CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

AUDITED

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

WELL RUN CITY

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Annual financial statements 2022

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, 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 2022, as set out on pages 9 to 97 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 38.2.2.1 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, 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 2022

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

BANKERS	AUDITORS	REGISTER OFFICE
Nedbank Limited	The Auditor-General of South Africa	City of Cape Town
135 Rivonia Campus	No 17 Park Lane Building	12 Hertzog Boulevard
135 Rivonia Road	Park Lane	Cape Town
Sandown	Century City	8001
Sandton	7441	
2196		PO Box 655
	Private Bag X1	Cape Town
PO Box 1144	Chempet	8000
Johannesburg	7442	
2000		

MEMBERS OF THE MAYORAL COMMITTEE

Executive Mayor; Future Planning and Resilience
Ald G Hill-Lewis

Deputy Mayor; Spatial Planning and Environment
Ald E Andrews

Community Services and Health
Cllr P van der Ross

Corporate Services
Ald T Uys

Economic Growth
Ald J Vos

Energy
Cllr B van Reenen

Finance
Cllr S Mbandezi

Human Settlements
Cllr M Booi

Safety and Security
Ald JP Smith

Urban Mobility
Cllr R Quintas

Urban Waste Management
Ald G Twigg

Water and Sanitation
Cllr Z Badroodien

EXECUTIVE MANAGEMENT TEAM

City Manager
L Mbandazayo

Chief Financial Officer
K Jacoby

Community Services and Health
E Sass

Corporate Services
Z Mandlana (acting)

Economic Growth
R Gelderbloem (acting)

Energy
K Nassiep

Future Planning and Resilience
G Morgan (acting)

Human Settlements
N Gqiba

Safety and Security Services
V Botto (acting)

Spatial Planning and Environment
H Naude (acting)

Urban Mobility
D Campbell

Urban Waste Service
R Keraan (acting)

Water and Sanitation
M Webster

MEMBERS OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE

Chairperson
M Burton

Members
T Blok
L Nene
P Dala
S Mzizi

OTHER

Speaker
Ald F Purchase

Chief Whip
Cllr D Visagie

AS AT 30 JUNE 2022

COUNCIL MEMBERS OF THE CITY OF CAPE TOWN

Ald EP Andrews
Ald R Arendse
Ald AJG Basson
Ald PH Chapple
Ald GD Fourie
Ald G Hill-Lewis
Ald BM Jacobs
Ald WD Jaftha
Ald C Jordaan
Ald CR Justus
Ald ML Kempthorne
Ald XT Limberg
Ald E Linde
Ald S Moodley
Ald ID Neilson
Ald MJ Nieuwoudt
Ald SB Pringle
Ald FA Purchase
Ald SJ Rossouw
Ald J 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 MF Achmat
Cllr A Adams
Cllr A Adams
Cllr F Adams
Cllr R Adams
Cllr Y Adams
Cllr M Adonis
Cllr N Adonis
Cllr FK Ah-Sing
Cllr WJ Akim
Cllr E Anstey
Cllr SF August
Cllr DE Badela
Cllr ZA Badroodien
Cllr UM Barends
Cllr AM Benadie
Cllr R Beneke
Cllr M Booi
Cllr PN Booi
Cllr S Booysen
Cllr FR Botha-Rossouw
Cllr NA Botya
Cllr R Bresler
Cllr CA Brynard
Cllr R Cameron
Cllr R Cannon
Cllr KR Carls
Cllr H Carstens
Cllr A Cassiem
Cllr MA Cassiem
Cllr CS Cerfontein
Cllr MN Chitha
Cllr DJ Christians
Cllr M Christians
Cllr K Christie
Cllr BR Clarke
Cllr GJ Classen
Cllr DG Cottee
Cllr J Cupido
Cllr M Dambuza
Cllr A Davids
Cllr R Davids
Cllr BAC de Beer
Cllr VD de Vos
Cllr VPW de Vos
Cllr X Diniso
Cllr SS Duka
Cllr PA East
Cllr AZMI Elyas
Cllr CJ Esau
Cllr P Francke
Cllr C Franklin
Cllr S Frenchman
Cllr A Gabuza
Cllr M Gadeni
Cllr GE Gordon
Cllr T Gqada
Cllr AJ Griesel
Cllr NE Grose
Cllr LA Gungxe
Cllr KW Gxasheka
Cllr B Hansen
Cllr W Harris
Cllr GCR Haskin
Cllr PG Helfrich
Cllr A Hendricks
Cllr P Hendricks
Cllr PC Heynes
Cllr F Higham
Cllr T Jackson
Cllr DG Jacobs
Cllr HW Jacobs
Cllr MR Jacobs
Cllr PS Jacobson
Cllr C Janse van Rensburg
Cllr E Jansen
Cllr GV Joachims
Cllr M Joseph
Cllr N Jowell
Cllr K Kama
Cllr AE Kay
Cllr MRH Kleinschmidt
Cllr ME Kleinsmith
Cllr C Kobeni
Cllr NF Kopman
Cllr AE Kuhl
Cllr E Langenhoven
Cllr A Lansdowne
Cllr U Lasiti
Cllr TA Le Goff
Cllr SP Liell-Cock
Cllr AG Lightburn

COUNCIL MEMBERS OF THE CITY OF CAPE TOWN (continued)

Cllr S Little
Cllr FP Lombard
Cllr N Lombi
Cllr AC Louw
Cllr M Mabungani
Cllr EM Madikane
Cllr BM Majingo
Cllr N Makasi
Cllr MS Makuwa
Cllr M Manuel
Cllr M Manuel
Cllr BB Maqungwana
Cllr K Mare
Cllr GP Marias
Cllr SG Markgraff
Cllr PI Marman
Cllr MJ Marr
Cllr L Martin
Cllr J Martlow
Cllr DZ Masiu
Cllr V Matanzima
Cllr N Matutu
Cllr LH Max
Cllr P Maxiti
Cllr L Mazwi
Cllr S Mbandezi
Cllr LN Mbiza
Cllr N McFarlane
Cllr AP McKenzie
Cllr IP McMahon
Cllr B Mei
Cllr TM Mjuza
Cllr MA Mkutswana
Cllr Y Mohamed
Cllr AC Moses
Cllr T Mpengezi
Cllr LM Mqina
Cllr NC Mvinjelwa
Cllr PS Mzolisa
Cllr S Ndamane
Cllr D Nelson
Cllr B Ngcombolo
Cllr D Ngubelanga
Cllr M Nikelo
Cllr S Nodliwa
Cllr ML Nqavashe
Cllr GF Ntamo
Cllr L Ntshuntshe
Cllr NA Ntshweza
Cllr A Ntsodo
Cllr T Nyamakazi
Cllr GD Paige
Cllr BL Payiya
Cllr GC Peck
Cllr XG Peter
Cllr MJ Petersen
Cllr L Phakade
Cllr S Philander
Cllr TI Pimpi
Cllr A Plaatjies
Cllr CJ Pophaim
Cllr A Potts
Cllr CB Punt
Cllr ZL Qoba
Cllr RM Quintas
Cllr MH Raise
Cllr N Rheeder
Cllr A Richards
Cllr S Rigby
Cllr S Salie
Cllr MJ Sampson
Cllr N Satarien
Cllr FA Sauls
Cllr E Sawant
Cllr MM Sibunzi
Cllr CC Siebritz
Cllr L Simangweni
Cllr J Solomon
Cllr L Somdaka
Cllr NP Sono
Cllr LP Sonyoka
Cllr Z Sophazi
Cllr KG Southgate
Cllr S Stacey
Cllr JN Stevens
Cllr N Stuurman
Cllr NRE Sukers
Cllr Z Sulelo
Cllr PS Swart
Cllr S Taliep
Cllr PP Tause
Cllr M Temlett
Cllr HP Terblanche
Cllr A Tetani
Cllr SC Thompson
Cllr G Timm
Cllr NV Tyandela
Cllr B van der Merwe
Cllr PE van der Ross
Cllr B van Reenen
Cllr A van Zyl
Cllr R Viljoen
Cllr DA Visagie
Cllr CL Visser
Cllr J Visser
Cllr FC Walker
Cllr CMK Wannenburgh
Cllr N Williams
Cllr JJ Witbooi
Cllr J Woodman
Cllr B Yeko

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

Cllr NM Bolitye	12/07/2021
Cllr G Classen	03/08/2021
Cllr N Sono	21/09/2021
Ald GW March	28/09/2021
Ald A Abrahams	08/11/2021
Cllr FL Abrahams	08/11/2021
Cllr MR Abrahams	08/11/2021
Cllr ZC Adonis	08/11/2021
Cllr MK Bafo	08/11/2021
Cllr S Batala	08/11/2021
Cllr TM Batembu	08/11/2021
Ald R Bazier	08/11/2021
Cllr CB Bew	08/11/2021
Cllr EN Brunette	08/11/2021
Cllr MF Cassim	08/11/2021
Ald GV Cavanagh	08/11/2021

COUNCIL MEMBERS OF THE CITY OF CAPE TOWN (continued)

In the course of the reporting period, the following councillors ceased to be political office bearers (continued):

Cllr SA Cottle	08/11/2021
Cllr AC Crous	08/11/2021
Cllr T Dasa	08/11/2021
Cllr MM Davids	08/11/2021
Cllr WB Dlulane	08/11/2021
Cllr WP Doman	08/11/2021
Cllr DK Dudley	08/11/2021
Cllr JP Fitz	08/11/2021
Cllr CM Fry	08/11/2021
Cllr BC Golding	08/11/2021
Cllr CD Groenewoud	08/11/2021
Cllr ND Hlangisa	08/11/2021
Cllr MW Hlazo	08/11/2021
Cllr TT Honono	08/11/2021
Cllr VR Isaacs	08/11/2021
Cllr IR Iversen	08/11/2021
Cllr L Jali	08/11/2021
Cllr S John	08/11/2021
Cllr DM Khatshwa	08/11/2021
Cllr AL Komeni	08/11/2021
Cllr GPG Kriel	08/11/2021
Cllr MD Kumeke	08/11/2021
Ald NJ Landingwe	08/11/2021
Cllr BC Madikane	08/11/2021
Cllr NG Mahangu	08/11/2021
Cllr N Mahlati	08/11/2021
Cllr LC Makeleni	08/11/2021
Cllr SK Manata	08/11/2021
Cllr V Matanzima	08/11/2021
Cllr JJ Maxheke	08/11/2021
Cllr JS Mbolompo	08/11/2021
Cllr NV Mbombo	08/11/2021
Cllr CN Mdleleni	08/11/2021
Cllr SS Mfecane	08/11/2021
Cllr NE Mgolombane	08/11/2021
Cllr JH Middleton	08/11/2021
Cllr PM Mngxunyeni	08/11/2021
Cllr NA Moshani	08/11/2021
Cllr S Mzobe	08/11/2021
Cllr N Ndaleni/Nikelo	08/11/2021
Cllr AX Ndongeni	08/11/2021
Cllr K Nethi	08/11/2021
Cllr BP Ngcani	08/11/2021
Cllr MWN Ngeyi	08/11/2021
Cllr PM Ngqu	08/11/2021
Cllr XW Ngwekazi	08/11/2021
Cllr SG Ngxumza	08/11/2021
Cllr FM Nkunzana	08/11/2021
Cllr X Nofemele	08/11/2021
Cllr S Nonkeyizana	08/11/2021
Cllr SN Nqabeni Moloto	08/11/2021
Cllr M Nqulwana	08/11/2021
Cllr P Nyakaza-Sandla	08/11/2021
Cllr L Nyingwa	08/11/2021
Cllr SF Oerson	08/11/2021
Cllr MP Pietersen	08/11/2021
Cllr YM Plaatjie	08/11/2021
Cllr X Qwesha	08/11/2021
Cllr B Rass	08/11/2021
Cllr FHL Raymond	08/11/2021
Cllr T Sakathi	08/11/2021
Cllr RZ Simbeku	08/11/2021
Cllr RS Simons	08/11/2021
Cllr AJ Skippers	08/11/2021
Cllr OK Solomons	08/11/2021
Cllr EAJ Theron	08/11/2021
Cllr ML van der Walt	08/11/2021
Cllr M Velem	08/11/2021
Cllr PP Vokwana	08/11/2021
Cllr ST Vuba	08/11/2021
Cllr N Xamle	08/11/2021
Cllr SK Yozi	08/11/2021
Cllr LG Zondani	08/11/2021
Cllr AK Matthews	24/11/2021
Cllr DDJ Newman-Valentine	25/11/2021
Cllr RF Solomons	25/11/2021
Cllr JL Miller	29/11/2021
Cllr UE Ntame	29/11/2021
Cllr MW Rountree	15/12/2021
Ald DM Plato	17/01/2022
Cllr F Essack	11/05/2022
Cllr MM Sibunzi	20/05/2022
Cllr TM Geoghegan	20/06/2022

SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2022

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 Local Government: Municipal Finance Management Act 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 City has adopted Directive 5, as issued by the ASB, 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 on a going-concern basis.

OFFSETTING

Assets and liabilities, as well as revenue and expenses, are offset and the net amount is reported in the financial statements 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 general economic conditions and forecasts,
- ✓ approved medium-term budgets, and
- ✓ the municipality's dependency on grants from National Government and the Western Cape Provincial Government (hereafter "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 judged by reference to the size and nature of the item. The deciding factor is whether the omission or misstatement could, individually or collectively, influence the decisions that users make on the basis of these audited annual financial statements.

In preparation of the audited annual financial statements, materiality has been considered in:

- ✓ Deciding what to report in the audited annual financial statements and how to present it.
- ✓ Assessing the effect of omissions, misstatements and errors on the audited annual financial statements.

USE OF SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

MATERIALITY (continued)

In assessing whether an item, transaction or event is material, specific thresholds for specific items, transactions and events, or aggregations thereof has been developed. These thresholds are used to make decisions about the reporting of information (i.e. how to recognise, measure, present and disclose items, transactions and events), and used as a margin of error or framework within which to assess misstatements and errors.

Threshold for 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 37 to these financial statements.

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 are likely to influence users' decisions.

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

Class of transactions	Level of materiality (R'000)
Revenue	262 344
Expenditure	256 189
Non-current assets	316 622
Current assets	81 223
Non-current liabilities	68 950
Current liabilities	47 165

The materiality calculation is based on the final approved 2021/22 adjustments budget of January 2022 for all classes of transactions.

Based on professional judgement, the overall quantitative value of materiality for the 2021/22 financial year is set at R250 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 socioeconomic 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.

INVENTORY

The City regards water to meet the definition of inventory at the point where water enters the City's purification network. However, water in dams and aquifers, that are filled by natural resources and that has not yet been treated, are not regarded as inventory as it is not under the control of the municipality. Control is demonstrated by an entity's ability to access and regulate the benefits of an asset and these naturally occurring resources are not always under all circumstances under the control of the municipality.

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.

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 in recognising and measuring provisions, as well as measuring contingent liabilities, as set out in notes 13 and 34 respectively. Provisions are measured at 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.

Provision for rehabilitation of landfill sites is determined based on the advice and judgment of qualified engineers. The valuation of the rehabilitation and post-monitoring costs involves making assumptions about discount rates, expected useful lives of the landfill sites, rehabilitation and post-monitoring periods, and future inflation increases. Due to the long-term nature of these obligations, such estimates are subject to significant uncertainty.

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. The City has an investment in associate, which has a strategic intent of promoting economic growth and job creation.

As such, management has determined that only the City's electricity assets and its investment in associate meets 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 in determining whether it has entered into a principal agent arrangement, as set out in note 35. 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 the rights and obligations of all parties to each binding arrangement so as to establish whether the transactions it undertakes with third parties are for the benefit of another entity or for its own.

SEGMENT REPORTING

In applying GRAP 18 segment reporting, management makes judgements with regard to the identification of reportable segments, as well as regarding what constitutes segment results, to enable users to evaluate the nature and financial effects of the activities in which the segment 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

There are no new GRAP standards that are applicable and effective in the current year.

STANDARDS, GUIDELINES 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 had 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.

ADOPTION OF NEW AND REVISED STANDARDS (continued)

STANDARDS AND INTERPRETATIONS ISSUED, BUT NOT YET EFFECTIVE

At the date of submission of these financial statements, the following approved standards of GRAP and amendments to the standards of GRAP had been issued, but were not yet effective.

Annual periods commencing on or after 1 April 2023

- ✓ Amendments to GRAP 1 on Presentation of Financial Statements
- ✓ Improvements to Standards of GRAP (2020)
- ✓ IGRAP 21 on The Effect of Past Decisions on Materiality

The purpose of the amendments and improvements to the Standards of GRAP is to better align with recent international developments. The amendments result in better information available to make decisions about financial assets and their recoverability, and more transparent information on financial liabilities.

IGRAP 21 explains the implications of adopting accounting policies for material items based on Standards of GRAP as well as applying alternative accounting treatments for immaterial items. It establishes the principle that the application of materiality and alternative accounting treatments are not errors and are not departures from the Standards of GRAP. It further clarifies when can errors to occur in applying materiality, and the circumstances that may lead to errors.

Annual periods commencing on or after 1 April 2025

GRAP 104 on Financial Instruments

GRAP 104 was revised in 2021 to align it with IPSAS 41 on Financial Instruments and IFRS 9 on Financial Instruments. IFRS 9 substantially revised the way in which financial instruments are classified, how amortised cost is determined, how and when financial assets are assessed for impairment, and overhauled the requirements for hedge accounting. The transitional provisions require adoption of the revised GRAP 104 Standard taken as a whole. Partial or incremental adoption is not permitted.

No effective date

GRAP 25 on Employee Benefits

GRAP 25 was revised in 2021 to align it with IPSAS 39. Areas where GRAP 25 departs from the requirements of IPSAS 39 are explained in the basis for conclusions. The amendments to GRAP 25 are extensive and mostly affect the accounting for defined benefit plans.

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

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.

RESERVES (continued)

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.

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 the Municipality uses 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 recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

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

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 City 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.

A municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated. A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit to the extent that it does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

Impairment losses on financial assets measured at cost shall not be reversed.

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.

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 or current replacement cost, according to their age, condition and utility. Differences arising in the measurement of such inventories at the lower of cost and net realisable value or current replacement cost 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 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 after 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.

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 assets", 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

The City of Cape Town, elected in these separate financial statements, to account for its investments in controlled entities and associates as Financial Instruments.

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. The assessment in respect of the impairment of the financial asset is based on the difference between the carrying amount of the investment and the present value of the estimated future cash flows discounted at the current market rate or return. In arriving at the estimated future cash flows, significant assumptions regarding future cash flows was made by management.

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.

Included in the contractual receivables from exchange transactions, specifically Water, Waste management and Wastewater management are receivables from availability charges that should be presented as contractual receivables from non- exchange receivables. However, it is it is impracticable for the municipality to comply with this classification requirement as the municipality's accounting system cannot distinguish receivables in this way and provide the required information, and the cost to develop it would be excessive. The municipality assessed the possibility to estimate these amounts, but found it impossible to provide a reliable estimate due to a lack of objective information. The revenue related to these receivables has been correctly split between exchange and non- exchange service charges in note 19.

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.

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.

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 from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount. 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.

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 RECOGNITION (continued)

REVENUE FROM EXCHANGE TRANSACTIONS (continued)

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. 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 from traffic fines is recognised on the date of the offence.

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.

CONSTRUCTION CONTRACTS

ARRANGEMENTS UNDERTAKEN IN TERMS OF THE NATIONAL HOUSING PROGRAMME

The municipality received a level two accreditation in terms of the National Housing Code during March 2021 for its participation in the National Housing Programme. It is a project developer in terms of arrangements related to the construction and transfer houses to the beneficiaries of the National Housing Programme.

Grants received to implement the National Housing Programme are recognised as contract revenue.

Contract revenue comprises:

a) the initial amount of revenue agreed in the contract; and
b) variations in contract work, claims and incentive payments to the extent that:
    i) it is probable that they will result in revenue; and
    ii) they are capable of being reliably measured.

Contract revenue is measured at the fair value of the consideration received or receivable.

When the outcome of a construction contract can be estimated reliably, contract revenue is recognised as revenue by reference to the stage of completion of the contract activity at the reporting date. The stage of completion is assessed with reference to a review of work performed. Otherwise, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

The outcome of a construction contract can be estimated reliably when all the following conditions are satisfied:

a) total contract revenue, if any, can be measured reliably;
b) it is probable that the economic benefits or service potential associated with the contract will flow to the entity;
c) both the contract costs to complete the contract and the stage of contract completion at the reporting date can be measured reliably; and
d) the contract costs attributable to the contract can be clearly identified and measured reliably so that actual contract costs incurred can be compared with prior estimates.

Costs incurred to implement the National Housing Programme are expensed as contract costs. Contract costs comprise:

a) costs that relate directly to the specific contract;
b) costs that are attributable to contract activity in general and can be allocated to the contract on a systematic and rational basis; and
c) such other costs as are specifically chargeable to the customer under the terms of the contract.

Contract costs include the costs attributable to a contract for the period from the date of securing the contract to the final completion of the contract. Costs that cannot be attributed to contract activity or cannot be allocated to a contract are excluded from the costs of a construction contract. Such costs include:

a) general administration costs for which reimbursement is not specified in the contract;
b) selling costs;
c) research and development costs for which reimbursement is not specified in the contract; and
d) depreciation of idle plant and equipment that is not used on a particular contract.

As with contract revenue, contract costs are recognised as expenses when the outcome of a construction contract can be estimated reliably, by reference to the stage of completion of the contract activity at the reporting date.

CONSTRUCTION CONTRACTS (continued)

Other transactions related to housing arrangements

Other transactions may also arise from the Housing Arrangements and fall within the ambit of GRAP 11: Construction Contracts, others with GRAP 9: Revenue from Exchange Transactions, GRAP 23: Revenue from Non-exchange Transactions and GRAP 109: Principal Agent Arrangements.

- ✓ Income from grants pertaining to the planning and construction of civil services of a project is considered to be grants and subsidies in terms of GRAP 23: Revenue from Non-exchange transactions.
- ✓ Receipts directly attributable to the administration of beneficiaries are accounted for under Operational Revenue as Housing services rendered in terms of GRAP 9: Revenue from Exchange Transactions.

Receipts that are received to register the title deed in the name of the beneficiary are regarded as receipts and payments on behalf of the beneficiaries in terms of GRAP 109: Principal Agent Arrangements, and as such the municipality is regarded as an agent.

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, fruitless and wasteful expenditure is accounted for as a capital or operating expenses in the financial statements 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 expenses are disclosed in note 40.

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 Entity 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.

SEGMENT REPORTING

Basis for segmentation

The 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 number of ways.

Segments were identified based on the Municipal Finance Management Act, section 71 monthly budget statements, which executive management and Council review to make strategic decisions and in monitor segment performance. The disclosure of information about segments in the budget statements is 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.

SEGMENT REPORTING (continued)

Basis for segmentation (continued)

Segments are aggregated for reporting purposes where management consider the economic characteristics and nature of services as sufficiently similar to warrant aggregation. The components of each aggregated segment is explained under the description of segment operations.

Reportable segments are identified based on activities of the municipality that generate 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.

Intersegment 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 "Inter segment offsetting" 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 geographic areas is not available, and the cost to develop it would be excessive.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

Rand thousands (R'000)

	Note	2022	Restated [1] 2021
ASSETS			
Non-current assets		**63 475 894**	**60 640 764**
Property, plant and equipment	2	55 427 040	52 846 552
Heritage assets	3	10 268	10 268
Investment property	4	577 820	579 534
Intangible assets	5	621 600	624 635
Investments	6	6 837 924	6 573 136
Long-term receivables	7	1 242	6 639
Current assets		**18 389 398**	**18 039 300**
Inventory	8	430 223	467 065
Receivables	9	6 908 628	6 554 666
From non-exchange transactions		2 685 570	2 883 429
From exchange transactions		4 223 058	3 671 237
Investments	6	2 746 207	2 883 869
Value-added tax	17	5 951	-
Current portion of long-term receivables	7	3 246	7 600
Cash and cash equivalents	10	8 295 143	8 126 100
TOTAL ASSETS		**81 865 292**	**78 680 064**
LIABILITIES			
Non-current liabilities		**12 651 891**	**13 662 335**
Borrowings	11	5 220 709	6 547 823
Provisions	13	7 431 182	7 114 512
Current liabilities		**11 192 700**	**9 900 213**
Deposits	14	487 878	439 775
Provisions	13	1 692 258	1 572 671
Payables from exchange transactions	15	6 808 104	6 244 318
Unspent conditional grants and receipts	16	777 984	1 116 830
Value-added tax	17	-	86 380
Current portion of borrowings	11	1 426 476	440 239
TOTAL LIABILITIES		**23 844 591**	**23 562 548**
NET ASSETS			
Total net assets		**58 020 701**	**55 117 516**
Housing development fund	18	312 820	421 203
Reserves		5 067 995	5 077 328
Accumulated surplus		52 639 886	49 618 985
TOTAL NET ASSETS AND LIABILITIES		**81 865 292**	**78 680 064**

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

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2022

Rand thousands (R'000)

	Note	2022	Restated [1] 2021
REVENUE			
Exchange revenue		**25 966 291**	**23 075 745**
Service charges	19	23 526 030	20 766 811
Rental of letting stock and facilities		382 647	329 575
Finance income	20	1 247 922	1 217 275
Licences and permits		40 010	39 181
Agency services		262 094	270 810
Other income	21	407 401	388 179
Gains on disposal of property, plant and equipment		100 187	63 914
Non-exchange revenue		**22 799 432**	**21 999 818**
Service charges	19	35 778	33 128
Finance income	20	99 174	134 185
Other income	21	293 385	270 239
Property rates	22	10 358 743	10 005 031
Fuel levy		2 608 900	2 594 971
Fines, penalties and forfeits		1 926 090	1 571 763
Government grants and subsidies	23	7 181 249	7 003 574
Construction contracts	24	282 031	250 308
Public contributions	25	14 082	136 619
TOTAL REVENUE		**48 765 723**	**45 075 563**
EXPENDITURE			
Employee-related costs	26	15 253 889	15 109 022
Remuneration of councillors	38.2.2	157 473	158 089
Impairment costs	27	2 873 178	2 971 887
Collection costs		211 862	197 733
Depreciation and amortisation expenses [2]	2,4,5	3 026 161	2 833 027
Finance costs	28	771 626	818 801
Bulk purchases	29	11 839 509	10 147 766
Contracted services	30	2 887 360	2 596 756
Grants and subsidies paid		367 358	321 394
General expenses	31	8 468 858	8 002 845
Losses on disposal of property, plant and equipment		5 264	2 940
TOTAL EXPENDITURE		**45 862 538**	**43 160 260**
NET SURPLUS FROM OPERATIONS		**2 903 185**	**1 915 303**

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

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

AUDITOR-GENERAL SOUTH AFRICA

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AB 30 November 2022

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 30 JUNE 2022

Rand thousands (R'000)

	Housing development fund	Capital replacement reserve	Insurance reserves	Accumulated surplus	Total
2020					
Balance as at 30 June 2020	463 210	4 561 164	614 821	47 421 463	53 060 658
Restatement	-	-	-	141 555	141 555
Restated balance as at 1 July 2020 [1]	**463 210**	**4 561 164**	**614 821**	**47 563 018**	**53 202 213**
2021					
Restated surplus [1]	-	-	-	1 915 303	1 915 303
Surplus for the year as previously reported	-	-	-	2 054 419	-
Restatement	-	-	-	(139 116)	-
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**	**49 618 985**	**55 117 516**
2022					
Surplus for the year	-	-	-	2 903 185	2 903 185
Transfer (from)/to	(88 167)	751 943	8 356	(672 132)	-
Property, plant and equipment purchased	(20 216)	(769 632)	-	789 848	-
Balance as at 30 June 2022	**312 820**	**4 434 807**	**633 188**	**52 639 886**	**58 020 701**

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

AUDITOR-GENERAL SOUTH AFRICA

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AB 30 November 2022

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2022

Rand thousands (R'000)

	Note	2022	Restated [1] 2021
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		43 495 165	41 378 258
Cash paid to suppliers and employees		(38 246 889)	(35 438 410)
Cash generated from operations	32	5 248 276	5 939 848
Finance income	32	1 432 200	1 304 749
Finance costs	32	(702 468)	(731 498)
NET CASH FROM OPERATING ACTIVITIES		**5 978 008**	**6 513 099**
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment and other		(5 450 250)	(6 593 345)
Proceeds on disposal of assets		71 208	84 028
Decrease/(increase) in long-term receivables		12 851	(32 484)
Increase in investments		(71 280)	(840 273)
NET CASH FROM INVESTING ACTIVITIES		**(5 437 471)**	**(7 382 074)**
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of borrowings		(371 494)	(371 494)
NET CASH FROM FINANCING ACTIVITIES		**(371 494)**	**(371 494)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**169 043**	**(1 240 469)**
Cash and cash equivalents at the beginning of the year		8 126 100	9 366 569
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	10	**8 295 143**	**8 126 100**

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

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AB 30 November 2022

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

FOR THE YEAR ENDED 30 JUNE 2022

Rand thousands (R'000)

	Note	Approved budget 37.1	Virements 37.2	Final budget 37.1	Actual per annual financial statements classification 37.3	Classification differences 37.4.1	Recognition differences 37.4.2	Actual per budget classification	Variance: Final budget and actual amounts	Actual per budget as a % of final budget amount
STATEMENT OF FINANCIAL POSITION	37.5.1									
Total non-current assets		63 324 319	-	63 324 319	63 475 894	-	-	63 475 894	(151 575)	100,24
Total current assets	i	16 244 681	-	16 244 681	18 389 398	-	-	18 389 398	(2 144 717)	113,20
TOTAL ASSETS		**79 569 000**	**-**	**79 569 000**	**81 865 292**	**-**	**-**	**81 865 292**	**(2 296 292)**	**102,89**
Total non-current liabilities		13 789 999	-	13 789 999	12 651 891	-	-	12 651 891	1 138 108	91,75
Total current liabilities	ii	9 432 885	-	9 432 885	11 192 700	-	-	11 192 700	(1 759 815)	118,66
TOTAL LIABILITIES		**23 222 884**	**-**	**23 222 884**	**23 844 591**	**-**	**-**	**23 844 591**	**(621 707)**	**102,68**
Total net assets		56 346 116	-	56 346 116	58 020 701	-	-	58 020 701	(1 674 585)	102,97
TOTAL NET ASSETS AND LIABILITIES		**79 569 000**	**-**	**79 569 000**	**81 865 292**	**-**	**-**	**81 865 292**	**(2 296 292)**	**102,89**
FINANCIAL PERFORMANCE	37.5.2									
Property rates		10 983 815	-	10 983 815	10 358 743	293 086	-	10 651 829	331 986	96,98
Service charges		22 343 043	-	22 343 043	23 561 808	(533 487)	-	23 028 321	(685 278)	103,07
Investment revenue		895 923	-	895 923	1 347 096	(369 842)	-	977 254	(81 331)	109,08
Transfers recognised - operational		6 070 243	-	6 070 243	5 806 828	13 770	-	5 820 598	249 645	95,89
Other own revenue		10 231 880	-	10 231 880	6 020 714	5 182 849	-	11 203 563	(971 683)	109,50
Total revenue (excluding capital transfers and contributions)		**50 524 904**	**-**	**50 524 904**	**47 095 189**	**4 586 376**	**-**	**51 681 565**	**(1 156 661)**	**102,29**
Employee costs		15 849 607	15 640	15 865 247	15 253 889	2 016	-	15 255 905	609 342	96,16
Remuneration of councillors		179 826	-	179 826	157 473	7 690	-	165 163	14 663	91,85
Debt impairment	i	2 371 700	-	2 371 700	2 873 178	(30 342)	-	2 842 836	(471 136)	119,86
Depreciation and asset impairment		3 073 473	-	3 073 473	3 026 161	30 342	-	3 056 503	16 970	99,45
Finance charges		788 704	(613)	788 091	771 626	4 996	-	776 622	11 469	98,54
Materials and bulk purchases		16 843 349	72 250	16 915 599	11 839 509	5 507 458	-	17 346 967	(431 368)	102,55
Transfers and grants	ii	561 134	(29 796)	531 338	367 358	39 484	-	406 842	124 496	76,57
Other expenditure		11 570 044	(57 481)	11 512 563	11 573 344	(779 522)	-	10 793 822	718 741	93,76
Total expenditure		**51 237 837**	**-**	**51 237 837**	**45 862 538**	**4 782 122**	**-**	**50 644 660**	**593 177**	**98,84**
Surplus		**(712 933)**	-	**(712 933)**	**1 232 651**	**(195 746)**	**-**	**1 036 905**	**(1 749 838)**	
Transfers recognised - capital		1 943 969	-	1 943 969	1 656 452	207 348	-	1 863 800	80 169	95,88
Contributions recognised - capital and contributed assets		-	-	-	14 082	(11 602)	-	2 480	(2 480)	
Surplus after capital transfers and contributions		**1 231 036**	**-**	**1 231 036**	**2 903 185**	**-**	**-**	**2 903 185**	**(1 672 149)**	

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STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS (continued)

FOR THE YEAR ENDED 30 JUNE 2022

Rand thousands (R'000)

	Note	Approved budget 37.1	Virements 37.2	Final budget 37.1	Actual per annual financial statements classification 37.3	Classification differences 37.4.1	Recognition differences 37.4.2	Actual per budget classification	Variance: Final budget and actual amounts	Actual per budget as a % of final budget amount
CASH FLOW STATEMENT	37.5.3									
Net cash from operating	i	4 473 874	-	4 473 874	5 978 008	(48 103)	-	5 929 905	(1 456 031)	132,55
Net cash from investing	ii	(6 372 955)	-	(6 372 955)	(5 437 471)	-	-	(5 437 471)	(935 484)	85,32
Net cash from financing	iii	916 175	-	916 175	(371 494)	48 103	-	(323 391)	1 239 566	(35,30)
Net (decrease)/increase in cash and cash equivalents		**(982 906)**	**-**	**(982 906)**	**169 043**	**-**	**-**	**169 043**	**(1 151 949)**	(17,20)
Cash/cash equivalents at year end		**7 143 195**		**7 143 195**	**8 295 143**	**-**		**8 295 143**	**(1 151 948)**	**116,13**
CAPITAL EXPENDITURE	37.6									
Community Services and Health	i	298 971	-	298 971	272 443	-	(48)	272 395	(26 576)	91,11
Corporate Services	ii	435 080	-	435 080	414 998	-	(2 000)	412 998	(22 082)	94,92
Economic Growth	iii	51 116	-	51 116	88 969	-	(41 970)	46 999	(4 117)	91,95
Energy	iv	863 527	-	863 527	754 877	-	-	754 877	(108 650)	87,42
Finance		16 542	-	16 542	16 290	-	-	16 290	(252)	98,48
Future Planning and Resilience	v	46 623	-	46 623	39 103	-	-	39 103	(7 520)	83,87
Human Settlements		928 826	-	928 826	892 564	-	-	892 564	(36 262)	96,10
Office of the City Manager	vi	6 343	-	6 343	5 710	-	-	5 710	(633)	90,02
Safety and Security		199 062	-	199 062	192 797	-	-	192 797	(6 265)	96,85
Spatial Planning and Environment	vii	112 056	-	112 056	99 615	-	-	99 615	(12 441)	88,90
Urban Mobility	viii	722 772	-	722 772	651 164	-	-	651 164	(71 608)	90,09
Urban Waste Management	ix	388 298	-	388 298	499 157	-	(171 591)	327 566	(60 732)	84,36
Water and Sanitation	x	2 025 899	-	2 025 899	1 714 546	-	(432)	1 714 114	(311 785)	84,61
TOTAL		**6 095 115**	**-**	**6 095 115**	**5 642 233**	**-**	**(216 041)**	**5 426 192**	**(668 923)**	**89,03**

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SEGMENT REPORT

FOR THE YEAR ENDED 30 JUNE 2022

Rand thousands (R'000)

	2022								
	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	6 886 020	6 328 874	1 609 498	10 156 957	13 214 547	10 463 669	14 816 329	-	**63 475 894**
Current assets	971 872	286 456	643 869	1 875 158	14 159 932	373 902	78 209	-	**18 389 398**
TOTAL ASSETS	**7 857 892**	**6 615 330**	**2 253 367**	**12 032 115**	**27 374 479**	**10 837 571**	**14 894 538**	**-**	**81 865 292**
LIABILITIES									
Non-current liabilities	275 061	256 585	876 709	694 195	9 035 491	1 116 180	397 670	-	**12 651 891**
Current liabilities	2 303 253	1 911 170	193 146	2 656 335	2 004 728	941 513	1 182 555	-	**11 192 700**
TOTAL LIABILITIES	**2 578 314**	**2 167 755**	**1 069 855**	**3 350 530**	**11 040 219**	**2 057 693**	**1 580 225**	**-**	**23 844 591**
ADDITIONS TO PPE AND OTHER ASSETS	**766 815**	**879 642**	**316 134**	**776 832**	**921 312**	**1 208 542**	**772 956**		**5 642 233**
STATEMENT OF FINANCIAL PERFORMANCE									
REVENUE									
Exchange revenue	**3 857 820**	**1 915 388**	**1 279 054**	**16 397 078**	**1 649 221**	**394 034**	**473 696**	**-**	**25 966 291**
Service charges	3 706 425	1 833 449	1 231 322	16 285 065	80 901	56 607	332 261	-	**23 526 030**
Rental of letting stock and facilities	176	15	-	31	198 273	183 932	220	-	**382 647**
Finance income	136 261	49 360	33 721	30 797	981 602	4 750	11 431	-	**1 247 922**
Licences and permits	-	-	-	-	4	67	39 939	-	**40 010**
Income from agency services	-	-	-	-	248 133	13 961	-	-	**262 094**
Other income	9 296	32 546	13 991	79 887	104 822	77 249	89 610	-	**407 401**
Gains on disposal of PPE	5 662	18	20	1 298	35 486	57 468	235	-	**100 187**
Non-exchange revenue	**1 120 408**	**322 250**	**560 026**	**268 750**	**14 999 790**	**4 113 507**	**1 414 701**	**-**	**22 799 432**
Service charges	10 769	12 397	12 612	-	-	-	-	-	**35 778**
Finance income	-	-	-	-	99 174	-	-	-	**99 174**
Other income	-	-	-	-	-	300	293 085	-	**293 385**
Property rates	-	-	-	-	10 358 743	-	-	-	**10 358 743**
Fuel levy	-	-	-	-	2 608 900	-	-	-	**2 608 900**
Fines	11 835	-	89	9	1 171	1 900 548	12 438	-	**1 926 090**
Government grants and subsidies	1 097 804	309 853	547 325	268 741	1 931 538	1 923 020	1 102 968	-	**7 181 249**
Construction contracts	-	-	-	-	-	282 031	-	-	**282 031**
Public contributions	-	-	-	-	264	7 608	6 210	-	**14 082**
Inter-segment revenue	**1 072 702**	**1 792 856**	**2 737 357**	**795 650**	**3 003 928**	**304 261**	**27 377**	**(9 734 131)**	**-**
TOTAL REVENUE	**6 050 930**	**4 030 494**	**4 576 437**	**17 461 478**	**19 652 939**	**4 811 802**	**1 915 774**	**(9 734 131)**	**48 765 723**
EXPENDITURE	**3 124 756**	**2 283 355**	**2 640 087**	**13 888 381**	**8 830 465**	**9 780 749**	**5 314 745**	**-**	**45 862 538**
Employee-related costs	1 233 404	622 963	1 082 053	1 168 775	4 515 677	4 924 596	1 706 421	-	**15 253 889**
Remuneration of councillors	-	-	-	-	157 473	-	-	-	**157 473**
Impairment costs	339 371	137 868	118 274	112 660	211 011	1 942 987	11 007	-	**2 873 178**
Collection costs	2 026	821	715	-	152 804	55 351	145	-	**211 862**
Depreciation and amortisation expense	298 185	197 538	63 724	396 067	680 190	617 156	773 301	-	**3 026 161**
Finance costs	-	-	38 541	-	733 085	-	-	-	**771 626**
Bulk purchases	277 900	-	-	11 561 609	-	-	-	-	**11 839 509**
Contracted services	76 191	638 617	743 828	163 506	104 744	113 846	1 046 628	-	**2 887 360**
Grants and subsidies paid	27 346	-	-	775	171 696	41 915	125 626	-	**367 358**
General expenses	869 544	685 524	592 907	484 843	2 101 165	2 083 613	1 651 262	-	**8 468 858**
Loss on disposal of PPE	789	24	45	146	2 620	1 285	355	-	**5 264**
Inter-segment expenses	**1 626 755**	**1 415 967**	**1 019 852**	**2 406 834**	**2 276 716**	**873 072**	**114 935**	**(9 734 131)**	**-**
TOTAL EXPENDITURE	**4 751 511**	**3 699 322**	**3 659 939**	**16 295 215**	**11 107 181**	**10 653 821**	**5 429 680**	**(9 734 131)**	**45 862 538**
NET SURPLUS FROM OPERATIONS	**1 299 419**	**331 172**	**916 498**	**1 166 263**	**8 545 758**	**(5 842 019)**	**(3 513 906)**	**-**	**2 903 185**

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SEGMENT REPORT (continued)

FOR THE YEAR ENDED 30 JUNE 2022

Rand thousands (R'000)

	2021								
	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	1 185 831	782 140	1 226 594	-	**9 900 213**
TOTAL LIABILITIES	**2 615 224**	**1 964 769**	**668 667**	**2 657 892**	**12 114 537**	**1 896 320**	**1 645 139**	**-**	**23 562 548**
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	**3 454 212**	**1 679 825**	**1 247 331**	**14 437 428**	**1 516 927**	**296 491**	**443 531**	**-**	**23 075 745**
Service charges	3 277 153	1 595 720	1 195 579	14 302 614	76 262	55 161	264 322	-	**20 766 811**
Rental of letting stock and facilities	192	14	-	38	151 052	178 147	132	-	**329 575**
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	**1 100 958**	**407 111**	**458 109**	**256 416**	**14 818 345**	**3 126 043**	**1 832 836**	**-**	**21 999 818**
Service charges	11 340	11 719	10 069	-	-	-	-	-	**33 128**
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	1 524 246	37 141	-	**1 571 763**
Government grants and subsidies	1 084 579	395 027	447 898	244 943	2 081 625	1 342 875	1 406 627	-	**7 003 574**
Construction contracts	-	-	-	-	-	250 308	-	-	**250 308**
Public contributions	-	-	-	8 498	678	8 614	118 829	-	**136 619**
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	**7 511 846**	**3 770 002**	**3 891 524**	**15 430 122**	**19 024 024**	**3 593 854**	**2 276 995**	**(10 422 804)**	**45 075 563**
EXPENDITURE	**3 332 687**	**2 161 929**	**2 445 800**	**11 826 795**	**9 298 072**	**8 887 914**	**5 207 063**	**-**	**43 160 260**
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	422 953	412 976	2 056 359	2 108 482	1 582 236	-	**8 002 845**
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**	**3 060 618**	**13 981 333**	**11 544 905**	**9 615 544**	**5 320 759**	**(10 422 804)**	**43 160 260**
NET SURPLUS FROM OPERATIONS	**945 476**	**276 467**	**830 906**	**1 448 789**	**7 479 119**	**(6 021 690)**	**(3 043 764)**	**-**	**1 915 303**

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

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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	Providing 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	Treating wastewater and safely disposing of it back into the environment.
Waste management	Collecting and disposing of waste in a safe manner, as required by legislation. Ensuring the general cleanliness of the city's streets, public spaces, beaches and rivers.
Energy sources	Distributing electricity to residential, commercial and industrial customers in Cape Town, and providing the link between Eskom and electricity consumers. Constructing and maintaining the equipment that transforms the power supply for consumers' needs.
Municipal governance and administration	All aspects of governance and the centralised financial administration of the City. Various transactions are managed and administered centrally.
Community and public safety	Community and social services, sport and recreation facilities, crime prevention, traffic enforcement, public housing and health. These activities are performed by various departments with aligned objectives.
Economic and environmental services	Urban planning and development, transport, road maintenance and environmental protection. These activities are performed by various departments with aligned objectives.

CENTRALLY INCURRED ASSETS, LIABILITIES, REVENUE AND EXPENDITURE

Value-added tax (VAT), cash, investments, borrowings and unspent grants have not been allocated to individual segments, as these are managed centrally by the Finance Department. Similarly, external interest relating to cash, investments or borrowings is not allocated to individual segments. All these items are allocated to the "Municipal governance and administration" segment.

Rand thousands (R'000)

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, the 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
2022					
Financial assets					
Investments	3 585 555	5 670 641	327 935	9 584 131	9 618 695
Long-term receivables	4 488	-	-	4 488	4 488
Contractual receivables	4 152 932	-	-	4 152 932	4 152 932
Cash and cash equivalents	7 139 629	1 155 514	-	8 295 143	8 295 143
TOTAL	**14 882 604**	**6 826 155**	**327 935**	**22 036 694**	**22 071 258**
Statutory assets					
Receivables	**2 666 026**	**-**	**-**	**2 666 026**	**2 666 026**
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**

	Amortised cost	Total carrying amount	Fair value
2022			
Non-derivative financial liabilities			
Borrowings	6 647 185	6 647 185	6 768 211
Payables	5 615 706	5 615 706	5 615 706
TOTAL	**12 262 891**	**12 262 891**	**12 383 917**
Derivative financial liabilities			
Forward exchange contracts	**54**	**54**	**54**
2021			
Non-derivative financial liabilities			
Borrowings	6 988 062	6 988 062	7 507 535
Payables	5 167 812	5 167 812	5 167 812
TOTAL	**12 155 874**	**12 155 874**	**12 675 347**

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Rand thousands (R'000)

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
2022				
Financial assets				
Investments	2 303 059	3 367 582	-	5 670 641
Cash and cash equivalents	-	1 155 514	-	1 155 514
TOTAL	**2 303 059**	**4 523 096**	**-**	**6 826 155**
Financial liabilities				
Borrowings	**6 647 185**	**-**	**-**	**6 647 185**
Derivative financial liabilities				
Forward exchange contracts	**54**	**-**	**-**	**54**
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**

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
2022				
Non-derivative financial liabilities				
Borrowings	2 099 833	5 558 160	891 404	8 549 397
Capital repayments	1 426 476	4 497 368	723 341	6 647 185
Interest	673 357	1 060 792	168 063	1 902 212
Payables	5 615 706	-	-	5 615 706
Derivative financial liabilities				
Forward exchange contracts	54	-	-	54
TOTAL	**7 715 593**	**5 558 160**	**891 404**	**14 165 157**

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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:

	2022	2021
Financial assets	**21 708 759**	**20 984 158**
Investments	9 256 196	9 236 570
Long-term receivables – see note 7	4 488	8 997
Contractual receivables	4 152 932	3 612 491
Cash and cash equivalents	8 295 143	8 126 100
Statutory assets		
Receivables	2 666 026	2 865 104
TOTAL	**24 374 785**	**23 849 262**

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 investment 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. The objectives, policies and processes for managing and measuring the risk during the year in review has remained stable apart from the discontinuation of water management devices that controls water flow. The City's strategy for managing risk is inherent to measures specified in the Credit Control and Debt Collection as well as Tariff Policies that include encouraging residents to install 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 debtors represent R193,88 million (2021: R338,64 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 as explained in the Accounting Policy. Additional information relating to the analysis of receivables is given in note 9.

Payments on accounts of 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 2022 were as follows:

MATURITY OF INTEREST-BEARING ASSETS/LIABILITIES

	Weighted average interest rate %	1 year or less	1-5 years	>5 years	Total
2022					
Financial assets					
Investments	4,93	4 808 767	5 465 476	137 467	10 411 710
Cash and cash equivalents	4,97	7 139 629	-	-	7 139 629
TOTAL		**11 948 396**	**5 465 476**	**137 467**	**17 551 339**
Financial liabilities					
Borrowings	10,16	**1 426 476**	**4 497 368**	**723 341**	**6 647 185**

Sensitivity analysis

Financial assets

As at 30 June 2022, 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 R177,72 million (2021: R175,83 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 2022 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.

Sensitivity analysis

As at 30 June 2022, if the foreign-exchange rate at that date had been 5% higher, with all other variables held constant, the surplus for the year would have decreased by R0,63 thousand due to the changes in the carrying value of the foreign-exchange liability at the reporting date, with the opposite effect if the foreign exchange rate had been 5% lower.

Rand thousands (R'000)

2. PROPERTY, PLANT AND EQUIPMENT

	As at 30 June 2022			As at 30 June 2021		
	Cost price	Accumulated depreciation	Carrying value	Cost price	Accumulated depreciation	Carrying value
Land and buildings	5 052 043	(1 221 564)	3 830 479	4 686 169	(1 128 600)	3 557 569
Infrastructure	54 766 782	(17 869 128)	36 897 654	51 301 901	(16 382 599)	34 919 302
Community	5 520 732	(1 874 450)	3 646 282	5 303 314	(1 757 532)	3 545 782
Other	13 034 023	(7 217 750)	5 816 273	12 002 665	(6 710 814)	5 291 851
Living resources	1 167	(784)	383	1 225	(649)	576
Service concession	6 325 602	(3 089 834)	3 235 768	6 343 407	(2 878 784)	3 464 623
Housing rental stock	3 364 951	(1 364 750)	2 000 201	3 329 058	(1 262 209)	2 066 849
TOTAL	**88 065 300**	**(32 638 260)**	**55 427 040**	**82 967 739**	**(30 121 187)**	**52 846 552**

RECONCILIATION

	Opening balance	Transfers/ adjustments	Additions	Disposals	Depreciation	Impairment	Carrying value
As at 30 June 2022							
Land and buildings	3 557 569	131 128	234 424	(19)	(67 210)	(25 413)	3 830 479
Infrastructure	34 919 302	(219 688)	3 688 482	(1 333)	(1 486 188)	(2 921)	36 897 654
Community	3 545 782	(3 270)	221 549	(107)	(117 672)	-	3 646 282
Other	5 291 851	55 340	1 360 847	(26 545)	(863 212)	(2 008)	5 816 273
Living resources	576	-	-	(1)	(192)	-	383
Service concession	3 464 623	(17)	945	(4 102)	(225 681)	-	3 235 768
Housing rental stock	2 066 849	5 735	34 937	(661)	(106 659)	-	2 000 201
TOTAL	**52 846 552**	**(30 772)**	**5 541 184**	**(32 768)**	**(2 866 814)**	**(30 342)**	**55 427 040**

(See annexure B for more details.)

	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**

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Rand thousands (R'000)

2. PROPERTY, PLANT AND EQUIPMENT (continued)

Assets under construction

Carrying value	2022	2021
Infrastructure	3 526 167	3 707 170
Community	77 815	102 181
Other	457 065	387 618
TOTAL	**4 061 047**	**4 196 969**

PPE projects

Significantly delayed

Infrastructure	285 057	177 828
Other	10 627	63 942
Community	86 407	64 404
TOTAL	**382 091**	**306 174**

The significant delays in the current year mainly relate to delays in the completion of work at the Contermanskloof Reservoir worth R242,42 million, the new Hout Bay LV depot worth R33,40 million, and work done at various Informal Settlements and Housing projects worth R86,41 million.

Halted

Infrastructure	78 482	32 558
Community	8 653	35 197
TOTAL	**87 135**	**67 755**

The halted projects in the current year mainly related to contractual disputes regarding the Hout Bay depot worth R33,40 million, and shortage of supplies for the SCADA Master Station Upgrade.

Capital commitments

Approved and contracted for capital expenditure	2022	2021
Infrastructure [1]	2 562 037	1 683 033
Community	11 033	75 429
Other	79 910	51 932
TOTAL	**2 652 980**	**1 810 394**

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

[1] Comparative have been restated: During the detail review performed on Capital Commitments data, it was identified that capital commitments to the amount of R25,51 million was incorrectly disclosed as contractual commitments relating to PPE infrastructure instead of Investment properties. The comparative amount of PPE infrastructure were adjusted to R1,68 billion (previously reported: R1,71 billion).

Repairs and maintenance
An amount of R3,12 billion (R2,68 billion) was spent during the year in 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 PPE, where appropriate – see note 36.

Impairment of non-cash-generating assets
The recoverable amount of impaired assets is R90,96 million (2021: R5,53 million). Impairment losses arise mainly from damage to City movable and immovable assets due to accidents and protest actions 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.

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2. PROPERTY, PLANT AND EQUIPMENT (continued)

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.

3. HERITAGE ASSETS

	As at 30 June 2022			As at 30 June 2021		
	Cost price	Accumulated depreciation	Carrying value	Cost price	Accumulated depreciation	Carrying value
Paintings and museum items	**10 268**	**-**	**10 268**	**10 268**	**-**	**10 268**

RECONCILIATION

	Opening balance	Transfers/ adjustments	Additions	Disposals	Carrying value
As at 30 June 2022					
Paintings and museum items	**10 268**	**-**	**-**	**-**	**10 268**

(See annexure B for more details.)

As at 30 June 2021					
Paintings and museum items	**10 269**	**-**	**-**	**(1)**	**10 268**

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

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Rand thousands (R'000)

4. INVESTMENT PROPERTY

	As at 30 June 2022			As at 30 June 2021		
	Cost price	Accumulated depreciation	Carrying value	Cost price	Accumulated depreciation	Carrying value
Land and buildings	**642 643**	**(64 823)**	**577 820**	**642 643**	**(63 109)**	**579 534**

RECONCILIATION

	Opening balance	Transfers/ adjustments	Additions	Depreciation	Disposals	Carrying value
As at 30 June 2022						
Land and buildings	**579 534**	**-**	**-**	**(1 714)**		**577 820**

(See annexure B for more details.)

	Opening balance	Transfers/ adjustments	Additions	Depreciation	Disposals	Carrying value
As at 30 June 2021						
Land and buildings	**581 247**	**-**	**-**	**(1 713)**	**-**	**579 534**

Capital commitments

Approved and contracted for capital expenditure	**2022**	**2021**
Buildings	12 067	25 508
TOTAL	**12 067**	**25 508**

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

Comparative have been restated: During the detail review performed on Capital Commitments data, it was identified that capital commitments to the amount of R25,51 million was incorrectly disclosed as contractual commitments relating to PPE infrastructure instead of Investment properties.

Repairs and maintenance

An amount of R0,96 million (2021: R0,24 million) was spent during the year in review. In determining this amount, the City has exclusively disclosed amounts charged by service providers.

5. INTANGIBLE ASSETS

	As at 30 June 2022			As at 30 June 2021		
	Cost price	Accumulated amortisation	Carrying value	Cost price	Accumulated amortisation	Carrying value
Acquisition of rights	561 441	(545 158)	16 283	561 441	(494 996)	66 445
Computer software	1 504 289	(898 972)	605 317	1 382 575	(824 385)	558 190
TOTAL	**2 065 730**	**(1 444 130)**	**621 600**	**1 944 016**	**(1 319 381)**	**624 635**

RECONCILIATION

	Opening balance	Transfers/ adjustments	Additions	Amortisation	Disposal	Carrying value
As at 30 June 2022						
Acquisition of rights	66 445	-	-	(50 162)	-	16 283
Computer software	558 190	53 566	101 049	(107 471)	(17)	605 317
TOTAL	**624 635**	**53 566**	**101 049**	**(157 633)**	**(17)**	**621 600**

(See annexure B for more details.)

	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**

Included in Computer software above are Assets under construction of R5,62 million (2021: R0).

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6. INVESTMENTS

	Amortised cost	Fair value	Cost	Total
As at 30 June 2022				
RSA Government stock	52 730	-	-	52 730
Guaranteed investment instruments	3 404 010	-	-	3 404 010
Other fixed deposits	6 966 988	-	-	6 966 988
Deposits held with fund managers	-	6 826 155	-	6 826 155
Shares in: Atlantis SEZ Company SOC Ltd	-	-	56 500	56 500
CTICC	-	-	884 998	884 998
	10 423 728	6 826 155	941 498	18 191 381
Provision for impairment	-	-	(613 563)	(613 563)
Net investments	10 423 728	6 826 155	327 935	17 577 818
Transferred to current investments	(128 816)	(2 617 391)	-	(2 746 207)
Transferred to cash and cash equivalents – see note 10	(6 838 173)	(1 155 514)	-	(7 993 687)
TOTAL	**3 456 739**	**3 053 250**	**327 935**	**6 837 924**
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**

Guaranteed investment instruments

A total of R3,40 billion (2021: R3,07 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 2022 is R884,99 million (2021: R833,99 million) and the impairment loss provision is R613,56 million (2021: R613,56 million). At year end an impairment assessment was made based on the projected cash flows of the entity. The present value of the discounted estimated future cash flows exceeded the carrying amount of the investment. Impairment losses on financial assets measured at cost are not reversed.

Atlantis Special Economic Zone (SEZ) Company SOC Ltd

The cost of the City's investment in Atlantis SEZ Company SOC Ltd at 30 June 2022 is R56,50 million. There are no indication that the investment may be impaired as there were no major changes to the business plan of the company since acquisition on 31 March 2022.

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 R52,73 million (2021: R53,35 million) and cash backed guarantees of R128,81 million (2021: R101,57 million).

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7. LONG-TERM RECEIVABLES

	2022	2021
Exchange transactions		
Other	36 518	36 664
Provision for impairment	(36 210)	(36 263)
	308	401
Housing selling developments	7 074	14 537
Provision for impairment	(2 894)	(5 941)
	4 180	8 596
Payments made in advance	-	5 242
	4 488	**14 239**
Transferred to current receivables	(3 246)	(7 600)
TOTAL	**1 242**	**6 639**

Reconciliation of impairment provision

	2022	2021
Balance at beginning of the year	42 204	3 819
Contribution (from)/to provisions	(3 100)	38 385
Balance as at 30 June	**39 104**	**42 204**

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 to 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 currently in a dispute with a service provider regarding an outstanding claim.

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 7,25% (2021: 7%) 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 were paid to Eskom for infrastructure relating to housing developments. The deposits were reclassified to current assets and will be refunded upon completion of the projects during June 2023.

8. INVENTORY

	2022	2021
Consumable stock	297 852	303 638
Water	47 763	49 730
Other goods held for use/resale	84 608	113 697
TOTAL	**430 223**	**467 065**

Inventory to the value of R0,792 million (2021: R0,107 million) was scrapped during the year, and R983,08 million (2021: R588,72 million) was expensed.

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9. RECEIVABLES

	As at 30 June 2022			As at 30 June 2021		
	Gross balance	Allowance for impairment	Net balance	Gross balance	Allowance for impairment	Net balance
FROM NON-EXCHANGE TRANSACTIONS	**6 276 012**	**(3 590 442)**	**2 685 570**	**5 758 766**	**(2 875 337)**	**2 883 429**
Statutory	**6 256 468**	**(3 590 442)**	**2 666 026**	**5 740 441**	**(2 875 337)**	**2 865 104**
Property rates debtors	3 178 589	(997 620)	2 180 969	3 200 910	(974 445)	2 226 465
CIDs property rates debtors	80 634	(11 230)	69 404	69 792	(10 244)	59 548
Government subsidies	167 267	-	167 267	216 555	-	216 555
Traffic fines	2 829 978	(2 581 592)	248 386	2 253 184	(1 890 648)	362 536
Contractual	**19 544**	**-**	**19 544**	**18 325**	**-**	**18 325**
Other receivables	19 544	-	19 544	18 325	-	18 325
FROM EXCHANGE TRANSACTIONS	**8 689 561**	**(4 466 503)**	**4 223 058**	**8 147 501**	**(4 476 264)**	**3 671 237**
Contractual	**8 689 561**	**(4 466 503)**	**4 223 058**	**8 147 501**	**(4 476 264)**	**3 671 237**
Electricity	2 364 239	(489 027)	1 875 212	1 963 494	(426 930)	1 536 564
Water management	2 591 536	(1 667 531)	924 005	2 552 944	(1 739 499)	813 445
Wastewater management	1 248 835	(630 334)	618 501	1 188 872	(629 189)	559 683
Waste management	719 612	(453 447)	266 165	834 603	(564 593)	270 010
Housing rental stock	890 961	(832 167)	58 794	829 114	(757 435)	71 679
Housing selling stock	217 540	(204 288)	13 252	209 079	(194 699)	14 380
Other receivables	567 168	(189 709)	377 459	492 324	(163 919)	328 405
Payments made in advance	89 670	-	89 670	77 071	-	77 071
TOTAL	**14 965 573**	**(8 056 945)**	**6 908 628**	**13 906 267**	**(7 351 601)**	**6 554 666**

As at 30 June 2022, the receivables balance included an amount of R133,22 million (2021: R132,86 million) owed by National Government and Province.

RECONCILIATION OF IMPAIRMENT PROVISION

	Non-exchange Statutory	Exchange Contractual	TOTAL
2022			
Balance at beginning of the year	2 875 337	4 476 264	7 351 601
Contributions to provisions	1 966 730	886 135	2 852 865
Transfers from provisions	(7 807)	-	(7 807)
Bad debts written off	(1 243 818)	(895 896)	(2 139 714)
Balance as at 30 June	**3 590 442**	**4 466 503**	**8 056 945**
2021			
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**

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9. RECEIVABLES (continued)

ANALYSIS OF RECEIVABLES' AGE IN DAYS FROM NON-EXCHANGE TRANSACTIONS

	As at 30 June 2022			As at 30 June 2021		
	Gross balance	Allowance for impairment	Net balance	Gross balance	Allowance for impairment	Net balance
Statutory						
Property rates debtors	**3 178 589**	**(997 620)**	**2 180 969**	**3 200 910**	**(974 445)**	**2 226 465**
Not past due date	1 397 017	-	1 397 017	1 799 503	-	1 799 503
Past due						
0-90	435 721	(5 467)	430 254	154 314	(3 493)	150 821
91-180	197 406	(32 522)	164 884	206 022	(30 461)	175 561
181-365	299 673	(113 334)	186 339	227 356	(96 508)	130 848
365+	848 772	(846 297)	2 475	813 715	(843 983)	(30 268)
CIDs property rates debtors	**80 634**	**(11 230)**	**69 404**	**69 792**	**(10 244)**	**59 548**
Not past due date	37 840	(864)	36 976	32 498	(584)	31 914
Past due						
0-90	15 564	(356)	15 208	13 756	(247)	13 509
91-180	4 963	(113)	4 850	6 427	(115)	6 312
181-365	12 659	(289)	12 370	7 956	(143)	7 813
365+	9 608	(9 608)	-	9 155	(9 155)	-
Government subsidies	**167 267**	**-**	**167 267**	**216 555**	**-**	**216 555**
Not past due date	167 267	-	167 267	216 555	-	216 555
Traffic fines	**2 829 978**	**(2 581 592)**	**248 386**	**2 253 184**	**(1 890 648)**	**362 536**
Past due						
0-90	410 436	(358 772)	51 664	451 556	(378 901)	72 655
91-180	346 626	(302 995)	43 631	392 369	(329 237)	63 132
181-365	566 150	(494 886)	71 264	541 073	(454 015)	87 058
365+	1 506 766	(1 424 939)	81 827	868 186	(728 495)	139 691
	6 256 468	**(3 590 442)**	**2 666 026**	**5 740 441**	**(2 875 337)**	**2 865 104**
Contractual						
Other receivables	**19 544**	**-**	**19 544**	**18 325**	**-**	**18 325**
Not past due date	19 544	-	19 544	18 325	-	18 325
	19 544	**-**	**19 544**	**18 325**	**-**	**18 325**
TOTAL	**6 276 012**	**(3 590 442)**	**2 685 570**	**5 758 766**	**(2 875 337)**	**2 883 429**

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9. RECEIVABLES (continued)

ANALYSIS OF RECEIVABLES' AGE IN DAYS FROM EXCHANGE TRANSACTIONS

	As at 30 June 2022			As at 30 June 2021		
	Gross balance	Allowance for impairment	Net balance	Gross balance	Allowance for impairment	Net balance
Contractual						
Electricity	**2 364 239**	**(489 027)**	**1 875 212**	**1 963 494**	**(426 930)**	**1 536 564**
Not past due date	1 200 729	-	1 200 729	1 008 624	-	1 008 624
Past due						
0-90	369 506	(2 120)	367 386	351 640	(1 343)	350 297
91-180	274 683	(52 739)	221 944	99 712	(10 164)	89 548
181-365	126 901	(50 711)	76 190	122 796	(44 873)	77 923
365+	392 420	(383 457)	8 963	380 722	(370 550)	10 172
Water management	**2 591 536**	**(1 667 531)**	**924 005**	**2 552 944**	**(1 739 499)**	**813 445**
Not past due date	359 656	-	359 656	318 883	-	318 883
Past due						
0-90	303 444	(22 675)	280 769	242 117	(18 942)	223 175
91-180	204 718	(74 611)	130 107	167 847	(58 914)	108 933
181-365	300 718	(160 039)	140 679	289 863	(154 268)	135 595
365+	1 423 000	(1 410 206)	12 794	1 534 234	(1 507 375)	26 859
Wastewater management	**1 248 835**	**(630 334)**	**618 501**	**1 188 872**	**(629 189)**	**559 683**
Not past due date	298 780	-	298 780	253 004	-	253 004
Past due						
0-90	216 606	(8 502)	208 104	191 491	(6 342)	185 149
91-180	77 948	(26 493)	51 455	73 995	(22 996)	50 999
181-365	114 679	(59 848)	54 831	123 692	(62 511)	61 181
365+	540 822	(535 491)	5 331	546 690	(537 340)	9 350
Waste management	**719 612**	**(453 447)**	**266 165**	**834 603**	**(564 593)**	**270 010**
Not past due date	119 521	-	119 521	106 169	-	106 169
Past due						
0-90	79 308	(6 671)	72 637	74 419	(7 062)	67 357
91-180	49 004	(17 929)	31 075	51 680	(17 780)	33 900
181-365	81 628	(43 584)	38 044	90 675	(48 220)	42 455
365+	390 151	(385 263)	4 888	511 660	(491 531)	20 129
Housing rental stock	**890 961**	**(832 167)**	**58 794**	**829 114**	**(757 435)**	**71 679**
Not past due date	29 147	(22 020)	7 127	85 008	(61 197)	23 811
Past due						
0-90	70 392	(53 181)	17 211	63 015	(45 365)	17 650
91-180	39 551	(29 881)	9 670	38 348	(27 607)	10 741
181-365	101 375	(76 589)	24 786	69 535	(50 058)	19 477
365+	650 496	(650 496)	-	573 208	(573 208)	-
Housing selling stock	**217 540**	**(204 288)**	**13 252**	**209 079**	**(194 699)**	**14 380**
Not past due date	359	(157)	202	361	(155)	206
Past due						
0-90	11 193	(4 859)	6 334	13 147	(5 649)	7 498
91-180	3 819	(1 514)	2 305	3 222	(1 385)	1 837
181-365	7 285	(2 874)	4 411	8 484	(3 645)	4 839
365+	194 884	(194 884)	-	183 865	(183 865)	-

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9. RECEIVABLES (continued)

ANALYSIS OF RECEIVABLES' AGE IN DAYS FROM EXCHANGE TRANSACTIONS (continued)

	As at 30 June 2022			As at 30 June 2021		
	Gross balance	Allowance for impairment	Net balance	Gross balance	Allowance for impairment	Net balance
Contractual (continued)						
Other receivables	**567 168**	**(189 709)**	**377 459**	**492 324**	**(163 919)**	**328 405**
Not past due date	284 647	2 372	287 019	245 435	(1 808)	243 627
Past due						
0-90	50 791	(3 812)	46 979	39 434	(3 337)	36 097
91-180	19 019	(2 798)	16 221	20 085	(2 769)	17 316
181-365	32 306	(8 635)	23 671	34 912	(7 057)	27 855
365+	180 405	(176 836)	3 569	152 458	(148 948)	3 510
Payments made in advance	**89 670**	**-**	**89 670**	**77 071**	**-**	**77 071**
Not past due date	89 670	-	89 670	77 071	-	77 071
TOTAL	**8 689 561**	**(4 466 503)**	**4 223 058**	**8 147 501**	**(4 476 264)**	**3 671 237**
TOTAL RECEIVABLES	**14 965 573**	**(8 056 945)**	**6 908 628**	**13 906 267**	**(7 351 601)**	**6 554 666**

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.

10. CASH AND CASH EQUIVALENTS

	2022	2021
Amortised cost	7 139 629	7 062 607
Bank balance [1]	275 930	195 135
Year-end accruals	37	(110)
Cash on hand and in transit	25 489	20 582
Call and short-term deposits – see note 6	6 838 173	6 847 000
Fair value – see note 6	1 155 514	1 063 493
Call and short-term deposits	1 124 153	1 053 506
Bank accounts managed by fund managers [1]	31 361	9 987
TOTAL	**8 295 143**	**8 126 100**

[1] See annexure C for more details.

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	2022	2021
11. BORROWINGS		
Marketable bonds	4 850 239	4 954 428
Concessionary loans	1 783 612	1 993 634
Other loans	13 334	40 000
Subtotal – see annexure A for more details	6 647 185	6 988 062
Transferred to current liabilities	(1 426 476)	(440 239)
TOTAL	**5 220 709**	**6 547 823**

A total of R3,40 billion (2021: R3,07 billion) has been ring-fenced for the repayment of long-term liabilities – see note 6.

	2022	2021
MARKETABLE BONDS	**4 850 239**	**4 954 428**
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 R4,85 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).	4 850 239	4 954 428
CONCESSIONARY LOANS	**1 783 612**	**1 993 634**
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 2022 was R954 million (2021: R1,11 billion).	894 256	1 031 116
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 2022 was R987 million (2021: R1,07 billion).	889 356	962 518
OTHER LOANS	**13 334**	**40 000**
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.	13 334	40 000
TOTAL – see annexure A for more details	**6 647 185**	**6 988 062**

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 H 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 2021.

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 R1,51 billion (2021: R1,46 billion) to the DB and DC schemes were 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 as at 30 June 2020, at which stage the fund found the pensioners and DB deferred members account to be in a sound financial position. An interim valuation was performed at 30 June 2021, which indicated a R69,4 million surplus based on funding basis valuation with an overall funding level of 104,9% for the DB section and pensioners account respectively at year-end.

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

The fund is a DB plan and according to its 1 July 2021 last statutory valuation revealed a deficit of R2,08 million and a funding level of 85,5%. The fund has deteriorated since its 1 July 2018 statutory valuation, which indicated a deficit of R601,2 million and the fund was 96% funded prior to the approval of a scheme of arrangement (SOA) being entered into between the fund and all participating employers. The SOA requests that all participating employers contribute an additional 2% per annum over the next five to six years to restore the fund to financial soundness. Due to the further deterioration as a result of poor investment returns experienced over the valuation period, the fund is required under section 18 of the Pension Funds Act to submit an updated SOA to Financial sector conduct authority (FSCA) to outline how the funding position will be addressed and restored.

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 as at 30 June 2021, which certified it as being in a financially sound position.

	DB section	DC section	Total
In-service members	153	9 540	9 693
Pensioners	2 178	2 449	4 627
Membership as at 30 June 2021	**2 331**	**11 989**	**14 320**

	2021 R'million	2020 R'million
Past-service position: DC section	14 453	12 090
DB section	3 524	3 380
Total liabilities	17 977	**15 470**
Assets valued at market value	18 193	15 595
Actuarial surplus [1]	210	125

[1] The actuarial surplus is mainly attributable to the DB in-service members, and is not refundable to the employer.

Key financial assumptions	2022 %	2021 %
Actual employer contribution: DC section	18,00	18,00
DB section	20,25	20,25
Net discount rate: Pre-retirement	2,30	2,04
Post-retirement	3,30	4,04
Normal retirement age	65 years	65 years

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13. PROVISIONS

	As at 30 June 2022			As at 30 June 2021		
	Non-current	Current	Total	Non-current	Current	Total
Environmental rehabilitation	360 549	120 897	481 446	237 146	79 286	316 432
Long-service benefits	680 665	151 391	832 056	713 938	81 383	795 321
Post-retirement healthcare benefits	6 375 396	307 476	6 682 872	6 129 623	290 989	6 420 612
Leave and other provisions	14 572	1 112 494	1 127 066	33 805	1 121 013	1 154 818
TOTAL	**7 431 182**	**1 692 258**	**9 123 440**	**7 114 512**	**1 572 671**	**8 687 183**

MOVEMENT FOR THE YEAR

	Environmental rehabilitation	Long-service benefits	Post-retirement healthcare benefits	Other provisions	Total
Opening balance	**316 432**	**795 321**	**6 420 612**	**1 154 818**	**8 687 183**
Service cost	-	64 338	81 991	368	146 697
Interest cost	38 542	82 579	661 375	1 622	784 118
Payments/utilised	-	(75 802)	(312 804)	(171 283)	(559 889)
Additional provision raised	-	-	-	1 217 401	1 217 401
Reversed	-	-	-	(1 096 589)	(1 096 589)
Actuarial gains	-	(34 380)	(168 302)	(1 315)	(203 997)
Remeasurements	126 472	-	-	22 044	148 516
TOTAL	**481 446**	**832 056**	**6 682 872**	**1 127 066**	**9 123 440**

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 provision has been determined based on an independent valuation performed by a firm of consulting engineers on 30 June 2022.

Key cost parameters	2022	2021
Estimated dates of reaching full capacity	Between 2018 and 2041	Between 2018 and 2039
Estimated post closure rehabilitation time	4 years	4 years
Period for monitoring post closure	30 years	30 years
Average estimated annual inflation rate	5,5%	4,17%
Discount rate at the average borrowing rate	11,88%	12,18%

13.2 LONG-SERVICE BENEFITS

An actuarial valuation that has been performed of the City's liability for vested long-service 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 used were as supplied by the JSE to determine the discount rates and consumer price index (CPI) assumptions for the respective periods.

Key financial assumptions	2022	2021
Discount rate	Yield curve	Yield curve
Consumer price inflation	Difference between nominal and real-yield curves	Difference between nominal and real-yield curves
Salary increase rate	Equal to CPI + 1%	Equal to CPI + 1%

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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 2022 constituted 5 501 (2021: 6 127) in-service members and 6 976 (2021: 6 920) 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 is 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 2022 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	2022	2021
Discount rate	Yield curve	Yield curve
Consumer price inflation	Difference between nominal and real-yield curves	Difference between nominal and real-yield curves
Healthcare cost inflation rate	CPI + 2%	CPI + 2%

Sensitivity analysis	Change in assumption	Liability	Interest costs	Service costs
Assumptions used		**6 682 872**	**774 564**	**79 452**
Healthcare inflation	1% decrease	5 984 347	691 454	67 459
	1% increase	7 508 299	872 802	94 123
Post-retirement mortality	20% decrease	7 314 826	849 581	714 755
	20% increase	6 179 094	87 380	73 009

13.4 OTHER PROVISIONS

Leave benefits

Annual leave accrues to employees monthly, subject to certain conditions. The provision of R1,02 billion (2021: R1,05 billion) 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.

14. DEPOSITS

	2022	2021
Services deposits	465 467	417 764
Rental and other deposits	22 411	22 011
TOTAL	**487 878**	**439 775**

Comparative restated: Rental deposits have been reclassified from the services deposits category.

Rand thousands (R'000)

15. PAYABLES FROM EXCHANGE TRANSACTIONS

	2022	2021
Trade and other creditors	5 587 505	5 139 874
Payments received in advance	1 192 398	1 076 506
Funds administrated on behalf of third parties	28 201	27 938
TOTAL	**6 808 104**	**6 244 318**

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

	2022	2021
Conditional grants from other spheres of government	758 068	1 096 154
National Government	501 701	688 244
Province	256 367	407 910
Other conditional receipts	19 916	20 676
Public contributions	19 916	20 676
TOTAL	**777 984**	**1 116 830**

Comparative restated – see note 36 for more details.

Public Transport Network Grant (PTNG)

The PTNG allocation was reduced by R1,34 billion as per the Division of Revenue Bill (B19-2021) to align to the City's revised implementation plan of the MyCiti Phase 2A project. As a result of this reduction, the second tranche payment of R462,30 million, scheduled to be received on 25 November 2021, could not be transferred as it would have exceeded the total revised allocation. The balance of the revised allocation of R175,08 million was re-scheduled for transfer during March 2022 and received timeously.

Informal Settlements Upgrading Partnership Grant (ISUPG)

The third tranche of the ISUPG allocation of R253,3 million, scheduled to be received on 24 February 2022, was withheld due to underspending. The City submitted the motivation and reports requested by National Treasury in its notice to withhold funds, and consequently received the full third tranche in March 2022.

See notes 23, 24, 25 and annexure D for more details of grants from National Government and Province, as well as public contributions.

17. VALUE-ADDED TAX (VAT)

	2022	2021
VAT payable	463 353	525 665
Impairment adjustment	(48 428)	(41 499)
Total VAT payable	414 925	**484 166**
VAT receivable	(420 876)	(397 786)
TOTAL	**(5 951)**	**86 380**

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

	2022	2021
Realised housing proceeds		
Balance at beginning of the year	412 608	443 563
Income	16 666	19 948
Interest	14 789	15 884
Expenditure	(132 322)	(66 787)
Balance at end of the year	311 741	412 608
Unrealised housing proceeds		
Balance at beginning of the year	8 595	19 647
Long-term loans realised	(7 516)	(8 773)
Transfer to impairment provision – selling schemes	-	(2 279)
Balance at end of the year	1 079	8 595
TOTAL	**312 820**	**421 203**

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

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19. SERVICE CHARGES

	2022	2021
Exchange transactions	23 526 030	20 766 811
Electricity	16 193 383	14 235 170
Water management	3 615 866	3 187 685
Wastewater management	1 820 280	1 583 924
Waste management	1 090 065	1 049 442
ICASA ECNS licence fees	27 748	25 288
Other	778 688	685 302
Non-exchange transactions	35 778	33 128
Water management	10 773	11 340
Wastewater management	12 393	11 719
Waste management	12 612	10 069
TOTAL	**23 561 808**	**20 799 939**

Comparative restated – see note 36 for more details.

20. FINANCE INCOME

	2022	2021
Exchange transactions	1 247 922	1 217 275
External investments	1 013 355	937 726
Outstanding debtors	270 668	320 734
Transferred interest to conditional grants	(36 101)	(41 185)
Non-exchange transactions		
Outstanding debtors	99 174	134 185
TOTAL	**1 347 096**	**1 351 460**

21. OTHER INCOME

	2022	2021
Exchange transactions	407 401	388 179
Development contributions	209 516	255 090
Other income	186 084	126 379
Gains on foreign-exchange transactions	33	336
Fair-value adjustments	11 768	6 374
Non-exchange transactions	293 385	270 239
City improvement districts (CIDs)	293 085	270 239
Arbor City awards	300	-
TOTAL	**700 786**	**658 418**

The City received services in kind to an estimated value of R16,13 million (2021: R11,52 million) in the form of volunteers.

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	2022	2021
22. PROPERTY RATES		
Actual		
Residential, commercial and other	11 720 222	11 282 693
Income forgone	(1 361 479)	(1 277 662)
TOTAL	**10 358 743**	**10 005 031**
Valuations per category		
Agricultural	9 029 783	8 842 435
Business and commercial	274 256 982	266 217 147
Industrial	91 031 019	90 667 953
Mining	241 537	258 108
Multiple purpose	2 869 784	5 791 480
Organ of state (public service purposes)	35 475 085	37 552 525
Public benefit organisation	6 121 928	4 674 173
Public service infrastructure	15 527 609	12 582 925
Residential	1 187 745 657	1 176 512 842
Vacant land	34 650 174	37 861 339
Place of Worship	138 005	15 701 560
Cemeteries and crematoria; animal shelters; local community museum; nature conservation land	525 116	
Properties owned by not for profit organisations	1 109 198	
TOTAL valuations at commencement of financial year	**1 658 721 877**	**1 656 662 487**

The latest general valuation roll (GV2018) took effect on 1 July 2019 and applies until 30 June 2023. It is based on market-related values as at 2 July 2018 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.

23. GOVERNMENT GRANTS AND SUBSIDIES

	2022	2021
Unconditional grants	3 668 769	3 500 827
Conditional grants	3 794 511	3 753 055
National Government	2 666 793	2 690 138
Province	1 127 718	1 062 917
Total grants	**7 463 280**	**7 253 882**
Housing construction revenue	(282 031)	(250 308)
TOTAL	**7 181 249**	**7 003 574**
Analysis of government grants and subsidies		
Operating	5 806 828	5 635 745
Capital	1 656 452	1 618 137
TOTAL	**7 463 280**	**7 253 882**

Comparative restated – see note 36 for more details.

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24. CONSTRUCTION CONTRACTS

HOUSING CONTRACTS

The following are the revenue and expenses for the year ended:

	2022		2021	
	Revenue	Expenses	Revenue	Expenses
Emergency Housing Programme	12 343	12 343	54 619	54 619
Enhanced People's Housing Process	161 742	161 742	133 280	133 280
Integrated Residential Development Programme	107 946	107 946	62 409	62 409
TOTAL	**282 031**	**282 031**	**250 308**	**250 308**

In progress

	Debtors outstanding	Advances received	Retentions
As at 30 June 2022			
Emergency Housing Programme	12 058	(3 709)	-
Enhanced People's Housing Process	-	(49 793)	(5 788)
Integrated Residential Development Programme	117 038	(31 764)	-
Community Rental Units Programme	-	(234)	-
TOTAL	**129 096**	**(85 500)**	**(5 788)**
As at 30 June 2021			
Emergency Housing Programme	-	(3 868)	-
Enhanced People's Housing Process	-	(65 701)	-
Integrated Residential Development Programme	112 390	(37 275)	(2 115)
Community Rental Units Programme	-	(234)	-
Social Housing Programme	125	(214)	-
TOTAL	**112 515**	**(107 292)**	**(2 115)**

Comparative restated – see note 36 for more details.

25. PUBLIC CONTRIBUTIONS

	2022	2021
Unconditional	1 344	4 040
Conditional	12 738	132 579
Contributed assets	48	124 531
Other	12 690	8 048
TOTAL	**14 082**	**136 619**

Comparative restated – see note 36 for more details.

26. EMPLOYEE-RELATED COSTS

	2022	2021
Salaries, wages and allowances	14 697 620	13 901 951
Contributions and benefits paid: current provisions	(107 224)	74 467
Contributions: post-retirement and long-service benefits	688 276	1 159 152
Current service costs	146 697	135 781
Interest costs	745 576	875 348
Actuarial(gains)/losses	(203 997)	148 023
Remeasurement of provisions	-	(2 985)
	15 278 672	15 132 585
Expenditure recharged to capital projects	(24 783)	(23 563)
TOTAL	**15 253 889**	**15 109 022**

27. IMPAIRMENT COSTS

	2022	2021
Receivables	2 842 836	2 854 653
Investments	-	87 007
Property, plant and equipment	30 342	30 227
TOTAL	**2 873 178**	**2 971 887**

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28. FINANCE COSTS

	2022	2021
Borrowings	733 085	772 811
Unwinding of discount	38 541	45 990
TOTAL	**771 626**	**818 801**

29. BULK PURCHASES

	2022	2021
Electricity	11 561 609	9 718 558
Water	277 900	429 208
TOTAL	**11 839 509**	**10 147 766**

30. CONTRACTED SERVICES

	2022	2021
Transportation services	921 561	687 884
Refuse removal services	434 183	418 468
Sewerage services	601 839	529 321
Electrical services	234 758	273 947
Waste haulage services	253 273	265 856
Other services	441 746	421 280
TOTAL	**2 887 360**	**2 596 756**

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 Plan (IDP) that the municipality is expected to have the capacity and expertise to deliver, but are being outsourced instead.

31. GENERAL EXPENSES

	2022	2021
Auditor remuneration	19 144	18 136
CIDs levies	284 293	262 132
Consultants	634 978	730 625
Electricity – Eskom service areas	175 892	165 856
Fair-value adjustments	14 862	2 107
Indigent relief	130 038	105 583
Loss on foreign-exchange transactions	718	968
Inventory: scrapping	792	107
Telecommunications	218 852	306 918
Building contractors	2 076 916	1 715 779
Fuel	403 684	280 623
Minor tools and equipment	465 318	443 816
Security services	1 144 805	1 214 696
Servicing of vehicle and equipment	565 467	441 691
Other expenditure	2 334 428	2 367 355
	8 470 187	8 056 392
Contributions from provisions	1 590	(50 661)
	8 471 777	8 005 731
Expenditure recharged to capital projects	(2 919)	(2 886)
TOTAL	**8 468 858**	**8 002 845**

Comparative restated – see note 36 for more details.

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32. CASH GENERATED FROM OPERATIONS

	2022	2021
Surplus for the year	2 903 185	1 915 303
Adjustment for:	5 414 561	5 898 147
Contributed assets	(44 450)	(173 114)
Contribution to provisions	226 125	864 369
Depreciation	3 026 161	2 833 027
Fair-value adjustments	3 094	(4 267)
Gains and losses on disposal of assets	(94 923)	(60 974)
Impairment	2 873 178	2 971 887
Inventory scrapping	792	107
Unrealised foreign-exchange losses/(gains)	54	(229)
Finance income	(1 347 096)	(1 351 460)
Cash transactions	(1 432 200)	(1 304 749)
Non-cash transactions	85 104	(46 711)
Finance costs	771 626	818 801
Cash transactions	702 468	731 498
Non-cash transactions	69 158	87 303
Operating surplus before working capital changes	**8 317 746**	**7 813 450**
Decrease/(increase) in inventories	10 816	(42 133)
Increase in receivables	(3 291 931)	(1 989 010)
Decrease in unspent conditional grants and receipts	(338 846)	(133 787)
Increase in deposits	48 103	20 354
Increase in payables	587 790	351 232
Decrease in net VAT	(85 402)	(80 258)
CASH GENERATED FROM OPERATIONS	**5 248 276**	**5 939 848**

Comparative restated – see note 36 for more details.

33. OPERATING LEASE COMMITMENTS

33.1 THE CITY AS LESSEE

Future minimum lease payments under non-cancellable operating leases

	2022	2021
Buildings	51 036	35 980
Payable within one year	33 525	22 585
Payable within two to five years	17 511	13 395
Radio masts	826	585
Payable within one year	406	277
Payable within two to five years	420	308
TOTAL	**51 862**	**36 565**

Minimum lease payments recognised as an expense during the period amounted to R42,09 million (2021: R59,01 million). Leased premises are contracted for remaining periods of between one and four years, with renewal options available in certain instances.

33.2 THE CITY AS LESSOR

Future minimum lease income under non-cancellable operating leases

	2022	2021
Buildings		
Receivable within one year	78 435	74 226
Receivable within two to five years	246 885	264 325
Receivable after five years	395 756	418 016
TOTAL	**721 076**	**756 567**

The City lets properties under operating leases. Property rental income earned during the year was R74,53 million (2021: R71,21 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 R0,42 million in current-year income.

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34. CONTINGENT LIABILITIES

34.1 DISPUTES

Claims by various parties are currently in dispute, and are subject to mediation or litigation. The potential extent of the liability cannot be determined, but a provisional estimate for the City based on management assessment is R282,20 million (2021: R292,84 million).

34.2 OUTSTANDING INSURANCE CLAIMS

The estimated liability for insurance claims amounts to R353,40 million (2021: R281,50 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.

35. PRINCIPAL-AGENT ARRANGEMENTS

35.1 PRINCIPAL ARRANGEMENTS

Collection agents

Prepaid electricity

Cigicell, Ontec, Flash and Sandulela are service providers who serve as agents for the City of Cape Town the third party sale of prepaid electricity. All payments are made directly to the City, and the service provider invoices the City for commission payable.

	2022	2021
Commission paid to the agent	73 775	77 390

Municipal accounts and fines

The City has a service provider who serves as third 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 are then transferred to the City the next day. The agent invoices the City for commission payable and the reimbursement of bank costs.

	2022	2021
Commission paid to the agent	59 880	53 402

Free basic electricity

Eskom areas

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

Payment agent

Western Cape Department of Human Settlements

The City appointed the Western Cape Department of Human Settlements to act as developer and payment agent, on behalf of the City, for various projects. The purpose of the arrangement is to fulfil grant requirements in providing the infrastructure for the specified projects. The agent must utilise the funds provided by the City for the sole purpose of the installation of infrastructure and receive no further compensation in terms of the agreement.

35.2 AGENT ARRANGEMENT

Motor vehicle registration services

Agent for the Western Cape Department of Transport and Public Works

The City acts as an agent for the Western Cape Department of Transport and Public Works, providing motor vehicle registration services on behalf of the Western Cape Department of Transport and Public Works.

Reconciliation of amounts payable to the department

	2022	2021
Balance owing at the beginning of year	-	-
Revenue received on behalf of principal (includes commission)	1 358 804	1 433 521
Revenue recognised by municipality as agency fee (includes VAT)	(285 404)	(297 249)
Revenue paid over to the principal	(1 073 400)	(1 136 272)
Balance owing at the end of year	-	-

Rand thousands (R'000)

35. PRINCIPAL-AGENT ARRANGEMENTS (continued)

35.2 AGENT ARRANGEMENT (continued)

	2022	2021
Licencing services		
Agent for the Western Cape Department of Transport and Public Works		
The City acts as an agent for the Western Cape Department of Transport and Public Works, providing licensing services on behalf of the Western Cape Department of Transport and Public Works.		
Reconciliation of amounts payable to the department		
Balance owing at the beginning of year	-	-
Revenue received on behalf of principal (includes commission)	36 777	32 198
Revenue recognised by municipality as agency fee (includes VAT)	(16 023)	(13 956)
Revenue paid over to the principal	(20 754)	(18 242)
Balance owing at the end of year	**-**	**-**
Collection agents		
Agent for the Road Traffic Infringement Agency		
In the current year, the City started acting as an agent for the Road Traffic Infringement Agency, collecting traffic fines issued by other municipalities in terms of the AARTO act. The City earns commission on all payments collected.		
Reconciliation of amounts payable to the department		
Balance owing at the beginning of year	-	
Revenue received on behalf of principal (includes commission)	1 404	
Revenue recognised by municipality as agency fee (includes VAT)	(34)	
Revenue paid over to the principal	(1 098)	
Balance owing at the end of year	**272**	
Agent for the National Department of Justice		
The City acts as an agent for the National Department of Justice, collecting contempt of court fines imposed for non-appearance in court of traffic fine offenders. The City does not derive any revenue from this functions.		
Reconciliation of amounts payable to the department		
Balance owing at the beginning of year	-	-
Revenue received on behalf of principal	21 131	18 723
Revenue paid over to the principal	(21 131)	(18 723)
Balance owing at the end of year	**-**	**-**

Comparative amount has been amended.

Rand thousands (R'000)

36. RECLASSIFICATIONS, CORRECTION OF ERRORS AND CHANGE IN ESTIMATES

36.1 RECLASSIFICATIONS

The classification of various accounts were reviewed in line with the latest guidance issued by the Accounting Standards Board and resulted in the reclassification of these accounts as follows:

- Indigent discounts and relief accounts were reclassified from the "General expenses, Indigent relief" item respectively to be set off against "Service charges" and "Rental of letting stock and facilities" revenue items.
- Availability charges were reclassified from "Exchange revenue, Service charges," to "Non-exchange revenue, Service charges".
- Impoundment fees reported previously as "Services charges, Other" were reclassified as "Fines, penalties and forfeits" revenue item.

Payables relating to capital assets were previously incorrectly classified as movements in working capital, instead of adjusted against Additions to property, plant and equipment and other.

36.2 CORRECTION OF ERRORS

Connection fees received have been corrected to reflect as exchange revenue, rather than non-exchange revenue and unspent conditional receipts as previously recognised.

The DoRA issued an Equitable Share in 2020 to allowed municipalities to maintain existing services in response to the Covid 19 pandemic. The City obtained approval from NT for the roll-over of the 2020/21 unspent balance. The allocation was treated as an unconditional grant in error and recognised as revenue and have been corrected.

The City received a level two accreditation in terms of the National Housing Code during March 2021 for its participation in the National Housing Programme. It is a project developer in terms of arrangements related to the construction and transfer houses to the beneficiaries of the National Housing Programme and GRAP 11 Construction Contracts should have been applied to recognition, measurement, presentation and disclosure of transactions related to these arrangements in the 2020/21 financial year.

Presented below are those items contained in the statement of financial position, statement of financial performance, changes in net assets, cash flow statement and notes that have been affected by reclassifications and correction of errors.

	Note	As previously reported	Reclassifications	Correction of errors	Restated
2020					
STATEMENT OF FINANCIAL POSITION					
LIABILITIES					
Current liabilities		9 777 564	-	(141 555)	**9 636 009**
Unspent conditional grants and receipts		1 392 172	-	(141 555)	**1 250 617**
TOTAL LIABILITIES		23 076 656	-	(141 555)	**22 935 101**
NET ASSETS					
Total net assets		53 060 658	-	141 555	**53 202 213**
Accumulated surplus		47 421 463	-	141 555	**47 563 018**
TOTAL NET ASSETS AND LIABILITIES		76 137 314	-	-	**76 137 314**
2021					
STATEMENT OF FINANCIAL POSITION					
LIABILITIES					
Current liabilities		9 902 652	-	(2 439)	**9 900 213**
Unspent conditional grants and receipts		1 119 269	-	(2 439)	**1 116 830**
TOTAL LIABILITIES		23 564 987	-	(2 439)	**23 562 548**
NET ASSETS					
Total net assets		55 115 077	-	2 439	**55 117 516**
Accumulated surplus		49 616 546	-	2 439	**49 618 985**
TOTAL NET ASSETS AND LIABILITIES		78 680 064	-	-	**78 680 064**

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36. RECLASSIFICATIONS, CORRECTION OF ERRORS AND CHANGE IN ESTIMATES (continued)

	Note	As previously reported	Reclassifications	Correction of errors	Restated
2021 (continued)					
STATEMENT OF FINANCIAL PERFORMANCE					
Revenue					
Exchange revenue		23 462 678	(451 724)	64 791	**23 075 745**
Service charges		21 101 782	(399 762)	64 791	**20 766 811**
Rental of letting stock and facilities		381 537	(51 962)	-	**329 575**
Non-exchange revenue		22 147 516	56 209	(203 907)	**21 999 818**
Service charges		-	33 128	-	**33 128**
Fines, penalties and forfeits		1 548 682	23 081	-	**1 571 763**
Government grants and subsidies		7 398 444	-	(394 870)	**7 003 574**
Construction contracts		-	-	250 308	**250 308**
Public contributions		195 964	-	(59 345)	**136 619**
Total revenue		45 610 194	(395 515)	(139 116)	**45 075 563**
Expenditure					
General expenses		8 398 360	(395 515)	-	**8 002 845**
Total expenditure		43 555 775	(395 515)	-	**43 160 260**
Surplus from operations		2 054 419	-	(139 116)	**1 915 303**
CASH FLOW STATEMENT					
Cash flow from operating activities					
Cash receipts from ratepayers government and other		41 272 675	105 583	-	**41 378 258**
Cash paid to suppliers and employee		(35 397 699)	(40 711)	-	**(35 438 410)**
Cash generated from operations		5 874 976	64 872	-	**5 939 848**
NET CASH FROM OPERATING ACTIVITIES		6 448 227	64 872	-	**6 513 099**
Cash flow from investing activities					
Additions to property, plant and equipment and other		(6 528 473)	(64 872)	-	**(6 593 345)**
NET CASH FROM INVESTING ACTIVITIES		(7 317 202)	(64 872)	-	**(7 382 074)**
UNSPENT CONDITIONAL GRANTS AND RECEIPTS	16				
Conditional grants from other spheres of government		951 592	-	144 562	**1 096 154**
National Government		543 682	-	144 562	**688 244**
Other conditional receipts		167 677	-	(147 001)	**20 676**
Public contributions		167 677	-	(147 001)	**20 676**
TOTAL		1 119 269	-	(2 439)	**1 116 830**
SERVICE CHARGES	19				
Exchange revenue		21 101 782	(399 762)	64 791	**20 766 811**
Electricity		14 235 170	-	-	**14 235 170**
Water management		3 199 025	(11 340)	-	**3 187 685**
Wastewater management		1 595 643	(11 719)	-	**1 583 924**
Waste management		1 403 064	(353 622)	-	**1 049 442**
Other		668 880	(23 081)	64 791	**710 590**
Non-exchange revenue		-	33 128	-	**33 128**
Water management		-	11 340	-	**11 340**
Wastewater management		-	11 719	-	**11 719**
Waste management		-	10 069	-	**10 069**
TOTAL		21 101 782	(366 634)	64 791	**20 799 939**

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36. RECLASSIFICATIONS, CORRECTION OF ERRORS AND CHANGE IN ESTIMATES (continued)

	Note	As previously reported	Reclassifications	Correction of errors	Restated
2021 (continued)					
GOVERNMENT GRANTS AND SUBSIDIES	23				
Unconditional grants		3 929 222	-	(428 395)	**3 500 827**
Conditional grants		3 469 222	-	283 833	**3 753 055**
National Government		2 406 305	-	283 833	**2 690 138**
Total grants		7 398 444	-	(144 562)	**7 253 882**
Housing construction revenue		-	-	(250 308)	**(250 308)**
TOTAL		7 398 444	-	(394 870)	**7 003 574**
Analysis of Government grants and subsidiaries					
Operating		5 781 742	-	(145 997)	**5 635 745**
Capital		1 616 702	-	1 435	**1 618 137**
TOTAL		7 398 444	-	(144 562)	**7 253 882**
CONSTRUCTION CONTRACTS	24				
Housing projects		-	-	250 308	**250 308**
TOTAL		-	-	250 308	**250 308**
PUBLIC CONTRIBUTIONS	25	195 964	-	(59 345)	**136 619**
Conditional - Consumer connection fees		59 345	-	(59 345)	**-**
GENERAL EXPENSES	31				
Indigent relief: rental of letting stock		51 962	(51 962)	-	**-**
Indigent relief: solid waste		343 553	(343 553)	-	**-**
TOTAL		8 398 360	(395 515)	-	**8 002 845**
CASH GENERATED BY OPERATIONS	32				
Surplus for the year		2 054 419	-	(139 116)	**1 915 303**
Operating surplus before working capital changes:		7 952 566	-	(139 116)	**7 813 450**
Decrease in unspent conditional grants and receipts		(272 903)	-	139 116	**(133 787)**
Increase in payables		286 360	64 872	-	**351 232**
Cash generated by operations		5 874 976	64 872	-	**5 939 848**

36.3 CHANGE IN ACCOUNTING ESTIMATES

Annual review of assets' useful lives and residual values

The City's annual review of the useful lives resulted in no change (2021: R283,38 million) in the depreciation charge to the statement of financial performance. The City's annual update of residual values resulted in a decrease of R10,14 million in the depreciation charge to the statement of financial performance.

It is impracticable to estimate the effect of these changes on future periods.

Rand thousands (R'000)

37. BUDGET INFORMATION

PRESENTATION OF STATEMENT COMPARISON OF BUDGET AND ACTUAL AMOUNTS

The presentation format adopted for the statement of comparison of budget and actual amounts is based on the MBRR Table B1 – Adjustments budgets Summary and MBRR Table B5 – Adjustments budget capital expenditure by vote included in the published budget.

37.1 APPROVED AND FINAL BUDGET

The approved budget presented is the most recent adjustment budget approved by Council.

The final budget presented is the most recently approved budget adjusted for virements and have not been formally approved again by Council.

37.2 VIREMENTS

The changes from the approved to final budget is due to virements in terms of Council-approved policy.

37.3 FINANCIAL STATEMENT CLASSIFICATION

The actual amounts presented in this column agrees to the actual amounts presented in the statement of financial position, statement of financial performance and cash flow statement. It has been aggregated, disaggregated or grouped to correspond to the budget line item descriptions.

The table below is a reconciliation to explain that the budget and the financial statements amounts agree for total revenues. The total expenses and net cash flows from operating activities, investing activities and financing activities all directly agree to the financial statements line items.

	2022
Total revenue (excluding capital transfers and contributions)	**47 095 189**
Transfers recognised - capital	1 656 452
Contributions recognised - capital and contributed assets	14 082
Total Revenue per Statement of Financial Performance	**48 765 723**

37.4 BUDGET DIFFERENCES

The Municipal Standard Chart of Accounts (mSCOA) format and classification of the budget schedules as issued by National Treasury are not fully aligned to the Standards of GRAP and therefore the disparity in classification between the budget and the GRAP standards annual financial statements.

Below are reconciliations to explain the classification and recognition differences between the budget and the financial statements amounts for total revenues, total expenses and net cash flows from operating activities, investing activities and financing activities.

37.4.1 Classification differences

	2022
Financial Performance	
Total revenue (excluding capital transfers and contributions)	**47 095 189**
Inventory consumed: mSCOA classification	4 782 122
Development contributions	(209 516)
Grants PCDR (Conditional)	12 426
Grants other (Unconditional)	1 344
Budget	**51 681 565**
Total expenditure	**45 862 538**
Inventory consumed: mSCOA classification	4 782 122
Budget	**50 644 660**

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37. BUDGET INFORMATION (continued)

37.4 BUDGETED DIFFERENCES (continued)

37.4.1 Classification differences (continued)

	2022
Financial Performance (continued)	
Surplus before capital transfers and contributions	**1 232 651**
Development contributions	(209 516)
Grants PCDR (Conditional)	12 426
Grants other (Unconditional)	1 344
Budget	**1 036 905**
Transfers recognised - capital	**1 656 452**
Development contributions	209 516
Contributed assets National Government	(432)
Contributed assets Provincial Government	(2 000)
Grants PCDR (Conditional)	264
Budget	**1 863 800**
Contributions recognised - capital and contributed assets	**14 082**
Contributed assets National Government	432
Contributed assets Provincial Government	2 000
Capital PCDR	(264)
Grants PCDR (Conditional)	(12 426)
Grants other (Unconditional)	(1 344)
Budget	**2 480**
Cash flow statement	
Net cash from operating	**5 978 008**
Increase in deposits	(48 103)
Budget	**5 929 905**
Net cash from investing	**(371 494)**
Increase in deposits	48 103
Budget	**(323 391)**

37.4.2 Recognition differences

	2022
Capital expenditure per financial statements	**5 642 233**
Landfill site provision change in estimate	(171 591)
Contributed assets	(44 450)
Budget	**5 426 192**

37.5 EXPLANATION OF VARIANCES GREATER THAN 10%: FINAL BUDGET AND ACTUAL AMOUNTS

37.5.1 Statement of financial position

Assets

i) Total current assets

The variance is mainly due to higher-than-anticipated investments and cash balances at year-end. Refer to the explanations on the cash flow statement variances for more detail.

Liabilities

ii) Total current liabilities

The variance is attributed to a higher balance for payables from exchange transaction than anticipated. This is due to less cash payments to suppliers at year-end and more supplier credit being utilised than expected.

37. BUDGET INFORMATION (continued)

37.5 EXPLANATION OF VARIANCES GREATER THAN 10%: FINAL BUDGET AND ACTUAL AMOUNTS

37.5.2 Statement of financial performance

Expenditure

i) Debt impairment
The variance is due to lower-than-budgeted provision for debt impairment realised on Human Settlement (19%), Water and Sanitation (7%), Urban Waste Management (20%) and Property Rates debtors (62%). In addition, the higher-than-budgeted provision realised on Electricity Debtors (13%) and Traffic Fines (86%) 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.

ii) Transfers and Grants
The variance is largely due to delays/late start with the implementation of People Housing Processes (PHP) projects as a result of beneficiary related issues and court orders that halted some projects. In addition, payments to service providers funded from National Skills Fund was lower than planned due to the protracted administration process required before payments could be made. Furthermore, as a result of the Cape Town Stadium entity generating sufficient own revenue to fund operational expenditure resulted in a lower requirement for grant funding from the City.

37.5.3 Cash flow statement

i) Net cash from operating
The variance is mainly due to underspend on operating expenditure.

ii) Net cash from investing
The variance is due to the underspend of capital expenditure.

iii) Net cash from financing
The variance is due to not having taken up the anticipated loans to fund the capital budget.

37.6 EXPLANATION OF VARIANCES GREATER THAN 5%: FINAL BUDGET AND ACTUAL AMOUNTS

Capital expenditure

i) Community Services and Health
The variance is due to extensive community engagement on some projects, which resulted in delayed start of projects and in some instances, notable interferences and stoppages were recorded during the implementation phase. On some of the replacement of roof projects, the requisite materials were not be sourced in time.

ii) Corporate Services
The variance in the implementation of projects is due to the cancellation of orders for fleet and plant replacement due to the impact of the flood in KwaZulu-Natal and the impact of the war on the European economy. The effects of the Covid 19 pandemic has also resulted in the non-accessibility of IT equipment locally and internationally.

iii) Economic Growth
The variance is due to delays in the implementation of two projects, where the scope of the projects were delayed due complex front-end loading, conclusion of agreements, detailed design phase taking longer than anticipated, and adverse underground conditions, which necessitated pile redesign and additional piling. In other instances, the impact was due to work stoppages resulting from community protests, which has since been resolved.

iv) Energy
The variance in the implementation and completion of projects is as a result of: loadsheddng; delay in award of tenders; supplier constraints; flood in KwaZulu-Natal; shipping delays due to Ukraine/Russia conflict; fires in informal settlements, which diverted resources compromising the electrification programme; and material shortages.

v) Future Planning and Resilience
The variance is largely attributable to delays in approval of required tender, late appointment of consultants, unspent contingencies and items not delivered on time due to supplier constraints.

vi) Office of the City Manager
The variance in the implementation of the projects is mainly due to delays experienced in the delivery of IT Equipment, Office furniture and the Wynberg Court Erf Consolidation process as well as savings realised on some projects.

37. BUDGET INFORMATION (continued)

37.6 EXPLANATION OF VARIANCES GREATER THAN 5%: FINAL BUDGET AND ACTUAL AMOUNTS (continued)

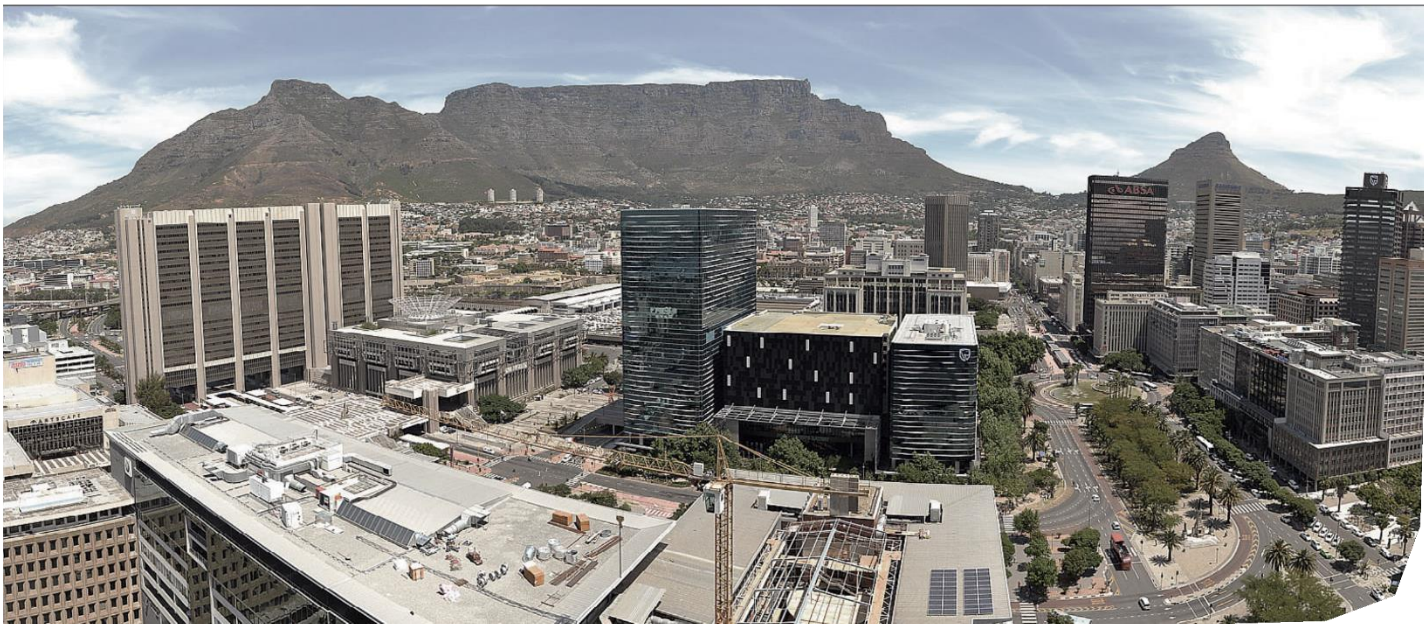
Capital expenditure (continued)

vii) Spatial Planning and Environment
The variance is largely attributable to protracted tender processes, component shortages of electronic goods that delayed the delivery of IT equipment and stop notices issued against projects.

viii) Urban Mobility
The variance in the implementation of projects is as a result of the delay in the appointment of contractors and professional service providers, contractor capacity constraints, delays in delivery due to unavailability of certain stock items, delays as a result of material quality issues, cost savings materialised with the completion of projects and property acquisitions still being finalised.

ix) Urban Waste Management
The variance is largely attributable to construction projects, where contingency provisions for construction projects were not utilised. Plant items, which were not delivered by 30 June 2022, due to the war in Ukraine. The Coastal Park Material Recovery Facility project was delayed due to the award of construction tender being finalised later than anticipated to allow negotiations that ensured value for money.

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



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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.

	2022	2021
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	72,70%	71,4%
Arm's-length transactions for the year		
Receivables	2 308	1 493
Payables	-	316
Deposits	1 234	1 236
Service charges	16 933	18 604
Contracted services	1 191	365
Rental of letting stock and facilities	2 510	1 505

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 second addendum, at a nominal rental amount of R5 000 per annum.

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.

	2022	2021
Percentage owned	100%	100%
Arm's-length transactions for the year		
Receivables	15 414	133
Payables	7 805	4 384
Service charges	9 354	8 278
Other income	23 160	22 198
Grants and subsidies paid	41 915	65 237

The City is the sole shareholder of the Cape Town Stadium (RF) SOC Limited that 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.

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.

	2022	2021
Administrator		
Arm's-length transactions for the year		
Funds held on behalf of CMTF	27 153	26 928
Transfers	6 210	1 428
Interest paid	1 033	853
Revenue collected	5 493	4 820

Rand thousands (R'000)

38. RELATED-PARTY DISCLOSURES (continued)

38.1 MUNICIPAL ENTITIES AND OTHER ENTITIES (continued)

	2022	2021

Atlantis Special Economic Zone Company (SOC) Ltd (Atlantis SEZ Co)

The Atlantis SEZ Co is a state owned entity listed as schedule 3D entity in terms of section 47(2) of the Public Finance Management Act (PFMA). The purpose of the entity is aimed at developing a Green Technology Special Economic Zone (SEZ) in close collaboration with the Department of Trade and Industry and Competition (DTIC), Wesgro, the City of Cape Town and the Western Cape Government Department of Economic Development and Tourism.

On 31 March 2022, the City of Cape Town acquired 45,4% of the Atlantic SEZ Co's issued ordinary no par value shares in an asset for shares transaction. The 83 no par value shares were acquired by way of transfer of the following three properties valued at R56,50 million:

- Portion of remainder Cape Farm 1183 and remainder farm 4-93, located on the corner of Dassenberg street and Charel Uys street, Atlantis industrial. Zone 1 is 221 500 m² (purchase price R13,28 million).
- Portion of Cape Farm 1183-4-1 bounded by Gideon Basson road and Neil Hare road, Atlantis Industrial. Zone 2 is 386 500 m² (purchase price R23,18 million).
- Portion of remainder Erf 171, portion remainder erf 277, erf 254 and erf 246, all located along Neil Hare road, Atlantis Industrial. Zone 3 is 386 500 m² (purchase price R20,03 million).

The value of the shares were independently determined and agreed by both parties. There were no othe related party transactions between the City and Atlantis SEZ, other than for the sale of land in exchange for shares.

	2022	2021
Percentage owned	45,4%	

38.2 EXECUTIVE MANAGEMENT

38.2.1 Related party transactions with close family members of executive management

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

The following reported transactions 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 Councillors

As at 30 June 2022

Name	Nature of relation	Key management	
VREDEKLOOF CID	Spouse	Cllr C Brynard	
Arm's-length transactions for the year			
Transfers in terms of Vredekloof CID MOA			**4 678**
Amount owing			**-**
AFRIWORLD BUSINESS SOLUTIONS (PTY) LTD	Child	Cllr R Davids	
Arm's-length transactions for the year			
Rendering of service			**1 684**
Amount owing			**939**
AFRIVEST BUSINESS SOLUTIONS	Child	Cllr R Davids	
Arm's-length transactions for the year			
Rendering of service			**1 908**
Amount owing			**1 095**

As at 30 June 2021

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

Rand thousands (R'000)

38. RELATED-PARTY DISCLOSURES (continued)

38.2.1 Related party transactions with close family members of executive management

38.2.1.2 Executive director

As at 30 June 2022			
Name	Nature of relation	Key management	
EMPIRE	Sister-in-law	V Botto	
Arm's-length transactions for the year			
Rendering of service			**399**
Amount owing			**16**

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

38.2.2 Remuneration of executive management

38.2.2.1 Remuneration of councillors

SUMMARY OF REMUNERATION BENEFITS

	Annual salary	Car allowance	Social contribution	Total
2022				
Mayco members	13 002	159	491	**13 652**
Councillors	140 699	136	2 986	**143 821**
TOTAL	**153 701**	**295**	**3 477**	**157 473**
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**

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 R153,70 million for the period in review. The average remuneration per councillor is R0,682 million (2021: R0,684 million) 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)

38.2.2.1 Remuneration of councillors

Mayoral Committee members remuneration

ANALYSIS OF REMUNERATION BENEFITS

	Annual salary	Car allowance	Social contribution	Total
2022				
Current structure				
Executive Mayor				
Ald G Hill-Lewis	921	-	-	**921**
Deputy Mayor/Spatial Planning and Environment				
Cllr E Andrews	749	-	-	**749**
Economic Growth				
Ald J Vos	694	-	-	**694**
Finance				
Cllr S Mbandezi	619	-	75	**694**
Corporate Services				
Ald T Uys	694	-	-	**694**
Community Services and Health				
Cllr P van der Ross	694	-	-	**694**
Energy				
Cllr B van Reenen	694	-	-	**694**
Human Settlements				
Cllr M Booi	1 026	-	74	**1 100**
Safety and Security				
Ald JP Smith	846	159	95	**1 100**
Urban Mobility				
Cllr R Quintas	694	-	-	**694**
Urban Waste Management				
Ald G Twigg	619	-	75	**694**
Water and Sanitation				
Cllr ZA Badroodien	694	-	-	**694**
	8 944	**159**	**319**	**9 422**
Previous structure				
Executive Mayor				
Ald D Plato	529	-	-	**529**
Deputy Mayor/Finance				
Ald ID Neilson	384	-	46	**430**
Economic Opportunities and Asset Management				
Ald J Vos	406	-	-	**406**
Corporate Services				
Cllr SA Cottle	406	-	-	**406**
Community Services and Health				
Cllr ZA Badroodien	406	-	-	**406**
Energy and Climate Change				
Cllr P Maxiti	405	-	-	**405**
Spatial Planning and Environment				
Ald M Niewoudt	371	-	35	**406**
Transport				
Ald F Purchase	383	-	47	**430**
Urban Management				
Ald G Twigg	362	-	44	**406**
Water and Waste				
Ald X Limberg	406	-	-	**406**
	4 058	**-**	**172**	**4 230**
TOTAL	**13 002**	**159**	**491**	**13 652**

Rand thousands (R'000)

38. RELATED-PARTY DISCLOSURES (continued)

Mayoral Committee members remuneration (continued)

ANALYSIS OF REMUNERATION BENEFITS (continued)

	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**

Rand thousands (R'000)

38. RELATED-PARTY DISCLOSURES (continued)

38.2.2 Remuneration of executive management

38.2.2.2 Remuneration of executive directors

ANALYSIS OF REMUNERATION BENEFITS

	Annual salary	Relocation and car allowance	Social contribution	Total
2022				
Current structure				
City Manager				
L Mbandazayo	3 086	-	399	**3 485**
Community Services and Health				
E Sass	2 981	-	417	**3 398**
Corporate Services				
Z Mandlana [3]	751	-	60	**811**
Energy				
KM Nassiep [2]	1 135	-	1	**1 136**
Economic Growth				
R Gelderbloem [2]	877	-	109	**986**
Finance				
K Jacoby	3 340	81	285	**3 706**
Future Planning and Resilience				
G Morgan [3]	727	-	86	**813**
Human Settlements				
NZ Gqiba	2 843	-	2	**2 845**
Safety and Security Services				
V Botto [3]	1 982	-	305	**2 287**
Spatial Planning and Environment				
E Naude [3]	1 944	199	281	**2 424**
Urban Mobility				
D Campbell [2]	1 034	-	100	**1 134**
Urban Waste Management				
R Keraan [3]	858	137	9	**1 004**
Water and Sanitation				
M Webster [2]	951	37	135	**1 123**
	22 509	**454**	**2 189**	**25 152**
Previous structure				
Corporate Services				
G Morgan [3]	494	-	58	**552**
C Kesson [4]	1 013	-	112	**1 125**
Energy and Climate Change				
KM Nassiep [1]	1 728	-	1	**1 729**
Economic Opportunities and Asset Management				
R Gelderbloem [1]	1 227	-	153	**1 380**
Transport				
D Campbell [1]	1 447	-	140	**1 587**
Urban Management				
L Mdunyelwa [3]	226	18	43	**287**
B Gerber [3]	1 021	-	1	**1 022**
Water and Waste				
M Webster [1]	1 342	51	190	**1 583**
	8 498	**69**	**698**	**9 265**
TOTAL	**31 007**	**523**	**2 887**	**34 417**

[1] Contract terminated 31/01/2022 due to restructuring

[2] Appointed on 01/02/2022

[3] Acted as Executive Director during the year

[4] Contract terminated during the year

38. RELATED-PARTY DISCLOSURES (continued)

38.2.2 Remuneration of executive management (continued)

38.2.2.2 Remuneration of executive directors (continued)

ANALYSIS OF REMUNERATION BENEFITS (continued)

	Annual salary	Relocation and car allowance	Social contribution	Total
2021				
City Manager				
L Mbandazayo	3 153	-	386	**3 539**
Community Services and Health				
E Sass [2]	2 244	-	334	**2 578**
V Botto [3]	472	-	73	**545**
Corporate Services				
C Kesson	2 739	-	337	**3 076**
Energy and Climate Change				
KM Nassiep	2 549	221	2	**2 772**
Economic Opportunities and Asset Management				
R Gelderbloem [3]	931	-	115	**1 046**
K le Keur [1]	2 026	49	224	**2 299**
Finance				
K Jacoby	2 733	81	278	**3 092**
Human Settlements				
NZ Gqiba	2 770	-	2	**2 772**
Safety and Security Services				
V Botto [3]	737	-	120	**857**
R Bosman [1]	1 877	56	200	**2 133**
Spatial Planning and Environment				
E Naude [3]	469	50	67	**586**
O Asmal [1]	2 116	40	261	**2 417**
Transport				
D Campbell [2]	1 993	61	198	**2 252**
E Sass [4]	449	-	67	**516**
Urban Management				
B Gerber [2]	1 043	-	1	**1 044**
P Mashoko [1]	3 027	(89)	224	**3 162**
Water and Waste				
M Webster	2 235	88	313	**2 636**
TOTAL	**33 563**	**557**	**3 202**	**37 322**

[1] Contract terminated during the year

[2] Appointed during the year

[3] Acted as Executive Director during the year

[4] Acted as Executive Director without compensation

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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40. DISCLOSURES IN TERMS OF LAW AND REGULATIONS

40.1 MUNICIPAL FINANCE MANAGEMENT ACT

40.1.1 Section 124(1)(b)

40.1.1.1. Disclosure concerning councillors' municipal accounts in arrears

2022

During the **reporting year,** the following 12 councillors, who were elected after the 2021 Municipal Elections were in arrears, but have since paid their accounts:

- S August
- S Little
- M Mabungani
- B Maqungwana
- S Markgraff
- L Martin
- M Mkutswana
- N Mvinjelwa
- M Petersen
- M Sampson
- N Sono
- D de Vos

As at 30 June 2022, there were no councillors in arrears for 90 days or more for rates or services.

2021

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

40.1.2 Section 125

40.1.2.1 Irregular expenditure	2022	2021
Opening balance	587 266	885 952
Expenditure incidents identified in the current year, relating to	33 274	762 186
Current year	26 855	385 866
Prior year	6 419	376 320
	620 540	**1 648 138**
Resolved by Council	(387 904)	(1 060 872)
Closing balance	**232 636**	**587 266**

Incidents		
Legal services procurement not in terms of SCM regulations	746	34 379
Expenditure incurred after contract expiry	8 279	124 742
Non-compliance with SCM regulations and sections 33 and 116(3) of the MFMA	24 249	603 065
TOTAL	**33 274**	**762 186**

The irregular expenditure is disclosed inclusive of VAT.

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Rand thousands (R'000)

40. DISCLOSURES IN TERMS OF LAW AND REGULATIONS (continued)

40.1 MUNICIPAL FINANCE MANAGEMENT ACT (continued)

40.1.2 Section 125 (continued)

	2022	2021
40.1.2.2 Unauthorised expenditure		
Opening balance	-	6 567
Expenditure incident identified in the current year	-	-
	-	**6 567**
Resolved by Council	-	(6 567)
Closing balance	**-**	**-**

The unauthorised expenditure is disclosed inclusive of VAT.

	2022	2021
40.1.2.3 Fruitless and wasteful expenditure		
Opening balance	11 822	16 591
Expenditure incidents identified in the current year, relating to	4 340	12 328
Current year	622	11 372
Prior year	3 718	956
	16 162	**28 919**
Resolved by Council or restated	(3 450)	(17 097)
Closing balance	**12 712**	**11 822**

Incidents	2022	2021
Interest paid on late payments	-	1 335
Extension of time claims	-	7 916
Other	4 340	3 077
TOTAL	**4 340**	**12 328**

The fruitless and wasteful expenditure is disclosed inclusive of VAT.

40.1.2.4 The material irregularity matters disclosed by the Office of the Auditor General of South Africa (AGSA) in their 2020/21 audit report has been investigated. Upon notification by the AGSA of the material irregularities, the City Manager took immediate steps to mitigate any further losses. The steps taken by the City and the outcomes of the subsequent investigation conducted by the City was duly communicated to the AGSA. Based on the outcome of the investigation, consequence management (where applicable) was initiated and senior counsel advice was sought on the recovery of potential losses. A process to recover approximate losses of R52 million and overbillings of R3 million is currently underway through civil claims. Funds owed to the relevant service providers are being held back pending the outcome of the civil claims.

40.1.2.5 Material losses

	2022	2021
Water losses	**146 786**	**179 521**

In the current year, the material losses were 6,47% (2021: 8,75%). These material losses are predominantly due to unauthorised usage and metering inaccuracies.

Comparative amended: The implementation of a new inventory system for water affected the previous approach of calculation, including the treatment of abnormal losses, bulk apparent losses and price adjustments. The change led to the update of the comparative amount and percentages.

	2022	2021
Electricity losses	**431 445**	**528 795**

In the current year, the energy losses were 10,24% (2021: 11,95%). These losses are the result of system operation, theft and vandalism. The production losses amounted to R749,51 million (2021: R630,51 million).

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40. DISCLOSURES IN TERMS OF LAW AND REGULATIONS (continued)

40.1 MUNICIPAL FINANCE MANAGEMENT ACT (continued)

40.1.2 Section 125 (continued)

40.1.2.6 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 2022				
Opening balance	(15 517)	217	184 608	344 915
Subscriptions/fees	15 517	21 784	2 388 198	4 257 701
Amount paid: current year	-	(21 569)	(2 194 217)	(3 899 601)
in advance	(16 370)	-	-	-
previous years	-	(217)	(184 608)	(344 915)
Balance unpaid (included in payables)	**(16 370)**	**215**	**193 981**	**358 100**
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**

40.2 SUPPLY CHAIN MANAGEMENT REGULATIONS

40.2.1 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.

	2022	2021
Incidents		
Greater than R200 000	339 896	840 933
Less than R200 000	227 155	236 261
TOTAL amount approved by the Accounting Officer or his delegated authority, noted by Council	**567 051**	**1 077 194**

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.

40.2.2 SCM breaches

	2022	2021
Ratification of minor breaches	**56 702**	**139 853**

Comparative amount has been amended.

Rand thousands (R'000)

40. DISCLOSURES IN TERMS OF LAW AND REGULATIONS (continued)

40.2 SUPPLY CHAIN MANAGEMENT REGULATIONS (continued)

40.2.3 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	2022
AAE CATERING		**908**
Y Ebrahim	Regional operations manager	
AFRIVEST BUSINESS SOLUTIONS		**1 713**
R Davids	CCT: Councillor	
AFRIWORLD BUSINESS SOLUTIONS (PTY) LTD		**939**
R Davids	CCT: Councillor	
AGL BUILDING REPAIRS AND MAINTENANCE SUPPORT		**255**
G Elloker	Administrative officer	
ANLO PRINT AND MAIL CC		**139**
N Taylor	Administrative officer	
ASEP ELECTRICAL		**6 790**
Z September	Teacher	
ATHLONE AUTO TRANSMISSIONS		**460**
N Joseph	Province: Chief director	
BARENDS F		**112**
T Barends	CCT: SAP developer	
BATTERY CENTRE MITCHELLS PLAIN		**15**
F Badenhorst	Stellenbosch Municipality: Councillor	
BERGSTAN SOUTH AFRICA CONSULTING AND DEVELOPMENT		**309**
J Beukes	Department of Social Service	
BOB C IMPORT/EXPORT AGENCIES CC		**499**
C Padiachy	Clerk	
BOKAMOSO ENTERPRISE SOLUTIONS		**279**
M Thobejane	Department of Land Affairs and Rural Development	
BOWIE LIFTS ELEVATORS AND ESCALATOR		**2 097**
M Bowie	Department of Transport: Administrative officer	
BOWMAN GILFILLAN INC. (LEGAL AND LAND)		**2 617**
H Ben-David	South African Airways: Captain	
L Bozalek	Western Cape High court: Judge	
HIJ Carim	Department of Basic Education: Deputy Principal	
M de Villiers	Project and Process Manager	
C Dyer	National Department of Education: Deputy Director	
N Lumeza	Educator	
B Malope-Kgokong	Health Laboratory Service: National Manager	
G Mellem	Teacher	
T Mtshali	KZN Department of Education: Deputy principal	
LWS Ngubane	Educator	
M Nyali	Teacher	
J Odendal	ARMSCOR SOC LTD: Senior management (technical)	
C Rodrigues	South African Police Services: Forensic analyst	
T Sass	Head: Compliance and Probity	
B Sepuba	Department of Finance: Specialist recruitment (HR)	
E Steyn	Western Cape High court: Judge	
E Tipru	Senior application analyst	
M van Aardt	Baragwaneth Hospital Complex: Doctor	
J van de Heuvel	Department of Justice: Magistrate	
A Visser	Maintenance manager (waste water)	
S Zondo	City of Johannesburg: Operations manager	

Rand thousands (R'000)

40. DISCLOSURES IN TERMS OF LAW AND REGULATIONS (continued)

40.2 SUPPLY CHAIN MANAGEMENT REGULATIONS (continued)

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

Connected person	Position held in State	2022
BRAINPLAY		**702**
GJ Pieterse	Teacher	
BSP CONSULTING ENGINEERS (PTY) LTD		**1 341**
A Plaatjies	Teacher	
C & A FRIEDLANDER INC.		**6 171**
AW Bell	Higher education and Training	
CHARMLU BUILDERS		**679**
C Absolom	Administrative clerk	
CLUVER MARKOTTER INC.		**561**
F Geyser	National Constitutional Development	
J Hess	Western Cape Education	
A Pecoraro	Western Cape Health	
CNP PROJECTS (PTY) LTD		**118**
C Pillay	South African National Defence Force: Chaplain	
COEUR INVESTMENTS		**2 513**
P Bell	Sports Facilitator	
COMPUTER SPECIALISTS (PTY) LTD		**32**
N Orrie	Senior Superintendent Waste Water	
CONLOG		**8 565**
N Moodley	Department of Health: Director	
COURTESY MANAGEMENT (PTY) LTD		**2 170**
F Khosa	Limpopo COGTA: Assistant director (Risk)	
CPR TRUCK REPAIRS		**1 129**
B Manuel	Administrative officer	
CSM CONSULTING SERVICES (PTY) LTD		**458**
A Vancoillie	Department Planning - Chief Town Planner	
CSV CONSTRUCTION		**38 627**
M Davids	Provincial Government: Training post	
DEMOCRATIC PACKAGING CC		**50**
V van der Heever	Teacher	
DEO FAVENTE (PTY) LTD		**228**
C Snell	Intern: Lentegeur Hospital	
DESIGNTEC PRINTING CC		**79**
M Mshweshwe	Manager: Access to information	
DS GXILISHE		**46**
B Gxilishe	Department of Agriculture and Fisheries	
S Gxilishe	Western Cape Education Department	
EAS INFRASTRUCTURE ENGINEERS		**6 459**
J Brown	Coordinator Human Settlements	
ELEMENT CONSULTING ENGINEERS		**19 530**
R Rossouw	Teacher	
EPI USE AFRICA (PTY) LTD		**18 443**
J Alberts	Education Department: Deputy principal	
E Janse van Rensburg	Road Accident Fund: Senior Manager Office	
EMPA STRUCTURES (PTY) LTD		**1 789**
G Petersen	Western Cape Education	

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40. DISCLOSURES IN TERMS OF LAW AND REGULATIONS (continued)

40.2 SUPPLY CHAIN MANAGEMENT REGULATIONS (continued)

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

Connected person	Position held in State	2022
EMPIRE		**457**
B Botto	Worcester Hospital: Medical intern	
ERNST AND YOUNG ADVISORY SERVICES		**5 584**
M Makhakhe	Gauteng Department of Health: Medical doctor	
DF Maree	Johannesburg Municipality: Manager	
K Maree	National Treasury: Acting accountant general	
N Morrison	Pretoria Military Sports Club: Bookkeeper	
E Motsamai	Gauteng Department of Education: Manager	
DP Nathoo	Gauteng Department of Health: Registrar	
N Panday	Gauteng Department of Health: Pharmacist	
EVERY FLUSH TOILET HIRE		**16**
N Stimela	South African Police Service: Warrant officer	
FAYDIES CORPORATE GIFTS		**3 836**
MF Votersen	Manager: Finance	
FG JACOBS TRANSPORT CC		**11 335**
H Poole	Teacher	
FIKELELA LABOUR SERVICES		**3 757**
D Joseph	Member of Parliament	
G NKOMO INCORPORATED		**558**
M Nkomo	Department of Justice: State Prosecutor	
GIBB		**172 804**
D Allderman	Teacher	
I Brink	Teacher	
C Clark	Eskom: Instrument technician	
L Cloete	Department of Higher education: Lecturer	
J Gooch	Department of Transport and Public Works: Head	
C Hering	Electrical engineer	
S Jafta	Department of transport: Assistant manager	
N Mkhize	Department Affairs and Forestry: Accounting clerk	
A Moon	Head: Business continuity	
D O'Reilly	South African Police Service: Warrant officer	
A Petersen	Department of Education: Subject specialist	
S Singh	Department of education: Human resource officer	
GREENRO SOLUTIONS (PTY) LTD		**20 911**
N Thabeng	South African Police Service: Forensic analyst	
HAYES INCORPORATED		**543**
F Akherwaray	Support assistant	
HEROLD GIE ATTORNEYS		**2 321**
K Meyer	Senior clerk	
HOWDEN PROJECTS		**89**
Z Chingwara	Department of Health: Deputy director	
IKAMVA YOUTH ENTREPRENEURSHIP DEVELOPMENT		**131**
T Mouton	Cape Winelands Municipality: Health inspector	
IKAPA RETICULATION CC		**43 648**
S Davids	Teacher	
C Davids	Teacher	
IMMEX WASTE		**8 622**
A Dorfling	Department of Education: Therapist	

Rand thousands (R'000)

40. DISCLOSURES IN TERMS OF LAW AND REGULATIONS (continued)

40.2 SUPPLY CHAIN MANAGEMENT REGULATIONS (continued)

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

Connected person	Position held in State	2022
INDECON INSTRUMENTATION		**6 133**
L Baranard	Teacher	
ISIDIMA CIVILS (PTY) LTD		**34 216**
S Manuel	Administrative officer	
ISUZU TRUCK CENTRE		**182 792**
E Jacobs	Senior clerk	
ITHALOMSO (PTY) LTD		**87 920**
S Fumba	GIS administrator	
JG AFRIKA (PTY) LTD		**30 281**
R Maharaj	Umgeni: Water Planner	
JVZ CONSTRUCTION (PTY) LTD		**2 058**
R Matthee	Correctional Services: Security officer	
KEMANZI (PTY) LTD		**5 880**
J du Toit	Traffic inspector	
KEMP EN GENOTE		**3 348**
M Williams	Stellenbosch Municipality: Legal advisor	
KEPTRA TRADING		**2 062**
R Marias	Teacher	
LIKHONA LETHU SERVICES		**10 951**
Z Rafu	South African Police Service	
LILIAN4ZONKE		**1 915**
F Monk	Subcouncil manager	
N Monk	EPWP clerk	
LINDOL HYGIENE SERVICES (PTY) LTD		**895**
N Jantjies	Teacher	
LJA CONSTRUCTION CC		**1 915**
L Mckriel	Teacher	
MAGUGA ATTORNEYS INC.		**1 986**
K Mgengwana	South African Police Service: Senior administrator	
MALHERBE TUBB FAURE INC. T/A MHI ATTORNEY		**1 409**
J Rossouw	Department of Transport: Administrative officer	
MARKET TOYOTA CULEMBORG		**143**
E Jacobs	Senior clerk	
MASSIVE QUANTUM (PTY) LTD		**83**
F Hendricks	Administrative officer	
MPULUZANA TRADING		**2 259**
N Ngwema	Department of Health: Deputy director	
NCC ENVIRONMENTAL SERVICES (PTY) LTD		**12 700**
C Rhoda	Invasive Species Programme manager	
NEOTERIC TRADING SERVICES		**287**
A Jacobs	Cape Agulhas Municipality: Director	
NORTON ROSE FULBRIGHT SOUTH AFRICA		**1 346**
G Adams	Deputy principal	
S Clay	Teacher	
E Maubane	South African Police Service: HR administrator	
F Nonhlanhla	Department of Justice: Telecom operator	
C Sunpath	Department of Health: Medical doctor	
H Sunpath	Department of Health: Chief technical advisor	

Rand thousands (R'000)

40. DISCLOSURES IN TERMS OF LAW AND REGULATIONS (continued)

40.2 SUPPLY CHAIN MANAGEMENT REGULATIONS (continued)

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

Connected person	Position held in State	2022
PEGASYS		**24 695**
P Grey	Professional Officer	
D Quin	National Prosecuting Authority: Senior crime analyst	
E Warambwa	Municipal Infrastructure: Professional engineer	
B Weston	Water and Sanitation: Scientific manager	
PISTON POWER CHEMICALS (PTY) LTD		**8 995**
N Andhee	Kwazulu Natal Education Department: Educator	
PSA AFRICA (PTY) LTD		**1 623**
T Frost	Department of Justice	
PURPLE ROSE DISTRIBUTORS CC		**4**
C Hector	Quality assessor	
M Hector	Medical doctor	
RED ANT SECURITY RELOCATION AND EVICTION		**62 407**
N Lesiela	Mogale: Design and development practitioner	
REEDS BELLVILLE		**837**
E Jacobs	Senior clerk	
REEDS CLAREMONT		**777**
E Jacobs	Senior clerk	
REEDS N1 CITY		**328**
E Jacobs	Senior clerk	
REMARKABLE CHARLES ENTERPRISE (PTY) LTD		**7**
V Charles	Administrative officer	
RNR AMBITION		**47**
C de Vos	Koggelbay resort: Worker	
ROYAL HASKONINGDHV (PTY) LTD		**907**
L Dlaldla	Department of Health: Deputy director	
T Sithole	City of Johannesburg: Associate director	
SAN BUILDING MAINTENANCE CC		**3 105**
B Ascott	Financial coordinator	
SANCCOB		**435**
P Cilliers	SAP ERP analyst	
L Roberts	Department of Agriculture: State veterinarian	
SMART CIVIL CONSTRUCTION		**11 753**
N Molefe	Head: Debt management services	
SM NEVEST T/A MICHLOENG ENGINEERING SERVICE		**199**
G Neves	Teacher	
SPILL TECH		**66**
S Goosen	Transnet	
SR CIVIL CONTRACTORS (PTY) LTD		**5 950**
E de Wet	Senior fleet officer	
STEDONE DEVELOPMENTS		**27 823**
L Dube	Department of Transport: Clerk	
STELMED		**2 769**
C Combrink	Educator	
SUCCIDO ENTERPRISES		**745**
L Kramm	Administrator	
TEMPUS DYNAMICS		**1 094**
M Mvalo	Professional officer	

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40. DISCLOSURES IN TERMS OF LAW AND REGULATIONS (continued)

40.2 SUPPLY CHAIN MANAGEMENT REGULATIONS (continued)

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

Connected person	Position held in State	2022
TERRATECH		**98**
AJM Pretorius	University of Johannesburg	
THE OIL CENTRE		**4 223**
LB Mdyogolo	Educator	
TJEKA TRAINING MATTERS (PTY) LTD		**5 358**
B Nlantli	Clerk	
TOXSOLUTIONS KITS AND SERVICES CC		**624**
G Pearson	Rand Water: Senior education advisor	
TRAFFIC MANAGEMENT TECHNOLOGIES		**98 599**
G Aspeling	Principal mechanical engineer	
TRANSPORT TELEMATICS AFRICA		**28 046**
JJE Groenewald	Provincial Government: Transport and Public works	
UNAKO HOLDINGS (PTY) LTD		**9**
T Vapi	Correctional services	
VINZEIGH LEUKES TRADING		**32**
J Fortuin	Department of Rural development: Chief director	
VONDO TRADING		**9 395**
N Nevondo	Department of human settlements	
VR MEDICAL		**66**
R Broadhurst	Teacher	
WEBBER WENTZEL		**15 928**
J Abraham	School secretary	
J Botha	Teacher	
P Coetzee	Tshwane Metro Police Department: Commander Colonel	
N Dias	Senior legal advisor	
B Mahlangu	School principal	
P Masedi	City of Johannesburg: Performance manager	
K Nonyane	Petro SA: Senior planning technician	
H Prinsloo	DBSA: Principal risk analyst	
S Qolohle	National Treasury: Director	
A Smit	SAA: Senior cabin crew member	
JCL Smit	Beaufort West Municipality: Director	
A Truter	West Coast Education: Chief education specialist	
C Truter	School principal	
P van den Brink	Wesgro: Project manager	
B Watson	Public investment corporation: Director	
E Watson	Board of directors: Member	
WILSTAN BOOK SUPPLIES CC		**1 245**
V Beukes	Senior Professional officer	
YIZA APHA TRADING		**195**
A Kelland	Senior clerk	
ZELUNGA INVESTMENTS		**46**
N Biyase	Department of Water and Sanitation: Assistant technical officer	
T Biyase	KZN Department of education: Cleaner	
ZUTARI (PTY) LTD		**195 982**
HC Ahlschlager	Special Investigating Unit: Legal representative	
K Nadasen	NDPW: Director	
TOTAL		**1 306 425**

See annexure F for the 2021 list.

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ANNEXURE A: Schedule of external borrowings

AS AT 30 JUNE 2022

Rand thousands (R'000)

	Contractual interest rate (NACS) %	Loan ID	Redeemable in financial year	Balance as at 30 June 2021	Received during the year	Net interest accrual during the year	Concessionary loan adjustment	Redeemed/ written off during year	Balance as at 30 June 2022
MARKETABLE BONDS									
Municipal Bond CCT01	12,570	830014004	2023	1 002 747	-	-	-	-	1 002 747
Municipal Bond CCT02	11,615	830016003	2024	1 206 474	-	381	-	-	1 206 855
Municipal Bond CCT03	11,160	830017007	2025	2 065 505	-	-	-	-	2 065 505
Municipal Bond CCT04 (green bond)	10,170	830019504	2028	679 702	-	(4 570)	-	(100 000)	575 132
TOTAL MARKETABLE BONDS [1]				**4 954 428**	**-**	**(4 189)**	**-**	**(100 000)**	**4 850 239**
CONCESSIONARY LOANS									
AFD	5,763	830018500	2028	259 470	-	(676)	6 235	(40 000)	225 029
AFD	5,730	830018516	2028	259 191	-	(672)	6 298	(40 000)	224 817
AFD	5,755	830018530	2028	259 406	-	(675)	6 250	(40 000)	224 981
AFD	5,800	830018523	2028	253 050	-	(662)	6 003	(38 961)	219 430
KfW	8,107	830020016	2034	962 517	-	(877)	13 582	(85 867)	889 355
TOTAL CONCESSIONARY LOANS				**1 993 634**	**-**	**(3 562)**	**38 368**	**(244 828)**	**1 783 612**
OTHER LOANS									
DBSA	9,639	830013000	2023	20 000	-	-	-	(13 333)	6 667
DBSA	10,565	830013507	2023	20 000	-	-	-	(13 333)	6 667
TOTAL OTHER LOANS				**40 000**	**-**	**-**	**-**	**(26 666)**	**13 334**
TOTAL				**6 988 062**	**-**	**(7 751)**	**38 368**	**(371 494)**	**6 647 185**

[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 2022

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	1 399 065	-	129 318	-	(12)	1 528 371	(280 826)	-	-	(25 413)	-	(306 239)	1 222 132
Land and buildings	3 287 104	131 469	105 106	-	(7)	3 523 672	(847 774)	(341)	(67 210)	-	-	(915 325)	2 608 347
	4 686 169	**131 469**	**234 424**	**-**	**(19)**	**5 052 043**	**(1 128 600)**	**(341)**	**(67 210)**	**(25 413)**	**-**	**(1 221 564)**	**3 830 479**
Infrastructure													
Assets under construction	3 707 170	(1 658 367)	1 477 364	-	-	3 526 167	-	-	-	-	-	-	3 526 167
Telecommunications	1 404 686	26 591	88 399	-	(7)	1 519 669	(448 129)	(37)	(95 465)	-	1	(543 630)	976 039
Drains	1 668 588	49 237	33 693	-	-	1 751 518	(608 444)	-	(61 691)	-	-	(670 135)	1 081 383
Roads	15 720 889	370 015	361 665	-	(1 426)	16 451 143	(5 121 124)	(61)	(524 995)	(2 223)	1 215	(5 647 188)	10 803 955
Beach improvements	189 979	-	2 354	-	-	192 333	(45 850)	-	(5 900)	-	-	(51 750)	140 583
Sewerage mains and purification	6 846 511	532 754	531 241	-	-	7 910 506	(2 640 009)	(72)	(181 727)	-	-	(2 821 808)	5 088 698
Security	1 787 852	10 109	189 256	-	(1 841)	1 985 376	(859 354)	849	(155 242)	-	725	(1 013 022)	972 354
Electricity peak-load equipment and mains	11 853 022	211 073	557 330	-	-	12 621 425	(3 761 185)	(40)	(266 473)	-	-	(4 027 698)	8 593 727
Water mains and purification	6 454 766	209 719	401 467	-	-	7 065 952	(2 407 344)	-	(169 325)	(698)	-	(2 577 367)	4 488 585
Reservoirs - water	1 668 438	28 542	45 713	-	-	1 742 693	(491 160)	-	(25 370)	-	-	(516 530)	1 226 163
	51 301 901	**(220 327)**	**3 688 482**	**-**	**(3 274)**	**54 766 782**	**(16 382 599)**	**639**	**(1 486 188)**	**(2 921)**	**1 941**	**(17 869 128)**	**36 897 654**
Community assets													
Assets under construction	102 181	(63 607)	39 241	-	-	77 815	-	-	-	-	-	-	77 815
Parks and gardens	354 110	3 748	2 743	-	-	360 601	(89 787)	-	(11 939)	-	-	(101 726)	258 875
Libraries	354 831	2 288	99	-	-	357 218	(102 987)	-	(6 410)	-	-	(109 397)	247 821
Recreational facilities	1 433 655	35 487	65 108	-	-	1 534 250	(681 090)	(61)	(47 083)	-	-	(728 234)	806 016
Civic buildings	3 058 537	18 124	114 358	-	(171)	3 190 848	(883 668)	751	(52 240)	-	64	(935 093)	2 255 755
	5 303 314	**(3 960)**	**221 549**	**-**	**(171)**	**5 520 732**	**(1 757 532)**	**690**	**(117 672)**	**-**	**64**	**(1 874 450)**	**3 646 282**
Other assets													
Assets under construction	387 618	(134 100)	203 547	-	-	457 065	-	-	-	-	-	-	457 065
Buildings and land	1 249	-	-	-	-	1 249	(1 249)	-	-	-	-	(1 249)	-
Landfill sites	1 255 877	155 119	192 965	-	-	1 603 961	(752 918)	-	(32 154)	-	-	(785 072)	818 889
Furniture, fittings and equipment	1 374 165	5 795	148 175	-	(15 750)	1 512 385	(988 873)	(131)	(101 089)	-	14 109	(1 075 984)	436 401
Bins and containers	72 975	294	5 697	-	(1 264)	77 702	(51 803)	-	(5 886)	-	1 242	(56 447)	21 255
Emergency equipment	87 833	70	533	-	(862)	87 574	(53 386)	-	(9 941)	-	665	(62 662)	24 912
Motor vehicles and watercraft	2 388 736	-	290 094	-	(108 989)	2 569 841	(963 221)	-	(224 187)	(1 937)	91 216	(1 098 129)	1 471 712
Plant and equipment	1 374 125	28 020	64 372	-	(10 139)	1 456 378	(893 529)	(244)	(107 369)	-	8 815	(992 327)	464 051
Specialised vehicles	2 468 464	(616)	270 313	-	(19 276)	2 718 885	(1 048 123)	43	(155 328)	(71)	15 814	(1 187 665)	1 531 220
Computer equipment	2 591 623	1 273	185 151	-	(229 064)	2 548 983	(1 957 712)	(183)	(227 258)	-	226 938	(1 958 215)	590 768
	12 002 665	**55 855**	**1 360 847**	**-**	**(385 344)**	**13 034 023**	**(6 710 814)**	**(515)**	**(863 212)**	**(2 008)**	**358 799**	**(7 217 750)**	**5 816 273**
Living resources													
Animals	1 225	-	-	-	(58)	1 167	(649)	-	(192)	-	57	(784)	383
	1 225	**-**	**-**	**-**	**(58)**	**1 167**	**(649)**	**-**	**(192)**	**-**	**57**	**(784)**	**383**
Service concession assets													
Assets under construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Cape Town Stadium	4 864 991	(60)	945	-	(156)	4 865 720	(2 118 315)	43	(180 942)	-	95	(2 299 119)	2 566 601
Busses and depots	1 478 416	-	-	-	(18 534)	1 459 882	(760 469)	-	(44 739)	-	14 493	(790 715)	669 167
	6 343 407	**(60)**	**945**	**-**	**(18 690)**	**6 325 602**	**(2 878 784)**	**43**	**(225 681)**	**-**	**14 588**	**(3 089 834)**	**3 235 768**
Housing rental stock	**3 329 058**	**5 735**	**34 937**	**-**	**(4 779)**	**3 364 951**	**(1 262 209)**	**-**	**(106 659)**	**-**	**4 118**	**(1 364 750)**	**2 000 201**
TOTAL PPE	**82 967 739**	**(31 288)**	**5 541 184**	**-**	**(412 335)**	**88 065 300**	**(30 121 187)**	**516**	**(2 866 814)**	**(30 342)**	**379 567**	**(32 638 260)**	**55 427 040**

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

AS AT 30 JUNE 2022

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	10 268	-	-	-	-	10 268	-	-	-	-	-	-	10 268
	10 268	**-**	**-**	**-**	**-**	**10 268**	**-**	**-**	**-**	**-**	**-**	**-**	**10 268**
Investment property													
Vacant land	518 142	-	-	-	-	518 142	-	-	-	-	-	-	518 142
Land and buildings	124 501	-	-	-	-	124 501	(63 109)	-	(1 714)	-	-	(64 823)	59 678
	642 643	**-**	**-**	**-**	**-**	**642 643**	**(63 109)**	**-**	**(1 714)**	**-**	**-**	**(64 823)**	**577 820**
Intangible assets													
Assets under construction	-	-	5 652	-	-	5 652	-	-	-	-	-	-	5 652
Acquisition of rights	561 441	-	-	-	-	561 441	(494 996)	-	(50 162)	-	-	(545 158)	16 283
Computer software	1 382 575	54 082	95 397	-	(33 417)	1 498 637	(824 385)	(516)	(107 471)	-	33 400	(898 972)	599 665
	1 944 016	**54 082**	**101 049**	**-**	**(33 417)**	**2 065 730**	**(1 319 381)**	**(516)**	**(157 633)**	**-**	**33 400**	**(1 444 130)**	**621 600**
TOTAL OTHER	**2 596 927**	**54 082**	**101 049**	**-**	**(33 417)**	**2 718 641**	**(1 382 490)**	**(516)**	**(159 347)**	**-**	**33 400**	**(1 508 953)**	**1 209 688**
GRAND TOTAL PPE AND OTHER	**85 564 666**	**22 794**	**5 642 233**	**-**	**(445 752)**	**90 783 941**	**(31 503 677)**	**-**	**(3 026 161)**	**(30 342)**	**412 967**	**(34 147 213)**	**56 636 728**

[1] *See note 37 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 2022

Rand thousands (R'000)

	2022	2021	2020
BANK ACCOUNTS HELD WITH			
Nedbank			
Main bank	275 930	189 554	242 494
Salary bank	-	-	-
Cashier's bank	-	-	-
General income bank (primary)	-	-	-
Traffic fines bank	-	-	-
IRT bank	-	-	-
Amortised cost	275 930	189 554	242 494
ABSA			
IRT bank	-	5 581	7 882
Amortised cost	-	5 581	7 882
Amortised cost - see note 10	**275 930**	**195 135**	**250 376**
BANK ACCOUNTS MANAGED BY FUND MANAGERS			
Nedbank			
City of Cape Town	180	702	883
City of Cape Town	66	139	63
City of Cape Town	15 857	1 206	1 394
City of Cape Town	2 328	1 823	1 463
City of Cape Town	9 626	4 102	5 301
City of Cape Town	1 227	601	679
City of Cape Town	215	277	229
City of Cape Town	1 717	617	647
City of Cape Town	136	94	460
City of Cape Town	9	426	286
Fair value - see note 10	**31 361**	**9 987**	**11 405**

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

FOR THE YEAR ENDED 30 JUNE 2022

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:

	2022	2021
General banking facility	800 000	800 000
Guarantee facility (cash-covered)	150 000	150 000
Guarantee facility (non-cash-covered)	30 000	30 000
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, etc.) 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.

FOR THE YEAR ENDED 30 JUNE 2022

Rand thousands (R'000)

National and Province grant funds

Description	Source	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]
NATIONAL GOVERNMENT									
2014 African Nations Championship	Sport and Recreation	(2)	-	-	-	-	-	-	(2)
Accreditation: Development Support	State Housing	(293)	-	(209)	-	209	-	-	(293)
City Public Employment Programme (PEP)	NT Intergovernmental Relations	-	(161 000)	6 635	154 365	-	-	-	-
Contributed Assets	Department Water and Sanitation	-	-	(432)	-	432	-	-	-
Department of Environmental Affairs and Tourism	Environmental Affairs	(149)	(220)	-	55	-	-	-	(314)
DME - INEP	Energy	(5)	-	-	-	-	-	-	(5)
Energy Efficiency Electricity Demand Side Management	Energy	-	(10 000)	12	1 084	8 904	-	-	-
Equitable ShareL Covid 19 Relief	National Treasury	(144 562)	-	1 827	142 735	-	-	-	-
Expanded Public Works Incentive Grant	National Treasury	-	(49 772)	1	49 072	699	-	-	-
Finance Management Grant	National Treasury	-	(1 000)	-	1 000	-	-	-	-
Informal Settlements Upgrading Partnership	State Housing	-	(518 140)	57 363	6 243	449 154	-	-	(5 380)
Infrastructure Skills Development	National Treasury	(1 534)	(12 000)	1 640	9 318	1 081	-	-	(1 495)
Integrated City Development Grant	National Treasury	(6 046)	-	1 963	-	3 976	-	-	(107)
Municipal Disaster Recovery Grant	Department of Corporate Governance	(30)	-	-	-	-	-	-	(30)
National Skills Fund	Department of Higher Education and Training	(2 409)	(21 325)	-	18 543	-	-	-	(5 191)
Neighbourhood Development Programme	National Treasury	(7 950)	(10 399)	8 217	-	10 132	-	-	-
Philippi Agri-Hub	General Budget Support Allocation	-	(9 472)	48	9 558	-	-	(134)	-
Programme and Project Preparation Support	National Treasury	-	(70 890)	7 612	61 954	-	-	-	(1 324)
Public Transport Network Grant	Transport	(15 385)	(948 640)	152 483	468 579	307 787	-	-	(35 176)
Public Transport Network Grant - BFI	Transport	(14 368)	-	(78 533)	-	92 901	-	-	-
Restructuring Grant - Seed Funding	National Treasury	(1 459)	-	-	-	59	-	-	(1 400)
Special Projects	Environmental Affairs	-	-	47	-	-	-	(47)	-
Terrestrial Invasive Alien Plants	Environmental Affairs	-	-	20	-	-	-	(20)	-
Tirelo Bosha Programme	Public Service and Administration	(73)	-	-	-	-	-	-	(73)
Urban Settlement Development Grant	National Treasury	(111 078)	(972 431)	171 366	113 551	751 509	-	-	(47 083)
TOTAL DORA ALLOCATION		**(305 343)**	**(2 785 289)**	**330 060**	**1 036 057**	**1 626 843**	**-**	**(201)**	**(97 873)**
2010 FIFA World Cup - Green Point: Interest account		(246)	-	-	-	-	-	-	(246)
Integrated City Development Grant: Interest account		(320)	-	-	-	-	-	-	(320)
National Skills Fund: Interest account		(44)	-	-	-	-	(113)	-	(157)

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

FOR THE YEAR ENDED 30 JUNE 2022

Rand thousands (R'000)

National and Province grant funds									
					Conditions met - transferred to revenue				
Description	Source	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		(12)	-	-	-	-	-	-	(12)
Neighbourhood Development Programme: Interest account		(3 511)	-	-	-	-	(375)	-	(3 886)
Peninsula Wetlands Rehabilitation Project: Interest account		(17)	-	-	-	-	(1)	-	(18)
Philippi Agri-Hub: Interest account		-	-	-	33	-	(33)	-	-
Public Transport Infrastructure Systems Grant: Interest account		(188 497)	-	11 388	3 860	-	(7 650)	-	(180 899)
Public Transport Infrastructure Grant: Interest account		(43 554)	-	-	-	-	(1 783)	-	(45 337)
Public Transport Network Grant: Interest account		(127 251)	-	-	-	-	(25 403)	-	(152 654)
Public Transport Network Grant - BFI: Interest account		(1 541)	-	-	-	-	(117)	-	(1 658)
Public Transport Network Operations Grant: Interest account		(17 790)	-	-	-	-	(728)	-	(18 518)
Smart Living Handbook: Interest account		(118)	-	-	-	-	(5)	-	(123)
TOTAL INTEREST EARNED		**(382 901)**	**-**	**11 388**	**3 893**	**-**	**(36 208)**	**-**	**(403 828)**
TOTAL NATIONAL GOVERNMENT TRANSFERS AND GRANTS		**(688 244)**	**(2 785 289)**	**341 448**	**1 039 950**	**1 626 843**	**(36 208)**	**(201)**	**(501 701)**
PROVINCE									
ABET Adult Education	Education	(4)	-	-	-	-	-	-	(4)
Belhar Pentech 340 Top Structures	Human Settlements	(5 812)	-	(152)	269	-	-	-	(5 695)
Contributed Assets: IT equipment	Health	-	-	(2 000)	-	2 000	-	-	-
Community Residential Units	Human Settlements	(234)	-	-	-	-	-	-	(234)
Delft - The Hague Phase 2 (896)	Human Settlements	-	-	13 340	-	-	-	(13 340)	-
Delft The Hague / Roosendal Eindhoven	Human Settlements	-	-	(36 169)	50 906	-	-	(14 737)	-
Disaster Fund - Fire/Flood Kits	Human Settlements	-	-	6 732	-	-	-	(6 732)	-
Edward Road Energy Efficient Project	Human Settlements	(4 215)	-	-	-	-	(173)	-	(4 388)
EHP Nyanga, Du Noon and Atlantis	Human Settlements	(3 584)	-	(126)	-	-	-	-	(3 710)

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

FOR THE YEAR ENDED 30 JUNE 2022

Rand thousands (R'000)

National and Province grant funds

Description	Source	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	Human Settlements	-	-	50 538	(50 538)	-	-	-	-
Eradication of Registration Backlog	Human Settlements	(8)	-	-	-	-	-	-	(8)
Erf 160: Boys Town	Human Settlements	(392)	-	-	-	-	-	-	(392)
Facilitation Grants	Human Settlements	(32)	-	-	-	-	(1)	-	(33)
Financial Management Capacity Building Grant	Treasury	(7)	(250)	-	169	-	(8)	-	(96)
Fisantekraal Garden Cities (RDP 4672 Units)	Human Settlements	-	-	1 881	-	-	-	(1 881)	-
Fisantekraal , Greenville, Phase 3	Human Settlements	-	-	2 168	26 564	-	-	(28 732)	-
Garden Cities/Greenville/Fisantekraal 868	Human Settlements	(4)	-	-	-	-	-	-	(4)
Glenhaven Social Housing Project	Human Settlements	-	-	-	-	-	-	-	-
Government Grant Community Development Workers	WCG Local Government	(1 647)	(1 001)	-	1 925	-	-	-	(723)
Green Point Phase 2 Housing	Human Settlements	(736)	-	736	-	-	-	-	-
Greenville Housing Ph 4 Tops	Human Settlements	-	-	-	9 063	-	-	(9 063)	-
Gugulethu Housing Infill Project	Human Settlements	(23 261)	-	(27 968)	29 878	-	-	-	(21 351)
Happy Valley - Phase 2 Top Structures	Human Settlements	(65)	-	-	-	-	-	-	(65)
Harare Infill Housing	Human Settlements	-	-	(46 886)	92 676	-	-	(45 790)	-
Hazendal Infill - Top Structures	Human Settlements	(66)	-	-	-	-	-	-	(66)
Heideveld Housing Infill	Human Settlements	(1 491)	-	-	-	-	-	-	(1 491)
HIV/AIDS Community Based Response Projects	Health	(15 305)	(273 247)	-	300 980	-	-	(12 428)	-
Housing Settlements Development Grant	Human Settlements	(59 845)	(171 430)	152 191	-	-	-	-	(79 084)
HP Westgate Mall Phase C1 and C2	Human Settlements	(1 965)	-	1 965	-	-	-	-	-
IDA Projects: Urban Engineering	Human Settlements	(285)	-	-	12 344	-	-	(12 059)	-
Informal Settlements	Human Settlements	-	(1 500)	-	1 233	-	-	-	(267)

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

FOR THE YEAR ENDED 30 JUNE 2022

Rand thousands (R'000)

National and Province grant funds

Description	Source	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]
Jakkelsvlei Canal Upgrading	Human Settlements	(10 427)	-	-	-	-	-	-	(10 427)
K9 Unit	Community Safety	(1 239)	(349)	-	1 588	-	-	-	-
Kanonkop Phase 1 Top Structures	Human Settlements	-	-	907	-	-	-	(907)	-
Khayelitsha Site C Subsidies	Human Settlements	(5 622)	-	-	-	-	(231)	-	(5 853)
Kleinvlei Phase 2	Human Settlements	(396)	-	-	-	-	-	-	(396)
Law Enforcement Officers	Community Safety	(463)	-	-	-	-	-	-	(463)
Law Enforcement Officers	Community Safety	(1 135)	(4 629)	-	2 209	2 668	(83)	-	(970)
Law Enforcement Officers - LEAP	Community Safety	(176 665)	(165 250)	3 173	313 950	19 216	(5 914)	-	(11 490)
Library Service: Procurement Periodicals and Newspapers	Cultural Affairs and Sport	(4 410)	(5 338)	1 000	6 031	-	(159)	-	(2 876)
Library Metro Grant	Cultural Affairs and Sport	(416)	(5 400)	-	-	5 725	(91)	-	(182)
Local Government Public Employment Support (PEP)	PAWC Local Government	-	(17 600)	-	14 315	-	-	-	(3 285)
Metropolitan Land Transport Fund	Transport and Public Works	(71)	(10 000)	-	10 019	-	(37)	-	(89)
Mitchell's Plain TA2	Human Settlements	(276)	-	276	-	-	-	-	-
Morkel's Cottage Strand Housing Project	Human Settlements	(2 129)	-	(1 737)	2 795	-	-	-	(1 071)
Morningstar Infill IRDP	Human Settlements	(166)	-	-	111	-	-	-	(55)
Municipal Library Support Fund	Cultural Affairs and Sport	-	(8 533)	-	8 533	-	(23)	-	(23)
NHBRC Enrollment Fees	Human Settlements	-	-	4 196	305	-	-	(4 501)	-
Nutrition Supplement Programme	Health	-	(3 289)	463	3 987	-	-	(1 161)	-
Occupancy Survey	Human Settlements	(278)	-	-	-	-	-	-	(278)
Pelican Park 2083 Top Structures	Human Settlements	(321)	-	-	290	-	-	-	(31)
Peoples Housing Project	Human Settlements	(65 669)	-	(21 147)	39 485	-	(2 429)	-	(49 760)
Philippi East Phase 5	Human Settlements	(567)	-	-	-	-	-	-	(567)

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

FOR THE YEAR ENDED 30 JUNE 2022

Rand thousands (R'000)

National and Province grant funds

Description	Source	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]
Pooke se Bos Housing Project	Human Settlements	-	-	-	2 591	-	-	(2 591)	-
Public Library Fund	Cultural Affairs and Sport	(400)	(43 116)	-	43 431	-	(425)	-	(510)
Rou Emoh Housing Development	Human Settlements	(214)	-	214	-	-	-	-	-
Sir Lowrys Pass HSDG Project	Human Settlements	-	-	-	305	-	-	(305)	-
Somerset West Housing Project	Human Settlements	-	-	(953)	-	-	-	-	(953)
TB Crisis Plan	Health	(698)	(41 026)	-	32 715	-	-	-	(9 009)
Title Deeds Restoration	Human Settlements	-	(12 400)	-	-	-	-	-	(12 400)
Tourism Safety Law Enforcement Unit	Community Safety	(86)	(1 834)	(1 747)	3 667	-	-	-	-
Vaccines	Health	(15 916)	(124 577)	-	112 443	-	-	-	(28 050)
Valhalla Park Integrated Housing Project	Human Settlements	-	-	(15 000)	15 000	-	-	-	-
Vrygrond	Human Settlements	(18)	-	-	-	-	-	-	(18)
WCG - Municipal Accreditation and Capacity Building Grant	Human Settlements	(1 370)	(7 500)	-	8 870	-	-	-	-
TOTAL PROVINCE TRANSFERS AND GRANTS		**(407 910)**	**(898 269)**	**85 895**	**1 098 109**	**29 609**	**(9 574)**	**(154 227)**	**(256 367)**
Analysis of grants and subsidies									
Total National Government transfers and grants		**(688 244)**	**(2 785 289)**	**341 448**	**1 039 950**	**1 626 843**	**(36 208)**	**(201)**	**(501 701)**
Total Province transfers and grants		**(407 910)**	**(898 269)**	**85 895**	**1 098 109**	**29 609**	**(9 574)**	**(154 227)**	**(256 367)**
		(1 096 154)	**(3 683 558)**	**427 343**	**2 138 059**	**1 656 452**	**(45 782)**	**(154 428)**	**(758 068)**

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

ANNEXURE E: Appropriation statement

FOR THE YEAR ENDED 30 JUNE 2022

Rand thousands (R'000)

	2021/22											2020/21			
	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated audited outcome
FINANCIAL PERFORMANCE															
Property rates	10 984 132	(317)	10 983 815	-	-	10 983 815	10 651 829	-	-	97	97	-	-	-	-
Service charges	22 396 466	(53 423)	22 343 043	-	-	22 343 043	23 028 321	-	-	103	103	-	-	-	-
Investment revenue	855 119	40 804	895 923	-	-	895 923	977 254	-	-	109	114	-	-	-	-
Transfers recognised - operational	5 650 364	419 879	6 070 243	-	-	6 070 243	5 820 598	-	-	96	103	-	-	-	-
Other own revenue	7 623 518	2 608 362	10 231 880	-	-	10 231 880	11 203 563	-	-	109	147	-	-	-	-
Total revenue (excluding capital transfers and contributions)	**47 509 599**	**3 015 305**	**50 524 904**	**-**	**-**	**50 524 904**	**51 681 565**	**-**	**-**	**102**	**109**	**-**	**-**	**-**	**-**
Employee costs	15 612 510	237 097	15 849 607	-	15 640	15 865 247	15 255 905	-	-	96	98	-	-	-	-
Remuneration of councillors	179 826	-	179 826	-	-	179 826	165 163	-	-	92	92	-	-	-	-
Debt impairment	2 716 859	(345 159)	2 371 700	-	-	2 371 700	2 842 836	-	-	120	105	-	-	-	-
Depreciation and asset impairment	3 013 855	59 618	3 073 473	-	-	3 073 473	3 056 503	-	-	99	101	-	-	-	-
Finance charges	794 747	(6 043)	788 704	-	(613)	788 091	776 622	-	-	99	98	-	-	-	-
Materials and bulk purchases	14 886 250	1 957 099	16 843 349	-	72 250	16 915 599	17 346 967	-	-	103	117	-	-	-	-
Transfers and grants	464 263	96 871	561 134	-	(29 796)	531 338	406 842	-	-	77	88	-	-	-	-
Other expenditure	10 606 530	963 514	11 570 044	-	(57 481)	11 512 563	10 793 822	-	-	94	102	-	-	-	-
Total expenditure	**48 274 840**	**2 962 997**	**51 237 837**	**-**	**-**	**51 237 837**	**50 644 660**	**-**	**-**	**99**	**105**	**-**	**-**	**-**	**-**
Surplus	**(765 241)**	**52 308**	**(712 933)**	**-**	**-**	**(712 933)**	**1 036 905**	**-**	**-**	-	(136)	**-**	**-**	**-**	**-**
Transfers recognised - capital	3 272 826	(1 328 857)	1 943 969	-	-	1 943 969	1 863 800	-	-	96	57	-	-	-	-
Contributions recognised - capital and contributed assets	-	-	-	-	-	-	2 480	-	-	-	-	-	-	-	-
Surplus/(deficit) after capital transfers and contributions	**2 507 585**	**(1 276 549)**	**1 231 036**	**-**	**-**	**1 231 036**	**2 903 185**	**-**	**-**	**236**	**116**	**-**	**-**	**-**	**-**
Share of surplus/(deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus for the year	**2 507 585**	**(1 276 549)**	**1 231 036**	**-**	**-**	**1 231 036**	**2 903 185**	**-**	**-**	**236**	**116**	**-**	**-**	**-**	**-**
CAPITAL EXPENDITURE AND FUNDS SOURCES															
Transfers recognised - capital	3 066 644	(1 333 391)	1 733 253	-	-	1 733 253	1 654 036	-	-	95	54	-	-	-	-
Public contributions and donations	72 198	(12 862)	59 336	-	-	59 336	47 095	-	-	79	65	-	-	-	-
Borrowing	2 500 000	(1 300 000)	1 200 000	-	-	1 200 000	994 517	-	-	83	40	-	-	-	-
Internally generated funds	2 675 925	426 601	3 102 526	-	-	3 102 526	2 730 544	-	-	88	102	-	-	-	-
Total sources of capital funds	**8 314 767**	**(2 219 652)**	**6 095 115**	**-**	**-**	**6 095 115**	**5 426 192**	**-**	**-**	**89**	**65**	**-**	**-**	**-**	**-**
CASH FLOWS															
Net cash from (used) operating	5 769 282	(1 295 408)	4 473 874	-	-	4 473 874	5 929 905	-	-	133	103	-	-	-	-
Net cash from (used) investing	(8 523 340)	2 150 385	(6 372 955)	-	-	(6 372 955)	(5 389 368)	-	-	85	63	-	-	-	-
Net cash from (used) financing	2 145 615	(1 229 440)	916 175	-	-	916 175	(371 494)	-	-	(41)	(17)	-	-	-	-
Cash/cash equivalents at the year end	**5 186 900**	**(374 463)**	**7 143 195**	**-**	**-**	**7 143 195**	**8 295 143**	**-**	**-**	**116**	**160**	**-**	**-**	**-**	**-**
Net increase in cash and cash equivalents	**(608 443)**	**(374 463)**	**(982 906)**	**-**	**-**	**(982 906)**	**169 043**	**-**	**-**	**(17)**	**(28)**	-	-	-	-

ANNEXURE F: Bids awarded to family of employees in service of the state – 2021

Rand thousands (R'000)

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	

ANNEXURE F: Bids awarded to family of employees in service of the state – 2021 (continued)

Rand thousands (R'000)

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	

ANNEXURE F: Bids awarded to family of employees in service of the state – 2021 (continued)

Rand thousands (R'000)

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	

ANNEXURE F: Bids awarded to family of employees in service of the state – 2021 (continued)

Rand thousands (R'000)

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	

ANNEXURE F: Bids awarded to family of employees in service of the state – 2021 (continued)

Rand thousands (R'000)

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	

ANNEXURE F: Bids awarded to family of employees in service of the state – 2021 (continued)

Rand thousands (R'000)

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	

ANNEXURE F: Bids awarded to family of employees in service of the state – 2021 (continued)

Rand thousands (R'000)

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**

APPENDIX A

Abbreviations used in these financial statements

AFD	Agence Française de Développement
APAC	Audit and Performance Audit Committee
AARTO	Administrative Adjudication of Road Traffic Offences
ASB	Accounting Standards Board
DCs	Development Contributions
CCT	City of Cape Town
CID(s)	city improvement district
CMTF	Cape Metropolitan Transport Fund
COID	compensation for occupational injuries and diseases
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
FCSA	Financial Sector Conduct Authority
GRAP	Generally Recognised Accounting Practice
ICASA	Independent Communications Authority of South Africa
IDP	Integrated Development Plan
IGRAP	Interpretation of the Standards of Generally Recognised Accounting Practice
IRT	integrated rapid transport
ISUPG	Informal Settlements Upgrading Partnership Grant
JSE	Johannesburg Stock Exchange
KCT	Khayelitsha Community Trust
Mayco	Mayoral Committee
MFMA	Local Government: Municipal Finance Management Act
MPRA	Local Government: Municipal Property Rates Act
mSCOA	Municipal Standard Chart of Accounts
NACS	nominal annual compounded semi-annually
PAYE	pay-as-you-earn
PCDR	Public Contributions Donations Reserve
PPE	property plant and equipment
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
SAP	Systems Applications and Products
SCM	supply chain management
SOA	scheme of arrangement
UIF	Unemployment Insurance Fund
VAT	value-added tax