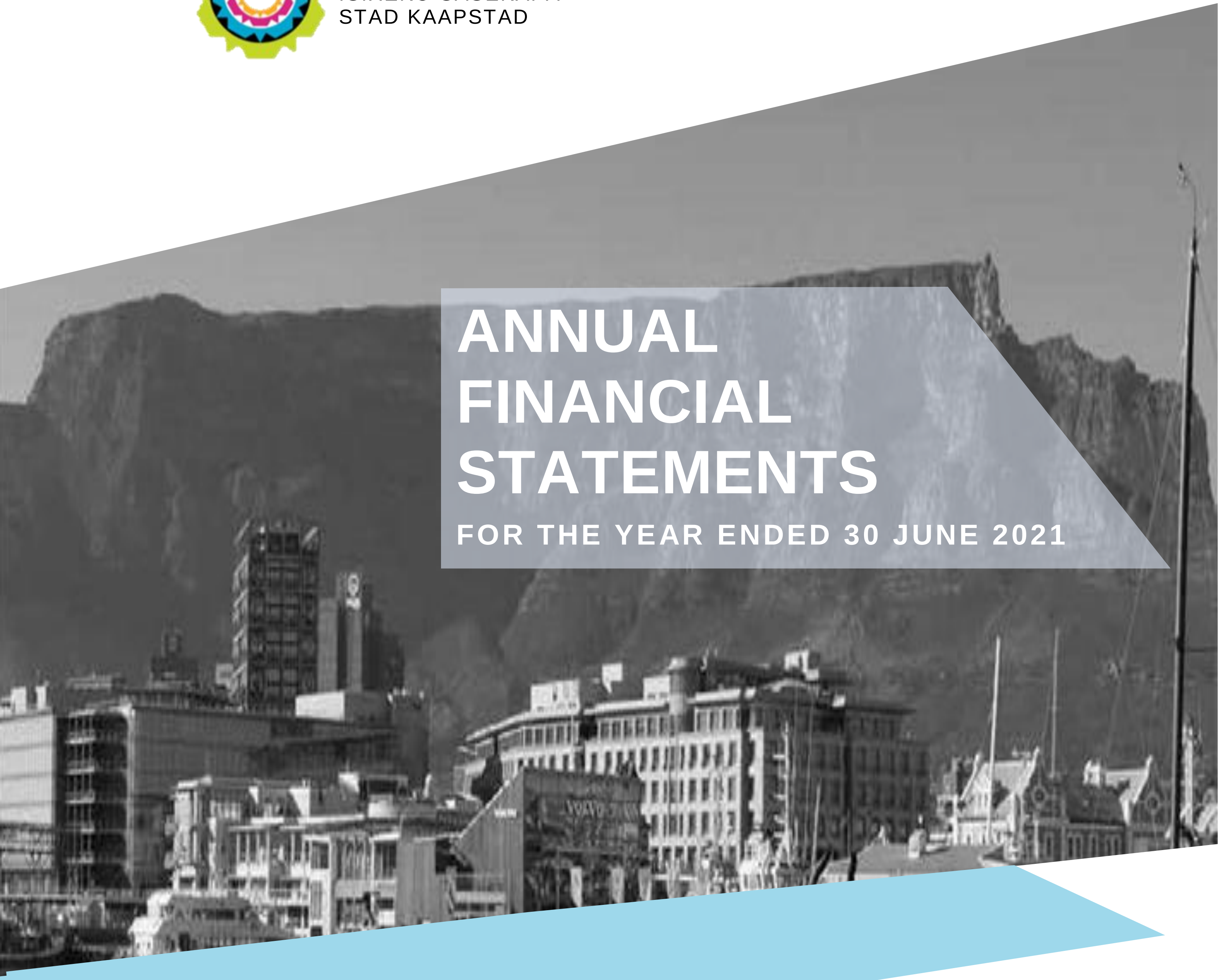
CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021



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Annual financial statements 2021

REPORTING ENTITY'S MANDATE

The City of Cape Town is a high-capacity, category A local authority established in terms of section 151 of the Constitution of the Republic of South Africa Act 108 of 1996

The principal activities of the City are to:

- provide democratic and accountable government to the local communities;
- ensure sustainable service delivery to communities;
- promote social and economic development;
- promote a safe and healthy environment; and
- encourage the involvement of communities and community organisations in the matters of local government.

The City's operations are governed by the Local Government: Municipal Structures Act 117 of 1998, the Local Government: Municipal Systems Act 32 of 2000, the Local Government: Municipal Finance Management Act 56 of 2003, and various other acts and regulations.

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements for the year ended 30 June 2021, as set out on pages 8 to 86 in terms of section 126(1) of the Local Government: Municipal Finance Management Act 56 of 2003, and have accordingly signed the statements on behalf of the City.

I certify that the salaries, allowances and benefits of councillors as disclosed in note 38.2.2 to these financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution of the Republic of South Africa Act 108 of 1996, read with the Remuneration of Public Office Bearers Act 20 of 1998, and the Minister of Provincial and Local Government's determination in accordance with this act.

Lungelo Mbandazayo
City Manager

31 August 2021

REPORT OF THE AUDITOR-GENERAL

TO THE WESTERN CAPE PROVINCIAL PARLIAMENT AND THE COUNCIL ON CITY OF CAPE TOWN

Report on the audit of the financial statements

CONTENT TO COME

Report on the audit of the financial statements (continued)

CONTENT TO COME

GENERAL INFORMATION
AS AT 30 JUNE 2021

BANKERS
Nedbank Limited
135 Rivonia Campus
135 Rivonia Road
Sandown
Sandton
2196

PO Box 1144
Johannesburg
2000

AUDITORS
The Auditor-General of South Africa
No 17 Park Lane Building
Park Lane
Century City
7441

Private Bag X1
Chempet
7442

REGISTER OFFICE
City of Cape Town
12 Hertzog Boulevard
Cape Town
8001

PO Box 655
Cape Town
8000

GENERAL INFORMATION (continued)

AS AT 30 JUNE 2021

MEMBERS OF THE MAYORAL COMMITTEE

Executive Mayor
Ald D Plato

Deputy Mayor, Finance
Ald I Neilson

Community Services and Health
Cllr Z Badroodien

Corporate Services
Cllr S Cottle

Economic Opportunities and Asset Management
Ald J Vos

Energy and Climate Change
Cllr P Maxiti

Human Settlements
Cllr M Booi

Safety and Security
Ald JP Smith

Spatial Planning and Environment
Ald M Nieuwoudt

Transport
Ald D Plato (acting)

Urban Management
Ald G Twigg

Water and Waste
Ald X Limberg

EXECUTIVE MANAGEMENT TEAM

City Manager
L Mbandazayo

Chief Financial Officer
K Jacoby

Community Services and Health
E Sass

Corporate Services
CJ Kesson
G Kenhardt (acting while CJ Kesson was the appointed Covid-19 crisis coordinator)

Economic Opportunities and Asset Management
R Gelderbloem (acting)

Energy and Climate Change
K Nassiep

Human Settlements
N Gqiba

Safety and Security Services
V Botto (acting)

Spatial Planning and Environment
H Naude (acting)

Transport
D Campbell

Urban Management
B Gerber (acting)

Water and Waste Services
M Webster

MEMBERS OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE

Chairperson
D Singh

Members
M Burton
L Nene
P Dala
S Mzizi

OTHER

Speaker
Ald F Purchase

Chief Whip
Cllr D Visagie

Council members of the City of Cape Town

Ald A Abrahams
Ald EP Andrews
Ald R Arendse
Ald AJG Basson
Ald RA Bazier
Ald GV Cavanagh
Ald PH Chapple
Ald GD Fourie
Ald BM Jacobs
Ald WD Jaftha
Ald C Jordaan
Ald CR Justus
Ald ML Kempthorne
Ald NJ Landingwe
Ald XT Limberg
Ald GW March
Ald S Moodley
Ald ID Neilson
Ald MJ Nieuwoudt
Ald D Plato
Ald SB Pringle
Ald FA Purchase
Ald SJ Rossouw
Ald JP Smith
Ald X Sotashe
Ald TB Thompson
Ald GG Twigg
Ald TA Uys
Ald JFH van der Merwe
Ald A van der Rheede
Ald J Vos
Ald BRW Watkyns
Cllr FL Abrahams
Cllr MR Abrahams
Cllr MF Achmat
Cllr A Adams
Cllr A Adams
Cllr R Adams
Cllr Y Adams
Cllr M Adonis
Cllr ZC Adonis
Cllr FK Ah-Sing
Cllr WJ Akim
Cllr E Anstey

Cllr DE Badela
Cllr ZA Badroodien
Cllr MK Bafo
Cllr UM Barends
Cllr S Batala
Cllr TM Batembu
Cllr AM Benadie
Cllr R Beneke
Cllr CB Bew
Cllr N Bolitye
Cllr M Booi
Cllr FR Botha-Rossouw
Cllr R Bresler
Cllr EN Brunette
Cllr KR Carls
Cllr H Carstens
Cllr MA Cassiem
Cllr MF Cassim
Cllr CS Cerfontein
Cllr MN Chitha
Cllr DJ Christians
Cllr BR Clarke
Cllr GJ Classen
Cllr DG Cottee
Cllr SA Cottle
Cllr AC Crous
Cllr M Dambuza
Cllr T Dasa
Cllr MM Davids
Cllr WB Dlulane
Cllr WP Doman
Cllr DK Dudley
Cllr SS Duka
Cllr MR Dwane
Cllr PA East
Cllr CJ Esau
Cllr JP Fitz
Cllr P Francke
Cllr CM Fry
Cllr A Gabuza
Cllr BC Golding
Cllr GE Gordon
Cllr AM Graham
Cllr AJ Griesel

Cllr CDW Groenewoud
Cllr NE Grose
Cllr LA Gungxe
Cllr B Hansen
Cllr W Harris
Cllr GCR Haskin
Cllr PG Helfrich
Cllr A Hendricks
Cllr PC Heynes
Cllr ND Hlangisa
Cllr MW Hlazo
Cllr TT Honono
Cllr VR Isaacs
Cllr IR Iversen
Cllr HW Jacobs
Cllr L Jali
Cllr C Janse van Rensburg
Cllr EE Jansen
Cllr S John
Cllr X Joja
Cllr N Jowell
Cllr DM Khatshwa
Cllr MRH Kleinschmidt
Cllr ME Kleinsmith
Cllr C Kobeni
Cllr AL Komeni
Cllr NF Kopman
Cllr GPG Kriel
Cllr AE Kuhl
Cllr MD Kumeke
Cllr SP Liell-Cock
Cllr AG Lightburn
Cllr BC Madikane
Cllr N Mahangu
Cllr N Mahlati
Cllr N Makasi
Cllr BM Majingo
Cllr LC Makeleni
Cllr SK Manata
Cllr M Manuel
Cllr K Mare
Cllr J Martlow
Cllr DZ Masiu
Cllr V Matanzima

Council members of the City of Cape Town (continued)

Cllr JJ Maxheke
Cllr P Maxiti
Cllr L Mazwi
Cllr S Mbandezi
Cllr JS Mbolompo
Cllr NV Mbombo
Cllr J McCarthy
Cllr AP McKenzie
Cllr IP McMahon
Cllr CN Mdleleni
Cllr SS Mfecane
Cllr VN Mfusi
Cllr NE Mgolombane
Cllr JH Middleton
Cllr PM Mngxunyeni
Cllr AC Moses
Cllr NA Moshani
Cllr T Mpengezi
Cllr V Mqadi
Cllr S Mzobe
Cllr PS Mzolisa
Cllr N Ndaleni
Cllr AX Ndongeni
Cllr K Nethi
Cllr BP Ngcani
Cllr B Ngcombolo
Cllr MWN Ngeyi
Cllr PM Ngqu
Cllr D Ngubelanga
Cllr XW Ngwekazi
Cllr S Ngxumza
Cllr M Nikelo

Cllr FM Nkunzana
Cllr X Nofemele
Cllr S Nonkeyizana
Cllr SN Nqabeni Moloto
Cllr ML Nqavashe
Cllr M Nqulwana
Cllr A Ntsodo
Cllr P Nyakaza-Sandla
Cllr L Nyingwa
Cllr SF Oerson
Cllr GC Peck
Cllr CY Persensie
Cllr XG Peter
Cllr MJ Petersen
Cllr S Philander
Cllr MP Pietersen
Cllr TI Pimpi
Cllr YM Plaatjie
Cllr CJ Pophaim
Cllr CB Punt
Cllr ZL Qoba
Cllr RM Quintas
Cllr X Qwesha
Cllr MH Raise
Cllr B Rass
Cllr FHL Raymond
Cllr N Rheeder
Cllr T Sakathi
Cllr E Sawant
Cllr MM Sibunzi
Cllr RZ Simbeku
Cllr RS Simons

Cllr AJ Skippers
Cllr OK Solomons
Cllr NP Sono
Cllr KG Southgate
Cllr CS Stevens
Cllr Z Sulelo
Cllr PS Swart
Cllr S Taliep
Cllr HP Terblanche
Cllr EAJ Theron
Cllr G Timm
Cllr N Tom
Cllr B van der Merwe
Cllr PE van der Ross
Cllr ML van der Walt
Cllr B van Reenen
Cllr A van Zyl
Cllr M Velem
Cllr R Viljoen
Cllr DA Visagie
Cllr CL Visser
Cllr J Visser
Cllr PP Vokwana
Cllr ST Vuba
Cllr FC Walker
Cllr JJ Witbooi
Cllr J Woodman
Cllr N Xamle
Cllr S Yalezo
Cllr SK Yozi
Cllr LG Zondani

During the course of the reporting period, the following councillors ceased to be political office-bearers:

Cllr N Dilima	08/07/2020
Cllr S Nqamnduku	28/08/2020
Cllr D Bryant	09/09/2020
Cllr S Nkomiyahlaba	18/09/2020
Cllr B Truter	06/01/2021
Cllr C van Wyk	25/01/2021
Cllr F Gaffoor	29/03/2021
Cllr E Fortune	31/03/2021
Cllr Z Nkangana	17/04/2021
Ald M Oliver	20/04/2021
Ald R Rau	28/04/2021
Ald D Smit	30/04/2021
Cllr M Bele	17/05/2021
Ald C Clayton	31/05/2021

SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2021

The City's significant accounting policies, which are in all material respects consistent with those applied in the previous year, unless specified otherwise, are set out below.

BASIS OF PRESENTATION

The financial statements have been prepared in accordance with the Generally Recognised Accounting Practices (GRAP), standards issued by the Accounting Standards Board (ASB) and approved by the Minister of Finance as effective in accordance with section 122(3) of the Municipal Finance Management Finance Act, (Act No 56 of 2003).

These financial statements have been prepared on an accrual basis of accounting and incorporate the historical cost convention as the basis of measurement, except where indicated otherwise.

The ASB has issued Directive 5, which outlines the GRAP reporting framework hierarchy. In the absence of an issued and effective standard of GRAP, accounting policies for material transactions, events or conditions have been developed using the principles set out in the "Standard of GRAP 3 on Accounting Policies, Changes in Accounting Estimates and Errors", read with Directive 5.

In preparing the financial statements, management has used assessments and estimates that are based on the best information available at the time of preparation.

GOING-CONCERN ASSUMPTION

These financial statements have been prepared based on the expectation that the Municipality of Cape Town will continue to operate as a going-concern for at least the next 12 months.

OFFSETTING

Assets and liabilities as well as revenue and expenses are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amount, and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

COMPARATIVE INFORMATION

When the presentation or classification of items in the financial statements is amended, comparative amounts are restated and the nature and reason for such reclassification are disclosed.

Where accounting errors have been identified and/or a change in accounting policy has been made in the current year, the correction is made retrospectively as far as is practicable, and the comparatives are restated accordingly.

FOREIGN-CURRENCY TRANSACTIONS

Transactions in foreign currencies are initially accounted for at the ruling exchange rate on the date of the transaction. Trade creditors denominated in foreign currency are reported at the statement of financial position date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from reporting of creditors at rates different from those at which they were initially recorded during the period, are recognised as income or expenses in the period during which they arise.

USE OF SIGNIFICANT JUDGEMENTS AND ESTIMATES

In the process of applying the City's accounting policies, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

- **Going concern**

Included in management's assessment of the City's going-concern status are key financial metrics, the impact of the COVID-19 pandemic, the associated conditions of a general economic downturn, approved medium-term budgets, and the municipality's dependency on grants from National Government and the Western Cape Provincial Government ("Province").

Based on all of the above, management has concluded that the going-concern assumption used in the compiling of its financial statements, is appropriate.

- **Materiality**

Materiality is considered in determining whether information needs to be recognised, measured, presented and disclosed in accordance with GRAP standards, as well as in assessing the effect of omissions, misstatements and errors on the financial statements.

In assessing whether an item, transaction or event is material, the following thresholds are used:

Budget information

Variances between budget and actual amounts are regarded as material when the variance is;

- ✓ 10% or greater in the statement of financial position, the statement of financial performance, and the cash flow statement; and
- ✓ 5% or greater in capital expenditure.

All material differences are explained in note 36 to these financial statements.

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USE OF SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

- **Materiality (continued)**

Qualitative thresholds

The nature of an item, transaction or event is determined by its inherent characteristics, or the circumstances in which it was undertaken. Items, transactions or events may be considered material:

- ✓ if they relate to legal or regulatory requirements, e.g. specific disclosures required by legislation, restrictions on certain transactions or activities imposed by legislation, or breaches of legislation.
- ✓ if they constitute related-party transactions;
- ✓ depending on their regularity or frequency, e.g. a once-off transfer of funds to another entity in terms of legislation, or a ministerial directive;
- ✓ if they result in the reversal of a trend, e.g. changing a surplus to a deficit, or vice versa;
- ✓ if they are likely to result in a change in accounting policy;
- ✓ if they involve the commencement of a new function, or the reduction or discontinuation of an existing one;
- ✓ depending on the degree of estimation or judgement required to determine their value, and
- ✓ if they affect the going-concern assumption of the municipality.

The relative importance of these qualitative factors in determining materiality is a matter of professional judgement.

Quantitative thresholds

Quantitative materiality refers to the monetary value of items, transactions or events that is likely to influence users' decisions. The quantitative value of materiality is based on a number of financial indicators.

The City of Cape Town uses 0,5% to determine materiality, considering the following factors:

- ✓ Nature of the City's business
- ✓ Statutory requirements
- ✓ The control and inherent risks associated with the City
- ✓ Prudence

The level of materiality per transaction class for the year is as follows:

Class of transactions	Level of materiality (R'000)
Revenue	223 939
Expenditure	221 548
Non-current assets	303 541
Current assets	85 839
Non-current liabilities	69 178
Current liabilities	52 507

The materiality calculation is based on the final approved 2020/21 adjustments budget of April 2021 for all classes of transactions.

Based on professional judgement the overall quantitative value of materiality for the 2020/21 financial year is set at R200 million.

- **Pension and other post-employment benefits**

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

- **Impairment of receivables**

The calculation in respect of the impairment of receivables is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments. Groups of debtors with similar credit risk characteristics are assessed for impairment considering factors such as socio-economic conditions, type of customer, the default period and service-specific payment histories.

The concentration of credit risk is limited, as the customer base is large and unrelated. Accordingly, management believes no further credit provisions are required in excess of the present allowance for doubtful debts.

- **Impairment of property, plant and equipment**

The calculation in respect of the impairment of property, plant and equipment (PPE) is based on an assessment of the extent to which the recoverable amount of the asset has declined below the carrying amount. This was performed across all classes of property, plant and equipment.

- **Significant delays in assets under construction**

The City regards delays in assets under construction of more than one year as significant.

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USE OF SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

- **Residual value of property, plant and equipment**

Management has determined that none of its infrastructural assets have any active market value, and the value of the amount at the end of their useful lives would therefore be insignificant.

- **Useful lives of property, plant and equipment, investment property and intangible assets**

The useful lives of assets are based on management's estimates. Management considers the impact of technology, service requirements and required return on assets to determine the optimum useful-life expectation, where appropriate. The estimated residual values of assets are also based on management's judgement on whether the assets will be sold, held indefinitely or used to the end of their useful lives, and what their condition will be at that time.

- **Material losses**

Material losses are losses that occur due to factors other than normal production and are regarded as material in accordance with the materiality thresholds above.

Losses that occur due to normal production are classified as production costs and factored into the City's tariffs. They, therefore, do not constitute material losses. If actual production losses exceed the budgeted production losses factored into the tariff, the difference is considered a material loss.

- **Provisions and contingent liabilities**

Management's judgement is required when recognising and measuring provisions, and when measuring contingent liabilities, as set out in notes 13 and 33 respectively. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted where the effect of discounting is material.

- **Cash and non-cash-generating assets**

The City is not a profit-oriented entity as its primary objective is service delivery. Tariffs and charges are cost-reflective to ensure continued financial sustainability. No profit element is included in the determination of a tariff although net positive cash inflows are achieved from electricity service charges.

As such, management has determined that only the City's electricity assets meet the definition of cash-generating assets, and that the GRAP standard for the impairment of non-cash-generating assets will therefore apply to all other assets of the City.

- **Principal-agent arrangements**

Management's judgement is required when determining it has entered into a principal agent arrangement, as set out in note 34. A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf and for the benefit of another entity (the principal).

The assessment of whether a municipality is a principal or an agent requires the municipality to evaluate rights and obligations of all parties to each binding arrangement to establish whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

- **Segmental reporting**

In applying GRAP 18 Segment Reporting, management makes judgements with regard to the identification of reportable segments as well as what constitutes segment results to enable users to evaluate the nature and financial effects of the activities in which it engages and the economic environments in which it operates.

ADOPTION OF NEW AND REVISED STANDARDS

- **Standards and interpretations effective and adopted in the current year**

The following GRAP standards are applicable and effective in the current year:

- ✓ GRAP 18 - Segment reporting
- ✓ GRAP 34 - Separate financial statements
- ✓ GRAP 35 - Consolidated financial statements
- ✓ GRAP 36 - Investments in associates and joint ventures
- ✓ GRAP 37 - Joint arrangements
- ✓ GRAP 38 - Disclosure of interest in other entities
- ✓ GRAP 110 - Living and non-living resources
- ✓ IGRAP 20 - Accounting for adjustments to revenue to pay levies

GRAP 18 establishes principles for the reporting of financial information by segments and resulted in an additional segmental report and related disclosure being presented in the financial statements.

GRAP 110 prescribes the recognition, measurement, presentation and disclosure requirements for living resources as well as disclosure requirements for non-living resources. Living resources controlled by the municipality are animals used to deliver mandated services. These animals are immaterial in nature and amount, and therefore living resources are not separately presented as a line item on the face of the statement of financial position. In the current year living resources were split from the other assets class and presented as a separate class of property, plant and equipment. The comparative disclosure were updated accordingly.

The impact of implementing GRAP 34, GRAP 110 and IGRAP 20 has been immaterial. GRAP 35, 36, 37 and 38 had no impact on the Municipality of Cape Town's separate financial statements as they all deal with group financial statements.

ADOPTION OF NEW AND REVISED STANDARDS (continued)

- **Standards and interpretations early adopted**

The City has not early-adopted any GRAP standard that is not yet effective. The following guidelines are not yet effective or are not authoritative, but has been utilised to formulate the City's accounting policies since 2018/19:

- ✓ Guideline on Accounting for Landfill Sites
- ✓ Guideline on the Application of Materiality in Financial Statements.

- **Standards and interpretations issued, but not yet effective**

At the date of submission of these financial statements, there no Standards of GRAP that have been issued by the Board and for which the Minister of Finance has determined an effective date.

HOUSING FUNDS

The housing development fund was established in terms of the Housing Act 107 of 1997.

Housing development fund

Sections 15(5) and 16 of the Housing Act, which came into effect on 1 April 1998, required the City to maintain a separate housing operating account. This legislated separate operating account is known as the housing development fund and is fully cash-backed.

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

Unrealised housing proceeds

In order to comply with sections 14(4)(d)(i) and (iii) of the Housing Act, in terms of which all net proceeds need to be paid into the housing development fund, it was necessary to create a holding account that represents the unrealised funds due by long-term housing selling developments and sponsored loan debtors. This account is reduced when debtors are billed for their current loan repayments.

RESERVES

The City creates and maintains reserves in terms of specific requirements.

Capital replacement reserve (CRR)

In order to finance the acquisition of property, plant and equipment and other assets from internal sources, cash amounts are transferred from the accumulated surplus to the CRR.

The following guidelines are set for the creation and utilisation of the CRR:

- ✓ The cash funds that back up the CRR are invested until utilised.
- ✓ The CRR may only be utilised for purchasing items of property, plant and equipment, and not for their maintenance unless otherwise directed by Council.
- ✓ Whenever an asset is purchased out of the CRR, an amount equal to the cost price of the asset is transferred from the CRR, and the accumulated surplus is credited by a corresponding amount.

Insurance reserves

- **Self-insurance reserve**

A general insurance reserve has been established and covers claims that may occur, subject to reinsurance where deemed necessary. Premiums are charged to the respective services, taking into account the claims history and replacement value of the insured assets.

Reinsurance premiums paid to external reinsurers are regarded as an expense, and are shown as such in the statement of financial performance. The net surplus/deficit on the insurance operating account is transferred to or from the insurance reserve via the statement of changes in net assets.

A viability valuation report is obtained each year to assess the adequacy of the insurance reserve at year-end.

- **Compensation for occupational injuries and diseases (COID) reserve**

The City has been exempted from making contributions to the Compensation Commissioner for occupational injuries and diseases in terms of section 84 of the COID Act 130 of 1993.

The certificate of exemption issued by the Commissioner and prescribed by the COID Act requires the City to deposit cash and/or securities with the Commissioner, the market values of which in aggregate shall not be less than the capitalised value of the continuing liability of the City as at 31 December of each year.

The continuing liability is that of annual pensions, the capitalised value of which is determined on the basis of an actuarial determination prescribed by the Commissioner. A COID reserve has been established to equate to the value of the continuing liability. The market value of the securities is determined annually by the Commissioner, and the City is required to meet any shortfall in the aggregate value of the securities as at 31 December. Monthly pensions are funded by transferring funds from the reserve to the expense account in the statement of financial performance.

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PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment (PPE) are stated at cost less accumulated depreciation and accumulated impairment losses. Where PPE are acquired through non-exchange transactions, the cost is deemed to be the item's fair value on the date of acquisition.

Subsequent expenditure relating to PPE is capitalised if it is probable that future economic benefits or potential service delivery of the assets are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the originally assessed standard of performance, it is regarded as repairs and maintenance, and is expensed.

The City maintains and acquires assets to provide a social service to the community, with no intention of disposing of the assets for any economic gain.

The gain or loss arising from the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying value, and is recognised in the statement of financial performance.

Depreciation rates

Depreciation is calculated at cost, using the straight-line method, over the estimated useful lives of the assets. The residual value, depreciation method and useful life, if significant, are reassessed annually. If there is any indication of changes, the effect of such changes in estimate is accounted for on a prospective basis. The depreciation rates are based on the following estimated useful lives:

	Years		Years
Infrastructure		**Other**	
Roads and paving	10 – 50	Buildings	2 – 50
Electricity	15 – 50	Other vehicles	4 – 15
Water	15 – 50	Office equipment	2 – 10
Sewerage	15 – 50	Watercraft	5
Telecommunications	10 – 30	Bins and containers	5
		Landfill sites	30
Housing	30	Specialised vehicles	10 – 20
		Library books	1
Community		Furniture and fittings	2 – 15
Community and recreational facilities	20 – 50	Computer equipment	2 – 7
Security	5 – 10	Plant and equipment	2 – 12
		Living resources	5 – 12
		Service concession	3 – 50

Assets under construction are carried at cost. Depreciation of an asset commences when the asset is ready for its use as intended by management. Freehold land is not depreciable, as it has an indefinite useful life.

A living resource is a living animal that is used by the Municipality to deliver a mandated service.

INVESTMENT PROPERTIES

Investment properties are immovable land and/or buildings that are held to earn rental income and/or for capital appreciation. Investment property excludes owner-occupied property that is used in the production or supply of goods or services or for administrative purposes, or property held to provide a social service.

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses. Where investment properties are acquired through non-exchange transactions, the cost is deemed to be the item's fair value on the date of acquisition.

Investment property other than vacant land is depreciated on the straight-line basis over the useful lives of the assets, estimated at 20 to 50 years.

An investment property is derecognised upon disposal or when it is permanently withdrawn from use, and when no future economic benefits or service potential are expected from its disposal. Any gain or loss arising from the retirement or disposal of investment property is included in the surplus or deficit in the period of such retirement or disposal.

Direct income and expenses arising from investment property are disclosed as part of general income and expenses, and are thus not disclosed separately, as they are not material.

HERITAGE ASSETS

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

Heritage assets are stated at cost less accumulated impairment losses. Where a heritage asset is acquired through a non-exchange transaction, its cost is deemed to be its fair value as at the date of acquisition. Costs incurred to enhance or restore the heritage asset to preserve its indefinite useful life are capitalised as incurred. Day-to-day costs incurred to maintain a heritage asset are expensed.

Transfers to heritage assets are made only when the asset meets the definition of a heritage asset, and transfers from heritage assets are only made when the asset no longer meets the definition of a heritage asset. Transfers to and from heritage assets are done at the carrying amount of the assets transferred at the date of transfer.

The gain or loss arising from the disposal or retirement of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying value, and is recognised in the statement of financial performance. Heritage assets are not depreciated, since their long economic life and high residual value mean that any depreciation would be immaterial.

INTANGIBLE ASSETS

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

Intangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where intangible assets are acquired through non-exchange transactions, the cost is deemed to be the item's fair value on the date of acquisition.

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

Amortisation rates

Intangible assets are amortised on the straight-line basis over the useful lives of the assets. The residual value, amortisation method and useful life, if significant, are reassessed annually. If there is any indication of changes, the effect of such changes in estimate is accounted for on a prospective basis.

The amortised rates are based on the following estimated useful lives:

	Years
Acquisition of rights	8
Computer software	5-10

IMPAIRMENT OF NON-CASH-GENERATING ASSETS

At each reporting date, the City assesses whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the recoverable service amount of the asset is estimated to determine the extent of the impairment loss (if any).

Intangible assets not yet available for use are tested for impairment annually if there is an indication that the asset may be impaired.

The recoverable service amount of a non-cash-generating asset is the higher of fair value less costs to sell and the value-in-use. The value-in-use is the present value of the remaining service potential of the asset, and is determined using the most appropriate of the depreciated replacement cost, restoration cost or service unit approach.

If the recoverable service amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. An impairment loss is recognised immediately in surplus or deficit.

IMPAIRMENT OF CASH-GENERATING ASSETS

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

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

The 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 as well as from its disposal at the end of its useful life.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the Entity recognises a liability only to the extent required by the standards of GRAP.

After the recognition of an impairment loss, the depreciation or 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, on a systematic basis over its remaining useful life.

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CASH AND CASH EQUIVALENTS

Cash includes cash on hand, cash held with banks, and call deposits. Cash equivalents are short-term bank deposits with a maturity of three months or less from inception, readily convertible to cash without significant change in value.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any bank overdrafts.

INVENTORIES

Inventories consist of consumable stock, water and other goods held for use or resale. Inventories are valued at the lower of cost (determined on the weighted-average basis) and net realisable value. Where they are held for distribution or consumption at no charge or for a nominal amount, inventories are valued at the lower of cost and current replacement value.

Plants and compost are valued at the tariffs charged as an approximation of the net realisable value, as these are by-products of the operations of the nursery and the costs directly attributable to bringing these resource to the location and condition necessary for sale cannot be measured reliably.

Cost of inventories comprises all costs of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition. Where inventories are acquired through a non-exchange transaction, their cost is measured at their fair value as at the date of acquisition.

Redundant and slow-moving inventories are identified and written down to their estimated net realisable values, according to their age, condition and utility. Differences arising in the measurement of such inventories at the lower of cost and net realisable value are recognised as an expense in the period during which the write-down or loss occurs.

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

GRANTS AND TRANSFERS

Grants and transfers received or receivable are recognised as assets when the resources that have been transferred to the City meet the definition and criteria for recognition as assets.

A corresponding liability is recognised to the extent that the grant and transfer recognised as an asset, is subject to conditions that require that the City either consumes the future economic benefits or service potential of the asset as specified or that in the event that the conditions are breached the City returns such future economic benefits or service potential to the transferor. The liability is transferred to revenue when the conditions attached to the grants and transfers are met. Grants and transfers that are not subject to any conditions are recognised as revenue when the assets are initially recognised.

Interest earned on the investment of grants and transfers received is treated in accordance with the stipulations set out in the agreement for the receipt of the grant and transfer invested.

PROVISIONS

A provision is recognised when the City has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and the amount of the obligation can be reliably estimated.

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

ENVIRONMENTAL REHABILITATION PROVISIONS

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

The provision for rehabilitation is recognised as and when the environmental liability arises in terms of legislation. Changes in the measurement of existing environmental liabilities resulting from changes in the estimated timing or amount of the outflow of resources required to settle the obligation, or a change in the discount rate, shall be added to or deducted from the cost of the related asset in the current period. The amount deducted from the cost of the asset shall not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess shall be recognised immediately in surplus or deficit. Any unwinding of discount is charged to the statement of financial performance as a finance cost.

EMPLOYEE BENEFITS

Retirement benefit plans

The City provides retirement benefits for its employees and councillors. Retirement benefits consist of defined-contribution plans and defined-benefit plans.

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

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

The municipality does not apply defined-benefit accounting to the defined-benefit plans that are classified as multi-employer plans, as sufficient information is not available to apply the relevant principles. As a result, such plans are accounted for as defined-contribution plans.

Post-retirement pension funds

Pensions paid to employees who had not been members of any of the official pension funds, but who are entitled to a revenue pension, are recognised as an expense when incurred. Such pension payments are funded from a staff provident fund maintained for this purpose. Entitlement to these ex-gratia pension payments is subject to compliance with an acceptable pre-condition for non-membership of any of the pension funds associated with the City.

The City makes the fund contributions on a monthly basis, which are charged to the operating account when employees have rendered the service entitling them to the contributions. Actuarial valuation of the liability is performed on an annual basis. The projected unit credit method has been used to value the obligations.

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

Any unwinding of discount is charged to the statement of financial performance as an employee-related cost. Actuarial gains or losses are fully accounted for as an employee-related cost in the statement of financial performance in the year during which they occur.

Post-retirement medical aid: Continued members

The City provides post-retirement benefits by subsidising the medical aid contributions of certain retired staff. According to the rules of the medical aid funds with which the City is associated, a member on retirement is entitled to remain a continued member of such medical aid fund, and the City will continue to subsidise medical contributions in accordance with the provisions of the employee's employment contract and the City's decision on protected rights. Post-retirement medical contributions paid by the City, depending on the employee's contract, could be 70% or a subsidy indicated on a sliding scale. In each case the employee is responsible for the balance of post-retirement medical contributions. External appointments after 15 December 2000 do not qualify for a post-retirement medical aid subsidy. Only registered dependants on the medical aid fund as at the date of the principal member's retirement are allowed to continue as dependants post-retirement. In the event of the death of the principal member, the remaining dependants and children continue to be subsidised, subject to the rules of the post-retirement medical aid scheme.

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

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

Any unwinding of discount is charged to the statement of financial performance as an employee-related cost. Actuarial gains or losses are fully accounted for in the statement of financial performance in the year during which they occur. The projected unit credit method has been used to value the obligation.

Short-term and long-term employee benefits

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

The City provides long-service leave to eligible employees, payable on completion of years of employment. The City's liability is based on an actuarial valuation. Any unwinding of discount is charged to the statement of financial performance as an employee-related cost. Actuarial gains and losses on the long-term incentives are fully accounted for in the statement of financial performance. The projected unit credit method has been used to value the obligation.

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FINANCIAL INSTRUMENTS

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

Standard of GRAP 108 on statutory receivables does not require disclosure of the risk associated with these transactions. In the absence of such a requirement, the City has based its disclosure on Standard of GRAP 104, which deals with financial instruments. The risk exposure for these transactions is disclosed under a separate category, “Statutory receivables”, in note 1 to these financial statements.

Non-derivative financial assets

The classification of financial assets depends on their nature and purpose, and is determined at the time of initial recognition.

- **Investments at fair value**

Non-derivative investments held without the positive intent or ability to hold to maturity. Subsequent to initial recognition, all changes to fair value are recognised through the statement of financial performance.

- **Investments at amortised cost**

Non-derivative investments with fixed or determinable payments and fixed maturity dates, which the City has the positive intent and ability to hold to maturity. Subsequent to initial recognition, such investments are measured at amortised cost using the effective interest method less any impairment.

- **Investments at cost**

Residual interests that do not have a quoted market price in an active market, and the fair value of which cannot be reliably measured. Subsequent to initial recognition, such investments are measured at cost less any impairment.

Financial assets other than those at fair value are assessed for indicators of impairment at the end of each reporting period. Impairment is considered when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the City has transferred substantially all risks and rewards of ownership, or when the enterprise loses control of contractual rights that comprise the assets.

Non-derivative financial liabilities

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

Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled or when it expires.

Derivative financial instruments

The City holds derivative financial instruments to hedge its foreign-currency risk exposures. Derivatives are initially measured at fair value; any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and any changes are recognised in profit or loss.

PAYABLES

Payables are initially measured at fair value plus transactional cost, and are subsequently measured at amortised cost, using the effective interest rate method.

RECEIVABLES

Receivables that arise from contractual rights are classified as contractual receivables, while receivables that arise from the operation of law are classified as statutory receivables.

Contractual receivables are initially recognised at fair value plus transactional cost, which approximates amortised cost.

Statutory receivables are initially measured at the transaction amount of the corresponding exchange or non-exchange revenue transaction, and are subsequently measured at cost.

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

Bad debts are written off in the year during which they are identified as irrecoverable, subject to approval by the appropriate delegated authority.

Amounts receivable within 12 months from the date of reporting are classified as current.

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BUDGET INFORMATION

The annual budget figures have been prepared in accordance with the GRAP standards on an accrual basis, and are consistent with the accounting policies adopted by Council for the preparation of these financial statements.

The budget amounts are presented as a separate additional financial statement, called the statement of comparison of budget and actual amounts. Explanatory comments on material differences are provided in the notes to the financial statements.

The approved budget presented in the statement of comparison of budget and actual amounts is the most recent adjustment budget approved by Council.

The final budget presented is the most recently approved budget adjusted for changes made in terms of legislation and may not have been formally approved again by Council. Where entities are required to have their budget(s) approved again for any subsequent adjustments, the most recently approved budget becomes the final budget for purposes of disclosure.

Comparative information is not required for, and has therefore not been presented in, the statement of comparison of budget and actual amounts.

REVENUE RECOGNITION

Revenue is recognised net of indirect taxes, rebates and trade discounts, and consists primarily of rates, grants from National Government and Western Cape Provincial Government ('Province'), service charges, rentals, interest received and other services rendered. Revenue is recognised when it is probable that future economic benefits or services potential will flow to the City, and when these benefits can be reliably measured. Revenue arising from the application of the approved tariff charges is recognised when the relevant service is rendered, by applying the relevant authorised tariff. This includes the issuing of licences and permits.

Revenue from exchange transactions

Exchange transactions are transactions in which the City receives assets or services, or has liabilities extinguished and directly gives approximately equal value to another City in exchange.

Service charges are levied in terms of the approved tariffs.

Credit meters are read on a periodic basis, and revenue is recognised providing that the benefits can be measured reliably. Estimates of consumption are made every other month based on consumption history. Such estimated consumption is recognised as income when invoiced, and adjusted upon subsequent actual meter readings. An accrual based on a determined consumption factor is made for consumption not measured as at the end of the financial year.
Electricity services provided on a prepayment basis are recognised at the point of sale. An adjustment for an unutilised portion is made at year-end, based on the average consumption history.

Income in respect of housing rental and instalment sale agreements is accrued monthly.

Interest earned on investments is recognised in the statement of financial performance on a time-proportionate basis, which takes into account the effective yield on the investment. Interest may be transferred from the accumulated surplus to the housing development fund or the insurance reserve.

Interest earned on the following investments is not recognised in the statement of financial performance:
- ✓ Interest earned on trust funds is allocated directly to the fund.
- ✓ Interest earned on unutilised conditional grants is allocated directly to the creditor 'Unspent conditional grants and receipts" if the grant conditions indicate, or where management has determined, that interest is payable to the funder.

Dividends are recognised when the City's right to receive payment is established.

Income for agency services, where the City acts as an agent, is recognised monthly once the income collected on behalf of principals is earned. The income is recognised in terms of the agency agreement.

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:
- ✓ The City has transferred to the buyer the significant risks and rewards of ownership of the goods.
- ✓ The City 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 reliably measured.
- ✓ The costs incurred or to be incurred in respect of the transaction can be reliably measured.

Revenue from non-exchange transactions

Non-exchange transactions are transactions where the City received revenue from another entity without giving approximately equal value in exchange.

Revenue from rates is recognised when the legal entitlement to this revenue arises and ratepayers have been duly notified. Collection charges are recognised when such amounts are legally enforceable. Interest on unpaid rates is recognised on a time-proportionate basis with reference to the principal amount receivable and effective interest rate applicable.

A composite rating system, charging different rate tariffs, is used. Rebates are granted to certain categories of ratepayers, and are deducted from revenue.

REVENUE RECOGNITION (continued)

Revenue from non-exchange transactions (continued)

Revenue from traffic fines is recognised when the fine is issued.

Donations are recognised on a cash receipt basis, or, where the donation is in the form of property, plant and equipment, when the risks or rewards of ownership have transferred to the City. Donations are measured at fair value.

Income from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Local Government: Municipal Finance Management Act 56 of 2003, and is recognised when recovered from the responsible party.

LEASES

The City as lessee

Operating leases are those where risks and rewards of ownership are not transferred to the lessee. Payments made under operating leases are charged to the statement of financial performance on a straight-line basis over the period of the lease.

The City as lessor

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

GRANTS-IN-AID

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

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

These transfers are recognised in the statement of financial performance as expenses in the period during which the events giving rise to the transfer occurred.

BORROWING COSTS

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

UNAUTHORISED, IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE

Unauthorised, irregular and fruitless and wasteful expenditure is accounted for as an expense in the statement of financial performance and classified in accordance with the nature of the expense. Where recovered, it is subsequently accounted for as revenue.

The total amounts, nature and type of these expenditures are disclosed in note 37.

SERVICES IN KIND

Services in kind are not recognised as revenue or assets, but the nature and type of major classes of services in kind are disclosed in note 21.

RELATED PARTIES

A related party is a person or an entity with the ability to control the Entiity either individually or jointly, or the ability to exercise significant influence over the City, or vice versa.

Management is regarded as a related party, and comprises the councillors, Executive Mayor, Executive Deputy Mayor, Mayoral Committee (Mayco) members, City Manager and executive directors.

SEGMENTAL REPORTING

Basis for segmentation

City of Cape Town is a complex metropolitan municipality with a wide variety of goods and services managed by various business units. Operations are structured to achieve optimum service delivery and the municipality produces various reports in which its activities are presented in a variety of ways.

Segments were identified based on the MFMA S71 monthly budget statements that are reviewed by the executive management and council to make strategic decisions and in monitoring segment performance. The disclosure of information about segments in these reports are organised around the type of service delivered, in a standardised format, and is considered appropriate for external reporting purposes to achieve the objectives of GRAP 18.

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SEGMENTAL REPORTING (continued)

Basis for segmentation (continued)

Segments are aggregated for reporting purposes when management considered that the economic characteristics and nature or services are sufficiently similar to warrant aggregation. The components of each aggregated segment is explained under the description of operations of the segments.

Reportable segments are identified based on activities of the municipality that generates economic benefits or service potential including internal services that contribute to achieving the municipality's objectives without necessarily generating net cash inflows.

Accounting policy and measurement basis

The accounting policies of the reportable segments are the same as the municipality's accounting policies.

Inter-segment pricing is determined on an arm's length basis, similar to transactions with third parties. Inter-segment revenues are eliminated upon consolidation and reflected in the "elimination of intersegment transactions" column of the segment report.

Geographic information

All the municipality's operations are located in the Republic of South Africa in the Cape Town area. Information to report on different geographical areas is not available and the cost to develop it would be excessive.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

Rand thousands (R'000)

	Note	2021	2020
ASSETS			
Non-current assets		**60 640 764**	**56 552 793**
Property, plant and equipment	2	52 846 552	49 082 175
Heritage assets	3	10 268	10 269
Investment property	4	579 534	581 247
Intangible assets	5	624 635	599 678
Investments	6	6 573 136	6 267 808
Long-term receivables	7	6 639	11 616
Current assets		**18 039 300**	**19 584 521**
Inventory	8	467 065	431 504
Receivables	9	6 554 666	7 341 873
From non-exchange transactions		2 883 429	3 147 893
From exchange transactions		3 671 237	4 193 980
Investments	6	2 883 869	2 436 051
Current portion of long-term receivables	7	7 600	8 524
Cash and cash equivalents	10	8 126 100	9 366 569
TOTAL ASSETS		**78 680 064**	**76 137 314**
LIABILITIES			
Non-current liabilities		**13 662 335**	**13 299 092**
Borrowings	11	6 547 823	6 871 889
Provisions	13	7 114 512	6 427 203
Current liabilities		**9 902 652**	**9 777 564**
Deposits	14	439 775	419 421
Provisions	13	1 572 671	1 384 347
Payables from exchange transactions	15	6 244 318	5 961 972
Unspent conditional grants and receipts	16	1 119 269	1 392 172
Value-added tax	17	86 380	173 298
Current portion of borrowings	11	440 239	446 354
TOTAL LIABILITIES		**23 564 987**	**23 076 656**
NET ASSETS			
Total net assets		**55 115 077**	**53 060 658**
Housing development fund	18	421 203	463 210
Reserves		5 077 328	5 175 985
Accumulated surplus		49 616 546	47 421 463
TOTAL NET ASSETS AND LIABILITIES		**78 680 064**	**76 137 314**

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STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2021

Rand thousands (R'000)

	Note	2021	2020
REVENUE			
Exchange revenue		**23 462 678**	**23 534 038**
Service charges	19	21 101 782	20 880 394
Rental of letting stock and facilities		381 537	430 719
Finance income	20	1 217 275	1 582 511
Licences and permits		39 181	38 599
Agency services		270 810	200 585
Other income	21	388 179	348 779
Gains on disposal of property, plant and equipment		63 914	52 451
Non-exchange revenue		**22 147 516**	**21 116 163**
Finance income	20	134 185	109 465
Other income	21	270 239	370 404
Property rates	22	10 005 031	9 841 785
Fuel levy		2 594 971	2 570 486
Fines, penalties and forfeits		1 548 682	1 288 976
Government grants and subsidies	23	7 398 444	6 868 796
Public contributions	24	195 964	66 251
Total revenue		**45 610 194**	**44 650 201**
EXPENDITURE			
Employee-related costs	25	15 109 022	12 776 709
Remuneration of councillors	38.2.2	158 089	158 912
Impairment costs	26	2 971 887	2 882 571
Collection costs		197 733	195 816
Depreciation and amortisation expenses [1]	2,4,5	2 833 027	2 901 939
Finance costs	27	818 801	807 898
Bulk purchases	28	10 147 766	9 871 770
Contracted services	29	2 596 756	2 113 850
Grants and subsidies paid		321 394	313 955
General expenses	30	8 398 360	8 251 342
Losses on disposal of property, plant and equipment		2 940	6 030
Total expenditure		**43 555 775**	**40 280 792**
NET SURPLUS FROM OPERATIONS		**2 054 419**	**4 369 409**

[1] *See Annexure B for more details.*

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STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 30 JUNE 2021

Rand thousands (R'000)

	Housing development fund	Capital replacement reserve	Insurance reserves	Accumulated surplus	Total
2020					
Balance as at 1 July 2019	**409 351**	**3 800 793**	**588 775**	**43 892 330**	**48 691 249**
Surplus for the year	-	-	-	4 369 409	4 369 409
Transfer to/(from)	74 639	1 540 734	26 046	(1 641 419)	-
Property, plant and equipment purchased	(20 780)	(780 363)	-	801 143	-
Balance as at 30 June 2020	**463 210**	**4 561 164**	**614 821**	**47 421 463**	**53 060 658**
2021					
Surplus for the year	-	-	-	2 054 419	2 054 419
Transfer (from)/to	(7 370)	1 044 762	10 011	(1 047 403)	-
Property, plant and equipment purchased	(34 637)	(1 153 430)	-	1 188 067	-
Balance as at 30 June 2021	**421 203**	**4 452 496**	**624 832**	**49 616 546**	**55 115 077**

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CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2021

Rand thousands (R'000)

	Note	2021	Restated[1] 2020
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		41 272 675	39 356 189
Cash paid to suppliers and employees		(35 397 699)	(33 265 559)
Cash generated from operations [1]	31	5 874 976	6 090 630
Finance income	31	1 304 749	1 642 305
Finance costs	31	(731 498)	(718 927)
NET CASH FROM OPERATING ACTIVITIES [1]		**6 448 227**	**7 014 008**
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment and other		(6 528 473)	(5 970 668)
Proceeds on disposal of assets		84 028	73 195
(Increase)/decrease in long-term receivables		(32 484)	10 826
Increase in investments		(840 273)	(886 819)
NET CASH FROM INVESTING ACTIVITIES		**(7 317 202)**	**(6 773 466)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	1 091 580
Repayment of borrowings		(371 494)	(384 828)
NET CASH FROM FINANCING ACTIVITIES [1]		**(371 494)**	**706 752**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(1 240 469)**	**947 294**
Cash and cash equivalents at the beginning of the year		9 366 569	8 419 275
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	10	**8 126 100**	**9 366 569**

[1] Comparative restated: Increase in deposits have been reclassified from 'net cash from financing activities' (previously reported: R715 211 thousand) to 'net cash from operating activities' (previously reported: R7 005 549 thousand). The net (decrease)/increase in cash and cash equivalents remains unchanged.

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STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

FOR THE YEAR ENDED 30 JUNE 2021

Rand thousands (R'000)

	Note	Approved budget [1]	Final budget [1]	Actual per annual financial statements classification	Classification differences [1]	Actual per budget classification	Variance: Final budget and actual amounts	Variance %
STATEMENT OF FINANCIAL POSITION								
Total non-current assets		60 708 257	60 708 257	60 640 764	-	60 640 764	67 493	0,11
Total current assets		17 167 735	17 167 735	18 039 300	-	18 039 300	(871 565)	(5,08)
Total assets		**77 875 992**	**77 875 992**	**78 680 064**	**-**	**78 680 064**	**(804 072)**	**(1,03)**
Total non-current liabilities		13 835 687	13 835 687	13 662 335	-	13 662 335	173 352	1,25
Total current liabilities		10 501 465	10 501 465	9 902 652	-	9 902 652	598 813	5,70
Total liabilities		**24 337 152**	**24 337 152**	**23 564 987**	**-**	**23 564 987**	**772 165**	**3,17**
Total net assets		53 538 840	53 538 840	55 115 077	-	55 115 077	(1 576 237)	(2,94)
Total net assets and liabilities		**77 875 992**	**77 875 992**	**78 680 064**	**-**	**78 680 064**	**(804 072)**	**(1,03)**
FINANCIAL PERFORMANCE	36.2.1							
Property rates		10 525 121	10 525 121	10 005 031	270 240	10 275 271	249 850	2,37
Service charges		19 872 799	19 872 799	21 101 782	(825 822)	20 275 960	(403 161)	(2,03)
Investment revenue		976 104	976 104	1 351 460	(454 920)	896 540	79 564	8,15
Transfers recognised - operational		6 138 091	6 138 091	5 781 742	11 454	5 793 196	344 895	5,62
Other own revenue	i	5 336 202	5 336 202	5 557 513	359 897	5 917 410	(581 208)	(10,89)
Total revenue (excluding capital transfers and contributions)		**42 848 317**	**42 848 317**	**43 797 528**	**(639 151)**	**43 158 377**	**(310 060)**	**(0,72)**
Employee costs		14 875 438	14 875 713	15 109 022	(1 000)	15 108 022	(232 309)	(1.56)
Remuneration of councillors	ii	189 675	189 675	158 089	8 328	166 417	23 258	12,26
Debt impairment	iii	3 210 936	3 210 936	2 971 887	(117 236)	2 854 651	356 285	11,10
Depreciation and asset impairment		2 850 866	2 850 866	2 833 027	30 228	2 863 255	(12 389)	(0,43)
Finance charges		851 450	848 349	818 801	12 677	831 478	16 871	1,99
Materials and bulk purchases		11 561 850	11 536 730	10 147 766	1 315 844	11 463 610	73 120	0,63
Transfers and grants	iv	556 482	546 779	321 394	80 162	401 556	145 223	26,56
Other expenditure		10 212 913	10 250 562	11 195 789	(1 724 518)	9 471 271	779 291	7,60
Total expenditure		**44 309 610**	**44 309 610**	**43 555 775**	**(395 515)**	**43 160 260**	**1 149 350**	**2,59**
Surplus		**(1 461 293)**	**(1 461 293)**	**241 753**	**(243 636)**	**(1 883)**	**(1 459 410)**	
Transfers recognised - capital		1 939 476	1 939 476	1 616 702	314 389	1 931 091	8 385	0,43
Contributions recognised - capital and contributed assets		-	-	195 964	(70 753)	125 211	(125 211)	
Surplus after capital transfers and contributions		**478 183**	**478 183**	**2 054 419**	**-**	**2 054 419**	**(1 576 236)**	

[1] *See note 36 for more details.*

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STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS (continued)

FOR THE YEAR ENDED 30 JUNE 2021

Rand thousands (R'000)

	Note	Approved budget [1]	Final budget [1]	Actual per annual financial statements classification	Recognition differences [1]	Actual per budget classification	Variance: Final budget and actual amounts	Variance %
CASH FLOW STATEMENT	36.2.2							
Net cash from operating	i	3 629 948	3 629 948	6 448 227	-	6 448 227	(2 818 279)	(77,64)
Net cash from investing		(6 816 334)	(6 816 334)	(7 317 202)	-	(7 317 202)	500 868	(7,35)
Net cash from financing		(384 839)	(384 839)	(371 494)	-	(371 494)	(13 345)	3,47
Net increase in cash and cash equivalents		**(3 571 225)**	**(3 571 225)**	**(1 240 469)**	**-**	**(1 240 469)**	**(2 330 756)**	**65,26**
Cash/cash equivalents at the year end		**5 795 344**	**5 795 344**	**8 126 100**	**-**	**8 126 100**	**(2 330 756)**	**(40,22)**
CAPITAL EXPENDITURE	36.3							
Community Services and Health	i	327 256	327 256	296 495	(1 664)	294 831	(32 425)	(9,91)
Corporate Services	ii	225 143	225 143	208 287	-	208 287	(16 856)	(7,49)
Economic Opportunities and Asset Management	iii	359 072	359 072	320 615	(300)	320 315	(38 757)	(10,79)
Energy and Climate Change	iv	852 722	852 722	758 775	(8 497)	750 278	(102 444)	(12,01)
Finance	v	274 033	274 033	248 490	-	248 490	(25 543)	(9,32)
Human Settlements	vi	781 009	781 009	737 971	-	737 971	(43 038)	(5,51)
Office of the City Manager	vii	1 585	1 585	1 281	-	1 281	(304)	(19,18)
Safety and Security		385 688	385 688	368 558	(679)	367 879	(17 809)	(4,62)
Spatial Planning and Environment	viii	133 448	133 448	105 564	-	105 564	(27 884)	(20,90)
Transport	ix	917 980	917 980	938 420	(161 974)	776 446	(141 534)	(15,42)
Urban Management	x	66 978	66 978	48 608	-	48 608	(18 370)	(27,43)
Water and Waste	xi,xii,xiii	3 050 983	3 050 983	2 633 797	34 726	2 668 523	(382 460)	(12,54)
Total		**7 375 897**	**7 375 897**	**6 666 861**	**(138 388)**	**6 528 473**	**(847 424)**	**(11,49)**

[1] *See note 36 for more details.*

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SEGMENTAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

Rand thousands (R'000)

	Water Management	Waste water Management	Waste Management	Energy Sources	Municipal Governance and Administration	Community and Public Safety	Economic and Environmental Services	Inter Segment offsetting	TOTAL
STATEMENT OF FINANCIAL POSITION									
ASSETS									
Non-current assets	6 373 751	5 630 114	1 357 824	9 790 116	12 523 456	10 137 934	14 827 569	-	**60 640 764**
Current assets	883 175	270 011	581 194	1 536 564	14 186 938	507 477	73 941	-	**18 039 300**
Total Assets	**7 256 926**	**5 900 125**	**1 939 018**	**11 326 680**	**26 710 394**	**10 645 411**	**14 901 510**	**-**	**78 680 064**
LIABILITIES									
Non-current liabilities	279 138	136 265	487 443	298 058	10 928 706	1 114 180	418 545	-	**13 662 335**
Current liabilities	2 336 086	1 828 504	181 224	2 359 834	1 188 270	782 140	1 226 594	-	**9 902 652**
Total Liabilities	**2 615 224**	**1 964 769**	**668 667**	**2 657 892**	**12 116 976**	**1 896 320**	**1 645 139**	**-**	**23 564 987**
ADDITIONS TO PPE AND OTHER ASSETS	**1 108 732**	**970 952**	**306 230**	**739 191**	**963 140**	**1 440 009**	**1 138 607**		**6 666 861**
STATEMENT OF FINANCIAL PERFORMANCE									
REVENUE									
Exchange revenue	**3 452 861**	**1 691 544**	**1 600 953**	**14 385 328**	**1 516 927**	**371 534**	**443 531**	**-**	**23 462 678**
Service charges	3 275 802	1 607 439	1 549 201	14 250 514	76 262	78 242	264 322	-	**21 101 782**
Rental of letting stock and facilities	192	14	-	38	151 052	230 109	132	-	**381 537**
Finance income	159 161	59 177	45 949	37 150	908 609	5 454	1 775	-	**1 217 275**
Licences and permits	-	-	-	-	1	43	39 137	-	**39 181**
Income from agency services	-	-	-	-	258 515	12 295	-	-	**270 810**
Other income	13 233	24 913	5 612	96 072	73 060	37 548	137 741	-	**388 179**
Gains on disposal of PPE	4 473	1	191	1 554	49 428	7 843	424	-	**63 914**
Non-exchange revenue	**1 116 133**	**395 392**	**448 040**	**303 698**	**14 848 455**	**3 102 962**	**1 932 836**	**-**	**22 147 516**
Finance income	-	-	-	-	134 185	-	-	-	**134 185**
Other income	-	-	-	-	-	-	270 239	-	**270 239**
Property rates	-	-	-	-	10 005 031	-	-	-	**10 005 031**
Fuel levy	-	-	-	-	2 594 971	-	-	-	**2 594 971**
Fines	5 039	365	142	2 975	1 855	1 501 165	37 141	-	**1 548 682**
Government grants and subsidies	1 099 031	395 027	447 898	244 943	2 111 735	1 593 183	1 506 627	-	**7 398 444**
Public contributions	12 063	-	-	55 780	678	8 614	118 829	-	**195 964**
Inter-segment revenue	**2 956 676**	**1 683 066**	**2 186 084**	**736 278**	**2 688 752**	**171 320**	**628**	**(10 422 804)**	**-**
Total Revenue	**7 525 670**	**3 770 002**	**4 235 077**	**15 425 304**	**19 054 134**	**3 645 816**	**2 376 995**	**(10 422 804)**	**45 610 194**
EXPENDITURE	**3 332 687**	**2 161 929**	**2 789 353**	**11 826 795**	**9 298 072**	**8 939 876**	**5 207 063**	**-**	**43 555 775**
Employee-related costs	1 213 374	607 639	1 011 548	1 123 658	4 723 275	4 497 189	1 932 339	-	**15 109 022**
Remuneration of councillors	-	-	-	-	158 089	-	-	-	**158 089**
Impairment costs	516 674	194 172	169 854	71 787	526 759	1 484 173	8 468	-	**2 971 887**
Collection costs	2 164	797	775	-	153 330	38 885	1 782	-	**197 733**
Depreciation and amortisation expense	267 255	178 251	66 193	376 760	622 343	578 736	743 489	-	**2 833 027**
Finance costs	-	-	45 990	-	772 811	-	-	-	**818 801**
Bulk purchases	429 209	-	-	9 718 557	-	-	-	-	**10 147 766**
Contracted services	116 498	545 580	728 454	122 361	126 822	113 757	843 284	-	**2 596 756**
Grants and subsidies paid	2 905	-	-	600	157 212	65 237	95 440	-	**321 394**
General expenses	784 350	635 489	766 506	412 976	2 056 359	2 160 444	1 582 236	-	**8 398 360**
Loss on disposal of PPE	258	1	33	96	1 072	1 455	25	-	**2 940**
Inter-segment expenses	**3 233 683**	**1 331 606**	**614 818**	**2 154 538**	**2 246 833**	**727 630**	**113 696**	**(10 422 804)**	**-**
Total Expenditure	**6 566 370**	**3 493 535**	**3 404 171**	**13 981 333**	**11 544 905**	**9 667 506**	**5 320 759**	**(10 422 804)**	**43 555 775**
NET SURPLUS FROM OPERATIONS	**959 300**	**276 467**	**830 906**	**1 443 971**	**7 509 229**	**(6 021 690)**	**(2 943 764)**	**-**	**2 054 419**

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Description of segments and principal activities

The following summary describes the principal activities and operations of each reportable segment.

REPORTABLE SEGMENTS	PRINCIPAL ACTIVITIES AND OPERATIONS
Water Management	Provide residents, business and industry with clean, safe and reliable drinking water. This entails many diverse activities from the management of water catchments areas and water storage to distribution.
Wastewater Management	The treatment of wastewater and its safe disposal back into the environment.
Waste Management	Collection and disposal of waste in a safe manner as required by legislation. Ensure the general cleanliness in the city's streets, public spaces, beaches and rivers.
Energy Sources	Distribute electricity to residential, commercial and industrial customers in Cape Town and provide the link between Eskom and electricity consumers. Construct and maintain the equipment that transforms the power supply for the consumers' needs.
Municipal governance and administration	This segment is responsible for all aspects of governance and the centralised financial administration of the municipality. Various transactions are managed and administered centrally.
Community and Public Safety	This segment consists of various departments with aligned objectives. It is responsible for community and social services, sport and recreation facilities, crime prevention, traffic enforcement, public housing and health.
Economic and Environmental Services	This segment consists of various departments with aligned objectives. It is responsible for urban planning and development, transport, road maintenance and environmental protection.

Centrally incurred assets, liabilities, revenue and expenditure

Value added tax, cash, investments, borrowings, unspent grants have not been allocated to individual segments as these are managed centrally by the treasury department. Similarly, external interest related to cash, investments or borrowings are not allocated to individual segments. All these items are allocated to the Municipal governance and administration segment.

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1. FINANCIAL RISK MANAGEMENT

Exposure to currency, interest rate, liquidity and credit risk arises in the normal course of the City's operations. This note presents information about the City's exposure to each of the above risks, policies and processes for measuring and managing risk, as well as the City's management of capital. Further quantitative disclosures are included throughout these financial statements.

The accounting policy for financial instruments was applied to the following statement of financial position items:

	Amortised cost	Fair value	Cost	Total carrying amount	Fair value
2021					
Financial assets					
Investments	3 225 977	6 010 593	220 435	9 457 005	9 651 380
Long-term receivables	8 997	-	-	8 997	8 997
Contractual receivables	3 612 491	-	-	3 612 491	3 612 491
Cash and cash equivalents	7 062 607	1 063 493	-	8 126 100	8 126 100
TOTAL	**13 910 072**	**7 074 086**	**220 435**	**21 204 593**	**21 398 968**
Statutory assets					
Receivables	**2 865 104**	**-**	**-**	**2 865 104**	**2 865 104**
2020					
Financial assets					
Investments	2 916 392	5 480 025	307 442	8 703 859	8 852 806
Long-term receivables	20 140	-	-	20 140	20 140
Contractual receivables	4 152 881	-	-	4 152 881	4 152 881
Cash and cash equivalents	8 097 003	1 269 566	-	9 366 569	9 366 569
TOTAL	**15 186 416**	**6 749 591**	**307 442**	**22 243 449**	**22 392 396**
Statutory assets					
Receivables	**3 130 318**	**-**	**-**	**3 130 318**	**3 130 318**

	Amortised cost	Total carrying amount	Fair value
2021			
Non-derivative financial liabilities			
Borrowings	6 988 062	6 988 062	7 507 535
Payables	5 167 812	-	5 167 812
TOTAL	**12 155 874**	**6 988 062**	**12 675 347**
2020			
Non-derivative financial liabilities			
Borrowings	7 318 243	7 318 243	8 005 509
Payables	4 971 265	4 971 265	4 971 265
TOTAL	**12 289 508**	**12 289 508**	**12 976 774**

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1. FINANCIAL RISK MANAGEMENT (continued)

1.1 Fair values

The table below analyses financial instruments carried at fair value at the end of the reporting period, by level of fair-value hierarchy. The different levels are based on the extent to which quoted prices are used in the calculation of the fair value of the financial instruments, and have been defined as follows:

Level 1: Fair values are based on quoted market prices (unadjusted) in active markets for an identical instrument.

Level 2: Fair values are calculated using valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active, or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Fair values are based on valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data, and the unobservable inputs have a significant effect on the instrument's valuation. Also, this category includes instruments that are valued based on quoted prices for similar instruments, where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

	Level 1	Level 2	Level 3	Total
2021				
Financial assets				
Investments	2 379 610	3 630 983	-	6 010 593
Cash and cash equivalents	-	1 063 493	-	1 063 493
TOTAL	**2 379 610**	**4 694 476**	**-**	**7 074 086**
Financial liabilities				
Borrowings	**6 988 062**	**-**	**-**	**6 988 062**
2020				
Financial assets				
Investments	2 044 201	3 435 824	-	5 480 025
Cash and cash equivalents	-	1 269 566	-	1 269 566
TOTAL	**2 044 201**	**4 705 390**	**-**	**6 749 591**
Financial liabilities				
Borrowings	**7 318 243**	**-**	**-**	**7 318 243**

1.2 Liquidity risk

Liquidity risk is the risk of the City not being able to meet its obligations as they fall due. The City's approach to managing liquidity risk is to ensure that sufficient cash is available to meet its expected operating expenses and liabilities when due, without incurring unacceptable losses or risking damage to the City's reputation. This is achieved by using cash flow forecasts.

The following are contractual liabilities of which interest is included in borrowings:

	Up to 1 year	1-5 years	>5 years	Total
2021				
Non-derivative financial liabilities				
Borrowings	1 142 584	7 146 560	1 303 476	9 592 620
Capital repayments	440 239	5 491 652	1 056 171	6 988 062
Interest	702 345	1 654 908	247 305	2 604 558
Payables	5 167 812	-	-	5 167 812
TOTAL	**6 310 396**	**7 146 560**	**1 303 476**	**14 760 432**

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1. FINANCIAL RISK MANAGEMENT (continued)

1.3 Credit risk

Credit risk is the risk of financial loss to the City if customers or counterparties to financial instruments fail to meet their contractual obligations, and arises principally from the City's investments, receivables, and cash and cash equivalents.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at 30 June was as follows:

	2021	2020
Financial assets	**20 984 158**	**21 941 326**
Investments	9 236 570	8 401 736
Long-term receivables – see note 7	8 997	20 140
Contractual receivables	3 612 491	4 152 881
Cash and cash equivalents	8 126 100	9 366 569
Statutory assets		
Receivables	2 865 104	3 130 318
TOTAL	**23 849 262**	**25 071 644**

Investments, and cash and cash equivalents
The City limits its exposure to credit risk by investing with only reputable financial institutions that have a sound credit rating, and within specific guidelines set in accordance with Council's approved policy. Consequently, the City does not consider there to be any significant exposure to credit risk.

Long-term receivables
Loans were granted and are managed in accordance with policies and regulations as set out in note 7. The associated interest rates and repayments are clearly defined and, where appropriate, the City obtains certain suitable forms of security when granting loans. Allowances for impairment are made in certain instances. No further loans have been awarded.

Receivables
Receivables are amounts owing by consumers, and are presented net of impairment losses. The City has a credit risk policy in place, and the exposure to credit risk is monitored on an ongoing basis. The City is compelled in terms of its constitutional mandate to provide all its residents with basic minimum services, without recourse to an assessment of creditworthiness. There were no material changes in its objectives, policies and processes for managing and measuring the risk during the year in review. The City's strategy for managing its risk includes encouraging residents to install water demand management devices that control water flow to households, as well as prepaid electricity meters. In certain instances, a deposit is required for new service connections.

The City's maximum exposure to credit risk is represented by the carrying value of each financial asset in the statement of financial position. The City has no significant concentration of credit risk, with exposure spread over multiple consumers and not concentrated in any particular sector or geographic area. The City establishes an allowance for impairment that represents its estimate of anticipated losses in respect of receivables. The outstanding amounts of the ten largest trade debtors represent R338,64 million (2020: R231,06 million). The average credit period on services rendered is 30 days from date of invoice. Interest is raised at prime plus 1% on any unpaid accounts after the due date. Receivables are provided for based on estimated irrecoverable amounts, determined by reference to past default experience. Additional information relating to the analysis of receivables is given in note 9.

Payments on accounts of consumer debtors who are unable to pay due to an adverse change in their circumstances are renegotiated as part of an ongoing customer relationship. Traffic fines can be disputed in writing and can lead to a renegotiated fine.

1.4 Capital management

The primary objective of managing the City's capital is to ensure that there is sufficient cash available to support the City's funding requirements, including capital expenditure, so that the City remains financially sound. This is done by means of the following key ratios:

- **Cost coverage ratio,** which is used to calculate the City's ability to meet its monthly operating commitments from cash and short-term investments without collecting any additional revenue, during that month.
- **Net-debt-to-income ratio**, which is used to determine the affordability of total borrowings to be funded from operating revenue.

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1. FINANCIAL RISK MANAGEMENT (continued)

1.5 Price risk

The City is exposed to price risk because of investments held by the City and classified as financial instruments carried at fair value. The City is not exposed to commodity price risk. To manage its price risk arising from investments, the City diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the City. The exposure to price risk is not material to the City and, consequently, is not elaborated on any further.

1.6 Market risk

Market risk is the risk that changes in market prices such as interest rates and foreign-exchange rates may affect the City's income or the value of its financial instrument holdings. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on the risk.

1.6.1 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument may fluctuate because of changes in market interest rates. The City's exposure to the risk of changes in market rates relates primarily to the City's investments with floating interest rates.

The effective rates on financial instruments as at 30 June 2021 were as follows:

	MATURITY OF INTEREST-BEARING ASSETS/LIABILITIES				
	Weighted average interest rate %	**1 year or less**	**1-5 years**	**>5 years**	**Total**
2021					
Financial assets					
Investments	4,83	3 947 362	6 252 213	100 488	10 300 063
Cash and cash equivalents	3,89	7 062 607	-	-	7 062 607
TOTAL		**11 009 969**	**6 252 213**	**100 488**	**17 362 670**
Financial liabilities					
Borrowings	10,04	**440 239**	**5 491 652**	**1 056 171**	**6 988 062**

Sensitivity analysis

Financial assets

As at 30 June 2021, if the weighted average interest rate at that date had been 100 basis points higher, with all other variables held constant, the fair-value impact on the statement of financial performance would have been R175,83 million (2020: R181,29 million) with the opposite effect if the interest rate had been 100 basis points lower. The sensitivity analysis is performed by dividing the total investment interest earned for the year by the average interest rate earned to give the effect of a one-percent movement in interest rates.

Financial liabilities

Changes in the interest rate as at 30 June 2021 would have had no impact on the statement of financial performance as all borrowings are at a fixed interest rate.

1.6.2 Currency risk

The City is exposed to foreign-currency risk through the importation of goods and services, either directly or indirectly, through the award of contracts to local importers. The City manages any material direct exposure to foreign-currency risk by entering into forward exchange contracts. The City manages its indirect exposure by requiring the local importer to take out a forward exchange contract at the time of procurement, so as to predetermine the rand value of the contracted goods or services.

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2. PROPERTY, PLANT AND EQUIPMENT

	As at 30 June 2021			As at 30 June 2020 [1]		
	Cost price	Accumulated depreciation	Carrying value	Cost price	Accumulated depreciation	Carrying value
Land and buildings	4 686 169	(1 128 600)	3 557 569	4 501 874	(1 044 104)	3 457 770
Infrastructure	51 301 901	(16 382 599)	34 919 302	46 606 369	(14 877 557)	31 728 812
Community	5 303 314	(1 757 532)	3 545 782	5 121 508	(1 642 841)	3 478 667
Other [1]	12 002 665	(6 710 814)	5 291 851	11 123 280	(6 242 191)	4 881 089
Living resources [1]	1 225	(649)	576	1 281	(513)	768
Service concession	6 343 407	(2 878 784)	3 464 623	6 123 470	(2 660 250)	3 463 220
Housing rental stock	3 329 058	(1 262 209)	2 066 849	3 237 642	(1 165 793)	2 071 849
TOTAL	**82 967 739**	**(30 121 187)**	**52 846 552**	**76 715 424**	**(27 633 249)**	**49 082 175**

RECONCILIATION

	Opening balance	Transfers/ adjustments	Additions	Disposals	Depreciation	Impairment	Carrying value
As at 30 June 2021							
Land and buildings	3 457 770	104 186	80 129	(45)	(63 677)	(20 794)	3 557 569
Infrastructure	31 728 812	(89 516)	4 628 187	(1 088)	(1 340 148)	(6 945)	34 919 302
Community	3 478 667	(57 144)	239 308	(44)	(114 861)	(144)	3 545 782
Other	4 881 089	(54 272)	1 307 757	(20 376)	(820 003)	(2 344)	5 291 851
Living resources	768	-	-	-	(192)	-	576
Service concession	3 463 220	36	220 079	-	(218 712)	-	3 464 623
Housing rental stock	2 071 849	38 145	63 318	(1 500)	(104 963)	-	2 066 849
TOTAL	**49 082 175**	**(58 565)**	**6 538 778**	**(23 053)**	**(2 662 556)**	**(30 227)**	**52 846 552**

(See annexure B for more details.)

	Opening balance	Transfers/ adjustments	Additions	Disposals	Depreciation	Impairment	Carrying value
As at 30 June 2020							
Land and buildings	3 174 420	192 800	149 700	-	(59 148)	(2)	3 457 770
Infrastructure	29 248 354	(224 966)	4 211 042	-	(1 491 229)	(14 389)	31 728 812
Community	6 244 427	(2 828 840)	175 240	-	(112 122)	(38)	3 478 667
Other [1]	4 316 864	(78 418)	1 417 983	(15 924)	(757 922)	(1 494)	4 881 089
Living resources [1]	960	-	-	-	(192)	-	768
Service concession	706 841	2 927 392	63 478	(4 918)	(225 712)	(3 861)	3 463 220
Housing rental stock	2 011 366	92 671	74 062	(5 915)	(100 335)	-	2 071 849
TOTAL	**45 703 232**	**80 639**	**6 091 505**	**(26 757)**	**(2 746 660)**	**(19 784)**	**49 082 175**

[1] The comparative reclassification relates to the asset class introduced in the current year with the implementation of GRAP 110 Living and Non-living resources. These assets were previously classified as Other assets. See annexure B.

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2. PROPERTY, PLANT AND EQUIPMENT (continued)

Assets under construction – carrying value	2021	2020
Infrastructure	3 707 170	3 096 336
Community	102 181	98 487
Service Concession	-	39 276
Other	387 618	279 911
TOTAL	**4 196 969**	**3 514 010**

PPE projects delayed

Significantly

Infrastructure	177 828	12 050
Other	63 942	-
Community	64 404	5 864
TOTAL	**306 174**	**17 914**

The significant delays in the current year mainly relate to delays in the completion of work at the Contermanskloof Reservoir worth R132,29 million, the new Prince George Drop-off site worth R50,89 million, and work done at the Imizamo Yethu Informal Settlement worth R52,25 million.

Halted

Infrastructure	32 558	4 052
Community	35 197	379
TOTAL	**67 755**	**4 431**

The halted projects in the current year mainly related to contractual disputes regarding the Hout Bay Depot worth R32,56 million, and certain force majeure events at housing projects worth R29,99 million.

Capital commitments - approved and contracted for capital expenditure	2021	2020
Infrastructure	1 708 541	3 465 411
Community	75 429	35 866
Other	51 932	154 538
TOTAL	**1 835 902**	**3 655 815**

Capital contractual commitments represent future capital expenditure, exclusive of VAT. The City is obligation to spend these amounts due to signed contracts with suppliers.

Repairs and maintenance
An amount of R2.68 billion (2020: R2.69 billion) was spent during the year under review. In determining this amount, the City has exclusively disclosed amounts charged by service providers.

Residual value
During the current financial year, the City reviewed the estimated useful lives and residual values of property, plant and equipment, where appropriate (see note 35.)

Impairment of non-cash-generating assets
The recoverable amount of impaired assets is R5,53 million (2020: R0,76 million). Impairment losses arise mainly from damage to City movable and immovable assets due to accidents and protest actions, the halt in production at temporary water desalination plants as well as impairment of land purchased for social housing purposes.

Living resources
A living resource is an animal that is used by the Municipality to deliver a mandated service.

Non-living resources
The City is responsible for the following non-living resources that do not meet the definition of an asset:

- Water in dams and reservoirs. Once treated, water is disclosed as Inventory in note 8 and revenue for the sale of treated water is disclosed as service charges in note 19.
- Nature reserves, parks and the coastline. The entrance fees for these areas are not material.

Service concession assets
The City has made service concession arrangements with three operators on the MyCiTi integrated rapid transit (IRT) system as well as with the Cape Town Stadium (RF) SOC. Included are IRT buses, related depots and Cape Town Stadium. The City does however retain full control over the nature and extent of the services that the operators must perform.

Rand thousands (R'000)

3. HERITAGE ASSETS

	As at 30 June 2021			As at 30 June 2020		
	Cost price	Accumulated depreciation	Carrying value	Cost price	Accumulated depreciation	Carrying value
Paintings and museum items	10 268	-	10 268	10 269	-	10 269

RECONCILIATION

	Opening balance	Transfers/ adjustments	Additions	Disposals	Carrying value
As at 30 June 2021					
Paintings and museum items	10 269	-	-	(1)	10 268
(See annexure B for more details.)					
As at 30 June 2020					
Paintings and museum items	10 280	-	-	(11)	10 269

Heritage assets are held at cost, as it is impractical to determine their fair value.

4. INVESTMENT PROPERTY

	As at 30 June 2021			As at 30 June 2020		
	Cost price	Accumulated depreciation	Carrying value	Cost price	Accumulated depreciation	Carrying value
Land and buildings	642 643	(63 109)	579 534	642 643	(61 396)	581 247

RECONCILIATION

	Opening balance	Transfers/ adjustments	Additions	Depreciation	Disposals	Carrying value
As at 30 June 2021						
Land and buildings	581 247	-	-	(1 713)	-	579 534
(See annexure B for more details.)						
As at 30 June 2020						
Land and buildings	582 961	-	-	(1 714)	-	581 247

Repairs and maintenance

An amount of R0,24 million (2020: R2,37 million) was spent during the year under review. In determining this amount, the City has exclusively disclosed amounts charged by service providers.

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5. INTANGIBLE ASSETS

	As at 30 June 2021			As at 30 June 2020		
	Cost price	Accumulated amortisation	Carrying value	Cost price	Accumulated amortisation	Carrying value
Acquisition of rights	561 441	(494 996)	66 445	561 441	(424 815)	136 626
Computer software	1 382 575	(824 385)	558 190	1 188 862	(725 810)	463 052
TOTAL	**1 944 016**	**(1 319 381)**	**624 635**	**1 750 303**	**(1 150 625)**	**599 678**

RECONCILIATION

	Opening balance	Transfers/ adjustments	Additions	Amortisation	Disposal	Carrying value
As at 30 June 2021						
Acquisition of rights	136 626	-	-	(70 181)	-	66 445
Computer software	463 052	65 632	128 083	(98 577)	-	558 190
TOTAL	**599 678**	**65 632**	**128 083**	**(168 758)**	**-**	**624 635**
(See annexure B for more details.)						
As at 30 June 2020						
Acquisition of rights	206 804	-	-	(70 178)	-	136 626
Computer software	486 374	27 492	32 579	(83 387)	(6)	463 052
TOTAL	**693 178**	**27 492**	**32 579**	**(153 565)**	**(6)**	**599 678**

6. INVESTMENTS

	Amortised cost	Fair value	Cost	Total
As at 30 June 2021				
RSA Government stock	53 351	-	-	53 351
Guaranteed investment instruments	3 071 050	-	-	3 071 050
Other fixed deposits	6 948 576	-	-	6 948 576
Deposits held with fund managers	-	7 074 086	-	7 074 086
Shares in CTICC	-	-	833 998	833 998
	10 072 977	7 074 086	833 998	17 981 061
Provision for impairment	-	-	(613 563)	(613 563)
Net investments	10 072 977	7 074 086	220 435	17 367 498
Transferred to current investments	(101 575)	(2 782 294)	-	(2 883 869)
Transferred to cash and cash equivalents – see note 10	(6 847 000)	(1 063 493)	-	(7 910 493)
TOTAL	**3 124 402**	**3 228 299**	**220 435**	**6 573 136**
As at 30 June 2020				
RSA Government stock	72 006	-	-	72 006
Guaranteed investment instruments	2 771 233	-	-	2 771 233
Other fixed deposits	7 898 190	-	-	7 898 190
Deposits held with fund managers	-	6 749 591	-	6 749 591
Shares in CTICC	-	-	833 998	833 998
	10 741 429	6 749 591	833 998	18 325 018
Provision for impairment	(5 319)	-	(526 556)	(531 875)
Net investments	10 736 110	6 749 591	307 442	17 793 143
Transferred to current investments	(96 553)	(2 339 498)	-	(2 436 051)
Transferred to cash and cash equivalents – see note 10	(7 819 718)	(1 269 566)	-	(9 089 284)
TOTAL	**2 819 839**	**3 140 527**	**307 442**	**6 267 808**

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6. INVESTMENTS (continued)

Guaranteed investment instruments
A total of R3,07 billion (2020: R2,77 billion) has been ring-fenced for the repayment of long-term liabilities – see note 11.

Cape Town International Convention Centre Company (RF) SOC Ltd (CTICC)
The cost of the City's investment in CTICC at 30 June 2021 is R833,99 million (2020: R833,99 million) and the impairment loss provision is R613,56 million (2020: R526,56 million). At year end an impairment assessment was made based on the projected cash flows of the entity. Based on the calculation, a fair value of R220,43 million was determined. This resulted in an increase of R87,01 million in the impairment.

Compensation for occupational injuries and diseases (COID investments)
In terms of the COID Act 130 of 1993, the Compensation Commissioner (Department of Labour) is required to hold investments and guarantees as security for the City's liabilities under the act. The amounts constitute RSA Government stock (bonds) of R53,35 million (2020: R72,01 million) and cash backed guarantees of R101,57 million (2020: R78,47 million).

7. LONG-TERM RECEIVABLES

	2021	2020
Exchange transactions		
Other	36 664	703
Provision for impairment	(36 263)	(210)
	401	**493**
Housing selling developments	14 537	23 256
Provision for impairment	(5 941)	(3 609)
	8 596	**19 647**
Payments made in advance	**5 242**	**-**
	14 239	20 140
Transferred to current receivables	(7 600)	(8 524)
TOTAL	**6 639**	**11 616**

	2021	2020
Reconciliation of impairment provision		
Balance at beginning of the year	3 819	2 154
Contribution to provisions	38 385	1 665
Balance as at 30 June	**42 204**	**3 819**

7.1 Other

Sporting bodies
To facilitate the development of sporting facilities, loans were historically issued to provide the necessary financial assistance. These loans attract interest at a rate of 3,63% to 12% per annum, and are repayable over a maximum period of 20-40 years.

Housing land sale
The long-term loan to the Khayelitsha Community Trust (KCT) (sale of portion 1 to 3, erf 58856) is repayable over 18 years. Annual payments are received, with the final payment due in 2024.

Public organisations
Loans to public organisations were granted in terms of the National Housing Policy. At present, these loans attract interest at 1%, and are repayable over 30 years. With the implementation of the Municipal Finance Management Act (MFMA) and the Housing Act, no further loans have been awarded.

Litigation debtors
The City is in a dispute with a service provider regarding outstanding claim.

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7. LONG-TERM RECEIVABLES (continued

7.2 Housing selling development loans

Housing loans were historically granted to qualifying individuals in terms of the National Housing Policy. These loans currently attract interest at 7% (2020:10%) per annum, and are repayable over 20 years. The interest rate is determined by Council policy.

The gross debt has decreased due to the implementation of the ownership regularisation programme, which helps raise awareness of the enhanced extended discount benefit scheme. This scheme assists qualifying beneficiaries and occupants with subsidies to accelerate the transfer of their properties.

7.3 Payments made in advance

Deposits paid to ESKOM for infrastructure related to housing developments which will be refunded on completion of the relevant projects.

8. INVENTORY

	2021	2020
Consumable stock	303 638	293 414
Water	49 730	48 686
Other goods held for use/resale	113 697	89 404
TOTAL	**467 065**	**431 504**

Inventory to the value of R0,107 million (2020: R3,56 million) was scrapped during the year and R588,72 million (2020: R468,25 million) was expensed.

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9. RECEIVABLES

	As at 30 June 2021			As at 30 June 2020		
	Gross balance	Allowance for impairment	Net balance	Gross balance	Allowance for impairment	Net balance
Statutory	**5 740 441**	**(2 875 337)**	**2 865 104**	**5 981 539**	**(2 851 221)**	**3 130 318**
From non-exchange transactions	**5 740 441**	**(2 875 337)**	**2 865 104**	**5 981 539**	**(2 851 221)**	**3 130 318**
Property rates debtors	3 200 910	(974 445)	2 226 465	3 715 763	(1 202 448)	2 513 315
CIDs property rates debtors	69 792	(10 244)	59 548	76 256	(6 463)	69 793
Government subsidies	216 555	-	216 555	205 828	-	205 828
Traffic fines	2 253 184	(1 890 648)	362 536	1 983 692	(1 642 310)	341 382
Contractual	**8 165 826**	**(4 476 264)**	**3 689 562**	**9 139 683**	**(4 928 128)**	**4 211 555**
From exchange transactions	**8 147 501**	**(4 476 264)**	**3 671 237**	**9 122 108**	**(4 928 128)**	**4 193 980**
Electricity	1 963 494	(426 930)	1 536 564	2 093 357	(460 315)	1 633 042
Water	2 552 944	(1 739 499)	813 445	3 059 307	(2 071 523)	987 784
Waste management	834 603	(564 593)	270 010	920 905	(584 422)	336 483
Wastewater management	1 188 872	(629 189)	559 683	1 379 083	(744 736)	634 347
Housing rental stock	829 114	(757 435)	71 679	762 096	(687 007)	75 089
Housing selling stock	209 079	(194 699)	14 380	200 897	(181 186)	19 711
Other receivables	492 324	(163 919)	328 405	647 789	(198 939)	448 850
Payments made in advance	77 071	-	77 071	58 674	-	58 674
From non-exchange transactions	**18 325**	**-**	**18 325**	**17 575**	**-**	**17 575**
Other receivables	18 325	-	18 325	17 575	-	17 575
TOTAL	**13 906 267**	**(7 351 601)**	**6 554 666**	**15 121 222**	**(7 779 349)**	**7 341 873**
Total non-exchange transactions	5 758 766	(2 875 337)	2 883 429	5 999 114	(2 851 221)	3 147 893
Total exchange transactions	8 147 501	(4 476 264)	3 671 237	9 122 108	(4 928 128)	4 193 980
TOTAL	**13 906 267**	**(7 351 601)**	**6 554 666**	**15 121 222**	**(7 779 349)**	**7 341 873**

As at 30 June 2021, the City's receivables balance included an amount of R132,86 million (2020: R267,00 million) owed by National Government and Province.

RECONCILIATION OF IMPAIRMENT PROVISION

2021	Statutory	Contractual	TOTAL
Balance at beginning of the year	2 851 221	4 928 128	7 779 349
Contributions to provisions	1 730 049	1 092 879	2 822 928
Transfers from provisions	(4 327)	-	(4 327)
Bad debts written off	(1 701 606)	(1 544 743)	(3 246 349)
Balance as at 30 June	**2 875 337**	**4 476 264**	**7 351 601**

2020	Statutory	Contractual	TOTAL
Balance at beginning of the year	2 547 305	3 878 643	6 425 948
Contributions to provisions	1 276 221	1 498 184	2 774 405
Transfers from provisions	(5 684)	(45 405)	(51 089)
Bad debts written off	(966 621)	(403 294)	(1 369 915)
Balance as at 30 June	**2 851 221**	**4 928 128**	**7 779 349**

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9. RECEIVABLES (continued

ANALYSIS OF RECEIVABLES' AGE IN DAYS

	STATUTORY RECEIVABLES					
	As at 30 June 2021			As at 30 June 2020		
	Gross balance	Allowance for impairment	Net balance	Gross balance	Allowance for impairment	Net balance
FROM NON-EXCHANGE TRANSACTIONS	**5 740 441**	**(2 875 337)**	**2 865 104**	**5 981 539**	**(2 851 221)**	**3 130 318**
Property rates debtors	**3 200 910**	**(974 445)**	**2 226 465**	**3 715 763**	**(1 202 448)**	**2 513 315**
Not past due date	1 799 503	-	1 799 503	1 664 655	-	1 664 655
Past due						
0-90	154 314	(3 493)	150 821	528 212	(4 820)	523 392
91-180	206 022	(30 461)	175 561	227 587	(36 408)	191 179
181-365	227 356	(96 508)	130 848	250 488	(110 490)	139 998
365+	813 715	(843 983)	(30 268)	1 044 821	(1 050 730)	(5 909)
CIDs property rates debtors	**69 792**	**(10 244)**	**59 548**	**76 256**	**(6 463)**	**69 793**
Not past due date	32 498	(584)	31 914	31 228	(418)	30 810
Past due						
0-90	13 756	(247)	13 509	26 400	(354)	26 046
91-180	6 427	(115)	6 312	7 631	(102)	7 529
181-365	7 956	(143)	7 813	5 481	(73)	5 408
365+	9 155	(9 155)	-	5 516	(5 516)	-
Government subsidies	**216 555**	**-**	**216 555**	**205 828**	**-**	**205 828**
Not past due date	216 555	-	216 555	205 828	-	205 828
Traffic fines	**2 253 184**	**(1 890 648)**	**362 536**	**1 983 692**	**(1 642 310)**	**341 382**
Past due						
0-90	451 556	(378 901)	72 655	165 958	(137 398)	28 560
91-180	392 369	(329 237)	63 132	304 853	(252 389)	52 464
181-365	541 073	(454 015)	87 058	573 836	(475 082)	98 754
365+	868 186	(728 495)	139 691	939 045	(777 441)	161 604
TOTAL	**5 740 441**	**(2 875 337)**	**2 865 104**	**5 981 539**	**(2 851 221)**	**3 130 318**

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9. RECEIVABLES (continued)

ANALYSIS OF RECEIVABLES' AGE IN DAYS (continued)

	CONTRACTUAL RECEIVABLES					
	As at 30 June 2021			As at 30 June 2020		
	Gross balance	Allowance for impairment	Net balance	Gross balance	Allowance for impairment	Net balance
FROM EXCHANGE TRANSACTIONS	**8 147 501**	**(4 476 264)**	**3 671 237**	**9 122 108**	**(4 928 128)**	**4 193 980**
Electricity	**1 963 494**	**(426 930)**	**1 536 564**	**2 093 357**	**(460 315)**	**1 633 042**
Not past due date	1 008 624	-	1 008 624	847 990	-	847 990
Past due						
0-90	351 640	(1 343)	350 297	587 898	(3 141)	584 757
91-180	99 712	(10 164)	89 548	137 516	(21 553)	115 963
181-365	122 796	(44 873)	77 923	121 458	(47 937)	73 521
365+	380 722	(370 550)	10 172	398 495	(387 684)	10 811
Water	**2 552 944**	**(1 739 499)**	**813 445**	**3 059 307**	**(2 071 523)**	**987 784**
Not past due date	318 883	-	318 883	284 947	-	284 947
Past due						
0-90	242 117	(18 942)	223 175	410 902	(30 981)	379 921
91-180	167 847	(58 914)	108 933	229 282	(74 644)	154 638
181-365	289 863	(154 268)	135 595	298 011	(152 255)	145 756
365+	1 534 234	(1 507 375)	26 859	1 836 165	(1 813 643)	22 522
Waste management	**834 603**	**(564 593)**	**270 010**	**920 905**	**(584 422)**	**336 483**
Not past due date	106 169	-	106 169	105 619	-	105 619
Past due						
0-90	74 419	(7 062)	67 357	142 479	(16 334)	126 145
91-180	51 680	(17 780)	33 900	86 625	(42 180)	44 445
181-365	90 675	(48 220)	42 455	138 328	(87 553)	50 775
365+	511 660	(491 531)	20 129	447 854	(438 355)	9 499
Wastewater management	**1 188 872**	**(629 189)**	**559 683**	**1 379 083**	**(744 736)**	**634 347**
Not past due date	253 004	-	253 004	315 753	-	315 753
Past due						
0-90	191 491	(6 342)	185 149	203 400	(9 517)	193 883
91-180	73 995	(22 996)	50 999	94 892	(36 263)	58 629
181-365	123 692	(62 511)	61 181	124 515	(69 917)	54 598
365+	546 690	(537 340)	9 350	640 523	(629 039)	11 484
Housing rental stock	**829 114**	**(757 435)**	**71 679**	**762 096**	**(687 007)**	**75 089**
Not past due date	85 008	(61 197)	23 811	78 154	(53 533)	24 621
Past due						
0-90	63 015	(45 365)	17 650	66 968	(45 871)	21 097
91-180	38 348	(27 607)	10 741	24 222	(16 591)	7 631
181-365	69 535	(50 058)	19 477	69 007	(47 267)	21 740
365+	573 208	(573 208)	-	523 745	(523 745)	-
Housing selling stock	**209 079**	**(194 699)**	**14 380**	**200 897**	**(181 186)**	**19 711**
Not past due date	361	(155)	206	2 917	(731)	2 186
Past due						
0-90	13 147	(5 649)	7 498	15 339	(4 344)	10 995
91-180	3 222	(1 385)	1 837	(1 455)	354	(1 101)
181-365	8 484	(3 645)	4 839	10 158	(2 527)	7 631
365+	183 865	(183 865)	-	173 938	(173 938)	-

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9. RECEIVABLES (continued)

ANALYSIS OF RECEIVABLES' AGE IN DAYS (continued)

	CONTRACTUAL RECEIVABLES - continued					
	As at 30 June 2021			As at 30 June 2020		
	Gross balance	Allowance for impairment	Net balance	Gross balance	Allowance for impairment	Net balance
FROM EXCHANGE TRANSACTIONS (continued)						
Other receivables	**492 324**	**(163 919)**	**328 405**	**647 789**	**(198 939)**	**448 850**
Not past due date	245 435	(1 808)	243 627	367 835	(1 731)	366 104
Past due						
0-90	39 434	(3 337)	36 097	64 990	(5 018)	59 972
91-180	20 085	(2 769)	17 316	(11 218)	698	(10 520)
181-365	34 912	(7 057)	27 855	36 836	(7 925)	28 911
365+	152 458	(148 948)	3 510	189 346	(184 963)	4 383
Payments made in advance	**77 071**	**-**	**77 071**	**58 674**	**-**	**58 674**
Not past due date	77 071	-	77 071	58 674	-	58 674
FROM NON-EXCHANGE TRANSACTIONS	**18 325**	**-**	**18 325**	**17 575**	**-**	**17 575**
Other receivables	**18 325**	**-**	**18 325**	**17 575**	**-**	**17 575**
Not past due date	18 325	-	18 325	17 575	-	17 575
	8 165 826	**(4 476 264)**	**3 689 562**	**9 139 683**	**(4 928 128)**	**4 211 555**

The 'Not past due date' category represents customers who have not exceeded the 30-day credit period granted by the City to pay their municipal accounts. Debtors to the value of R609,77 million (2020: R735,47 million) have arranged to repay their outstanding arrear debt over a renegotiated period.

10. CASH AND CASH EQUIVALENTS

	2021	2020
Amortised cost	7 062 607	8 097 003
Bank balance *	195 135	250 376
Year-end accruals	(110)	35
Cash on hand and in transit	20 582	26 874
Call and short-term deposits – see note 6	6 847 000	7 819 718
Fair value – see note 6	1 063 493	1 269 566
Call and short-term deposits	1 053 506	1 258 161
Bank accounts managed by fund managers *	9 987	11 405
TOTAL	**8 126 100**	**9 366 569**

*See annexure C for more details.

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11. BORROWINGS

	2021	2020
Marketable bonds	4 954 428	5 059 968
Concessionary loans	1 993 634	2 191 609
Other loans	40 000	66 666
Subtotal – see annexure A for more details	6 988 062	7 318 243
Transferred to current liabilities	(440 239)	(446 354)
TOTAL	**6 547 823**	**6 871 889**

A total of R3,07 billion (2020: R2,77 billion) has been ring-fenced for the repayment of long-term liabilities – see note 6.

	2021	2020
MARKETABLE BONDS	**4 954 428**	**5 059 968**
Marketable bonds In terms of the City's domestic medium-term note (DMTN) programme registered on the Johannesburg Stock Exchange (JSE) Limited, unsecured bonds totalling R4,95 billion are listed on the JSE. Each of the municipal bonds bears interest at fixed rates ranging between 10,17% and 12,57% per annum. Interest is payable semi-annually for all bonds. Capital will be redeemed by way of a bullet repayment on the final redemption date for CCT01, CCT02 and CCT03, and by way of semi-annual capital redemptions for CCT04 (green bond). The municipal bonds are repayable on 23 June 2023 (CCT01), 12 June 2024 (CCT02), 15 March 2025 (CCT03) and 17 July 2027 (CCT04). Guaranteed investment instruments have been established for the repayment of CCT01, CCT02 and CCT03 by once-off lump sum payments with various financial institutions, namely Nedbank (CCT01), Rand Merchant Bank (CCT02) and Liberty Group Limited (CCT03).	4 954 428	5 059 968
CONCESSIONARY LOANS	**1 993 634**	**2 191 609**
Agence Française de Développement (AFD) An unsecured loan, bearing interest at an average fixed rate of 5,76% per annum, repayable semi-annually in equal instalments of capital, with interest payable on the reducing balance. This loan will be fully paid on 31 March 2028. Nominal value as at 30 June 2021 was R1,11 billion (2020: R1,27 billion).	1 031 116	1 165 246
KfW Development Bank An unsecured fixed-term concessionary loan, bearing interest at a fixed rate of 8,107% per annum, repayable semi-annually in equal instalments of capital, with interest payable on the reducing balance. This loan was received in three tranches: the first two during the 2019 financial year, and the third during the 2020 financial year. It will be fully paid on 15 November 2033. Nominal value as at 30 June 2021 was R1,07 billion (2020: R1,16 billion).	962 518	1 026 363
OTHER LOANS	**40 000**	**66 666**
DBSA Unsecured loans, bearing interest at fixed rates ranging between 9,64% and 10,56% per annum, repayable semi-annually in equal instalments of capital, with interest payable on the reducing balance. These loans will be fully paid on 31 December 2022.	40 000	66 666
TOTAL - see annexure A for more details	**6 988 062**	**7 318 243**

For more details about short-term debt facilities available to the City, see annexure C.

In compliance with paragraph 7.3(g) of the JSE listing requirements, Mr Hilton Robbins, in his capacity as Manager: Treasury of City of Cape Town, has been appointed as debt officer of City of Cape Town with effect from 12 October 2020.

In compliance with paragraph 7.16, of the JSE listing requirements, the City has no loans or procurement transactions with any related parties, domestic prominent influential persons and prescribed officers as defined by the JSE Debt Listing Requirements.

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12. RETIREMENT BENEFIT INFORMATION

The City makes provision for post-retirement benefits to eligible councillors and employees who belong to different pension schemes. These funds are governed by the Pension Funds Act 24 of 1956, and include both defined-benefit (DB) and defined-contribution (DC) schemes. Contributions of R1,46 billion (2020: R1,35 billion) to the DB and DC schemes are expensed as incurred during the year in review.

These schemes are subject to a triennial, biennial or annual actuarial valuation, as set out below.

12.1 Defined-benefit schemes

LA Retirement Fund (multi-employer fund)

The last statutory actuarial valuation of the fund was performed at 30 June 2020, at which stage the fund found the pensioners and DB deferred members account to be in a sound financial position. The funding basis valuation indicated an overall funding level of 100% for the DB section and pensioners account respectively at the financial year-end.

South African Local Authorities (SALA) Pension Fund (multi-employer fund)

The fund is a DB plan and its last statutory valuation was at 1 July 2018. Its interim valuation results show a deficit of R601,2 million and a funding level of 96%. As a result, the fund is not considered financially sound in terms of Notice No. 2 of 2016 issued by the Financial Sector Conduct Authority (FSCA). The fund has since submitted a scheme of arrangement (SOA) to the Registrar of Pension Funds in terms of section 18 of the Pension Funds Act to return the fund to a financially sound position. The SOA requests that all participating employers contribute an additional 2% per annum over the next five to six years. The SOA and the approval for additional 2% contribution per annum will be implemented when approved by Council and a provision of R12,3 million has been included in Other provisions note 13.

12.2 Defined-contribution schemes

- LA Retirement Fund (multi-employer fund)
- South African Local Authorities (SALA) Pension Fund (multi-employer fund
- Cape Retirement Fund for Local Authorities (multi-employer fund)
- Municipal Councillors' Pension Fund (multi-employer fund)
- National Fund for Municipal Workers (multi-employer fund)
- Municipal Workers' Retirement Fund (multi-employer fund)

12.3 Defined-benefit and defined-contribution scheme

Cape Municipal Pension Fund

The Cape Municipal Pension Fund operates as both a DB and DC scheme. A statutory actuarial valuation of the fund was performed at 30 June 2018, which certified it as being in a financially sound position. An interim actuarial valuation of the fund was performed at 30 June 2020.

	DB section	DC section	Total
In-service members	167	9 604	9 771
Pensioners	2 344	2 298	4 642
Membership as at 30 June 2020	**2 511**	**11 902**	**14 413**

		2020 R'million	2019 R'million
Past-service position:	DB section	3 380	3 815
	DC section	12 090	11 958
Total liabilities		15 470	15 773
Assets valued at market value		15 595	15 840
Actuarial surplus *		125	67

*The actuarial surplus is mainly attributable to the DB in-service members and not refundable to the employer.

Key financial assumptions		2020 %	2019 %
Actual employer contribution:	DB section	20,25	20,25
	DC section	18,00	18,00
Net discount rate:	Pre-retirement	2,04	0,72
	Post-retirement	4,04	2,72
Normal retirement age		65 years	65 years

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13. PROVISIONS

	As at 30 June 2021			As at 30 June 2020		
	Non-current	Current	Total	Non-current	Current	Total
Environmental rehabilitation	237 146	79 286	316 432	299 857	79 287	379 144
Long-service leave benefits	713 938	81 383	795 321	662 572	49 434	712 006
Post-retirement medical aid benefits	6 129 623	290 989	6 420 612	5 429 905	278 610	5 708 515
Other provisions	33 805	1 121 013	1 154 818	34 869	977 016	1 011 885
TOTAL	**7 114 512**	**1 572 671**	**8 687 183**	**6 427 203**	**1 384 347**	**7 811 550**

MOVEMENT FOR THE YEAR

	Environmental rehabilitation	Long-service leave benefits	Post-retirement medical aid benefits	Other provisions	Total
Opening balance	**379 144**	**712 006**	**5 708 515**	**1 011 885**	**7 811 550**
Service cost	-	56 153	79 244	384	135 781
Interest cost	45 990	80 172	793 484	1 692	921 338
Payments/utilised	(26 593)	(81 204)	(280 090)	(1 036 452)	(1 424 339)
Additional provision raised	-	-	-	1 187 990	1 187 990
Reversed	-	-	-	(23 313)	(23 313)
Actuarial losses	-	28 194	119 459	370	148 023
Remeasurements	(82 109)	-	-	12 262	(69 847)
TOTAL	**316 432**	**795 321**	**6 420 612**	**1 154 818**	**8 687 183**

13.1 Environmental rehabilitation

In terms of the City's licensing stipulations on waste landfill sites, provision is made for the estimated cost of rehabilitating waste sites for the portion of land used, or contaminated at the reporting date. The valuation has been internally performed, based on the detailed report of the valuation conducted by an external firm of consultant engineers on 30 June 2020.

Key cost parameters	2021	2020
Estimated dates of reaching full capacity	Between 2018 and 2039	Between 2018 and 2031
Estimated post closure rehabilitation time	4 years	4 years
Period for monitoring post closure	30 years	30 years
Average estimated annual inflation rate	4,17%	3,82%
Discount rate at the average borrowing rate	12,18%	13,02%

13.2 Long-service leave benefits

An actuarial valuation has been performed of the City's liability for vested long-service leave benefits to which employees may become entitled upon completion of ten years' service and every five years thereafter. The provision is utilised when eligible employees receive the value of the vested benefits.

Discount rate

The nominal and real zero curves as supplied by the JSE was used to determine the discount rates and consumer price index (CPI) assumptions at each relevant time period.

Key financial assumptions	2021	2020 %
Discount rate	Yield curve	11,26
Consumer price inflation (CPI)	Difference between nominal and real yield curve	7,16
Salary increase rate	Equal to CPI + 1%	8,16

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13. PROVISIONS (continued)

13.3 Post-retirement healthcare defined benefits

An actuarial valuation has been performed of the City's liability in respect of healthcare benefits to its eligible retirees and retrenched employees. The provision is utilised when eligible employees receive the value of the vested benefits.

The contributions paid are actual contributions paid by the City, and the unrecognised actuarial gains and losses have been adjusted accordingly to take into account the difference between the estimated contribution payments determined by the actuary and the actual contributions paid to members by the City.

For past service of in-service and retired employees, the City recognises and provides for the actuarially determined present value of post-retirement medical-aid employer contributions on an accrual basis, using the projected unit credit method.

The members of medical aid schemes entitled to a post-employment medical scheme subsidy as at 30 June 2021 constituted 6 127 (2020: 6 224) in-service members and 6 920 (2020: 6 963) pensioners.

It was assumed that the employer's healthcare arrangements and subsidy policy would remain as outlined in the accounting policy, and that the level of benefits and contributions would remain unchanged, with the exception of inflationary adjustments. Implicit in this approach is the assumption that current levels of cross-subsidisation from in-service members to retiree members within the medical scheme are sustainable and will continue.

It is further assumed that the subsidy will continue for eligible members and their spouses until the last survivor's death.

Continuation of membership

It is assumed that 100% of in-service members entitled to a post-retirement subsidy retiring from the City of Cape Town will remain on the employer's healthcare arrangements.

Family profile

Family profile was based on actual data and, therefore, no assumptions had to be made.

Plan assets

Currently, no long-term assets are set aside off-balance sheet in respect of the employer's post-employment healthcare liability.

Discount rate

The fund benefit liability to the City as at 30 June 2021 has been discounted at a rate determined on the basis of the nominal and real zero curves as supplied by the JSE.

Key financial assumptions	2021	2020 %
Discount rate	Yield curve	13,90
Consumer price inflation (CPI)	Difference between nominal and real yield curve	9,24
Healthcare cost inflation	CPI + 2%	11,24

Sensitivity analysis	Change in assumption	Liability	Service costs	Interest costs
Assumptions used		**6 420 612 000**	**81 991 000**	**661 375 000**
Healthcare inflation	1% decrease	5 740 507 000	69 535 000	589 482 000
	1% increase	7 225 750 000	97 260 000	746 515 000
Post-retirement mortality	20% decrease	7 017 306 000	90 015 000	724 301 000
	20% increase	5 943 053 000	75 447 000	611 008 000

13.4 Other Provisions

Leave benefits

Annual leave accrues to employees monthly, subject to certain conditions. The provision of R1.05 billion (R924,16 million) is an estimate of the amount due to staff as at the financial year-end, based on the value of statutory and non-statutory leave.

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14. DEPOSITS

	2021	2020
Electricity and water	425 716	405 503
Other deposits	14 059	13 918
TOTAL	**439 775**	**419 421**

15. PAYABLES FROM EXCHANGE TRANSACTIONS

	2021	2020
Trade and other creditors	5 139 874	4 947 591
Payments received in advance	1 076 506	990 707
Funds administrated on behalf of third parties	27 938	23 674
TOTAL	**6 244 318**	**5 961 972**

Payables are non-interest-bearing and are normally settled on 30-day terms, except for retentions, which are settled in terms of the contract agreement.

Payments received in advance are non-interest-bearing and normally settled on 30-day terms.

16. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

	2021	2020
Conditional grants from other spheres of government	951 592	1 229 048
National Government	543 682	954 696
Province	407 910	274 352
Other conditional receipts	167 677	163 124
Public contributions	167 677	163 124
TOTAL	**1 119 269**	**1 392 172**

Neighbourhood Development Partnership Grant
The National Treasury required proof that funds transferred in July 2020 were depleted, that the City would be able to absorb additional funding, and that additional project approvals were obtained by the City. For these reasons, the National Treasury delayed the second tranche payment of R11,6 million which should have been received in October 2020. The allocation was also subsequently reduced as published in the Division of Revenue Second Amendment Bill, which was also not approved timeously. Therefore, only R8,4 million was received in March 2021.

Expanded Public Works Programme Integrated Grant
The second tranche of R20 million was delayed due to non-reporting of the EPWP grant-funded projects on the EPWP reporting system. Whilst it should have been received in November 2020, it was received in December 2020.

Public Transport Network Grant
The national Department of Transport delayed payment of the second tranche of R497,4 million in order to assess monthly progress reports submitted. The allocation was also subsequently reduced as published in the Division of Revenue Second Amendment Bill, which was also not approved timeously. Therefore, R200 million was received in February 2021 and R53.2m was received in March 2021.

Integrated City Development Grant
The National Treasury reduced allocations of certain grants by 1,2% in order to contain expenditure during the current constrained fiscal environment. The Division of Revenue Second Amendment Bill was not approved timeously resulting in delays of the reduced tranche payments. R32,9 million should have been received in November 2020, however, only R32,1 million was received in March 2021.

Infrastructure Skills Development Grant
The National Treasury reduced allocations of certain grants by 1,2% in order to contain expenditure during the current constrained fiscal environment. The Division of Revenue Second Amendment Bill was not approved timeously resulting in delays of the reduced tranche payments. R5 million should have been received in January 2021, however, only R4,8 million was received in March 2021.

See notes 23, 24 and annexure D for more details of grants from National government and Province as well as public contributions.

Rand thousands (R'000)

17. VALUE-ADDED TAX (VAT)

	2021	2020
VAT payable	525 665	587 791
Impairment adjustment	(41 499)	(34 839)
Total VAT payable	484 166	552 952
VAT receivable	(397 786)	(379 654)
TOTAL	**86 380**	**173 298**

The VAT liability was impaired as a result of impairment against debtors. The City is registered for VAT on the payment basis.

18. HOUSING DEVELOPMENT FUND

	2021	2020
Realised housing proceeds		
Balance at beginning of the year	443 563	377 344
Income	19 948	73 701
Interest	15 884	24 805
Expenditure	(66 787)	(32 287)
Balance at end of the year	412 608	443 563
Unrealised housing proceeds		
Balance at beginning of the year	19 647	32 007
Long-term loans realised	(8 773)	(10 695)
Transfer to impairment provision – selling schemes	(2 279)	(1 665)
Balance at end of the year	8 595	19 647
TOTAL	**421 203**	**463 210**

Unrealised housing proceeds represent loan repayments not yet due in terms of the debtors' loan agreement.

19. SERVICE CHARGES

	2021	2020
Electricity	14 235 170	14 248 623
Water and wastewater	4 794 668	4 541 952
Solid waste	1 403 064	1 350 425
ICASA ECNS licence fees	25 288	24 885
Other	643 592	714 509
TOTAL	**21 101 782**	**20 880 394**

20. FINANCE INCOME

	2021	2020
Exchange transactions	1 217 275	1 582 511
External investments	937 726	1 342 610
Outstanding debtors	320 734	298 953
Transferred interest to conditional grants	(41 185)	(59 052)
Non-exchange transactions		
Outstanding debtors	134 185	109 465
TOTAL	**1 351 460**	**1 691 976**

21. OTHER INCOME

	2021	2020
Exchange transactions	388 179	348 779
Bulk infrastructure levies	255 090	152 298
Other income	126 379	140 987
Gains on foreign-exchange transactions	336	2
Fair-value adjustments	6 374	55 492
Non-exchange transactions	270 239	370 404
City improvement districts (CIDs)	270 239	239 394
Fair-value adjustments	-	131 010
TOTAL	**658 418**	**719 183**

The City received services in kind to an estimated value of R11,52 million (2020: R15,22 million) in the form of volunteers.

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	2021	2020
22. PROPERTY RATES		
Actual		
Residential, commercial and other	11 282 693	11 033 625
Income forgone	(1 277 662)	(1 191 840)
TOTAL	**10 005 031**	**9 841 785**
Valuations per category		
Agricultural	8 842 435	7 823 081
Business and commercial	266 217 147	280 805 836
Industrial	90 667 953	90 350 732
Mining	258 108	214 188
Multiple purpose	5 791 480	7 156 597
Organ of state (public service purposes)	37 552 525	40 388 212
Public benefit organisation	4 674 173	2 437 690
Public service infrastructure	12 582 925	12 529 473
Residential	1 176 512 842	1 144 122 786
Vacant land	37 861 339	37 777 795
Place of Worship	15 701 560	
TOTAL valuations at commencement of financial year	**1 656 662 487**	**1 623 606 390**

The new general valuation roll (GV2018) took effect on 1 July 2019 and applies until 30 June 2022. It is based on market-related values and implements the amendments made to section 8 of the Local Government: Municipal Property Rates Act (MPRA) 6 of 2004, in accordance with section 93B. Property valuation adjustments, such as supplementary valuations, objection valuations and Valuation Appeal Board decisions, are processed continuously. Municipal rates are levied daily in terms of the provisions of the rates policy, which makes provision for rebates and exemptions.

GV2018 has introduced new rates categories, as required by the MPRA. Therefore, comparative figures for the valuation per category are not available in all cases.

	2021	2020
23. GOVERNMENT GRANTS AND SUBSIDIES		
Unconditional grants	3 929 222	3 256 778
Conditional grants	3 469 222	3 612 018
National Government	2 406 305	2 520 166
Province	1 062 917	1 091 852
TOTAL	**7 398 444**	**6 868 796**
Analysis of government grants and subsidies		
Operating	5 781 742	4 957 485
Capital	1 616 702	1 911 311
TOTAL	**7 398 444**	**6 868 796**
24. PUBLIC CONTRIBUTIONS		
Unconditional	4 040	-
Conditional	191 924	66 251
Consumer connections	59 345	40 411
Contributed assets	124 531	60
Other	8 048	25 780
TOTAL	**195 964**	**66 251**
25. EMPLOYEE-RELATED COSTS		
Salaries, wages and allowances	13 901 951	12 697 236
Contributions and benefits paid: current provisions	74 467	189 055
Contributions: post-retirement and long-service benefits	1 159 152	(85 354)
Current service costs	135 781	152 605
Interest costs	875 348	683 298
Actuarial loss/(gain)	148 023	(921 257)
Remeasurement of provisions	(2 985)	-
	15 132 585	12 800 937
Expenditure recharged to capital projects	(23 563)	(24 228)
TOTAL	**15 109 022**	**12 776 709**

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	2021	2020
26. IMPAIRMENT COSTS		
Receivables	2 854 653	2 804 042
Investments	87 007	58 745
Property, plant and equipment	30 227	19 784
TOTAL	**2 971 887**	**2 882 571**
27. FINANCE COSTS		
Borrowings	772 811	762 895
Unwinding of discount	45 990	45 003
TOTAL	**818 801**	**807 898**
28. BULK PURCHASES		
Electricity	9 718 558	9 317 868
Water	429 208	553 902
TOTAL	**10 147 766**	**9 871 770**
29. CONTRACTED SERVICES		
Transportation services	687 884	514 431
Refuse removal services	418 468	389 543
Sewerage services	529 321	424 148
Electrical services	273 947	234 074
Waste haulage services	265 856	252 608
Other services	421 280	299 046
TOTAL	**2 596 756**	**2 113 850**

Contracted services are mandated services in terms of the Local Government: Municipal Structures Act 117 of 1998, a municipal by-law or the Integrated Development Pan (IDP) that the municipality is expected to have the capacity and expertise to deliver, but are being outsourced instead.

	2021	2020
30. GENERAL EXPENSES		
Auditor remuneration	18 136	20 241
CIDs levies	262 132	232 212
Consultants	730 625	916 548
Electricity – Eskom service areas	165 856	163 667
Fair-value adjustments	2 107	3 184
Indigent relief	501 098	408 106
Loss on foreign-exchange transactions	968	1 842
Inventory: scrapping	107	3 559
Telecommunications	306 918	237 651
Building contractors	1 715 779	1 889 310
Fuel	280 623	287 369
Pharmaceutical supplies [1]	237 185	200 333
Minor tools and equipment	443 816	479 658
Security services	1 214 696	864 936
Servicing of vehicle and equipment	441 691	482 273
Other expenditure	2 130 170	2 097 339
	8 451 907	8 288 228
Contributions from provisions	(50 661)	(34 731)
	8 401 246	8 253 497
Expenditure recharged to capital projects	(2 886)	(2 155)
TOTAL	**8 398 360**	**8 251 342**

[1] In the current year pharmaceutical supplies became a material item due to Covid-19 and the comparative has been adjusted in order to presented it separately.

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31. CASH GENERATED FROM OPERATIONS

	2021	2020
Surplus for the year	2 054 419	4 369 409
Adjustment for:	5 898 147	4 454 386
Contributed assets	(173 114)	(60)
Contribution to provisions	864 369	(219 975)
Depreciation	2 833 027	2 901 939
Fair-value adjustments	(4 267)	(183 318)
Gains and losses on disposal of assets	(60 974)	(46 421)
Impairment	2 971 887	2 882 571
Inventory scrapping	107	3 559
Unrealised foreign-exchange (gains)/losses	(229)	169
Finance income	(1 351 460)	(1 691 976)
Cash transactions	(1 304 749)	(1 642 305)
Non-cash transactions	(46 711)	(49 671)
Finance costs	818 801	807 898
Cash transactions	731 498	718 927
Non-cash transactions	87 303	88 971
Operating surplus before working capital changes	**7 952 566**	**8 823 795**
Increase in inventories	(42 133)	(54 579)
Increase in receivables	(1 989 010)	(3 057 378)
(Decrease)/increase in unspent conditional grants and receipts	(272 903)	94 002
Increase in deposits	20 354	8 459
Increase in payables	286 360	261 274
(Decrease)/increase in net VAT	(80 258)	15 057
CASH GENERATED FROM OPERATIONS	**5 874 976**	**6 090 630**

Comparative restated: Increase in deposits have been reclassified as described in the cash flow statement. Cash generated from operations previously reported as R6 082 171 thousand.

32. OPERATING LEASE COMMITMENTS

32.1 The City as lessee

Future minimum lease payments under non-cancellable operating leases

	2021	2020
Buildings	35 980	55 190
Payable within one year	22 585	50 253
Payable within two to five years	13 395	4 937
Radio masts	585	920
Payable within one year	277	478
Payable within two to five years	308	442
TOTAL	**36 565**	**56 110**

Minimum lease payments recognised as an expense during the period amounted to R59,01 million (2020: R55,96 million). Leased premises are contracted for remaining periods of between one and four years, with renewal options available in certain instances.

32.2 The City as lessor

Future minimum lease income under non-cancellable operating leases

	2021	2020
Buildings		
Receivable within one year	74 226	67 983
Receivable within two to five years	264 325	252 378
Receivable after five years	418 016	455 894
TOTAL	**756 567**	**776 255**

The City lets properties under operating leases. Property rental income earned during the year was R 71,21 million (2020: R61,93 million). The tenants maintain the properties at their cost. No investment properties have been disposed of since the date of the statement of financial performance.

The impact of charging the escalations in operating leases on a straight-line basis over the term of the lease has been an increase of R4,22 million in current-year income.

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33. CONTINGENT LIABILITIES

33.1 Contractual disputes

Various contractual claims by contractors and suppliers are currently in dispute, and are subject to mediation. The potential extent of the liability cannot be determined, since it is subject to litigation, but a provisional estimate for the City based on management assessment is R292,84 million (2020: R284,36 million).

33.2 Outstanding insurance claims

The estimated liability for insurance claims amounts to R281,50 million (2020: R262,43 million). The estimated amount is based on quotations, medical reports and letters of demand received. The merits must still be determined, and could result in a lesser or greater amount.

34. Principal-agent arrangements

34.1 Principal arrangements

Collection agents

Prepaid electricity

The municipality has service providers Cigicell, Ontec, Flash and Sandulela who acts as agents for the municipality with the 3rd party sales of prepaid electricity. All payments are paid directly to the municipality and the service provider invoices the municipality for commission payable.

	2021	2020
Commission paid to the agent	77 390	72 105

Municipal accounts and fines

The municipality has a service providers who acts as 3rd party agents for the payment of the City of Cape Town's municipal accounts and traffic fines. All payments are paid into the third party agent's bank account and transferred to the City of Cape Town the next day. Each agent invoice the City for their commission payable and bank costs re-imbursement.

	2021	2020
Commission paid to the agent	53 402	56 378

Free basic electricity

Eskom areas

Eskom, on behalf of the Municipality, provide free basic electricity through its prepaid and conventional meters to eligible customers falling within the municipal boundaries of the Municipality. Eligible customers are identified according to the municipal rates policy. Eskom provides this service in advance and gets reimbursed by the Municipality in an amount equal to the free service provided. It receives no further compensation in terms of the agreement.

34.2 Agent arrangement

Agent for the Western Cape Department of Transport and Public Works

The municipality acts as agent for the Western Cape Department of Transport and Public Works, where it provides motor vehicle registration and licenses services on behalf of the Western Cape Department of Transport and Public Works.

Reconciliation of amounts payable to the department

	2021	2020
Balance owing at the beginning of year	-	-
Revenue received on behalf of principal (includes commission)	1 433 521	1 024 959
Revenue recognised by municipality as agency fee (includes VAT)	(297 249)	(218 925)
Revenue paid over to the principal	(1 136 272)	(806 035)
Balance owing at the end of year	**-**	**-**

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35. CHANGES IN ACCOUNTING ESTIMATES

Annual review of assets' useful lives

The annual review of the useful lives resulted in a decrease of R283,38 million (2020: R105,60 million) in the depreciation charge to the statement of financial performance. The effect of the change is an estimated decrease in depreciation of R267,27 million for 2022 and R261,03 million for 2023. It is impracticable to estimate the effect of these changes on subsequent future periods.

36. BUDGET INFORMATION

36.1 Explanation of variances on the statement of comparison of budget and actual amounts

1. The difference between the approved budget and final budget is due to virements in terms of Council-approved policy.

- The format and classification schemes adopted for the presentation of the approved budget for the financial year differ from the format and classification adopted for the financial statements. Budget reporting occurred in accordance with the Municipal Standard Chart of Accounts (mSCOA) classification scheme.
- The differences in capital spend recognition are set out in the table below:

Annual financial statements	**6 666 861**
Landfill site provision estimate	34 726
Contributed assets	(173 114)
Budget	**6 528 473**

36.2 Explanation of variances greater than 10%: final budget and actual amounts

36.1 Statement of financial performance

Revenue

i) Other own revenue

The variance is largely due to more than planned traffic fines issued, the eradication of traffic fines backlogs caused by the implementation of the contravention system, and in addition the more than planned actual fines income collected/paid as a result of an increased initiative to collect outstanding traffic fines. In addition, more than planned agency income was realised due to more than planned registrations of new/unlicensed vehicles and vehicle license renewals..

Expenditure

ii) Remuneration of Councillors

The variance is largely due to no proclamation on the annual salary increase for councillors by the National Minister of COGTA, and less than planned travel claims submitted by councillors during the year as a result of Covid-19 restrictions and lockdown periods.

iii) Debt impairment

The variance is due to lower-than-budgeted provision for debt impairment realised on Electricity Debtors (45%), Water and Solid Waste debtors (11%) and Property Rates debtors (60%). In addition, the higher-than-budgeted provision realised on Traffic Fines (47%) contributed to the final variance as indicated. The calculation in respect of the impairment of receivables are based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments. In addition, budget calculations included assumptions of the possible negative impact of Covid-19 on the ability of debtors to make payments during the year.

iv) Transfers and Grants

The variance is largely due to delays with the construction of top structures relating to People Housing Processes (PHP) projects. In addition, lower than anticipated Grant in aid applications were received from non-profit - and Public Benefit organisations. These organisations had to apply for a grant in aid instead of receiving a rates rebate in terms of the revised criteria as per the City's Rates policy.

Further underspending can be contributed to Sponsorships of Approved Events that could not be held due to the impact of Covid-19 restrictions and lockdown requirements.

36.2.2 Cash flow statement

i) Net cash from operating

The variance is mainly as a result of an increase in operating revenue, as well as an underspending of operating expenditure.

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36. BUDGET INFORMATION (continued)

36.3 Explanation of variances greater than 5%: final budget and actual amounts

Capital expenditure

i) Community Services and Health
The variance is due to the delay in the award of the building maintenance tender and the impact of the unforeseen stopping of the professional services tender. Added to this was the impact of longer than expected community engagements in impoverished communities.

ii) Corporate Services
The variance in the implementation of projects is due to the non-accessibility of construction site, the reprioritisation of the development of systems and the fact that the suppliers of IT equipment could not supply due to the impact of the Covid-19 pandemic globally.

ii) Economic Opportunities and Asset Management
The variance is as a result of some fleet items that could not be delivered by 30 June 2021 as a result of delays in production and shipping of vehicles from Germany due to the Covid-19 pandemic.

iv) Energy and Climate Change
The variance in the implementation and completion of projects is as a result of community interference; supplier constraints; delay in award of tenders; inclement weather; land invasions; contractor disputes requiring adjudication and material shortages.

v) Finance
The variance in the implementation of projects is due to savings realised in construction of Cape Town Stadium suites as a results of actual tender price being lower than budgeted for, as well as Covid-19 implications, inclement weather which prohibited flying and air traffic control restrictions pertaining to aerial photography.

vi) Human Settlements
The variance in the implementation of projects is a result of delays experienced due to the impact of the Covid-19 lockdown on the implementation of the projects, community dynamics and influences, gang violence, land invasions that prevented projects from going ahead as planned, procurement delays and planning approval delays.

vii) Office of the City Manager
The variance in the implementation of the projects is mainly the result of delays experienced in the delivery of computers and IT equipment, as well as the impact of Covid-19 on the ability of vendors to supply computers and IT equipment. In addition, savings were realised due to actual expenditure being less than planned expenditure on certain items procured.

viii) Spatial Planning and Environment
The variance in the implementation of projects is as a result of capacity constraints on tenders; stop works instruction on tenders; national shortage of steel; capacity constraints from ERP to assist with E-System projects and lastly, unreasonable condition inserted by seller compromised the land acquisition.

ix) Transport
The variance in the implementation of projects is the result of the delay in the appointment of contractors and professional service providers, unavailability of term tenders, cost savings materialised with the completion of projects and inclement weather conditions.

x) Urban Management
The variance in the implementation of projects is the result of tenders no longer being available for utilisation and the delay in the delivery of IT equipment due to supplier constraints.

xi) Management: Water and Waste
The variance is due to savings realised after procurement of printing machine. The initially recommended machines is out of production, and as a result the alternative came at a lower price.

xii) Solid Waste Management
The variance is largely attributable to delay in delivery of fleet which was caused by halted ships in overseas harbours and unspent contingencies.

xiii) Water and Sanitation
The variance is as a result of delays flowing from appeals lodged on tenders, community resistance, items not delivered on time due to supplier constraints and unavailability of stock and unspent contingencies.

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37. DISCLOSURES IN TERMS OF LAW AND LEGISLATION

37.1 Municipal Finance Management Act

37.1.1 Section 124(1)(b)

Disclosure concerning councillors' municipal accounts in arrears

2021

During the **financial year**, there were no councillors in arrears for 90 days or more for rates and/or services.

2020

During the **financial year**, the following councillors were more than 90 days in arrears for rates or services but have since paid their accounts in full:

- G Classen
- MM Bele
- PN Sandla

	2021	2020
37.1.2 Section 125		
37.1.2.1 Irregular expenditure		
Opening balance	885 952	950 370
Expenditure incidents identified in the current year, relating to	762 186	669 164
Current year	385 866	506 072
Prior year	376 320	163 092
	1 648 138	**1 619 534**
Resolved by Council	(1 060 872)	(733 582)
Closing balance	**587 266**	**885 952**

Incidents	2021	2020
Legal services procurement not in terms of SCM regulations	34 379	44 488
Restrictive/biased bids	-	76 718
Expenditure incurred after contract expiry	124 742	435 113
Non-compliance with SCM regulations and sections 33 and 116(3) of the MFMA	603 065	112 845
TOTAL	**762 186**	**669 164**

The irregular expenditure is disclosed exclusive of VAT.

37.1.2.2 Unauthorised expenditure	2021	2020
Opening balance	6 567	-
Expenditure incident identified in the current year	-	6 567
	6 567	**6 567**
Resolved by Council	(6 567)	-
Closing balance	**-**	**6 567**

Incident	Proceedings	2021	2020
Procurement without budget authority	Awaiting condonement from Council	-	**6 567**

37.1.2.3 Fruitless and wasteful expenditure	2021	2020
Opening balance	16 591	19 802
Expenditure incidents identified in the current year, relating to	12 328	28
Current year	11 372	-
Prior year	956	28
	28 919	**19 830**
Resolved by Council	(17 097)	(3 239)
Closing balance	**11 822**	**16 591**

Incidents	2021	2020
Fraudulent payment	-	7
Theft of City's assets	-	21
Interest paid on late payments	1 335	-
Extension of time claims	7 916	-
Other	3 077	-
TOTAL	**12 328**	**28**

Rand thousands (R'000)

37. DISCLOSURES IN TERMS OF LAW AND LEGISLATION (continued)

37.1 Municipal Finance Management Act (continued)

37.1.2 Section 125 (continued)

	2021	2020
37.1.2.4 Material losses		
Water losses	**286 581**	**191 347**

In the current year, the material losses were 15,91% (2020: 10,54%). These are made up of 9,87% reticulation losses (2020: 10,08%) and 6,04% abnormal production losses (2020: 0,46%). These losses are predominantly due to unauthorised usage and metering inaccuracies. The production losses amounted to R413,7 million (2020: R413,9 million).

	2021	2020
Electricity losses	**528 795**	**300 337**

In the current year, the energy losses were 11,95% (2020: 9,73%). These losses are the result of system operation, theft and vandalism. The production losses amounted to R630.51 million (2020: R605,10 million).

37.1.2.5 Other compulsory disclosures

	South African Local Government Association (SALGA) contributions	Audit fees	Pay-as-you-earn (PAYE) and Unemployment Insurance Fund (UIF)	Pension and medical aid
As at 30 June 2021				
Opening balance	(14 877)	240	170 548	322 732
Subscriptions/fees	14 877	20 640	2 278 870	4 069 513
Amount paid: current year	-	(20 663)	(2 094 262)	(3 724 598)
in advance	(15 517)	-	-	-
previous years	-	-	(170 548)	(322 732)
Balance unpaid (included in payables)	**(15 517)**	**217**	**184 608**	**344 915**
As at 30 June 2020				
Opening balance	(14 379)	(145)	152 189	289 938
Subscriptions/fees	14 379	23 044	2 049 213	3 742 916
Amount paid: current year	-	(22 659)	(1 878 665)	(3 420 184)
in advance	(14 877)	-	-	-
previous years	-	-	(152 189)	(289 938)
Balance unpaid (included in payables)	**(14 877)**	**240**	**170 548**	**322 732**

37.2 Supply Chain Management regulations

37.2.1 Deviations

In terms of section 36 of the municipal SCM regulations, any deviation from SCM policy needs to be approved by the Accounting Officer and noted by Council. The awards listed below, have been approved by the Accounting Officer or his delegate (Director: SCM) and noted by Council.

	2021	2020
Incidents		
Greater than R200 000	840 933	788 071
Less than R200 000	236 261	255 826
TOTAL amount approved by the Accounting Officer or his delegated authority, noted by Council	**1 077 194**	**1 043 897**

All deviations considered by the Accounting Officer are processed in terms of the SCM regulations and the SCM policy. This process entails being assessed by the SCM Bid Adjudication Committee in terms of the stipulated criteria of emergency procurements, availability from only one provider, art-historical objects, circumstances where it is impractical or impossible to follow the official procedure, or correction of minor technical breaches.

Rates based deviation awards are disclosed in the annual financial statements based on the total expenditure incurred during the reporting period. Expenditure relating to rates based deviation awards are reported in each of the subsequent reporting periods up until the expiry of the contract.

The amounts for deviations below R200 000 thousand are VAT inclusive. All other figures are VAT exclusive.

Rand thousands (R'000)

37. DISCLOSURES IN TERMS OF LAW AND LEGISLATION (continued)
37.2 Supply Chain Management regulations (continued)

37.2.2 Bids awarded to family of employees in service of the state

In terms of section 45 of the municipal SCM regulation, any award above R2 000 to family of employees in the service of the state must be disclosed in the financial statements. The following is a list as recorded in the declaration-of-interest form.

Connected person	Position held in State	2021
AAE CATERING		239
Y Ebrahim	Regional Operations Manager	
ADVOCC CC		19
I Zimri	Department of Health	
AGL BUILDING REPAIRS AND MAINTENANCE SUP		76
G Elloker	Clerk	
ALFALACH ENGINEERING CC		680
L Martin	Department of Transport	
ANLO PRINT & MAIL CC		328
N Taylor	Administrative Officer	
ASEP ELECTRICAL		9 192
Z September	Teacher	
ATHLONE AUTO TRANSMISSIONS		503
N Joseph	Provincial Government: Director	
BARENDS F		127
T Barends	SAP Developer	
BATTERY CENTRE MITCHELLS PLAIN		110
F Badernhost	Stellenbosch Municipality: Councillor	
BERGSTAN SOUTH AFRICA CONSULTING &		6 599
J Beukes	Department of Social Development	
BOB C IMPORT/EXPORT AGENCIES CC		200
C Padiachy	Clerk	
BOKAMOSO ENTERPRISE SOLUTIONS		325
M Thobejane	Department of Land Affairs	
BOL CONSULTING		51
K Loff	Project Manager	
BOWMAN GILFILLAN INC (LEGAL AND LAND)		3 671
A Visser	Integration (default position)	
B Sepuba	Special Recruitment	
C Dyer	National Department of Education: Deputy Director	
CB Franklyn	Specialist Scientist	
E Barnard	Telkom	
E Tipru	Senior Application Analyst	
E van den Berg	School Psychologist	
G Mellem	Teacher	
H Ben-David	Captain	
J van den Heuvel	Magistrate	
M de Villers	Project and Process Manager	
M Low	Head	
M Nyali	Teacher	
M van Aardt	Medical Doctor	
Mr Deokiram	Logistics Manager	
O Bhayat	Member of Mayoral Committee	
P Naidoo	Doctor	
Q Green	Johannesburg City Power: Director Finance	
RR Ramdenee	Vice President	
S February	Educator	
S Naicker	Head	
S Pillay	Educator	
S Zondo	Operations Manager	
T Mtshali	Deputy Principal	
T Sass	Head: Compliance and Probity	

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37. DISCLOSURES IN TERMS OF LAW AND LEGISLATION (continued)
37.2 Supply Chain Management regulations (continued)

37.2.2 Bids awarded to family of employees in service of the state (continued)

Connected person	Position held in State	2021
BRAINPLAY		798
Mr Pieterse	Teacher	
C & A FRIEDLANDER INC		4 091
AW Bell	Higher Education	
CHARMLU BUILDERS		356
C Absolom	Administrative Clerk	
CLIFFE DEKKER HOFMEYR INCORPORATED		729
B Rapuleng	Communications Officer	
P Van Wyk	Registrar of the Deputy Judge President of the Gauteng Local Division	
COEUR INVESTMENTS		5 352
P Bell	Sports Facilitator	
COMPUTER SPECIALISTS (PTY) LTD		4 057
N Orrie	Senior Superintendent Waste Water	
CONLOG		5 021
N Moodley	Department of Health: Director	
CPR TRUCK REPAIRS		4
B Manuel	Urban Management Support Services	
CSV CONSTRUCTION (PTY) LTD		18 009
Mrs Davids	Provincial Government: Training Post	
DELTA REWINDS		196
L van Wyk	Teacher	
DEMOCRATIC PACKAGING CC		652
V van der Heever	Teacher	
DEO FAVENTE PTY LTD		138
C Snell	EPWP Supervisor	
DESIGNTEC PRINTING CC		804
M Mshweshwe	Manager	
DS GXILISHE		46
S Gxilishe	Teacher	
B Gxilishe	Senior Administrator	
EAS INFRASTRUCTURE ENGINEERS		3 559
J Brown	Coordinator	
ELEMENT CONSULTING ENGINEERS		9 966
R Rossouw	Teacher	
EPI USE AFRICA (PTY) LTD		11 955
J Alberts	Deputy Principal	
E Janse van Rensburg	Senior Manager	
ERNST AND YOUNG ADVISORY SERVICES		37 552
Deepa-Bhana Nathoo	Department of Health - Gauteng	
M Makhakhe	Medical Doctor	
ESO INDUSTRIES		18
S Johnathan	SAPS	
EVERY FLUSH TOILET HIRE		101
N Stimela	Warrant Officer	
FAYDIES CORPORATE GIFTS		3 803
MF Votersen	Manager: Finance	
FG JACOBS TRANSPORT CC		16 103
HC Poole	Teacher	
FIKELELA LABOUR SERVICES		2 664
D Joseph	Member of Parliament	
FLEET TECH		406
S Willemse	Administrative Officer - Finance	

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37. DISCLOSURES IN TERMS OF LAW AND LEGISLATION (continued)
37.2 Supply Chain Management regulations (continued)

37.2.2 Bids awarded to family of employees in service of the state (continued)

Connected person	Position held in State	2021
FRIDGECOR		2 510
M Samsodien	Assistant Professional Officer	
G NKOMO INCORPORATED		28
M Nkomo	State Prosecutor	
GAVA KASSIEM		4
A Kassiem	Media Co-ordinator	
GIBB		48 482
A Moon	Head	
C Hering	Electrical Engineer	
D Allderman	Educator	
D O'Reilly	Warrant Officer	
D Kiewiet	Manager	
I Brink	Educator	
J Gooch	Head	
K Naidoo	Head	
L Cloete	Lecturer	
L Mkhumuzi	Senior Rates Clerk	
N Mkhize	Accounting Clerk	
R Beharie	Senior Engineer	
S Singh	Human Resource Officer	
S Jafta	Assistant Manager	
S Cilliers	Educator	
T Gqobo	Technician	
U Lekonyana	Department of National Treasury: Deputy Director	
V Sicwebu	Manager	
GLOBREACH (PTY) LTD		168
M Manci	Major General	
GREENRO SOLUTIONS (PTY) LTD		3 518
N Thabeng	Forensic Analyst	
HATCH AFRICA		403
V Goba	Department of Health: Director	
HAYES INCORPORATED		3 345
F Akherwaray	Support Assistant	
HEROLD GIE		5 453
K Meyer	Senior Clerk	
HRK CAPE (PTY) LTD		260
T Saban	EPWP	
HYGIENE SERVICE		14 662
S Zini	Safety and Security	
IKAMVA YOUTH ENTREPRENEURSHIP DEVELOPMENT		24
T Mouton	Health Inspector	
IKAPA RETICULATION		18 069
S Davids	Teacher	
IKAPA RETICULATION AND FLOW CC		2 223
Unknown - Retired	Teacher	
INTUITIVE DATA (PTY) LTD		200
T Nharaunda	Senior Accountant	
ISIDIMA CIVILS PTY LTD		18 423
S Manuel	Administrative Officer	
ISUZU TRUCK CENTRE		169 782
E Jacobs	Senior Clerk	

Rand thousands (R'000)

37. DISCLOSURES IN TERMS OF LAW AND LEGISLATION (continued)
37.2 Supply Chain Management regulations (continued)

37.2.2 Bids awarded to family of employees in service of the state (continued)

Connected person	Position held in State	2021
ITHALOMSO		48 300
S Fumba	GIS Admin	
Y Ndevu	Clerk	
JC ACTIVE ELECTRICAL		50
C van der Vendt	Clerk	
JG AFRIKA (PTY) LTD		25 102
R Maharaj	Planner	
JVZ CONSTRUCTION (PTY) LTD		18 230
R Matthee	Correctional Services	
KEMANZI (PTY) LTD		4 053
J du Toit	Traffic Inspector	
KEMP EN GENOTE		3 257
M Williams	Legal Advisor	
KEPTRA TRADING		2 317
R Marais	Western Cape Education Department	
LINDOL HYGIENE SERVICES (PTY) LTD		2 086
NS Jantjies	Educator	
LIKHONA LETHU SERVICES		24 031
Z Rafu	Sergeant	
LILIAN4ZONKE		9 694
F Monk	Sub Council Manager	
N Monk	EPWP	
LJA CONSTRUCTION CC		13 800
L Arries	Teacher	
MAGUGA ATTORNEYS		1 683
T Mgegwana	Police Officer	
MALHERBE TUBB FAURE INC T/A MHI ATTORNEY		2 597
J Rossouw	Administrative Officer	
MARISWE (PTY) LTD		297
Nelmarie van Wyk	Teacher	
Aletta Fongoqa	Professional Nurse	
Gerhard Munnik	Project Manager	
J Sindane	Chief of Staff	
MARKET TOYOTA CULEMBORG		3
E Jacobs	Senior Clerk	
MASIBAMBANE RECRUITMENT (PTY) LTD		360
V Williams	Stores Clerk	
MASSIVE QUANTUM (PTY) LTD		134
F Hendricks	Administrative Officer	
MGWEVHA PROJECTS AND SERVICES (PTY) LTD		278
N Nmabena	Integrated (default position)	
MICHLO ENGINEERING		79
G Neves	Teacher	
MISS FACILITIES MANAGEMENT		6
L Muller	Administrative Officer	
MITCHELL PROJECTS		54
T Mitchell	Artisan	
NAEEM'S TRUCK & COACH		298
Z Smith	Employee	
NCC ENVIRONMENTAL SERVICES (PTY) LTD		685
C Rhoda	Transport	
NEOTERIC TRADING SERVICES		109
S Jacobs	Cape Agulhas Municipality: Director	

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37. DISCLOSURES IN TERMS OF LAW AND LEGISLATION (continued)
37.2 Supply Chain Management regulations (continued)

37.2.2 Bids awarded to family of employees in service of the state (continued)

Connected person	Position held in State	2021
NIYALWA		154
M Sakwe	Quantity Surveyor	
NORTON ROSE FULBRIGHT SOUTH AFRICA		1 828
F Nonhlanhla	Telecom Operator	
S Clay	Educator	
E Maubane	HR Administrator	
C Sunpath	Medical Doctor	
H Sunpath	Chief Technical Advisor	
G Adams	Deputy Principal	
PARKERS BUS SERVICE		18
R Parker	Teacher	
PATHCARE		99
C Maas Loftus	Doctor	
PEGASYS		64 294
P Grey	Professional Officer	
B Weston	Scientific Manager	
D Quin	Senior Crime Analyst	
E Warambwa	Professional Engineer	
PERAGON CLEANING SOLUTIONS		4
M Manci	General	
PISTON POWER CHEMICALS (PTY) LTD		10 222
N Andhee	Educator	
PROFESSIONAL EMERGENCY CARE CC		95
J Bodmer	Metro Paramedics	
PSA AFRICA (PTY) LTD		1 255
T Frost	Department of Justice	
PURPLE ROSE DISTRIBUTORS CC		36
C Hector	Quality assessor	
M Hector	Medical Doctor	
RED ANT SECURITY		63 546
N Lesiela	Design & Development Practitioner	
REEDS BELLVILLE		424
E Jacobs	Senior Clerk	
REEDS CLAREMONT		477
E Jacobs	Senior Clerk	
REEDS N1 CITY		287
E Jacobs	Senior Clerk	
ROAD SMART ASPHALTING		62 722
AC Pamplin	Colonel	
RONI ENGINEERS		41 344
J Kotze	Education	
ROYAL HASKONINGDHV (PTY) LTD		1 581
L Dladla	Department of Health: Deputy Director	
T Sithole	City of Johannesburg	
SAN Building		32 618
B Ascott	Principal Professional Officer	
SANCCOB		360
P Cilliers	SAP ERP Analyst	
L Roberts	State VET	
SITSOL TRADING		228
C Sitzer	Administrative Clerk	
SOL PARTNERS		7
N Mazaza	Department of Education	

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37. DISCLOSURES IN TERMS OF LAW AND LEGISLATION (continued)
37.2 Supply Chain Management regulations (continued)

37.2.2 Bids awarded to family of employees in service of the state (continued)

Connected person	Position held in State	2021
SOLAR DISTRIBUTORS AFRICA		29 664
A Martin	Law Enforcement Operational Coordination	
SPILL TECH		357
S Goosen	Transnet	
STEDONE DEVELOPMENTS		36 865
L Dube	Department of Transport	
STELMED		9 223
C Combrinck	Educator	
SUCCIDO ENTERPRISES		22
L Kramm	Administrator	
TEMPUS DYNAMICS		2 475
M Mvalo	Professional Officer	
THE OIL CENTRE		441
LB Mdyogolo	Teacher	
TJEKA TRAINING MATTERS (PTY) LTD		1 111
B Ntlanti	Clerk	
TOXSOLUTIONS KITS AND SERVICES CC		256
G Pearson	Employee	
TRAFFIC MANAGEMENT TECHNOLOGIES		32 010
G Aspeling	Principal Mechanical Engineer	
TRANSPORT TELEMATICS AFRICA		23 608
J Groenewald	Financial Officer	
TREE CUTTING PEOPLE		46
T Hlwatika	Clinical Nurse	
TRENDCORE SUPPLIES		152
S Mepomie	Colonel	
TURNER AND TOWNSEND (PTY) LTD		10 225
E Barnard	Risk Manager	
M Low	Head	
P Naidoo	Doctor	
S Naicker	Head	
T Bulmer	Chief Physiotherapist	
UNAKO HOLDINGS (PTY) LTD		115
T Vapi	Correctional Officer	
VAN DER SPUY & PARTNERS (CAPE)		783
M Van Zyl	Educator	
VINZEIGH LEUKES TRADING		218
J Fortuin	Department of Rural Development: Chief Director	
VONDO TRADING		6 475
N Nevondo	Department of Human Settlements	
WEBBER WENTZEL		14 719
A Truter	Chief Education Specialist: Circuit Team Manager	
A Smith	Senior Cabin Crew Member	
B Mahlangu	School Principal	
C Truter	School Principal	
Dr D Singh	Department of Education	
E Meyer	Government Employee Pension Scheme	
E Watson	Member: Board of Directors	
H Prinsloo	Principal Risk Analyst	
I Thekiso	SASSA	
J Abraham	Secretary - Lorraine Primary School	
J Botha	Teacher	
JCL Smit	Beaufort West Municipality: Director	
K Nonyane	Senior Planning Technician	
L Seftel	City of Johannesburg	
N Dias	Senior Legal Advisor	
P Singh	Department of Education	
S Qolohle	National Treasury: Director	

Rand thousands (R'000)

37. DISCLOSURES IN TERMS OF LAW AND LEGISLATION (continued)
37.2 Supply Chain Management regulations (continued)

37.2.2 Bids awarded to family of employees in service of the state (continued)

Connected person	Position held in State	2021
WHILE ITS DAY		11
C Hector	Building assessor	
M Hector	Medical Doctor	
WILSTAN BOOK SUPPLIES		1 117
V Beukes	Senior Professional Officer	
WRP CONSULTING ENGINEERS (PTY) LTD		299
Katlego Mamphitha	SABC	
Zelmane van Rooyen	Department of Public Works	
YIZA APHA TRADING		275
A Kelland	Senior Clerk	
ZELUNGA INVESTMENTS		330
N Biyase	Assistant Technical Officer	
T Biyase	Cleaner	
N Zakhe	Administrative Officer	
ZUTARI (PTY) LTD		177 008
HC Ahlschlager	Legal Representative	
K Nadasen	National Department of Public Works: Director	
T Mncube	Specialist Category Manager: Supply Chain	
TOTAL		**1 222 961**

See annexure F for the 2020 list.

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Rand thousands (R'000)

38. RELATED-PARTY DISCLOSURES

38.1 Municipal entities and other entities

During the year, in the ordinary course of business, transactions between the City of Cape Town and the following entities have occurred under terms and conditions that are no more favourable than those entered into with third parties in arm's-length transactions.

	2021	2020
CTICC		
The CTICC was established for Cape Town to become host to international conferences, with the objective of promoting Cape Town as a tourism city.		
Percentage owned	71,4%	71,4%
Arm's-length transactions for the year		
Receivables	1 493	2 245
Payables	316	8 684
Deposits	1 236	1 244
Service charges	18 604	27 126
Contracted services	365	-
Rental of letting stock and facilities	1 505	2 882

The City of Cape Town is leasing to the CTICC the land on which the CTICC 1 (erf 263) and CTICC 2 (erf 270) are built, on the following terms:

- Erf 263 for a period of 99 years, commencing on 1 December 2001, at a nominal rental amount of R100 per annum.
- Erf 270 for a period of 30 years, commencing on 31 October 2012, after signing the 2nd addendum, at a nominal rental amount of R5 000 per annum.

	2021	2020
Cape Town Stadium (RF) SOC Ltd		
The Cape Town Stadium municipal entity was established to manage and operate Cape Town Stadium on behalf of the City. The vision of Cape Town Stadium is to achieve worldwide recognition as a facility for the hosting of major sports events and become the premium venue of choice.		
Percentage owned	100%	100%
Arm's-length transactions for the year		
Receivables	133	496
Payables	4 384	2 566
Service charges	8 278	8 744
Other income	22 198	18 955
Grants and subsidies paid	65 237	59 454

The City is the sole shareholder of the Cape Town Stadium (RF) SOC Limited, which started operating as a municipal entity from 1 February 2018. The City is the holder of 100 ordinary shares issued with no par value.

The City of Cape Town is leasing to the Cape Town Stadium municipal entity erf 2188, Green Point, being the Cape Town Stadium precinct, for an initial period of 50 years commencing on 13 November 2019, with the option of renewal for an additional 49 years, at a nominal rental amount of R100 per annum.

	2021	2020
Cape Metropolitan Transport Fund (CMTF)		
The CMTF was created in terms of section 18 of the Urban Transport Act 78 of 1977. The administration of the CMTF vests with the City of Cape Town. The principal activity of the CMTF is to fund the planning and provision of adequate urban transport facilities and all incidental matters.		
Administrator		
Arm's-length transactions for the year		
Funds held on behalf of CMTF	26 928	22 697
Grants and transfers – conditions met	1 428	1 059
Interest paid	853	1 218
Revenue collected	4 820	4 232

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Rand thousands (R'000)

38. RELATED-PARTY DISCLOSURES (continued)

38.2 Executive management

38.2.1 Executive management members and councillors

No members of the City of Cape Town's management have significant influence over the financial or operating policies of the municipal entities and special rating areas.

The following reported transaction occurred on an arm's-length basis between the City and a close family member of a key management staff member.

38.2.1.1 Executive director

As at 30 June 2021

Name	Nature of relation	Key management
Empire	Sister-in-law	V Botto

Arm's-length transactions for the year	
Rendering of service	78
Amount owing	12

As at 30 June 2020

During the **financial year**, there were no executive directors with related party transactions.

38.2.1.2 Councillor

As at 30 June 2021

During the **financial year**, there were no councillors with related party transactions.

As at 30 June 2020

Name	Nature of relation	Key management
Mbolompo Property Specialist (Pty) Ltd	Spouse	Cllr J Mbolompo

Arm's-length transactions for the year	
Rendering of service	24

38.2.2 Mayoral Committee (Mayco) members/councillors

	Annual salary	Car allowance	Social contribution	Total
2021				
Mayco members	12 946	19	621	**13 586**
Councillors	139 497	452	4 554	**144 503**
TOTAL	**152 443**	**471**	**5 175**	**158 089**
2020				
Mayco members	13 081	18	612	**13 711**
Councillors	140 256	457	4 488	**145 201**
TOTAL	**153 337**	**475**	**5 100**	**158 912**

Councillors are remunerated according to the Remuneration of Public Office Bearers Act 20 of 1998 and are not disclosed individually but in aggregate, and only have collective executive powers for planning, directing and controlling the activities of the City of Cape Town. There are 231 councillor positions, whose aggregate remuneration amounted to R152,36 million for the period in review. The average remuneration per councillor is R0,684 million (2020: R0,687million) per annum. The Mayco members have such individual executive powers as granted by their delegation, and are therefore disclosed in the table below. A full list of councillors is disclosed on pages 6 and 7 under "General information".

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Rand thousands (R'000)

38. RELATED-PARTY DISCLOSURES (continued)

38.2 Executive management (continued)

38.2.3 Mayco members remuneration

	ANALYSIS OF REMUNERATION BENEFITS			
	Annual salary	Car allowance	Social contribution	Total
2021				
Executive Mayor				
Ald D Plato	1 445	-	-	**1 445**
Deputy Mayor/Finance				
Ald ID Neilson	1 047	-	128	**1 175**
Economic Opportunities and Asset Management				
Ald J Vos	1 109	-	-	**1 109**
Corporate Services				
Cllr SA Cottle	1 109	-	-	**1 109**
Community Services and Health				
Cllr ZA Badroodien	1 109	-	-	**1 109**
Energy and Climate change				
Cllr P Maxiti	1 110	-	-	**1 110**
Human Settlements				
Cllr M Booi	1 034	-	75	**1 109**
Safety and Security				
Ald JP Smith	994	19	96	**1 109**
Spatial Planning and Environment				
Ald M Niewoudt	1 013	-	96	**1 109**
Transport				
Ald F Purchase	878	-	106	**984**
Urban Management				
Ald G Twigg	989	-	120	**1 109**
Water and Waste				
Ald X Limberg	1 109	-	-	**1 109**
TOTAL	**12 946**	**19**	**621**	**13 586**

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Rand thousands (R'000)

38. RELATED-PARTY DISCLOSURES (continued)
38.2 Executive management (continued)

38.2.3 Mayco members (continued)

	ANALYSIS OF REMUNERATION BENEFITS			
	Annual salary	Car allowance	Social contribution	Total
2020				
Executive Mayor				
Ald D Plato	1 445	-	-	**1 445**
Deputy Mayor/Finance				
Ald ID Neilson	1 052	-	123	**1 175**
Economic Opportunities and Asset Management				
Ald J Vos	1 109	-	-	**1 109**
Corporate Services				
Cllr SA Cottle	1 109	-	-	**1 109**
Community Services and Health				
Cllr ZA Badroodien	1 109	-	-	**1 109**
Energy and Climate change				
Cllr P Maxiti	1 109	-	-	**1 109**
Human Settlements				
Cllr M Booi	1 037	-	71	**1 108**
Safety and Security				
Ald JP Smith	999	18	93	**1 110**
Spatial Planning and Environment				
Ald M Niewoudt	1 017	-	93	**1 110**
Transport				
Ald F Purchase	993	-	116	**1 109**
Urban Management				
Ald G Twigg	993	-	116	**1 109**
Water and Waste				
Ald X Limberg	1 109	-	-	**1 109**
TOTAL	**13 081**	**18**	**612**	**13 711**

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Rand thousands (R'000)

38. RELATED-PARTY DISCLOSURES (continued)

38.2 Executive management (continued)

38.2.4 Executive management

	ANALYSIS OF REMUNERATION BENEFITS				
	Annual salary	Relocation and car allowance	Travel and subsist-ence	Social contri-bution	Total
2021					
City Manager					
L Mbandazayo	3 153	-	-	386	**3 539**
Corporate Services					
C Kesson	2 739	-	-	337	**3 076**
Community Services and Health					
V Botto	472	-	-	73	**545**
E Sass	2 244	-	-	334	**2 578**
Economic Opportunities and Asset Management					
K le Keur	2 026	49	-	224	**2 299**
R Gelderbloem	931	**-**	**-**	115	**1 046**
Energy and Climate Change					
KM Nassiep	2 549	221	-	2	**2 772**
Finance					
K Jacoby	2 733	81	-	278	**3 092**
Human Settlements					
NZ Gqiba	2 770	-	-	2	**2 772**
Safety and Security Services					
R Bosman	1 877	56	-	200	**2 133**
V Botto	737	-	-	120	**857**
Spatial Planning and Environment					
O Asmal	2 116	40	-	261	**2 417**
E Naude	469	50	-	67	**586**
Transport					
E Sass	449	-	-	67	**516**
D Campbell	1 993	61	-	198	**2 252**
Urban Management					
P Mashoko	3 027	(89)	-	224	**3 162**
B Gerber	1 043	-	-	1	**1 044**
Water and Waste					
M Webster	2 235	88	-	313	**2 636**
TOTAL	**33 563**	**557**	**-**	**3 202**	**37 322**

AUDITOR-GENERAL SOUTH AFRICA

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Rand thousands (R'000)

38. RELATED-PARTY DISCLOSURES (continued)

38.2 Executive management (continued)

38.2.4 Executive management (continued)

	ANALYSIS OF REMUNERATION BENEFITS				
	Annual salary	Relocation and car allowance	Travel and subsist-ence	Social contri-bution	Total
2020					
City Manager					
L Mbandazayo	2 978	-	1	381	**3 360**
Corporate Services					
C Kesson	2 750	-	45	333	**3 128**
Community Services and Health					
V Botto	890	-	-	129	**1 019**
Economic Opportunities and Asset Management					
K le Keur	2 361	65	-	298	**2 724**
Energy and Climate Change					
KM Nassiep	2 450	295	33	2	**2 780**
Finance					
K Jacoby	2 731	81	-	275	**3 087**
Human Settlements					
NZ Gqiba	2 536	130	17	2	**2 685**
R Rughubar	151	-	-	22	**173**
Safety and Security Services					
R Bosman	2 654	95	-	333	**3 082**
Spatial Planning and Environment					
O Asmal	2 351	53	-	345	**2 749**
Transport					
E Sass	2 820	-	-	395	**3 215**
M Whitehead	762	-	-	-	**762**
Urban Management					
P Mashoko	2 185	153	-	29	**2 367**
B Gerber *	-	-	-	-	**-**
Water and Waste					
M Webster **	2 386	88	19	185	**2 678**
TOTAL	**30 005**	**960**	**115**	**2 729**	**33 809**

*Acted without compensation for period.

** Included in the annual salary amount is a director's individual performance management (IPM) bonus of R17 098 for the period up until November 2019.

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Rand thousands (R'000)

39. EVENTS AFTER REPORTING DATE

At the time of preparing and submitting the annual financial statements, there were no subsequent events to disclose.

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ANNEXURE A: Schedule of external borrowings

AS AT 30 JUNE 2021

Rand thousands (R'000)

	Contractual interest rate (NACS) %	Loan ID	Redeemable date	Balance as at 30 June 2020	Received during the year	Net interest accrual during the year	Concessionary loan adjustment	Redeemed/ written off during year	Balance as at 30 June 2021
MARKETABLE BONDS									
Municipal Bond CCT01	12,570	830014004	2023	1 002 747	-	-	-	-	1 002 747
Municipal Bond CCT02	11,615	830016003	2024	1 207 236	-	(762)	-	-	1 206 474
Municipal Bond CCT03	11,160	830017007	2025	2 065 505	-	-	-	-	2 065 505
Municipal Bond CCT04 (green bond)	10,170	830019504	2027	784 480	-	(4 778)	-	(100 000)	679 702
Total marketable bonds [1]				**5 059 968**	**-**	**(5 540)**	**-**	**(100 000)**	**4 954 428**
CONCESSIONARY LOANS									
AFD	5,763	830018500	2028	293 224	-	(676)	6 922	(40 000)	259 470
AFD	5,730	830018516	2028	292 871	-	(672)	6 992	(40 000)	259 191
AFD	5,755	830018530	2028	293 143	-	(675)	6 938	(40 000)	259 406
AFD	5,800	830018523	2028	286 008	-	(662)	6 665	(38 961)	253 050
KfW	8,107	830020016	2033	1 026 363	-	(877)	22 898	(85 867)	962 517
Total concessionary loans				**2 191 609**	**-**	**(3 562)**	**50 415**	**(244 828)**	**1 993 634**
OTHER LOANS									
DBSA	9,639	830013000	2022	33 333	-	-	-	(13 333)	20 000
DBSA	10,565	830013507	2022	33 333	-	-	-	(13 333)	20 000
Total other loans				**66 666**	**-**	**-**	**-**	**(26 666)**	**40 000**
TOTAL				**7 318 243**	**-**	**(9 102)**	**50 415**	**(371 494)**	**6 988 062**

[1] *Guaranteed investment instruments have been established for the repayment of the bonds by once-off lump sum payments with various financial institutions, namely Nedbank (CCT01), Rand Merchant Bank (CCT02) and Liberty Group Limited (CCT03).*

ANNEXURE B: Analysis of property, plant and equipment and other assets

AS AT 30 JUNE 2021

Rand thousands (R'000)

	COST						ACCUMULATED DEPRECIATION						
	Opening balance	Transfers/ adjustments	Additions [1]	Impairments	Disposals	Closing balance	Opening balance	Transfers/ adjustments	Depreciation/ amortisation	Impairments	Disposals	Closing balance	Carrying value
Land and buildings													
Vacant land	1 380 331	1 864	16 915	-	(45)	1 399 065	(260 343)	-	-	(20 483)	-	(280 826)	1 118 239
Land and buildings	3 121 543	102 347	63 214	-	-	3 287 104	(783 761)	(25)	(63 677)	(311)	-	(847 774)	2 439 330
	4 501 874	**104 211**	**80 129**	**-**	**(45)**	**4 686 169**	**(1 044 104)**	**(25)**	**(63 677)**	**(20 794)**	**-**	**(1 128 600)**	**3 557 569**
Infrastructure													
Assets under construction	3 096 336	(1 458 673)	2 069 507	-	-	3 707 170	-	-	-	-	-	-	3 707 170
Telecommunications	1 088 183	184 227	132 276	-	-	1 404 686	(202 358)	(163 030)	(82 741)	-	-	(448 129)	956 557
Drains	1 535 748	69 018	63 822	-	-	1 668 588	(551 146)	-	(57 298)	-	-	(608 444)	1 060 144
Roads	14 538 066	666 545	522 670	-	(6 392)	15 720 889	(4 650 778)	111	(475 833)	-	5 376	(5 121 124)	10 599 765
Beach improvements	183 355	2 949	3 675	-	-	189 979	(39 573)	(432)	(5 845)	-	-	(45 850)	144 129
Sewerage mains and purification	5 888 804	647 188	310 519	-	-	6 846 511	(2 350 189)	(128 269)	(161 551)	-	-	(2 640 009)	4 206 502
Security	1 501 058	23 989	262 905	-	(100)	1 787 852	(721 416)	19	(137 985)	-	28	(859 354)	928 498
Electricity peak-load equipment and mains	11 283 027	83 914	486 081	-	-	11 853 022	(3 509 326)	-	(251 859)	-	-	(3 761 185)	8 091 837
Water mains and purification	6 049 034	(176 546)	582 278	-	-	6 454 766	(2 382 510)	128 248	(146 137)	(6 945)	-	(2 407 344)	4 047 422
Reservoirs - water	1 442 758	31 226	194 454	-	-	1 668 438	(470 261)	-	(20 899)	-	-	(491 160)	1 177 278
	46 606 369	**73 837**	**4 628 187**	**-**	**(6 492)**	**51 301 901**	**(14 877 557)**	**(163 353)**	**(1 340 148)**	**(6 945)**	**5 404**	**(16 382 599)**	**34 919 302**
Community assets													
Assets under construction	98 487	(81 196)	84 890	-	-	102 181	-	-	-	-	-	-	102 181
Parks and gardens	344 215	4 758	5 160	-	(23)	354 110	(78 196)	-	(11 598)	-	7	(89 787)	264 323
Libraries	351 194	444	3 193	-	-	354 831	(96 528)	-	(6 315)	(144)	-	(102 987)	251 844
Recreational facilities	1 375 485	3 410	54 760	-	-	1 433 655	(634 731)	294	(46 653)	-	-	(681 090)	752 565
Civic buildings	2 952 127	15 135	91 305	-	(30)	3 058 537	(833 386)	11	(50 295)	-	2	(883 668)	2 174 869
	5 121 508	**(57 449)**	**239 308**	**-**	**(53)**	**5 303 314**	**(1 642 841)**	**305**	**(114 861)**	**(144)**	**9**	**(1 757 532)**	**3 545 782**
Other assets													
Assets under construction	279 911	(127 838)	235 545	-	-	387 618	-	-	-	-	-	-	387 618
Buildings and land	1 249	-	-	-	-	1 249	(1 249)	-	-	-	-	(1 249)	-
Landfill sites	1 237 507	48 278	(29 908)	-	-	1 255 877	(715 784)	-	(37 134)	-	-	(752 918)	502 959
Furniture, fittings and equipment	1 253 955	14 614	118 805	-	(13 209)	1 374 165	(889 935)	(3 938)	(106 400)	(42)	11 442	(988 873)	385 292
Bins and containers	80 429	6	11 451	-	(18 911)	72 975	(66 085)	-	(4 600)	-	18 882	(51 803)	21 172
Emergency equipment	76 399	528	12 927	-	(2 021)	87 833	(45 879)	-	(9 506)	-	1 999	(53 386)	34 447
Motor vehicles and watercraft	2 188 695	(102)	289 082	-	(88 939)	2 388 736	(834 884)	43	(201 791)	(2 285)	75 696	(963 221)	1 425 515
Plant and equipment	1 335 935	(4 548)	54 229	-	(11 491)	1 374 125	(801 583)	4 431	(107 431)	-	11 054	(893 529)	480 596
Specialised vehicles	2 125 103	78	359 801	-	(16 518)	2 468 464	(919 986)	(38)	(141 279)	-	13 180	(1 048 123)	1 420 341
Computer equipment	2 544 097	(148 220)	255 825	-	(60 079)	2 591 623	(1 966 806)	162 434	(211 862)	(17)	58 539	(1 957 712)	633 911
	11 123 280	**(217 204)**	**1 307 757**	**-**	**(211 168)**	**12 002 665**	**(6 242 191)**	**162 932**	**(820 003)**	**(2 344)**	**190 792**	**(6 710 814)**	**5 291 851**
Living resources													
Animals	1 281	-	-	-	(56)	1 225	(513)	-	(192)	-	56	(649)	576
	1 281	**-**	**-**	**-**	**(56)**	**1 225**	**(513)**	**-**	**(192)**	**-**	**56**	**(649)**	**576**
Service concession assets													
Assets under construction	39 276	(39 276)	-	-	-	-	-	-	-	-	-	-	-
Cape Town Stadium	4 605 778	39 171	220 079	-	(37)	4 864 991	(1 944 524)	141	(173 969)	-	37	(2 118 315)	2 746 676
Busses and depots	1 478 416	-	-	-	-	1 478 416	(715 726)	-	(44 743)	-	-	(760 469)	717 947
	6 123 470	**(105)**	**220 079**	**-**	**(37)**	**6 343 407**	**(2 660 250)**	**141**	**(218 712)**	**-**	**37**	**(2 878 784)**	**3 464 623**
Housing rental stock	**3 237 642**	**38 145**	**63 318**	**-**	**(10 047)**	**3 329 058**	**(1 165 793)**	**-**	**(104 963)**	**-**	**8 547**	**(1 262 209)**	**2 066 849**
TOTAL PPE	**76 715 424**	**(58 565)**	**6 538 778**	**-**	**(227 898)**	**82 967 739**	**(27 633 249)**	**-**	**(2 662 556)**	**(30 227)**	**204 845**	**(30 121 187)**	**52 846 552**

ANNEXURE B: Analysis of property, plant and equipment and other assets (continued)

AS AT 30 JUNE 2021

Rand thousands (R'000)

	COST						ACCUMULATED DEPRECIATION						
	Opening balance	Transfers/ adjustments	Additions [1]	Impairments	Disposals	Closing balance	Opening balance	Transfers/ adjustments	Depreciation/ amortisation	Impairments	Disposals	Closing balance	Carrying value
Heritage assets													
Paintings and museum items	10 269	-	-	-	(1)	10 268	-	-	-	-	-	-	10 268
	10 269	**-**	**-**	**-**	**(1)**	**10 268**	**-**	**-**	**-**	**-**	**-**	**-**	**10 268**
Investment property													
Vacant land	518 142	-	-	-	-	518 142	-	-	-	-	-	-	518 142
Land and buildings	124 501	-	-	-	-	124 501	(61 396)	-	(1 713)	-	-	(63 109)	61 392
	642 643	**-**	**-**	**-**	**-**	**642 643**	**(61 396)**	**-**	**(1 713)**	**-**	**-**	**(63 109)**	**579 534**
Intangible assets													
Assets under construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of rights	561 441	-	-	-	-	561 441	(424 815)	-	(70 181)	-	-	(494 996)	66 445
Computer software	1 188 862	65 632	128 083	-	(2)	1 382 575	(725 810)	-	(98 577)	-	2	(824 385)	558 190
	1 750 303	**65 632**	**128 083**	**-**	**(2)**	**1 944 016**	**(1 150 625)**	**-**	**(168 758)**	**-**	**2**	**(1 319 381)**	**624 635**
TOTAL OTHER	**2 403 215**	**65 632**	**128 083**	**-**	**(3)**	**2 596 927**	**(1 212 021)**	**-**	**(170 471)**	**-**	**2**	**(1 382 490)**	**1 214 437**
GRAND TOTAL PPE AND OTHER	**79 118 639**	**7 067**	**6 666 861**	**-**	**(227 901)**	**85 564 666**	**(28 845 270)**	**-**	**(2 833 027)**	**(30 227)**	**204 847**	**(31 503 677)**	**54 060 989**

[1] *See note 36 for the reconciliation between additions and capital expenditure.*

ANNEXURE C: Disclosure of bank accounts in terms of section 125(2)(a) of the MFMA

FOR THE YEAR ENDED 30 JUNE 2021

Rand thousands (R'000)

	2021	2020	2019
Bank accounts held with			
Nedbank			
Main bank	189 554	242 494	214 486
Salary bank	-	-	-
Cashier's bank	-	-	-
General income bank (primary)	-	-	-
Traffic fines bank	-	-	-
IRT bank	-	-	-
Amortised cost	189 554	242 494	214 486
ABSA			
IRT bank	5 581	7 882	31 467
Amortised cost	5 581	7 882	31 467
Amortised cost - see note 10	**195 135**	**250 376**	**245 953**
Bank accounts managed by fund managers			
Nedbank			
City of Cape Town	702	883	730
City of Cape Town	139	63	65
City of Cape Town	1 206	1 394	1 416
City of Cape Town	1 823	1 463	3 341
City of Cape Town	4 102	5 301	4 992
City of Cape Town	601	679	736
City of Cape Town	277	229	534
City of Cape Town	617	647	872
City of Cape Town	94	460	200
City of Cape Town	426	286	-
Fair value - see note 10	**9 987**	**11 405**	**12 886**

ANNEXURE C: Disclosure of bank accounts in terms of section 125(2)(a) of the MFMA (continued)

FOR THE YEAR ENDED 30 JUNE 2021

Rand thousands (R'000)

SHORT-TERM DEBT FACILITIES

The Municipality of Cape Town had the following short-term debt facilities with the City's main banker:

	2021	2020
General banking facility	800 000	800 000
Guarantee facility (cash-covered)	150 000	100 000
Guarantee facility (non-cash-covered)	30 000	12 000
Letter of credit	16 000	16 000
Business travel card	2 000	2 000

The short-term debt facilities are reviewed annually and can be explained as follows:

General banking facility

This facility allows the City to quickly access funds should an immediate drawdown into the City's bank account be required.

Guarantee facility (cash-covered)

This is a facility whereby the bank will guarantee a payment to a beneficiary on behalf of the client to meet the obligations between the client and the beneficiary. This facility would be cash covered which means that the client provides cash cover which is held in an interest bearing investment account and is then ceded to the bank.

Guarantee facility (non-cash-covered)

This is a facility whereby the bank will guarantee a payment to a beneficiary on behalf of the client to meet the obligations between the client and the beneficiary. There is no cash required in this instance.

Letter of credit

A letter of credit is a document issued by the bank, assuring payment to a seller of goods or services, provided that certain documents have been presented to the bank. The documents should prove that the seller has performed the duties specified by an underlying contract, and that the goods/services have been supplied as agreed. In return for these documents, the beneficiary receives payment from the bank that issued the letter.

Business travel card

The travel card facility is used for all the travel spend of the City (airfares, hotel and accommodation, car hire, travel agent fees, forex, et cetera) as the main, cost-effective and reliable card payment solution from the City's main banker. A credit facility is loaded on the account/card.

ANNEXURE D: Disclosure of grants and subsidies in terms of section 123 of the MFMA

FOR THE YEAR ENDED 30 JUNE 2021

Rand thousands (R'000)

	National and Province grant funds							
				Conditions met - transferred to revenue				
Description	Balance unspent at beginning of the year [1]	Current-year receipts	Adjustments	Operating	Capital	Interest earned	Amounts to be claimed	Balance unspent at the end of the year [1]
National Government								
2014 African Nations Championship	(2)	-	-	-	-	-	-	(2)
Accreditation: Development Support	(293)	-	-	-	-	-	-	(293)
Department of Environmental Affairs and Tourism	(324)	(220)	-	395	-	-	-	(149)
DME - INEP	-	-	-	-	(5)	-	-	(5)
Energy Efficiency Electricity Demand Side Management	-	(9 000)	6	819	8 175	-	-	-
Expanded Public Works Incentive Grant	(7 778)	(44 772)	223	51 156	1 171	-	-	-
Finance Management Grant	-	(1 000)	-	1 000	-	-	-	-
Informal Settlements Upgrading Partnership	-	-	(275 364)	10 113	265 251	-	-	-
Infrastructure Skills Development	-	(10 869)	183	8 289	863	-	-	(1 534)
Integrated City Development Grant	(14 184)	(65 160)	11 874	21 014	40 410	-	-	(6 046)
Municipal Disaster Recovery Grant	-	-	-	-	(30)	-	-	(30)
National Skills Fund	-	(18 470)	-	16 061	-	-	-	(2 409)
Neighbourhood Development Programme	(26 147)	(22 534)	28 049	1 394	11 288	-	-	(7 950)
Peninsula Wetlands Rehabilitation Project	(1 243)	-	285	958	-	-	-	-
Philippi Agri-Hub	-	(12 504)	-	12 517	-	-	(13)	-
Public Transport Network Grant	(322 002)	(750 771)	368 782	451 467	237 139	-	-	(15 385)
Public Transport Network Grant - BFI	(46 519)	-	(258 432)	-	290 583	-	-	(14 368)
Restructuring Grant - Seed Funding	(1 735)	-	-	-	276	-	-	(1 459)
Special Projects	-	-	47	-	-	-	(47)	-
Terrestrial Invasive Alien Plants	-	-	20	-	-	-	(20)	-
Tirelo Bosha Programme	(73)	-	-	-	-	-	-	(73)
Urban Settlement Development Grant	(159 534)	(1 337 145)	435 349	202 546	747 706	-	-	(111 078)
Total DoRA allocation	**(579 834)**	**(2 272 445)**	**311 022**	**777 729**	**1 602 827**	**-**	**(80)**	**(160 781)**
2010 FIFA World Cup - Green Point: Interest account	(246)	-	-	-	-	-	-	(246)
Integrated City Development Grant: Interest account	(320)	-	-	-	-	-	-	(320)
National Skills Fund: Interest account	-	-	-	-	-	(44)	-	(44)

Rand thousands (R'000)

National and Province grant funds								
				Conditions met - transferred to revenue				
Description	**Balance unspent at beginning of the year [1]**	**Current-year receipts**	**Adjustments**	**Operating**	**Capital**	**Interest earned**	**Amounts to be claimed**	**Balance unspent at the end of the year [1]**
Natural Resource Management: Interest account	(11)	-	-	-	-	(1)	-	(12)
Neighbourhood Development Programme: Interest account	(2 509)	-	-	-	-	(1 002)	-	(3 511)
Peninsula Wetlands Rehabilitation Project: Interest account	(27)	-	-	36	-	(26)	-	(17)
Philippi Agri-Hub: Interest account	-	-	-	34	-	(34)	-	-
Public Transport Infrastructure Systems Grant: Interest account	(207 179)	-	387	25 679	-	(7 384)	-	(188 497)
Public Transport Infrastructure Grant: Interest account	(41 972)	-	-	-	-	(1 582)	-	(43 554)
Public Transport Network Grant: Interest account	(104 710)	-	-	-	-	(22 541)	-	(127 251)
Public Transport Network Grant - BFI: Interest account	(630)	-	-	-	-	(911)	-	(1 541)
Public Transport Network Operations Grant: Interest account	(17 144)	-	-	-	-	(646)	-	(17 790)
Smart Living Handbook: Interest account	(114)	-	-	-	-	(4)	-	(118)
Total interest earned	**(374 862)**	**-**	**387**	**25 749**	**-**	**(34 175)**	**-**	**(382 901)**
TOTAL NATIONAL GOVERNMENT TRANSFERS AND GRANTS	**(954 696)**	**(2 272 445)**	**311 409**	**803 478**	**1 602 827**	**(34 175)**	**(80)**	**(543 682)**
Province								
ABET Adult Education	(4)	-	-	-	-	-	-	(4)
Belhar Pentech 340 Top Structures	(5 812)	-	-	-	-	-	-	(5 812)
Contributed Asset: VW Amarok	-	-	(680)	-	680	-	-	-
Community Residential Units	(712)	-	-	-	478	-	-	(234)
Delft - The Hague Phase 2 (896)	-	-	38 639	-	-	-	(38 639)	-
Delft The Hague / Roosendal Eindhoven	-	-	(10 498)	25 235	-	-	(14 737)	-
Disaster Fund - Fire/Flood Kits	-	-	6 732	-	-	-	(6 732)	-
Edward Road Energy Efficient Project	(4 062)	-	-	-	-	(153)	-	(4 215)
EHP Nyanga, Du Noon and Atlantis	(3 584)	-	-	-	-	-	-	(3 584)

Rand thousands (R'000)

National and Province grant funds

Description	Balance unspent at beginning of the year [1]	Current-year receipts	Adjustments	Conditions met - transferred to revenue: Operating	Conditions met - transferred to revenue: Capital	Interest earned	Amounts to be claimed	Balance unspent at the end of the year [1]
Enhanced Extended Discount Benefit Scheme	-	-	62 745	19 001	-	-	(81 746)	-
Eradication of Registration Backlog	(1 800)	-	-	1 792	-	-	-	(8)
Erf 160: Boys Town	(392)	-	-	-	-	-	-	(392)
Establishment Grants	(1)	-	1	-	-	-	-	-
Facilitation Grants	(32)	-	2	-	-	(2)	-	(32)
Financial Management Capacity Building Grant	(21)	(300)	21	300	-	(7)	-	(7)
Fisantekraal Garden Cities (RDP 4672 Units)	-	-	428	3 586	-	-	(4 014)	-
Fisantekraal , Greenville, Phase 3	-		1 576	48 990	-	-	(50 566)	-
Garden Cities/Greenville/Fisantekraal 868	(152)	-	-	148	-	-	-	(4)
Glenhaven Social Housing Project	-	-	125	-	-	-	(125)	-
Government Grant Community Development Workers	(1 585)	(1 034)	-	972	-	-	-	(1 647)
Green Point Phase 2 Housing	(736)	-	-	-	-	-	-	(736)
Gugulethu Housing Infill Project	(23 821)	-	(19 436)	19 996	-	-	-	(23 261)
Happy Valley - Phase 2 Top Structures	(65)	-	-	-	-	-	-	(65)
Harare Infill Housing	-	-	(1 991)	4 002	-	-	(2 011)	-
Hazendal Infill - Top Structures	(66)	-	-	-	-	-	-	(66)
Heideveld Housing Infill	(1 542)	-	-	51	-	-	-	(1 491)
HIV/AIDS Community Based Response Projects	(31 436)	(266 025)	4 000	278 156	-	-	-	(15 305)
Housing Settlements Development Grant	(46 395)	(196 080)	182 630	-	-	-	-	(59 845)
IHP Westgate Mall Phase C1 and C2	(1 965)	-	-	-	-	-	-	(1 965)
IDA Projects: Urban Engineering	-	-	(22 904)	22 619	-	-	-	(285)
Informal Settlements	(1 102)	-	83	1 019	-	-	-	-

Rand thousands (R'000)

National and Province grant funds								
				Conditions met - transferred to revenue				
Description	Balance unspent at beginning of the year [1]	Current-year receipts	Adjustments	Operating	Capital	Interest earned	Amounts to be claimed	Balance unspent at the end of the year [1]
Jakkelsvlei Canal Upgrading	(10 427)	-	-	-	-	-	-	(10 427)
K9 Unit	(677)	(2 530)	-	1 968	-	-	-	(1 239)
Kanonkop Phase 1 Top Structures	-	-	(1 439)	2 500	-	-	(1 061)	-
Khayelitsha Site C Subsidies	(5 418)	-	-	-	-	(204)	-	(5 622)
Kleinvlei Phase 2	(396)	-	-	-	-	-	-	(396)
Law Enforcement Officers	(463)	-	-	-	-	-	-	(463)
Law Enforcement Officers	(184)	(4 388)	-	3 474	-	(37)	-	(1 135)
Law Enforcement Officers - LEAP	(32 701)	(417 000)	18 671	256 668	-	(2 303)	-	(176 665)
Library Service: Procurement Periodicals and Newspapers	(262)	(5 338)	262	1 073	-	(145)	-	(4 410)
Library Metro Grant	(1 024)	(10 550)	-	-	11 404	(246)	-	(416)
Marconi Beam	(1 763)	-	1 763	-	-	-	-	-
Masiphumelele Disaster Fund	-	-	(32 000)	32 000	-	-	-	-
Metropolitan Land Transport Fund	(1 120)	(10 000)	968	10 102	-	(21)	-	(71)
Mitchell's Plain TA2	(276)	-	-	-	-	-	-	(276)
Morkel's Cottage Strand Housing Project	(2 129)	-	-	-	-	-	-	(2 129)
Morningstar Infill IRDP	(166)	-	-	-	-	-	-	(166)
Municipal Disaster Grant	(3)	-	3	-	-	-	-	-
NHBRC Enrollment Fees	-	-	1 731	2 465	-	-	(4 196)	-
Nutrition Supplement Programme	-	(5 691)	603	5 551	-	-	(463)	-
Occupancy Survey	(9 108)	-	-	8 830	-	-	-	(278)
Pelican Park 2083 Top Structures	(321)	-	-	-	-	-	-	(321)
Peoples Housing Project	(72 788)	-	(70 629)	80 238	-	(2 490)	-	(65 669)
Philippi East Phase 5	(567)	-	-	-	-	-	-	(567)

Rand thousands (R'000)

National and Province grant funds

Description	Balance unspent at beginning of the year [1]	Current-year receipts	Adjustments	Conditions met - transferred to revenue: Operating	Conditions met - transferred to revenue: Capital	Interest earned	Amounts to be claimed	Balance unspent at the end of the year [1]
Prov Docs Mod Centre Deployment	(165)	-	165	-	-	-	-	-
Public Library Fund	(1 419)	(49 192)	-	50 635	-	(424)	-	(400)
Rou Emoh Housing Development	(207)	-	-	-	-	(7)	-	(214)
Somerset West Housing Project	(4 582)	-	-	5 944	-	-	(1 362)	-
Sport and Recreation	(14)	-	14	-	-	-	-	-
TB Crisis Plan	-	(27 380)	(5 456)	32 138	-	-	-	(698)
Title Deeds Restoration	(45)	-	45	-	-	-	-	-
Tourism Safety Law Enforcement Unit	-	(4 920)	-	3 521	1 313	-	-	(86)
Vaccines	-	(132 426)	4 396	112 114	-	-	-	(15 916)
Valhalla Park Integrated Housing Project	-	-	(5 000)	5 000	-	-	-	-
Vrygrond	(18)	-	-	-	-	-	-	(18)
WCG - Municipal Accreditation and Capacity Building Grant	(2 824)	(7 500)	-	8 954	-	-	-	(1 370)
TOTAL PROVINCE TRANSFERS AND GRANTS	**(274 352)**	**(1 140 354)**	**155 570**	**1 049 042**	**13 875**	**(6 039)**	**(205 652)**	**(407 910)**
Analysis of grants and subsidies								
Total National Government transfers and grants	**(954 696)**	**(2 272 445)**	**311 409**	**803 478**	**1 602 827**	**(34 175)**	**(80)**	**(543 682)**
Total Province transfers and grants	**(274 352)**	**(1 140 354)**	**155 570**	**1 049 042**	**13 875**	**(6 039)**	**(205 652)**	**(407 910)**
	(1 229 048)	**(3 412 799)**	**466 979**	**1 852 520**	**1 616 702**	**(40 214)**	**(205 732)**	**(951 592)**

[1] *The balance unspent at beginning and end of the year excludes VAT.*

ANNEXURE E: Appropriation statement

FOR THE YEAR ENDED 30 JUNE 2021

Rand thousands (R'000)

	2020/21											2019/20			
	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy) R'000	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget %	Actual outcome as % of original budget %	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated audited outcome
Financial performance															
Property rates	10 511 519	13 602	10 525 121	-	-	10 525 121	10 275 271	-	-	98	98	-	-	-	-
Service charges	19 885 709	(12 910)	19 872 799	-	-	19 872 799	20 275 960	-	-	102	102	-	-	-	-
Investment revenue	847 535	128 569	976 104	-	-	976 104	896 540	-	-	92	106	-	-	-	-
Transfers recognised - operational	5 608 724	529 367	6 138 091	-	-	6 138 091	5 793 196	-	-	94	103	-	-	-	-
Other own revenue	5 371 631	(35 429)	5 336 202	-	-	5 336 202	5 917 410	-	-	111	110	-	-	-	-
Total revenue (excluding capital transfers and contributions)	**42 225 118**	**623 199**	**42 848 317**	**-**	**-**	**42 848 317**	**43 158 377**	**-**	**-**	**101**	**102**	**-**	**-**	**-**	**-**
Employee costs	15 203 365	(327 927)	14 875 438	-	275	14 875 713	15 108 022	-	-	102	99	-	-	-	-
Remuneration of councillors	189 675	-	189 675	-	-	189 675	166 417	-	-	88	88	-	-	-	-
Debt impairment	3 640 353	(429 417)	3 210 936	-	-	3 210 936	2 854 651	-	-	89	78	-	-	-	-
Depreciation and asset impairment	3 300 067	(449 201)	2 850 866	-	-	2 850 866	2 863 255	-	-	100	87	-	-	-	-
Finance charges	828 460	22 990	851 450	-	(3 101)	848 349	831 478	-	-	98	100	-	-	-	-
Materials and bulk purchases	11 590 007	(28 157)	11 561 850	-	(25 120)	11 536 730	11 463 610	-	-	99	99	-	-	-	-
Transfers and grants	498 081	58 401	556 482	-	(9 703)	546 779	401 556	-	-	73	81	-	-	-	-
Other expenditure	9 580 086	632 827	10 212 913	-	37 649	10 250 562	9 471 271	-	-	92	99	-	-	-	-
Total expenditure	**44 830 094**	**(520 484)**	**44 309 610**	**-**	**-**	**44 309 610**	**43 160 260**	**-**	**-**	**97**	**96**	**-**	**-**	**-**	**-**
Surplus	**(2 604 976)**	**1 143 683**	**(1 461 293)**	**-**	**-**	**(1 461 293)**	**(1 883)**	**-**	**-**	-	0	**-**	**-**	**-**	**-**
Transfers recognised - capital	3 005 054	(1 065 578)	1 939 476	-	-	1 939 476	1 931 091	-	-	100	64	-	-	-	-
Contributions recognised - capital and contributed assets	-	-	-	-	-	-	125 211	-	-	-	-	-	-	-	-
Surplus/(deficit) after capital transfers and contributions	**400 078**	**78 105**	**478 183**	**-**	**-**	**478 183**	**2 054 419**	**-**	**-**	**430**	**514**	**-**	**-**	**-**	**-**
Share of surplus/(deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus for the year	**400 078**	**78 105**	**478 183**	**-**	**-**	**478 183**	**2 054 419**	**-**	**-**	**430**	**514**	**-**	**-**	**-**	**-**
Capital expenditure and funds sources															
Transfers recognised - capital	2 815 828	(1 071 921)	1 743 907	-	-	1 743 907	1 616 022	-	-	93	57	-	-	-	-
Public contributions and donations	67 986	(2 500)	65 486	-	-	65 486	59 979	-	-	92	88	-	-	-	-
Borrowing	2 500 000	(2 500 000)	-	-	-	-	(1 281)	-	-	-	-	-	-	-	-
Internally generated funds	4 222 060	1 344 444	5 566 504	-	-	5 566 504	4 853 753	-	-	87	115	6 567	-	-	-
Total sources of capital funds	**9 605 874**	**(2 229 977)**	**7 375 897**	**-**	**-**	**7 375 897**	**6 528 473**	**-**	**-**	**89**	**68**	**6 567**	**-**	**-**	**-**
Cash flows															
Net cash from (used) operating	3 778 849	(148 901)	3 629 948	-	-	3 629 948	6 448 227	-	-	178	171	-	-	-	-
Net cash from (used) investing	(8 822 386)	2 006 052	(6 816 334)	-	-	(6 816 334)	(7 317 202)	-	-	107	83	-	-	-	-
Net cash from (used) financing	2 173 711	(2 558 550)	(384 839)	-	-	(384 839)	(371 494)	-	-	97	(17)	-	-	-	-
Cash/cash equivalents at the year end	**4 660 933**	**(701 399)**	**5 795 344**	**-**	**-**	**5 795 344**	**8 126 100**	**-**	**-**	**140**	**174**	**-**	**-**	**-**	**-**
Net increase in cash and cash equivalents	**(2 869 826)**	**(701 399)**	**(3 571 225)**	**-**	**-**	**(3 571 225)**	**(1 240 469)**	**-**	**-**	**35**	**43**	**-**	**-**	**-**	**-**

ANNEXURE F Bids awarded to family of employees in service of the state – 2020

Rand thousands (R'000)

Connected person	Position held in State	2020
GAVA KASSIEM		4
A Kassiem	Media Co-Ordinator	
BOKAMOSO ENTERPRISE SOLUTIONS		785
MA Thobejane	Department of Land Affairs and Rural Development	
PHUMELELA CLEARING (PTY) LTD		445
S Ngame	Invasive Species Controller	
REEDS CLAREMONT		884
E Jacobs	Senior Clerk	
TEMPUS DYNAMICS		2 937
M Mvalo	Professional Officer	
Sitsol Trading		169
C Sitzer	Senior Clerk	
BRAINPLAY		903
Mr Pieters	Teacher	
PARKERS BUS SERVICE		131
RM Parker	Western Cape Education	
JAKEPRO BUILDING PROJECTS AND SERVICES		34
Y Jacobs	Accountant	
TSCH INTERNATIONAL HOLDINGS		131
RE Hlongwana	Manager: Cleansing	
BOWMAN GILFILLAN INC (LAND)		115
Mr Deokiram	Logistics Manager	
J van den Heuvel	Magistrate	
M van Aardt	Medical Doctor	
M de Villiers	Project and Process Manager	
C Dyer	Deputy Director	
C Franklyn	Specialist Scientist	
Q Green	Director Finance	
S Zondo	Operations Manager	
T Mtshali	Deputy Principal	
G Mellem	Teacher	
M Nyali	Teacher	
E Tipru	Senior Application Analyst	
S Pillay	Educator	
R Ramdenee	Vice President	
T Sass	Head: Compliance and Probity	
B Sepuba	Special Recruitment	
H Ben-David	Captain	
UNAKO HOLDINGS (PTY) LTD		23
TJ Vapi	Department of Correctional Services	
BARENDS F		166
T Barends	Senior SAP Developer	
REEDS BELLVILLE		600
E Jacobs	Senior Clerk	
BATTERY CENTRE MITCHELLS PLAIN		118
F Badernhost	Councillor	
TURNER AND TOWNSEND (PTY) LTD		13 421
T Bulmer	Chief Physiotherapist	
E Barnard	Risk Manager	
P Naidoo	Doctor	
S Naicker	HOD	
M Low	Departmental Head	
SM O'Connell	Librarian	

ANNEXURE F: Bids awarded to family of employees in service of the state – 2020 (continued)

Rand thousands (R'000)

Connected person	Position held in State	2020
COEUR INVESTMENTS		2 716
P Bell	Sports Facilitator	
COMPUTER SPECIALISTS (PTY) LTD		2 184
N Orrie	Senior Superintendent	
ITHALOMSO (PTY) LTD		21 595
SN Fumba	Specialist Clerk	
MBOLOMPO PROPERTY SPECIALIST PTY LTD		33
J Mbolompo	Councillor	
NAEEM'S TRUCK & COACH		624
Z Smith	Department of Labour	
DESIGNTEC PRINTING CC		740
M Mshweshwe	Manager: Access to information	
BERGSTAN SOUTH AFRICA CONSULTING		18 244
J Beukes	Department of Social Development	
PROFESSIONAL EMERGENCY CARE CC		189
JM Bodmer	Metro Paramedics	
LILIAN4ZONKE (PTY) LTD		2 586
F Monk	Sub Council Manager	
SUNSHINE HELLO DESIGN		70
MS Maroof	Professional Officer	
PURPLE ROSE DISTRIBUTORS CC		319
C Hector	Quality Assessor	
M Hector	Medical Doctor	
MPUMAMANZI GROUP CC		53
ER Bowers	Social Worker	
MAINSTRUCT PROJECTS CC		36
E Benjamin	Clinical Psychologist	
ROYAL HASKONINGDHV (PTY) LTD		3 971
L Dladla	Deputy Director	
T Sithole	Associate Director	
JC ACTIVE ELECTRICAL		4
C van der Vendt	Clerk	
SKUNYANAS TRADING		395
Y Skunyana	Senior Foreman	
AURECON SOUTH AFRICA (PTY) LTD		178 758
HC Ahlschlager	Legal Representative	
T Botha	Technical Manager	
Dr M Skead	Manager	
WZ Erasmus	Manager	
HG Esterhuysen	Manager	
T Govender	Administrator	
SM Grobbelaar	Town and Regional Planner	
A Heyns	Assistant Superintend	
JH Higgs	Regional Manager	
A Hougaard	Principle Network Controller	
J Jacobs	Personal Assistant to Chief Director	
BJ Cr Kriegler	Councillor	
R Reddy-Maduray	Project Preparation Specialist	
AJ Moore	Chief Engineer	
K Nadasen	Director	
D Ntsebeza	Sanitation Engineering Manager	

ANNEXURE F: Bids awarded to family of employees in service of the state – 2020 (continued)

Rand thousands (R'000)

Connected person	Position held in State	2020
NH Ntsebeza	Nurse	
SM O'Connell	Librarian	
PW Pansegrouw	Senior Manager	
PS Pretorius	Chief Officer	
JH Riekert	Manager	
JM Robertson	Roads Engineer	
R Tebane	Executive Manager	
J Tredoux	Deputy Director	
ZC Venter	Deputy Director	
J Wilkins	Vice Director	
EPI-USE AFRICA (PTY) LTD		15 853
J Alberts	Deputy Principal	
E Janse van Rensburg	Senior Manager	
CAPE TOWN SKILLS FACILITORS 786 CC		71
T Jacobs	Deputy Director	
ISUZU TRUCK CENTRE		198 107
E Jacobs	Senior Clerk	
PISTON POWER CHEMICALS		1 822
N Andhee	Educator	
N Andhee	Educator	
AAE Catering		1 205
Y Ebrahim	Waste Water: Regional Operations Manager	
VW CIVIL ENGINEERING SUPPLIES CC		1 441
N Pedro	Specialist Clerk	
FAYDIES CORPORATE GIFTS		2 630
MF Votersen	Manager: Finance (EOAM)	
DEMOCRATIC PACKAGING CC		1 723
V van der Heever	Educator	
WHILE ITS DAY		580
C Hector	Building Assessor	
M Hector	Medical Doctor	
ZAPTRON PEST SOLUTIONS		116
F Fortune	Psychologist	
F Fortune	Oral Hygienist	
DS GXILISHE		108
S Gxilishe	Educator	
B Gxilishe	Senior Administrator	
SANCCOB		411
P Cilliers	Principal SAP-ERP Analyst	
LC Roberts	State Veterinarian: Epidemiologist	
MASIBAMBANE RECRUITMENT (PTY) LTD		23 319
V Williams	Stores Clerk	
PATHCARE		62
C Maas (left service of State 01/06/2020)	Senior Medical Officer	
NCC ENVIRONMENTAL SERVICES (PTY) LTD		45 541
C Rhoda	Invasive Species Programme Manager	
IKAPA RETICULATION AND FLOW		35 672
S Davids	Educator	
TRANSPORT TELEMATICS AFRICA		12 528
JJE Groenewald	Financial Officer	
FLEET TECH		1 113
S Willemse	Administrative Officer	

ANNEXURE F: Bids awarded to family of employees in service of the state – 2020 (continued)

Rand thousands (R'000)

Connected person	Position held in State	2020
BOWMAN GILFILLAN INC (LEGAL)		1 781
H Ben-David	Captain	
O Bhayat	Member of Mayoral Committee	
J van den Heuvel	Magistrate	
EJ van den Berg	School Psychologist	
M de Villers	Manager	
C Dyer	Deputy Director	
S February	Educator	
C Franklyn	Specialist Scientist	
Q Green	Director	
S Zondo	Operations Manager	
T Mtshali	Deputy Principal	
G Mellem	Teacher	
R Ramdenee	Vice President	
M Nyali	Teacher	
E Tipru	Senior Application Analyst	
S Pillay	Educator	
T Sass	Head: Compliance and Probity	
B Sepuba	Special Recruitment	
H Ben-David	Captain	
NORTON ROSE FULBRIGHT SOUTH AFRICA		2 785
F Nonhlanhla	Telecom Operator	
S Clay	Educator	
E Maubane	Human Resources: Administrator	
C Sunpath	Medical Doctor	
H Sunpath	Chief Technical Advisor	
G Adams	Deputy Principal	
CONLOG		3 407
N Moodley	Director	
RADIAN		1 722
P Naidoo	Programme Manager	
TJEKA TRAINING MATTERS (PTY) LTD		693
B Ntlanti	Clerk	
GIBB		27 314
C Hering	Electrical Engineer	
S Singh	Human Resource: Officer	
D Allderman	Educator	
A Moon	Head: Business Continuity	
T Gqobo	Technician	
D O'Reilly	Warrant Officer	
S Cilliers	Educator	
S Jafta	Assistant Manager	
V Sicwebu	Manager	
N Mkhize	Accounting Clerk	
I Brink	Educator	
J Gooch	Head	
L Cloete	Lecturer	
D Kiewiet	Manager	
R Beharie	Senior Engineer	
L Mkhumuzi	Senior Rates Clerk	
K Naidoo	Head	

ANNEXURE F: Bids awarded to family of employees in service of the state – 2020 (continued)

Rand thousands (R'000)

Connected person	Position held in State	2020
ANLO PRINT AND MAIL CC		143
N Taylor	Administrative Officer	
KEMANZI (PTY) LTD		932
J du Toit	Inspector: Traffic	
LJA CONSTRUCTION CC		8 406
L Arries	Educator	
THE ENVIRONMENTAL PARTNERSHIP		235
F Shariff	Director: Strategic Assets	
TREE CUTTING PEOPLE		581
T Hlwatika	Clinical Nurse Practitioner	
VINZEIGH LEUKES TRADING		106
J Fortuin	Department of Rural Development	
MALHERBE TUBB FAURE INC T/A MHI ATTORNEY		2 227
J Rossouw	Administrative Officer	
BETHEL BUZZ		125
N Williams	Senior Clerk	
S Jacobs	Soldier	
REEDS N1 CITY		569
E Jacobs	Senior Clerk	
EAS INFRASTRUCTURE ENGINEERS		1 184
J Brown	Coordinator: Housing Rental Stock	
HYGIENE SERVICE		1 758
S Zini (left service of State 30/11/2019)	EPWP Auxiliary Law Enforcement	
MTJEKUBE (PTY) LTD		5
S Maizeme	Admin Clerk	
TRENDCORE SUPPLIES		45
S Mepomie	Colonel	
GREENRO SOLUTIONS (PTY) LTD		24
N Thabeng	Forensic Analysis	
CHARMLU BUILDERS		21
C Absolom	Admin Clerk	
NIYALWA		156
M Sakwe	Quantity Surveyor	
WDW MAINTENANCE LANDSCAPING DELIVERY		15
C de Wee	Administrative Officer	
YIZA APHA TRADING		245
AV Kelland	Administrative Officer	
GLOBREACH (PTY) LTD		385
MM Manci	Major-General	
NEOTERIC TRADING SERVICES		186
S Jacobs	Director	
MGWEVHA PROJECTS AND SERVICES (PTY)LTD		50
N Nmabena	Clerk	
ZELUNGA INVESTMENT		9
TC Biyase	KZN Department of Education	
NP Biyase	Department of Water and Sanitation	
ATHLONE AUTO TRANSMISSIONS		612
N Joseph	Director	
FIKELELA LABOUR SERVICES		2 164
D Joseph	Member of Parliament	
FOCAL MEDICAL POINT SA		1 011
D Henkel	Learner Fire Fighter	

ANNEXURE F: Bids awarded to family of employees in service of the state – 2020 (continued)

Rand thousands (R'000)

Connected person	Position held in State	2020
ADVOCC CC		32
I Zimri	Department of Health	
LIKHONA LETHU SERVICES		5 973
Z Rafu	Police officer	
SUCCIDO ENTERPRISES		249
L Kramm	PRASA	
WRP CONSULTING ENGINEERS (PTY) LTD		4 330
K Mamphitha	SABC	
Z van Rooyen	Department of Public Works	
LEIBRANDT TRAINING ACADEMY CC		45
H Benjamin	Psychologist	
TOXSOLUTIONS KITS AND SERVICES CC		404
G Pearson	Rand Water	
CJ SUPPLIES (PTY) LTD		24
P Thomas	Superintendent	
TSOGA O BUNE BUILDING ENTERPRISES CC		6 470
K Kekana	Artisan (Engineering)	
HRK CAPE (PTY) LTD		917
T Sambo	Professional Officer	
DEO FAVENTE PTY LTD		136
CC Snell (left service of the State 27/06/2020)	EPWP	
JG AFRIKA (PTY) LTD		34 792
R Maharaj	Planner	
WEBBER WENTZEL		9 206
C Truter	Department of Education	
AM Truter	West Coast Education District	
E Watson	Department of Public Service	
JCL Smit	Beaufort West Municipality	
Dr D Singh	Department of Education	
P Singh	Department of Education	
N Dias	Senior Legal Advisor: Litigation	
TOTAL		**717 159**

APPENDIX A
Abbreviations used in these financial statements

AFD	Agence Française de Développement
ASB	Accounting Standards Board
CCT	City of Cape Town
CID(s)	city improvement district
CMTF	Cape Metropolitan Transport Fund
COID	compensation for occupational injuries and diseases
COVID-19	coronavirus disease of 2019
CPI	consumer price index
CRR	capital replacement reserve
CTICC	Cape Town International Convention Centre Company SOC Limited (RF)
DB	defined benefit (scheme)
DBSA	Development Bank of Southern Africa
DC	defined-contributions (scheme)
DCAS	Department of Cultural Affairs and Sport
DMTN	domestic medium-term note
DORA	Division of Revenue Act
EPWP	Expanded Public Works Programme
ERP	Enterprise Resource Planning
FBE	free basic electricity
FCSA	Financial Sector Conduct Authority
GRAP	Generally Recognised Accounting Practice
ICASA	Independent Communications Authority of South Africa
ICDG	Integrated City Development Grant
IDP	Integrated Development Plan
IFRIC	The Former International Financial Reporting Interpretations Committee of the IASB, now renamed the IFRS Interpretations Committee (also refers to individual Interpretations issued by the Committee)
IGRAP	Interpretation of the Standards of Generally Recognised Accounting Practice
IPM	Individual Performance Management performance
IRT	integrated rapid transport
JSE	Johannesburg Stock Exchange
KCT	Khayelitsha Community Trust
Mayco	Mayoral Committee
MFMA	Local Government: Municipal Finance Management Act
MPAC	Municipal Public Accounts Committee
MPRA	Local Government: Municipal Property Rates Act
mSCOA	Municipal Standard Chart of Accounts
NACS	nominal annual compounded semi-annually
NDHS	National Department of Human Settlements
PAYE	pay-as-you-earn
PPE	property, plant and equipment
PRASA	Passenger Rail Agency of South Africa
Province	Western Cape Provincial Government
PTNG	Public Transport Network Grant
SABC	South African Broadcasting Corporation
SALA	South African Local Authorities (Pension Fund)
SALGA	South African Local Government Association
SANDF	South African National Defence Force
SAP	Systems, Applications and Products
SCM	supply chain management
SOA	Scheme of Arrangement
UIF	Unemployment Insurance Fund
USDG	Urban Settlements Development Grant
VAT	value-added tax