File Ref No.	KPA	KPI	Revised KPI	Ward No.	Approved Budget	Adjusted Budget	Baseline	Annual Target	Revised Target	2019/20 Annual Progress		2018/19 Annual Progress	Achieved/Not Achieved	Annual Expenditure	Reason for Variance	Mitigation Measure	Portfolio of Evidence	Discontinued or Not Discontinued
										Projection	Actual Performance							
			on of Maijane recreational facility						for recreational facility at Maijane during 3rd quarter	for recreational facility at Maijane during 3rd quarter	y completed							
Tec 24	Basic service delivery	Number of public facilities constructed per annum.	Number of public facilities constructed at Civic Centre (Municipal Main Office).	17	R3 000 000.00 (Own funding)	R2 000 000.00	0	Construction of one public facility for Municipal Operations per annum (Munici	Construction of one public facility for Municipal Operation (Municipal	Construction of one public facility for Municipal Operation (Municipal	0	01	Not achieved	R00.00	Contractor terminated due to delays in finalisation of approvals	Expedite compilation of specification to advertise remaining scope	Appointment letter and progress report	Not discontinued.

File Ref No.	KPA	KPI	Revised KPI	Ward No.	Approved Budget	Adjusted Budget	Baseline	Annual Target	Revised Target	2019/20 Annual Progress		2018/19 Annual Progress	Achieved/Not Achieved	Annual Expenditure	Reason for Variance	Mitigation Measure	Portfolio of Evidence	Discontinued or Not Discontinued
										Projection	Actual Performance							
								pal Offices)	Offices) during 4th quarter	Offices) during 4th quarter					for extra works	of works by end of 2nd quarter		
Tec 25	Basic service delivery	Number of public facilities constructed at Lekurung per annum.	-	30	R3 000 000.00	R00.00	0	Construction of one public facility per annum Lekurung recreational	-	Construction of one public facility per annum Lekurung recreational	0	0	Discontinued	R00.00	Project discontinued due to insufficient budget for implementation of project.	Project to be budgeted enough funds in the next financial year.	Practical completion certificate	Project discontinued due to insufficient budget for implementation of project.

File Ref No.	KPA	KPI	Revised KPI	Ward No.	Approved Budget	Adjusted Budget	Baseline	Annual Target	Revised Target	2019/20 Annual Progress		2018/19 Annual Progress	Achieved/Not Achieved	Annual Expenditure	Reason for Variance	Mitigation Measure	Portfolio of Evidence	Discontinued or Not Discontinued
										Projection	Actual Performance							
Tec 26	Basic service delivery	Number of public facilities constructed at Seruleng per annum.	-	02	R3 000 000.00 (MIG)	R00.00	0	Construction of one public facility per annum Seruleng recreational	-	Construction of one public facility per annum Seruleng recreational	0	0	Discontinued	R00.00	Project discontinued due to insufficient budget for implementation of project.	Project to be budgeted enough funds in the next financial year.	Practical completion certificate	Project discontinued due to insufficient budget for implementation of project
Tec 27	Basic service delivery	Number of kilometer of road upgraded from gravel to surfaced road (concrete paving	Number of design reports completed for upgrading of road from gravel to	15	R1 500 000.00 (Own funding)	R1 500 000.00	0km	Upgrading of 1.3km of roads from gravel to surface	Completion of one design report for upgra	Completion of one design report for upgra	Designs for 1.3 km completed	0	Achieved	R741 694,52	n/a	n/a	Design report	Not discontinued

File Ref No.	KPA	KPI	Revised KPI	Ward No.	Approved Budget	Adjusted Budget	Baseline	Annual Target	Revised Target	2019/20 Annual Progress		2018/19 Annual Progress	Achieved/Not Achieved	Annual Expenditure	Reason for Variance	Mitigation Measure	Portfolio of Evidence	Discontinued or Not Discontinued
										Projection	Actual Performance							
		blocks/Asphalt) per annum at Zone B	surfaced road (concrete paving blocks/Asphalt) per annum at Zone B					d road per annum at Zone B	ding of 1.3km of road from gravel to surfaced road per annum at Zone B during 3rd quarter	ding of 1.3km of road from gravel to surfaced road per annum at Zone B during 3rd quarter								
Tec 28	Basic service delivery	Number of kilometre of road upgraded from gravel	n/a	16&17	R28 614 832.35 (Own	R22 153 000.00	0km	Upgrading of 3.26 km of roads	N/A	Upgrading of 3.26 km of	0km	0.357 km	Not achieved	R18 278 312,45	Delay in completion due	Contractor to expedite	Completion certificate	Not discontinued

File Ref No.	KPA	KPI	Revised KPI	Ward No.	Approved Budget	Adjusted Budget	Baseline	Annual Target	Revised Target	2019/20 Annual Progress		2018/19 Annual Progress	Achieved/Not Achieved	Annual Expenditure	Reason for Variance	Mitigation Measure	Portfolio of Evidence	Discontinued or Not Discontinued
										Projection	Actual Performance							
		to surfaced road (Asphalt) per annum at Zone S to BA			funding)			from gravel to surfaced road at Zone S to BA during 4th quarter		roads from gravel to surfaced road at Zone S to BA during 4th quarter					to disruptions on the project.	completion by end of 1st quarter		
Tec 29	Basic service delivery	Number of kilometre of roads upgraded from gravel to surfaced road and bridge (Asphalt)	n/a	26	R10 070 024.29 (own funding) and R12 949 94	R9 100 000.00 (own funding) & R18 240 838.95 (MIG)	0km	Upgrading of 1km of road from gravel to surfaced road and	N/A	Upgrading of 1km of road from gravel to surfac	0km	01 bridge completed	Not achieved	R23 464 040,11	Delays in completion due to lockdown. (Project	Expedite completion of project by end of 2nd	Completion certificate	Not discontinued

File Ref No.	KPA	KPI	Revised KPI	Ward No.	Approved Budget	Adjusted Budget	Baseline	Annual Target	Revised Target	2019/20 Annual Progress		2018/19 Annual Progress	Achieved/Not Achieved	Annual Expenditure	Reason for Variance	Mitigation Measure	Portfolio of Evidence	Discontinued or Not Discontinued
										Projection	Actual Performance							
		at Mooiplaas.			0.89 (MIG)			one bridge at Mooiplaas during 4th quarter		ed road and one bridge at Mooiplaas during 4th quarter					Practically completed)	quarter		
Tec 30	Basic service delivery	Number of design reports completed for upgrading (kilometer) of roads from gravel to surfaced road (Asphalt) at	n/a	29	R465 540.39 (Own funding)	R465 540.39	0 meters	Completion of one design report for Upgrading of 0.725km of roads from gravel	N/A	Completion of one design report for Upgrading of 0.725 km of	Designs for 0.725 km road completed	0	Achieved	R00.00	n/a	n/a	Design report	Not discontinued

File Ref No.	KPA	KPI	Revised KPI	Ward No.	Approved Budget	Adjusted Budget	Baseline	Annual Target	Revised Target	2019/20 Annual Progress		2018/19 Annual Progress	Achieved/Not Achieved	Annual Expenditure	Reason for Variance	Mitigation Measure	Portfolio of Evidence	Discontinued or Not Discontinued
										Projection	Actual Performance							
		Malakabaneng						to surfaced road per annum Malakabaneng during 1st quarter		roads from gravel to surfaced road per annum Malakabaneng during 1st quarter								
Tec 31	Spatial Rational	Number of progress reports compiled on a monthly basis	n/a	16,17,18& 19	R00.00	n/a	n/a	Compile 12 monthly reports on infrastructure service	n/a	Compile 12 monthly reports on infrastructur	0	0	Discontinued	R00.00	No reports were compiled on infrastructur	Follow ups to be done with the District	Monthly Progress Reports	Discontinued due to insufficient budget

File Ref No.	KPA	KPI	Revised KPI	Ward No.	Approved Budget	Adjusted Budget	Baseline	Annual Target	Revised Target	2019/20 Annual Progress		2018/19 Annual Progress	Achieved/Not Achieved	Annual Expenditure	Reason for Variance	Mitigation Measure	Portfolio of Evidence	Discontinued or Not Discontinued
										Projection	Actual Performance							
								s for township development in lebowakgomo		e services for township development in lebowakgomo					e services for township development due to none response by district offices on require made by municipality for infrast	Office on infrastructure services in the next financial year.		

File Ref No.	KPA	KPI	Revised KPI	Ward No.	Approved Budget	Adjusted Budget	Baseline	Annual Target	Revised Target	2019/20 Annual Progress		2018/19 Annual Progress	Achieved/Not Achieved	Annual Expenditure	Reason for Variance	Mitigation Measure	Portfolio of Evidence	Discontinued or Not Discontinued
										Projection	Actual Performance							
															ructure development.			
Tec 32	Basic service delivery	Number of kilometer of roads upgraded from gravel to surfaced road (Asphalt) at Hwelereng	n/a	13	R5 181 196 .78 (MIG)	R4 500 004 .78	1.51 km	Upgrading of 1.51 km of road from gravel to surfaced road Hwelereng during 4th quarter	N/A	Upgrading of 1.51 km of road from gravel to surfaced road Hwelereng during 4th quarter	0km	1.51 km	Not achieved	R2 267 635 ,21	Delays in completion due to lockdown	Expedite completion of project by end of 1st quarter	Completion certificate	Not discontinued

File Ref No.	KPA	KPI	Revised KPI	Ward No.	Approved Budget	Adjusted Budget	Baseline	Annual Target	Revised Target	2019/20 Annual Progress		2018/19 Annual Progress	Achieved/Not Achieved	Annual Expenditure	Reason for Variance	Mitigation Measure	Portfolio of Evidence	Discontinued or Not Discontinued
										Projection	Actual Performance							
Tec 33	Basic service delivery	Number of kilometer of roads upgraded from gravel to surfaced road (Asphalt) per annum at Hweleshaneng	n/a	23	R3 094 421.80 (MIG)	R7 000 000.00	0	Upgrading of 1.216 km of road from gravel to surfaced road per annum Hweleshaneng during 4th quarter	N/A	Upgrading of 1.216 km of road from gravel to surfaced road per annum Hweleshaneng during 4th quarter	0km	0km	Not achieved	R66 459,95	Delay in termination of poor performing contractor	Contractor was terminated and new contractor was appointed for completion of works by end of 3rd quarter	Progress report	Not discontinued
Tec 34	Basic service delivery	Number of meters of roads upgraded	Number of meters of roads and	01	R6 750 059,10	R5 870 199.37	0	Upgrading of 0.9km of road	Upgrading of 0.9km	Upgrading of 0.9km	0km	0km	Not achieved	R1 085 865,71	Delays in appointme	Contractor appointed	Progress report	Not disco

File Ref No.	KPA	KPI	Revised KPI	Ward No.	Approved Budget	Adjusted Budget	Baseline	Annual Target	Revised Target	2019/20 Annual Progress: Projection	2019/20 Annual Progress: Actual Performance	2018/19 Annual Progress	Achieved/Not Achieved	Annual Expenditure	Reason for Variance	Mitigation Measure	Portfolio of Evidence	Discontinued or Not Discontinued
		from gravel to surfaced road (Asphalt) at Kliphuiwel	storm water upgraded from gravel to surfaced road (Asphalt) at Kliphuiwel					from gravel to surfaced road per annum Kliphuiwel	of road and storm water from gravel to surfaced road per annum Kliphuiwel during 4th quarter	of road and storm water from gravel to surfaced road per annum Kliphuiwel during 4th quarter					nt of contractor due to poor forward planning	and to expedite completion of the project by end of 2nd quarter		ntinued
Tec 35	Basic service delivery	Number of kilometre of roads upgraded from gravel	n/a	16&17	R6 093 103 .30 (MIG)	R600 000.00 (own fundin	0	Upgrading of 1km of road from	N/A	Upgrading of 1km of	0.08km	0	Not Achieved	R4 758 360 ,58	The outstanding works to be	Project to be rolled over	Completion certificate	Not discontinued

File Ref No.	KPA	KPI	Revised KPI	Ward No.	Approved Budget	Adjusted Budget	Baseline	Annual Target	Revised Target	2019/20 Annual Progress		2018/19 Annual Progress	Achieved/Not Achieved	Annual Expenditure	Reason for Variance	Mitigation Measure	Portfolio of Evidence	Discontinued or Not Discontinued
										Projection	Actual Performance							
		to surfaced road (Asphalt) at zone S to Q				g) & R6 093 103 .30 (MIG)		gravel to surfaced road per annum zone S to Q during 3rd quarter		road from gravel to surfaced road per annum zone S to Q during 3rd quarter					completed in the next financial year	to the next financial year		
Tec 36	Basic service delivery	Number of parks upgraded in Lebowakgomo zone A, B,F,R and S.	Number of designs report completed for upgrading of	15,16 ,17 and 18	R205 243.80 (Own funding)	R305 243.80	0	Upgraded 05 parks in Lebowakgomo Zone A, B,F,R and S	Development of one design report for	Development of one design report for	One design report for upgrading of	0	Achieved	R276 070,78	n/a	n/a	Design report	Not discontinued

File Ref No.	KPA	KPI	Revised KPI	Ward No.	Approved Budget	Adjusted Budget	Baseline	Annual Target	Revised Target	2019/20 Annual Progress		2018/19 Annual Progress	Achieved/Not Achieved	Annual Expenditure	Reason for Variance	Mitigation Measure	Portfolio of Evidence	Discontinued or Not Discontinued
										Projection	Actual Performance							
			parks in Lebowakgomo zone A, B,F, R and S.					by end of 1st quarter	upgrading of parks in Lebowakgomo Zone A, B,F,R and S by end of 4th quarter	upgrading of parks in Lebowakgomo Zone A, B,F,R and S by end of 4th quarter	parks completed							
Tec 37	Basic service delivery	n/a	Number of KM of Stormwater design at Sehlabeng/Hlakano by end	11	R00.00	R1,300 000.00	0km	n/a	Compilation design for 1km of storm water	Compilation design for 1km of storm water	Designs for 1km completed	0km	Achieved	R1 129 559,26	n/a	n/a	Design report	Not Discontinued

File Ref No.	KPA	KPI	Revised KPI	Ward No.	Approved Budget	Adjusted Budget	Baseline	Annual Target	Revised Target	2019/20 Annual Progress Projection	2019/20 Annual Progress Actual Performance	2018/19 Annual Progress	Achieved/Not Achieved	Annual Expenditure	Reason for Variance	Mitigation Measure	Portfolio of Evidence	Discontinued or Not Discontinued
			of second quarter						at Sehlabeng/ Hlakano during 2nd quarter	at Sehlabeng/ Hlakano during 2nd quarter								
Tec 38	Good Governance	% of appointed service providers assessed quarterly	n/a	n/a	R00.00	R00.00	0%	100% of the appointed service providers assessed quarterly	N/A	100% of service provider performance assessed	100%	100%	Achieved	R00.00	n/a	n/a	Quarterly report on services provider assessment	not discontinued

File Ref No.	KPA	KPI	Revised KPI	Ward No.	Approved Budget	Adjusted Budget	Baseline	Annual Target	Revised Target	2019/20 Annual Progress		2018/19 Annual Progress	Achieved/Not Achieved	Annual Expenditure	Reason for Variance	Mitigation Measure	Portfolio of Evidence	Discontinued or Not Discontinued
										Projection	Actual Performance							
Tec 39	Good Governance	% of risk queries attended and responded to on a quarterly basis	n/a	n/a	R00.00	R00.00	100 % of risk queries attended and responded to on a quarterly	100% of risks queries issued and attended to on a quarterly basis	N/A	100% of risks queries issued and attended to on a quarterly basis	100%	100%	Achieved	R00.00	n/a	n/a	Quarterly report on risk queries attended	not discontinued
Tec 40	Good Governance	% of audit queries attended and responded to on a quarterly basis	n/a	n/a	R00.00	R00.00	100 % of audit queries attended and resp	100% of audit queries issued and attended to on a	N/A	100% of audit queries attended	100%	100%	Achieved	R00.00	n/a	n/a	Annual report on audit queries attended	not discontinued

File Ref No.	KPA	KPI	Revised KPI	Ward No.	Approved Budget	Adjusted Budget	Baseline	Annual Target	Revised Target	2019/20 Annual Progress		2018/19 Annual Progress	Achieved/Not Achieved	Annual Expenditure	Reason for Variance	Mitigation Measure	Portfolio of Evidence	Discontinued or Not Discontinued
										Projection	Actual Performance							
							onded to on a quarterly	quarterly basis										
Tec 41	Good Governance	% of MPAC queries attended and responded to on a quarterly basis	n/a	n/a	R00.00	R00.00	100 % of MPAC queries attended and responded to on a quarterly	100% of MPAC queries issued and attended to on a quarterly basis	n/a	100% of MPAC queries issued and attended to on a quarterly basis	100%	100%	Achieved	R00.00	n/a	n/a	Annual audit queries attended	not discontinued

File Ref No.	KPA	KPI	Revised KPI	Ward No.	Approved Budget	Adjusted Budget	Baseline	Annual Target	Revised Target	2019/20 Annual Progress		2018/19 Annual Progress	Achieved/Not Achieved	Annual Expenditure	Reason for Variance	Mitigation Measure	Portfolio of Evidence	Discontinued or Not Discontinued
										Projection	Actual Performance							
Tec 42	Good Governance	% of council resolution queries attended and responded to on a quarterly basis	n/a	n/a	R00.00	R00.00	0%	100% of council resolution queries issued and attended to on a quarterly basis	n/a	100% of council resolution queries issued and attended to on a quarterly basis	100%	100%	Achieved	R00.00	n/a	n/a	Annual report on council resolution queries attended	not discontinued
Tec 43	Good Governance	Number of departmental activity based costing budget developed as per	n/a	n/a	R00.00	R00.00	0	Development of 01 departmental activity based costing budget	n/a	Development of 01 departmental activity	01	01	Achieved	R00.00	n/a	n/a	Approved budget which is Mscoa compliant	not discontinued

File Ref No.	KPA	KPI	Revised KPI	Ward No.	Approved Budget	Adjusted Budget	Baseline	Annual Target	Revised Target	2019/20 Annual Progress		2018/19 Annual Progress	Achieved/Not Achieved	Annual Expenditure	Reason for Variance	Mitigation Measure	Portfolio of Evidence	Discontinued or Not Discontinued
										Projection	Actual Performance							
		mSCOA regulation						as per mSCOA regulation during 4th quarter		based costing budget as per mSCOA regulation								
B+T 01	Municipal financial viability and management	Number of GRAP compliant Annual Financial Statements compiled and submitted to stakeholders per annum	n/a	n/a	R1 400 000.00	R1 500 000.00	01	Compile 01 GRAP compliant annual financial statements and submit to stakeholders	n/a	Compile 01 GRAP compliant annual financial statements and submit to	01 GRAP compliant annual financial statements compiled and submi	01	Achieved	R1 3 000 000.00	n/a	n/a	Annual Financial Statements and proof of submission to Treasury and COGHSTA	not discontinued

File Ref No.	KPA	KPI	Revised KPI	Ward No.	Approved Budget	Adjusted Budget	Baseline	Annual Target	Revised Target	2019/20 Annual Progress		2018/19 Annual Progress	Achieved/Not Achieved	Annual Expenditure	Reason for Variance	Mitigation Measure	Portfolio of Evidence	Discontinued or Not Discontinued
										Projection	Actual Performance							
								per annum		stakeholders per annum	t to stakeholder							
B+T 02	Municipal financial viability and management	Number of Monthly section 71 reports compiled	n/a	n/a	R00.00	R00.00	12 reports	Compile 12 monthly section 71 reports	n/a	Compile 12 monthly section 71 reports	12 monthly section 71 reports Compiled	12	Achieved	R00.00	n/a	n/a	Copies of Section 71 Reports	not discontinued
B+T 03	Municipal financial viability and	Number of GRAP compliant fixed asset registers	n/a	n/a	R2 000 000,00	R2 000 000,00	01	Compile 01 GRAP compliant fixed asset	n/a	Compile 01 GRAP compliant	01 GRAP compliant fixed	01	Achieved	R1 520 406,00	n/a	n/a	GRAP compliant Asset register	not discontinued

File Ref No.	KPA	KPI	Revised KPI	Ward No.	Approved Budget	Adjusted Budget	Baseline	Annual Target	Revised Target	2019/20 Annual Progress		2018/19 Annual Progress	Achieved/Not Achieved	Annual Expenditure	Reason for Variance	Mitigation Measure	Portfolio of Evidence	Discontinued or Not Discontinued
										Projection	Actual Performance							
	management	compiled per annum						register per annum		fixed asset register per annum	asset register compiled							
B+T 04	Municipal financial viability and management	Number of Procurement plan compiled per annum	n/a	n/a	R00.00	R00.00	01	Compile 01 procurement plan per annum	n/a	Compile 01 procurement plan per annum	01 procurement plan Compiled	01	Achieved	R00.00	n/a	n/a	Copy of approved Procurement plan	not discontinued
B+T 05	Municipal financial viability and management	Annual MSCOA compliant budget prepared and submitted to council per annum	n/a	n/a	R00.00	R00.00	0	Prepare and submit 01 Mscoa compliant budget	n/a	Prepare and submit 01 Mscoa compliant budg	01 Mscoa compliant budget Prepare and	01	Achieved	R00.00	n/a	n/a	Approved MSCOA budget and council resolution	not discontinued

File Ref No.	KPA	KPI	Revised KPI	Ward No.	Approved Budget	Adjusted Budget	Baseline	Annual Target	Revised Target	2019/20 Annual Progress: Projection	2019/20 Annual Progress: Actual Performance	2018/19 Annual Progress	Achieved/Not Achieved	Annual Expenditure	Reason for Variance	Mitigation Measure	Portfolio of Evidence	Discontinued or Not Discontinued
								per annum		et per annum	submitted							
B+T 06	Good Governance	% of appointed service providers assessed quarterly	n/a	n/a	R00.00	R00.00	0%	100% of the appointed service providers assessed quarterly	n/a	100% of the appointed service providers assessed quarterly	100% of service providers assessed	100%	Achieved	R00.00	n/a	n/a	Quarterly report on services provider assessment	not discontinued
B+T 07	Good Governance	% of risk queries attended and responded to on a quarterly basis	n/a	n/a	R00.00	R00.00	100 % of risk queries attended and resp	100% of risks queries issued and attended to on a	n/a	100% of risks queries issued and attended to on	100% Risks attended to but not resolved	100%	Not Achieved	R00.00	Risks depend on external factors	Provide conducive environment to enable imple	Quarterly report on risk queries attended	not discontinued

File Ref No.	KPA	KPI	Revised KPI	Ward No.	Approved Budget	Adjusted Budget	Baseline	Annual Target	Revised Target	2019/20 Annual Progress		2018/19 Annual Progress	Achieved/Not Achieved	Annual Expenditure	Reason for Variance	Mitigation Measure	Portfolio of Evidence	Discontinued or Not Discontinued
										Projection	Actual Performance							
							onded to on a quarterly	quarterly basis		a quarterly basis						mentation		
B+T 08	Good Governance	% of audit queries attended and responded to on a quarterly basis	n/a	n/a	R00.00	R00.00	100 % of audit queries attended and responded to on a quarterly	100% of audit queries issued and attended to on a quarterly basis	n/a	100% of audit queries issued and attended to on a quarterly basis	100% of queries resolved	100%	Achieved	R00.00	n/a	n/a	Annual report on audit queries attended	not discontinued

File Ref No.	KPA	KPI	Revised KPI	Ward No.	Approved Budget	Adjusted Budget	Baseline	Annual Target	Revised Target	2019/20 Annual Progress		2018/19 Annual Progress	Achieved/Not Achieved	Annual Expenditure	Reason for Variance	Mitigation Measure	Portfolio of Evidence	Discontinued or Not Discontinued
										Projection	Actual Performance							
B+T 09	Good Governance	% of MPAC queries attended and responded to on a quarterly basis	n/a	n/a	R00.00	R00.00	0%	100% of MPAC queries issued and attended to on a quarterly basis	n/a	100% of MPAC queries issued and attended to on a quarterly basis	All queries attended to but not all were resolved	100%	Achieved	R00.00	n/a	n/a	% of MPAC queries attended	not discontinued
B+T 10	Good Governance	% of council resolution queries attended and responded to on a quarterly basis	n/a	n/a	R00.00	R00.00	0%	100% of council resolution queries issued and attended to on a	n/a	100% of council resolution queries issued and atten	100% of resolutions implemented	100%	Achieved	R00.00	n/a	n/a	% of council resolution queries attended	not discontinued

File Ref No.	KPA	KPI	Revised KPI	Ward No.	Approved Budget	Adjusted Budget	Baseline	Annual Target	Revised Target	2019/20 Annual Progress		2018/19 Annual Progress	Achieved/Not Achieved	Annual Expenditure	Reason for Variance	Mitigation Measure	Portfolio of Evidence	Discontinued or Not Discontinued
										Projection	Actual Performance							
								quarterly basis		ded to on a quarterly basis								
Corp 01	Municipal institutional development and transformation	Number of Reports on Functional electronic municipal systems compiled per annum	n/a	n/a	R5000 000,00	R650 000.00	04	Compile 04 reports on functional electronic municipal systems per annum	n/a	Compile 04 reports on functional electronic municipal systems per annum	03 reports compiled	04	Achieved	R00.00	n/a	n/a	Quarterly reports	not discontinued
Corp 02	Municipal institutional development and	Percentage of Contracts developed	n/a	n/a	R00.00	R00.00		100% of contacts	n/a	100% of contacts	100% contracts devel	100%	Achieved	R00.00	n/a	n/a	Copies of acceptance	not disco

File Ref No.	KPA	KPI	Revised KPI	Ward No.	Approved Budget	Adjusted Budget	Baseline	Annual Target	Revised Target	2019/20 Annual Progress		2018/19 Annual Progress	Achieved/Not Achieved	Annual Expenditure	Reason for Variance	Mitigation Measure	Portfolio of Evidence	Discontinued or Not Discontinued
										Projection	Actual Performance							
	transformation	and signed off within 14 days of receiving acceptance letters						developed and signed off within 14 days of receiving acceptance letters		developed and signed off within 14 days of receiving acceptance letters	oped and signed						letters and signed contracts	ntinued
Corp 03	Municipal institutional development and	Number of by-laws reviewed per annum	n/a	n/a	R00.00	R00.00	0	Review five by-laws per annum	n/a	Review five by-laws per	0	0	Not achieved	R00.00	The by-laws have been tabled	The municipality shall divert from	Council resolutions and copies of	not discontinued

File Ref No.	KPA	KPI	Revised KPI	Ward No.	Approved Budget	Adjusted Budget	Baseline	Annual Target	Revised Target	2019/20 Annual Progress		2018/19 Annual Progress	Achieved/Not Achieved	Annual Expenditure	Reason for Variance	Mitigation Measure	Portfolio of Evidence	Discontinued or Not Discontinued
										Projection	Actual Performance							
	transformation									annum					in council and currently awaiting public participation which has been disturbed by the covid 19	the contact public participation and invite written representation by end of 1st quarter 2020/2021.	reviewed by-laws	
Corp 04	Municipal institutional development and transformation	Number of Employment Equity plans reviewed by 30	n/a	n/a	R00.00	R00.00	01	Review 01 employment equity plan by	n/a	Review 01 employment equity plan	01 plan reviewed	01	Achieved	R00.00	n/a	n/a	Copy of approved Employment Equity	not discontinued

File Ref No.	KPA	KPI	Revised KPI	Ward No.	Approved Budget	Adjusted Budget	Baseline	Annual Target	Revised Target	2019/20 Annual Progress		2018/19 Annual Progress	Achieved/Not Achieved	Annual Expenditure	Reason for Variance	Mitigation Measure	Portfolio of Evidence	Discontinued or Not Discontinued
										Projection	Actual Performance							
		October 2019						30 October 2019		by 30 October 2019							Plan and Council resolution	
Corp 05	Municipal institutional development and transformation	Number of Organizational structure reviewed per annum	n/a	n/a	R00.00	R00.00	01	Review 01 organizational structure per annum	n/a	Review 01 organizational structure per annum	0 structure reviewed	01	Not Achieved	R00.00			Approved organizational structure and Council resolution	not discontinued
Corp 06	Municipal institutional development and transformation	Number of Workplace skills plans compiled and submitted to LGSETA per annum	n/a	n/a	R00.00	R00.00	01	Compile 01 workplace skills plan and submit to LGSET	n/a	Compile 01 workplace skills plan and submit to	01 plan compiled	01	Achieved	R00.00	n/a	n/a	Workplace skills plan and proof of submission to	not discontinued

File Ref No.	KPA	KPI	Revised KPI	Ward No.	Approved Budget	Adjusted Budget	Baseline	Annual Target	Revised Target	2019/20 Annual Progress		2018/19 Annual Progress	Achieved/Not Achieved	Annual Expenditure	Reason for Variance	Mitigation Measure	Portfolio of Evidence	Discontinued or Not Discontinued
										Projection	Actual Performance							
								A per annum		LGSETA per annum							LGSETA	
Corp 07	Good Governance	% of appointed service providers assessed quarterly	n/a	n/a	R00.00	R00.00	0%	100% of the appointed service providers assessed quarterly	n/a	100% of the appointed service providers assessed quarterly	100%	100%	Achieved	R00.00	n/a	n/a	Quarterly report on services provider assessment	not discontinued
Corp 08	Good Governance	% of risk queries attended and responded to on a	n/a	n/a	R00.00	R00.00	100% of risk queries attended	100% of risks queries issued and attended to on a	n/a	100% of risks queries issued and atten	100%	100%	Achieved	R00.00	n/a	n/a	Quarterly report on risk queries attended	not discontinued

File Ref No.	KPA	KPI	Revised KPI	Ward No.	Approved Budget	Adjusted Budget	Baseline	Annual Target	Revised Target	2019/20 Annual Progress Projection	2019/20 Annual Progress Actual Performance	2018/19 Annual Progress	Achieved/Not Achieved	Annual Expenditure	Reason for Variance	Mitigation Measure	Portfolio of Evidence	Discontinued or Not Discontinued
		quarterly basis					and responded to on a quarterly	quarterly basis		ded to on a quarterly basis								
Corp 09	Good Governance	% of audit queries attended and responded to on a quarterly basis	n/a	n/a	R00.00	R00.00	100 % of audit queries attended and responded to on a quarterly	100% of audit queries issued and attended to on a quarterly basis	n/a	100% of audit queries issued and attended to on a quarterly basis	100%	100%	Achieved	R00.00	n/a	n/a	Annual report on audit queries attended	not discontinued

File Ref No.	KPA	KPI	Revised KPI	Ward No.	Approved Budget	Adjusted Budget	Baseline	Annual Target	Revised Target	2019/20 Annual Progress		2018/19 Annual Progress	Achieved/Not Achieved	Annual Expenditure	Reason for Variance	Mitigation Measure	Portfolio of Evidence	Discontinued or Not Discontinued
										Projection	Actual Performance							
Corp 10	Good Governance	% of MPAC queries attended and responded to on a quarterly basis	n/a	n/a	R00.00	R00.00	100% of MPAC queries attended and responded to on a quarterly	100% of MPAC queries issued and attended to on a quarterly basis	n/a	100% of MPAC queries issued and attended to on a quarterly basis	100%	100%	Achieved	R00.00	n/a	n/a	Annual audit queries attended	not discontinued
Corp 11	Good Governance	% of council resolution queries attended and responded to on a	n/a	n/a	R00.00	R00.00	0%	100% of council resolution queries issued and attende	n/a	100% of council resolution queries issue	100%	100%	Achieved	R00.00	n/a	n/a	Annual report on council resolution queries	not discontinued

File Ref No.	KPA	KPI	Revised KPI	Ward No.	Approved Budget	Adjusted Budget	Baseline	Annual Target	Revised Target	2019/20 Annual Progress		2018/19 Annual Progress	Achieved/Not Achieved	Annual Expenditure	Reason for Variance	Mitigation Measure	Portfolio of Evidence	Discontinued or Not Discontinued
										Projection	Actual Performance							
		quarterly basis						d to on a quarterly basis		d and attended to on a quarterly basis							attended.	
Corp 12	Good Governance	Number of departmental activity based costing budget developed as per mSCOA regulation	n/a	n/a	R00.00	R00.00	0	Development of 01 departmental activity based costing budget as per mSCOA regulation	n/a	Development of 01 departmental activity based costing budget as per mSCOA	01	01	Achieved	R00.00	n/a	n/a	Approved budget which is Mscoa compliant	not discontinued

Chapter 4: Organisational Development Performance

Our employees are key resources and our municipality recognizes that the sustainability of the organization also depends on providing fair remuneration, benefits, working conditions and development opportunities that will attract and retain the right people with the right skills on order to execute the developmental mandate of the organization

The period under review marks a time where several human resources initiatives were implemented or improved to support and underpin the organization's strategic goals. With the focus being on establishing the municipality as a Centre of excellence, and on the attraction and retention of staff.

1.1 TALENT ACQUISITION

As at the end of the financial year, our municipality had a staff complement of employees. The Executive Managers appointees undergo psychometric assessments to ensure proper skills fit. The breakdown of the staff complement of is reflected below:

Directorate	Total posts	Filled	Vacant	% Filled	% Vacant
Technical Services	41	36	5	88%	12%
Corporate Services	56	53	3	95%	5.4%
Planning and LED	18	17	1	95%	5.5%
Community Services	78	78	0	100%	0%
Budget and Treasury	35	32	3	91%	8.6%
Municipal Manager's Office	20	18	2	90%	10%
Grand Total	248	234	14	94%	5.6%

1.2 INDIVIDUAL PERFORMANCE MANAGEMENT

The behavior's charter, which enhances individual performance management was implemented for executive management and will be rolled out to all staff in the next financial year, several awareness workshops were held throughout the organization to ensure that the municipality fosters a workforce with professional, value-driven behavior amongst employees. A proper link between the behavior's charter and municipality's values were drawn.

1.3 EMPLOYMENT EQUITY WITHIN THE MUNICIPALITY

In an effort to comply with the Labour relations Act, our municipality has an exciting employment equity committee which meets on a quarterly basis. The purpose of the committee is to discuss matters such as equity in the workforce, discrimination, disability, promotion, fair remuneration, disability and others as required by legislation. The municipality is also part of the Employment Equity skills development consultative forum (EESDCF) lead by SALGA.

The purpose of adding skills development was to ensure compliance with legislation in terms of the skills development Act and the Employment Equity Act. It was also important that the municipality as a learning organization invests in its staff as part of employee upliftment.

Occupational Level	Male				Female				Foreign nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top Management	1	-	-	-	-	-	-	-	-	-	1
Senior managers	2	-	-	-	2	-	-	-	-	-	4
Managers	12	-	-	-	7	-	-	-	-	-	19
Professionally qualified and experienced specialists and	34	-	-	-	22	-	-	-	-	-	56

mid-management											
Skilled Technical and academically qualified workers, junior management, supervisors, foreman and superintendents	6	-	-	-	-	-	-	-	-	-	6
Semi- skilled and discretionary decision making	76	-	-	-	62	-	-	-	-	-	138
Total Permanent	131	-	-	-	95	-	-	-	-	-	226
Temporary employees		-	-	-		-	-	-	-	-	
Disability	1	-	-	-	1	-	-	-	-	-	2
Grand Total	132	-	-	-	94	-	-	-	-	-	228

1.4 EMPLOYEE RELATIONS

The employee relations function is designed to ensure that there is a sound relationship between employer and employees. Our municipality's processes are designed to ensure fairness when it comes to issues of discipline and grievances, in addition it is a mechanism that makes provision for collective bargaining. Ordinarily it is expected that each employer should provide for an effective employment relations process. To this effect our municipality has policies in place which makes provision for the code of conduct, grievances procedure, disciplinary procedure, appeals procedure and dispute procedure. A Fraud Hotline was established and managed by our District Municipality and the other investigations are dealt with by the employee relations unit.

Below, is a representation of cases that our municipality honoured during the current reporting period.

Disputes	Male				Female				Foreign nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Progressive Disciplinary cases (Counselling, Verbal warning & Written warning)	05	-	-	-	01	-		-	-	-	06
Formal Disciplinary cases(final written warning, Demotion &Dismissals	04	-	-	-	01	-	-	-	-	-	05

Investigations	02	-	-	-	-	-	-	-	-	-	02
Grievances	01	-	-	-		-	-	-	-	-	01
Appeals	03	-	-	-	-	-	-	-	-	-	03
Disputes(CCMA)	0	-	-	-	-	-	-	-	-	-	0
Labour Court	01	-	-	-	-	-	-	-	-	-	01
Grand Total	12	-	-	-	2	-	-	-	-	-	17

1.5 SKILLS DEVELOPMENT (ORGANISATIONAL DEVELOPMENT)

Lepelle-Nkumpi is a learning organization that believes in investing in the development of its workforce. Employees are continuously exposed to learning interventions aimed at equipping them with skills, knowledge and abilities required to meet the needs of the market.

As per the relevant legislative requirements of the skills development Act, Our municipality is required to annually submit a workplace skills plan(forecast of training interventions to be implemented) as well as Annual training report to the LGSETA. This report reflects how the skills budget was utilized for the organization to be eligible for discretionary grants from the LGSETA to further develop its staff. For the current reporting period a total of employees and councilors were 116 trained on different short courses/ skills programmes and the study assistance was not budgeted for the employees who wanted to study or further their academic qualifications and this can be one of the encouragements to the employees to improve their existing qualifications.

Below, is a representation of trainings that our municipality provided to both employees and councilors.

Training Programmes	Male				Female				Foreign nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
	2	-	-	-	-	-	-	-	-	-	2

Municipal Financial Management Programme											
Job evaluation training	-	-	-	-	1	-	-	-	-	-	2
Councilor induction	4	-	-	-	1	-	-	-	-	-	5
Grand Total	6	-	-	-	2	-	-	-	-	-	9

1.6 OCCUPATIONAL HEALTH AND SAFETY

A formal occupational health and safety Committee was established and apart from the fact that this is a legislative requirement, the municipality is committed to the provision of a safe and healthy work environment to its employees. The OHS committee carries out regular inspections on OHS requirements. Reports on the committee's findings are presented to the executive Manager corporate services. All OHS representatives attend regular training interventions such as hazard identification and risk assessment and emergency drill training to ensure that they are prepared to act in an emergency situation.

Through its commitment to human resource processes, the municipality has managed to establish a strong employee value proposition. When concerted efforts between the organization, its staff and stakeholders come to fruition, it aids in positioning the organization as an employer of choice, a high performance organization which continuously challenges the status quo. In order to continue rendering an impeccable service to the community, our municipality ensures that best practice principles are incorporated in to all employment practice within the organization.

1.7 INJURY ON DUTY AND DISCHARGE DUE TO ILL HEALTH

There were five registered injury on duty for the year 2017/18 and this was due to different incidents but most were as a results of car accidents. The affected employees were provided with medical assistance by the employer and no death occurred as a results of injury on duty.

1.8 JOB EVALUATION

The organogram has been submitted to Job Evaluation for coding. Signing of job descriptions is awaiting finalization of placement of employees and filling of positions that are earmarked for placement once that process is completed then job descriptions will be submitted to the job evaluation committee for grading.

1.9 EMPLOYEES DISCHARGE DUE TO ILL-HEALTH

During the financial year there was no employee discharge due to ill-health.

Chapter 5 (Volume 2): Financial Performance

General Information

Nature of Business and Principal Activities	Local Government and the provision of basic services to the local community
Municipal grading	3
Members of the council	
Mayor	Molala Matshipsana Merriam
Speaker	Ntsoane Phukuwe Barnard
Chief whip	Thobejane Tswaledi Andries
Members of the Executive Committee	Mphofela Sabulone Matabane
Members of the Executive Committee	Mogashwa Aaron
Members of the Executive Committee	Mphahlele Ramatsimela Lina
Members of the Executive Committee	Makgati Mabote Arnold
Members of the Executive Committee	Ramokolo Mokgaetsi Maria
Members of the Executive Committee	Tsela Fani David
Members of the Executive Committee	Themane Moraka David
Members of the Executive Committee	Rababalela Sherly
Members of the Executive Committee	Ratau Itumeleng Gift

Lepelle-Nkumpi Municipality

(Registration Number LIM 355)

Annual Financial Statements

for the year ended 30 June 2020

Lepelle-Nkumpi Municipality

(Registration Number LIM 355)
Annual Financial Statements for the year ended 30 June 2020

General Information

Acting Municipal Manager	Gafane L.A
Acting Chief Financial Officer	Masemola M.N
Registered Office	Lebowakgomo
Business Address	170 BA Civic Centre Lebowakgomo 0737
Postal Address	Private Bag X07 Chuenespoort 0745
Bankers	First National Bank (FNB)
Auditor	Auditor General of South Africa Polokwane Polokwane

General Information

Members of the council

Members	Doubada NN
Members	Ramalebana LM
Members	Mollo MI
Members	Leshilo GK
Members	Thobejane TC
Members	Lekoana MR
Members	Seribishane KG
Members	Chidi MV
Members	Kgokolo RD
Members	Makola J
Members	Babile PT
Members	Kgweedi MM
Members	Ledwaba CS
Members	Mailula LM
Members	Masebe BN
Members	Masemola SG
Members	Mathabatha TP
Members	Mohlala LN
Members	Molala MJ
Members	Mphahlele TJ
Members	Ntshabeleng PS
Members	Ntswane MR
Members	Phele RS
Members	Takalo ME
Members	Thobejane L
Members	Choung CM
Members	Kutumela FM
Members	Ledwaba JL
Members	Ledwaba PE
Members	Mabula RO
Members	Makgahlele MB
Members	Marema TG
Members	Matsimela MD
Members	Mmotla MN
Members	Moganedi VM
Members	Mohlala PM
Members	Molaba RG
Members	Molatjana ML
Members	Morotoba NL
Members	Mvundlela MW
Members	Nkuna FM
Members	Petje LT
Members	Ramoshaba RS
Members	Shogole mw
Members	Takalo PS
Members	Tlabjane JB
Members	Phoshoko SD
Members	Mphuti T

Accounting Officer Responsibilities and Approval

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

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

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

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

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

I am responsible for the preparation of these annual financial statements, which are set out on pages s 5 to 81, in terms of Section 126(1) 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 note 25 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Cooperative Governance and Traditional Affairs determination in accordance with this Act.

Gafane L. A Acting Municipal Manager	26/04/2021 Date

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Lepelle-Nkumpi Municipality

(Registration Number LIM 355)
Annual Financial Statements for the year ended 30 June 2020

Statement of Financial Performance

Figures in R	Notes	2020	Restated 2019
Revenue from exchange transactions			
Service charges	17	6,151,937	5,842,699
Rental of facilities and equipment	18	370,841	523,097
Water and sanitation : Commission Earned	19	23,285,023	24,796,837
Agency fees : Licences and permits	20	3,551,687	4,305,715
Other revenue	21	2,636,342	6,982,234
Finance income - Exchange	22	11,809,600	9,276,456
Gain on disposal of assets and liabilities		-	150,413
Total revenue from exchange transactions		**47,805,430**	**51,877,451**
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	23	28,186,444	26,927,678
Finance income - Non exchange	22	10,716,659	11,898,382
Transfer Revenue			
Government grants and subsidies received - Operating	24	253,490,633	234,971,979
Government grants and subsidies received - Capital	24	38,047,345	24,881,296
Traffic fines		5,106,685	513,050
Total revenue from non-exchange transactions		**335,547,766**	**299,192,385**
Total revenue		**383,353,196**	**351,069,836**
Expenditure			
Employee related cost	26	(98,217,066)	(96,650,127)
Remuneration of councillors	27	(22,231,918)	(21,467,681)
Depreciation, amortisation and impairment	28	(32,873,105)	(40,277,283)
Finance cost	29	(85,915)	(86,658)
Provision for impairments adjustment	30	(50,849,776)	(41,416,279)
Repairs and maintenance		(3,716,849)	(7,593,167)
Contracted services	31	(18,985,424)	(19,856,200)
Free Basic Services : Electricity		(1,741,924)	(3,719,948)
Expenditure on third party projects		(428,236)	(5,185,448)
Loss on disposal of assets		(3,836,938)	-
General expenses	32	(57,381,883)	(78,693,471)
Total other expenses		**(290,349,034)**	**(314,946,262)**
Fair value gains or (losses)	25	9,355,556	3,488,000
Surplus for the year		**102,359,718**	**39,611,574**

Statement of Financial Position

Figures in R	Notes	2020	Restated 2019
Assets			
Current assets			
Inventories	3	31,092,086	32,284,312
Receivables from exchange transactions	4	47,974,141	34,125,557
Receivables from non-exchange transactions	5	57,098,003	52,394,235
VAT Receivable	6	1,749,227	-
Cash and cash equivalents	7	168,504,049	89,297,761
Total current assets		**306,417,506**	**208,101,865**
Non-current assets			
Property, plant and equipment	9	697,173,358	662,072,283
Investment property	8	364,262,000	356,072,000
Intangible assets	10	154,754	215,937
Heritage assets	11	183,684	183,684
Total non-current assets		**1,061,773,796**	**1,018,543,904**
Total assets		**1,368,191,302**	**1,226,645,769**
Net assets and liabilities			
Liabilities			
Current liabilities			
Consumer deposits	13	1,961,236	1,926,836
VAT payable	6	-	5,327,508
Payables from exchange transactions	12	104,456,029	56,760,967
Employee Benefits Obligation	16	553,276	482,188
Unspent conditional grants and receipts	14	16,892,408	19,094,385
Total current liabilities		**123,862,949**	**83,591,884**
Non-current liabilities			
Provisions	15	1,134,353	1,081,548
Employee Benefits Obligation	16	2,760,210	3,898,266
Total non-current liabilities		**3,894,563**	**4,979,814**
Total liabilities		**127,757,512**	**88,571,698**
Net assets			
Total net assets and liabilities		**1,240,433,791**	**1,138,074,073**
Accumulated surplus		**1,240,433,791**	**1,138,074,073**

Lepelle-Nkumpi Municipality

(Registration Number LIM 355)
Financial Statements for the year ended 30 June 2020

Statement of Cash Flows

Figures in R	Notes	2020	Restated 2019
Cashflow from operating Activities			
Receipts			
Sale of goods and services		8,335,856	22,139,181
Grants		289,336,001	270,839,837
Interest Income		8,294,602	5,320,874
Cash received from agency fees, fines and other income.		6,955,590	12,121,946
		312,922,049	**310,421,838**
Payments			
Employee cost		(118,475,246)	(115,810,436)
Payments to suppliers for goods and services		(43,487,553)	(113,533,746)
Finance		-	(5,836)
		(161,962,799)	**(229,350,018)**
Net cash flows from operations	33	**150,959,249**	**81,071,819**
Cash flows used in investing activities			
Proceeds from sales of property, plant and equipment		30,081	322,544
Purchase of property, plant and equipment		(71,700,708)	(49,780,125)
Purchase of intangible assets		(82,335)	(507,864)
Cash flows used in investing activities		**(71,752,962)**	**(49,965,445)**
Cash flows used in financing activities			
Finance lease payments		-	(238,138)
Cash flows used in financing activities		**-**	**(238,138)**
Net increase in cash and cash equivalents		**79,206,287**	**30,868,236**
Cash and cash equivalents at beginning of the year		89,297,761	58,429,524
Cash and cash equivalents at end of the year	7	**168,504,049**	**89,297,761**

Statement of Changes in Net Assets

Figures in R	Accumulated surplus	Total
Balance at 1 July 2018 as previously reported	**907,888,203**	**907,888,203**
Prior period adjustments. Note 35	190,574,296	190,574,296
Balance at 1 July 2018 as restated	**1,098,462,499**	**1,098,462,499**
Changes in net assets		
Surplus for the year	39,611,574	39,611,574
Balance at 30 June 2019 as restated	**1,138,074,073**	**1,138,074,071**
Balance at 1 July 2019 as previously reported	964,447,856	964,447,856
Prior period adjustments. Note 35	173,626,217	173,626,217
Balance at 1 July 2019 as restated	**1,138,074,073**	**1,138,074,073**
Changes in net assets		
Surplus for the year	102,359,718	102,359,718
Balance at 30 June 2020	**1,240,433,791**	**1,240,433,791**

Statement of Comparision of Budget and Actual Amounts

Figures in R **Notes**

Statement of financial performance

	48	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Revenue							
Property rates	23	30,208,936	-	30,208,936	28,186,444	2,022,492	48
Service charges	17	7,709,700	(1,689,923)	6,019,777	6,151,937	(132,160)	48
Rental of facilities and equipment	18	842,559	(363,281)	479,278	370,841	108,437	48
Interest earned- External investments	22	5,324,446	1,857,842	7,182,288	8,294,602	(1,112,314)	48
Interest earned - Outstanding debtors	22	10,190,862	1,323,929	11,514,791	14,231,657	(2,716,866)	48
Fines, penalties and forfeits	21	1,460,684	1,052,761	2,513,445	5,106,685	(2,593,240)	48
Licences and permits			7,837	7,837	1,042	6,795	48
Water and sanitation : Commission Earned	19	8,677,615	(54,985)	8,622,630	23,285,023	(14,662,393)	48
Department of transport - Agency services	20	2,106,190	5,957,549	8,063,739	3,551,687	4,512,052	48
Transfers and subsidies	24	253,358,000	25,814,455	279,172,455	253,490,633	25,681,822	48
Other revenue	21	34,487,762	(30,418,949)	4,068,813	2,635,300	1,433,513	48
Government grants and subsidies received - Capital	24	54,074,000	306,135	54,380,135	38,047,345	16,332,790	48
Total revenue		**408,440,754**	**3,793,370**	**412,234,124**	**383,353,196**	**28,880,928**	

Statement of Comparision of Budget and Actual Amounts

Figures in R	Notes	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	48						
Expenditure							
Employee related cost	26	(110,278,045)	4,201,417	(106,076,628)	(98,217,066)	(7,859,562)	
Remuneration of councillors	27	(27,577,740)	-	(27,577,740)	(22,231,918)	(5,345,822)	48
Provision for impairments adjustment	30	(32,630,786)	4,154,776	(28,476,010)	(50,849,776)	22,373,766	48
Depreciation, amortisation and impairment	28	(37,872,000)	7,000,000	(30,872,000)	(32,873,105)	2,001,105	
Finance cost	29	(135,000)	-	(135,000)	(85,915)	(49,085)	48
Other materials		(8,159,747)	4,758,770	(3,400,977)	(2,006,689)	(1,394,288)	
Contracted services		(48,086,845)	(9,250,089)	(57,336,934)	(39,944,546)	(17,392,388)	48
Other expenditure		(39,534,652)	(3,496,283)	(43,030,935)	(40,303,081)	(2,727,854)	48
Loss on disposal of assets		-	-	-	(3,836,938)	3,836,938	
Total expenditure		**(304,274,815)**	**7,368,591**	**(296,906,224)**	**(290,349,034)**	**(6,557,190)**	
Operating surplus/(Deficit)		**104,165,939**	**11,161,961**	**115,327,900**	**93,004,162**	**22,323,738**	
Gains on fair value adjustments		-	-	-	9,355,556	(9,355,556)	
Surplus / (deficit) for the year		**104,165,939**	**11,161,961**	**115,327,900**	**102,359,718**	**12,968,182**	

Lepelle-Nkumpi Municipality

(Registration Number LIM 355)

Financial Statements for the year ended 30 June 2020

Statement of Comparision of Budget and Actual Amounts

Figures in R	Notes	Approved budget	Adjustments	Final budget	Actual amount on comparative basis	Difference between final budget and actual	Reference
Statement of Financial Position							
Assets							
Current assets							
Cash	7	12,000,000	-	12,000,000	4,336,284	7,663,716	48
Call investment deposits	7	50,000,000	21,524,867	71,524,867	164,167,765	(92,642,898)	48
Consumer debtors	4	73,235,801	-	73,235,801	47,974,141	25,261,660	48
Other debtors	5	34,673,542	-	34,673,542	58,847,230	(24,173,688)	48
Inventories	3	261,708,406	(149,316,000)	112,392,406	31,092,086	81,300,320	48
Total current assets		**431,617,749**	**(127,791,133)**	**303,826,616**	**306,417,506**	**(2,590,890)**	
Non-current assets		-	-	-	-	-	
Investments		153,000,000	(153,000,000)	-	-	-	
Investment property	8	-	99,316,000	99,316,000	364,262,000	(264,946,000)	48
Property, plant and equipment	9	594,906,285	162,637,094	757,543,379	697,173,358	60,370,021	48
Intangible assets	10	21,989	-	21,989	154,754	(132,765)	48
Other non-current assets	11	-	-	-	183,684	(183,684)	48
Total non-current assets		**747,928,274**	**108,953,094**	**856,881,368**	**1,061,773,796**	**(204,892,428)**	
Total assets		**1,179,546,023**	**(18,838,039)**	**1,160,707,984**	**1,368,191,302**	**(207,483,318)**	

Statement of Comparision of Budget and Actual Amounts

Figures in R	Notes	Approved budget	Adjustments	Final budget	Actual amount on comparative basis	Difference between final budget and actual	Reference
Liabilities							
Current liabilities							
Borrowings		250,521	-	250,521	-	250,521	48
Consumer deposits	13	2,001,783	-	2,001,783	1,961,236	40,547	48
Trade and other payables	12	82,622,110	-	82,622,110	121,348,437	(38,726,327)	48
Provisions		1,143,010	-	1,143,010	553,276	589,734	48
Total current liabilities		**86,017,424**	**-**	**86,017,424**	**123,862,949**	**(37,845,525)**	
Non-current liabilities							
Borrowings		263,548	-	263,548		263,548	48
Provisions	15	8,853,103	-	8,853,103	3,894,563	4,958,540	48
Total non-current liabilities		**9,116,651**	**-**	**9,116,651**	**3,894,563**	**5,222,088**	
Total liabilities		**95,134,075**	**-**	**95,134,075**	**127,757,512**	**(32,623,437)**	
Net assets		**1,084,411,948**	**(18,838,039)**	**1,065,573,909**	**1,240,433,790**	**(174,859,881)**	
Accumulated surplus		1,084,411,948	(18,838,039)	1,065,573,909	1,240,433,790	(174,859,881)	
Total net assets		**1,084,411,948**	**(18,838,039)**	**1,065,573,909**	**1,240,433,790**	**(174,859,881)**	

Lepelle-Nkumpi Municipality

(Registration Number LIM 355)
Financial Statements for the year ended 30 June 2020

Statement of Comparision of Budget and Actual Amounts

Figures in R **Notes**

Cashflow statement

	Approved budget	Adjustments	Final budget	Actual amount on comparative basis	Difference between final budget and actual	Reference
Receipts						
Property rates	5,947,068	(600,000)	5,347,068	4,489,617	857,451	
Service charges	2,300,733	(500,000)	1,800,733	1,611,274	189,459	
Other revenue	17,404,657	6,106,971	23,511,628	9,190,555	14,321,073	
Government Grants - Operating	253,358,000	298,000	253,656,000	251,429,532	2,226,468	
Government Grants - Capital	54,074,000		54,074,000	37,906,469	16,167,531	
Interest Income	10,277,694	(1,595,406)	8,682,288	8,294,602	387,686	
	343,362,152	**3,709,565**	**347,071,717**	**312,922,049**	**34,149,668**	
Payments						
Suppliers and employees	(233,637,028)	298,000	(233,339,028)	(161,962,799)	(71,376,229)	
Finance cost	(135,000)	-	(135,000)	-	(135,000)	
	(233,772,028)	**298,000**	**(233,474,028)**	**(161,962,799)**	**(71,511,229)**	
Net cashflow from operations	**109,590,124**	**4,007,565**	**113,597,689**	**150,959,250**	**(37,361,561)**	
Cash flows used in investing activities						
Proceeds from sales of property, plant and equipment	-	-	-	30,081	(30,081)	
Capital assets	(104,165,941)	(11,161,963)	(115,327,904)	(71,783,043)	(43,544,861)	
Cash flows used in investing activities	**(104,165,941)**	**(11,161,963)**	**(115,327,904)**	**(71,752,962)**	**(43,574,942)**	
Cash flows used in financing activities						
Increase (decrease) in consumer deposit	23,144	18,856	42,000	-	42,000	
Cash flows used in financing activities	**23,144**	**18,856**	**42,000**	**-**	**42,000**	
Net increase in cash and cash equivalents	**5,447,327**	**(7,135,542)**	**(1,688,215)**	**79,206,288**	**(80,894,503)**	
Cash and cash equivalents at beginning of the year	94,632,847	(9,420,000)	85,212,847	89,297,761	(4,084,914)	
Cash and cash equivalents at end of the year	100,080,174	(16,555,542)	83,524,632	168,504,049	(84,979,417)	

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) prescribed by the Minister of Finance in terms of General Notice 991 and 992 of 2005. 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 Property, plant and equipment

1.2 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:

Trade receivables / Held to maturity investments and/or loans and receivables

The municipality assesses its loans and receivables for impairment at each statement of financial position date. In determining whether an impairment loss should be recorded in the statement of financial performance, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Allowance for slow moving, damaged and obsolete stock

An allowance for stock to write stock down to the lower of cost or net realisable value Management have made estimates of the selling price and direct cost to sell on certain inventory items.

The write down is included in the impairment of assets note.

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the municipality is the current bid price. The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the municipality for similar financial instruments

Impairment testing

Accounting Policies

Presentation of Annual Financial Statements continued...

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of valuein-use calculations and fair values. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including production estimates, supply and demand, together with economic factors such as exchange rates, inflation and interest rates.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in note 15 - Provisions.

Useful lives

The municipality's management determines the estimated useful lives and related depreciation charges for the property, plant and equipment and intangible assets. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives. In the event that assets are fair valued, the useful lives of these assets is the estimated remaining useful life on takeon date.

Other long term employee benefits

The present value of the other long term employee benefits depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of other long term employee benefits.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the municipality considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Effective interest rate

The municipality used the prime interest rate to discount future cash flows.

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Accounting Policies

Presentation of Annual Financial Statements continued...

1.3 Presentation currecy

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

1.4 Going concern assumption

In terms of the accounting standard GRAP 1 paragraphs 27 to 30 the annual financial statements are prepared on a going concern basis. The assumption is based on the fact that the municipality may invoke its power to levy additional rates or taxes to enable the municipality to be considered as a going concern even though the municipality will be operational for extended periods with negative net assets. .

1.5 Investment property

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

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

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

Initial Recognition:

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

Subsequent Measurement:

Investment property is measured at fair value. After initial recognition all investment property is measured at fair value at each Statement of financial position date. No depreciation is calculated on these properties.

Item	Useful life
Property - land	Indefinite

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

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

Presentation of Annual Financial Statements continued...

1.6 Property, plant and equipment

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

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

Property, plant and equipment is initially measured at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost. Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

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

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.

If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

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

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

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

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses except for land and buildings which is carried at re-valued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Subsequent Measurement:

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Presentation of Annual Financial Statements continued...

Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset

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
Land	Indefinite
Buildings	10 - 30 years
Community assets	10 - 30 years
Infrastructure:	
• Roads	10 - 100 years
• Electricity	5 - 80 years
Other assets:	
• Machniery and equipment	2 - 15 years
• Furniture and equipment	5 - 15 years
• Computer equipment	5 - 10 years
• Vehicles	7 - 15 years

In the event that assets are fair valued, the useful lives of those assets is the estimated remaining useful life on takeon date.

The asset management policy contains the details of the components and their specific useful life estimates.

The residual value, the useful life and the depreciation method are reviewed at least at every reporting date

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

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising from the de-recognition of an item of Intangible assets is included in surplus or deficit when the items derecognised. The gain or loss arising from the de-recognition 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 and is recognised in the Statement of Financial Performance.

1.7 Intangible assets

An intangible asset is an identifiable, non-monetary asset without physical substance and recognised when:

Presentation of Annual Financial Statements continued...

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

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.

Intangible assets are initially recognised at cost.

An intangible asset acquired at no or nominal cost, the cost shall be its fair value as at the date of acquisition.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. 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.
- 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. Amortisation is not provided for these intangible assets. 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 definite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

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

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	5 years

Presentation of Annual Financial Statements continued...

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

1.8 Inventories

Inventories are measured at the lower of cost and net realisable value

The cost at reporting date comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. 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.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

Unsold properties are at the lower cost and net realisable value. Direct cost are accumulated for each separately identifiable development. Cost also includes a portion of the overhead costs.

1.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity. The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or un-collectability.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related. Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates

De-recognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, (see the Standard of GRAP on Revenue from Exchange Transactions) transaction costs, and all other premiums or discounts.

Accounting Policies

Presentation of Annual Financial Statements continued...

There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

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

A financial asset is:
- cash;
- a residual interest of another entity; or
- a contractual right to:

> receive cash or another financial asset from another entity; or
> exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity

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

A financial liability is any liability that is a contractual obligation to:
- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

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

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

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

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

A financial asset is past due when a counterparty has failed to make a payment when contractually due. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

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

Accounting Policies

Presentation of Annual Financial Statements continued...

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

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

Classification

The municipality has the following types of financial assets as reflected on the face of the statement of financial position or in the notes thereto:

- Fair value
- Armotised cost
- Cost

Class Category

- Cash and cash equivalents
- Trade and other receivables from non-exchange transactions
- Trade and other receivables from exchange transactions

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

- Long term liabilities
- Trade and other payables

Initial recognition

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

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

Accounting Policies

Presentation of Annual Financial Statements continued...

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. The entity measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value]. The entity first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan into its component parts and accounts for each component separately.

The entity accounts for that part of a concessionary loan that is:

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

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost
- Financial instruments at cost.

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

Fair value measurement considerations

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

Reclassification

The entity does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

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

Presentation of Annual Financial Statements continued...

This requires a reclassification of the instrument from amortised cost or cost to fair value.

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

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

Gains and losses

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

Impairment and un-collectability of financial assets

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

Financial assets measured at amortised cost:

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

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

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

De-recognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

Accounting Policies

Presentation of Annual Financial Statements continued...

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

> derecognise the asset; and

> recognise separately any rights and obligations created or retained in the transfer.

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

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

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

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

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

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

Financial liabilities

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

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

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

Presentation

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

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

Distributions to holders of residual interests are debited by the entity directly to net assets, net of any related income tax benefit [where applicable]. Transaction costs incurred on residual interests is accounted for as a deduction from net assets, net of any related income tax benefit [where applicable].

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. In accounting for a transfer of a financial asset that does not qualify for de-recognition, the entity does not offset the transferred asset and the associated liability.

1.10 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.

Presentation of Annual Financial Statements continued...

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

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

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable. Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by.

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends is recognised when:
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

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

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

Dividends, or their equivalents are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.

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

1.11 Revenue from non-exchange transactions

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

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

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

Presentation of Annual Financial Statements continued...

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

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, an municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified. Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

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 nonexchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality. When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability.

Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Transfers

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. 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.

Accounting Policies

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

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset. Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality. Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

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.

1.12 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.

1.13 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. Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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

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

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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 expenditure for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

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

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

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes to the financial statements.

1.14 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote;
- 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.

1.15 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), The Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure.

Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

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1.16 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.

1.17 Comparative figures

Current year comparatives

Budgeted amounts have been included in the statement of comparison of budget and actual amounts for the current financial year only.

Prior year comparatives

When presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.18 Leases

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

Finance leases – lessee

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

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

Operating leases – lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

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

Presentation of Annual Financial Statements continued...

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. This liability is not discounted.

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

1.19 Impairment of cash-generating assets

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

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

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon. A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

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

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

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

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

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

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.

Accounting Policies

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Basis for estimates of future cash flows

In measuring value in use the municipality:

• base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;

• base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and

• estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

Composition of estimates of future cash flows

Estimates of future cash flows include:

• projections of cash inflows from the continuing use of the asset;

• projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; and

• net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.

Estimates of future cash flows exclude:

• cash inflows or outflows from financing activities; and

• income tax receipts or payments.

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

Cash-generating units

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

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

• the future cash inflows used to determine the asset's or cash-generating unit's value in use; and

• the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

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Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified. The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit.

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

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

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit. Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that noncash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Reversal of impairment loss

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

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a re-valued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life. A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a noncash- generating asset contributing service potential to a cash-generating unit.

Accounting Policies

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In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

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

Re-designation

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

1.20 Employee benefits

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

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

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

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

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

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

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

Short-term employee benefits

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

Accounting Policies

Presentation of Annual Financial Statements continued...

Short-term employee benefits include items such as:

• wages, salaries and social security contributions;

• short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;

• bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and

• non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cell phones) for current employees.

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

• as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and

• as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

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

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

Other long-term employee benefits

Other long-term employee benefits include:
(a) long service award

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

For other long-service awards, the Muniipality recognises the net total of the following amounts as expense

(a) current service cost;
(b) interest cost;
(c) the expected return on any plan assets and on any reimbursement right recognised as an asset;
(d) actuarial gains and losses, which shall all be recognised immediately;
(e) past service cost, which shall all be recognised immediately; and
(f) the effect of any curtailments or settlements.

Presentation of Annual Financial Statements continued...

1.21 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.22 Offsetting

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

1.23 Investments

Where the carrying amount of an investment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.

1.24 Grants in aid

The Lepelle-Nkumpi Municipality transfers money to individuals, institutions and organisations. When making these transfers, The Municipality does not: Receive any goods or services directly in return, as would be expected in a purchase or sale transaction Expect to be repaid in future; or Expect a financial return, as would be expected from an investment These transfers are recognised in the financial statements as expenses in the period that the events giving rise to the transfer occurred.

1.25 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.

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

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

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

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

Presentation of Annual Financial Statements continued...

Useful life is either:

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

Identification

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

Value in use

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

The present value of the remaining service potential of an asset is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Restoration cost approach

Restoration cost is the cost of restoring the service potential of a cash-generating asset to its pre-impaired level. The present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.

Service units approach

The present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform to the reduced number of service units expected from the asset in its impaired state. The current cost of replacing the remaining service potential of the asset before impairment is determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

Recognition and measurement

Presentation of Annual Financial Statements continued...

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit. Any impairment loss of a re-valued non-cash-generating asset is treated as a revaluation decrease. When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standards of GRAP.

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

Reversal of an impairment loss

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

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

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

Re-designation

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

1.26 Presentation of Budget Information in the Financial Statements

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

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

Accounting Policies

Presentation of Annual Financial Statements continued...

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

A comparable basis means that the budget and annual financial statements:
• are prepared using the same basis of accounting i.e. either cash or accrual;
• include the same activities and entities;
• use the same classification system; and
• are prepared for the same period.

1.27 Heritage Assets

Recognition of Assets

Heritage assets is recognised when it has a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Certain heritage assets are described as inalienable items thus assets which are retained indefinitely and cannot be disposed of without consent as required by law or otherwise.

A heritage asset is further recognised as an asset only if:
• it is probable that future economic benefits or service potential associated with the asset will to the municipality; and
• the cost of fair value of the asset can be measured reliably.

Subsequent Measurement

Heritage asset is measured at its cost value and should it be acquired through a non-exchange transaction will it be measured at its fair value as at the date of acquisition and is carried at its cost less any accumulated impairment losses.

If a heritage asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to a revaluation surplus and is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in surplus or deficit. If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in surplus or deficit and is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset.

Although a heritage asset is not depreciated it is the heritage asset assess at each reporting date to disclose whether there is an indication that it may be impaired.

In terms of the standard, compensation from third parties for heritage assets that have been impaired, lost or given up, should be included in surplus or deficit when the compensation becomes receivable.

Accounting Policies

Presentation of Annual Financial Statements continued...

The municipality will treat any difference at that date between the carrying amount of the heritage asset and its fair value in the same way as a revaluation in accordance with this Standard. Should any item of property, plant and equipment or an intangible asset carried at a re-valued amount, or investment property carried at fair value is reclassified as a heritage asset carried at a re-valued amount, the entity applies the applicable Standard to that asset up to the date of change. The entity treats any difference at that date between the carrying amount of the asset and its fair value in accordance with the applicable Standard relating to that asset. Transfer of investment property carried at fair value, or inventories to heritage assets at a re-valued amount, any difference between the fair value of the asset at that date and its previous carrying amount should be recognised in surplus or deficit.

Item use	Full life
Property and building	Indefinite
Other Assets	5 to 50 years

De-recognition of Asset

The carrying amount of a heritage is de-recognised:
- 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 de-recognition, of a heritage asset should be 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.

Value Added Tax (VAT)

The municipality accounts for Value Added Tax on the cash basis.

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

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

Accounting Policies

New standards and interpretations continued...

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 12 (as amended 2016): Inventories	1-Apr-19	Unlikely there will be a material impact
GRAP 16 (as amended 2016): Investment Property	1-Apr-19	Unlikely there will be a material impact
GRAP 17 (as amended 2016): Property, Plant and Equipment	1-Apr-19	Unlikely there will be a material impact
GRAP 20:Related Party Disclosures	1-Apr-19	Unlikely there will be a material impact
GRAP 21 (as amended 2016): Impairment of non-cashgenerating assets	1-Apr-19	Unlikely there will be a material impact
GRAP 26 (as amended 2016): Impairment of cashgenerating assets	1-Apr-19	Unlikely there will be a material impact
GRAP 27 (as amended 2016): Agriculture	1-Apr-19	Unlikely there will be a material impact
GRAP 31 (as amended 2016): Intangible Assets	1-Apr-19	Unlikely there will be a material impact
GRAP 32:Service Concession Arrangements: Grantor	1-Apr-19	Unlikely there will be a material impact
GRAP 103 (as amended 2016): Heritage Assets	1-Apr-19	Unlikely there will be a material impact
GRAP 105:Transfer of Functions Between Entities Under Common Control	1-Apr-19	Unlikely there will be a material impact
GRAP 106: Transfer of Functions Between Entities Not Under Common Control	1-Apr-19	Unlikely there will be a material impact
GRAP 107:Mergers	1-Apr-19	Unlikely there will be a material impact
GRAP 108:Statutory Receivables	1-Apr-19	The adoption will result in change in accounting policy in future years.
GRAP 109:Accounting by Principals and Agents	1-Apr-19	Unlikely there will be a material impact
IGRAP 17:Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset	1-Apr-19	Unlikely there will be a material impact
IGRAP 18:Recognition and Derecognition of Land	1-Apr-19	Unlikely there will be a material impact
IGRAP 19: Liabilities to Pay Levies	1-Apr-19	Unlikely there will be a material impact
Guideline: Accounting for Arrangements Undertaken in terms of the National Housing Programme	1-Apr-19	Unlikely there will be a material impact

New standards and interpretations continued...

2.1 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2020 or later periods:

Standard/ Interpretation:	**Effective date: Years beginning on or after**	**Expected impact:**
GRAP 34: Separate Financial Statements	1-Apr-20	Unlikely there will be a material impact
GRAP 35: Consolidated Financial Statements	1-Apr-20	Unlikely there will be a material impact
GRAP 36: Investments in Associates and Joint Ventures	1-Apr-20	Unlikely there will be a material impact
GRAP 37: Joint Arrangements	1-Apr-20	Unlikely there will be a material impact
GRAP 38: Disclosure of Interests in Other Entities	1-Apr-20	Unlikely there will be a material impact
GRAP 110 (as amended 2016): Living and Non-living Resources	1-Apr-20	Unlikely there will be a material impact

Notes to the Financial Statements

Figures in R	2020	Restated 2019

3. Inventories

Inventories comprise:

Consumable stores	3,199,028	3,731,795
Land inventory	27,893,058	28,552,517
	31,092,086	**32,284,312**

The amount of inventories recognised as an expense during the period were as follows:

Consumable stores	2,143,982	3,384,339
Land inventory	1,118,639	2,314,000
	3,262,621	**5,698,339**

During the year, the Municipality identified land not yet registered with deeds office that belongs to the Municipality. The Municipality sold residential and business landsites at net realisable value during the year.

Notes to the Financial Statements

Figures in R	2020	Restated 2019

4. Receivables from exchange transactions

CDM advance commission	128,032,784	105,423,047
Less provision for impairment	(109,225,082)	(87,571,301)
Grants Debtors	40,000	40,000
Consumer debtors - Refuse	99,411,027	74,145,226
Less provision for impairment	(70,284,588)	(57,911,415)
	47,974,141	**34,125,557**

Ageing

CDM advance commission - Ageing

Current (0-30 days)	7,181,092	9,195,860
31 - 60 days	2,465,393	2,850,190
61 - 90 days	2,559,558	2,700,448
91 - 120 days	2,495,757	2,321,313
> 120 days	113,330,983	88,355,236
	128,032,784	**105,423,047**

Summary of debtors by customer classification - CDM debtor

Business

Current (0-30days)	372,585	1,220,920
31 days - 60 days	89,894	132,632
61 days - 90 days	77,664	134,049
91 days - 120 days	69,778	136,592
> 120 days	4,134,324	4,577,246
	4,744,244	**6,201,439**

Domestic

Current(0-30days)	6,219,434	1,656,234
31 days - 60 days	2,203,063	2,482,341
61 days - 91 days	2,315,063	2,378,451
91 days - 121 days	2,177,995	1,989,360
> 120 days	98,160,367	78,774,632
	111,075,921	**87,281,018**

Government

Current(0-30days)	330,831	3,238,543
31 days - 60 days	90,393	102,019
61 days - 91 days	77,967	113,447
91 days - 120 days	163,408	117,380
> 120 days	6,430,801	4,062,669
	7,093,400	**7,634,058**

Notes to the Financial Statements

Figures in R	2020	Restated 2019
Receivables from exchange transactions continued...		
Church		
Current(0-30days)	26,266	9,236
31 days - 60 days	13,998	19,978
61 days - 90 days	14,729	12,559
91 days - 120days	12,793	16,105
> 120 days	618,211	572,001
	685,997	629,878
Indigents		
Current(0-30days)	231,977	3,070,927
31 days - 60 days	68,045	113,219
61 days - 90 days	74,136	61,943
91 days - 120days	71,783	61,876
> 120 days	3,987,281	368,688
	4,433,222	3,676,654
Total		
Current(0-30days)	7,181,092	9,195,860
31 days - 60 days	2,465,393	2,850,190
61 days - 90 days	2,559,558	2,700,448
91 days - 120 days	2,495,757	2,321,313
> 120 days	113,330,983	88,355,236
	128,032,784	105,423,047
Less: Allowance for impairment	(109,225,082)	(87,571,301)
	18,807,702	17,851,746
Reconciliation of allowance for impairment		
Balance at the beginning of the year	(87,571,301)	(62,529,659)
Contribution to allowance for impairment	(21,653,781)	(25,041,642)
	(109,225,082)	(87,571,301)