Impairment of non-cash-generating assets

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

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

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

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

Identification

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

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

Value in use

Value in use of an asset is the present value of the asset's remaining service potential.

1.12 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The liability for leave pay is based on the total accrued leave days at year end and is shown as a payable in the Statement of Financial Position.

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.

Overstrand Municipality

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Accounting Policies

1.12 Employee benefits (continued)

Defined contribution plans

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

The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in the Statement of Financial Performance in the period in which the service is rendered by the relevant employees. The municipality has no further payment obligations once the contributions have been paid.

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

The municipality contributes to various National- and Provincial-administered Defined Benefit Plans on behalf of its qualifying employees. These funds are multi-employer funds (refer to Note 6 of the Annual Financial Statements for details). The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. These defined benefit funds are actuarially valued bi-annually on the Projected Unit Credit Method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

Other post retirement obligations

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

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded. The present value of the defined benefit obligation is calculated using the projected unit credit method, incorporating actuarial assumptions and a discount rate based on the government bond rate.

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

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

1.13 Provisions and contingencies

Provisions are recognised when:

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

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

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

Overstrand Municipality

Annual Financial Statements for the year ended June 30, 2012

Accounting Policies

1.13 Provisions and contingencies (continued)

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

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

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

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 40.

1.14 Revenue from exchange transactions

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

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

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

Measurement

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

Sale of goods

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

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

Overstrand Municipality

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Accounting Policies

1.14 Revenue from exchange transactions (continued)

Rendering of services

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

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

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

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

Service charges from sewerage and sanitation are charged on both vacant and developed property using the tariffs approved from Council and are levied monthly.

Interest, royalties and other

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

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

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

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportion basis.

Revenue from the sale of electricity prepaid units is recognised when the risks and rewards of ownership has passed to the buyer.

Revenue received from pre-paid electricity sales are deferred and recognised as revenue on the consumption basis, commencing on the date of purchase. The consumption of pre-paid electricity is measured by using a trend analysis and other historical data about electricity usage, including how often an electricity card is purchased or additional units of electricity loaded onto a pre-paid card.

1.15 Revenue from non-exchange transactions

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

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

Overstrand Municipality

Annual Financial Statements for the year ended June 30, 2012

Accounting Policies

1.15 Revenue from non-exchange transactions (continued)

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

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

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

Recognition

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

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

Measurement

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

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

Taxes

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources. Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured. The degree of probability attached to the inflow of resources is determined on the basis of evidence available at the time of initial recognition, which includes, but is not limited to, disclosure of the taxable event by the taxpayer.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

The taxable event for value added tax is the undertaking of taxable activity during the taxation period by the taxpayer.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

Transfers

Apart from Services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

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

Overstrand Municipality

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Accounting Policies

1.15 Revenue from non-exchange transactions (continued)

Debt forgiveness and assumption of liabilities

The municipality recognise revenue in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners.

Revenue arising from debt forgiveness is measured at the fair value of the debt forgiven. Where debt is carried at a value other than fair value, the receivable is recognised at the carrying amount.

Fines

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

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

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

Bequests

Bequests that satisfy the definition of an asset are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality, and the fair value of the assets can be measured reliably.

Gifts and donations, including goods in-kind

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

Services in-kind

Services in-kind are not recognised.

1.16 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any investment income on the temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the municipality on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

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

1.17 Comparative figures

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

1.18 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

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

Overstrand Municipality

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Accounting Policies

1.19 Fruitless and wasteful expenditure

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

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

1.20 Irregular expenditure

“irregular expenditure”, in relation to a municipality or municipal entity, means—

- (a) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of this Act, and which has not been condoned in terms of section 170;
- (b) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act;
- (c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or
- (d) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of unauthorised expenditure

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

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

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

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

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

1.21 Presentation of currency

These annual financial statements are presented in South African Rand.

1.22 Offsetting

Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP

Overstrand Municipality

Annual Financial Statements for the year ended June 30, 2012

Accounting Policies

1.23 Housing development fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

1.24 Internal reserves

Self insurance reserve

The municipality has a Self-Insurance Reserve to set aside amounts to offset potential losses or claims that cannot be insured externally. The balance of the self-insurance fund is invested in short-term cash investments.

Claims are settled by transferring a corresponding amount from the Self-Insurance Reserve to the accumulated surplus.

1.25 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/deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the statement of financial performance.

1.26 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

1.27 Budget information

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

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the annual financial statements.

1.28 Changes in accounting policies, estimates and errors

Changes in accounting policies that are effected by management are applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Correction of Errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

1.29 Events after reporting date

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

Overstrand Municipality

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Accounting Policies

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

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

GRAP 18	Segment Reporting - issued February 2011
GRAP 20	Related parties - issued June 2011
GRAP 25	Employee Benefits - issued November 2009

Application of all of the above GRAP standards will be effective from a date to be announced by the Minister of Finance. This date is not currently available.

The ASB Directive 5 paragraph 29 allows for the Municipality to apply the principles established in a Standard of GRAP that has been issued, but is not yet in effect, in developing an appropriate accounting policy dealing with a particular transaction or event before applying paragraph .12 of GRAP 3 on Accounting Policies, Changes in Accounting Estimates and Errors.

The Municipality applied the principles established in the following Standards of GRAP that have been issued, but is not yet in effect, in developing appropriate accounting policies dealing with the following transactions, but have not early adopted these Standards:

Employee Benefits (GRAP 25 - issued December 2009)

Management has considered all the above standards issued but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the municipality.

The following standards have been issued and are effective but not yet applicable:

GRAP 21	Impairment of non-cash-generating assets (effective 1 July 2012)
GRAP 23	Revenue of non-exchange transactions (effective 1 July 2012)
GRAP 24	Presentation of budget information in financial statements (effective 1 July 2012)
GRAP 26	Impairment of cash-generating assets (effective 1 July 2012)
GRAP 103	Heritage assets (effective 1 July 2012)
GRAP 104	Financial instruments (effective 1 July 2012)

Overstrand Municipality

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2. Investment property

	2012			2011		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	87,822,500	-	87,822,500	87,989,228	-	87,989,228

Reconciliation of investment property - 2012

	Opening balance	Transfers	Fair value adjustments	Total
Investment property	87,989,228	8,563,025	(8,729,753)	87,822,500

Reconciliation of investment property - 2011

	Opening balance	Disposals	Transfers	Additions at fair value	Fair value adjustments	Total
Investment property	67,537,900	(2,009,272)	34,718	3,810,500	18,615,382	87,989,228

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.

Revenue earned on Investment Properties for the 2011/12 financial year was R1,019,823 (2010/11 : R805,959).

All transfers to Investment Property were from owner-occupied property.

Investment Properties are adjusted to their fair value on an annual basis. The valuations are performed by Boland Valuers, independent valuers who are not connected to the municipality.

3. Property, plant and equipment

	2012			2011		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	374,637,849	-	374,637,849	371,417,899	-	371,417,899
Buildings	121,837,850	(15,864,991)	105,972,859	122,555,997	(10,641,190)	111,914,807
Infrastructure	4,942,020,109	(2,559,019,054)	2,383,001,055	4,836,765,462	(2,490,079,312)	2,346,686,150
Community	116,579,373	(35,215,455)	81,363,918	111,041,175	(30,856,848)	80,184,327
Other	71,211,728	(27,298,702)	43,913,026	61,683,023	(24,520,973)	37,162,050
Heritage	76,867,844	-	76,867,844	76,995,309	-	76,995,309
Total	5,703,154,753	(2,637,398,202)	3,065,756,551	5,580,458,865	(2,556,098,323)	3,024,360,542

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3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2012

	Opening balance	Additions	Disposals	Transfers	Under construction	Depreciation	Total
Land	371,417,899	12,056,428	(523,593)	(8,433,944)	121,059	-	374,637,849
Buildings	111,914,807	175,000	(224,703)	(493,098)	-	(5,399,147)	105,972,859
Infrastructure	2,346,686,150	53,998,573	(10,337,815)	-	79,691,187	(87,037,040)	2,383,001,055
Community	80,184,327	4,929,780	-	-	608,417	(4,358,606)	81,363,918
Other	37,162,050	10,785,733	(379,680)	-	-	(3,655,077)	43,913,026
Heritage	76,995,309	-	-	(127,465)	-	-	76,867,844
	3,024,360,542	81,945,514	(11,465,791)	(9,054,507)	80,420,663	(100,449,870)	3,065,756,551

Reconciliation of property, plant and equipment - 2011

	Opening balance	Additions	Disposals	Transfers	Under construction	Depreciation	Total
Land	397,383,590	9,720,793	(7,700,500)	(27,985,984)	-	-	371,417,899
Buildings	117,360,533	984,571	(454,080)	(453,120)	-	(5,523,097)	111,914,807
Infrastructure	2,317,927,587	77,627,807	-	(10,128,484)	50,438,025	(89,178,785)	2,346,686,150
Community	69,204,703	4,414,953	-	10,128,484	1,143,208	(4,707,021)	80,184,327
Other	34,984,678	6,049,170	(70,982)	-	-	(3,800,816)	37,162,050
Heritage	77,028,309	-	(33,000)	-	-	-	76,995,309
	3,013,889,400	98,797,294	(8,258,562)	(28,439,104)	51,581,233	(103,209,719)	3,024,360,542

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.

Land and buildings are re-valued every 4 years. The last revaluation was done on 30 June 2008 and was performed by Boland Valuers, independent valuers who are not connected to the municipality.

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4. Intangible assets

	2012			2011		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Water rights	2,360,000	-	2,360,000	2,360,000	-	2,360,000
Computer software, other	1,731,401	(544,136)	1,187,265	803,000	(325,375)	477,625
Total	4,091,401	(544,136)	3,547,265	3,163,000	(325,375)	2,837,625

Reconciliation of intangible assets - 2012

	Opening balance	Additions	Amortisation	Total
Water rights	2,360,000	-	-	2,360,000
Computer software, other	477,625	928,401	(218,761)	1,187,265
	2,837,625	928,401	(218,761)	3,547,265

Reconciliation of intangible assets - 2011

	Opening balance	Additions	Disposals/ write-offs	Amortisation	Total
Water rights	2,360,000	-	-	-	2,360,000
Computer software, other	504,384	118,275	(8,089)	(136,945)	477,625
	2,864,384	118,275	(8,089)	(136,945)	2,837,625

The municipality entered into a contract with Kraai Bosch Plase (Pty) Ltd on 28 May 1999. The contract does not define the period for which the municipality will cease to enjoy the right to use the water from the Kraaibosch dam. There is no reason to believe that the right to the Kraaibosch dam has a limited useful life due to the condition of the dam. Regular assessment is performed to determine whether the conditions that existed at the inception of the contract have changed.

5. Other financial assets

Held to maturity

Momentum	275,632	-
Sinking fund for external loan Liberty	5,415,671	1,261,697
Sinking fund for external loan		
	5,691,303	1,261,697

Non-current assets

Held to maturity	5,691,303	1,261,697
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In determining the recoverability of other financial assets, the Overstrand Municipality considers any change in the credit quality of the other financial assets from the date the credit was initially granted up to the reporting date.

Overstrand Municipality

Annual Financial Statements for the year ended June 30, 2012

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6. Employee benefit obligations

Defined benefit plan

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. 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) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. No other post-retirement benefits are provided to these employees.

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

- Bonitas;
- LA Health;
- Prosano;
- Hosmed;
- Samwumed; and
- Keyhealth.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2012 by Mr DR Poane, Fellow of the Actuarial Society of South Africa, including projections for the 2013 and 2014 financial periods. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The members of the Post-employment Health Care Benefit Plan are made up as follows:

In-service members (employees)	387	378
Continuation members (retirees, widowers and orphans)	70	66
	<u>457</u>	<u>444</u>

The amounts recognised in the statement of financial position are as follows:

Carrying value

Present value of the defined benefit obligation-wholly unfunded	(73,505,000)	(63,437,000)
Non-current liabilities	(71,562,000)	(61,660,000)
Current liabilities	(1,943,000)	(1,777,000)
	<u>(73,505,000)</u>	<u>(63,437,000)</u>

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	63,437,000	56,587,000
Net expense recognised in the statement of financial performance	10,068,000	6,850,000
	<u>73,505,000</u>	<u>63,437,000</u>

Net expense recognised in the statement of financial performance

Current service cost	4,191,000	3,872,000
Interest cost	5,234,000	4,668,000
Actuarial (gains) losses	2,517,906	-
Benefits paid	(1,874,906)	(1,690,000)
	<u>10,068,000</u>	<u>6,850,000</u>

Overstrand Municipality

Annual Financial Statements for the year ended June 30, 2012

Notes to the Annual Financial Statements

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6. Employee benefit obligations (continued)

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	7.86 %	8.25 %
Medical cost trend rates	6.37 %	6.75 %
Net effective discounted rate	1.40 %	1.41 %

Management assessed the assumptions used and found it to be adequate.

Other assumptions

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

	One percentage point increase	One percentage point decrease
Effect on the aggregate of the service cost and interest cost	12,243,000	8,853,000
Effect on defined benefit obligation	84,750,000	64,341,000

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

	2012 R	2011 R	2010 R	2009 R	2008 R
Defined benefit obligation	73,505,000	63,437,000	56,587,000	53,518,638	47,582,639

Defined contribution plan

It is the policy of the municipality to provide retirement benefits to all its employees. A number of defined contribution provident funds, all of which are subject to the Pensions Fund Act exist for this purpose.

The municipality is under no obligation to cover any unfunded benefits.

7. Long term receivables

Land sales	3,352	4,352
Officials: Study loans	5,300	5,300
Housing selling scheme loans	18,643	19,459
Sport clubs	124,075	142,210
	151,370	171,321
Non-current assets		
Long term receivables	126,072	147,060
Current assets		
Long term receivables	25,298	24,261
	151,370	171,321

In determining the recoverability of long term receivables, the Overstrand Municipality considers any change in the credit quality of the long term receivables from the date the credit was initially granted up to the reporting date.

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8. Inventories		
Stores and material	6,588,292	4,359,649
Water	217,058	118,540
Work-in-progress - Property developments	270,661	47,773,751
	<u>7,076,011</u>	<u>52,251,940</u>
Inventories (write-downs)	-	(685,397)
	7,076,011	51,566,543
Inventories recognised as an expense during the year:		
Stores and material	7,777,481	5,672,482
Work-in-progress - Property developments	49,987,689	1,003,860
Water	19,410,548	15,060,362
9. Receivables from exchange transactions		
Trade debtors	13,150,811	6,160,507
Accrued interest	7,192	92,000
	<u>13,158,003</u>	<u>6,252,507</u>
In determining the recoverability of trade and other receivables, the Overstrand Municipality considers any change in the credit quality of the trade and other receivables from the date the credit was initially granted up to the reporting date.		
10. Other receivables from non-exchange transactions		
Control accounts - sundry	1,109,076	5,920,337
Deposits	389,915	184,570
Government grants and subsidies	6,552,223	14,067,121
Public contributions and subsidies	420,716	748,406
	<u>8,471,930</u>	<u>20,920,434</u>
11. VAT receivable		
VAT	3,566,924	17,676,711
In determining the recoverability of VAT receivable, the Overstrand Municipality considers any change in the credit quality of the VAT receivable from the date the credit was initially granted up to the reporting date.		
12. Consumer debtors		
Gross balances		
Rates	14,028,345	16,616,716
Electricity	15,138,515	18,120,698
Water	9,734,617	11,253,782
Sewerage	6,700,846	7,735,991
Refuse	4,433,977	5,417,686
Housing rental	226,623	430,470
Other	18,170,968	5,078,637
	<u>68,433,891</u>	<u>64,653,980</u>

Overstrand Municipality

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12. Consumer debtors (continued)		
Less: Provision for debt impairment		
Rates	(2,931,737)	(3,274,571)
Electricity	(809,377)	(7,904,024)
Water	(527,014)	(4,588,642)
Sewerage	(1,161,864)	(1,297,731)
Refuse	(739,115)	(825,546)
Housing rental	(24,837)	(27,741)
Other	(11,919,748)	(2,313,628)
	(18,113,692)	(20,231,883)
Net balance		
Rates	11,096,608	13,342,145
Electricity	14,329,138	10,216,674
Water	9,207,603	6,665,140
Sewerage	5,538,982	6,438,260
Refuse	3,694,862	4,592,140
Housing rental	201,786	402,729
Other	6,251,220	2,765,009
	50,320,199	44,422,097
Rates		
Current (0 -30 days)	8,026,290	6,404,401
31 - 60 days	467,021	941,876
61 - 90 days	346,601	507,412
91 - 120 days	280,916	668,952
+120 days	1,975,780	4,819,504
	11,096,608	13,342,145
Electricity		
Current (0 -30 days)	12,348,398	7,657,003
31 - 60 days	393,282	664,812
61 - 90 days	244,699	284,429
91 - 120 days	189,050	184,088
+120 days	1,153,709	1,426,342
	14,329,138	10,216,674
Water		
Current (0 -30 days)	6,935,908	3,510,624
31 - 60 days	522,333	664,596
61 - 90 days	427,855	342,922
91 - 120 days	360,567	279,457
+120 days	960,940	1,867,541
	9,207,603	6,665,140
Sewerage		
Current (0 -30 days)	3,902,853	3,070,801
31 - 60 days	285,019	606,935
61 - 90 days	225,721	309,240
91 - 120 days	196,812	219,102
+120 days	928,577	2,232,182
	5,538,982	6,438,260

Overstrand Municipality

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12. Consumer debtors (continued)

Refuse

Current (0 -30 days)	2,798,770	2,356,529
31 - 60 days	151,102	339,534
61 - 90 days	116,288	189,531
91 - 120 days	95,119	127,898
+120 days	533,583	1,578,648
	3,694,862	4,592,140

Housing rental

Current (0 -30 days)	127,623	184,701
31 - 60 days	12,891	34,267
61 - 90 days	11,798	21,812
91 - 120 days	10,561	13,879
+120 days	38,913	148,070
	201,786	402,729

Other

Current (0 -30 days)	599,507	995,518
31 - 60 days	107,610	235,779
61 - 90 days	64,063	184,801
91 - 120 days	44,558	107,255
+120 days	5,435,482	1,241,656
	6,251,220	2,765,009

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12. Consumer debtors (continued)		
Summary of debtors by customer classification		
Consumers		
Current (0 -30 days)	30,301,455	27,227,950
31 - 60 days	1,986,508	4,387,700
61 - 90 days	1,442,994	2,307,010
91 - 120 days	1,185,151	1,937,549
+120 days	19,962,219	16,424,069
	<u>54,878,327</u>	<u>52,284,278</u>
Less: Provision for debt impairment	(17,233,204)	(18,645,689)
	<u>37,645,123</u>	<u>33,638,589</u>
Industrial/ commercial		
Current (0 -30 days)	9,553,301	8,380,198
31 - 60 days	318,332	617,425
61 - 90 days	206,858	228,209
91 - 120 days	88,763	255,098
+120 days	774,983	527,215
	<u>10,942,237</u>	<u>10,008,145</u>
Less: Provision for debt impairment	(880,487)	(1,586,193)
	<u>10,061,750</u>	<u>8,421,952</u>
National and provincial government		
Current (0 -30 days)	637,749	403,373
31 - 60 days	106,558	72,002
61 - 90 days	111,180	136,487
91 - 120 days	155,707	59,953
+120 days	1,602,134	1,689,741
	<u>2,613,328</u>	<u>2,361,556</u>
Total		
Current (0 -30 days)	40,492,504	36,011,521
31 - 60 days	2,411,399	5,077,127
61 - 90 days	1,761,032	2,671,706
91 - 120 days	1,429,621	2,252,600
121 - 365 days	22,339,335	18,641,025
	<u>68,433,891</u>	<u>64,653,979</u>
Less: Provision for debt impairment	(18,113,692)	(20,231,882)
	<u>50,320,199</u>	<u>44,422,097</u>
Less: Provision for debt impairment		
Current (0 -30 days)	(10,297,589)	(9,875,428)
31 - 60 days	(648,344)	(1,852,533)
61 - 90 days	(468,994)	(999,698)
91 - 120 days	(378,663)	(986,947)
+120 DAYS	(6,320,102)	(6,517,277)
	<u>(18,113,692)</u>	<u>(20,231,883)</u>

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12. Consumer debtors (continued)

Reconciliation of debt impairment provision

Balance at beginning of the year	(20,231,883)	(23,549,131)
Contributions to provision	190,129	(4,805,545)
Debt impairment written off against provision	1,928,062	8,122,793
	(18,113,692)	(20,231,883)

13. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	16,330	12,800
Bank balances	51,683,137	19,990,901
Short-term deposits	75,000,000	50,000,000
	126,699,467	70,003,701

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2012	June 30, 2011	June 30, 2010
ABSA - Cheque - 322-000-0035	70,318,621	41,821,282	27,921,943	51,031,117	19,493,713	19,025,442
ABSA - Cheque - 405-589-9787	6,994	147	5,382	1,686	5,301	3,897
ABSA - Cheque - 405-642-0921	63,400	28,244	60,428	74,237	37,772	18,275
ABSA - Cheque - 406-657-8021	404,637	418,444	788,925	331,156	325,261	297,744
ABSA - Cheque - 407-298-3157	244,941	128,855	262,950	244,941	128,854	262,950
ABSA Call account	25,000,000	20,000,000	10,000,000	25,000,000	20,000,000	10,000,000
Investec Call account	-	30,000,000	-	-	30,000,000	-
STB Call account	50,000,000	-	-	50,000,000	-	-
Cash on hand	-	-	-	16,330	12,800	15,000
Total	146,038,593	92,396,972	39,039,628	126,699,467	70,003,701	29,623,308

Overstrand Municipality

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14. Non-current assets held for sale

Assets meeting the definition and recognition criteria of non-current assets held for sale are reclassified and measured in accordance with GRAP 100 requirements.

ERF NO. 6830, Hermanus

Council resolved to sell this property in 2009 for the purpose of consolidation with an adjacent residential property. The property is 54m² in extent and was sold to HN De Villiers for R5,000. Transfer of the property was delayed by the purchaser. Transfer is expected in 2012.

ERF NO. 11138 portion of 243 Hermanus

Council resolved to sell the property in September 2009. The property was sold to the United Church on 22 February 2010. Transfer was delayed due to suspensive conditions in the Deed of Sale regarding the relocation of lessees on the property. Transfer is expected in 2012.

Portion 3 of the Farm Middelvlei 556, Hawston

Council resolved to sell the property in February 2010. The tender was awarded to Darloyog Investments (Pty) Ltd for the amount of R23,000,000 in August 2010. Transfer was expected in 2012. During the period the transaction did not materialise and was subsequently transferred to investment property.

ERVEN NO. 6468 to 6490, Hermanus (Mount Pleasant 22 Erven)

These are Gap Housing Properties. Council resolved to sell the properties on 29 October 2010. On 11 June 2012 the transfers for erven 6472, 6475, 6478 and 6481 were registered at the deeds office. the remaining 18 erven has been actively marketed and transfers are expected in 2013.

ERF NO. 11172 portion of 257, Mount Pleasant

Council resolved to sell the property in April 2010. The agreement was signed in September 2010. Transfer is expected to register in 2012.

ERF NO. 5464, Kleinmond

Council resolved to sell the property in April 2010. The contract was signed in June 2011. Transfer is expected to register in 2012.

ERF NO. 5452 portion of 2013, Onrus

Council resolved to sell the property in June 2011 and the contract was signed in July 2011. Transfer is expected in 2012.

ERF NO. 109, Van Dyksbaai

Council resolved to sell in September 2010. Transfer is expected in 2012.

ERF NO 1931 portion of 215, Zwelihle

Council resolved to sell the property in March 2009. Transfer is expected in 2012.

ERF NO. 611, Gansbaai

Council resolved to sell the property in September 2010. Property will be tendered in 2012. Transfer is expected early 2013.

ERF NO. 3895, Gansbaai

Council approved the exchange of land in November 2010. Transfer is expected early 2013.

ERF NO. 2203, portion of 407, Hawston

Sale i.t.o. memorandum of agreement between the Municipality and Provincial Government. Sale agreement in process of being finalised. Transfer expected early 2013.

ERF NO. 11154, Hermanus

Council approved the sale of the property in January 2012. The property was tendered but the sale did not register. The property will be tendered again in 2012.

ERF NO. 11436, Hermanus

Council approved the sale in May 2011. The property was tender but the sale did not realise. The property will be tendered for sale again in 2012.

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14. Non-current assets held for sale (continued)

ERVEN 7506, 7507 and 8619 - 8643, Kleinmond

This is part of the Kleinmond Harbour Development. Council approved the sale of the erven in 2002. The final contract was signed in 2010. Transfer of the properties will register in phases during 2012/2013.

ERF NO. 2856, Sandbaai

Council approved the sale on 30 November 2011. Contract signed in December 2011. Transfer is expected in 2012.

ERF NO. 217, Zwelihle

Council approved the sale on 30 May 2012. Transfer is expected in 2012.

ERF NO. 3897, Gansbaai

Sale i.t.o. memorandum of agreement between the Municipality and Provincial Government. Sale agreement in process of being finalised. Transfer expected early 2013.

ERF NO. 7699, Kleinmond

Sale i.t.o. memorandum of agreement between the Municipality and Provincial Government. Sale agreement in process of being finalised. Transfer expected early 2013.

ERF NO. 7997, Kleinmond

Council approved the sale on 29 February 2012. Transfer is expected in 2012.

ERF NO. 2834, Sandbaai

Council approved the transfer of the property on 25 January 2012. Negotiations are underway. Transfer expected in 2012.

ERF 11456, (a portion of Erf 243), Hermanus

Principle approval obtained from Council on 30 May 2012. Transfer expected early 2013.

Non-current assets held for sale comprises the following:

Erf no. 6830 - Hermanus	-	1,000
Erf no. 11138 - Hermanus	-	360,509
Portion 3 of the farm Middelvlei 556 - Hawston	-	23,000,000
Erven no. 6468 to 6490 - Hermanus Mount Pleasant	1,513,636	1,868,386
Erf no. 11172 - Hermanus Mount Pleasant	-	7,197
Erf no. 5464 - Kleinmond	-	375,000
Erf no. 5452 - Onrus	-	1,083,091
Erf no. 109 - Van Dyksbaai	1,025,000	1,200,000
Erf no. 1931 - Hermanus Zwelihle	-	6,979
Erf no. 611 - Gansbaai	99,821	-
Erf no. 3895 - Gansbaai	3,232	-
Erf no. 2203, portion of 407 - Hawston	193,059	-
Erf no. 11154 - Hermanus	4,300,000	-
Erf no. 11436 - Hermanus	48,847	-
Erven 7506, 7507 and 8619 to 8643 - Kleinmond	336,002	-
Erf no. 2856 - Sandbaai	437,656	-
Erf no. 217 - Zwelihle	5	-
Erf no. 3897 - Gansbaai	109,656	-
Erf no. 7699 - Kleinmond	697	-
Erf no. 7997 - Kleinmond	1,010	-
Erf no. 2834 - Sandbaai	14,436,975	-
Erf no. 11456, a portion of Erf 243 - Hermanus	317,702	-
	22,823,298	27,902,162

Overstrand Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2012	Restated 2011
15. Other financial liabilities		
Held at amortised cost		
Annuity loans	357,004,273	261,299,006
Non-current liabilities		
At amortised cost	340,580,681	247,081,490
Current liabilities		
At amortised cost	16,423,592	14,217,516
	357,004,273	261,299,006

The fair values of the financial liabilities were determined as follows:

a) The management of the municipality is of the opinion that the carrying value of Financial Assets and Financial Liabilities recorded at amortised cost in the Annual Financial Statements approximate their fair values. The fair value of Financial Assets and Financial Liabilities were determined after considering the standard terms and conditions of agreements entered into between the municipality and other parties as well as the current payment ratio's of the municipality's debtors.

b) At the reporting date there are no significant concentrations of credit risk for Loans and Receivables at Fair Value. The carrying amount reflected above represents the municipality's maximum exposure to credit risk for such loans and receivables.

Refer to note 43 for maturity analysis of financial liabilities.

16. Finance lease obligation

Minimum lease payments due		
- within one year	486,663	-
- in second to fifth year inclusive	683,749	-
	1,170,412	-
less: future finance charges	(172,643)	-
Present value of minimum lease payments	997,769	-
Present value of minimum lease payments due		
- within one year	374,480	-
- in second to fifth year inclusive	623,290	-
	997,770	-

The municipality has entered into contracts with suppliers for the rental of office equipment and has agreed to accept the option to purchase the equipment at the end of the lease term.

The average lease term was 3 years and the average effective borrowing rate was 12% (2011: Nil%).

Interest rates are fixed at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

Overstrand Municipality

Annual Financial Statements for the year ended June 30, 2012

Notes to the Annual Financial Statements

Figures in Rand	2012	Restated 2011
17. Unspent conditional grants and receipts		
Unspent conditional grants and receipts comprises of:		
Unspent conditional grants and receipts		
Government grants	5,193,811	5,073,085
Conditional receipts	2,781,436	4,881,866
	7,975,247	9,954,951
Government grants comprise of the following:		
Neighbourhood development partnership grant	681,808	3,962,672
Expanded public works programme	696,145	-
PAWC: Housing allocation	3,418,697	-
Housing consumer education grant	66,321	129,391
Mobility strategy (pound)	330,840	981,022
	5,193,811	5,073,085
Conditional receipts comprise of the following:		
Cleanest town competition	203,531	255,202
VUNA awards competition	-	394,109
ABSA mentorship (grey power)	50,000	50,000
Spaces for sport	239,620	125,127
CSIR housing grant	-	3,141,515
Department of water affairs: ACIP project	151,795	850,000
ABSA SAMRAS user group	-	450
Whale coast signage	-	39,863
Fire victims (Kleinmond informal settlement)	25,600	25,600
National lotto funds	500,000	-
Eskom SWH project	1,610,890	-
	2,781,436	4,881,866
Movement during the year		
Balance at the beginning of the year	9,954,951	1,922,016
Additions during the year	73,224,273	77,776,083
Income recognition during the year	(75,203,977)	(69,743,148)
	7,975,247	9,954,951

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

See note 23 for reconciliation of grants from National/Provincial Government.

Overstrand Municipality

Annual Financial Statements for the year ended June 30, 2012

Notes to the Annual Financial Statements

Figures in Rand

2012

Restated
2011

18. Provisions

Reconciliation of provisions - 2012

	Opening Balance	Adjustments	Utilised during the year	Total
Rehabilitation of tip sites	33,412,214	3,457,236	-	36,869,450
Clearing of alien vegetation	1,983,914	144,019	(411,641)	1,716,292
Long service bonuses	4,571,000	1,524,136	-	6,095,136
Gratification payable	481,096	(4,888)	(11,602)	464,606
	40,448,224	5,120,503	(423,243)	45,145,484

Reconciliation of provisions - 2011

	Opening Balance	Adjustments	Utilised during the year	Total
Rehabilitation of tip sites	18,995,425	14,416,789	-	33,412,214
Clearing of alien vegetation	1,920,303	529,887	(466,276)	1,983,914
Long service bonuses	4,305,000	266,000	-	4,571,000
Gratification payable	492,503	-	(11,407)	481,096
	25,713,231	15,212,676	(477,683)	40,448,224

Non-current liabilities

39,534,817

35,754,187

Current liabilities

5,610,667

4,694,037

45,145,484

40,448,224

Rehabilitation of tip sites

The cost to rehabilitate all identified sites in the Overstrand are estimated at R36,869,449.

The Department of Environmental Affairs communicated to municipalities to provide assistance to licence some of their facilities for either continued operation or closure. Hermanus, Hawston and Stanford's waste disposal facilities were identified to be licenced in the 2012/2013 fiscal year. The Department has budgeted for R50,000 per site for the entire process. During discussions held with the Department on the 7th of September 2012, there was uncertainty and lack of clarity surrounding the costs to be covered by the Department. The expected costs for licensing each site is R200,000 and is included in the provision. As a result the decrease in exposure is uncertain and may be negligible, therefore no adjustment will be made.

Clearing of alien vegetation

Approx. 23% of a total area of 5,705ha must be cleared during the next 5 to 10 years and the estimated cost amounts to R1,716,292.

Long service bonuses

An actuarial valuation has been carried out on the long service bonuses by a professional actuary as at 30 June 2012.

Gratification payable

The cost of the gratification payable was based on employees not belonging to a pension fund up until February 2003 and is only payable on retirement.

Overstrand Municipality

Annual Financial Statements for the year ended June 30, 2012

Notes to the Annual Financial Statements

Figures in Rand	2012	Restated 2011
19. Payables from exchange transactions		
Accrued bonus	5,692,062	5,307,562
Accrued leave pay	8,601,764	7,879,740
Builders' deposits	7,442,626	7,093,831
Control accounts - salaries	53,946	58,249
Control accounts - sundry	6,068,027	3,295,587
Deferred income	728,742	1,015,053
Deposits received	349,617	294,317
Other payables	5,234,325	4,263,049
Payments received in advanced	5,153,448	4,007,775
Retention monies	7,688,774	6,934,485
Trade payables	24,906,289	40,723,370
	71,919,620	80,873,018
20. Consumer deposits		
Services	31,206,423	18,362,889
21. Property rates		
Rates received		
Residential and business	136,510,901	128,737,266
	136,510,901	128,737,266
Property rates - penalties imposed and collection charges	995,095	853,371
	137,505,996	129,590,637
22. Service charges		
Sale of electricity	224,956,553	183,552,219
Sale of water	83,908,678	74,099,375
Refuse removal	39,921,933	36,945,036
Sewerage and sanitation charges	56,882,814	50,380,527
	405,669,978	344,977,157

Overstrand Municipality

Annual Financial Statements for the year ended June 30, 2012

Notes to the Annual Financial Statements

Figures in Rand	2012	Restated 2011
23. Government grants and subsidies		
National Equitable share	31,156,000	26,920,153
National Financial management grant	1,250,000	1,000,000
National Integrated national electricity grant	2,000,000	3,639,000
National Municipal systems improvement grant	790,000	750,000
National Neighbourhood development partners grant	5,280,865	6,973,164
Provincial Community development workers grant	78,000	100,000
Provincial Housing consumer education grant	63,070	75,497
Provincial Library grant	640,000	608,000
Provincial Main road subsidy	65,000	40,200
Provincial Mobility strategy (pound)	650,182	18,979
Provincial Municipal infrastructure grant	13,971,000	6,630,757
Provincial Social housing projects grant	3,186,121	35,713,839
National Expanded public works programme	80,855	-
National Regional bulk infrastructure grant	36,211,611	-
	95,422,704	82,469,589

National Equitable Share

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

All registered indigents receive a monthly subsidy based on the basic service charges for water, electricity, sewerage, refuse and 6kl free basic water and 50kw unit of electricity (2011: same principal applied), which is funded from the grant.

National Financial management grant

Current year receipts	1,250,000	1,000,000
Conditions met - transferred to revenue	(1,250,000)	(1,000,000)
	-	-

Conditions still to be met - remain liabilities (see note 17).

National Integrated national electricity grant

Current year receipts	2,000,000	3,639,000
Conditions met - transferred to revenue	(2,000,000)	(3,639,000)
	-	-

Conditions still to be met - remain liabilities (see note 17).

National Municipal systems improvement grant

Current year receipts	790,000	750,000
Conditions met - transferred to revenue	(790,000)	(750,000)
	-	-

Conditions still to be met - remain liabilities (see note 17).

National Neighbourhood development partners grant

Balance unspent at beginning of year	3,962,673	-
Current year receipts	2,000,000	10,935,837
Conditions met - transferred to revenue	(5,280,865)	(6,973,164)
	681,808	3,962,673

Overstrand Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2012	Restated 2011
23. Government grants and subsidies (continued)		
Conditions still to be met - remain liabilities (see note 17).		
Provincial Community development workers grant		
Current year receipts	78,000	100,000
Conditions met - transferred to revenue	(78,000)	(100,000)
	-	-
Conditions still to be met - remain liabilities (see note 17).		
Provincial Housing consumer education grant		
Balance unspent at beginning of year	129,391	204,888
Conditions met - transferred to revenue	(63,070)	(75,497)
	66,321	129,391
Conditions still to be met - remain liabilities (see note 17).		
Provincial Library grant		
Current year receipts	640,000	608,000
Conditions met - transferred to revenue	(640,000)	(608,000)
	-	-
Conditions still to be met - remain liabilities (see note 17).		
Provincial Main road subsidy		
Current year receipts	65,000	40,200
Conditions met - transferred to revenue	(65,000)	(40,200)
	-	-
Conditions still to be met - remain liabilities (see note 17).		
Provincial Mobility strategy (pound)		
Balance unspent at beginning of year	981,022	-
Current year receipts	-	1,000,000
Conditions met - transferred to revenue	(650,182)	(18,978)
	330,840	981,022
Conditions still to be met - remain liabilities (see note 17).		
Provincial Municipal infrastructure grant		
Current year receipts	13,971,000	9,209,000
Conditions met - transferred to revenue	(13,971,000)	(6,630,757)
Transferred to debtors	-	(2,578,243)
	-	-
Conditions still to be met - remain liabilities (see note 17).		

Overstrand Municipality

Annual Financial Statements for the year ended June 30, 2012

Notes to the Annual Financial Statements

Figures in Rand	2012	Restated 2011
23. Government grants and subsidies (continued)		
Provincial Social housing projects grant		
Current year receipts	6,604,818	32,867,932
Conditions met - transferred to revenue	(3,186,121)	(35,713,839)
Transferred to debtors	-	2,845,907
	3,418,697	-
Conditions still to be met - remain liabilities (see note 17).		
National Expanded public works programme		
Current-year receipts	777,000	-
Conditions met - transferred to revenue	(80,855)	-
	696,145	-
Conditions still to be met - remain liabilities (see note 17).		
National Regional bulk infrastructure grant		
Current-year receipts	36,211,611	-
Conditions met - transferred to revenue	(36,211,611)	-
	-	-
Conditions still to be met - remain liabilities (see note 17).		
24. Other income		
Administration charges	184,425	292,058
Admission fees	661,180	597,789
Building plan fees	3,252,194	2,799,914
Cemetery fees	191,074	149,611
Central improvement district	3,663,150	3,601,286
Collection charges	2,070,543	1,705,232
Commission received	91,493	75,663
Developers contributions	1,718,763	3,250,422
Library fees	40,628	50,931
Parking fees	128,289	126,984
Plot clearing charges	227,645	132,707
Post office agency	50,944	29,149
Pound fees	179,220	160,032
Private telephone calls recovered	307,893	308,367
Reconnection fees	779,520	278,761
Roadworthy certificates	452,770	456,911
SETA claims	1,046,460	464,260
Sundry income	763,351	1,250,914
Swimming pool fees	82,132	12,434
Town planning fees	755,642	708,639
Valuation and clearance certificates	335,309	388,714
Vehicle permits	246,121	230,438
	17,228,746	17,071,216

Overstrand Municipality

Annual Financial Statements for the year ended June 30, 2012

Notes to the Annual Financial Statements

Figures in Rand	2012	Restated 2011
25. General expenses		
Advertising	1,365,040	1,153,450
Assets expensed	459,469	-
Auditors remuneration	2,501,277	2,732,245
Bank charges	973,890	878,779
Chemicals	6,411,978	6,658,905
Commission paid	3,416,026	2,955,518
Conditional receipts expenses	54,612,203	4,028,539
Consumables	977,818	1,097,535
Contribution to provisions	3,601,254	14,946,676
Debt collection	-	788,358
Delegate expenses	129,910	130,402
Diesel for boilers	259,625	240,098
Electricity	2,574,777	2,146,420
Fuel and oil	9,041,885	6,887,276
Hermanus public protection	3,602,728	3,152,369
Hire	315,202	435,554
Improvement rebates	22,880,929	21,511,936
Insurance	1,651,319	1,724,781
LED project implementation	760,232	437,900
Lease rentals	1,203,033	1,149,421
Legal fees	2,721,696	605,611
Management of informal settlements	1,475,015	1,462,087
Occupational health and safety	66,344	84,996
Plot clearing costs	284,798	167,980
Postage and courier	1,400,145	1,145,451
Printing and stationery	1,867,771	1,774,627
Property valuation charges	2,418,035	900,558
Public functions	303,465	221,052
Radio license fees	17,440	34,585
Rates rebates and exemptions	4,931,955	4,507,846
Reference library	189,547	126,660
Refuse/recycle bags	242,666	222,288
Security services	3,434,791	3,416,526
Skills development levies	1,719,374	1,513,353
Solid waste chipping	2,369,445	1,946,171
Solid waste dumping fees	1,374,809	3,392,015
Solid waste haulage	4,345,238	2,255,019
Special projects	1,058,561	1,785,620
Staff welfare	161,506	80,463
Subscriptions and membership fees	994,647	776,841
Subsistence and transport	894,795	914,041
Sundry expenses	537,690	1,024,750
Telephone and fax	3,912,101	4,788,922
Title deed search fees	85,388	95,069
Tourism development	2,823,933	3,080,778
Training	2,704,781	2,396,618
Uniforms and protective clothing	1,532,736	1,386,282
Veterinary services	193,084	380,376
Water catchment, research and testing	5,647,953	1,821,529
Workmen's compensation assurance	1,107,108	913,499
	167,555,412	116,277,775

Membership fees paid over to SALGA during the year amounted to R915,161 (2011: R723,378).

Overstrand Municipality

Annual Financial Statements for the year ended June 30, 2012

Notes to the Annual Financial Statements

Figures in Rand	2012	Restated 2011
26. Operating (deficit) surplus		
Operating (deficit) surplus for the year is stated after accounting for the following:		
Operating lease charges		
Equipment		
• Contractual amounts	1,203,033	1,149,421
Gain on sale of property, plant and equipment	2,256,088	13,170,653
Impairment on property, plant and equipment	3,111,159	798,734
Impairment on other financial assets	-	2,631,821
Depreciation on property, plant and equipment	100,668,631	103,346,664
Employee costs	214,655,509	192,172,524
27. Employee related costs		
Basic	122,514,408	112,438,185
Bonus	9,483,178	8,677,559
Medical aid - company contributions	7,520,845	7,006,870
UIF	1,166,035	1,095,881
Other payroll levies	51,357	50,319
Leave pay provision charge	1,327,499	2,055,834
Post-employment benefits - Pension - Defined contribution plan	34,120,741	27,729,988
Overtime payments	12,029,721	10,505,849
Long-service awards	758,794	535,079
Acting allowances	1,098,986	709,086
Car allowance	8,298,951	7,877,398
Housing benefits and allowances	1,025,209	967,697
Scarcity allowance	1,458,555	1,338,595
Standby allowance	4,813,106	4,351,015
Group life - company contributions	863,882	773,489
Sundry allowances	1,387,603	1,219,973
Full time union representative	19,395	-
	207,938,265	187,332,817
27.1. Remuneration of municipal manager		
Annual Remuneration	1,068,483	1,071,102
Contributions to UIF, Medical and Pension Funds	286,701	258,792
Entertainment	10,910	-
	1,366,094	1,329,894
Cellphone allowance	18,396	17,952
Leave	87,432	-
	105,828	17,952
27.2. Remuneration of chief finance officer		
Annual Remuneration	957,878	866,128
Contributions to UIF, Medical and Pension Funds	272,043	246,225
Entertainment	7,197	-
	1,237,118	1,112,353
Cellphone allowance	18,840	17,952

Overstrand Municipality

Annual Financial Statements for the year ended June 30, 2012

Notes to the Annual Financial Statements

Figures in Rand	2012	Restated 2011
27. Employee related costs (continued)		
27.3. Remuneration of director: Management services		
Annual Remuneration	554,090	608,026
Car Allowance	24,000	-
Contributions to UIF, Medical and Pension Funds	139,371	196,428
Entertainment	4,000	-
Housing subsidy	2,088	-
	723,549	804,454
Cellphone allowance	15,700	17,952
Acting allowance	20,471	14,414
Leave	27,522	-
	63,693	32,366
27.4. Remuneration of director: Protection services		
Annual Remuneration	608,961	544,404
Car Allowance	120,000	120,000
Contributions to UIF, Medical and Pension Funds	32,854	78,687
Entertainment	6,000	-
	767,815	743,091
Cellphone allowance	18,840	17,952
27.5. Remuneration of director: Infrastructure and planning		
Annual Remuneration	937,397	850,031
Car Allowance	60,000	60,000
Contributions to UIF, Medical and Pension Funds	224,208	201,179
Computer allowance	6,516	6,516
Entertainment	8,934	-
	1,237,055	1,117,726
Cellphone allowance	18,840	17,952
27.6. Remuneration of director: Local economic development		
Annual Remuneration	629,876	527,374
Car Allowance	120,000	120,000
Contributions to UIF, Medical and Pension Funds	27,885	64,523
Entertainment	19,985	-
	797,746	711,897
Cellphone allowance	18,840	17,952

Overstrand Municipality

Annual Financial Statements for the year ended June 30, 2012

Notes to the Annual Financial Statements

Figures in Rand	2012	Restated 2011
27. Employee related costs (continued)		
27.7. Remuneration of director: Community services		
Annual Remuneration	827,187	685,057
Car Allowance	78,000	126,512
Contributions to UIF, Medical and Pension Funds	33,275	90,644
Computer allowance	3,912	3,912
Entertainment	8,082	-
	950,456	906,125
Cellphone allowance	18,840	17,952
27.8. Remuneration of director: Ex OLEDA director		
Annual Remuneration	-	353,076
Car Allowance	-	20,000
Performance Bonuses	-	7,058
Contributions to UIF, Medical and Pension Funds	-	74,410
	-	454,544
Cellphone allowance	-	8,550
28. Remuneration of councillors		
Executive Major	611,895	561,678
Deputy Executive Mayor	489,515	461,270
Mayoral Committee Members [2012 : 4; 2011 : 2]	1,835,684	867,820
Speaker	489,515	461,270
Councillors [2012 : 18; 2011 : 14]	3,290,635	2,487,669
	6,717,244	4,839,707
29. Debt impairment		
Contributions to debt impairment provision	(190,129)	4,805,546
30. Investment revenue		
Interest revenue		
Other financial assets	4,271,487	1,435,238
Bank	1,823,701	1,648,498
Interest charged on consumer debtors	2,330,692	2,463,258
Other	784,239	621,280
	9,210,119	6,168,274
31. Depreciation and amortisation		
Property, plant and equipment	100,449,870	103,209,719
Intangible assets	218,761	136,945
	100,668,631	103,346,664

Overstrand Municipality

Annual Financial Statements for the year ended June 30, 2012

Notes to the Annual Financial Statements

Figures in Rand	2012	Restated 2011
32. Impairment of assets		
Impairments		
Property, plant and equipment	3,111,159	798,734
Other financial assets	-	2,631,821
NRB bank is under receivership since October 1999. Interest only accrued until 31 December 2007. There is no guarantee that the municipality will receive the full value of the investment. During the 2009 financial year a dividend of R0.45 on the original capital still outstanding has been received. This brings the total payout to 89% of the original investment. Due to the fact that the majority of the debt, still to be collected by the receivers, involves some form of legal action, it is not possible to determine a date as to when the liquidation process will be completed. Management impaired this investment to Rnil and its been moved to contingent assets as at 30 June 2011.		
	3,111,159	3,430,555
33. Finance costs		
Finance leases	58,008	-
Current borrowings	31,669,076	19,372,688
	31,727,084	19,372,688
34. Auditors' remuneration		
Fees	2,501,277	2,732,245
35. Contracted services		
Specialist Services	10,719,491	8,259,012
Other Contractors	14,057,724	11,994,349
	24,777,215	20,253,361
36. Grants and subsidies paid		
Other subsidies		
Low house-hold subsidies	28,084,461	23,537,539
Grants to organisations	369,680	82,000
	28,454,141	23,619,539
37. Bulk purchases		
Electricity	126,669,077	101,683,452

Overstrand Municipality

Annual Financial Statements for the year ended June 30, 2012

Notes to the Annual Financial Statements

Figures in Rand	2012	Restated 2011
38. Cash generated from operations		
(Deficit) surplus	(73,705,394)	9,735,218
Adjustments for:		
Depreciation and amortisation	100,668,631	103,346,664
Loss on sale of property, plant and equipment	(2,256,088)	(13,170,653)
Fair value adjustments	8,729,753	(22,425,882)
Finance costs - Finance leases	58,008	-
Impairment deficit	3,111,159	3,430,555
Debt impairment	(190,129)	4,805,546
Movements in operating lease assets and accruals	39,613	15,308
Movements in retirement benefit obligation	10,068,000	6,850,000
Movements in provisions	4,697,260	14,734,993
Movement in housing development fund	7,306	(5,882)
Changes in working capital:		
Inventories	44,761,193	(39,498,102)
Receivables from exchange transactions	(6,905,496)	(715,964)
Other receivables from non-exchange transactions	12,448,504	6,811,104
Consumer debtors	(5,707,973)	(14,648,903)
Payables from exchange transactions	(8,953,399)	1,245,098
VAT	14,109,787	(2,043,157)
Unspent conditional grants and receipts	(1,979,704)	8,032,935
Consumer deposits	12,843,534	4,469,411
	111,844,565	70,968,289
39. Commitments		
Authorised capital expenditure		
Contracts entered into		
• Property, plant and equipment	20,302,159	14,638,065
Contracts not initiated, but budget approved by council		
• Property, plant and equipment	169,043,235	213,971,000
Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	78,540	264,747
- in second to fifth year inclusive	65,450	143,990
	143,990	408,737
Operating lease payments represent rentals payable by the municipality for its office equipment. Leases are negotiated for an average term of 3 years and rentals are fixed for the lease term. No contingent rent is payable.		
Operating leases - as lessor (income)		
Minimum lease payments due		
- within one year	393,989	362,110
- in second to fifth year inclusive	919,494	1,220,464
- later than five years	2,358,626	2,451,645
	3,672,109	4,034,219

Dedicated municipal property is held to generate rental income. Lease agreements are non-cancellable and have terms from 3 to 99 years. There are no contingent rents receivable.

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40. Contingencies

Contingent liabilities

SALA Pension Fund

SALA unilaterally decided to increase the employer's contribution to the said fund from 18,75% to 20,78% in 2003. A claim was instituted by the South African Local Authorities Pension Fund (SALA) in the Magistrate's Court for the district of Hermanus for the non-payment of increased contributions from July 2003 amounting to R136,596 plus interest at the prescribed rate from 30 September 2010.

Marius Kleynhans et. al vs Overstrand Municipality

The applicant filed a Notice of Motion in the Western Cape High Court requesting that:

The Municipality be ordered to ensure that the Fernkloof Estate is fully protected by electrified fencing that is designed to prevent unauthorised access to the estate.

This matter was not brought as an urgent or semi urgent matter - it is thus foreseen that, should the matter proceed, the court date will only be towards the late third quarter of the current financial year. Municipality's exposure is approximately R5,500,000.

Cape Joint Pension Fund

On 30 June 2009 Cape Joint Pension Fund realised a rate of interest of less than 5.5% on the total monies of the Fund. Rule 17(5) of the Fund states that local authorities associated with the Fund shall cover the shortfall in proportion to the contributions paid by each local authority. At 30 June 2011 the claim made by the Cape Joint Pension Fund amounts to R1,385,757 plus interest at the prescribed rate from 15 February 2010. Overstrand municipality together with a number of other municipalities has instituted legal proceedings to oppose the claim.

G Lamont et al. vs Overstrand Municipality

The applicant filed a Notice of Motion in the Western Cape High Court requesting that:

The Municipality be ordered to remove the dune sand in the street. Municipality's exposure is approximately R200,000.

Van der Werf vs Overstrand Municipality regarding erf 1069 De Kelders

A letter of demand was issued to the municipality regarding a right of way on municipal property. The matter is still out of court and ongoing pending further negotiations. Municipality's exposure is approximately R150,000.

H Myburgh v the Minister of Police and two others

A Senior Official of the municipality was alleged to have assaulted a member of the public. The municipality was joined as a third party respondent by the defendant being the Minister of Police. The claim is R600 000, however, Overstrand Municipality has no financial exposure to this claim as it is covered in terms of the municipality's insurance portfolio.

De Mond Caravan Park

An eviction application has been filed on behalf of Council in the High Court on 01 August 2012 and has been met by a notice of opposition on 30 August 2012 by the De Mond Caravan Park's body corporate..

The approximate maximum financial exposure in the case of an unfavourable finding against Council is an estimated R50,000.

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40. Contingencies (continued)

Contingent assets

New Republic Bank

The municipality has an investment with New Republic Bank. The bank is under receivership since October 1999. Interest only accrued until 31 December 2007. There is no guarantee that the municipality will receive the full value of the investment. During the 2009 financial year, a dividend of R0.45 on the original capital still outstanding has been received. This brings the total payout to 89% of the original investment.

Due to the fact that the majority of the debt still to be collected, by the receivers, involve some form of legal action, it is not possible to determine a date as to when the liquidation process will be completed.

Management impaired this investment from R2 631 821 to Rnil in 2010/2011 financial year.

Overstrand Municipality vs Corptrain (Pty) Ltd

The applicant filed a Notice of Motion in the Gauteng High Court requesting that: Corptrain (Pty) Ltd return monies erroneously transferred to them. A warrant of execution against the property of Corptrain (Pty) Ltd has been obtained. The exposure is approximately R176,250 plus interest at 13.5% from 4 August 2010.

41. Related parties

Relationships

Members of key management

Refer to note 27.1 to 27.8 and 28

There were no other related party transactions during the financial year, except as listed above.

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42. Comparative figures

The information presented below are only the statement of financial performance and statement of financial position items that have been affected by adjustments to comparative figures. The comparative figures have been adjusted for the following reasons:

Accounting errors:

Accounting errors relating to prior periods have been identified during the 2011/2012 financial period. These errors include mathematical errors^o, misapplication of accounting policies¹, oversight or misinterpretation of facts², and effects of fraud³.

Changes in classification:

Changes in classification were due to bringing items in line with National Treasury's budget guidelines.

The correction of errors detailed below has the following impact on the global opening balances as at 01 July 2010:

Assets: Inventories	7,645,732	Liabilities: Trade and other payables	5,778,014
Other receivables	24,113	Provisions (ST)	(1,127,970)
Investment property	700,000	Provisions (LT)	(3,551,727)
PPE	10,626,200		

Statement of financial position	Amount previously reported	Accounting errors	Changes in classification	Changes in accounting policy	Restated amount
Current Assets					
Inventories ²	3,792,644	47,773,899	-	-	51,566,543
Other receivables from non-exchange transactions ²	22,044,680	(1,124,246)	-	-	20,920,434
Consumer debtors ²	44,122,935	299,162	-	-	44,422,097
Non-Current Assets					
Investment property ²	87,289,228	700,000	-	-	87,989,228
Property, plant and equipment ²	3,013,259,239	11,101,304	-	-	3,024,360,543
Current Liabilities					
Trade and other payables ²	(73,616,065)	(7,256,953)	-	-	(80,873,018)
Provisions	(8,120,646)	3,426,609	-	-	(4,694,037)
Non-Current Liabilities					
Provisions	(48,468,665)	12,714,477	-	-	(35,754,188)
Net assets					
Accumulated surplus	(2,497,044,508)	(67,634,252)	-	-	(2,564,678,760)
Statement of financial performance					
Revenue					
Property rates ²	129,025,049	(287,783)	-	-	128,737,266
Service charges ²	354,358,469	(9,389,174)	7,862	-	344,977,157
Property rates - penalties imposed and collection charges ²	889,114	(35,743)	-	-	853,371
Rental income ²	6,445,458	86,327	-	-	6,531,785
Public contributions and donations ²	21,371,318	190,000	-	-	21,561,318
Government grants ²	83,616,436	(1,146,847)	-	-	82,469,589
Other income ²	17,084,955	(5,877)	(7,862)	-	17,071,216
Expenditure					
Employee costs ²	(185,865,875)	(1,466,942)	-	-	(187,332,817)
Depreciation and amortisation ²	(103,696,769)	350,105	-	-	(103,346,664)
Repairs and maintenance	(58,547,519)	308,057	248	-	(58,239,214)
Contracted services	(20,411,582)	158,221	-	-	(20,253,361)
General expenses ²	(176,806,565)	60,529,038	(248)	-	(127,496,012)

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43. Risk management

Capital risk management

The municipality's objectives when managing capital are to safeguard the municipality's ability to continue as a going concern in order to provide returns for member and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the municipality consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes 16 and 15, cash and cash equivalents disclosed in note 13, and equity as disclosed in the statement of financial position.

Consistent with others in the industry, the municipality monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

There have been no changes to what the municipality manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Financial risk management

Due to the largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities. Financial instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial assets and liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.

The Finance directorate monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk and liquidity risk. Compliance with policies and procedures are reviewed by the internal auditors on a continuous basis and annually by the external auditors. The municipality does not enter into or trade with financial instruments for speculative purposes.

Internal audit, responsible for initiating a control framework and monitoring and responding to potential risk, reports periodically to the municipality's audit committee, an independent body that monitors the effectiveness of the internal audit function.

Liquidity risk

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

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43. Risk management (continued)

Interest rate risk

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well established financial institutions of high credit standing. No investment with a tenure exceeding twelve months shall be made without consultation with the councillor responsible for financial matters.

Consumer debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of a provision for impairment.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Long-term Receivables and Other Debtors are individually evaluated annually at balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

Interest rate risk for long term financial liabilities is managed by monitoring the relevant rate and fixing it when market conditions indicate that it is favourable to do so.

Interest rate risk for trade and other payables is managed by ensuring that all payments are made within 30 days of receipt of statement, as prescribed by the MFMA.

Cash flow interest rate risk

Financial instruments 30 June 2012	Average effective interest rate	Total	Due in less than a year	Due in one to two years	Due in two to five years	Due after five years
Fixed interest rate instruments	10.53 %	587,433,365	52,103,994	47,654,176	147,035,115	340,640,080
Variable interest rate instruments	8.28 %	10,116,946	1,564,422	1,473,633	3,878,516	3,200,375
Financial instruments 30 June 2011						
Fixed interest rate instruments	10.72 %	337,150,524	30,864,895	28,592,631	77,705,771	199,987,226
Variable interest rate instruments	9.44 %	159,193,934	10,562,034	10,607,335	31,278,731	106,745,833

Above tables detail the municipality's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date which the municipality can be required to pay. The tables include both interest and principle cash flows.

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43. Risk management (continued)

Interest rate sensitivity analysis:

Financial assets:

If the average interest rate at a given date had been 100 basis points higher, with all other variables held constant, the fair value impact on the Statement of Financial Performance would have been R179,284 (2011: R185,906) with the opposite effect if the interest rate had been 100 basis points lower.

Financial liabilities:

If the average interest rate at a given date had been 100 basis points higher, with all other variables held constant, the fair value impact on the Statement of Financial Performance would have been R75,882 (2011: R729,831) with the opposite effect if the interest rate had been 100 basis points lower.

Credit risk

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

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

Counter parties with external credit rating (Fitch's):	2012	2011
Other financial assets		
F 1	75,000,000	50,000,000
F 3	5,691,303	1,261,697
Counter parties without external credit rating:		
Trade and other receivables from exchange and non-exchange transactions		
Group 2	13,968,634	7,185,483
Group 3	7,661,299	19,987,458
Consumer debtors		
Group 1	17,070,192	13,389,400
Group 2	1,292,038	1,672,008
Group 3	1,763,055	3,224,594
Group 4	30,194,915	26,136,095
Long term receivables		
Group 3	151,370	171,321

F1 = Highest credit quality. Indicates the strongest capacity for timely payment of financial commitments.

F2 = Good credit quality. A satisfactory capacity for timely payment of financial commitments.

F3 = Fair credit quality. The capacity for timely payment of financial commitments is adequate.

Group 1 = Speculative. Minimal capacity for timely payment of financial commitments, plus vulnerability to near term adverse changes in the financial and economic conditions.

Group 2 = Fair credit quality. The capacity for timely payment of financial commitments is adequate.

Group 3 = Good credit quality. A satisfactory capacity for timely payment of financial commitments.

Group 4 = Highest credit quality. Indicates the strongest capacity for timely payment of financial commitments.

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44. Fruitless and wasteful expenditure		
Opening balance	176,250	176,250
Fruitless and wasteful expenditure	104,482	-
Recovered / written-off by council	(77,682)	-
	203,050	176,250

Incident

Disciplinary steps / criminal proceedings

Erroneous payment made to supplier (2010)	Steps taken to recover funds. Refer to note 40 for detail
Cashier shortages	Certified as irrecoverable and written off
Plot clearing	Certified as irrecoverable and written off
Stanford sewerage reticulation	Certified as irrecoverable and written off
Study bursary debt	Awaiting decision, insufficient information
MFMA course	Resolved to recover funds from the responsible official

45. Irregular expenditure

Opening balance	129,714	17,427
Awards to persons in the employment of the municipality	-	44,863
Procuring goods and services without obtaining official deviations	43,562	67,424
Procuring goods and services without obtaining three quotations	42,951	-
Procuring goods and services without obtaining a valid tax clearance certificate	46,452	-
Procuring goods and services without following any official procurement process	191,880	-
Approved in terms of the SCM policy	(262,679)	-
	191,880	129,714

Expenditure was incurred in contravention with the municipality's supply chain management policy.

Irregular expenditure was approved in accordance with the SCM policy.

46. Actual operating expenditure versus budgeted operating expenditure

Refer to Appendix E(1) for the comparison of actual operating expenditure versus budgeted expenditure.

47. Actual capital expenditure versus budgeted capital expenditure

Refer to Appendix E(2) for the comparison of actual capital expenditure versus budgeted expenditure.

48. Deviation from supply chain management regulations

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

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

Refer to page 61 for the supply chain management deviations.

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49. Multi-employer retirement benefit information

Overstrand Municipality makes provision for post-retirement benefits to eligible councillors and employees, who belong to different pension schemes.

One councillor belongs to the Pension Fund for Municipal Councillors.

Employees belong to a variety of approved Pension and Provident Funds as described below.

These funds are governed by the Pension Funds Act and include both defined benefit and defined contribution schemes.

All of these afore-mentioned funds are multi-employer plans and are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councillors / employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

The total expense recognised in the Statement of Financial Performance of R34.1 million (2011: R27.7 million) represents contributions payable to these plans by the municipality at rates specified in the rules of the plans. These contributions have been expensed.

DEFINED BENEFIT SCHEMES

Cape Joint Pension Fund:

The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 30 June 2011. The scheme both operates a Defined benefit and Defined contribution scheme

Defined Benefit Scheme:

The contribution rate payable is under the defined benefit section is 27%, 9% by the members and 18% by their councils. The actuarial valuation report at 30 June 2011 disclosed an actuarial valuation amounting to R2 971 150 million, with a net accumulated deficit of R58 935 million, with a funding level of 98.1%.

Defined Contribution Scheme:

The actuarial valuation report at 30 June 2011 indicated that the defined contribution scheme of the fund is in a sound financial position, with a assets amounting to R 386 570 million, net investment reserve of R15 285 million and a funding level of 104.1%.

South African Local Authorities Pension Fund (SALA):

The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 30 June 2011.

The statutory valuation performed as at 30 June 2011 revealed that the assets of the fund amounted to R8 015 (30 June 2010: R7 110,3) million, with funding levels of 98,1% (30 June 2010: 95,9%) . The contribution rate paid by Council (19,18%) is sufficient to fund the benefits accruing from the fund in the future.

DEFINED CONTRIBUTION SCHEMES

Cape Joint Retirement Fund:

The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 30 June 2011.

The statutory valuation performed as at 30 June 2011 revealed that the assets of the fund amounted to R9 930,837 (30 June 2010: R7 740,205) million, with funding levels of 100,3% and 116,9% (30 June 2010: 99,9% and 100,3%) for the Share Account and the Pensions Account respectively. The contribution rate paid by the members (7,50%) and the municipalities (19,50%) is sufficient to fund the benefits accruing from the fund in the future.

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49. Multi-employer retirement benefit information (continued)

Municipal Councillors Pension Fund:

The scheme is subject to an actuarial valuation every three years. The last statutory valuation was performed as at 30 June 2009. The latest interim valuation was performed as at 30 June 2010.

The interim valuation performed as at 30 June 2010 revealed that the assets of the fund amounted to R1 483, 786 381 (30 June 2009: R1 123, 672 020) million. The contribution rate paid by the members (13,75%) and the municipalities (15,00%) is sufficient to fund the benefits accruing from the fund in the future.

South African Municipal Workers Union National Provident Fund:

The last statutory valuation was performed as at 30 June 2005.

The statutory valuation performed as at 30 June 2005 revealed that the fund had a funding ratio of 100,0% (30 June 2002: 100,0%). The contribution rate paid by the members (not less than 5,00%) and Council (not less than 12,00%) is sufficient to fund the benefits accruing from the fund in the future.

50. Distribution losses

	Electricity	Water
2012		
Rand value	6,512,826	2,891,622
% loss	7.12 %	20.36 %
2011		
Rand value	6,159,141	3,100,572
% loss	8.37 %	24.24 %

Water losses to the amount of R2,891,622 (20.36%) were incurred as a result of unmetered connections, aging pipeline infrastructure, burst pipes, old reticulation networks and other leakages. Alien vegetation infestation in watercourses and catchment areas are also a contributing factor.

Cost per kilolitre was calculated using the following basis:

The water treatment and raw water departments are used in calculating the cost per kilolitre. The following costs for each department is used:

General expenses (excluding departmental charges), direct labour attributable to the purification of water, depreciation based on the cost of attributable infrastructure assets and all repair and maintenance.

The total of above expenditure is then divided by the total kilolitres of water purified during the year and this equals the cost per kilolitre.

Electricity losses to the amount of R6,512,826 (7.12%) were incurred as a result of technical losses caused by the nature of electricity and the manner of its distribution, via the network, status/condition and age of the network, weather conditions and load on the system as well as non-technical losses such as theft and vandalism.

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

Refer to page 74.

52. Awards to persons in service of the state

Refer to page 75.

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53. Statement of comparative and actual information

2012

Financial Performance

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final budget	Actual outcome	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Property rates	135,735,680	137,535,680	137,535,680	137,505,996	(29,684)	100 %	101 %
Service charges	414,997,950	408,697,950	408,697,950	405,669,978	(3,027,972)	99 %	98 %
Investment revenue	5,444,680	7,039,680	7,039,680	9,210,119	2,170,439	131 %	169 %
Transfers recognised - operational	49,691,000	38,162,198	38,162,198	59,211,093	21,048,895	155 %	119 %
Other own revenue	34,379,790	47,189,999	47,189,999	35,188,259	(12,001,740)	75 %	102 %
Total revenue (excluding capital transfers and contributions)	640,249,100	638,625,507	638,625,507	646,785,445	8,159,938	101 %	101 %
Employee costs	(189,875,685)	(192,536,696)	(192,536,696)	(207,938,265)	(15,401,569)	108 %	110 %
Remuneration of councillors	(6,861,798)	(6,724,095)	(6,724,095)	(6,717,244)	6,851	100 %	98 %
Debt impairment	(1,000,000)	(1,000,000)	(1,000,000)	190,129	1,190,129	(19)%	(19)%
Depreciation and asset impairment	(105,114,520)	(105,114,520)	(105,114,520)	(103,779,790)	1,334,730	99 %	99 %
Finance charges	(32,665,170)	(31,965,006)	(31,965,006)	(31,727,084)	237,922	99 %	97 %
Materials and bulk purchases	(129,763,420)	(127,243,420)	(127,243,420)	(126,669,077)	574,343	100 %	98 %
Transfers and grants	(25,000,000)	(27,000,000)	(27,000,000)	(28,454,141)	(1,454,141)	105 %	114 %
Other expenditure	(238,151,052)	(235,820,438)	(235,820,438)	(265,907,149)	(30,086,711)	113 %	112 %
Total expenditure	(728,431,645)	(727,404,175)	(727,404,175)	(771,002,621)	(43,598,446)	106 %	106 %
Surplus/(Deficit)	(88,182,545)	(88,778,668)	(88,778,668)	(124,217,176)	(35,438,508)	140 %	141 %

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53. Statement of comparative and actual information (continued)

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final budget	Actual outcome	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Transfers recognised - capital	41,271,000	36,672,887	36,672,887	36,211,611	(461,276)	99 %	88 %
Contributions recognised - capital and contributed assets	9,700,000	10,038,259	10,038,259	14,300,171	4,261,912	142 %	147 %
Surplus (Deficit) after capital transfers and contributions	(37,211,545)	(42,067,522)	(42,067,522)	(73,705,394)	(31,637,872)	175 %	198 %
Surplus/(Deficit) for the year	(37,211,545)	(42,067,522)	(42,067,522)	(73,705,394)	(31,637,872)	175 %	198 %

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53. Statement of comparative and actual information (continued)

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final budget	Actual outcome	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Capital expenditure and funds sources							
Total capital expenditure	213,971,000	186,189,302	186,189,302	163,294,578	(22,894,724)	88 %	76 %
Sources of capital funds							
Transfers recognised - capital	41,271,000	37,306,997	37,306,997	48,364,541	11,057,544	130 %	117 %
Public contributions and donations	9,700,000	10,038,259	10,038,259	23,748,520	13,710,261	237 %	245 %
Borrowing	117,000,000	119,721,173	119,721,173	74,674,179	(45,046,994)	62 %	64 %
Internally generated funds	46,000,000	19,122,873	19,122,873	16,507,338	(2,615,535)	86 %	36 %
Total sources of capital funds	213,971,000	186,189,302	186,189,302	163,294,578	(22,894,724)	88 %	76 %
Cash flows							
Net cash from (used) operating	63,261,975	44,335,983	44,335,983	111,844,565	67,508,582	252 %	177 %
Net cash from (used) investing	(171,265,400)	(123,034,458)	(123,034,458)	(151,793,827)	(28,759,369)	123 %	89 %
Net cash from (used) financing	103,841,153	110,841,153	110,841,153	96,645,028	(14,196,125)	87 %	93 %
Net increase/(decrease) in cash and cash equivalents	(4,162,272)	32,142,678	32,142,678	56,695,766	24,553,088	176 %	(1,362)%
Cash and cash equivalents at the beginning of the year	17,566,152	70,003,701	70,003,701	70,003,701	-	100 %	399 %
Cash and cash equivalents at year end	13,403,880	102,146,379	102,146,379	126,699,467	24,553,088	124 %	945 %

Supply Chain Management

Deviations from the Policy, Approved in terms of Paragraph 36(1)(a) for the 2011/2012 financial year

#	Deviation #	Approved	Deviation in terms of Paragraph 36(1)(a)	Description	Awarded to	Responsible Official	Amount Capital	Amount Operational	VAT @ 14%	Value of the Deviation
1	2012/2196	2011.07.01	Paragraph 36(1)(a)(v)	Acquisition of capped ELA licensing fee for the GIS system	ESRI South Africa (Pty) Ltd	Muller E		R 120,000.00	R 16,800.00	R 136,800.00
2	2012/2197	2011.07.04	Paragraph 36(1)(a)(v)	Replace parts and maintenance on water treatment equipment for the Waste Water Treatment Works and the Water Treatment Works by the Sole Agent	Maxal Projects SA (Pty) Ltd	Nel D		R 34,110.00	R 4,775.40	R 38,885.40
4	2012/2199	2011.07.06	Paragraph 36(1)(a)(v)	Provision of Training for Electricians: Cable Joining and Terminating Refresher Course	Tank Industries (Pty) Ltd	Buchianeri L		R 21,000.00	R 2,940.00	R 23,940.00
5	2012/2200	2011.07.13	Paragraph 36(1)(a)(v)	Reloading of Stamp Credit for the Franking machine, Gansbaai	Earlyworx (Pty) Ltd	Myburgh F		R 37,000.00	R 5,180.00	R 42,180.00
6	2012/2201	2011.07.13	Paragraph 36(1)(a)(v)	Servicing of Poly and Alum Pumps at Preekstool Water Treatment Works	Maxal Projects SA (Pty) Ltd	Nel D		R 6,874.00	R 962.36	R 7,836.36
8	2012/2203	2011.07.14	Paragraph 36(1)(a)(v)	Repair of Motorcycle	Hermanus Mower Centre	Arendse JJ		R 516.23	R 72.27	R 588.50
9	2012/2204	2011.07.14	Paragraph 36(1)(a)(v)	Repair of a Ride-On Lawnmower	Hermanus Mower Centre	Arendse JJ		R 11,537.22	R 1,615.21	R 13,152.43
10	2012/2205	2011.07.15	Paragraph 36(1)(a)(v)	Appointment of only qualifying service provider for Training in Field, Safety and Snake Awareness Training	Umbono Training	Steyn L		R 29,945.00	R -	R 29,945.00
11	2012/2206	2011.07.19	Paragraph 36(1)(a)(v)	Utilisation of Whale Talk as Advertisement Medium for Kalfitees	Whale Talk	Krige F		R 3,000.00	R -	R 3,000.00
12	2012/2207	2011.07.18	Paragraph 36(1)(a)(v)	Relocation of Xerox office Machine by Authorised Contracted Service Provider	Cape Office Machines (Pty) Ltd	Muller E		R 565.00	R 79.10	R 644.10
13	2012/2208	2011.07.19	Paragraph 36(1)(a)(v)	Utilisation of the Camp & Live Annual Guide as an Advertising Medium	SACCTN Marketing CC	Burger P		R 4,648.12	R 650.88	R 5,300.00
14	2012/2209	2011.07.19	Paragraph 36(1)(a)(v)	Repair of a High Pressure Steam Machine	Boland Hoëdruksuite CC	Arendse JJ		R 9,987.15	R 1,398.20	R 11,385.35
15	2012/2210	2011.07.18	Paragraph 36(1)(a)(v)	Programming of Radios on New Repeater by the Authorized Contracted Service Provider	Benlekor Communications CC	Muller E		R 2,860.00	R 403.20	R 3,263.20
16	2012/2211	2011.07.20	Paragraph 36(1)(a)(v)	Distribution of Advertising Brochures Throughout the Overberg	Brochure Management CC	Burger P		R 3,289.47	R 460.53	R 3,750.00
17	2012/2212	2011.07.20	Paragraph 36(1)(a)(v)	Replacement of Faulty Back-Up Battery for VHF & UHF Digital Repeater	Benlekor Communications CC	Muller E		R 2,487.50	R 348.25	R 2,835.75
18	2012/2213	2011.07.20	Paragraph 36(1)(a)(v)	Servicing & Repair of Two-Way Radio	Benlekor Communications CC	Muller E		R 575.00	R 80.50	R 655.50
19	2012/2214	2011.07.21	Paragraph 36(1)(a)(v)	Provision of Training for Electricians: Cable Joining and Terminating Refresher Course	Tank Industries (Pty) Ltd	Buchianeri L		R 21,000.00	R 2,940.00	R 23,940.00
20	2012/2215	2011.07.21	Paragraph 36(1)(a)(v)	Repair of the Electrical Panel VSD of the Pump at the Borehole Dosing Station	Hydro-Tech Systems (Pty) Ltd	Nel D		R 15,257.24	R 2,136.01	R 17,393.25
21	2012/2216	2011.07.28	Paragraph 36(1)(a)(v)	The Appointment of a Consultant to Assist in the Development of the Overstrand Municipality Annual Report	Ignite Advisory Services (Pty) Ltd	Artison D		R 59,849.12	R 8,350.88	R 68,000.00
23	2012/2218	2011.08.01	Paragraph 36(1)(a)(v)	Acquisition of Microsoft Software License	First Technology (Pty) LTD	Muller E		R 1,859,857.20	R 260,380.01	R 2,120,237.21
25	2012/2220	2011.08.02	Paragraph 36(1)(a)(v)	Repair of Compactor CEM 11377 Load body	Transtech	Arendse JJ		R 83,766.74	R 11,727.34	R 95,494.08
27	2012/2222	2011.09.08	Paragraph 36(1)(a)(v)	Appointment of a specialised consultant to assist with the selection process of candidates for the post of Municipal manager	Riel Hugo & Associates	Groenewald CC		R 20,575.00	R 2,880.50	R 23,455.50
28	2012/2223	2011.08.05	Paragraph 36(1)(a)(v)	Service and Repair of Motorola handheld radios	Benlekor Communications CC	Muller E		R 3,310.00	R 463.40	R 3,773.40

29	2012/2224	2011.08.05	Paragraph 36(1)(a)(v)	Service and Repair of Motorola handheld radios	Benlekor Communications CC	Muller E	R	2,555.00	R	357.70	R	2,912.70
30	2012/2225	2011.08.05	Paragraph 36(1)(a)(ii)	Renewal of SAMRAS DB4 contract license for 2011/2012	Bytes Systems Integration (Pty) Ltd	Loubser T	R	733,046.68	R	102,626.54	R	835,673.22
31	2012/2226	2011.08.05	Paragraph 36(1)(a)(v)	Repair of LMR OCB trucks at switching stations	ABB South Africa	Du Plessis JH	R	7,894.74	R	1,105.26	R	9,000.00
32	2012/2227	2011.08.10	Paragraph 36(1)(a)(v)	Appointment of second lowest quotation for transcribing service	Transcribe It Type It CC	Floors N	R	17,820.00	R	-	R	17,820.00
33	2012/2228	2011.08.10	Paragraph 36(1)(a)(ii)	Appointment of Training Provider for use of the career direct guidance system	Strong Message Consulted	Van der Merwe K	R	4,000.00	R	560.00	R	4,560.00
34	2012/2229	2011.08.05	Paragraph 36(1)(a)(v)	Renewal and alignment of Novell licenses from the contracted authorised reseller	Lateral Dynamics (Pty) Ltd	Muller E	R	369,080.00	R	51,671.20	R	420,751.20
35	2012/2230	2011.08.15	Paragraph 36(1)(a)(v)	Acquisition of New PH/ORP Probes	Maxal Projects SA (Pty) Ltd	Nel DR	R	9,850.00	R	1,393.00	R	11,343.00
37	2012/2232	2011.08.25	Paragraph 36(1)(a)(v)	Adjusting the Height of the Suction points of the potassium storage tanks	Maxal Projects SA (Pty) Ltd	Nel DR	R	2,279.00	R	319.06	R	2,598.06
38	2012/2233	2011.08.17	Paragraph 36(1)(a)(v)	Upgrading of the Alarm System at the Hermanus Traffic department	ADT Security (Pty) Ltd	Fraser RJ	R	5,441.04	R	761.75	R	6,202.79
39	2012/2234	2011.08.30	Paragraph 36(1)(a)(ii)	Renewal of the annual software license for the reservation/booking system at the Onrus Caravan park for the Financial Year 2011/2012	PSD Professional Systems Distribution (Pty) Ltd	Pogteler R	R	5,121.16	R	716.96	R	5,838.12
40	2012/2235	2011.08.25	Paragraph 36(1)(a)(v)	Repair of ICT department UPS system through the strip -and -quote process, without obtaining competitive quotation	Suenos investments 8 CC Via UPS technologies	Muller E	R	1,440.00	R	201.60	R	1,641.60
42	2012/2237	2011.08.22	Paragraph 36(1)(a)(v)	Provision of electricity power quality monitoring services for a six month period by the supplier of the system without obtaining competitive quotations	CT LAB (Pty) Ltd	Du Plessis JH	R	60,000.00	R	8,400.00	R	68,400.00
43	2012/2238	2011.08.22	Paragraph 36(1)(a)(v)	Servicing of rented Xerox office machines by the lessor, as per the rental agreement	Cape Office Machines (Pty) Ltd	Muller E	R	772.60	R	108.16	R	880.76
45	2012/2240	2011.08.22	Paragraph 36(1)(a)(v)	Servicing of vehicle CEM 17431 (garbage compactor) by the authorised agent, as the vehicle is still within its warranty period	Trans Manufacturing (Pty) Ltd	Arendse JJ	R	756.16	R	105.86	R	862.02
46	2012/2241	2011.08.24	Paragraph 36(1)(a)(v)	Upgrading of ICT Departments 60KVA UPS with a bank of 48 by 17AH batteries and replacing the DC cabling by the sole authorised service provider for the Western Cape, as per the attached memorandum	UPS CAPE TIA AC Digital Energy	Muller E	R	18,844.00	R	2,638.16	R	21,482.16
47	2012/2242	2011.08.24	Paragraph 36(1)(a)(v)	Procurement of specialised testing kits for water testing equipment at the Gansbaai wastewater treatment works, from the authorised distributor as per the attached memorandum.	PREI Instrumentation (Pty)Ltd	Taylor M	R	26,190.00	R	3,666.60	R	29,856.60
48	2012/2243	2011.08.24	Paragraph 36(1)(a)(v)	Urgent Procurement of Dell Ink cartridges via the standard quotation process due to non-delivery of tender SC-1037/2011	Waltons (Pty) Ltd	Swartz V	R	2,304.18	R	322.59	R	2,626.77
49	2012/2244	2011.08.24	Paragraph 36(1)(a)(ii)	Rental of a specialised system, from the previous service provider, for the identification of traffic fines still outstanding after the commencement of the tender SC 811.2010	Moving Violation System Coast	Fraser R	R	-	R	-	R	-
51	2012/2246	2011.08.25	Paragraph 36(1)(a)(v)	Unforeseen relocation of a Municipal sewer line at ERF 11000 by the current occupant at the cost of the Municipality	ABAGOLD LIMITED	Muller S	R	286,076.84	R	40,330.76	R	328,407.60
52	2012/2247	2011.08.25	Paragraph 36(1)(a)(v)	Procurement of consultancy services in relation to the development of the area around the soon to be established Sandbaai private school	PLAN ACTIVE	Kuchar R	R	142,251.41	R	19,915.20	R	162,166.61
53	2012/2248	2011.08.25	Paragraph 36(1)(a)(v)	Procurement of consultancy services in relation to the development of the area around the soon to be established Sandbaai private school	PLAN ACTIVE	Kuchar R	R	254,883.86	R	35,683.74	R	290,567.60
54	2012/2249	2011.08.26	Paragraph 36(1)(a)(v)	Procurement of K233L Poly electrolyte for Hawston sewerage network without following the competitive quotation process as insufficient quotation were obtained through this process	Huber Technology (Pty) Ltd	Nel RD	R	22,560.00	R	3,156.40	R	25,716.40

55	2012/2250	2011.08.21	Paragraph 36(1)(a)(ii)	Calibration of fire services BW technologies gas alert micro dip detector, by the sole authorised agent within the western cape	Invuyani Safety	Aplon A	R	800.00	R	84.00	R	684.00
56	2012/2251	2011.08.29	Paragraph 36(1)(a)(v)	The identification and repair of fault with vehicle CEM 6925 cylinder head through a strip-and-quote process	Worcester Enjincentrum	Arendse JJ	R	2,660.00	R	372.40	R	3,032.40
57	2012/2252	2011.08.29	Paragraph 36(1)(a)(v)	The identification and repair of fault with vehicle CEM 22015 cylinder head, which has moved and warped through a strip-and-quote process	Worcester Enjincentrum	Arendse JJ	R	2,318.00	R	324.52	R	2,642.52
58	2012/2253	2011.11.10	Paragraph 36(1)(a)(ii)	Servicing and /or repair of the back plates of self-contained breathing equipment by the sole authorised South African agent in order to ensure compliance to the OHASA, through a strip-and-quote process	MSA Africa (Pty) Ltd	Aplon A	R	15,179.10	R	2,125.07	R	17,304.17
59	2012/2254	2011.08.29	Paragraph 36(1)(a)(ii)	Servicing and /or repair of the back plates of self-contained breathing equipment by the sole authorised South African agent in order to ensure compliance to the OHASA	Drager SA (Pty) Ltd	Aplon A	R	526.32	R	73.66	R	600.00
60	2012/2255	2011.08.30	Paragraph 36(1)(a)(v)	The repair of a fault with the differential of vehicle CEM 3190, which was worn and required bearings through a strip-and-quote process	Vaal Cape Transmissions CC	Arendse JJ	R	5,000.00	R	700.00	R	5,700.00
61	2012/2256	2011.08.30	Paragraph 36(1)(a)(v)	Identification and repair of fault with trailer CAM 4601 with the Wheel Bearings , which were worn and required replacing through a strip-and-quote process	Kleinmond St Motors	Arendse JJ	R	659.00	R	120.26	R	979.26
62	2012/2257	2011.08.31	Paragraph 36(1)(a)(ii)	Renewal of the annual software License for the reservation/booking system at the Kleinmond/Palmiet Caravan park for the Financial Year 2011/2012	P-SD Professional Systems Distribution (Pty) Ltd	Van Eeden G	R	6,559.47	R	918.33	R	7,477.80
63	2012/2258	2011.09.02	Paragraph 36(1)(a)(v)	Procurement of additional SMS credits for the Municipal Emergency and Information SMS system from the current service provider, as the system is only compatible with their own credits	Mistico Trading 23(Pty) Ltd	Arendse JJ	R	9,500.00	R	1,390.00	R	10,890.00
64	2012/2259	2011.09.02	Paragraph 36(1)(a)(ii)	Calibration of traffic services speed detection apparatus by the manufacturer who is also the sole authorised service, repair and maintenance agent	Truvelo Manufacturers (Pty) Ltd	Fraser R	R	13,869.26	R	1,941.56	R	15,809.82
65	2012/2260	2011.09.02	Paragraph 36(1)(a)(ii)	The identification and repair of fault with vehicle CEM 6782'S cylinder block, which was damaged due to overheating, through a strip and quote process	Worcester Enjincentrum	Arendse JJ	R	22,369.57	R	3,131.74	R	25,501.31
66	2012/2261	2011.09.02	Paragraph 36(1)(a)(v)	Service and Repair of Motorola handheld radios (Model numbers:TC1688 x 5 and GP340)	Benlekor Communications CC	Muller E	R	4,885.00	R	655.90	R	5,540.90
67	2012/2262	2011.09.02	Paragraph 36(1)(a)(v)	Service and Repair of two way Radios	Benlekor Communications CC	Muller E	R	2,661.50	R	372.61	R	3,034.11
69	2012/2264	2011.08.06	Paragraph 36(1)(a)(ii)	Acquisition of Enermax meters from the sole provider	Stirke (Pty) Ltd	Du Plessis K	R	117,900.00	R	16,464.00	R	134,064.00
70	2012/2265	2011.09.08	Paragraph 36(1)(a)(v)	Acquisition of a new ball end of a steering cylinder for an Ursus tractor: CEM 9402: from the sole supplier	Arendse JJ	Ursus SA (Pty) Ltd	R	2,885.00	R	405.30	R	3,300.30
72	2012/2267	2011.09.12	Paragraph 36(1)(a)(ii)	Acquisition of a new control cable for a walk behind vibratory roller :CEM 1340 from the sole supplier	Turner Morris Midmeccor	Arendse JJ	R	2,239.00	R	313.46	R	2,552.46
73	2012/2268	2011.09.12	Paragraph 36(1)(a)(v)	The identification and repair of fault with an HP LaserJet 2600N printer by an authorised agent through a strip-and-quote process	Computsup.com	Muller E	R	1,175.00	R	164.50	R	1,339.50
74	2012/2269	2011.09.14	Paragraph 36(1)(a)(ii)	Acquisition and installation of a new aircraft warning light without obtaining the minimum number of written quotations	BT CAPE a division of EOH Mthombo (Pty) Ltd	Muller E	R	7,997.80	R	1,119.69	R	9,117.49
75	2012/2270	2011.09.14	Paragraph 36(1)(a)(v)	The identification and repair of fault with wilicat inflatable boats engines and/or "hijackers" through a strip and quote process	Wildcat Marine	Arendse JJ	R	1,662.50	R		R	1,662.50
76	2012/2271	2011.09.20	Paragraph 36(1)(a)(v)	Acquisition of 20 additional telephone line licenses for the Philips NEC switchboard in Kleinmond, as well as 10 additional operating licences and hardware from the authorised South African agent contracted with the municipality	Gjijima Holdings (Pty) Ltd	Muller E	R	27,205.00	R	3,808.70	R	31,013.70

77	2012/22272	2011.09.19	Paragraph 36(1)(a)(v)	Designs and printing of award certificates as well as the monthly Bulletin and Phambili by the service provider, who assisted in developing and who understand, and who understands the Municipality's corporate image	Colourpix Graphic Designs	Krige F	R	2,020.00	R	282.80	R	2,302.80
78	2012/22273	2011.09.15	Paragraph 36(1)(a)(v)	Urgent repair of the pipes of the dosing pump at the Hermanus sewerage works by the service provider in charge of the initial installation	Maxal Projects SA (Pty) Ltd	Henecke I	R	3,989.90	R	558.59	R	4,548.49
79	2012/22274	2011.09.20	Paragraph 36(1)(a)(v)	Renewal of Collaborator foundation software on-site support services agreement for a 12 month period ending 31 October 2012	Business Engineering (Pty) Ltd	Van Tonder H	R	317,130.00	R	44,398.20	R	361,528.20
80	2012/22275	2011.09.19	Paragraph 36(1)(a)(v)	Extension of the PAYDAY system through the acquisition of the ESS Leave Module, after considering using the offerings from two other currently contracted service providers (Collaborator & DB4) as motivated by the resolution of the ICT Steering Committee.	PayDay Software Systems (Pty) Ltd	Muller E	R	75,282.50	R	10,598.55	R	85,822.05
81	2012/22276	2011.09.20	Paragraph 36(1)(a)(ii)	Provision of a training workshop, which is only offered by the SABS, to ensure compliance with the requirements of SANS 10216: Vehicle testing and inspection services	SABS	Fraser R	R	3,267.00	R	457.98	R	3,724.98
82	2012/22277	2011.09.20	Paragraph 36(1)(a)(ii)	Provision of catering services without obtaining 3 written quotations, as it was identified that only two suppliers were able to meet the Municipality's requirements	Pennyfoods	Verrif E	R	9,940.00	R	-	R	9,940.00
83	2012/22278	2011.09.20	Paragraph 36(1)(a)(v)	Appointment of Consulting Engineer for Solid Waste from 01 October 2011 to 26 July 2013	Jan Palm Consulting Engineers	Blignaut H	R	1,754,385.97	R	245,614.04	R	2,000,000.00
84	2012/22279	2011.09.21	Paragraph 36(1)(a)(ii)	Servicing & Repair of Caterpillar Equipment by Sole Authorised Agent	Bartworld Equipment	Arendse K	R	24,455.35	R	3,423.75	R	27,879.10
85	2012/22280	2011.10.20	Paragraph 36(1)(a)(v)	Calibration of vehicle testing equipment without obtaining three quotations, as only two prospective bidders could be identified which met the municipality's technical requirements	Workshop Electronics CC	Fraser R	R	7,089.47	R	982.53	R	8,082.00
87	2012/22282	2011.09.27	Paragraph 36(1)(a)(v)	Design & Printing of monthly Overstrand Bulletin	Colourpix Graphic Designs	Krige F	R	1,710.00	R	239.40	R	1,949.40
88	2012/22283	2011.09.28	Paragraph 36(1)(a)(v)	Procurement of specialised electric meter locks	Power Measurement & Distribution CC	du Plessis K	R	7,700.00	R	1,078.00	R	8,778.00
89	2012/22284	2011.09.27	Paragraph 36(1)(a)(v)	Examination and repair for faulty handheld water meter reading equipment, through a strip & quote process	Consolidated African Technologies (Pty) Ltd	Hooneberg E	R	26,354.00	R	3,699.56	R	30,043.56
90	2012/22285	2011.09.09	Paragraph 36(1)(a)(v)	Servicing & repair to faulty HP Color LaserJet Printer (New Scanner Unit & Repairs to transfer belt), by an authorised HP agent, through a strip & quote process	Compusup.com	Muller E	R	1,175.00	R	164.50	R	1,339.50
91	2012/22286	2011.10.10	Paragraph 36(1)(a)(ii)	Repairs to a RedoxPH Controller, which was damaged by lightning, by the sole authorised agent within the Western Cape	Maxal Projects SA (Pty) Ltd	Nel DR	R	5,175.00	R	724.50	R	5,899.50
92	2012/22287	2011.10.10	Paragraph 36(1)(a)(v)	Identification & repairs of fault vehicle CEM6932's Gearbox through a "strip & quote" process	Vaal Cape Transmissions	Arendse K	R	20,718.46	R	2,900.58	R	23,619.04
93	2012/22288	2011.10.11	Paragraph 36(1)(a)(ii)	Repairs, Calibration & Data Monitoring of Water Flow Meters, by Sole Manufacturer & Supplier of Specific Meters	Ficton Instrumentation	Nel DR	R	79,474.00	R	11,126.36	R	90,600.36
94	2012/22289	2011.10.12	Paragraph 36(1)(a)(v)	Design & Printing of 2011 showcase advert	Colourpix Graphic Designs	Krige F	R	1,034.90	R	144.87	R	1,179.67
98	2012/22293	2011.10.28	Paragraph 36(1)(a)(v)	Mining of gravel for road maintenance on Portion 40 of the Farm Uyenkraal no. 695, via a permit, without following the standard procurement process, due to the large cost saving resulting from this special agreement	CS Groenewald	Myburgh F	R	213,500.00	R	29,890.00	R	243,390.00
99	2012/22294	2011.11.01	Paragraph 36(1)(a)(v)	The Identification and Repair of fault with Rescue boats no. 0 and 2 (Problems identified with the water pump and leaks in the hull) through a strip-and-quote process	WILDCAT MARINE	Arendse K	R	2,785.09	R	389.91	R	3,175.00
100	2012/22295	2011.11.03	Paragraph 36(1)(a)(ii)	Provision of a Training Workshop on T.A.S.K Job Evaluation, which is only offered by Deloitte as they are the owners of the T.A.S.K job evaluation system and the only service provider that may supply training of the said system.	DELOITTE CONSULTING (PTY) LTD	van Rooyen A	R	5,000.00	R	700.00	R	5,700.00

101	2012/2296	2011.12.23	Paragraph 36(1)(a)(v)	Provision of specialised training: Workshop for Incident Command by the qualified service provider	FFA IFWS	Michaele NJ	R	36,000.00	R	5,040.00	R	41,040.00
102	2012/2297	2011.11.01	Paragraph 36(1)(a)(v)	ICASA license fees for two-way radios to the service provider who leases the equipment to the municipality	Benilekor Communications CC	Muller E	R	1,275.00	R	178.50	R	1,453.50
103	2012/2298	2011.12.12	Paragraph 36(1)(a)(v)	The repair of a WTL 250 MIG Welder machine by the importer and agent for Kemppi welding machines, through a strip-and-quote process	Finweid CC	Arendse JJ	R	2,032.50	R	284.55	R	2,317.05
104	2012/2299	2011.11.03	Paragraph 36(1)(a)(ii)	Repair, calibration and data monitoring of water flow meters at the water reservoir, by the sole manufacturer and supplier of the specific meters (items 1 – 2).	Flotron Instrumentation	Nel R D	R	61,703.00	R	8,638.42	R	70,341.42
105	2012/2300	2011.11.03	Paragraph 36(1)(a)(v)	Servicing of Vehicle CEM10843	Argo Landini	Arendse K	R	3,208.69	R	448.22	R	3,657.91
106	2012/2301	2011.11.04	Paragraph 36(1)(a)(v)	Procurement of Consultancy Services	Plan Active	Kuchar R	R	438,998.49	R	81,403.51	R	500,000.00
107	2012/2302	2011.11.04	Paragraph 36(1)(a)(v)	Procurement of Consultancy Services	Spronk and Associates	Kuchar R	R	12,942.54	R	1,811.95	R	14,754.49
109	2012/2304	2011.11.04	Paragraph 36(1)(a)(v)	Setting up of a user profile on Nashua Printer, by the authorised supplier	Nashua Bredevallei (Pty) Ltd	Muller E	R	600.00	R	84.00	R	684.00
110	2012/2305	2011.11.07	Paragraph 36(1)(a)(v)	Appointment of a contractor for the operation and maintenance of the Pearly Beach and De Kelders membrane Treatment Plants	Quality Filtration Systems	Blignaut H	R	89,833.33	R	12,576.87	R	102,410.00
112	2012/2307	2011.11.10	Paragraph 36(1)(a)(v)	Supply and delivery of Liquid Aluminium Sulphate for the use of water and sewerage purification, until the award of tender SC1118/2011	Kemanzi (Pty) Ltd	Nel D R	R	48,469.42	R	6,505.72	R	52,975.14
113	2012/2308	2011.11.10	Paragraph 36(1)(a)(v)	Setting up of a user profile on Xerox 7335 Printer by the authorised supplier, with whom the contract of rental is signed	Cape Office Machines (Pty) Ltd	Muller E	R	1,100.00	R	154.00	R	1,254.00
114	2012/2309	2011.11.10	Paragraph 36(1)(a)(v)	The stress testing of vehicle CEM10670's Cylinder Head to identify any possible damage that could have occurred due to overheating, it was subsequently found, through a strip-and-quote process, that certain parts required polishing.	Worcester Erjinsentrum	Arendse K	R	2,600.00	R	392.00	R	3,192.00
115	2012/2310	2011.11.13	Paragraph 36(1)(a)(v)	The Conceptualising and compiling of a brochure as a guide book, including graphic design, to be used by the ward committees.	MC Botha	Williams R	R	5,684.21	R	795.79	R	6,480.00
116	2012/2311	2011.11.17	Paragraph 36(1)(a)(v)	REPAIR OF Scooter CEM2871, which was identified as having a faulty light and Master Cylinder, by the only authorised agent within the Overstrand Area	Hermanus Mower Centre	Arendse K	R	598.25	R	83.75	R	682.00
117	2012/2312	2011.11.17	Paragraph 36(1)(a)(v)	Identification and repair of fault with TWO-WAY Radios at the Kleinmond Fire Station, through a strip-and-quote process.	Benilekor Communications CC	Muller E	R	1,600.00	R	224.00	R	1,824.00
118	2012/2313	2011.11.17	Paragraph 36(1)(a)(v)	Renewal of the Yearly licence fee of 20 rented Two-Way Radios, as per the rental agreement.	Benilekor Communications CC	Muller E	R	1,700.00	R	238.00	R	1,938.00
119	2012/2314	2011.11.22	Paragraph 36(1)(a)(v)	Servicing and repair of faults with TWO-WAY Radios (Motorola CP040, CM360 AND HYT TC370).	Benilekor Communications CC	Muller E	R	4,752.00	R	665.28	R	5,417.28
120	2012/2315	2011.11.22	Paragraph 36(1)(a)(v)	Servicing and repair of faults with office machines (HP COLOR 2805dn and Dell MFP 1815dn) through a strip-and-quote process.	Compupup.com	Muller E	R	1,940.00	R	271.60	R	2,211.60
122	2012/2317	2011.11.23	Paragraph 36(1)(a)(i) & (v)	Supply and delivery of an All terrain 4 x 4 first response vehicle for Fire and Rescue, without following the normal tender process due to the urgency of the matter	Hermanus Toyota	Michaels N	R	377,457.14	R	52,844.00	R	430,301.14
123	2012/2318	2011.11.28	Paragraph 36(1)(a)(v)	Design and Printing of the monthly Overstrand bulletin by the Service provider who assisted in its development, and who understands the municipality's Corporate Image	Colourpix Graphic Designs	Krige F	R	1,950.00	R	273.00	R	2,223.00

125	2012/2320	2011.12.19	Paragraph 36(1)(a)(v)	Identification and repair of fault with the cylinder head of vehicle CEM 11348, which suffered from irregular oil usage, via a strip-and-quote process.	Silverton Radiators	Arendse JJ	R	500.00	R	70.00	R	570.00
126	2012/2321	2011.11.30	Paragraph 36(1)(a)(v)	Service of Vehicle CEM 8154 (JCB Loader-Pump-Lifter) by the authorised agent, without obtaining three quotations, as the vehicle is still under warranty	Kematch Cape	Arendse JJ	R	1,221.90	R	171.07	R	1,392.97
127	2012/2322	2011.11.30	Paragraph 36(1)(a)(v)	Repair of leaks identified on the Hydraulic Cylinder of the vehicle CEM 11377 (Refuse Truck) through a strip-and-quote process	Hycoc Hydraulics & Pneumatics	Arendse JJ	R	1,278.80	R	178.75	R	1,455.55
128	2012/2323	2011.12.05	Paragraph 36(1)(a)(v)	Repairs of two-way radio	Benllekor Communications CC	Muller E	R	1,200.00	R	168.00	R	1,368.00
129	2012/2324	2011.12.13	Paragraph 36(1)(a)(v)	Procuring and affixing of rubberized ID shields from the supplier of the uniforms procured per Tender no SC1094/2011	Sparks & Ellis (Pty) Ltd	Aplon A	R	5,320.00	R	744.80	R	6,064.80
130	2012/2325	2011.12.09	Paragraph 36(1)(a)(v)	Unforeseen relocation of a municipal sewer line at erf 11000 by the current owner to the cost of the municipality	Abagold (Ltd)	Muller S	R	380,206.81	R	53,228.95	R	433,435.76
131	2012/2326	2011.12.08	Paragraph 36(1)(a)(v)	Design and Printing of the monthly Overstrand bulletin by the Service provider who assisted in its development, and who understands the municipality's Corporate Image	Colourpix Graphic Designs	Krige F	R	850.00	R	119.00	R	969.00
133	2012/2328	2011.12.14	Paragraph 36(1)(a)(v)	Servicing and repair of the Fire Services' Dräger manufactured breathing apparatus back plate (Unit 1341/93) which was found to be leaking, by the sole authorised south African agent	Dräger SA (Pty) Ltd	Aplon A	R	610.00	R	85.40	R	695.40
135	2012/2330	2011.12.19	Paragraph 36(1)(a)(v)	Identification, analysis and repair of fault with UHF repeater in rescue services trailer, via a strip-and-quote process	Benllekor Communications CC	Muller E	R	5,715.96	R	800.23	R	6,516.19
136	2012/2331	2011.12.19	Paragraph 36(1)(a)(v)	The appointment of the mechanical contractor who designed and installed the conveyor belt at the material recovery facility to conduct repairs to the said conveyor belt, if and when required over the period ending June 2012	Akura Manufacturing Engineering Company (Pty) Ltd	Van Taak J	R	4,220.00	R	590.80	R	4,810.80
137	2012/2332	2011.12.19	Paragraph 36(1)(a)(v)	Identification, analysis and repair of fault, via a strip-and-quote process for the replacement of a repeater-battery for NAVSTAR SV 101, & testing & repairing of Olfantsberg UHF Repeater	Benllekor Communications CC	Muller E	R	2,200.00	R	308.00	R	2,508.00
138	2012/2333	2011.12.19	Paragraph 36(1)(a)(v)	Identification and repair of fault with Lexmark C510 printer via a strip-and-quote process	Compusup.com	Muller E	R	485.00	R	67.90	R	552.90
140	2012/2335	2011.12.22	Paragraph 36(1)(a)(v)	The urgent identification and repair of fault with chlorine waste water filtering system, which is essential for the eradication of bacteria in waste water before it is released into the ocean, by the sole agent of the specific equipment	Maxal Projects SA (Pty) Ltd	Nel D	R	1,150.00	R	161.00	R	1,311.00
141	2012/2336	2011.12.22	Paragraph 36(1)(a)(v)	Acquisition of an additional 20 pin code, 100 extensions and 10 SIP telephone line licenses for Onnus Administration switchboard (NEC Phillips) as well as the additional hardware required for operation, through the authorised SA Agent	Gijima Holdings Ltd	Muller E	R	36,016.00	R	5,042.24	R	41,058.24
142	2012/2337	2011.12.23	Paragraph 36(1)(a)(v)	Acquisition of an oxygen regulator for the blue flag beach from the only supplier who could deliver within two days	Uys Energy CC- Overgas	Nel D	R	1,490.00	R	208.80	R	1,698.80
143	2012/2338	2011.12.23	Paragraph 36(1)(a)(v)	Procurement of K233i, Poly Electrolyte for use in the Overstrand sewerage network via the only authorised agent in South Africa	Huber Technology (Pty) Ltd	Swartz V	R	24,960.00	R	3,484.40	R	28,444.40
145	2012/2340	2011.12.29	Paragraph 36(1)(a)(v)	Procurement of a service provider for the treatment of sewage pollution in the Onnus Lagoon	Bio-Systems Distributors SA CC	Nel D	R	12,208.70	R	1,709.22	R	13,917.92
146	2012/2341	2012.01.13	Paragraph 36(1)(a)(v)	Maintenance & service of Library book scanning equipment by the supplier of the equipment	CSX Customer Services	Wynngaard A	R	2,422.50	R	339.15	R	2,761.65
147	2012/2342	2012.01.06	Paragraph 36(1)(a)(v)	Investigation of the source & reporting on pollution in Onnus Lagoon by a specialist service provider	Envirocare	Zybrands W	R	15,000.00	R	-	R	15,000.00
148	2012/2343	2012.01.11	Paragraph 36(1)(a)(v)	Repair & Maintenance of chairs in Auditorium as a strip-and-quote process	Alton IH (Investment Maintenance)	Laing D	R	1,140.00	R	-	R	1,140.00

149	2012/2344	2012/01.06	Paragraph 36(1)(a)(v)	Repairs & Maintenance of the flow monitoring system by the authorised service provider who installed the system	Flotron Instrumentation	Nel D	R	100,946.56	R	14,132.80	R	115,081.36
150	2012/2345	2012.01.22	Paragraph 36(1)(a)(v)	Renewal of AutoCad Commercial Subscriptions from the authorised service provider	CadPlan Cape Town CC	Smith E	R	9,690.00	R	1,356.60	R	11,046.60
152	2012/2347	1/23/2012	Paragraph 36(1)(a)(v)	Testing of MV Transmission cable in Stanford for faults by the only service provider in the Western Cape	Caltest CC	Lourens D	R	3,180.00	R	445.20	R	3,625.20
153	2012/2348	2012.01.23	Paragraph 36(1)(a)(v)	Relocation & set-up of multi-functional office machine at the electrical stores in Gansbaai, by the lessor of the equipment	Nashua Brestevallei (Pty) Ltd	Conradie L	R	600.00	R	84.00	R	684.00
155	2012/2350	1/26/2012	Paragraph 36(1)(a)(f)	Provision of application specific IRP 5 practical training by the service provider of the payroll system as a sole supplier	PayDay Software Systems (Pty) Ltd	Van der Merwe K	R	3,771.93	R	528.07	R	4,300.00
156	2012/2351	1/26/2012	Paragraph 36(1)(a)(f)	Removal of MyCity logger from old channel & installation of new in-let channel meter by the authorised service provider who installed the equipment	Flotron Instrumentation	Nel D	R	2,585.33	R	361.67	R	2,945.00
157	2012/2352	2012.01.26	Paragraph 36(1)(a)(f)	Repairs & maintenance of the electrical power monitoring equipment by the sole provider of the systems	CT Lab (Pty) Ltd	Du Plessis JH	R	1,575.00	R	220.50	R	1,795.50
158	2012/2353	2012.01.30	Paragraph 36(1)(a)(v)	Strip-to-quote and repair of the access gate at the Hermanus offices	Suita Fencing	Marx T	R	700.00	R	98.00	R	798.00
159	2012/2354	2012.01.30	Paragraph 36(1)(a)(f)	Procurement of single phase corndog RF meters from the sole supplier	Conlog Pty Ltd	Lourens D	R	8,237.79	R	1,153.29	R	9,391.08
160	2012/2355	2012.01.31	Paragraph 36(1)(a)(v)	Provision of professional services without obtaining three quotations by the service provider who conducted the pilot studies on the impact of tourism in the Overstrand	PricewaterhouseCoopers	Madikane S	R	20,000.00	R	2,800.00	R	22,800.00
161	2012/2356	2012.02.03	Paragraph 36(1)(a)(v)	Lease of multi-functional office machines on a month-to-month basis from before implementation of SCM for October 2011 to January 2012. Agreements terminated	Cape Office Machines (Pty) Ltd	Muller E	R	5,368.81	R	754.43	R	6,143.24
162	2012/2357	2012.02.09	Paragraph 36(1)(a)(v)	Procurement of service spares for Caterpillar Backhoe Loaders from the authorised agent	Barloworld Equipment	Arendse JJ	R	3,125.79	R	437.61	R	3,563.40
163	2012/2358	2012.02.03	Paragraph 36(1)(a)(v)	Maintenance of mobile radio equipment by the authorised service provider via a strip-and-quote process	Benilekor Communications CC	Muller E	R	1,529.00	R	214.06	R	1,743.06
164	2012/2359	2012.02.03	Paragraph 36(1)(a)(f)	Provision of application specific basic payroll and report writing training by the service provider of the payroll system as a sole supplier	PayDay Software Systems (Pty) Ltd	Van der Merwe K	R	4,974.00	R	696.36	R	5,670.36
165	2012/2360	2012.02.09	Paragraph 36(1)(a)(v)	Repair of Ursus engine damaged by damaged valve head via a strip-and-quote process; CEM 9402	Worcester Engine Centre	Arendse K	R	23,000.00	R	3,220.00	R	26,220.00
166	2012/2361	2012.02.09	Paragraph 36(1)(a)(v)	Reconditioning of a Nissan UD80 Refuse compactor engine damage valve damaged engine, through a strip-and-quote process; CEM 2361B	Worcester Engine Centre	Arendse K	R	42,500.00	R	5,950.00	R	48,450.00
167	2012/2362	2012.02.13	Paragraph 36(1)(a)(v)	Repairs of lime dosing line at Preekstoe Water Purification works by the service provider immediately on-site after the pipe burst	Maxal Projects SA (Pty) Ltd	Henneke I	R	4,060.00	R	568.40	R	4,628.40
168	2012/2363	2012.02.09	Paragraph 36(1)(a)(v)	Repairs of Hydraulic cylinders of crane truck and trolley table jack, through a strip-and-quote process	Hycro Hydraulics & Pneumatics CC	Arendse K	R	8,500.00	R	1,190.00	R	9,690.00
169	2012/2364	2012.02.09	Paragraph 36(1)(a)(v)	Repairs of Ursus tractor hydraulics lifting system via strip-and-quote process	Ursus SA (Pty) Ltd	Arendse K	R	6,811.14	R	953.56	R	7,764.70
170	2012/2365	2012.02.09	Paragraph 36(1)(a)(v)	Repair of Hawker & Siddley switchgear to the manufacturers specifications via strip-and-quote process	De Kock & Cronje CC	Arendse K	R	21,590.00	R	3,021.20	R	24,611.20

171	2012/2366	2012.02.09	Paragraph 36(1)(a)(v)	Audit of Sulumanzi Bulk Meter, updating of accounts reports and maintenance of Enermax meters by specialist service provider with the testing equipment	PJ Technologies CC	Du Plessis JH	R	15,104.00	R	2,114.56	R	17,218.56
172	2012/2367	2012.02.14	Paragraph 36(1)(a)(v)	Procurement of water pumps for fire fighting purposes without advertising publicly for at least 5 business days after damages during operations	Fire Raiders (Pty) Ltd	Michaels N	R	105,366.36	R	14,751.29	R	120,117.65
173	2012/2368	2012.02.14	Paragraph 36(1)(e)(v)	Repairs and maintenance of council office bearer's jewellery by a specialist service provider	Cape Mint (Pty) Ltd	Krige F	R	21,425.44	R	2,999.56	R	24,425.00
174	2012/2369	2012.02.20	Paragraph 36(1)(a)(f)	Testing of bulk electricity meters by the specialist service provider with the sole distribution rights of the software for the testing equipment	PJ Technologies CC	Lourens DC	R	13,982.40	R	1,957.54	R	15,939.94
175	2012/2370	2012.02.20	Paragraph 36(1)(a)(f)	Checking and adjustment of settings of safe ring RNU at Hawston by the only specialist service provider with the specifications in terms of NERSA & OHS Act requirements	OnLab Specialist Electro Technology CC	Du Plessis JH	R	4,355.00	R	609.84	R	4,965.84
176	2012/2371	2012.02.20	Paragraph 36(1)(a)(v)	Maintenance & repair of water tanker & replace the water tank via a strip-and-quote process. CEM 12879	Fire Raiders (Pty) Ltd	Arendse K	R	64,650.00	R	9,079.00	R	73,929.00
177	2012/2372	2012.02.27	Paragraph 36(1)(a)(v)	Repairs & maintenance of the security access doors at the municipal building in Magnolia Avenue, Hermanus by the manufacturer of the system after other service providers failed to solve the problems	Pointer Technologies	Michaels N	R	5,705.00	R	798.70	R	6,503.70
178	2012/2373	2012.02.22	Paragraph 36(1)(a)(f)	Procurement of Poly-electrolyte type K233L chemicals for the sludge de-watering plant from the sole supplier	Huber Technology (Pty) Ltd	Lyners-Swartz V	R	24,960.00	R	3,494.40	R	28,454.40
179	2012/2374	2012.02.22	Paragraph 36(1)(a)(f)	Servicing and calibration of speed measurement equipment by the manufacturer and distributor of the equipment as a sole supplier	Truvelo Manufacturers (Pty) Ltd	Fraser R	R	9,264.98	R	1,297.10	R	10,562.08
180	2012/2375	2012.02.27	Paragraph 36(1)(a)(v)	Procurement of specialised printing and artwork from the service provider with the templates for ward committee training who could render the service in time for the event	Derelize Printing (Thumbprint)	Williams R	R	4,500.00	R	-	R	4,500.00
181	2012/2376	2012.02.27	Paragraph 36(1)(a)(v)	Strip-to-quote and repair of the a water cooling machine of the SCM Unit at Hermanus head office	Waltons (Pty) Ltd	Irmeelman S	R	436.84	R	61.16	R	498.00
182	2012/2377	2012.02.27	Paragraph 36(1)(a)(f)	Procurement of 3 x 100 amp, clip-on CT's for Powertrack logger used for verification and electricity monitoring from sole supplier.	Advanced Monitoring Solutions CC	Nigini J	R	5,340.00	R	747.60	R	6,087.60
183	2012/2378	2012.02.27	Paragraph 36(1)(a)(f)	Procurement of specialised gaffer tape for use with speed law enforcement equipment from the manufacturer and supplier of the equipment	Truvelo Manufacturers (Pty) Ltd	Fraser R	R	3,412.50	R	477.75	R	3,890.25
184	2012/2379	2012.03.01	Paragraph 36(1)(a)(v)	Strip-to-quote for Repairs of Platform on Cherry Picker. CEM 25925	Hyco Hydraulics & Pneumatics CC	Arendse K	R	730.10	R	102.21	R	832.31
185	2012/2380	2012.03.02	Paragraph 36(1)(a)(v)	Provision of specialised occupational Health & Safety Training in order to qualify for the SAMTRAC certification training	NOSA (Pty) Ltd	Floors N	R	4,868.42	R	681.58	R	5,550.00
186	2012/2381	2012.03.05	Paragraph 36(1)(a)(v)	Strip-to-Quote for repairs of Dulevo street sweeping machine by the sole agent: CEM 1111	Uni-Cape Equipment	Arendse K	R	1,900.00	R	224.00	R	1,824.00
187	2012/2382	2012.03.06	Paragraph 36(1)(a)(v)	Provision of urgent specialised testing services for the location of a fault on the 11KV cable network in order to prevent damages and potential outages on the Hermanus electrical network	Caltest CC	Du Plessis K	R	10,000.00	R	1,400.00	R	11,400.00
188	2012/2383	2012.03.06	Paragraph 36(1)(a)(v)	Strip-to-quote for repairs and balance u-joints of prop shaft. CEM 3665	Worcester Engine Centre	Arendse K	R	1,363.00	R	190.82	R	1,553.82
189	2012/2384	2012.03.09	Paragraph 36(1)(a)(v)	Strip-to-quote for repair of PTO after the shaft got stuck and broke off at the clutch: CEM 16128	Worcester Engine Centre	Arendse K	R	2,450.00	R	343.00	R	2,793.00
190	2012/2385	2012.03.09	Paragraph 36(1)(a)(v)	Strip-to-quote of a hatch spectrophotometer. Replaced a defective touch screen at an economical and market-related rate and calibrated equipment for Gansbaai Sewage Works	PRE Instrumentation (Pty)Ltd	Franken H	R	8,410.00	R	1,177.40	R	9,587.40

191	2012/2386	2012.03.09	Paragraph 36(1)(a)(v)	Provision of cash-in-transit services for an interim period after suspension of contract with current service provider appointed through a competitive bidding process	G4S Cash Solutions SA (Pty) Ltd	Hooneberg E	R	52,240.00	R	7,313.60	R	59,553.60
192	2012/2387	2012.03.09	Paragraph 36(1)(a)(v)	Urgent repairs to the hot water boiler system at the Onrus Caravan Park after business hours, over peak holiday season	Pro-Heat & Energy Electrical CC	Pogteler R	R	2,710.00	R	379.40	R	3,089.40
193	2012/2388	2012.03.12	Paragraph 36(1)(a)(ii)	Procurement of spares for the speed Law Enforcement Equipment from the sole supplier of the equipment	Truvelo Manufacturers (Pty) Ltd	Fraser R	R	3,877.05	R	542.79	R	4,419.84
194	2012/2389	2012.03.13	Paragraph 36(1)(a)(v)	Strip-to-quote for the repair of a galvanised roller shutter door at vehicle testing station after the door got stuck due to broken slats	Amoroc Doors	Fraser R	R	3,333.33	R	466.67	R	3,800.00
195	2012/2390	2012.03.15	Paragraph 36(1)(a)(ii)	Servicing of vehicle CEM 8154 (JCB Digger Loader) by the authorised agent, without obtaining 3 quotations, as the vehicle is still under warranty	Kemach Cape	Arendse K	R	3,786.52	R	530.11	R	4,316.63
196	2012/2391	2012.03.16	Paragraph 36(1)(a)(ii)	Repairs of Vibromax pedestrian roller by sole authorised agent (replacement of rubber pad and shifting unit)	Kemach Cape	Arendse K	R	3,447.62	R	482.67	R	3,930.29
197	2012/2392	2012.03.16	Paragraph 36(1)(a)(v)	Identification, repair and service of Motorola 2-way radio's via a strip-and-quote process	Benlekor Communications CC	Smith E	R	4,531.00	R	634.34	R	5,165.34
198	2012/2393	2012.03.16	Paragraph 36(1)(a)(v)	Identification, repair and service of Motorola 2-way radio's via a strip-and-quote process	Benlekor Communications CC	Smith E	R	14,412.00	R	2,017.68	R	16,429.68
199	2012/2394	2012.03.16	Paragraph 36(1)(a)(v)	Repair of 2-way radio via strip-and-quote process	Benlekor Communications CC	Smith E	R	450.00	R	63.00	R	513.00
200	2012/2395	2012.03.16	Paragraph 36(1)(a)(v)	Repair of weighbridge computer software by the software service provider	Massamatic (Pty) Ltd	Van Taak J	R	1,100.00	R	154.00	R	1,254.00
201	2012/2396	2012.03.16	Paragraph 36(1)(a)(v)	Repairs of 2-way radio communication repeaters via a strip-and-quote process	Benlekor Communications CC	Smith E	R	2,143.00	R	300.02	R	2,443.02
202	2012/2397	2012.03.16	Paragraph 36(1)(a)(v)	Repairs of 2-way radio communication repeaters via a strip-and-quote process	Benlekor Communications CC	Smith E	R	6,024.00	R	843.36	R	6,867.36
203	2012/2398	2012.03.20	Paragraph 36(1)(a)(v)	Extension of Maintenance Contracts for Multi-Functional Office Machines beyond 3 years as per MFMA section 33, due to delayed tender processes for final billing - March 2012	Cape Office Machines (Pty) Ltd	Smith E	R	13,636.32	R	1,937.06	R	15,773.40
204	2012/2399	2012.03.20	Paragraph 36(1)(a)(v)	Repair & Maintenance of CAT Handheld meter reading scanners by the supplier of the equipment	Consolidated African Technologies (Pty) Ltd	Hooneberg E	R	3,658.00	R	512.12	R	4,170.12
205	2012/2400	2012.03.20	Paragraph 36(1)(a)(ii)	Provision of Monitoring & Web Hosting services of the electricity network by the sole supplier of the monitoring equipment for 4 months	CT Lab (Pty) Ltd	Du Plessis K	R	40,000.00	R	5,600.00	R	45,600.00
206	2012/2401	2012.03.22	Paragraph 36(1)(a)(v)	Repairs & maintenance of self-contained breathing equipment used in the fire-fighting department, by a specialist service provider	Drager SA (Pty) Ltd	Aplon A	R	5,420.00	R	758.80	R	6,178.80
207	2012/2402	2012.03.22	Paragraph 36(1)(a)(ii)	Procurement of specially designed promotional craft key rings, designed as a whale-tail and SA flag with wire and beads	The Little Shoppe	Greef S	R	1,950.00	R	-	R	1,950.00
208	2012/2403	2012.04.24	Paragraph 36(1)(a)(v)	Repair damages to a leased movable toilet, incurred during the December 2012 peak holiday season by the owner of the equipment	Overberg Scaffold & Machine Hire	Myburgh F	R	620.00	R	128.80	R	1,048.80
209	2012/2404	2012.04.04	Paragraph 36(1)(a)(ii)	The service, repair and upgrade of the sewer pump monitoring system in Gansbaai by the authorized service provider	Flotron Instrumentation Services CC	Franken H	R	16,759.00	R	2,346.26	R	19,105.26
210	2012/2405	2012.04.11	Paragraph 36(1)(a)(v)	Extension of Rental Contracts for Multi-Functional Office Machines beyond 3 years as per MFMA section 33, due to delayed tender processes for final billing - April 2012	Cape Office Machines (Pty) Ltd	Smith E	R	12,978.20	R	1,816.95	R	14,795.15
211	2012/2406	2012.04.12	Paragraph 36(1)(a)(v)	The appointment of a service provider for the distribution and delivery of legal notices outside the boundaries of the Overstrand Municipality by the local Sheriff in respect of traffic offences in order to address a backlog which could have led to the retraction of	JNL Molichian	Fraser R	R	49,959.23	R	6,994.29	R	56,953.52

212	2012/2407	2012.04.12	Paragraph 36(1)(e)(v)	Service of Landini Tractor by the authorised agent in terms of the warrantee at 750 hours	Argo Landini	Arendse K	R	2,302.94	R	322.41	R	2,625.35
213	2012/2408	2012.04.12	Paragraph 36(1)(e)(v)	Repair of hydraulic pipe and change flow control valve of cherry picker CAM 11187 in terms of a strip-and-quote procedure	Argo Landini	Arendse K	R	1,935.40	R	270.96	R	2,206.36
214	2012/2409	2012.04.13	Paragraph 36(1)(e)(v)	Repair of paper jams and printing faults of a canon fax via a strip-and quote process	Printegration	Smith E	R	480.00	R	67.20	R	547.20
215	2012/2410	2012.04.12	Paragraph 36(1)(e)(v)	Installation of finger scanning software on a computer at Municipal Head Offices by the supplier of the software	Supervision Biometric Systems	Essau D	R	2,187.50	R	306.25	R	2,489.75
216	2012/2411	2012.04.13	Paragraph 36(1)(e)(v)	Repair of the electronic motor of the automatic gate at the Fernkloof Nature Reserve via a strip-and-quote process	Tight Fit Garage Doors & Automation	Aplon P	R	1,535.09	R	214.91	R	1,750.00
217	2012/2412	2012.04.18	Paragraph 36(1)(e)(f)	The procurement of specialised electric seals without obtaining three written quotations from sole supplier	Power Measurement & Distribution CC	Du Plessis K	R	23,100.00	R	3,234.00	R	26,334.00
218	2012/2413	2012.04.18	Paragraph 36(1)(e)(v)	Service and / or repair SCBA sets and cylinders by the sole authorised South African agent in order to ensure compliance to the OHSA, through a strip-and-quote process	SAMSAC Africa (Pty) Ltd	Aplon A	R	5,651.28	R	791.18	R	6,442.46
219	2012/2414	2012.04.18	Paragraph 36(1)(e)(v)	Repair of mounting points of emergency lights. CEM 2869 via a strip-and-quote process	Hazard Bonako Cape (Pty) Ltd	Arendse K	R	515.00	R	72.10	R	587.10
220	2012/2415	2012.04.18	Paragraph 36(1)(e)(v)	Repairs of 2-way communication radio's via a strip-and-quote process: GP300, VHF, SN: 174FYLM143 & GP340, UHF, SN: 672HFP068	Benlekor Communications CC	Smith E	R	900.00	R	126.00	R	1,026.00
221	2012/2416	2012.04.18	Paragraph 36(1)(e)(v)	Service of self-contained breathing cylinder via a strip-and-quote process	Dräger SA (Pty) Ltd	Aplon A	R	1,510.00	R	211.40	R	1,721.40
222	2012/2417	2012.04.19	Paragraph 36(1)(e)(f)	Calibration of Dräger Brealyzer equipment by the sole authorised service provider	Dräger SA (Pty) Ltd	Fraser R	R	2,215.00	R	310.10	R	2,525.10
223	2012/2418	2012.04.19	Paragraph 36(1)(e)(f)	Procurement of specialised electric meter locks without obtaining 3 written quotations due to the specialised numbering, colouring and registration required for each lock	Power Measurement & Distribution CC	Nigini J	R	23,100.00	R	3,294.00	R	26,394.00
224	2012/2419	2012.04.19	Paragraph 36(1)(e)(v)	Repair of 2-way Motorola communication radio and vertex mobile radio via a strip-and-quote process: GM340, SN: 103TA76597 & Vertex VX 2000, SN: 2D650053	Benlekor Communications CC	Smith E	R	919.00	R	128.66	R	1,047.66
225	2012/2420	2012.04.19	Paragraph 36(1)(e)(v)	Service of HP Design Jet 105C+ Plotter via a strip-and-quote process, model no: C6074B, SN: SG55023115	Printegration	Smith E	R	1,386.00	R	194.04	R	1,580.04
226	2012/2421	2012.04.20	Paragraph 36(1)(e)(f)	Renewal of PNA-XX software licences used for the monitoring for enemax meters, by the sole supplier	PJ Technologies CC	Du Plessis K	R	19,393.00	R	2,715.02	R	22,108.02
227	2012/2422	2012.04.20	Paragraph 36(1)(e)(v)	The appointment of a service provider for the distribution and delivery of legal notices outside the boundaries of the Overstrand Municipality by the local Sheriff, in respect of traffic offences in order to address a backlog which could have led to the retraction of legal notices with potential financial losses	JNL Mdaichian	Fraser R	R	19,072.87	R	2,670.20	R	21,743.07
229	2012/2424	2012.04.24	Paragraph 36(1)(e)(v)	Lease of multi-functional office machines on a month-to-month basis. Final payment for Feb 2012. Machine has been de-commissioned (SN: 2233616675)	Cape Office Machines (Pty) Ltd	Smith E	R	1,474.73	R	206.46	R	1,681.19
230	2012/2425	2012.04.24	Paragraph 36(1)(e)(f)	Provision of a training workshop on TASK job evaluation by the sole supplier of the system	De Loitte Consulting (Pty) Ltd	Van Rooyen A	R	21,984.60	R	3,077.84	R	25,062.44
231	2012/2426	2012.04.26	Paragraph 36(1)(e)(v)	Lease of dedicated flatbed scanners outside the contractual period, which lapsed on 31 March 2012, for April & May 2012, after the successful bidder failed to deliver within two weeks as per the specifications of Tender SC1172/2012	Nashua Breedevalle (Pty) Ltd	Smith E	R	5,625.07	R	787.51	R	6,412.58
232	2012/2427	2012.04.26	Paragraph 36(1)(e)(f)	Provision of aerial fire fighting services by the only accredited service provider in the Western Cape for operations at Pearly Beach and Vark se Snoet fires in February 2012	FFA Aviation (Pty) Ltd	Jacobs R	R	125,176.39	R	17,524.69	R	142,701.08

233	2012/2428	2012.04.16	Paragraph 36(1)(e)(v)	Strip-and-quote repair of a two-way communication mobile radio of CEM 28545 for the repair of a blown fuse	Benliekor Communications CC	Smith E	R	650.00	R	68.20	R	718.20
234	2012/2429	2012.04.26	Paragraph 36(1)(e)(v)	Removal and repair of rust damage from vehicle CEM 16073 by the service provider also repairing the same vehicle in terms of an insurance claim	Prestige Panel Beaters	Arendse K	R	5,640.00	R	789.60	R	6,429.60
235	2012/2430	2012.04.26	Paragraph 36(1)(e)(v)	Strip-and-quote repair of an Ursus Tractor by the authorised agency after damage to the driveshaft caused by worn gearbox	Ursus SA (Pty) Ltd	Barry D	R	7,137.88	R	999.30	R	8,137.18
236	2012/2431	2012.04.26	Paragraph 36(1)(e)(v)	Repair of the fax modem of a HP Colourjet Printer by an authorised service provider	Printegration	Smith E	R	665.00	R	93.10	R	758.10
237	2012/2432	2012.04.26	Paragraph 36(1)(e)(v)	Repair of an HP Colourjet printer with friction and printing quality problems by an authorised service provider	Printegration	Smith E	R	500.00	R	70.00	R	570.00
238	2012/2433	2012.04.26	Paragraph 36(1)(e)(v)	Strip-and-quote repair of a faulty solenoid valve on the Mount Pleasant Rugby Field	Flo-Rite Irrigation	Rainbird L	R	535.10	R	74.91	R	610.01
239	2012/2434	2012.05.16	Paragraph 36(1)(e)(v)	Provision of the MFMP Programme for Group 3 from the most cost effective service provider which could ensure continuity & the same standard of training in order to attain the prescribed competencies	Continuing Education University of Pretoria	van Rooyen A	R	1,057,500.00	R	-	R	1,057,500.00
240	2012/2435	2012.05.16	Paragraph 36(1)(e)(v)	Transfer of ownership payment for multi-functional office machines procured via Tender SC 1086/2011 due to the standard rental period only 26 months instead of 36 months as tendered	Nashua Breedevalel (Pty) Ltd	Amson D	R	77,759.65	R	10,886.21	R	88,644.86
241	2012/2436	2012.05.15	Paragraph 36(1)(e)(v)	Provision of security services at the Onrus Caravan Park over the 27.04 long weekend with patrol dogs due to risk of burglary after a suspicious person was seen entering the premises	Andy's Low Profile Security CC	Potgieter R	R	1,660.00	R	235.20	R	1,915.20
242	2012/2437	2012.05.15	Paragraph 36(1)(e)(v)	Repair of faulty solenoid valve of electronic hydraulic system via strip-and-quote process; refuse compactor truck CEM 17431	Transtech	Arendse K	R	4,253.07	R	595.43	R	4,848.50
243	2012/2438	2012.05.15	Paragraph 36(1)(e)(v)	Repair of oil leak on hydraulic cylinder of refuse compactor truck via a strip-and-quote process; CEM 11377	Hyco Hydraulics & Pneumatics CC	Arendse K	R	1,700.00	R	238.00	R	1,938.00
244	2012/2439	2012.05.21	Paragraph 36(1)(e)(v)	Procurement of motorcycles to be used for traffic law enforcement after 3 previous attempts through competitive tender process did not illicit any response	Grabouw Suzuki CC	Arendse K	R	149,431.66	R	20,920.43	R	170,352.09
245	2012/2440	2012.05.21	Paragraph 36(1)(e)(v)	Repair of hot water diesel boiler system at Onrus Caravan Park. After hours call-out over weekend 29.04.2012	Pro-Heat & Energy Electrical CC	Potgieter R	R	455.00	R	63.70	R	518.70
246	2012/2441	2012.05.21	Paragraph 36(1)(e)(v)	Provision of Land-Surveillance service for erf 2156 Blompark, Gansbaai by service provider initially appointed to render the service in 2009 and scope was extended after 3 quotes were obtained	Hugh Waters	Kuchar R	R	6,315.79	R	884.21	R	7,200.00
247	2012/2442	2012.05.21	Paragraph 36(1)(e)(v)	Procurement of 1GB/Second Cisco Switches as replacement of the current 100MB/S Cisco Switches from the best of 3 quotations after SITA failed for months to respond to our request for assistance	Bridging Technologies Cape	Smith E	R	138,000.00	R	19,320.00	R	157,320.00
248	2012/2443	2012.05.21	Paragraph 36(1)(e)(v)	Procurement of 1GB/Second Cisco Switches as replacement of the current 100MB/S Cisco Switches from the best of 3 quotations after SITA failed for months to respond to our request for assistance	Lateral Dynamics (Pty) Ltd	Smith E	R	128,235.00	R	17,952.90	R	146,187.90
249	2012/2444	2012.05.21	Paragraph 36(1)(e)(ii)	Provision of training to 20 officials on the SMS system by the sole supplier of the system	Mukoni Software CC	Arendse K	R	17,400.00	R	2,436.00	R	19,836.00
250	2012/2445	2012.05.21	Paragraph 36(1)(e)(ii)	Repair of Hydraulic system of URSUS Tractor by the Supplier of the vehicle: CEM 26551	Ursus SA (Pty) Ltd	Arendse K	R	3,460.00	R	484.40	R	3,944.40
251	2012/2446	2012.05.22	Paragraph 36(1)(e)(v)	Repair of Equipment at the vehicle testing station by the only available service provider in order to re-open the facility as soon as possible	Workshop Electronics CC	Fraser R	R	2,870.00	R	401.80	R	3,271.80

252	2012/2447	2012.05.22	Paragraph 36(1)(a)(v)	Provision of professional services for the establishment of Market-Related Remuneration for Top Management	Workshop Dynamics (Pty) Ltd	Kuchar R		R	14,375.00	R	2,012.50	R	16,387.50
253	2012/2448	2012.05.21	Paragraph 36(1)(a)(ii)	Provision of an on-line statute subscription service by a service provider with access to the attorney's professional journal	Lexis Nexis (Pty) Ltd	Van Staden J		R	36,079.05	R	5,331.07	R	43,410.12
254	2012/2449	2012.05.26	Paragraph 36(1)(a)(v)	Strip-and-quote repair of a two-way communication mobile radio of CEM 360	Benlekor Communications CC	Smith E		R	1,730.00	R	242.20	R	1,972.20
255	2012/2450	2012.05.26	Paragraph 36(1)(a)(v)	Strip-and-quote Repair of two-way communication repeater for Heermanus Traffic and Fire Control	Benlekor Communications CC	Smith E		R	1,500.00	R	210.00	R	1,710.00
256	2012/2451	2012.05.22	Paragraph 36(1)(a)(v)	Strip-and-quote repair of a two-way communication radio of accident damage SAMIL 50 at Gansbaai Fire Fighting	Benlekor Communications CC	Smith E		R	740.00	R	103.60	R	843.60
257	2012/2452	2012.05.22	Paragraph 36(1)(a)(v)	Strip-and-quote repair of volume controller of a two-way communication radio of CEM 26043 - Gansbaai Water Works	Benlekor Communications CC	Smith E		R	565.00	R	79.10	R	644.10
258	2012/2453	2012.05.22	Paragraph 36(1)(a)(v)	Strip-and-quote repair of the power supply unit of a two-way communication radio - Motorola GP380	Benlekor Communications CC	Smith E		R	679.00	R	95.06	R	774.06
259	2012/2454	2012.05.22	Paragraph 36(1)(a)(v)	Strip-and-quote repair of the weak reception of a two-way communication radio in refuse removal lorry: CEM 26365	Benlekor Communications CC	Smith E		R	700.00	R	98.00	R	798.00
260	2012/2455	2012.05.22	Paragraph 36(1)(a)(v)	Strip-and-quote repair of the weak reception of the two-way communication repeater on Danger Point	Benlekor Communications CC	Smith E		R	2,655.00	R	371.70	R	3,026.70
261	2012/2456	2012.05.22	Paragraph 36(1)(a)(v)	Strip-and-quote repair of faulty RF unit of a two-way communication repeater at Grootbos	Benlekor Communications CC	Smith E		R	6,650.00	R	931.00	R	7,581.00
262	2012/2457	2012.05.23	Paragraph 36(1)(a)(ii)	License Fees for ID & Drivers License Scanner Software Service and Maintenance for March to June 2012 from sole supplier	Total Client Services Limited	Fraser R		R	1,600.00	R	252.00	R	2,052.00
263	2012/2458	2012.05.23	Paragraph 36(1)(a)(ii)	Acquisition of driver and vehicle license scanners for use at Mobile Traffic Law Enforcement sites from the supplier with the software which integrates with the Tender SC 811/2010	Total Client Services Limited	Fraser R		R	18,666.00	R	2,616.04	R	21,282.04
264	2012/2459	2012.06.22	Paragraph 36(1)(a)(v)	Provision of Data Centre support and ICT advisory services by the current service provider who is intimately involved with the roll-out of Council's ICT strategies in order to ensure continuity at lower-than-market rates for the 2012/13 & 2013/14 financial years.	Lateral Dynamics (Pty) Ltd	Van Staden J		R	1,016,370.00	R	142,291.80	R	1,158,661.80
265	2012/2460	2012.06.19	Paragraph 36(1)(a)(v)	Appointment of a contractor for the operation and maintenance of the Pearly Beach and De Kalders membrane water Treatment Plants with a contract period ending 30 June 2014	Quality Filtration Systems	Bartman M		R	339,539.19	R	47,535.49	R	387,074.68
266	2012/2461	2012.06.19	Paragraph 36(1)(a)(v)	Strip-and-quote removal of 2-way communication radios from vehicles written-off and re-installation in other municipal vehicles, by the approved service provider	Benlekor Communications CC	Van Staden J		R	12,216.50	R	1,710.31	R	13,926.81
267	2012/2462	2012.06.19	Paragraph 36(1)(a)(v)	Strip-and-quote programming of 16 VHF two-way communication radios by the authorised service provider	Benlekor Communications CC	Van Staden J		R	4,295.00	R	601.30	R	4,896.30
268	2012/2463	2012.06.19	Paragraph 36(1)(a)(v)	Strip-and-quote repair of three VHF two-way communication radios by the authorised service provider	Benlekor Communications CC	Van Staden J		R	2,188.50	R	306.39	R	2,494.89
269	2012/2464	2012.06.19	Paragraph 36(1)(a)(v)	Strip-and-quote removal of 2-way communication radios from vehicles written-off and re-installation in other municipal vehicles, by the approved service provider	Benlekor Communications CC	Van Staden J		R	3,223.00	R	451.22	R	3,674.22
270	2012/2465	2012.06.19	Paragraph 36(1)(a)(v)	The appointment of a service provider for the distribution and delivery of legal notices outside the boundaries of the Overstrand Municipality by the local Sheriff, in respect of traffic offences in order to address a backlog which could have led to the retraction of legal notices with potential financial losses for April & May 2012	JNL Molichien	Fraser R		R	29,357.81	R	4,110.09	R	33,467.90

271	2012/2486	2012.06.19	Paragraph 36(1)(a)(ii)	Strip-and-quote repair of engraving equipment by the sole supplier	Rubber Stamp & Engraving (Pty) Ltd Lourens D	R	7,990.00	R	1,118.60	R	9,108.60
272	2012/2487	2012.06.19	Paragraph 36(1)(a)(v)	Lease of multi-functional office machines on a month-to-month basis for the interim period during the procurement of replacement equipment	Cape Office Machines (Pty) Ltd Van Staden J	R	6,325.81	R	885.81	R	7,211.42
273	2012/2488	2012.06.19	Paragraph 36(1)(a)(v)	Maintenance charges per copy of leased multi-functional office machines on a month-to-month basis for an interim period during the procurement of replacement equipment	Cape Office Machines (Pty) Ltd Van Staden J	R	31,366.98	R	4,391.38	R	35,758.36
274	2012/2489	2012.06.19	Paragraph 36(1)(a)(v)	Strip-and-quote repair of speaker of two-way communication radio by the authorised service provider	Benliekor Communications CC Van Staden J	R	851.00	R	119.14	R	970.14
275	2012/2470	2012.06.19	Paragraph 36(1)(a)(v)	Inspection and repair of the faulty two-way radio communication repeater at Waterkop, Grootbos, by the authorised service provider after solar panels were stolen	Benliekor Communications CC Van Staden J	R	1,740.00	R	243.60	R	1,983.60
276	2012/2471	2012.06.19	Paragraph 36(1)(a)(v)	Strip-and-quote repair of faulty two-way communication base-station at Stanford administration by the approved service provider	Benliekor Communications CC Van Staden J	R	2,260.00	R	320.60	R	2,610.60
277	2012/2472	2012.06.19	Paragraph 36(1)(a)(v)	Maintenance charges per copy of leased multi-functional office machines on a month-to-month basis for an interim period during the procurement of replacement equipment for May 2012	Cape Office Machines (Pty) Ltd Van Staden J	R	14,744.27	R	2,064.20	R	16,808.47
279	2012/2474	2012.06.19	Paragraph 36(1)(a)(v)	Facilitation of strategic team building and planning workshop for executive and middle management	WECTAC Leadership AcademyCC Groenewald CC	R	6,175.44	R	864.56	R	7,040.00
280	2012/2475	2012.06.19	Paragraph 36(1)(a)(ii)	License and user fees for the application of the (GNITE SDBIP monitoring and performance management system by the sole supplier of the system	Ignite Advisory Services (Pty) Ltd Amison D	R	69,260.00	R	9,699.20	R	78,979.20
281	2012/2476	2012.06.19	Paragraph 36(1)(a)(v)	Lease of dedicated flatbed scanners outside the contractual period, which lapsed on 31 March 2012, for June 2012, after the successful bidder failed to deliver within two weeks as per the specifications of Tender SC1172/2012	Nashua Breedevalleir (Pty) Ltd Van Staden J	R	2,812.54	R	393.75	R	3,206.29
282	2012/2477	2012.06.25	Paragraph 36(1)(a)(ii)	Calibration of borehole dosing equipment by specialist company who is sole authorised supplier	Maxal Projects SA (Pty) Ltd Nel D	R	1,230.00	R	172.20	R	1,402.20
283	2012/2478	2012.06.25	Paragraph 36(1)(a)(ii)	Emergency repairs and replacement of vacuum gas regulator at Hermanus sewage works by the sole supplier of the equipment	Maxal Projects SA (Pty) Ltd Nel D	R	17,569.51	R	2,459.73	R	20,029.24
284	2012/2479	2012.06.25	Paragraph 36(1)(a)(v)	Installation of vehicle lift by the company procured from after alterations to the work area	Wheelquip Cape CC Arendse JJ	R	875.00	R	122.50	R	997.50
285	2012/2480	2012.06.25	Paragraph 36(1)(a)(v)	Emergency repair of high voltage transformer of Gansbaai main substation after relays monitoring electricity flow with a cut-of function have become defective, leading to a dangerous environment for officials working on the equipment as well as possible damage to the substation. www.adevsa.co.za , www.councilandpublicworks.gov.za	De Kock & Cronje CC Louw D	R	29,995.00	R	4,199.02	R	34,192.02
286	2012/2481	2012.06.25	Paragraph 36(1)(a)(v)	Sale of Erf 2834, Sandbaai Common, to the second highest bidder after the successful bidder who offered R 45 335 million, awarded through a competitive bidding process, withdrew from the transaction	Agattu Trading 216 (Pty) Ltd Kuchar R	R	39,750,000.00	R	-	R	45,315,000.00
287	2012/2482	2012.06.25	Paragraph 36(1)(a)(v)	Study fees for the registration of Councillors for an Advanced Diploma in Public Administration	University of the Western Cape Groenewald CC	R	56,980.00	R	-	R	56,980.00
288	2012/2483	2012.06.29	Paragraph 36(1)(a)(v)	Procurement of building materials for the upgrading of the Mount Pleasant sports clubrooms by the community based club management who inadvertently did not adhere to procedures	Builders Trade Depot Kearny D	R	4,533.98	R	634.76	R	5,168.74
289	2012/2484	2012.06.29	Paragraph 36(1)(a)(v)	Procurement of the only venue with 24 computer workstations in Hermanus without obtaining competitive quotations	Overstrand Training Institute Buchlaneni L	R	4,250.00	R	-	R	4,250.00
290	2012/2485	2012.06.29	Paragraph 36(1)(a)(v)	Lease of multi-functional office machines on a month-to-month basis for the interim period during the procurement of replacement equipment- June 2012 (Amended from R 5 572.97)	Cape Office Machines (Pty) Ltd Van Staden J	R	3,507.97	R	491.12	R	3,999.09
						R	40,127,457.14	R	12,796,735.03	R	60,165,062.83

SUPPLY CHAIN MANAGEMENT

Awards to close family members of persons in the service of the state in excess of R 2 000- 2011/2012 financial year in terms of Clause 45 of the policy

Creditor Code	SCD no	Supplier or Service Provider	Relationship Type	Amount	Name	Government Entity	The capacity in which that person is in the service of the state
G000156	2008	BAY DISCOUNT FURNISHERS-GANSBAAL CC	CHILD	R 1,1,500.00	SHARNE BARNARD	Western Cape: Department of Health	Occupational Therapist
H944460	1471	DREYER T (THEONA)	CHILD	R 11,300.00	TRACY DREYER	Overstrand Municipality	Clerk: Electrical
H94521	1607	ERASMUS LP	CHILD	R 3,275.68	C LOURENS	Overstrand Municipality	C Lourens - Buyer
H94760	1915	TARU CONSTRUCTION SERVICES	CHILD	R 5,160.00	SON	South African Defense Force	Soldier
G93472	2209	VERIFLOW VALVES AND INDUSTRIAL SUPPLIES CC	PARENT	R 4,539.65	COMIEN & ALBERT LOURENS	Overstrand Municipality	A Lourens - Supervisor - Carpenter / C Lourens - Buyer
H91750	477	DU PLESSIS SW	PARENT	R 110,145.75	G COETZEE	Overstrand Municipality	Principle Technician - Building Control
H94802	2005	MASSAMATIC (PTY) LTD	PARENT	R 23,947.98	M BARNARD	Dept of Health	Deputy Director: Radiography
G004643	1908	MIGGELS D	PARENT	R 4,200.00	FRANKLIN FELIX	Overstrand Municipality	
G91294	1677	PHILANDER A	PARENT	R 3,000.00	F. PHILANDER	Overstrand Municipality	Library Assistant
H000087	21	ADENCO CONSTRUCTION (PTY) LTD	PARENT	R 7,378,792.84	VP MACHIMANA, V MACHIMANA & DCC JACKSON	Dept of Welfare, Limpopo Dept Health, Gauteng Dept Western Cape Education, Excelsior School, Bellville	Social Worker Nursing Sister Teacher
H94842	1998	CYBROLEX (PTY) LTD	PARENT	R 22,592.00	MR STEENKAMP	South African Police Service	Inspector
G004085	1510	D & J VERVOER	PARENT	R 143,393.48	JC VERMEULEN	Overstrand Municipality	Accountant: Income
H000317	314	ANDY'S LOW PROFILE SECURITY	SPOUSE	R 485,925.45	ELIZABETH LOWINGS	Overstrand Municipality	Admin Ass Building Control
K94454	1774	ANTONIE C	SPOUSE	R 5,393.00	SUSAN ANTONIE	Overstrand Municipality	Committee Official
H94676	1806	CORNELIUS M	SPOUSE	R 3,500.00	CHARL & BERNARD CORNELIUS	Overstrand Municipality	Meter reader Mechanic
H95026	2127	EASY MIX	SPOUSE	R 185,200.00	H DE JAGER	Cape Agulhas Municipality	Clerk: Rates
H95003	2093	ECO CREATIONS	SPOUSE	R 275,065.36	LAUREN RAINBIRD	Overstrand Municipality	Horticulturist
H94685	1822	GERRIT VISSER ONDERHOUDSWERK	SPOUSE	R 89,211.85	ANNELIZE VISSER	Overstrand Municipality	Snr Clerk: Internal Management
H91522	1822	HERMANUS TOWING	SPOUSE	R 2,500.00	LEANDRA MINNAAR	Overstrand Municipality	Admin Officer: Property
H94004	790	JEFFREY NKANUNU CONSTRUCTION CC	SPOUSE	R 5,096.00	NOMONE ADELAIDE NKANUNU	Overstrand Municipality	General Assistant Cleaners
G93467	2192	JOHNS A	SPOUSE	R 8,000.00	MARK JOHNS	Cape Nature	Conservation Manager
H94454	1468	OUTDOOR ILLUMINATION CC	SPOUSE & CHILD	R 178,543.50	K VD MERWE & L MINNAR	Overstrand Municipality	HR Practitioner Admin Officer: Property
H93950	623	QUINTESSENTIAL SECURITY CC	SPOUSE	R 1,227,744.00	HANLIE V TONDER	Overstrand Municipality	Manager: Council Services Support
H94673	1800	SALES A	SPOUSE	R 11,900.00	ELMARIE SALES	Overstrand Municipality	Personal Assistant: Infrastructure & Planning
H90586	1741	SOLOMON'S WINDOW CLEANING SERVICES	SPOUSE	R 18,000.00	NP MANANGA	Department of Social Development (SASSA)	Contract
H91182	585	WALLY'S PANELBEATERS	SPOUSE	R 105,000.71	JONELLE WILLIAMS (TRAFFIC)	Overstrand Municipality	Clerk: License & Registration
				R 10,322,927.25	Grand Total		

Supply Chain Management Policy

Expenditure Incurred in non-compliance to Legislation

Register 2011 - 2012

SCMNC#	Description	Awarded to	Amount Operational	VAT @ 14%	Value of the Irregular Expenditure Incurred
2012/001	Bidder did not declare the involvement of persons in the service state in the Board of Directors. Submitted information during contract period and contract was summarily cancelled.	Protea Coin	R 132,480.00	R 18,547.20	R 151,027.20
2012/002	Owner / Director / Member / Shareholder in the service of the state as per AGSA 2010/2011 - Expenditure incurred in 2011/12 prior to discovery	Emenem	R 36,300.00	R -	R 36,300.00
2012/003	Owner / Director / Member / Shareholder in the service of the state as per AGSA 2010/2011 - Expenditure incurred in 2011/12 prior to discovery	Olukaphalo	R 8,318.65	R -	R 8,318.65
2012/004	Owner / Director / Member / Shareholder in the service of the state as per AGSA 2010/2011 - Expenditure incurred in 2011/12 prior to discovery	AV Mouldings	R 14,324.16	R 2,005.38	R 16,329.54
			R 191,422.81	R 20,552.58	R 211,975.39

Appendix A
June 2012

Schedule of external loans as at 30 June 2012

Loan Number	Redeemable	Balance at Thursday, June 30, 2011	Received during the period	Redeemed written off during the period	Balance at Saturday, June 30, 2012	Carrying Value of Plant & Equip	Other Costs in accordance with the MFMA
		Rand	Rand	Rand	Rand	Rand	Rand
Development Bank of South Africa							
13761/101	2020	2,477,070	-	260,744	2,216,326	-	-
10450/102	2017	682,035	-	83,155	598,880	-	-
102169/1	2022	14,530,335	-	776,358	13,753,977	-	-
103946/1	2026	60,000,000	-	4,000,000	56,000,000	-	-
103946/2	2026	30,000,000	60,000,000	-	90,000,000	-	-
13535/102	2020	2,826,876	-	314,097	2,512,779	-	-
13543/101	2019	2,462,533	-	273,615	2,188,918	-	-
		112,978,849	60,000,000	5,707,969	167,270,880	-	-
Lease liability							
	2014	-	818,291	91,721	726,570	-	-
	2014	-	389,615	118,416	271,199	-	-
		-	1,207,906	210,137	997,769	-	-
Annuity loans							
3029589816	2024	66,613,536	-	2,574,842	64,038,694	-	-
4073054262	2024	37,489,731	-	1,460,236	36,029,495	-	-
4073923493	2024	39,441,600	-	1,484,694	37,956,906	-	-
20030226	2012	4,822,139	-	3,113,843	1,708,296	-	-
	2022	-	50,000,000	-	50,000,000	-	-
		148,367,006	50,000,000	8,633,615	189,733,391	-	-
Total external loans							
		112,978,849	60,000,000	5,707,969	167,270,880	-	-
		-	1,207,906	210,137	997,769	-	-
		148,367,006	50,000,000	8,633,615	189,733,391	-	-
		261,345,855	111,207,906	14,551,721	358,002,040	-	-

Analysis of property, plant and equipment as at 30 June 2012
Cost/Revaluation **Accumulated depreciation**

	Opening Balance		Additions		Disposals		Transfers		Revaluations		Fair value		Closing Balance		Opening Balance		Disposals		Transfers		Depreciation		Impairment loss		Closing Balance		Carrying value		
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	
Land and buildings																													
Land (Separate for AFS purposes)	371,417,899	12,177,487	(523,593)	(8,433,944)	-	-	-	-	-	-	-	-	-	374,637,849	-	-	-	-	-	-	-	-	-	-	-	-	-	374,637,849	
Buildings (Separate for AFS purposes)	122,555,997	175,000	(283,200)	(609,947)	-	-	(609,947)	-	-	-	-	-	-	121,837,850	(10,641,190)	58,497	116,849	-	-	-	(5,399,147)	-	-	-	-	(15,864,991)	109,972,859		
	493,973,896	12,352,487	(806,793)	(9,043,891)	-	-	(9,043,891)	-	-	-	-	-	-	496,475,699	(10,641,190)	58,497	116,849	-	-	-	(5,399,147)	-	-	-	-	(15,864,991)	480,610,708		
Infrastructure																													
Roads	1,675,690,916	5,476,611	-	-	-	-	-	-	-	-	-	-	-	1,681,367,527	(776,755,953)	-	-	-	-	-	(34,104,513)	-	-	-	-	(810,860,466)	870,507,061		
Storm water drains	205,436,328	7,277,717	-	-	-	-	-	-	-	-	-	-	212,714,045	(134,924,341)	-	-	-	-	-	-	(2,235,306)	-	-	-	-	(137,159,647)	75,554,398		
Electricity	979,215,794	30,061,431	(28,298,223)	-	-	-	-	-	-	-	-	-	980,979,002	(377,693,386)	17,961,349	-	-	-	-	-	(18,441,355)	-	-	-	-	(378,173,392)	602,805,610		
Water	1,261,326,039	57,363,694	(136,890)	-	-	-	-	-	-	-	-	-	1,318,572,843	(863,130,649)	135,949	-	-	-	-	-	(16,029,081)	-	-	-	-	(899,023,781)	419,549,062		
Sewerage	659,486,318	32,649,710	-	-	-	-	-	-	-	-	-	-	692,136,028	(301,311,278)	-	-	-	-	-	-	(13,422,376)	-	-	-	-	(314,733,554)	377,402,374		
Solid waste disposal	41,600,548	196,045	-	-	-	-	-	-	-	-	-	-	41,896,593	(7,669,743)	-	-	-	-	-	-	(2,167,726)	-	-	-	-	(9,837,469)	31,859,124		
Security measures	13,909,519	644,651	-	-	-	-	-	-	-	-	-	-	14,554,070	(8,593,963)	-	-	-	-	-	-	(636,693)	-	-	-	-	(9,230,646)	5,323,424		
	4,836,765,462	133,689,759	(28,435,113)	-	-	-	-	-	-	-	-	-	4,942,020,108	(2,490,079,313)	18,097,298	-	-	-	-	-	(87,037,040)	-	-	-	-	(2,569,019,055)	2,383,001,053		
Community Assets																													
Recreational facilities	111,041,176	5,538,197	-	-	-	-	-	-	-	-	-	-	116,579,373	(30,856,848)	-	-	-	-	-	-	(4,358,606)	-	-	-	-	(35,215,454)	81,363,919		
	111,041,176	5,538,197	-	-	-	-	-	-	-	-	-	-	116,579,373	(30,856,848)	-	-	-	-	-	-	(4,358,606)	-	-	-	-	(35,215,454)	81,363,919		

Analysis of property, plant and equipment as at 30 June 2012
Accumulated depreciation

	Cost/Revaluation		Accumulated depreciation												
	Opening Balance	Carrying value	Additions	Disposals	Transfers	Revaluations	Fair value	Closing Balance	Opening Balance	Disposals	Transfers	Depreciation	Impairment loss	Closing Balance	Carrying value
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Heritage assets															
Heritage assets	76,995,309	-	-	-	(127,465)	-	-	76,867,844	-	-	-	-	-	-	76,867,844
	76,995,309				(127,465)			76,867,844							76,867,844
Other assets															
Vehicles	48,660,392	-	6,799,645	(681,960)	-	-	-	54,778,077	(18,646,253)	472,187	-	(2,077,153)	-	(20,251,219)	34,526,858
Furniture & Fittings	2,518,682	-	148,199	(104,187)	-	-	-	2,562,694	(1,270,412)	66,277	-	(244,025)	-	(1,448,160)	1,114,534
Office Equipment	10,503,850	-	3,837,890	(470,881)	-	-	-	13,870,959	(4,604,308)	338,883	-	(1,333,899)	-	(5,599,324)	8,271,635
	61,683,024		10,785,734	(1,257,028)				71,211,730	(24,520,973)	877,347		(3,655,077)		(27,298,703)	43,913,027

Analysis of property, plant and equipment as at 30 June 2012
Cost/Revaluation

Accumulated depreciation

	Opening Balance		Additions		Disposals		Transfers		Revaluations		Fair value		Closing Balance		Opening Balance		Disposals		Transfers		Depreciation		Impairment loss		Closing Balance		Carrying value			
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	
Total property plant and equipment																														
Land and buildings	493,973,896	12,352,487	(806,793)	(9,043,891)	-	-	-	-	-	-	-	-	-	496,475,699	(10,641,190)	58,497	116,849	(5,399,147)	-	-	(15,864,991)	-	-	-	-	(15,864,991)	480,610,708			
Infrastructure	4,836,765,462	133,689,759	(28,435,113)	-	-	-	-	-	-	-	-	-	-	4,942,020,108	2,490,079,313	18,097,298	-	(87,037,040)	-	-	2,569,019,055	-	-	-	-	2,569,019,055	2,383,001,053			
Community Assets	111,041,176	5,538,197	-	(127,465)	-	-	-	-	-	-	-	-	-	116,579,373	(30,856,848)	-	-	(4,358,606)	-	-	(35,215,454)	-	-	-	-	(35,215,454)	81,363,919			
Heritage assets	76,995,309	-	-	-	-	-	-	-	-	-	-	-	-	76,867,844	-	-	-	-	-	-	-	-	-	-	-	-	76,867,844			
Other assets	61,683,024	10,785,734	(1,257,028)	-	-	-	-	-	-	-	-	-	-	71,211,730	(24,520,973)	877,347	-	(3,655,077)	-	-	(27,298,703)	-	-	-	-	(27,298,703)	43,913,027			
	5,580,458,867	162,366,177	(30,498,934)	(9,171,356)	-	-	-	-	-	-	-	-	-	5,703,154,754	2,556,098,324	19,033,142	116,849	(100,449,870)	-	-	2,637,398,203	-	-	-	-	2,637,398,203	3,065,756,551			
Intangible assets																														
Computers - software & programming	803,000	928,401	-	-	-	-	-	-	-	-	-	-	-	1,731,401	(325,375)	-	-	(218,761)	-	-	(544,136)	-	-	-	-	(544,136)	1,187,265			
Water rights	2,360,000	-	-	-	-	-	-	-	-	-	-	-	-	2,360,000	-	-	-	-	-	-	-	-	-	-	-	-	-	2,360,000		
	3,163,000	928,401	-	-	-	-	-	-	-	-	-	-	-	4,091,401	(325,375)	-	-	(218,761)	-	-	(544,136)	-	-	-	-	(544,136)	3,547,265			
Investment properties																														
Investment property	87,989,228	-	-	8,563,025	-	-	-	-	-	-	-	-	-	87,822,500	-	-	-	-	-	-	-	-	-	-	-	-	-	87,822,500		
	87,989,228	-	-	8,563,025	-	-	-	-	-	-	-	-	-	87,822,500	-	-	-	-	-	-	-	-	-	-	-	-	87,822,500			
Total																														
Land and buildings	493,973,896	12,352,487	(806,793)	(9,043,891)	-	-	-	-	-	-	-	-	-	496,475,699	(10,641,190)	58,497	116,849	(5,399,147)	-	-	(15,864,991)	-	-	-	-	(15,864,991)	480,610,708			
Infrastructure	4,836,765,462	133,689,759	(28,435,113)	-	-	-	-	-	-	-	-	-	-	4,942,020,108	2,490,079,313	18,097,298	-	(87,037,040)	-	-	2,569,019,055	-	-	-	-	2,569,019,055	2,383,001,053			
Community Assets	111,041,176	5,538,197	-	(127,465)	-	-	-	-	-	-	-	-	-	116,579,373	(30,856,848)	-	-	(4,358,606)	-	-	(35,215,454)	-	-	-	-	(35,215,454)	81,363,919			
Heritage assets	76,995,309	-	-	-	-	-	-	-	-	-	-	-	-	76,867,844	-	-	-	-	-	-	-	-	-	-	-	-	76,867,844			
Other assets	61,683,024	10,785,734	(1,257,028)	-	-	-	-	-	-	-	-	-	-	71,211,730	(24,520,973)	877,347	-	(3,655,077)	-	-	(27,298,703)	-	-	-	-	(27,298,703)	43,913,027			
Intangible assets	3,163,000	928,401	-	-	-	-	-	-	-	-	-	-	-	4,091,401	(325,375)	-	-	-	-	-	(544,136)	-	-	-	-	(544,136)	3,547,265			
Investment properties	87,989,228	-	-	8,563,025	-	-	-	-	-	-	-	-	-	87,822,500	-	-	-	-	-	-	-	-	-	-	-	-	-	87,822,500		
	5,671,611,095	163,294,578	(30,498,934)	(608,331)	-	-	-	-	-	-	-	-	-	5,795,068,655	2,556,423,699	19,033,142	116,849	(100,668,631)	-	-	2,637,942,339	-	-	-	-	2,637,942,339	3,157,126,316			

Appendix C

June 2012

**Segmental analysis of property, plant and equipment as at 30 June 2012
Accumulated Depreciation**

	Opening Balance		Additions		Disposals		Transfers		Revaluations		Fair value		Closing Balance		Opening Balance		Disposals		Transfers		Depreciation		Impairment deficit		Closing Balance		Carrying value						
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand					
Municipality																																	
Executive and Council	76,995,309						(127,465)						76,867,844															76,867,844					
Corporate Services	64,846,024												75,303,131			(24,846,348)													47,460,292				
Planning and Development	87,969,228						8,553,025						87,822,500																87,822,500				
Comm. and Social	493,973,896						(9,043,891)						496,475,699																480,610,708				
Public Safety	13,908,519												14,554,070																14,554,070				
Sport and Recreation	111,041,176												116,579,373																116,579,373				
Waste Management	906,423,194												946,546,666																946,546,666				
Roads	1,675,890,916												1,681,367,527																1,681,367,527				
Water/Water Distribution	1,261,326,039												1,318,572,843																1,318,572,843				
Electricity /Electricity Distribution	979,215,794												980,979,002																980,979,002				
Total	5,671,611,095						(608,331)					(8,729,753)	5,795,068,655			2,556,423,699												116,849		2,637,942,339		3,157,126,316	
Municipality																																	
Executive and Council	5,671,611,095						(608,331)						5,795,068,655																	5,795,068,655			
Corporate Services	163,294,578						(30,498,934)						163,294,578																	163,294,578			
Planning and Development	87,969,228						8,553,025						87,822,500																	87,822,500			
Comm. and Social	493,973,896						(9,043,891)						496,475,699																	480,610,708			
Public Safety	13,908,519												14,554,070																	14,554,070			
Sport and Recreation	111,041,176												116,579,373																	116,579,373			
Waste Management	906,423,194												946,546,666																	946,546,666			
Roads	1,675,890,916												1,681,367,527																	1,681,367,527			
Water/Water Distribution	1,261,326,039												1,318,572,843																	1,318,572,843			
Electricity /Electricity Distribution	979,215,794												980,979,002																	980,979,002			
Total	5,671,611,095						(608,331)					(8,729,753)	5,795,068,655			2,556,423,699												116,849		2,637,942,339		3,157,126,316	

Appendix D

June 2012

Segmental Statement of Financial Performance for the year ended 30 June 2012

Prior Year			Current Year		
Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand	Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand
Municipality					
27,514,592	58,677,692	(31,163,100)	31,553,102	75,425,876	(43,872,774)
143,625,991	76,487,554	67,138,437	154,508,259	75,738,429	78,769,830
44,881,634	57,044,604	(12,162,970)	7,222,524	58,772,993	(51,550,469)
11,911,499	26,703,922	(14,792,423)	12,064,640	41,943,909	(29,879,269)
1,735,527	25,860,749	(24,125,222)	2,155,189	27,889,876	(25,734,687)
48,847,603	7,680,596	41,167,007	3,964,696	55,792,049	(51,827,353)
9,336,845	32,873,882	(23,537,037)	10,047,692	36,785,160	(26,737,468)
6,118,280	17,448,857	(11,330,577)	6,608,355	18,356,909	(11,748,554)
328,885	6,713,970	(6,385,085)	298,796	6,002,036	(5,703,240)
53,541,475	43,146,788	10,394,687	79,356,833	48,376,297	30,980,536
37,077,577	51,444,521	(14,366,944)	40,352,719	44,231,113	(3,878,394)
2,691,382	83,509,144	(80,817,762)	3,862,822	85,307,856	(81,445,034)
76,311,561	71,265,727	5,045,834	111,833,872	83,850,807	27,983,065
189,092,763	171,364,926	17,727,837	236,595,038	209,555,158	27,039,880
653,015,614	730,222,932	(77,207,318)	700,424,537	868,028,468	(167,603,931)
Other charges					
-	(86,942,540)	86,942,540	-	(93,898,540)	93,898,540
-	(86,942,540)	86,942,540	-	(93,898,540)	93,898,540
653,015,614	730,222,932	(77,207,318)	700,424,537	868,028,468	(167,603,931)
-	(86,942,540)	86,942,540	-	(93,898,540)	93,898,540
653,015,614	643,280,392	9,735,222	700,424,537	774,129,928	(73,705,391)

Appendix E(1)

June 2012

Actual versus Budget(Revenue and Expenditure) for the year ended 30 June 2012

	Current year	Current year	Explanation of Significant Variances greater than 10% versus Budget	
	2012 Act. Bal.	2012 Adjusted budget Rand		
Revenue				
Property rates	136,510,901	136,617,680	(106,779)	(0.1)
Service charges	405,669,978	408,697,950	(3,027,972)	(0.7)
Property rates - penalties imposed and collection charges	995,095	918,000	77,095	8.4
Rental of facilities and equipment	6,731,614	6,959,800	(228,186)	(3.3)
Public contributions and donations	14,300,171	13,701,868	598,303	4.4
Fines	5,278,097	6,581,380	(1,303,283)	(19.8)
Licences and permits	1,786,476	1,751,000	35,476	2.0
Government grants & subsidies	95,422,704	72,835,085	22,587,619	31.0
Other income	24,074,616	24,038,190	36,426	0.2
Interest received - investment	4,271,487	2,605,700	1,665,787	63.9
	695,041,139	674,706,653	20,334,486	3.0
Expenses				
Employee related costs	(207,938,262)	(193,054,190)	(14,884,072)	7.7
Remuneration of councillors	(6,717,244)	(6,724,095)	6,851	(0.1)
Depreciation	(100,668,631)	(105,114,520)	4,445,889	(4.2)
Impairments	(3,111,159)	-	(3,111,159)	-
Finance costs	(31,727,084)	(31,965,006)	237,922	(0.7)
Debt impairment	190,129	(1,000,000)	1,190,129	(119.0)
Repairs and maintenance	(64,844,769)	(69,066,530)	4,221,761	(6.1)
Bulk purchases	(126,669,077)	(127,208,420)	539,343	(0.4)
Contracted Services	(24,777,215)	(26,571,673)	1,794,458	(6.8)
Grants and subsidies paid	(28,454,141)	(33,875,000)	5,420,859	(16.0)
General Expenses	(167,555,411)	(132,824,741)	(34,730,670)	26.1
	(762,272,864)	(727,404,175)	(34,868,689)	4.8
Other revenue and costs				
Gain or loss on disposal of assets	2,256,088	2,130,000	126,088	5.9
Fair value adjustments	(8,729,753)	8,500,000	(17,229,753)	(202.7)
	(6,473,665)	10,630,000	(17,103,665)	160.9
Net surplus/ (deficit) for the year	(73,705,390)	(42,067,522)	(31,637,868)	75.2

Appendix E(2)

June 2012

**Budget Analysis of Capital Expenditure as at 30 June
2012**

	Additions	Revised	Variance	Variance	Explanation of significant variances from budget
	Rand	Budget Rand	Rand	%	
Municipality					
Comm. and Social	12,352	21,212	8,860	42	
Public Safety	645	1,091	446	41	
Sport and Recreation	5,538	1,546	(3,992)	(258)	
Waste Water Management	39,927	33,619	(6,308)	(19)	
Roads	5,477	3,218	(2,259)	(70)	
Water/Water Distribution	57,384	71,859	14,475	20	
Electricity /Electricity Distribution	30,061	28,921	(1,140)	(4)	
Corporate Services	11,714	24,453	12,739	52	
Waste management	196	270	74	27	
	163,294	186,189	22,895	12	

Appendix F
Disclosures of Grants and Subsidies in terms of Section 123 MFMA, 56 of 2003
June 2012

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts				Quarterly Expenditure				Grants and Subsidies delayed / withheld				Reason for delay/withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for non-compliance
		Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun			
FMG	National Treasury	1,250	-	-	-	277	202	182	589	-	-	-	-	-	Yes	
MSIG	National Treasury	790	-	-	-	-	307	136	347	-	-	-	-	-	Yes	
MIG	National Treasury	10,914	3,057	-	-	2,216	7,880	3,039	836	-	-	-	-	-	Yes	
NDPG-LED	National Treasury	470	160	1,370	-	2,166	525	99	2,491	-	-	-	-	-	Yes	
RBIG	National Treasury	-	-	25,469	10,743	-	-	-	25,469	-	-	-	-	-	Yes	
EPWP	PAWC	-	-	777	-	-	-	-	81	-	-	-	-	-	Yes	
INEG-Electricity Library	DME	2,000	-	-	-	-	-	2,000	-	-	-	-	-	-	Yes	
Community development workers	PAWC	336	152	152	-	129	138	167	206	-	-	-	-	Yes		
Provincial road subsidy	PAWC	-	78	-	-	9	21	5	43	-	-	-	-	Yes		
Housing consumer education	PAWC	-	-	65	-	-	24	-	41	-	-	-	-	Yes		
Social housing	PAWC	-	-	-	-	-	6	3	54	-	-	-	-	Yes		
Fire victims (social relief)	PAWC	5,320	494	4,094	6	2,669	1,069	326	(885)	-	-	-	-	Yes		
Mobility strategy	PAWC	-	-	-	-	-	475	60	115	-	-	-	-	Yes		
		21,080	3,941	31,927	10,749	7,466	10,647	6,017	29,393	-	-	-	-	-		

Note: A municipality should provide additional information on how a grant was spent per Vote. This excludes allocations from the Equitable Share.

ANNEXURE B: REPORT OF THE AUDITOR GENERAL

REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT AND THE COUNCIL OF THE OVERSTRAND MUNICIPALITY

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Overstrand Municipality set out in Annexure A on pages 2 to 84, which comprise the statement of financial position as at 30 June 2012, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP), the requirements of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2011 (Act No. 6 of 2011) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

5. In my opinion the financial statements present fairly, in all material respects, the financial position of the Overstrand Municipality as at 30 June 2012 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

7. As disclosed in note 42 to the financial statements, the corresponding figures for 30 June 2011 have been restated as a result of errors discovered during 2012 in the financial statements of the Overstrand Municipality at, and for the year ended, 30 June 2011.

Material losses

8. As disclosed in note 50 to the financial statements, the municipality suffered a water loss of R2 891 622 (20.36%). This is as a result of non-technical losses such as unmetered connections and aging infrastructure and networks.

Material impairment

9. As disclosed in note 12 to the financial statements, consumer debtors were impaired by R18 133 692 (26.5%) at the year-end.
10. As disclosed in note 2 to the financial statements, investment property was impaired by a fair value adjustment of R8 729 753.

Additional matter

11. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited supplementary schedules

12. As disclosed on page 1 of the financial statements, the supplementary information set out on pages 76 to 84 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

13. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

14. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 77 to 225 of the annual report.
15. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information*.

16. The reliability of the information in respect of the selected programmes is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).
17. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

Compliance with laws and regulations

18. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations, as set out in the *General Notice* issued in terms of the PAA, are as follows:

Annual financial statements, performance and annual report

19. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of non-current assets, provisions and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Asset management

20. An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA.

Internal control

21. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the findings on compliance with laws and regulations included in this report.

Leadership

22. Although the municipality developed an action plan it did not adequately address the internal control deficiencies reported in the prior years because it only focused on findings prevalent in the prior year management report and not the internal control deficiencies not adequately addressed over the past few years resulting in repeat findings in the areas of financial reporting relating to asset management and compliance with laws and regulations.

Financial and performance management

23. Management did not put adequate processes in place to ensure that credible financial statements in compliance with the reporting framework are prepared as the internal review procedures were inadequate to identify and correct material misstatements in the financial statements and underlying records before it being submitted for audit.

OTHER REPORTS

Investigations

Investigations in progress

24. As reported in paragraph 16 of the prior year audit report, allegations were made of irregular procurement of goods and / or services, including a possible conflict of interest at Hermanus Waste Water Treatment Works and also the Water Purification Works. Two companies regularly supplying quotations did not exist as all the contact information on the quotations were fictitious. The investigation is still in progress.

Investigations completed during the financial year

25. The municipality completed an investigation into allegations of dishonest and fraudulent misrepresentation made by a senior official to have fines for traffic offences withdrawn or reduced. Disciplinary action in this regard has been instituted by the municipality.

Auditor-General

Cape Town

30 November 2012



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

**ANNEXURE C: REPORT OF THE AUDIT AND PERFORMANCE
AUDIT COMMITTEE**

OVERSTRAND MUNICIPALITY
ANNUAL OVERSIGHT REPORT OF THE AUDIT- AND PERFORMANCE AUDIT
COMMITTEE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

1. Introduction

The Audit and Performance Audit Committees are independent statutory committees appointed by the Council in terms of section 166 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003). We are please to present our oversight report for the financial year ended 30 June 2012.

2. AUDIT COMMITTEE

2.1 Members

During the period from 01 July 2011 to 31 October 2011, the Committee consists of four members none of whom are councilors or officials of the Municipality. The Committee members are:

- GN Lawrence (Chairperson)
- DWJ Jacobs
- JNP Saayman
- ME Tshabalala

During the period from 01 November 2011 to 30 June 2012, the Committee consists of five members none of whom are councilors or officials of the Municipality. The Committee members are:

- GN Lawrence (Chairperson)
- DWJ Jacobs
- HPA Beekman
- HV Liebenberg
- KE Montgomery

2.2 Meetings

The Committee met on the following dates during the year under review:

- 11 October 2011
- 28 October 2011
- 03 February 2012
- 11 May 2012

The Executive Mayor, Chairperson of the Finance & Economic Development Portfolio Committee, Municipal Manager, Chief Financial Officer, Director: Management Services and Manager: Internal Audit and officials, attend the meetings.

2.3 Role and responsibilities

The Committee was fully functional for the year under review and operated in accordance with the adopted Audit Committee Charter, which was approved by Council. The provisions contained in the Local Government: Municipal Finance Management Act, 2003 and Internal Audit Framework, which was developed by National Treasury, are included in the Charter.

OVERSTRAND MUNICIPALITY
ANNUAL OVERSIGHT REPORT OF THE AUDIT- AND PERFORMANCE AUDIT
COMMITTEE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

The Committee substantially fulfilled its responsibilities for the year under review, as set out in section 166 of the Municipal Finance Management Act, 2003. (*Refer to point 4 below.*)

3. Reports Reviewed and System of internal controls

The Committee has reviewed the following reports for the period under review:

- 3.1 Bank Reconciliations
- 3.2 Administration of Municipal Residences.
- 3.3 Administration of Study Bursaries
- 3.4 Housing Consumer Education 2010/11
- 3.5 Local Labour Promotion Programme (LLPP)
- 3.6 Ad-Hoc Audit Request: Application for deviation – payment for the provision of professional services
- 3.7 Follow-up Audit – Hawkers / Market stalls
- 3.8 Extension of Tenders

The committee wants to record its pleasure at the improved standard and professional formatting of reports submitted to it during the course of the financial year. This achievement is noteworthy given the fact that for the major portion of the year under review the Internal Audit staff complement was not at full strength. This situation was also negatively impacted upon by a rigorous programme of training requirements which caused the existing staff to be away from their normal duties.

4. Financial Statements and Accounting Practices

Regretably, once again, as reported in last years oversight report, the Annual Financial Statements were not timeously presented to the Audit Committee (31 August 2012 *i.e.* submission cut-off date to the Auditor-General). The Audit Committee was therefore not able to fully comply with its mandate of having to review and provide Council with a credible view of the financial statements. In fact, a formal request from the Audit Committee at an Audit Steering Committee meeting held on 06 September 2012 was necessary to solicit copies of the required documentation for scrutiny and study by the Audit Committee members. Whilst this aspect may be the subject of ongoing discussions and differing interpretations the Auditor-General shares the view of the Audit Committee that prior review is favourable. This matter consequently remains a matter of concern to the Audit Committee.

5. Report of the Auditor-General for 2011/2012

The report of the Auditor-General is noted.

6. Specific issues that need attention

There were no specific issues that needed further attention from the Audit Committee.

OVERSTRAND MUNICIPALITY
ANNUAL OVERSIGHT REPORT OF THE AUDIT- AND PERFORMANCE AUDIT
COMMITTEE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

7. PERFORMANCE AUDIT COMMITTEE

7.1 Members

The Performance Audit Committee consists of the same members as that of the Audit Committee except that there is a different Chairperson, namely DWJ Jacobs. The Chairperson is also the Chairperson of the Rewards and Recognition Committee of the Municipality.

7.2 Meetings

The Committee met on the following dates during the year under review:

- 07 September 2011
- 02 March 2012
- 22 June 2012

The Executive Mayor, Chairperson of the Management Services Portfolio Committee, Municipal Manager, Director: Management Services and Managers: Strategic Services and Internal Audit and officials, attend the meetings.

7.3 Role and responsibilities

The Committee was fully functional for the year under review and operated in accordance with the Local Government: Municipal Planning and Performance Management Regulations, 2001.

8. Reports Reviewed

The Committee has reviewed the following reports for the period under review:

- 8.1 Follow-up report on Predetermined Objectives 3rd Quarter – Financial period 2010/2011.
- 8.2 Predetermined Objectives 4th Quarter – Financial period 2010/2011
- 8.3 Predetermined Objectives combined quarterly report: 1st & 2nd Quarter – Financial period 2011/2012.
- 8.4 Predetermined Objectives quarterly report: Quarter 3 – Financial period 2011/2012

Based on the processes and assurances obtained from management, Internal Audit and Auditor-General, the Committee is satisfied that the performance management processes and the reporting thereof are adequate.

The Committee further notes that the concern expressed by the Auditor-General in the previous report regarding the non alignment of the KPI's and SDBIP has been resolved.

9 Report of the Auditor-General for 2011/2012

The Performance Audit Committee has noted a clean audit result in this matter.

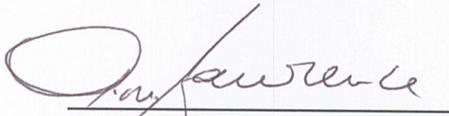
OVERSTRAND MUNICIPALITY

ANNUAL OVERSIGHT REPORT OF THE AUDIT- AND PERFORMANCE AUDIT
COMMITTEE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

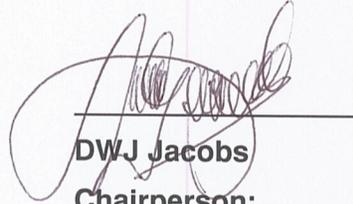
10 CONCLUSION

The Audit Committees have continued to enjoy the full co-operation of the Executive Mayor as well as the Municipal Manager. However, the same level of relationship previously enjoyed between the staff of the Auditor-General and various municipal officials has at times become strained. This was an aspect that I, as Chairman devoted a considerable time and effort to during the proceeding years that I have been Chairman. It now appears that the renewed effort at improving interpersonal relationships between the various role players is again warranted. Cognisance has been taken of the fact that a specific meeting has had to be scheduled to address this problem. The Audit Committees likewise will also engage in this matter.

It should be noted that the Internal Audit department did valuable work and the Committees relied heavily on their inputs and effort.



GN Lawrence
Chairperson:
Audit Committee



DWJ Jacobs
Chairperson:
Performance Audit Committee

15/3/2013

DATE

15/3/2013

DATE

**ANNEXURE D: OVERSTRAND MUNICIPALITY WATER SERVICES
AUDIT FOR 2011/12 EXECUTIVE SUMMARY**



OVERSTRAND MUNICIPALITY

WATER SERVICES AUDIT FOR 2011/2012

EXECUTIVE SUMMARY

Section 62 of the Water Services Act requires the Minister to monitor every WSI in order to ensure compliance with the prescribed national standards. This regulation requires a WSA to complete and submit a water services audit every year.

The water services audit is designed to monitor the compliance of the WSA and other WSIs with these regulations. It allows the water services audit to be used as a tool to compare actual performance of the WSA against the targets and indicators set in their WSDP. It also assists local communities and DWA to assess how well WSAs are performing relative to their stated intentions and their capacity.

The Water Services Audit Report will give an overview of the implementation of the previous years' WSDP of Overstrand Municipality and can be seen as an annexure to Overstrand Municipality's Annual Report. The Annual Report is compiled as required by the Local Government: Municipal Systems Act, Act no 32 of 2000 (Section 46) and the Local Government: Municipal Finance Management Act, Act no 56 of 2003 (Section 121).

Methodology followed: The Service Delivery Budget Implementation Plan (SDBIP) of Overstrand Municipality for 2011/2012 was used to report on the KPIs for water and sewerage services. The previous WSDP was further used as basis to compile the report. The latest water usage figures and WWTWs flows up to June 2012 were obtained from Overstrand Municipality, analysed and included under the various sections of the Water Services Audit Report.

Availability of the Water Services Audit Report: The Water Services Audit Report is a public document and must be made available within four months after the end of each financial year and must be available for inspection at the offices of the Municipality. It is also recommended that the document be placed on the Municipality's website and that copies of the document be placed at the public libraries. The draft document was also made available to DWA for their comments as required by legislation.

The Water Services Audit Report contains the following detail information:

- The KPIs performance for 2011/2012, for water and sewerage services, as included in the SDBIP of Overstrand Municipality.
- Overstrand Municipality's performance with regard to the KPIs as included in the Strategic Framework for Water Services and DWA's Water Services Regulation Strategy for Institutional Effectiveness (DWA's Regulatory Performance Management System for Cost Effective Tariffs and Contract Management).
- Overstrand Municipality's Performance with regard to DWA's Blue and Green Drop Assessments. Blue Drop status is awarded to those towns that comply with 95% criteria on drinking water quality management. Green Drop status is awarded to those WWTWs that comply with 90% criteria on waste water quality management.
- DWA's Scorecard for assessing the potential for WC/WDM efforts in Overstrand Municipality.
- Information to be included in a Water Services Audit as stipulated in regulations under section 9 of the Water Services Act, "Guidelines for Compulsory National Standards".
- Information on the implementation of the various WSDP activities, as included under the thirteen WSDP Business Elements in the DWA's new WSDP guidelines (October 2010).



Overstrand Municipality has a comprehensive Performance Management System in place. The SDBIP is the process plan and performance indicator / evaluation for the execution of the budget. The SDBIP is being used as a management, implementation and monitoring tool that assists and guide the Executive Mayor, Councillors, Municipal Manager, Senior Managers and the community. The plan serves as an input to the performance agreements of the Municipal Manager and Directors. It also forms the basis for the monthly, quarterly, mid-year and the annual assessment report and performance assessments of the Municipal Manager and Directors.

The following water and sanitation related investigations were successfully completed during the last financial year.

- The Water Services Audit Report for 2010/2011 was finalised and taken to Council with the Municipality's Annual Report for 2010/2011. The non-revenue water balance models were updated for each of the distribution systems as part of the Water Services Audit Report.
- Overstrand Municipality updated their WSDP for the 2012/2013 financial year, according to DWA's latest WSDP guidelines. The updated WSDP was approved by the Executive Mayoral Committee on the 30th of May 2012.
- The Water and Sewer Master Plans for the various distribution and drainage systems were updated by GLS. GLS Consulting provides an extensive specialist service related to the optimal analysis, planning and management of water distribution and sewer reticulation systems. The Master Plans were also worked through with the personnel of the Directorate Infrastructure and Planning.
- The Municipality completed the updating of the technical reports and RBIG Implementation Ready Study Reports for the upgrading of the Preekstoel WTW and the Hermanus WWTW.
- The existing water and sewer asset registers were updated during the last financial year.
- The Municipality submitted an application for funding to the Provincial Department of Disaster Management.
- Licence applications were submitted to the DWA for the groundwater development in Stanford and Hemel and Aarde Valley (Hermanus).
- Overstrand Municipality continues with the implementation of their Drinking Water Quality and Effluent Quality Sampling Programmes (Both Operational and Compliance Monitoring). Overstrand Municipality further also continues with their groundwater monitoring programme for the Stanford and the Hermanus well-fields.
- A W₂RAP was compiled for all the WWTWs in Overstrand Municipality's Management Area. The W₂RAP is an all-inclusive risk analysis tool by which risks associated with the management and collection, treatment and disposal of wastewater, are identified and rated (quantified).
- Detail Process Audits were carried out at all the WTWs, as required by DWA's Blue Drop process.
- Overstrand Municipality continues with the monitoring of the Minimum Night Flows at various locations in order to identify the areas with unrealistic high night flows. The telemetry system is used to monitor the flows in the different areas.



The following awards / acknowledgements were also received by the Municipality:

- Overstrand Municipality is performing very well with regard to drinking water quality management, to the extent where the Greater Hermanus -, Buffels River -, Kleinmond -, Greater Gansbaai - and the Pearly Beach distribution system were all awarded Blue drop status (> 95%) by the DWA during their 2012 assessment. The Municipality also received Blue Drop Scores of 92.73% for the Stanford Oog distribution system, 93.81% for the Buffeljags Bay distribution system and 91.57% for the Baardskeerdersbos distribution system. **The Municipality's overall Blue Drop Score was 96.82% and the Municipality was 5th on the 2012 Blue Drop Provincial Performance Log for the Western Cape, and in 12th position on the National Performance Log.**
- Overstrand Municipality is also performing very well with regard to wastewater quality management, to the extent where the Hermanus drainage systems was awarded Green drop status by the DWA for their 2011 assessment. The Municipality also received Green Drop Scores of 87.9% for the Hawston drainage system, 83.0% for the Stanford drainage system, 82.5% for the Kleinmond drainage system and 75.8% for the Gansbaai drainage system. **The Municipality's overall Green Drop Score was 88.8% for DWA's 2011 assessment and the Municipality was ranked 9th place nationally in the DWA's 2011 Green Drop Performance Log.**
- DWA's 2012 RPMS Report (Municipal Water Services Performance Assessment Report) reported that Overstrand Municipality has done very well across all measurable indicators with the exception of water use efficiency. Particular recognition is given to strong performance on asset and financial management. Overall sound performance across the business is indicative of good capacity within the WSA and provides a positive outlook on the future sustainability of water services. The Municipality is applauded for good management.
- Overstrand Municipality received the WISA award for the best small WTW, for the new Franskraal WTW, during the WISA awards ceremony in Cape Town.
- Overstrand Municipality was also one of the runners-up for the Wilson Awards (Hermanus WWTW).
- 100% MIG expenditure for the 2011/2012 financial year from the DLG.

Demographics

The 2001 Census recorded the population in the Overstrand Municipality's Management Area at 55 770 (19 082 Households) and the 2007 Community Survey recorded the 2007 population at 74 574 (21 953 Households). The 2011 Census data recorded the population at 80 432 (28 010 Households).

Service Levels

The current residential water and sanitation service levels in Overstrand Municipality's Management Area are as follows (Consumer Units):

Area	Buffels River	Kleinmond	Greater Hermanus	Stanford	Greater Gansbaai	Pearly Beach	Baardskeerdersbos	Buffeljags Bay	Farms	Total
WATER SERVICE LEVELS										
Basic Need (RDP)	0	0	0	0	0	0	0	0	199	199
Communal Services	0	382	1 362	114	1 578	0	0	0	0	3 436
Adequate	3 051	2 971	13 306	1 072	4 175	1 088	57	33	1 542	27 295
SANITATION SERVICE LEVELS										
Basic Need (RDP)	0	0	0	0	0	0	0	0	389	389
Communal Services	0	382	1 362	114	1 578	0	0	0	0	3 436
Adequate	3 051	2 971	13 306	1 072	4 175	1 088	57	33	1 352	27 105



The total number of households with access to communal services in the informal areas is 3 436.

All the households in the urban areas of Overstrand Municipality's Management Area are provided with water connections inside the houses. Informal areas are supplied with shared services as an intermediary measure. Overstrand Municipality is committed to ensure that private landowners provide at least basic water and sanitation services to those households in the rural areas with existing services below RDP standard.

Overstrand Municipality's challenges with regard to the provision of basic water and sanitation services are as follows:

- To provide basic water and sanitation services in the informal areas to new citizens moving into the informal areas and to ensure that health and hygiene awareness and education is part of the process of providing basic services.
- To identify suitable land for the relocation of the people from informal areas, with existing communal services, to formal houses with a higher level of water and sanitation service (Services inside the house).
- To identify adequate funding for the rehabilitation, maintenance, replacement and upgrading of the existing bulk and reticulation infrastructure in order to support the sustainability of the water and sanitation services.
- To monitor the provision of basic water and sanitation on privately owned land.
- To develop additional water sources to serve all communities sustainably for the future.

Socio Economic

Social: Overstrand Municipality plays a key role in the early childhood development of the children through various projects. The Municipality also acknowledges its role in the lives of the youth and in support of the aged, by supporting projects and capacity building initiatives of various Non-Governmental Organisations (NGO's) and Community Based Organisations (CBO's).

The Enlighten Education Trust, an Overstrand based non-governmental organization, is facilitating the Junior Council as an educational project on behalf of the Overstrand Municipality. These learners are also exposed to leadership camps where leadership qualities are strengthened. The Municipality has entered into a partnership with the Fund to establish a Youth Advisory Centre (YAC) to assist young people to gain access to resources including entrepreneurial opportunities. Through this programme the youth will be well prepared to take advantage of services and resources available to them to improve their livelihoods.

The Local Labour Promotion Project (LLPP) of the Overstrand Municipality was initiated with the view to reduce outstanding municipal debt and provides income opportunities to communities with high unemployment and poverty levels. This is achieved by allowing the unemployed, those who are in service payment arrears and other needy groups within the communities to be part of the delivery of municipal services and the construction of new public facilities.

Housing: A Housing Strategy is in place and the main vision of the Strategy is to not only eradicate the current housing backlog, but to develop and plan for future integrated communities and settlements that would be able to sustain the growing needs for housing in such a way that all people will benefit from the housing developments.

A detailed action plan has been set in place to reduce the backlog and address the current and future housing need. This Housing Strategy Five-Year Plan will incorporate several housing programmes, each focused on and addressing different needs. The Overstrand Municipality has compiled a comprehensive Five Year Human Settlement Strategy to guide and improve housing development and is specifically focussed on delivery within the Municipality. The current housing backlog of Overstrand Municipality is for 6 218 households.



Health: The health profile in relation to treated water is good. Within the urban context, drinking water throughout the municipal area is considered to be of a high quality.

Economics: A LED Strategy for Overstrand Municipality is in place. The Overstrand economy has improved over the last few years and has experienced significant growth within specific sectors, which is assisted with job creation. Tourism growth indicated positive signs, with growth in the number of visitors and attendance in locally organize events such as festivals.

Infrastructure

The CRC, DRC, RUL and Age distribution of the water and sewer infrastructure in Overstrand Municipality's Management Area is summarised in the table below (June 2012):

Asset Type		CRC	DRC	% CRC / DRC	
Water Infrastructure		R1 237 213 136	R338 249 314	27.3	
Sewer Infrastructure		R 638 401 508	R 323 609 955	50.7	
RUL					
Asset Type	0 – 5 yrs	5 – 10 yrs	10 – 15 yrs	15 – 20 yrs	> 20 yrs
Water Infrastructure	R 237 262 735	R 536 366 299	R 81 197 690	R 40 096 858	R 342 289 558
Sewer Infrastructure	R 199 854 088	R 24 497 859	R 45 453 100	R 4 818 660	R 363 777 801
Age Distribution					
Asset Type	0 – 5 yrs	5 – 10 yrs	10 – 15 yrs	15 – 20 yrs	> 20 yrs
Water Infrastructure	R 136 778 303	R 52 121 767	R 86 961 332	R 57 711 261	R 903 640 473
Sewer Infrastructure	R 55 579 515	R 24 132 279	R 103 781 966	R 267 276 948	R 187 630 800

The above table means that 72.7% of the water infrastructure and 49.3% of the sewer infrastructure has been consumed.

One of the key challenges of Overstrand Municipality is to identify adequate funds for the rehabilitation and maintenance of the existing infrastructure, which is critical to ensure the sustainability of the services that are provided by the Municipality. It is also important for the Municipality to secure adequate funding for the provision of bulk infrastructure and development of additional sources to keep up with the high demand for services.

Operation and Maintenance

The DWA launched the blue and green drop certification, with regard to drinking water quality and wastewater quality management, at the Municipal Indaba during September 2008. Blue drop status is awarded to those towns that comply with 95% criteria on drinking water quality management. The Blue Drop Certification programme is in its fourth year of existence and promises to be the catalyst for sustainable improvement of South African drinking water quality management in its entirety. Overstrand Municipality received Blue Drop Status for five of their eight distribution systems and the Municipality's overall Blue Drop Score was 96.82%.

The DWA also completed their Second Order Assessment of Municipal Waste Water Treatment Plants, DWA's Green Drop Report for 2011, which provides a scientific and verifiable status of municipal waste water treatment. Green drop status is awarded to those WSAs that comply with 90% criteria on wastewater quality management. Overstrand Municipality's Green Drop Score for the 2011 Assessment was 88.8%.



The percentage compliance of the water quality samples taken over the period July 2011 to June 2012 for the various distribution systems are summarised in the table below.

Distribution System	Acute Health – 1 Chemical	Chronic Health	Aesthetic	Risk assessment defined Health (Acute or Chronic)	Operational Efficiency
Buffels River	100%	100%	100%	100%	98.3%
Kleinmond	100%	100%	100%	100%	94.4%
Greater Hermanus	97.8%	99.6%	99.1%	99.2%	90.5%
Stanford	100%	100%	100%	100%	96.2%
Greater Gansbaai	100%	100%	98.8%	100%	97.0%
Pearly Beach	100%	100%	91.2%	100%	98.7%
Baardskeedersbos	92.3%	100%	78.4%	97.6%	81.8%
Buffeljags Bay	100%	100%	100%	100%	95.6%

The overall percentage compliance of the final effluent samples taken over the period July 2011 to June 2012 at the various WWTWs is summarised in the table below.

WWTW	Microbiological	Chemical	Physical
Kleinmond	83.3%	80.0%	100.0%
Hawston	91.7%	85.0%	91.7%
Hermanus	91.7%	90.0%	66.7%
Stanford	91.7%	90.0%	94.4%
Gansbaai	100.0%	95.0%	80.6%

Associated Services

All the schools and medical facilities in Overstrand Municipality's Management Area are supplied with adequate water and sanitation services.

Conservation and Demand Management

The implementation of a Water Demand Management Strategy by Overstrand Municipality has been extremely successful and has reduced the water demand of the towns significantly. The overall percentage of non-revenue water for Overstrand Municipality for the 2011/2012 financial year was calculated as 25.47%. The table below gives a summary of the non-revenue water for the various distribution systems in Overstrand Municipality's Management Area.

Description	Unit	11/12	Record : Prior (Ml/a)				
			10/11	09/10	08/09	07/08	06/07
Buffels River	Volume	511.481	658.378	740.533	738.977	715.850	615.698
	Percentage	57.5%	62.1%	63.6%	62.1%	60.9%	58.3%
	ILI	5.07	5.06	6.69			
Kleinmond	Volume	351.903	272.814	341.031	302.473	296.338	229.620
	Percentage	38.7%	31.5%	36.4%	31.7%	30.7%	25.4%
	ILI	2.58	2.17	4.09			
Greater Hermanus	Volume	317.241	594.352	593.867	805.122	311.620	734.043
	Percentage	9.7%	15.6%	13.3%	16.6%	7.9%	17.2%
	ILI	0.98	1.50	2.22			
Stanford	Volume	142.029	128.297	194.486	163.496	123.058	140.626
	Percentage	37.5%	35.5%	41.6%	36.4%	30.9%	34.1%
	ILI	5.90	5.67	11.08			



Description	Unit	11/12	Record : Prior (Ml/a)				
			10/11	09/10	08/09	07/08	06/07
Greater Gansbaai	Volume	393.299	423.030	365.547	492.048	482.079	194.253
	Percentage	29.8%	31.1%	26.8%	33.3%	31.3%	14.8%
	ILI	3.46	3.71	2.07			
Pearly Beach	Volume	45.689	36.511	21.683	27.326	34.163	24.281
	Percentage	32.3%	26.3%	19.7%	21.6%	25.7%	19.7%
	ILI	3.02	2.41	3.20			
Baardskeerdersbos	Volume	2.778	4.085	2.722	4.915	2.869	6.692
	Percentage	29.3%	37.3%	25.9%	39.4%	31.3%	52.3%
Buffeljags Bay	Volume	0.019	0	0	0.112	0.360	0.453
	Percentage	0.5%	0%	0%	4.4%	12.3%	11.8%
TOTAL	Volume	1 764.439	2 117.467	2 259.869	2 534.469	1 966.337	1 945.666
	Percentage	25.5%	27.9%	26.5%	28.0%	24.1%	24.0%
	ILI	2.02	2.33	2.94			

Note: Infrastructure Leakage Index (ILI) for Developed Countries = 1 – 2 Excellent (Category A), 2 – 4 Good (Category B), 4 – 8 Poor (Category C) and > 8 – Very Bad (Category D)

Category A = No specific intervention required.

Category B = No urgent action required although should be monitored carefully.

Category C = Requires attention

Category D = Requires immediate water loss reduction interventions

Water Resources

The table below gives an overview of the years in which the annual water demand will exceed the sustainable yield from the various resources, as included in the 2012/2013 WSDP.

Distribution System	Total sustainable Yield (x 10 ⁶ m ³ /a)	Annual Growth on 2010 Demand (3% or 4%)	Annual Growth on 2010 Demand (5% or 6%)	WSDP Projection Model
Buffels River	1.717	2026 (3%)	2020 (5%)	2026
Kleinmond	2.589	> 2035 (3%)	2032 (5%)	> 2035
Greater Hermanus	6.012*	2020 (4%)	2017 (6%)	2020
Stanford	1.950	> 2035 (3%)	> 2035 (5%)	> 2035
Greater Gansbaai	2.935	2029 (4%)	2023 (6%)	2025
Pearly Beach	0.307	> 2035 (3%)	2026 (5%)	2026
Baardskeerdersbos **	0.090	> 2035 (3%)	> 2035 (5%)	> 2035
Buffeljags Bay	0.013	> 2035 (3%)	> 2035 (5%)	> 2035

Note * With Gateway, Camphill and Volmoed Well Fields fully operational

** With development of new borehole during 2012/2013

Buffels River and Kleinmond Areas: Overstrand Municipality completed a detail investigation during 2010/2011 of the water resources for the area from Rooi Els to Kleinmond and the recommendations from the Study will be implemented.



Greater Hermanus Area: The Gateway, Camphill and Volmoed wellfields are being developed by Overstrand Municipality as additional groundwater resources for the greater Hermanus Area. The Gateway boreholes are in production and the Municipality keep on implementing their Groundwater Monitoring Programme for all the wellfields. The Municipality is also busy with the construction of a new pipeline from the Camphill and Volmoed boreholes to the Preekstoel WTWs.

A detail feasibility study was also completed during the 2010/2011 financial year for the re-use of treated effluent from the Hermanus WWTWs. The Municipality will also start investigating various desalination options in future.

Stanford: The Municipality explored the groundwater potential of the Kouevlakte area since 2009, through exploration borehole siting and drilling. Two newly drilled boreholes were put into operation and new bulk supply pipelines were constructed in order to connect the two newly drilled boreholes to the existing water reticulation network. Irrigation of sports fields with treated WWTW effluent is being investigated.

Greater Gansbaai: A new Nano Filtration Plant was constructed during the 2010/2011 financial year in order to fully utilise the Klipgat and Grotte resources and improve the quality of the water.

Pearly Beach: Overstrand Municipality is committed to manage the dam efficiently. Other resource options include the extension of the existing groundwater supply system and the Kraaibosch scheme.

Baardskeerdersbos: A new borehole will be commissioned in the near future and the supply from the stream and the new borehole will be adequate to meet the medium- and long-term future water requirements.

Buffeljags Bay: The current source is adequate to supply the medium- and long-term future water requirements.

Water Quality: Overstrand Municipality actively implement their Operational and Compliance Water Quality Sampling Programmes in order to promptly identify water quality failures and to react accordingly. The water quality results are loaded onto DWA's Blue Drop System (BDS) via the internet. Once entered the data is automatically compared to SANS:241. This real-time system allows for immediate intervention to rectify any problems.

Up to present it was not necessary to take any steps to inform the consumers of any health risk regarding the potable water supplied by Overstrand Municipality. The Municipality however has specific Safety Management Procedures in place, to inform its consumers about any potential health risks regarding the water quality, should it become necessary.

Financial

Overstrand Municipality's Tariff Structures for water and sanitation services are summarised under Section 12 of the Report. The table below gives a summary of the operational budget for water and sanitation services for the last four years.

Service	Expenditure / Income	Actual 11/12	Actual 10/11	Audited 09/10	Audited 08/09	Audited 07/08
Water	Expenditure	R83 115 288-69	R73 321 373-08	R72 496 148-39	R48 040 492-36	R30 485 238-87
	Income	R104 938 998-48	R79 588 700-02	R74 598 682-45	R66 998 742-40	R43 820 070-79
	Surplus / (Deficit)	-R21 823 709-79	-R6 267 326-94	-R2 102 534-06	-R18 958 250-04	-R13 334 831-92
Sanitation	Expenditure	R45 790 334-40	R40 666 933-48	R37 715 839-36	R25 170 345-76	R25 091 607-04
	Income	R74 623 658-62	R50 911 541-99	R36 160 168-38	R32 056 044-09	R20 710 387-65
	Surplus / (Deficit)	-R28 833 324-22	-R10 244 608-51	R1 555 670-98	-R6 885 698-33	R4 381 219-39



Water Services Institutional Arrangements

Overstrand Municipality is the official WSA for the entire Municipal Management Area and act as the WSP for the whole area. Overstrand Municipality's WSDP for the 2012/2013 financial year was approved by the Mayoral Committee. A comprehensive set of Water Services By-laws are in place and is implemented. The Water Services By-laws cover the provision of services for water supply, sanitation and industrial effluent.

Overstrand Municipality continues to undertake basic public awareness programmes. The education of users where sanitation facilities are upgraded to waterborne systems is on-going. This is primarily focussed at informing users of the appropriate use of and routine maintenance of such facilities.

The Municipal personnel is continuously exposed to training opportunities, skills development and capacity building at a technical, operations and management level in an effort to create a more efficient overall service to the users. A Workplace Skills Plan is compiled every year and the specific training needs of the personnel, with regard to water and wastewater management are determined annually.

Overstrand Municipality will start a Section 78 (Phase 1) investigation in the next financial year (2012/2013) for all their water and sewer infrastructure. Overstrand Municipality is currently effectively managing its water and sanitation services. Urgent attention is however required to address the backlog in sanitation services, as well as the backlog in infrastructure replacement, and forward planning of other services should be guided by the Water and Sewer Master Plans.

Social and Customer Service Requirements

A comprehensive Customer Services and Complaints system is in place at Overstrand Municipality and the Municipality has maintained a high and a very consistent level of service to its urban water consumers.

The Water Safety Plans of Overstrand Municipality includes an Improvement / Upgrade Plan. The purpose of the Improvement / Upgrade Plan is to address the existing significant risks where the existing controls were not effective or absent. Barriers implemented by Overstrand Municipality against contamination and deteriorating water quality include the following:

- Participate in Catchment management and water source protection initiatives.
- Protection at points of abstraction such as river intakes and dams (Abstraction Management).
- Correct operation and maintenance of WTWs (Coagulation, flocculation, sedimentation and filtration). A new Nano Filtration Plant was constructed at De Kelders Grotte.
- Protection and maintenance of the distribution system. This includes ensuring an adequate disinfectant residual at all times, rapid response to pipe bursts and other leaks, regular cleaning of reservoirs, keeping all delivery points tidy and clean, etc.

Three other important barriers implemented by Overstrand Municipality against poor quality drinking water that are a prerequisite to those listed above are as follows:

- A well informed Council and municipal managers that understand the extreme importance of and are committed to providing adequate resources for continuous professional operation and maintenance of the water supply system.
- Competent managers and supervisors in the technical department who are responsible for water supply services lead by example and are passionate about monitoring and safeguarding drinking water quality.
- Well informed community members and other consumers of water supply services that have respect for water as a precious resource.



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Projects completed

The list of water and sewer capital projects completed during the 2011/2012 financial year is included under Section 15 of the Report. Overstrand Municipality's capital budget expenditure, for the 2011/2012 financial year, was R57.3 million (79.8% of Budget) for the water infrastructure projects and R26.0 million (89.5% of Budget) for the sewer infrastructure projects.