CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

AUDITED

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

CONTENTS

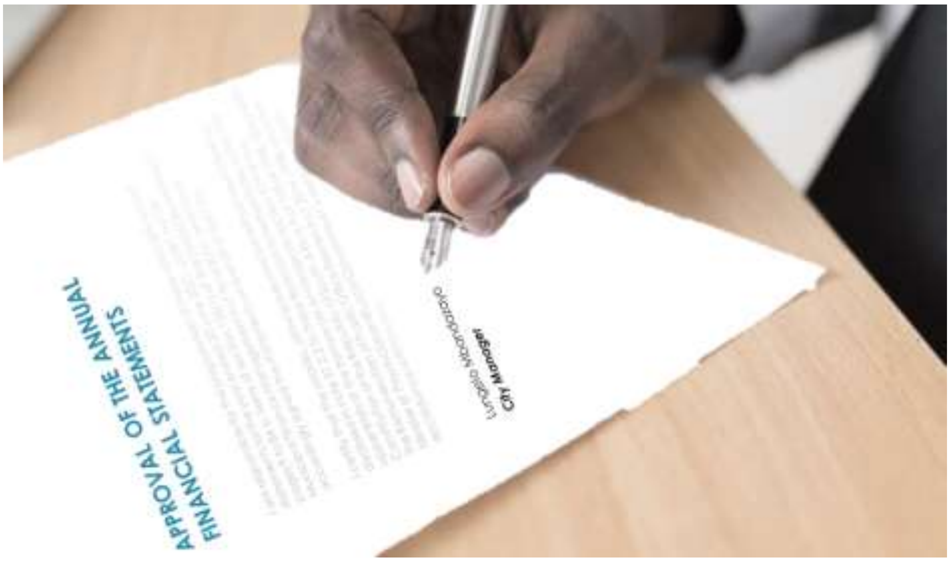
REPORTING ENTITY'S MANDATE

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 2023, as set out on pages 14 to 99 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.

Digitally signed by Lungelo Mbandazayo
Date: 2023.08.31 15:26:08 +02'00'

Signed

Lungelo Mbandazayo
City Manager

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the City of Cape Town set out on pages 8 to 77, which comprise the statement of financial position as at 30 June 2023, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the City of Cape Town as at 30 June 2023 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2022 (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.

4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

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

Key audit matters

6. I have determined that there are no key audit matters to communicate in this auditor's report.

Emphasis of matter

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

Material impairments

8. As disclosed in note 9 to the financial statements, the municipality provided impairment of receivables from non-exchange transactions of R3,67 billion (2021-22: R3,59 billion) and exchange transactions of R5,20 billion (2021-22: R4,47 billion).

9. As disclosed in note 40.1.2.3 to the financial statements, material electricity losses of R768 million (2021-22: R750 million) was incurred, which represents 12% (2021-22: 11%) of total electricity purchased.

Other matters

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

Unaudited disclosure note

11. In terms of section 125(2) (e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, we do not express an opinion on it.

Unaudited supplementary schedules

12. The supplementary information set out on pages 78 to 94 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the MFMA and Dora; and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

14. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

15. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

17. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected development priorities presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

18. I selected the following development priorities presented in the annual performance report for the year ended 30 June 2023 for auditing. I selected development priorities that measure the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

Development priority	Page numbers	Purpose
Basic services	2 - 6	Objective 2: Improved access to quality and reliable basic services Objective 4: Well-managed and modernised infrastructure to support economic growth
Housing	9 - 10	Objective 7: Increased supply of affordable, well-located homes Objective 8: Safer, better-quality homes in informal settlements and backyards over time
Transport	13 - 14	Objective 13: Safe and quality roads for pedestrians, cyclists and vehicles

19. I evaluated the reported performance information for the selected development priorities against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.

20. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for the measures taken to improve performance.

21. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

22. I did not identify any material findings on the reported performance information for the development priorities of Basic Services, Housing and Transport.

Other matters

23. I draw attention to the matters below.

Achievement of planned targets

24. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance.

25. The municipality plays a key role in delivering services to South Africans. The tables that follow provide information on the achievement of planned targets and list the key service delivery indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages 2 to 14.

Basic services

Targets achieved: 62% *Budget spent: 97%*		
Key service delivery indicator not achieved	Planned target	Reported achievement
Scorecard Indicator 4.D – Valid applications for residential water services processed within the response standard (%)	80%	67,32%
Scorecard Indicator 4.E – Valid applications for residential sewerage services processed within the response standard (%)	80%	67,32%
Scorecard Indicator 4.F – Service requests for non-collection of refuse resolved within three days (%)	96%	37,59%
Scorecard Indicator 4.G – Residential electricity service applications finalised within industry standard timeframes (%)	95%	60,65%

Housing

Targets achieved: 50% *Budget spent: 95%*		
Key service delivery indicator not achieved	Planned target	Reported achievement
Scorecard indicator 7.A – Well located land parcels released to the private sector for affordable housing (number)	4	1
Scorecard indicator 7.C – Formal housing serviced sites provided (number)	2 600	1 638

Material misstatements

26. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for Basic Services. Management subsequently corrected all the misstatements and I did not include any material findings in this report.

Report on compliance with legislation

27. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.

28. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

29. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

30. I did not identify any significant deficiencies in internal control.

Other information in the annual report

31. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected development priorities presented in the annual performance report that have been specifically reported on in this auditor's report.

32. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

33. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected development priorities presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

34. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

35. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

36. I did not identify any significant deficiencies in internal control.

Auditor-General

Cape Town

15 December 2023

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected development priorities and on the municipality's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

- I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

- I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

- From the matters communicated to those charged with governance, I determine those matters that were of most significance in the audit of the financial statements for the current period and are therefore key audit matters. I describe these matters in this auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in this auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
1. Municipal Finance Management Act 56 of 2003	Section 1 - Paragraph (a), (b) & (d) of the definition: irregular expenditure Section 1 - Definition: service delivery and budget implementation plan Sections 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 29(1), Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), 32(6)(a), Sections 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 62(1)(f)(i), 62(1)(f)(ii), Sections 62(1)(f)(iii), 63(1)(a), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), Sections 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), Sections 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), Sections 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), Sections 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, 171(4)(a), 171(4)(b)
2. MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations 71(1), 71(2), 72
3. MFMA: Municipal Investment Regulations, 2005	Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
4. MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4), 6(8)(b), 10(1)
5. MFMA: Municipal Supply Chain Management Regulations, 2005	Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 13(c)(i), 16(a), 17(1)(a), Regulations 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), Regulations 27(2)(e), 28(1)(a)(i), 28(1)(a)(ii), 29(1)(a), 29(1)(b), 29(5)(a)(ii), Regulations 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1) (c), 38(1)(d)(ii), 38(1)(e), Regulations 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)
6. MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
7. Annual Division of Revenue Act	Sections 11(6)(b), 12(5), 16(1); 16(3)

8. Construction Industry Development Board Act 38 of 2000	Section 18(1)
9. Construction Industry Development Board Regulations, 2004	Regulations 17, 25(7A)
10. Municipal Property Rates Act 6 of 2004	Section 3(1)
11. Preferential Procurement Policy Framework Act 5 of 2000	Sections 2(1)(a), 2(1)(f)
12. Preferential Procurement Regulations, 2017	Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), Regulations 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2), Regulations 11(1), 11(2)
13. Preferential Procurement Regulations, 2022	Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
14. Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
15. National Water Act 36 of 1998	Section 22(1)(b)
16. National Environmental Management: Waste Act 59 of 2008	Section 20(b)
17. Environment Conservation Act, No. 73 of 1989	Section 20(1)
18. Municipal Systems Act 32 of 2000	Sections 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), Sections 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 56(a), 57(2)(a), 57(4B) Sections 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 93J(1), 96(b)
19. MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), Regulations 15(1)(a)(i), 15(1)(a)(ii)
20. MSA: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
21. MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)

GENERAL INFORMATION

AS AT 30 JUNE 2023

BANKERS

Nedbank Limited
135 Rivonia Campus
135 Rivonia Road
Sandown
Sandton
2196

PO Box 1144
Johannesburg
2000

AUDITORS

The Auditor-General of South Africa
No 19 Park Lane Building
Park Lane
Century City
7441

Private Bag X1
Chempet
7442

REGISTERED OFFICE

City of Cape Town
12 Hertzog Boulevard
Cape Town
8001

PO Box 655
Cape Town
8000

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 J Vos (acting)

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
Z Mandlana

Corporate Services
E Sass

Economic Growth
R Gelderbloem

Energy
K Nassiep

Future Planning and Resilience
G Morgan

Human Settlements
N Gqiba

Safety and Security Services
V Botto

Spatial Planning and Environment
R McGaffin

Urban Mobility
D Campbell

Urban Waste Service
L Mdunyelwa

Water and Sanitation
M Webster

MEMBERS OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE

Chairperson
M Burton

Members
T Blok
P Dala
S Mzizi
L Nene

OTHER

Speaker
Ald F Purchase

Chief Whip
Cllr D Visagie

AS AT 30 JUNE 2023

COUNCIL MEMBERS OF THE CITY OF CAPE TOWN

Aldeman

Andrews, EP
Arendse, R
Basson, AJG
Brynard, CA
Chapple, PH
Fourie, GD
Hill-Lewis, G
Jacobs, BM
Jaftha, WD
Jordaan, C
Justus, CR
Kempthorne, ML
Limberg, XT
Linde, E
Moodley, S
Neilson, ID
Nieuwoudt, MJ
Pringle, SB
Purchase, FA
Rossouw, SJ
Smith, J
Sotashe, X
Thompson, TB
Twigg, GG
Uys, TA
Van der Merwe, JFH
Van der Rheede, A
Vos, J
Watkyns, BRW

Councillors

Abbass, S
Achmat, MF
Adams, A
Adams, F
Adams, R
Adams, Y
Addinall, AS
Adonis, M
Adonis, N
Ah-Sing, FK
Akim, WJ
Anstey, E
August, SF
Badela, DE
Badroodien, ZA
Barends, UM
Benadie, AM
Beneke, R
Benge, L
Bodin, K
Booi, M
Booi, PN
Booysen, S
Botha-Rossouw, FR
Botya, NA
Bresler, R
Cameron, R
Cannon, R
Carls, KR
Cassiem, MA
Cerfontein, CS
Chitha, MN
Christians, DJ
Christians, M
Christie, K
Clarke, BR
Classen, GJ
Cottee, DG
Cupido, J
Dambuza, M
Davids, A
Davids, R
De Beer, AC
De Vos, D
De Vos, PW
Diniso, X
Duka, SS
East, PA
Elyas, AZMI
Esau, CJ
Francke, P
Franklin, C
Frenchman, S
Gabuza, A
Gadeni, M
Gordon, GE
Gqada, T
Griesel, AJ
Grose, NE
Gungxe, LA
Gxasheka, KW
Hansen, B
Harris, W
Haskin, GCR
Helfrich, PG
Hendricks, A
Hendricks, P
Heynes, PC
Higham, F
Jackson, T
Jacobs, DG
Jacobs, MR
Jacobson, PS
Janse van Rensburg, C
Jansen, AJ
Jansen, EE
Joachims, GV
Joseph, M
Jowell, N
Kama, K
Kleinschmidt, MRH
Kleinsmith, ME
Kobeni, C
Kopman, NF
Kuhl, AE
Kwebulana, AV
Langenhoven, E
Lansdowne, A
Lasiti, U
Liell-Cock, SP
Lightburn, AG
Little, S
Lombard, FP
Lombi, N
Louw, AC
Mabungani, M
Madikane, EM
Majingo, BM
Makasi, N
Makuwa, MS
Malgas, GD
Manuel, M
Maqungwana, BB
Marais, GP
Mare, K
Marman, PI
Marr, MJ
Martin, L
Martlow, J
Masiu, DZ
Matanzima, V

COUNCIL MEMBERS OF THE CITY OF CAPE TOWN (continued)

Councillors (continued)

Matutu, N
Max, LH
Maxiti, P
Mazwi, L
Mbandezi, S
Mbiza, LN
McFarlane, N
McKenzie, AP
McMahon, IP
Mei, B
Mills, JS
Mjuza, TM
Mkutswana, MA
Mohamed, Y
Mokhathi, T
Moses, AC
Mpengezi, T
Mqina, LM
Mvinjelwa, NC
Mzolisa, PS
Ndamane, S
Nelson, D
Ngcombolo, B
Ngubelanga, D
Nikelo, M
Nodliwa, S
Nqavashe, ML
Ntshuntshe, L
Ntshweza, NA
Ntsodo, A
Nyamakazi, T
Paige, GD
Payiya, BL
Peck, GC
Peter, XG
Petersen, MJ
Phakade, L
Philander, S
Pimpi, TI
Plaatjies, A
Pophaim, CJ
Potts, A
Punt, CB
Qoba, ZL
Quintas, RM
Raise, MH
Rigby, S
Salie, S
Satarien, N
Sauls, FA
Sawant, E
Sibunzi, MM
Siebritz, CC
Simangweni, L
Solomon, J
Somdaka, L
Sono, NP
Sonyoka, LP
Sophazi, Z
Southgate, KG
Stacey, S
Steenberg, CJ
Stevens, JAN
Stuurman, N
Sukers, NRE
Sulelo, Z
Swart, PS
Tagodien, R
Taliep, S
Tause, PP
Temlett, M
Terblanche, HP
Tetani, A
Thompson, SC
Timm, G
Tyandela, NV
Van der Merwe, B
Van der Ross, PE
Van Reenen, B
Van Zyl, A
Viljoen, R
Visagie, DA
Visser, CL
Visser, J
Walker, FC
Wannenburgh, CMK
Williams, N
Witbooi, JJ
Woodman, J
Yeko, B
Zumana, S

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

Councillors

Carstens, H	15/07/2022
Ntamo, GF	18/08/2022
Jacobs, HW	11/11/2022
Le Goff, TA	14/11/2022
Cassiem, MA	31/01/2023
Markgraff, SG	24/02/2023
Richards, A	03/03/2023
Sampson, MJ	09/03/2023
Manuel, M	03/04/2023
Rheeder, N	03/04/2023
Adams, A	01/05/2023
Makamba-Botya, NA	07/06/2023
Kay, AE	22/06/2023

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 forecast;
- ✓ approved medium-term budgets; and
- ✓ the City's dependency on grants from National Government and the Western Cape Provincial Government (hereinafter "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 according to the size and nature of the item. The deciding factor is whether the omission or misstatement could, individually or collectively, influence users' decisions based on these audited annual financial statements.

In preparing 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; and
- ✓ assessing the effect of omissions, misstatements and errors on the audited annual financial statements.

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Auditing to build public confidence

TN 15 December 2023

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, have 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 serve 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 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 2022/23 adjustments budget of June 2023 for all classes of transactions.

Based on professional judgement, the overall quantitative value of materiality for the 2022/23 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.

USE OF SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

INVENTORY

The City regards water as inventory at the point where it enters the City's purification network. However, raw water in dams and aquifers, is not regarded as inventory, as it is not under the City's control. Control is demonstrated by an entity's ability to access and regulate the benefits of an asset. In terms of these natural resources, the City does not have control under all circumstances.

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.

CAPITAL COMMITMENTS APPROVED AND CONTRACTED FOR CAPITAL EXPENDITURE

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

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 14 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 the rehabilitation of landfill sites is determined based on the advice and judgement 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 acquired an investment in an associate, in which it holds a significant influence, which has a strategic intent of promoting economic growth and job creation.

Management has determined that only the City's electricity assets and its investment in the associate meet the definition of cash-generating assets, and that the GRAP standard for the impairment of non-cash-generating assets will therefore apply to all other City assets.

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. This enables 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 ADOPTED EARLY
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 have been utilised to formulate the City's accounting policies since 2018/19:

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

STANDARDS AND INTERPRETATIONS ISSUED, BUT NOT YET EFFECTIVE
At the date of submission of these financial statements, 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 (2021)
- ✓ 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 ensure the availability of optimal information on which to base decisions about financial assets and their recoverability, and also result in more transparent information on financial liabilities.

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

Annual periods commencing on or after 1 April 2025
GRAP 104 on Financial Instruments

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

Management has considered all of the abovementioned GRAP standards issued, but not yet effective, and does not anticipate the adoption of these standards to have a significant impact on the City's financial position, financial performance or cash flows.

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	8 –– 51
Housing	30	Specialised vehicles	10 – 20
		Library books	1
Community		Furniture and fittings	2 – 15
Community and recreational facilities	20 – 50	Computer equipment	1 – 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 City 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.

At each reporting date, a municipality assesses whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If so, 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 initially measured at cost and subsequently 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 subsequently 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 elected in its 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 impairment assessment 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 of return. In arriving at the estimated future cash flows, management made significant assumptions regarding future cash flows.

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. Property rates are charged in terms of the Property Rates Act and CID levies and traffic fines are in terms of the municipal by-laws. The transaction amounts are based on approved tariff structures.

Included in the contractual receivables from exchange transactions, specifically water, refuse and sewerage, are receivables from availability charges that should be presented as contractual receivables from non-exchange receivables. The revenue related to these receivables has been correctly split between exchange and non-exchange service charges in note 19.

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RECEIVABLES (continued)

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 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.

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REVENUE RECOGNITION (continued)

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

In March 2021, the City received level-two accreditation under the National Housing Code for its participation in the National Housing Programme. This accreditation now means that the City serves as a project developer in terms of arrangements relating to the construction and transfer of 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 based on 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 that have been incurred and 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 from the date of securing the contract up to its final completion. Costs that cannot be attributed to contract activity or 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, based on 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. These may fall within the ambit of GRAP 11: Construction Contracts, GRAP 9: Revenue from Exchange Transactions, GRAP 23: Revenue from Non-Exchange Transactions, or GRAP 109: Accounting by Principals and Agents.

- ✓ Income from grants pertaining to the planning and construction of civil services for 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 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: Accounting by Principals and Agents, which implies that the City 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, and fruitless and wasteful expenditure is accounted for as a capital or an operating expense 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 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 city 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 monitor segment performance. The disclosure of information about segments in the budget statements is organised around the type of service delivered, and is presented in a standardised format. As such, it 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 considers the economic characteristics and nature of services as sufficiently similar to warrant aggregation. The components of each aggregated segment are explained under the description of segment operations.

Reportable segments are identified based on activities of the City that generate economic benefits or service potential, including internal services that contribute to achieving the City'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 City'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 City'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 this functionality would be excessive.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

Rand thousands (R'000)

	Note	2023	2022
ASSETS			
Non-current assets		**66 030 087**	**63 475 894**
Property, plant and equipment	2	58 990 950	55 427 040
Heritage assets	3	10 268	10 268
Investment property	4	576 106	577 820
Intangible assets	5	733 844	621 600
Investments	6	5 718 223	6 837 924
Long-term receivables	7	696	1 242
Current assets		**20 416 991**	**18 389 398**
Inventory	8	483 155	430 223
Receivables	9	7 400 919	6 908 628
From non-exchange transactions		3 237 826	2 685 570
From exchange transactions		4 163 093	4 223 058
Investments	6	4 375 085	2 746 207
Value-added tax	10	46 439	5 951
Current portion of long-term receivables	7	612	3 246
Cash and cash equivalents	11	8 110 781	8 295 143
TOTAL ASSETS		**86 447 078**	**81 865 292**
LIABILITIES			
Non-current liabilities		**12 244 597**	**12 651 891**
Borrowings	12	5 630 840	5 220 709
Provisions	14	6 613 757	7 431 182
Current liabilities		**12 478 340**	**11 192 700**
Deposits	15	439 733	487 878
Provisions	14	1 709 921	1 692 258
Payables from exchange transactions	16	7 783 114	6 808 104
Unspent conditional grants and receipts	17	826 752	777 984
Current portion of borrowings	12	1 718 820	1 426 476
TOTAL LIABILITIES		**24 722 937**	**23 844 591**
NET ASSETS			
Total net assets		**61 724 141**	**58 020 701**
Housing development fund	18	307 275	312 820
Reserves		4 689 354	5 067 995
Accumulated surplus		56 727 512	52 639 886
TOTAL NET ASSETS AND LIABILITIES		**86 447 078**	**81 865 292**

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STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2023

Rand thousands (R'000)

	Note	2023	2022
REVENUE			
Exchange revenue		**27 276 051**	**25 966 291**
Service charges	19	24 295 205	23 526 030
Rental of letting stock and facilities		420 355	382 647
Finance income	20	1 735 432	1 247 922
Licences and permits		41 517	40 010
Agency services		276 684	262 094
Other income	21	420 167	407 401
Gains on disposal of property, plant and equipment		86 691	100 187
Non-exchange revenue		**24 815 052**	**22 799 432**
Service charges	19	50 856	35 778
Finance income	20	124 173	99 174
Other income	21	409 696	293 385
Property rates	22	11 245 429	10 358 743
Fuel levy		2 666 726	2 608 900
Fines, penalties and forfeits		1 984 419	1 926 090
Government grants and subsidies	23	7 990 614	7 181 249
Construction contracts	24	284 904	282 031
Public contributions	25	58 235	14 082
TOTAL REVENUE		**52 091 103**	**48 765 723**
EXPENDITURE			
Employee-related costs	26	15 260 879	15 253 889
Remuneration of councillors	38.2.2.1	166 895	157 473
Impairment	27	3 040 034	2 873 178
Collection costs		203 676	211 862
Depreciation and amortisation[1]	2,4,5	3 241 058	3 026 161
Finance costs	28	768 944	771 626
Bulk purchases	29	12 098 296	11 839 509
Contracted services	30	3 183 339	2 887 360
Grants and subsidies paid		348 248	367 358
General expenses	31	10 071 730	8 468 858
Losses on disposal of property, plant and equipment		4 564	5 264
TOTAL EXPENDITURE		**48 387 663**	**45 862 538**
NET SURPLUS FROM OPERATIONS		**3 703 440**	**2 903 185**

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

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STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 30 JUNE 2023

Rand thousands (R'000)

	Housing development fund	Capital replacement reserve	Insurance reserves	Accumulated surplus	Total
2022					
Balance as at 1 July 2021	**421 203**	**4 452 496**	**624 832**	**49 618 985**	**55 117 516**
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**
2023					
Surplus for the year	-	-	-	3 703 440	3 703 440
Transfer to/(from)	1 804	808 408	(18 114)	(792 098)	-
Property, plant and equipment purchased	(7 349)	(1 168 935)	-	1 176 284	-
Balance as at 30 June 2023	**307 275**	**4 074 280**	**615 074**	**56 727 512**	**61 724 141**

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CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2023

Rand thousands (R'000)

	Note	2023	2022
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		46 603 682	43 495 165
Cash paid to suppliers and employees		(41 639 854)	(38 246 889)
Cash generated from operations	32	4 963 828	5 248 276
Finance income	32	1 817 833	1 432 200
Finance costs	32	(673 596)	(702 468)
NET CASH FROM OPERATING ACTIVITIES		**6 108 065**	**5 978 008**
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment and other		(6 671 739)	(5 450 250)
Proceeds on disposal of assets		133 778	71 208
Decrease in long-term receivables		5 974	12 851
Increase in investments		(518 278)	(71 280)
NET CASH FROM INVESTING ACTIVITIES		**(7 050 265)**	**(5 437 471)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings	12	2 116 000	-
Repayment of borrowings		(1 358 162)	(371 494)
NET CASH FROM FINANCING ACTIVITIES		**757 838**	**(371 494)**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(184 362)**	**169 043**
Cash and cash equivalents at the beginning of the year		8 295 143	8 126 100
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	11	**8 110 781**	**8 295 143**

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STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

FOR THE YEAR ENDED 30 JUNE 2023

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		67 054 344	-	67 054 344	66 030 087	-	-	66 030 087	1 024 257	98,47
Total current assets	i	17 546 538	-	17 546 538	20 416 991	-	-	20 416 991	(2 870 453)	116,36
TOTAL ASSETS		**84 600 882**	**-**	**84 600 882**	**86 447 078**	**-**	**-**	**86 447 078**	**(1 846 196)**	**102,18**
Total non-current liabilities	ii	13 663 916	-	13 663 916	12 244 597	-	-	12 244 597	1 419 319	89,61
Total current liabilities		11 348 164	-	11 348 164	12 478 340	-	-	12 478 340	(1 130 176)	109,96
TOTAL LIABILITIES		**25 012 080**	**-**	**25 012 080**	**24 722 937**	**-**	**-**	**24 722 937**	**289 143**	**98,84**
Total net assets		59 588 802	-	59 588 802	61 724 141	-	-	61 724 141	(2 135 339)	103,58
TOTAL NET ASSETS AND LIABILITIES		**84 600 882**	**-**	**84 600 882**	**86 447 078**	**-**	**-**	**86 447 078**	**(1 846 196)**	**102,18**
FINANCIAL PERFORMANCE	37.5.2									
Property rates		11 519 486	-	11 519 486	11 245 429	316 181	-	11 561 610	(42 124)	100,37
Service charges		24 626 725	-	24 626 725	24 346 061	(622 188)	-	23 723 873	902 852	96,33
Investment revenue	i	1 263 260	-	1 263 260	1 859 605	(412 187)	-	1 447 418	(184 158)	114,58
Transfers recognised - operational		6 383 866	-	6 383 866	6 171 454	50 479	-	6 221 933	161 933	97,46
Other own revenue	ii	10 091 031	-	10 091 031	6 306 255	4 858 079	-	11 164 334	(1 073 303)	110,64
Total revenue (excluding capital transfers and contributions)		**53 884 368**	**-**	**53 884 368**	**49 928 804**	**4 190 364**	**-**	**54 119 168**	**(234 800)**	**100,44**
Employee costs	iii	17 298 472	(31 985)	17 266 487	15 260 879	465	-	15 261 344	2 005 143	88,39
Remuneration of councillors		181 120	-	181 120	166 895	9 169	-	176 064	5 056	97,21
Debt impairment	iv	2 473 077	-	2 473 077	3 040 034	(18 465)	-	3 021 569	(548 492)	122,18
Depreciation and asset impairment		3 270 102	-	3 270 102	3 241 058	18 466	-	3 259 524	10 578	99,68
Finance charges		753 169	(888)	752 281	768 944	3 489	-	772 433	(20 152)	102,68
Materials and bulk purchases		17 939 452	35 662	17 975 114	12 098 296	5 400 298	-	17 498 594	476 520	97,35
Transfers and grants	v	432 921	1 208	434 129	348 248	28 853	-	377 101	57 028	86,86
Other expenditure		12 213 977	(3 996)	12 209 981	13 463 309	(1 302 390)	-	12 160 919	49 062	99,60
Total expenditure		**54 562 290**	**1**	**54 562 291**	**48 387 663**	**4 139 885**	**-**	**52 527 548**	**2 034 743**	**96,27**
Surplus		**(677 922)**	**(1)**	**(677 923)**	**1 541 141**	**50 479**	**-**	**1 591 620**	**(2 269 543)**	
Transfers recognised - capital		2 268 084	-	2 268 084	2 104 064	7 756	-	2 111 820	156 264	93,11
Contributions recognised - capital and contributed assets		-	-	-	58 235	(58 235)	-	-	-	
Surplus after capital transfers and contributions		**1 590 162**	**(1)**	**1 590 161**	**3 703 440**	**-**	**-**	**3 703 440**	**(2 113 279)**	

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS (continued)

FOR THE YEAR ENDED 30 JUNE 2023

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		5 605 580	-	5 605 580	6 108 065	48 145	-	6 156 210	(550 630)	109,82
Net cash from investing		(7 117 807)	-	(7 117 807)	(7 050 265)	-	-	(7 050 265)	(67 542)	99,05
Net cash from financing		673 391	-	673 391	757 838	(48 145)	-	709 693	(36 302)	105,39
Net decrease in cash and cash equivalents		**(838 836)**	**-**	**(838 836)**	**(184 362)**	**-**	**-**	**(184 362)**	**(654 474)**	**21,98**
Cash/cash equivalents at year-end		**7 456 307**	**-**	**7 456 307**	**8 110 781**	**-**	**-**	**8 110 781**	**(654 474)**	**108,78**
CAPITAL EXPENDITURE	37.6									
Community Services and Health	i	267 938	-	267 938	225 519	-	(2 495)	223 024	(44 914)	83,24
Corporate Services		443 776	-	443 776	430 272	-	(4 975)	425 297	(18 479)	95,84
Economic Growth	ii	50 523	-	50 523	46 144	-	-	46 144	(4 379)	91,33
Energy	iii	1 074 183	-	1 074 183	1 006 874	-	-	1 006 874	(67 309)	93,73
Finance	iv	30 683	-	30 683	28 965	-	-	28 965	(1 718)	94,40
Future Planning and Resilience	v	26 251	-	26 251	24 787	-	-	24 787	(1 464)	94,42
Human Settlements	vi	953 900	-	953 900	881 608	-	-	881 608	(72 292)	92,42
Office of the City Manager	vii	7 405	-	7 405	6 669	-	-	6 669	(736)	90,06
Safety and Security		282 949	-	282 949	281 673	-	(2)	281 671	(1 278)	99,55
Spatial Planning and Environment	viii	264 290	-	264 290	224 417	-	-	224 417	(39 873)	84,91
Urban Mobility	ix	1 329 677	-	1 329 677	1 089 031	-	-	1 089 031	(240 646)	81,90
Urban Waste Management	x	694 253	-	694 253	661 255	-	(22 435)	638 820	(55 433)	92,02
Water and Sanitation	ix	2 385 748	-	2 385 748	2 051 842	-	(242)	2 051 600	(334 148)	85,99
TOTAL		**7 811 576**	**-**	**7 811 576**	**6 959 056**	**-**	**(30 149)**	**6 928 907**	**(882 669)**	**88,70**

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SEGMENT REPORT

FOR THE YEAR ENDED 30 JUNE 2023

Rand thousands (R'000)

	2023								
	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	6 699 107	7 319 377	1 900 095	10 692 781	13 713 973	9 909 749	15 795 005	-	**66 030 087**
Current assets	1 037 447	479 029	287 523	1 799 821	16 332 077	375 562	105 532	-	**20 416 991**
TOTAL ASSETS	**7 736 554**	**7 798 406**	**2 187 618**	**12 492 602**	**30 046 050**	**10 285 311**	**15 900 537**	**-**	**86 447 078**
LIABILITIES									
Non-current liabilities	194 378	104 279	880 184	603 959	9 299 879	857 674	304 244	-	**12 244 597**
Current liabilities	2 004 210	2 242 011	202 656	2 905 869	2 715 279	1 010 876	1 397 439	-	**12 478 340**
TOTAL LIABILITIES	**2 198 588**	**2 346 290**	**1 082 840**	**3 509 828**	**12 015 158**	**1 868 550**	**1 701 683**	**-**	**24 722 937**
ADDITIONS TO PPE AND OTHER ASSETS	**710 922**	**1 060 185**	**368 262**	**1 003 581**	**1 319 810**	**1 236 733**	**1 259 563**	**-**	**6 959 056**
STATEMENT OF FINANCIAL PERFORMANCE									
REVENUE									
Exchange revenue	**4 163 404**	**2 113 418**	**1 349 044**	**16 563 694**	**2 139 143**	**355 157**	**592 191**	**-**	**27 276 051**
Service charges	4 009 107	2 018 816	1 296 223	16 389 724	85 824	67 253	428 258	-	**24 295 205**
Rental of letting stock and facilities	207	24	-	27	215 948	203 367	782	-	**420 355**
Finance income	145 923	54 918	37 805	32 680	1 444 816	4 118	15 172	-	**1 735 432**
Licences and permits	-	-	-	-	7	296	41 214	-	**41 517**
Income from agency services	-	-	-	-	262 347	14 337	-	-	**276 684**
Other income	7 786	39 584	14 981	139 148	48 481	64 289	105 898	-	**420 167**
Gains on disposal of PPE	381	76	35	2 115	81 720	1 497	867	-	**86 691**
Non-exchange revenue	**428 877**	**1 117 697**	**557 905**	**316 153**	**16 334 049**	**4 275 009**	**1 785 362**	**-**	24 815 052
Service charges	18 301	18 473	14 081	-	-	-	1	-	**50 856**
Finance income	-	-	-	-	124 173	-	-	-	**124 173**
Other income	-	-	-	-	93 515	-	316 181	-	**409 696**
Property rates	-	-	-	-	11 245 429	-	-	-	**11 245 429**
Fuel levy	-	-	-	-	2 666 726	-	-	-	**2 666 726**
Fines	80	4	157	10	1 158	1 974 236	8 774	-	**1 984 419**
Government grants and subsidies	410 496	1 099 220	543 667	316 143	2 202 436	2 007 237	1 411 415	-	**7 990 614**
Construction contracts	-	-	-	-	-	284 904	-	-	**284 904**
Public contributions	-	-	-	-	612	8 632	48 991	-	**58 235**
Inter-segment revenue	**427 986**	**1 611 190**	**2 600 239**	**724 779**	**3 269 431**	**31 099**	**14 125**	**(8 678 849)**	**-**
TOTAL REVENUE	**5 020 267**	**4 842 305**	**4 507 188**	**17 604 626**	**21 742 623**	**4 661 265**	**2 391 678**	**(8 678 849)**	52 091 103
EXPENDITURE	**3 180 923**	**2 744 692**	**2 785 202**	**14 445 462**	**9 704 203**	**9 929 742**	**5 597 439**	**-**	48 387 663
Employee-related costs	1 204 115	687 114	1 069 292	1 114 654	4 464 164	4 981 098	1 740 442	-	**15 260 879**
Remuneration of councillors	-	-	-	-	166 895	-	-	-	**166 895**
Impairment	383 747	107 743	108 513	296 398	246 392	1 881 851	15 390	-	**3 040 034**
Collection costs	2 495	1 045	922	-	144 806	54 408	-	-	**203 676**
Depreciation and amortisation expense	263 652	247 101	78 694	416 082	848 791	634 467	752 271	-	**3 241 058**
Finance costs	-	-	57 196	-	711 748	-	-	-	**768 944**
Bulk purchases	286 137	-	-	11 812 159	-	-	-	-	**12 098 296**
Contracted services	89 660	704 276	766 536	205 500	137 762	124 451	1 155 154	-	**3 183 339**
Grants and subsidies paid	27 324	450	-	2 350	169 622	33 196	115 306	-	**348 248**
General expenses	923 698	996 948	704 027	597 995	2 811 563	2 218 669	1 818 830	-	**10 071 730**
Loss on disposal of PPE	95	15	22	324	2 460	1 602	46	-	**4 564**
Inter-segment expenses	**351 210**	**1 822 520**	**701 007**	**2 454 052**	**2 571 118**	**651 534**	**127 408**	**(8 678 849)**	**-**
TOTAL EXPENDITURE	**3 532 133**	**4 567 212**	**3 486 209**	**16 899 514**	**12 275 321**	**10 581 276**	**5 724 847**	**(8 678 849)**	48 387 663
NET SURPLUS FROM OPERATIONS	**1 488 134**	**275 093**	**1 020 979**	**705 112**	**9 467 302**	**(5 920 011)**	**(3 333 169)**	**-**	3 703 440

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SEGMENT REPORT (continued)

FOR THE YEAR ENDED 30 JUNE 2023

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	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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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 catchment 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 treasury 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.

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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
2023					
Financial assets					
Investments	2 965 088	6 800 285	327 935	10 093 308	10 064 250
Long-term receivables	1 308	-	-	1 308	1 308
Contractual receivables	4 055 427	-	-	4 055 427	4 055 427
Cash and cash equivalents	7 015 649	1 095 132	-	8 110 781	8 110 781
TOTAL	**14 037 472**	**7 895 417**	**327 935**	**22 260 824**	**22 231 766**
Statutory assets					
Receivables	**3 216 974**	**-**	**-**	**3 216 974**	**3 216 974**
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**

	Amortised cost	Total carrying amount	Fair value
2023			
Non-derivative financial liabilities			
Borrowings	7 349 660	7 349 660	7 288 882
Payables	6 250 815	6 250 815	6 250 815
TOTAL	**13 600 475**	**13 600 475**	**13 539 697**
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**

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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
2023				
Financial assets				
Investments	2 549 121	4 251 164	-	6 800 285
Cash and cash equivalents	-	1 095 132	-	1 095 132
TOTAL	**2 549 121**	**5 346 296**	**-**	**7 895 417**
Financial liabilities				
Borrowings	**7 349 660**	**-**	**-**	**7 349 660**
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**

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
2023				
Non-derivative financial liabilities				
Borrowings	2 452 021	5 172 700	2 785 275	10 409 996
Capital repayments	1 718 820	3 798 148	1 832 692	7 349 660
Interest	733 201	1 374 552	952 583	3 060 336
Payables	6 250 815	-	-	6 250 815
TOTAL	**8 702 836**	**5 172 700**	**2 785 275**	**16 660 811**

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Rand thousands (R'000)

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:

	2023	2022
Financial assets	**21 932 889**	**21 708 759**
Investments	9 765 373	9 256 196
Long-term receivables – see note 7	1 308	4 488
Contractual receivables	4 055 427	4 152 932
Cash and cash equivalents	8 110 781	8 295 143
Statutory assets		
Receivables	3 216 974	2 666 026
TOTAL	**25 149 863**	**24 374 785**

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 R238,42 million (2022: R193,88 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.

Rand thousands (R'000)

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, that 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 2023 were as follows:

MATURITY OF INTEREST-BEARING ASSETS/LIABILITIES

	Weighted average interest rate %	1 year or less	1-5 years	>5 years	Total
2023					
Financial assets					
Investments	7,89	5 470 217	5 301 064	89 224	10 860 505
Cash and cash equivalents	8,44	7 015 649	-	-	7 015 649
TOTAL		**12 485 866**	**5 301 064**	**89 224**	**17 876 154**
Financial liabilities					
Borrowings	10,27	**1 718 820**	**3 798 148**	**1 832 692**	**7 349 660**

Sensitivity analysis

Financial assets

As at 30 June 2023, 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 R182,04 million (2022: R177,72 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 2023 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.

Rand thousands (R'000)

2. PROPERTY, PLANT AND EQUIPMENT

	As at 30 June 2023			As at 30 June 2022		
	Cost price	Accumulated depreciation	Carrying value	Cost price	Accumulated depreciation	Carrying value
Land and buildings	5 203 457	(1 307 785)	3 895 672	5 052 043	(1 221 564)	3 830 479
Infrastructure	59 950 037	(19 500 212)	40 449 825	54 766 782	(17 869 128)	36 897 654
Community	5 637 906	(1 998 328)	3 639 578	5 520 732	(1 874 450)	3 646 282
Other	14 001 658	(7 986 997)	6 014 661	13 034 023	(7 217 750)	5 816 273
Living resources	1 088	(882)	206	1 167	(784)	383
Service concession	6 336 966	(3 318 665)	3 018 301	6 325 602	(3 089 834)	3 235 768
Housing rental stock	3 436 277	(1 463 570)	1 972 707	3 364 951	(1 364 750)	2 000 201
TOTAL	**94 567 389**	**(35 576 439)**	**58 990 950**	**88 065 300**	**(32 638 260)**	**55 427 040**

RECONCILIATION

	Opening balance	Transfers/ adjustments	Additions	Disposals	Depreciation	Impairment	Carrying value
As at 30 June 2023							
Land and buildings	3 830 479	71 100	111 018	(29 754)	(73 110)	(14 061)	3 895 672
Infrastructure	36 897 654	133 895	5 051 478	(788)	(1 632 414)	-	40 449 825
Community	3 646 282	(3 256)	118 562	-	(121 645)	(365)	3 639 578
Other	5 816 273	(273 869)	1 434 840	(19 514)	(942 258)	(811)	6 014 661
Living resources	383	-	2	(10)	(169)	-	206
Service concession	3 235 768	-	11 545	-	(225 784)	(3 228)	3 018 301
Housing rental stock	2 000 201	5 006	76 690	(1 579)	(107 611)	-	1 972 707
TOTAL	**55 427 040**	**(67 124)**	**6 804 135**	**(51 645)**	**(3 102 991)**	**(18 465)**	**58 990 950**

(See annexure B for more details.)

	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**

Rand thousands (R'000)

2. PROPERTY, PLANT AND EQUIPMENT (continued)

Assets under construction

Carrying value	2023	2022
Infrastructure	5 054 844	3 526 167
Community	74 666	77 815
Other	283 365	457 065
Service concession	228	-
TOTAL	**5 413 103**	**4 061 047**

PPE projects

Significantly delayed

	2023	2022
Infrastructure [1]	365 135	382 091
Community	1 279	-
Other	2 191	-
TOTAL	**368 605**	**382 091**

The significant delays in the current year mainly relate to delays in the completion of work at various informal settlements and housing projects worth R269,42 million, the new Hout Bay and Noordhoek low-voltage depots worth R37,29 million, and the extension of the Vissershok landfill worth R38,66 million.

[1] Comparative amount: Infrastructure project includes amounts previously reported under Other and Community delayed projects.

Halted

	2023	2022
Infrastructure	157 598	78 482
Community	359	359
Other [1]	19 037	8 294
TOTAL	**176 994**	**87 135**

The halted projects in the current year mainly relate to civil unrest at informal settlements and housing projects worth R149,91 million, and the availability of funds to complete the Events Support Online Application System worth R19,04 million.

[1] Comparative amount: Other project amount previously reported under Community halted projects.

Capital commitments

Approved and contracted for capital expenditure	2023	2022
Infrastructure	9 257 528	2 562 037
Community	21 448	11 033
Other	81 677	79 910
TOTAL	**9 360 653**	**2 652 980**

Repairs and maintenance

An amount of R3,68 billion (2022: R3,12 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 R26,28 million (2022: R90,96 million). Impairment losses arise mainly from damage to City movable and immovable assets due to accidents and protest actions, storm damage as well as impairment of land purchased for social housing purposes.

Living resources

A living resource is an animal that the City uses to deliver a mandated service.

Rand thousands (R'000)

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 (CTS). Included are IRT buses, related depots, and CTS. However, 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 2023			As at 30 June 2022		
	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 2023					
Paintings and museum items	**10 268**	**-**	**-**	**-**	**10 268**

(See annexure B for more details.)

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

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

Rand thousands (R'000)

4. INVESTMENT PROPERTY

	As at 30 June 2023			As at 30 June 2022		
	Cost price	Accumulated depreciation	Carrying value	Cost price	Accumulated depreciation	Carrying value
Land and buildings	**642 643**	**(66 537)**	**576 106**	**642 643**	**(64 823)**	**577 820**

RECONCILIATION

	Opening balance	Transfers/ adjustments	Additions	Depreciation	Disposals	Carrying value
As at 30 June 2023						
Land and buildings	**577 820**	**-**	**-**	**(1 714)**	**-**	**576 106**

(See annexure B for more details.)

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

Capital commitments

Approved and contracted for capital expenditure	**2023**	**2022**
Buildings	-	12 067
TOTAL	**-**	**12 067**

Repairs and maintenance

An amount of R0,361 million (2022: R0,096 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 2023			As at 30 June 2022		
	Cost price	Accumulated amortisation	Carrying value	Cost price	Accumulated amortisation	Carrying value
Acquisition of rights	561 441	(556 433)	5 008	561 441	(545 158)	16 283
Computer software	1 752 784	(1 023 948)	728 836	1 504 289	(898 972)	605 317
TOTAL	**2 314 225**	**(1 580 381)**	**733 844**	**2 065 730**	**(1 444 130)**	**621 600**

RECONCILIATION

	Opening balance	Transfers/ adjustments	Additions	Amortisation	Disposal	Carrying value
As at 30 June 2023						
Acquisition of rights	16 283	-	-	(11 275)	-	5 008
Computer software	605 317	93 682	154 921	(125 078)	(6)	728 836
TOTAL	**621 600**	**93 682**	**154 921**	**(136 353)**	**(6)**	**733 844**

(See annexure B for more details.)

	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**

Included in computer software above are assets under construction of R27,58 million (2022: R5,62 million).

Rand thousands (R'000)

6. INVESTMENTS

	Amortised cost	Fair value	Cost	Total
As at 30 June 2023				
RSA Government stock	52 058	-	-	52 058
Guaranteed investment instruments	2 805 762	-	-	2 805 762
Other fixed deposits	6 630 447	-	-	6 630 447
Deposits held with fund managers	-	7 895 417	-	7 895 417
Shares in: Atlantis SEZ Company SOC Ltd	-	-	56 500	56 500
CTICC	-	-	884 998	884 998
	9 488 267	7 895 417	941 498	18 325 182
Provision for impairment	-	-	(613 563)	(613 563)
Net investments	9 488 267	7 895 417	327 935	17 711 619
Transferred to current investments	(1 235 876)	(3 139 209)	-	(4 375 085)
Transferred to cash and cash equivalents – see note 11	(6 523 179)	(1 095 132)	-	(7 618 311)
TOTAL	**1 729 212**	**3 661 076**	**327 935**	**5 718 223**
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 11	(6 838 173)	(1 155 514)	-	(7 993 687)
TOTAL	**3 456 739**	**3 053 250**	**327 935**	**6 837 924**

Guaranteed investment instruments

A total of R2,80 billion (2022: R3,40 billion) has been ring-fenced for the repayment of long-term liabilities – see note 12.

Cape Town International Convention Centre Company (RF) SOC Ltd (CTICC)

The cost of the City's investment in CTICC at 30 June 2023 is R884,99 million (2022: R884,99 million) and the impairment loss provision is R613,56 million (2022: 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 and therefore no further impairment loss was recognised. 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 2023 is R56,50 million (2022: R56,50 million). At year end an impairment assessment was made based on the associate's assets fair value less cost to sell. As the assets fair value less cost to sell exceeded its carrying amount at 30 June 2023 no impairment is deemed necessary at year end. Furthermore, 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 R52,06 million (2022: R52,73 million) and cash-backed guarantees of R107,27 million (2022: R128,81 million).

Rand thousands (R'000)

7. LONG-TERM RECEIVABLES

	2023	2022
Exchange transactions		
Other	36 371	36 518
Provision for impairment	(36 156)	(36 210)
	215	308
Housing selling developments	1 247	7 074
Provision for impairment	(154)	(2 894)
	1 093	4 180
	1 308	4 488
Transferred to current receivables	(612)	(3 246)
TOTAL	**696**	**1 242**

Reconciliation of impairment provision		
Balance at beginning of the year	39 104	42 204
Contribution from provisions	(2 794)	(3 100)
Balance as at 30 June	**36 310**	**39 104**

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 3,63–12% 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 10,50% (2022: 7,25%) 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.

8. INVENTORY

	2023	2022
Consumable stock	360 692	297 852
Water	41 692	47 763
Other goods held for use/resale	80 771	84 608
TOTAL	**483 155**	**430 223**

Inventory to the value of R3,90million (2022: R0,79 million) was scrapped during the year, and R754,15 million (2022: R983,08 million) was expensed.

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9. RECEIVABLES

	As at 30 June 2023			As at 30 June 2022		
	Gross balance	Allowance for impairment	Net balance	Gross balance	Allowance for impairment	Net balance
FROM NON-EXCHANGE TRANSACTIONS	**6 908 493**	**(3 670 667)**	**3 237 826**	**6 276 012**	**(3 590 442)**	**2 685 570**
Statutory	**6 887 641**	**(3 670 667)**	**3 216 974**	**6 256 468**	**(3 590 442)**	**2 666 026**
Property rates debtors	3 881 674	(1 151 400)	2 730 274	3 178 589	(997 620)	2 180 969
City improvement district (CID) levies	89 826	(18 947)	70 879	80 634	(11 230)	69 404
Government subsidies	178 052	-	178 052	167 267	-	167 267
Traffic fines	2 738 089	(2 500 320)	237 769	2 829 978	(2 581 592)	248 386
Contractual	**20 852**	**-**	**20 852**	**19 544**	**-**	**19 544**
Other receivables	20 852	-	20 852	19 544	-	19 544
FROM EXCHANGE TRANSACTIONS	**9 358 932**	**(5 195 839)**	**4 163 093**	**8 689 561**	**(4 466 503)**	**4 223 058**
Contractual	**9 358 932**	**(5 195 839)**	**4 163 093**	**8 689 561**	**(4 466 503)**	**4 223 058**
Electricity	2 402 009	(646 525)	1 755 484	2 364 239	(489 027)	1 875 212
Water	2 932 067	(1 936 411)	995 656	2 591 536	(1 667 531)	924 005
Sewerage	1 207 684	(728 916)	478 768	1 248 835	(630 334)	618 501
Refuse	812 827	(552 294)	260 533	719 612	(453 447)	266 165
Housing rental stock	961 868	(899 738)	62 130	890 961	(832 167)	58 794
Housing selling stock	220 951	(207 199)	13 752	217 540	(204 288)	13 252
Other receivables	693 008	(224 756)	468 252	567 168	(189 709)	377 459
Payments made in advance	128 518	-	128 518	89 670	-	89 670
TOTAL	**16 267 425**	**(8 866 506)**	**7 400 919**	**14 965 573**	**(8 056 945)**	**6 908 628**

As at 30 June 2023, the receivables balance included an amount of R139,75 million (2022: R133,22 million) owed by National Government and Province.

RECONCILIATION OF IMPAIRMENT PROVISION

	Non-exchange Statutory	Exchange Contractual	TOTAL
2023			
Balance at beginning of the year	3 590 442	4 466 503	8 056 945
Contributions to provisions	1 945 692	1 032 961	2 978 653
Transfers from provisions	(1 769)	-	(1 769)
Bad debts written off	(1 863 698)	(303 625)	(2 167 323)
Balance as at 30 June	**3 670 667**	**5 195 839**	**8 866 506**
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**

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Rand thousands (R'000)

9. RECEIVABLES (continued)

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

	As at 30 June 2023			As at 30 June 2022		
	Gross balance	Allowance for impairment	Net balance	Gross balance	Allowance for impairment	Net balance
Statutory						
Property rates debtors	**3 881 674**	**(1 151 400)**	**2 730 274**	**3 178 589**	**(997 620)**	**2 180 969**
Not past due date	1 920 531	-	1 920 531	1 397 017	-	1 397 017
Past due						
0-90	495 421	(14 759)	480 662	435 721	(5 467)	430 254
91-180	219 672	(50 017)	169 655	197 406	(32 522)	164 884
181-365	275 274	(114 752)	160 522	299 673	(113 334)	186 339
365+	970 776	(971 872)	(1 096)	848 772	(846 297)	2 475
CID levies	**89 826**	**(18 947)**	**70 879**	**80 634**	**(11 230)**	**69 404**
Not past due date	39 522	(1 320)	38 202	37 840	(864)	36 976
Past due						
0-90	17 230	(576)	16 654	15 564	(356)	15 208
91-180	10 793	(360)	10 433	4 963	(113)	4 850
181-365	7 414	(248)	7 166	12 659	(289)	12 370
365+	14 867	(16 443)	(1 576)	9 608	(9 608)	-
Government subsidies	**178 052**	**-**	**178 052**	**167 267**	**-**	**167 267**
Not past due date	178 052	-	178 052	167 267	-	167 267
Traffic fines	**2 738 089**	**(2 500 320)**	**237 769**	**2 829 978**	**(2 581 592)**	**248 386**
Past due						
0-90	422 394	(374 545)	47 849	410 436	(358 772)	51 664
91-180	350 918	(311 165)	39 753	346 626	(302 995)	43 631
181-365	671 129	(595 102)	76 027	566 150	(494 886)	71 264
365+	1 293 648	(1 219 508)	74 140	1 506 766	(1 424 939)	81 827
	6 887 641	**(3 670 667)**	**3 216 974**	**6 256 468**	**(3 590 442)**	**2 666 026**
Contractual						
Other receivables	**20 852**	**-**	**20 852**	**19 544**	**-**	**19 544**
Not past due date	20 852	-	20 852	19 544	-	19 544
	20 852	**-**	**20 852**	**19 544**	**-**	**19 544**
TOTAL	**6 908 493**	**(3 670 667)**	**3 237 826**	**6 276 012**	**(3 590 442)**	**2 685 570**

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9. RECEIVABLES (continued)

ANALYSIS OF RECEIVABLES' AGE IN DAYS FROM EXCHANGE TRANSACTIONS

	As at 30 June 2023			As at 30 June 2022		
	Gross balance	Allowance for impairment	Net balance	Gross balance	Allowance for impairment	Net balance
Contractual						
Electricity	**2 402 009**	**(646 525)**	**1 755 484**	**2 364 239**	**(489 027)**	**1 875 212**
Not past due date	1 112 668	-	1 112 668	1 200 729	-	1 200 729
Past due						
0-90	429 112	(3 852)	425 260	369 506	(2 120)	367 386
91-180	81 406	(12 585)	68 821	274 683	(52 739)	221 944
181-365	235 920	(94 466)	141 454	126 901	(50 711)	76 190
365+	542 903	(535 622)	7 281	392 420	(383 457)	8 963
Water	**2 932 067**	**(1 936 411)**	**995 656**	**2 591 536**	**(1 667 531)**	**924 005**
Not past due date	386 963	-	386 963	359 656	-	359 656
Past due						
0-90	318 883	(27 331)	291 552	303 444	(22 675)	280 769
91-180	231 576	(83 428)	148 148	204 718	(74 611)	130 107
181-365	331 944	(180 187)	151 757	300 718	(160 039)	140 679
365+	1 662 701	(1 645 465)	17 236	1 423 000	(1 410 206)	12 794
Sewerage	**1 207 684**	**(728 916)**	**478 768**	**1 248 835**	**(630 334)**	**618 501**
Not past due date	77 054	-	77 054	298 780	-	298 780
Past due						
0-90	282 536	(9 738)	272 798	216 606	(8 502)	208 104
91-180	93 517	(29 822)	63 695	77 948	(26 493)	51 455
181-365	125 123	(64 469)	60 654	114 679	(59 848)	54 831
365+	629 454	(624 887)	4 567	540 822	(535 491)	5 331
Refuse	**812 827**	**(552 294)**	**260 533**	**719 612**	**(453 447)**	**266 165**
Not past due date	77 634	-	77 634	119 521	-	119 521
Past due						
0-90	106 099	(10 459)	95 640	79 308	(6 671)	72 637
91-180	63 004	(24 961)	38 043	49 004	(17 929)	31 075
181-365	98 628	(55 271)	43 357	81 628	(43 584)	38 044
365+	467 462	(461 603)	5 859	390 151	(385 263)	4 888
Housing rental stock	**961 868**	**(899 738)**	**62 130**	**890 961**	**(832 167)**	**58 794**
Not past due date	-	-	-	29 147	(22 020)	7 127
Past due						
0-90	135 769	(105 153)	30 616	70 392	(53 181)	17 211
91-180	44 132	(34 180)	9 952	39 551	(29 881)	9 670
181-365	95 619	(74 057)	21 562	101 375	(76 589)	24 786
365+	686 348	(686 348)	-	650 496	(650 496)	-
Housing selling stock	**220 951**	**(207 199)**	**13 752**	**217 540**	**(204 288)**	**13 252**
Not past due date	-	-	-	359	(157)	202
Past due						
0-90	8 928	(1 783)	7 145	11 193	(4 859)	6 334
91-180	1 812	(248)	1 564	3 819	(1 514)	2 305
181-365	5 808	(765)	5 043	7 285	(2 874)	4 411
365+	204 403	(204 403)	-	194 884	(194 884)	-

Rand thousands (R'000)

9. RECEIVABLES (continued)

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

	As at 30 June 2023			As at 30 June 2022		
	Gross balance	Allowance for impairment	Net balance	Gross balance	Allowance for impairment	Net balance
Contractual (continued)						
Other receivables	**693 008**	**(224 756)**	**468 252**	**567 168**	**(189 709)**	**377 459**
Not past due date	384 505	-	384 505	284 647	2 372	287 019
Past due						
0-90	32 929	(2 654)	30 275	50 791	(3 812)	46 979
91-180	3 482	(1 421)	2 061	19 019	(2 798)	16 221
181-365	61 137	(13 383)	47 754	32 306	(8 635)	23 671
365+	210 955	(207 298)	3 657	180 405	(176 836)	3 569
Payments made in advance	**128 518**	**-**	**128 518**	**89 670**	**-**	**89 670**
Not past due date	128 518	-	128 518	89 670	-	89 670
TOTAL	**9 358 932**	**(5 195 839)**	**4 163 093**	**8 689 561**	**(4 466 503)**	**4 223 058**
TOTAL RECEIVABLES	**16 267 425**	**(8 866 506)**	**7 400 919**	**14 965 573**	**(8 056 945)**	**6 908 628**

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. VALUE-ADDED TAX (VAT)

	2023	2022
VAT receivable	526 010	420 876
Total VAT payable	(479 571)	(414 925)
VAT payable	(482 289)	(463 353)
Impairment adjustment	2 718	48 428
TOTAL	**46 439**	**5 951**

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

11. CASH AND CASH EQUIVALENTS

	2023	2022
Amortised cost	7 015 649	7 139 629
Bank balance [1]	486 048	275 930
Year-end accruals	1 423	37
Cash on hand and in transit	4 999	25 489
Call and short-term deposits – see note 6	6 523 179	6 838 173
Fair value – see note 6	1 095 132	1 155 514
Call and short-term deposits	1 074 769	1 124 153
Bank accounts managed by fund managers [1]	20 363	31 361
TOTAL	**8 110 781**	**8 295 143**

[1] See annexure C for more details.

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12. BORROWINGS

	2023	2022
Marketable bonds	3 743 303	4 850 239
Concessionary loans	3 606 357	1 783 612
Other loans	-	13 334
Subtotal – see annexure A for more details	7 349 660	6 647 185
Transferred to current liabilities	(1 718 820)	(1 426 476)
TOTAL	**5 630 840**	**5 220 709**

A total of R2,80 billion (2022: R3,40 billion) has been ring-fenced for the repayment of long-term liabilities – see note 6.

	2023	2022
MARKETABLE BONDS	**3 743 303**	**4 850 239**
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 R3,65 billion are listed on the JSE. Each of the municipal bonds bears interest at fixed rates ranging between 10,17% and 11,615% 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 CCT02 and CCT03, and by way of semi-annual capital redemptions for CCT04 (green bond). The municipal bonds are repayable on 12 June 2024 (CCT02), 15 March 2025 (CCT03) and 17 July 2027 (CCT04). Guaranteed investment instruments have been established for the repayment of CCT02 and CCT03 by once-off lump sum payments with various financial institutions, namely Rand Merchant Bank (CCT02) and Liberty Group Limited (CCT03). Municipal bond CCT01 was repaid on 23 June 2023 using a guaranteed investment instrument from Nedbank Limited.	3 743 303	4 850 239
CONCESSIONARY LOANS	**3 606 357**	**1 783 612**
Agence Française de Développement (AFD) An unsecured loan, bearing interest at an average fixed rate of 5,76% per annum, as well as a new loan of R2,116 billion received on 6 June 2023, bearing interest at a fixed rate of 11,30% per annum, both repayable semi-annually in equal instalments of capital, with interest payable on the reducing balance. The first loan will be fully paid on 31 March 2028 with the second loan to be fully paid on 30 April 2038. Nominal value as at 30 June 2023 was R2,911 billion (2022: R954 million).	2 793 937	894 256
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 2023 was R902 million (2022: R987 million).	812 420	889 356
OTHER LOANS	**-**	**13 334**
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 were fully paid on 31 December 2022.	-	13 334
TOTAL – see annexure A for more details	**7 349 660**	**6 647 185**

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 the City's debt officer 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 or prescribed officers as defined by the JSE debt listing requirements.

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13. 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 R1,61 billion (2022: R1,51 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.

13.1 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 funding basis valuation at 30 June 2022 indicated a R144,16 million surplus, with an overall funding level of 104,5% 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 its last statutory valuation at 1 July 2021 revealed a deficit of R2,08 million and a funding level of 85,5%, having deteriorated since its previous statutory valuation at 1 July 2018, which indicated a deficit of R601,2 million and a funding level of 96%. That was prior to the approval of a scheme of arrangement (SOA) between the fund and all participating employers. The SOA requires all participating employers to contribute an additional 2% per annum over the next five to six years to restore the fund to financial soundness. Due to its further deterioration as a result of poor investment returns over the valuation period, the fund is required under section 18 of the Pension Funds Act to submit an updated SOA to the Financial Sector Conduct Authority (FSCA) to outline how the funding position will be addressed and restored.

13.2 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)

13.3 DEFINED-BENEFIT AND DEFINED-CONTRIBUTION SCHEME

Cape Municipal Pension Fund

The Cape Municipal Pension Fund operates as both a DC and DB 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. An interim actuarial valuation of the fund was performed at 30 June 2022.

	DB section	DC section	Total
In-service members	140	9 253	9 393
Pensioners	1 987	2 664	4 651
Membership as at 30 June 2022	**2 127**	**11 917**	**14 044**

		2022 R'million	2021 R'million
Past-service position:	DB section	3 479	3 524
	DC section	14 409	14 453
Total liabilities		**17 888**	**17 977**
Assets valued at market value		17 929	18 193
Actuarial surplus		37	210

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

Key financial assumptions		2023 %	2022 %
Actual employer contribution:	DB section	20,25	20,25
	DC section	18,00	18,00
Net discount rate:	Pre-retirement	2,62	2,30
	Post-retirement	3,62	3,30
Normal retirement age		65 years	65 years

Rand thousands (R'000)

14. PROVISIONS

	As at 30 June 2023			As at 30 June 2022		
	Non-current	Current	Total	Non-current	Current	Total
Environmental rehabilitation	432 891	120 897	553 788	360 549	120 897	481 446
Long-service benefits	673 681	129 334	803 015	680 665	151 391	832 056
Post-retirement healthcare benefits	5 497 251	331 845	5 829 096	6 375 396	307 476	6 682 872
Leave and other provisions	9 934	1 127 845	1 137 779	14 572	1 112 494	1 127 066
TOTAL	**6 613 757**	**1 709 921**	**8 323 678**	**7 431 182**	**1 692 258**	**9 123 440**

MOVEMENT FOR THE YEAR

	Environmental rehabilitation	Long-service benefits	Post-retirement healthcare benefits	Leave and other provisions	Total
Opening balance	**481 446**	**832 056**	**6 682 872**	**1 127 066**	**9 123 440**
Service costs	-	67 397	79 452	377	147 226
Interest costs	57 195	83 941	774 564	1 737	917 437
Payments/utilised	-	(89 757)	(290 231)	(187 026)	(567 014)
Additional provision raised	-	-	-	1 308 380	1 308 380
Reversed	-	-	-	(1 158 303)	(1 158 303)
Actuarial gains	-	(90 622)	(1 417 561)	(6 433)	(1 514 616)
Remeasurements	15 147	-	-	51 981	67 128
TOTAL	**553 788**	**803 015**	**5 829 096**	**1 137 779**	**8 323 678**

14.1 ENVIRONMENTAL REHABILITATION

In terms of the City's licensing stipulations for 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 2023.

Key cost parameters	2023	2022
Estimated dates of reaching full capacity	Between 2018 and 2044	Between 2018 and 2041
Estimated post-closure rehabilitation time	4 years	4 years
Post-closure monitoring period	30 years	30 years
Average estimated annual inflation rate	7,22%	5,5%
Discount rate at the average borrowing rate	12,48%	11,88%

14.2 LONG-SERVICE BENEFITS

An actuarial valuation 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 as supplied by the JSE were used to determine the discount rates and consumer price index (CPI) assumptions for the respective periods.

Key financial assumptions	2023	2022
Discount rate	Yield curve	Yield curve
Consumer price index	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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14. PROVISIONS (continued)

14.3 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 2023 constituted 4 867 (2022: 5 501) in-service members and 7 065 (2022: 6 976) 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 2023 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	**2023**	**2022**
Discount rate	Yield curve	Yield curve
Consumer price index	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		**5 829 096**	**721 056**	**56 427**
Healthcare inflation	1% decrease	5 282 622	650 507	48 435
	1% increase	6 465 464	803 327	66 080
Post-retirement mortality	20% decrease	6 330 432	784 688	61 517
	20% increase	5 424 446	669 641	52 217

14.4 OTHER PROVISIONS

Leave benefits

Annual leave accrues to employees monthly, subject to certain conditions. The provision of R1,06 billion (2022: R1,02 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.

15. DEPOSITS

	2023	**2022**
Services deposits	416 918	465 467
Rental and other deposits	22 815	22 411
TOTAL	**439 733**	**487 878**

Rand thousands (R'000)

	2023	2022
16. PAYABLES FROM EXCHANGE TRANSACTIONS		
Trade and other creditors	6 221 921	5 587 505
Payments received in advance	1 532 299	1 192 398
Funds administrated on behalf of third parties	28 894	28 201
TOTAL	**7 783 114**	**6 808 104**

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.

17. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

	2023	2022
Conditional grants from other spheres of government	368 146	758 068
National Government	122 012	501 701
Province	246 134	256 367
Other conditional receipts	458 606	19 916
Public contributions	458 606	19 916
TOTAL	**826 752**	**777 984**

Urban Settlements Development Grant (USDG)

The first USDG tranche, scheduled to be received on 14 July 2022 as per the approved payment schedule, was delayed with no reason provided. National Treasury instructed the National Department of Human Settlements on 5 August 2022 to transfer the funds by 13 August 2022. On 11 August 2022 the funds were received.

Informal Settlements Upgrading Partnership Grant (ISUPG)

The first ISUPG tranche, scheduled to be received on 19 July 2022 as per the approved payment schedule, was delayed with no reason provided. National Treasury instructed the National Department of Human Settlements on 5 August 2022 to transfer the funds by 18 August 2022. On 16 August 2022 the funds were received.

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

18. HOUSING DEVELOPMENT FUND

	2023	2022
Realised housing proceeds		
Balance at beginning of the year	311 741	412 608
Income	16 258	16 666
Interest	21 008	14 789
Expenditure	(39 724)	(132 322)
Balance at end of the year	309 283	311 741
Unrealised housing proceeds		
Balance at beginning of the year	1 079	8 595
Long-term loans realised	(5 880)	(7 516)
Transfer to impairment provision – selling schemes	2 793	-
Balance at end of the year	(2 008)	1 079
TOTAL	**307 275**	**312 820**

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

Rand thousands (R'000)

19. SERVICE CHARGES

	2023	2022
Exchange transactions	24 295 205	23 526 030
Electricity	16 289 642	16 193 383
Water	3 926 582	3 615 866
Sewerage	2 004 358	1 820 280
Refuse	1 151 523	1 090 065
ICASA ECNS licence fees	26 566	27 748
Other	896 534	778 688
Non-exchange transactions	50 856	35 778
Water	18 296	10 773
Sewerage	18 473	12 393
Refuse	14 087	12 612
TOTAL	**24 346 061**	**23 561 808**

20. FINANCE INCOME

	2023	2022
Exchange transactions	1 735 432	1 247 922
External investments	1 491 874	1 013 355
Outstanding debtors	288 014	270 668
Transferred interest to conditional grants	(44 456)	(36 101)
Non-exchange transactions		
Outstanding debtors	124 173	99 174
TOTAL	**1 859 605**	**1 347 096**

21. OTHER INCOME

	2023	2022
Exchange transactions	420 167	407 401
Development contributions	283 368	209 516
Other income	124 935	186 084
Gains on foreign-exchange transactions	517	33
Fair-value adjustments	11 347	11 768
Non-exchange transactions	409 696	293 385
City improvement districts (CIDs)	316 181	293 085
Arbor City awards	-	300
Fair-value adjustments	93 515	-
TOTAL	**829 863**	**700 786**

The City received services in-kind to an estimated value of R7,73 million (2022: R16,13 million) in the form of volunteers.

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22. PROPERTY RATES

	2023	2022
Actual		
Residential, commercial and other	12 725 479	11 720 222
Income forgone	(1 480 050)	(1 361 479)
TOTAL	**11 245 429**	**10 358 743**

Valuations per category	2023	2022
Agricultural	7 141 156	9 029 783
Business and commercial	264 730 908	274 256 982
Industrial	91 421 546	91 031 019
Mining	218 373	241 537
Multiple purpose	11 946 907	2 869 784
Organ of state (public service purposes)	33 377 692	35 475 085
Public benefit organisation	5 362 533	6 121 928
Public service infrastructure	8 319 917	15 527 609
Residential	1 197 723 748	1 187 745 657
Vacant land	34 536 515	34 650 174
Place of worship	12 202	138 005
Cemeteries and crematoria; animal shelters; local community museums; nature conservation land	615 446	525 116
Properties owned by not-for-profit organisations	2 889 976	1 109 198
TOTAL valuations at commencement of financial year	**1 658 296 919**	**1 658 721 877**

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.

It must be noted that the new General Valuation Roll will be effective from 1 July 2023, reflecting market valuations as at 1 July 2022.

23. GOVERNMENT GRANTS AND SUBSIDIES

	2023	2022
Unconditional grants	4 106 985	3 668 769
Conditional grants	4 168 533	3 794 511
National Government	2 960 597	2 666 793
Province	1 207 936	1 127 718
Total grants	8 275 518	7 463 280
Housing construction revenue	(284 904)	(282 031)
TOTAL	**7 990 614**	**7 181 249**
Analysis of government grants and subsidies		
Operating	6 171 454	5 806 828
Capital	2 104 064	1 656 452
TOTAL	**8 275 518**	**7 463 280**

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24. CONSTRUCTION CONTRACTS

HOUSING CONTRACTS

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

	2023		2022	
	Revenue	Expenses	Revenue	Expenses
Emergency Housing Programme	18 998	18 998	12 343	12 343
Enhanced People's Housing Process	118 672	118 672	161 742	161 742
Integrated Residential Development Programme	147 234	147 234	107 946	107 946
TOTAL	**284 904**	**284 904**	**282 031**	**282 031**

In progress

	Debtors outstanding	Advances received	Retentions
As at 30 June 2023			
Emergency Housing Programme	24 735	(754)	-
Enhanced People's Housing Process	-	(32 882)	(3 641)
Integrated Residential Development Programme	79 056	(10 262)	-
TOTAL	**103 791**	**(43 898)**	**(3 641)**
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 Residential Units Programme	-	(234)	-
TOTAL	**129 096**	**(85 500)**	**(5 788)**

	2023	2022
25. PUBLIC CONTRIBUTIONS		
Unconditional	123	1 344
Conditional	58 112	12 738
Contributed assets	835	48
Other	57 277	12 690
TOTAL	**58 235**	**14 082**
26. EMPLOYEE-RELATED COSTS		
Salaries, wages and allowances	15 794 600	14 697 620
Contributions and benefits paid: current provisions	(164)	(107 224)
Contributions: post-retirement and long-service benefits	(507 148)	688 276
Current service costs	147 226	146 697
Interest costs	860 242	745 576
Actuarial gains	(1 514 616)	(203 997)
	15 287 288	15 278 672
Expenditure recharged to capital projects	(26 409)	(24 783)
TOTAL	**15 260 879**	**15 253 889**

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	2023	2022
27. IMPAIRMENT		
Receivables	3 021 569	2 842 836
Property, plant and equipment	18 465	30 342
TOTAL	**3 040 034**	**2 873 178**

	2023	2022
28. FINANCE COSTS		
Borrowings	711 748	733 085
Unwinding of discount	57 196	38 541
TOTAL	**768 944**	**771 626**

	2023	2022
29. BULK PURCHASES		
Electricity	11 812 158	11 561 609
Water	286 138	277 900
TOTAL	**12 098 296**	**11 839 509**

	2023	2022
30. CONTRACTED SERVICES		
Transportation services	1 068 047	921 561
Refuse removal services	479 532	434 183
Sewerage services	685 639	601 839
Electrical services	286 357	234 758
Waste haulage services	251 491	253 273
Other services	412 273	441 746
TOTAL	**3 183 339**	**2 887 360**

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.

	2023	2022
31. GENERAL EXPENSES		
Auditor remuneration	19 991	19 144
CIDs levies	306 696	284 293
Consultants	848 452	634 978
Electricity – Eskom service areas	184 003	175 892
Fair-value adjustments	14 211	14 862
Indigent relief	139 094	130 038
Loss on foreign-exchange transactions	604	718
Inventory: scrapping	3 897	792
Telecommunications	272 483	218 852
Building contractors	2 387 049	2 076 916
Fuel	602 714	403 684
Minor tools and equipment	636 288	465 318
Security services	1 279 003	1 144 805
Servicing of vehicle and equipment	720 753	565 467
Other expenditure	2 660 552	2 334 428
	10 075 790	8 470 187
Contributions (from)/to provisions	(559)	1 590
	10 075 231	8 471 777
Expenditure recharged to capital projects	(3 501)	(2 919)
TOTAL	**10 071 730**	**8 468 858**

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32. CASH GENERATED FROM OPERATIONS

	2023	2022
Surplus for the year	3 703 440	2 903 185
Adjustment for:	4 134 443	5 414 561
Contributed assets	(7 714)	(44 450)
Contribution to provisions	(879 393)	226 125
Depreciation and amortisation	3 241 058	3 026 161
Fair-value adjustments	(90 651)	3 094
Gains and losses on disposal of assets	(82 127)	(94 923)
Impairment	3 040 034	2 873 178
Inventory scrapping	3 897	792
Unrealised foreign-exchange losses	-	54
Finance income	(1 859 605)	(1 347 096)
Cash transactions	(1 817 833)	(1 432 200)
Non-cash transactions	(41 772)	85 104
Finance costs	768 944	771 626
Cash transactions	673 596	702 468
Non-cash transactions	95 348	69 158
Operating surplus before working capital changes	**7 837 883**	**8 317 746**
(Increase)/decrease in inventories	(83 419)	10 816
Increase in receivables	(3 429 172)	(3 291 931)
Increase/(decrease) in unspent conditional grants and receipts	48 768	(338 846)
(Decrease)/increase in deposits	(48 145)	48 103
Increase in payables	724 111	587 790
Decrease in net VAT	(86 198)	(85 402)
CASH GENERATED FROM OPERATIONS	**4 963 828**	**5 248 276**

33. OPERATING LEASE COMMITMENTS

33.1 THE CITY AS LESSEE

Future minimum lease payments under non-cancellable operating leases

	2023	2022
Buildings	53 384	51 036
Payable within one year	34 318	33 525
Payable within two to five years	19 066	17 511
Radio masts	728	826
Payable within one year	567	406
Payable within two to five years	161	420
TOTAL	**54 112**	**51 862**

Minimum lease payments recognised as an expense during the period amounted to R48,17 million (2022: R42,09 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

	2023	2022
Buildings		
Receivable within one year	105 990	78 435
Receivable within two to five years	297 824	246 885
Receivable after five years	688 543	395 756
TOTAL	**1 092 357**	**721 076**

The City lets properties under operating leases. Property rental income earned during the year was R114,74 million (2022: R74,53 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 R14,51 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 R187,24 million (2022: R282,20 million).

34.2 OUTSTANDING INSURANCE CLAIMS

The estimated liability for insurance claims amounts to R287,86 million (2022: R353,40 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

	2023	2022

35.1 PRINCIPAL ARRANGEMENTS

Collection agents

Prepaid electricity

Cigicell, Ontec, Flash and Sandulela are service providers who serve as agents for the City in 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.

	2023	2022
Commission paid to the agents	61 622	73 775

Municipal accounts and fines

The City also has a service provider who serves as a third-party agent for the payment of the City'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.

	2023	2022
Commission paid to agent	59 926	59 880

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

Province's Department of Infrastructure *

The City appointed the Province's Department of Infrastructure 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 installing infrastructure, and receives no further compensation in terms of the agreement.

*Include Human Settlements.

35.2 AGENT ARRANGEMENT

Motor vehicle registration services

Agent for the Province's Mobility Department *

The City acts as an agent for the Province's Mobility Department, providing motor vehicle registration services on its behalf.

Reconciliation of amounts payable to the department

	2023	2022
Balance owing at the beginning of year	-	-
Revenue received on behalf of principal (includes commission)	1 400 908	1 358 804
Revenue recognised by City as agency fee (includes VAT)	(301 716)	(285 404)
Revenue paid over to the principal	(1 099 192)	(1 073 400)
Balance owing at the end of year	-	-

*Previously known as Department of Transport and Public Works.

Rand thousands (R'000)

35. PRINCIPAL-AGENT ARRANGEMENTS (continued)

35.2 AGENT ARRANGEMENT (continued)

	2023	2022
Licensing services		
Agent for the Province's Mobility Department *		
The City acts as an agent for the Province's Mobility Department, providing licensing services on its behalf.		
Reconciliation of amounts payable to the department		
Balance owing at the beginning of year	-	-
Revenue received on behalf of principal (includes commission)	37 741	36 777
Revenue recognised by City as agency fee (includes VAT)	(16 472)	(16 023)
Revenue paid over to the principal	(21 269)	(20 754)
Balance owing at the end of year	**-**	**-**

*Previously known as Department of Transport and Public Works.

	2023	2022
Collection agents		
Agent for the Road Traffic Infringement Agency		
The City acts as an agent for the Road Traffic Infringement Agency, collecting traffic fines issued by other municipalities in terms of the Administrative Adjudication of Road Traffic Offences (AARTO) Act 46 of 1998. The City earns commission on all payments collected.		
Reconciliation of amounts payable to the department		
Balance owing at the beginning of year	272	-
Revenue received on behalf of principal (includes commission)	1 944	1 404
Revenue recognised by City as agency fee (includes VAT)	(66)	(34)
Revenue paid over to the principal	(2 150)	(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 on traffic fine offenders who fail to appear in court. The City does not derive any revenue from this function.		
Reconciliation of amounts payable to the department		
Balance owing at the beginning of year	-	-
Revenue received on behalf of principal	26 372	21 131
Revenue paid over to the principal	(26 372)	(21 131)
Balance owing at the end of year	**-**	**-**

Rand thousands (R'000)

36. CHANGE IN ESTIMATE

Annual review of assets' useful lives and residual values

The City's annual review of the useful lives of assets resulted in an increase of R9,47 million (2022: R0) in the depreciation charge to the statement of financial performance. The annual update of the residual values of assets, in turn, resulted in a decrease of R19,51 million (2022: 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.

37. BUDGET INFORMATION

PRESENTATION OF STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

The presentation format adopted for the statement of comparison of budget and actual amounts is based on the Municipal Budget Reporting and Regulation (MBRR) Table B1, Adjustments budget summary, as well as table B5, Adjustments budget capital expenditure by vote, as 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 has not been formally reapproved 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 STATEMENTS CLASSIFICATION

The actual amounts presented in the column "Actual per annual financial statements classification" correlate with the actual amounts presented in the statement of financial position, the statement of financial performance and the cash flow statement. They have been aggregated, disaggregated or grouped to correspond to the budget line-item descriptions.

The reconciliation in the table below illustrates that the budget and the financial statements amounts correspond for total revenues. The total expenses and net cash flows from operating activities, investing activities and financing activities all directly correlate with the line items in the financial statements.

	2023
Total revenue (excluding capital transfers and contributions)	**49 928 804**
Transfers recognised - capital	2 104 064
Contributions recognised - capital and contributed assets	58 235
Total Revenue per Statement of Financial Performance	**52 091 103**

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 with the standards of GRAP, hence the disparity in classification between the budget and the GRAP-standards annual financial statements.

The reconciliations below illustrate 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

	2023
Financial Performance	
Total revenue (excluding capital transfers and contributions)	**49 928 804**
Inventory consumed: mSCOA classification	4 139 885
Public contributions: operating (conditional)	50 355
Public contributions (unconditional)	124
Budget	**54 119 168**
Total expenditure	**48 387 663**
Inventory consumed: mSCOA classification	4 139 885
Budget	**52 527 548**

Rand thousands (R'000)

37. BUDGET INFORMATION (continued)

37.4 BUDGETED DIFFERENCES (continued)

37.4.1 Classification differences (continued)

	2023
Financial Performance (continued)	
Surplus before capital transfers and contributions	**1 541 141**
Public contributions: operating (conditional)	50 355
Public contributions (unconditional)	124
Budget	**1 591 620**
Transfers recognised - capital	**2 104 064**
Public contributions: capital (conditional)	6 921
Public contributions: contributed assets	835
Budget	**2 111 820**
Contributions recognised - capital and contributed assets	**58 235**
Public contributions: capital (conditional)	(6 921)
Public contributions: contributed assets	(835)
Public contributions: operating (conditional)	(50 355)
Public contributions (unconditional)	(124)
Budget	**-**
Cash flow statement	
Net cash from operating	**6 108 065**
Increase in deposits	48 145
Budget	**6 156 210**
Net cash from investing	**757 838**
Decrease in deposits	(48 145)
Budget	**709 693**

37.4.2 Recognition differences

	2023
Capital expenditure per financial statements	**6 959 056**
Landfill site provision change in estimate	(22 435)
Contributed assets	(7 714)
Budget	**6 928 907**

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37. BUDGET INFORMATION (continued)

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 due to higher-than-anticipated investments and cash at year end as well as a significant increase in receivables due to non payment.

Liabilities

ii) Total non-current liabilities
The variance is attributable to a significant decrease in post retirement medical aid provision.

37.5.2 Statement of financial performance

Revenue

i) Investment revenue
The variance is due to higher interest rates on short-term and call accounts during the course of the 2022/23 financial year, resulting higher-than-estimated interest revenue returns.

ii) Other own revenue
The variance is largely due to traffic fine accruals, and is as the direct result of a higher-than-estimated number of fines issued during the year for different contraventions.

Expenditure

iii) Employee costs
The variance is largely due to a credit adjustment required on the provision for post-retirement medical aid based on the latest actuarial valuation of the provision. 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.

In addition, the value of vacant staff positions during the financial year contributed to the variance reflected under this expenditure category. The filling of vacant staff positions is a continuous process during the financial year.

iv) Debt impairment
The variance is due to lower-than-budgeted provision for debt impairment realised on human settlements (15%), water and sanitation (6%), urban waste management (12%) and property rates debtors (52%). In addition, the higher-than-budgeted provision realised on electricity debtors (169%) and traffic fines (63%) contributed to the final variance, as indicated. 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 of their ability to make payments.

v) Transfers and grants
The variance is largely due to delays/late start with the implementation of People's Housing Process (PHP) projects, as beneficiary-related issues and court orders halted some projects. Payments funded from the Philippi Agri-Hub Grant were also lower-than-planned as a result of an unresolved dispute between the City and National Treasury. In addition, a delay experienced in the finalisation of Anchor Tenant Agreement (ATA) for the Cape Town Stadium prevented full utilisation of funds provided for the year.

37. BUDGET INFORMATION (continued)

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

Capital expenditure

i) Community Services and Health
The variance is largely attributable to the late appointment of consultants and contractors, unspent contingencies, longer-than-anticipated community engagement, inclement weather affecting project progress and items not delivered on time due to supplier constraints.

ii) Economic Growth
The variance is due to unspent contingencies as well as the Informal Trading Permitting System (ITPS) Enhancement project that faced some delays because an IT resource initially assigned to it, later withdrew for reasons beyond the control of the City. Although the required resource was eventually secured towards the end of the 2022/23 financial year, the complexity of the project made it impractical to complete within that timeframe.

iii) Energy
The variance is largely attributable to poor contractor performance, the late award of tender, supplier constraints, inclement weather affecting project progress and the unutilised contingency provision for construction projects.

iv) Finance
The variance is due to the supplier not being able to complete all planned work on the Aerial Photography project before 30 June 2023 as result of inclement weather.

v) Future Planning and Resilience
The variance is mainly attributed to unspent contingency provisions, supplier constraints and as well as cost savings realised on completed projects.

vi) Human Settlements
The variance is largely attributed to the unilateral allocation of R111 million Informal Settlements Upgrade Partnership Grant (ISUPG) funding to the City of Cape Town (City), which left the City insufficient time to plan and implement new projects linked to this additional allocation by 30 June 2023; unutilised contingency provisions for construction projects; as well as items not delivered on time because of supplier constraints and stock unavailability.

vii) Office of the City Manager
The variance is attributed to work that could not be completed due to supplier constraints, delays experienced in in sub-division and rezoning applications, as well as cost savings realised on completed projects.

viii) Spatial Planning and Environment
The variance is predominantly due poor contract performance affecting Coastal Upgrade Programs, extortion on some of the fencing projects as well as a land acquisition, where the transfer of ownership to the City is still pending.

ix) Urban Mobility
The variance in the implementation of projects is the result of the late appointment of contractors and professional service providers, long lead-time with delivery of equipment, gangster intimidation, extortion, community threats, and property acquisitions still being finalised.

x) Urban Waste Management
The variance is largely attributable to unutilised contingency provisions for construction projects, as well as the damage to a refuse truck during transit, which can only be replaced in the new financial year.

xi) Water and Sanitation
The variance is predominantly due to unspent contingencies, delays experienced due to the requirement for additional community engagements, obtaining of water use licenses, inclement weather during May and June 2023, instances where the main contractor declined work packages as well as items not delivered on time because of supplier constraints and stock unavailability.

Rand thousands (R'000)

38. RELATED-PARTY DISCLOSURES

38.1 MUNICIPAL ENTITIES AND OTHER ENTITIES

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

	2023	2022
CTICC		
The CTICC was established for Cape Town to become host to national and international conferences, with the objective of creating jobs, drive the local economy and promoting Cape Town as a tourism city.		
Percentage owned	72,70%	72,70%
Arm's-length transactions for the year		
Receivables	3 217	2 308
Payables	672	-
Deposits	1 234	1 234
Service charges	28 609	16 933
Contracted services	-	1 191
Rental of letting stock and facilities	2 571	2 510

The City 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.

	2023	2022
Cape Town Stadium (RF) SOC Ltd		
The Cape Town Stadium (CTS) municipal entity was established to manage and operate CTS on behalf of the City. The vision of the stadium is to achieve worldwide recognition as a facility for the hosting of major sports events, and to become the premium venue of choice.		
Percentage owned	100%	100%
Arm's-length transactions for the year		
Receivables	11 895	15 414
Payables	4 641	7 805
Service charges	10 291	9 354
Other income	24 254	23 160
Grants and subsidies paid	33 196	41 915

The City is the sole shareholder in the CTS, which started operating as a municipal entity on 1 February 2018. The City is the holder of 100 ordinary shares issued with no-par-value.

The City is leasing to the CTS erf 2188, Green Point, being the CTS 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.

	2023	2022
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. The principal activity of the CMTF is to fund the planning and provision of adequate urban transport facilities and all incidental matters.		
Administrator		
Arm's-length transactions for the year		
Funds held on behalf of CMTF	27 865	27 153
Transfers	5 590	6 210
Interest paid	1 817	1 033
Revenue collected	4 556	5 493

Rand thousands (R'000)

38. RELATED-PARTY DISCLOSURES (continued)

38.1 MUNICIPAL ENTITIES AND OTHER ENTITIES (continued)

	2023	2022

Atlantis Special Economic Zone Company (SOC) Ltd

The Atlantis SEZ Company (SOC) Ltd (Atlantis SEZ) is a state-owned entity listed as a schedule 3D entity in terms of section 47(2) of the Public Finance Management Act (PFMA). Its purpose is to develop a green technology special economic zone (SEZ) in close collaboration with the national Department of Trade, Industry and Competition (DTIC), Wesgro, the City and Province's Department of Economic Development and Tourism.

On 31 March 2022, the City acquired 45,4% of the Atlantic SEZ'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 Drive, Atlantis Industrial, 221 500 m² in extent (purchase price: R13,28 million).
- Portion of Cape farm 1183-4-1 bounded by Gideon Basson Road and Neil Hare Road, Atlantis Industrial, 386 500 m² in extent (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, 386 500 m² in extent (purchase price: R20,03 million).

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

	2023	2022
Percentage owned	45,4%	45,4%

Rand thousands (R'000)

38. RELATED-PARTY DISCLOSURES (continued)

38.2 EXECUTIVE MANAGEMENT

38.2.1 Related-party transactions with close family members of executive management

No members of City 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 close family members of key management staff members.

38.2.1.1 Councillors

As at 30 June 2023

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 memorandum of agreement (MOA)			**4 782**
Amount owing			-

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

38.2.1.2 Executive director

As at 30 June 2023

Name	Nature of relation	Key management	
EMPIRE	Sister-in-law	V Botto	
Arm's-length transactions for the year			
Rendering of service			**559**
Amount owing			**17**

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

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38.2 EXECUTIVE MANAGEMENT (continued)

38.2.2 Remuneration of executive management

38.2.2.1 Remuneration of councillors

SUMMARY OF REMUNERATION BENEFITS

	Annual salary	Car allowance	Social Contri-bution	Sub-total	Retro-spective salary increase[1]	Total
2023						
Mayco members	12 771	19	400	**13 190**	-	**13 190**
Councillors	144 908	218	2 839	**147 965**	5 740	**153 705**
TOTAL	**157 679**	**237**	**3 239**	**161 155**	5 740	**166 895**

[1] Government Gazette 49142 dated 18 August 2023 proclaimed a salary increase ,that takes effect on 1 July 2022, of 3,8% for councillors. An amount of R5,74 million was provided for and included in note 16.

	Annual salary	Car allowance	Social contri-bution	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**

Councillors are remunerated according to the Remuneration of Public Office Bearers Act 20 of 1998. As councillors have only collective executive powers for planning, directing and controlling the activities of the City, their remuneration is not disclosed individually, but in aggregate.

There are 231 councillor positions, whose aggregate remuneration amounted to R157,68 million for the period in review. The average remuneration per councillor is R0,698 million (2022: R0,682 million) per annum.

The Mayco members have such individual executive powers as granted by their delegation. Therefore, their remuneration is disclosed individually in the table below.

A full list of councillors is disclosed on pages 12 and 13 under "General information".

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38. RELATED-PARTY DISCLOSURES (continued)

38.2.2 Remuneration of executive management (continued)

38.2.2.1 Remuneration of councillors (continued)

MAYORAL COMMITTEE MEMBERS' REMUNERATION

ANALYSIS OF REMUNERATION BENEFITS

	Annual salary	Car allowance	Social contribution	Total
2023				
Executive Mayor; Future Planning and Resilience				
Ald G Hill-Lewis	1 487	-	-	**1 487**
Deputy Mayor; Spatial Planning and Environment				
Cllr E Andrews	1 209	-	-	**1 209**
Economic Growth				
Ald J Vos	1 141	-	-	**1 141**
Finance				
Cllr S Mbandezi	1 018	-	123	**1 141**
Corporate Services				
Ald T Uys	1 141	-	-	**1 141**
Community Services and Health				
Cllr P van der Ross	1 141	-	-	**1 141**
Energy				
Cllr B van Reenen	1 141	-	-	**1 141**
Human Settlements				
Cllr M Booi	753	-	54	**807**
Safety and Security				
Ald JP Smith	1 023	19	99	**1 141**
Urban Mobility				
Cllr R Quintas	1 141	-	-	**1 141**
Urban Waste Management				
Ald G Twigg	1 018	-	124	**1 142**
Water and Sanitation				
Cllr ZA Badroodien	558	-	-	**558**
TOTAL	**12 771**	**19**	**400**	**13 190**

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Rand thousands (R'000)

38. RELATED-PARTY DISCLOSURES (continued)

38.2.2 Remuneration of executive management (continued)

38.2.2.1 Remuneration of councillors (continued)

MAYORAL COMMITTEE MEMBERS' REMUNERATION (continued)

ANALYSIS OF REMUNERATION BENEFITS (continued)

	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 Nieuwoudt	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)

38.2.2 Remuneration of executive management (continued)

38.2.2.2 Remuneration of executive directors

ANALYSIS OF REMUNERATION BENEFITS

	Bonus	Annual salary	Relocation and car allowance	Social contri-bution	Travel and subsidiaries	Total
2023						
City Manager						
L Mbandazayo	229	3 861	-	419	18	**4 527**
Community Services and Health						
Z Mandlana [1/2]	-	2 465	-	199	-	**2 664**
Corporate Services						
E Sass	192	3 121	-	429	-	**3 742**
Energy						
KM Nassiep	-	3 172	222	2	56	**3 452**
Economic Growth						
R Gelderbloem	-	2 625	-	210	26	**2 861**
Finance						
K Jacoby	320	2 988	173	295	-	**3 776**
Future Planning and Resilience						
G Morgan	-	2 840	-	217	3	**3 060**
Human Settlements						
NZ Gqiba	-	3 074	-	2	8	**3 084**
Safety and Security Services						
V Botto	-	2 706	-	370	17	**3 093**
Spatial Planning and Environment						
R McGaffin [1]	-	2 185	-	2	-	**2 187**
E Naude [2]	-	342	33	49	-	**424**
Urban Mobility						
D Campbell	-	2 648	-	252	25	**2 925**
Urban Waste Management						
L Mdunyelwa [1/3]	-	1 820	91	309	-	**2 220**
R Keraan [2]	-	297	44	3	-	**344**
Water and Waste						
M Webster	-	2 489	88	337	14	**2 928**
TOTAL	**741**	**36 633**	**651**	**3 095**	**167**	**41 287**

[1] Appointed on 01/09/2022
[2] Acted as Executive Director during the year
[3] Acted as Executive Director without compensation during the year

Rand thousands (R'000)

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
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

39. EVENTS AFTER REPORTING DATE

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

Rand thousands (R'000)

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

2023

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

- Y Adams
- AS Addinall
- NM Botya
- MJ Petersen

As at 30 June 2023, no councillors were in arrears for 90 days or more for rates or services.

2022

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

During the **financial year**, the following councillors, who had been elected after the 2021 municipal elections, were in arrears, but have since paid their accounts:

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

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

40.1.2 Section 125

40.1.2.1 Irregular expenditure	2023	2022
Opening balance	232 636	587 266
Prior year: adjustment[1]	(8 225)	-
	224 411	587 266
Expenditure incidents identified in the current year, relating to	11 989	33 274
Current year	2 421	26 855
Prior year	9 568	6 419
	236 400	**620 540**
Resolved by Council	(184 767)	(387 904)
Closing balance	**51 633**	**232 636**

Incidents	2023	2022
Legal services procurement not in terms of SCM regulations	271	746
Expenditure incurred after contract expiry	4 720	8 279
Non-compliance with SCM regulations and sections 33 and 116(3) of the MFMA	6 998	24 249
TOTAL	**11 989**	**33 274**

The irregular expenditure is disclosed inclusive of VAT.

[1] A forensic matter that was incorrectly classified as irregular expenditure in 2021.

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

TN 15 December 2023

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)

40.1.2.2 Fruitless and wasteful expenditure

	2023	2022
Opening balance	12 712	11 822
Prior year: adjustment	(22)	-
	12 690	11 822
Expenditure incidents identified in the current year, relating to	593	4 340
Current year	123	622
Prior year	470	3 718
	13 283	**16 162**
Resolved by Council	(970)	(3 450)
Closing balance	**12 313**	**12 712**

Incidents	2023	2022
Other	31	4 340
Interest	31	-
Duplicate/overpayments	531	-
TOTAL	**593**	**4 340**

The fruitless and wasteful expenditure is disclosed inclusive of VAT.

40.1.2.3 Material losses

	2023	2022
Water losses	**103 724**	**146 786**

In the current year, the material losses were 6,54% (2022: 6,47%). These are predominantly due to unauthorised usage and metering inaccuracies.

	2023	2022
Electricity losses	**585 601**	**535 318**

In the current year, the energy losses were 11,46% (2022: 11,14%). These losses are the result of system operation, theft and vandalism. The production losses amounted to R767,79 million (2022: R749,51 million).

Comparative amended: Amount and percentage had to be updated, due to double counting of the Free Basic electricity portion of vending sales in the monthly sales reports.

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)

40.1.2.4 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 2023					
Opening balance		**(16 370)**	**215**	**193 981**	**358 100**
Subscriptions/fees		16 370	22 791	2 602 295	4 522 268
Amount paid:	current year	-	(22 791)	(2 391 321)	(4 136 775)
	in advance	(17 663)	-	-	-
	previous years	-	(215)	(193 981)	(358 100)
Balance unpaid (included in payables)		**(17 663)**	**-**	**210 974**	**385 493**
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**

40.2 SUPPLY CHAIN MANAGEMENT REGULATIONS

40.2.1 Deviations and minor breaches

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 (SCM director) and noted by Council.

	2023	2022
Deviations: Municipal SCM regulation 36(1)(a) [1]	**139 424**	**310 659**
Emergency	1 922	3 525
Single provider	51 067	77 584
Exceptional case (impractical or impossible)	86 435	229 550
Minor breaches: Municipal SCM regulation 36(1)(b) [2]	**381 044**	**-**
Minor breaches by a committee acting in terms of its delegated powers or duties, which is purely of a technical nature.	381 044	-
TOTAL deviations/minor breaches approved by the accounting officer or his delegated authority, noted by Council	**520 468**	**310 659**

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 delegated authority in terms of the stipulated criteria for emergency procurement, availability from only one provider, exceptional circumstances where it is impracticable or impossible to follow the official procedure, or correction of minor technical breaches.

All minor breaches are considered by the delegated authority and processed in terms of the SCM regulations and the SCM policy. Minor breaches are not an indication of tender irregularities or fraud. Minor breaches are purely of technical nature and does not impact the outcome or fairness of the award.

The annual financial statements discloses rates-based deviations/minor breaches at zero value as the value of the award is not quantifiable on the date the award approved by the delegated authority.

[1] Comparative amount has been amended from R567,05 million due to rate-based deviations being disclosed at a zero value.

[2] Comparative amount has been amended from R56,7 million due to rate-based minor breaches being disclosed at a zero value.

AUDITOR-GENERAL SOUTH AFRICA

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TN 15 December 2023

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.

TO FAMILY OF EMPLOYEES IN SERVICE OF THE CITY AND OTHER STATE ENTITIES

Connected person	Position held in state	2023
AAE CATERING		**821**
Y Ebrahim	City regional operations manager	
AFRIVEST BUSINESS SOLUTIONS		**1 794**
R Davids	City councillor	
AFRIWORLD BUSINESS SOLUTIONS (PTY) LTD		**12 480**
R Davids	City councillor	
AGL BUILDING REPAIRS AND MAINTENANCE SUP		**146**
G Elloker	City administrative officer	
ANLO PRINT & MAIL CC		**441**
N Taylor	City administrative officer	
BARENDS F		**30**
T Barends	City SAP developer	
BOB C IMPORT/EXPORT AGENCIES CC		**1 057**
C Padiachy	City clerk	
BOWMAN GILFILLAN INC (LEGAL AND LAND)		**4 459**
T Sass	City head compliance and probity	
A Visser	City maintenance manager (waste water)	
	<u>Other state entities</u>	
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	The council for Scientific and Industrial Research (CSIR): project and process manager (human resources)	
C Dyer	National Department of Education: deputy director communications	
N Lumeza	Department of Basic Education: educator	
B Malope-Kgokong	National Health Laboratory Service: national manager	
G Mellem	Western Cape Education Department: teacher	
T Mtshali	KZN Department of Education: deputy principal	
LWS Ngubane	Department of Basic Education: educator	
M Nyali	Eastern Cape Department of Education: teacher	
J Odendal	ARMSCOR SOC Ltd: senior management (technical)	
C Rodrigues	South African Police Services: forensic analyst	
B Sepuba	Gauteng Department of Finance: specialist recruitment	
E Steyn	Western Cape High court: judge	
E Tipru	City Power SAP Engineering Services: senior application analyst	
M van Aardt	Baragwaneth Hospital Complex: doctor	
J van de Heuvel	Department of Justice: magistrate	
S Zondo	City of Johannesburg: operations manager	
CHARLMLU BUILDERS		**86**
C Absolom	City administrative clerk	
COMPUTER SPECIALISTS (PTY) LTD		**605**
N Orrie	City senior superintendent (waste water)	
CPR TRUCK REPAIRS		**293**
B Manuel	City administrative officer	
DESIGNTEC PRINTING CC		**908**
M Mshweshwe	City manager access to information	
EAS INFRASTRUCTURE ENGINEERS		**11 758**
J Brown	City human settlements coordinator	

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)

TO FAMILY OF EMPLOYEES IN SERVICE OF THE CITY AND OTHER STATE ENTITIES (continued)

Connected person	Position held in state	2023
FAYDIES CORPORATE GIFTS		**4 458**
MF Votersen	City finance manager	
GIBB		**38 519**
A Moon	City head business continuity	
	Other state entities	
D Allderman	Eastern Cape Department of Education: teacher	
I Brink	Free State Department of Education: teacher	
C Clark	Eskom: instrument technician	
L Cloete	Department of Higher Education and Training: lecturer	
J Gooch	Department of Transport and Public Works: head of department	
C Hering	Department of Transport and Public Works: electrical engineer	
S Jafta	Eastern Cape Department of Transport: assistant manager	
N Mkhize	National Department Affairs and Forestry: accounting clerk	
D O'Reilly	South African Police Service: warrant officer	
A Petersen	Department of Education: subject specialist	
S Singh	Department of Education: human resource officer	
HAYES INCORPORATED		**1 567**
F Akherwaray	City support assistant	
HEROLD GIE ATTORNEYS		**6 507**
K Meyer	City senior clerk	
INNOVATIVE TRANSPORT SOLUTION		**27 331**
M van der Merwe	City clinical medical officer	
ISIDIMA CIVILS (PTY) LTD		**1 084**
S Manuel	City administrative officer	
ISUZU TRUCK CENTRE		**261 171**
E Jacobs	City senior clerk	
ITHALOMSO (PTY) LTD		**109 584**
S Fumba	City GIS administrator	
KALEIDOSCOPE EDUCATIONAL SERVICES		**1 018**
A Adams	City senior professional officer spatial planning and development	
A Adams	City senior professional officer public transport operations	
KEMANZI (PTY) LTD		**6 079**
J du Toit	City traffic inspector	
LILIAN4ZONKE		**286**
F Monk	City subcouncil manager	
N Monk	City EPWP clerk	
	Other state entities	
N Jantjies	Western Cape Education Department: teacher	
LYNERS		**2 012**
A Potgieter	City professional officer urban mobility	
MARKET TOYOTA CULEMBORG		**42**
E Jacobs	City senior clerk	
NCC ENVIRONMENTAL SERVICES (PTY) LTD		**31 634**
C Rhoda	City manager invasive species programme	
PEGASYS		**69 195**
P Grey	City professional officer	
	Other state entities	
D Quin	National Prosecuting Authority: senior crime analyst	
E Warambwa	Municipal Infrastructure Support Agent: professional engineer	
B Weston	Department of Water and Sanitation: scientific 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)

TO FAMILY OF EMPLOYEES IN SERVICE OF THE CITY AND OTHER STATE ENTITIES (continued)

Connected person	Position held in state	2023
REEDS BELLVILLE		**381**
E Jacobs	City senior clerk	
REEDS CLAREMONT		**338**
E Jacobs	City senior clerk	
REEDS N1 CITY		**427**
E Jacobs	City senior Clerk	
RNR AMBITION		**13**
C de Vos	City recreation and parks worker (Koggel Bay resort)	
RR MARINE ENGINEERING		**3**
S Frydie	City technical assistant	
SAN BUILDING MAINTENANCE CC		**11 211**
B Ascott	City financial coordinator	
SANCCOB		**456**
P Cilliers	City SAP ERP analyst	
	Other state entities	
L Roberts	Department of Agriculture: state veterinary	
SMART CIVIL CONSTRUCTION		**9 878**
N Molefe	City head debt management services	
SR CIVIL CONTRACTORS (PTY) LTD		**3 151**
E de Wet	City senior fleet officer	
SUNSHINE HELLO DESIGN		**15**
MS Maroof	City professional officer customer relations	
TEMPUS DYNAMICS		**1 632**
M Mvalo	City professional officer expenditure	
TRAFFIC MANAGEMENT TECHNOLOGIES		**116 403**
G Aspeling	City principal mechanical engineer	
WEBBER WENTZEL		**18 542**
N Dias	City senior legal advisor	
P Coetzee	Tshwane Metro Police Department: commander colonel	
	Other state entities	
J Abraham	Lorraine Primary School: secretary	
J Botha	Western Cape Education Department: teacher	
B Mahlangu	School principal	
P Masedi	City of Johannesburg: performance manager	
K Nonyane	Petro SA: senior planning technician	
H Prinsloo	Development Bank of South Africa: principal risk analyst	
S Qolohle	National Treasury: director	
A Smit	South African Airways: senior cabin crew member	
JCL Smit	Beaufort West Municipality: director	
A Truter	West Coast Education District: chief education specialist	
C Truter	Newton Primary School: principal	
P van den Brink	Wesgro: project manager	
B Watson	Public Investment Corporation: director	
YIZA APHA TRADING		**443**
A Kelland	City senior clerk	
Subtotal		**758 258**

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)

TO FAMILY OF EMPLOYEES IN SERVICE OF THE OTHER STATE ENTITIES

Connected person	Position held in state	2023
ASEP ELECTRICAL		**8 340**
Z September	Western Cape Education Department: teacher	
SATHLONE AUTO TRANSMISSION		**2 017**
N Joseph	Western Cape Department of Economic Development: chief director	
BERGSTAN SOUTH AFRICA CONSULTING &D		**2 087**
JR Beukes	Department of Social Development	
BOKAMOSO ENTERPRISE SOLUTIONS		**226**
M Thobejane	Department of Land Affairs and Rural Development	
BRAINPLAY		**165**
GJ Pieterse	Western Cape Education Department: teacher	
BSP CONSULTING ENGINEERS (PTY) LTD		**4 605**
A Plaatjies	Western Cape Education Department: teacher	
C & A FRIEDLANDER INC		**5 556**
AW Bell	Higher Education and Training	
C & M CONSULTING ENGINEERS		**3 101**
CB Ngele	SA Weather Services: technician	
CLUVER MARKOTTER INC		**4 879**
F Geyser	National Constitutional Development	
J Hess	Western Cape Education Department	
A Pecoraro	Western Cape Department of Health	
CNP PROJECTS (PTY) LTD		**106**
C Pillay	South African National Defence Force: chaplain	
COEUR INVESTMENTS		**20**
P Bell	Western Cape Department of Cultural Affairs and Sports: sports facilitator	
CONLOG		**6 820**
N Moodley	Department of Health: director	
COURTESY MANAGEMENT (PTY) LTD		**605**
F Khosa	Limpopo Cooperative Governance and Traditional Affairs: assistant director (risk)	
CSM CONSULTING SERVICES (PTY) LTD		**632**
A Vancoillie	Western Cape Department of Environmental Affairs and Development Planning: chief town and regional planner	
CSV CONSTRUCTION		**500 321**
M Davids	Provincial Government Province: training post	
C Snell	Lentegeur Hospital: intern	
V van der Heever	Western Cape Education Department: teacher	
DS GXILISHE		**66**
B Gxilishe	Department of Agriculture and Fisheries	
S Gxilishe	Western Cape Education Department	
ELEMENT CONSULTING ENGINEERS		**6 984**
R Rossouw	Western Cape Education Department: teacher	
EPI USE AFRICA (PTY) LTD		**17 217**
J Alberts	Gauteng Education Department: deputy principal	
E Janse van Rensburg	Road Accident Fund: senior manager office of chief operating officer	
EMPA STRUCTURES (PTY) LTD		**20 400**
G Petersen	Western Cape Education Department	
EMPIRE		**559**
B Botto	Worcester Hospital: medical intern	

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)

TO FAMILY OF EMPLOYEES IN SERVICE OF THE OTHER STATE ENTITIES (continued)

Connected person	Position held in state	2023
ERNST AND YOUNG ADVISORY SERVICES		**82 630**
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		**96**
N Stimela	South African Police Service: warrant officer	
FG JACOBS TRANSPORT CC		**5 800**
H Poole	Western Cape Education Department: teacher	
FIKELELA LABOUR SERVICES		**4 098**
D Joseph	Member of Parliament	
G NKOMO INCORPORATED		**107**
M Nkomo	Department of Justice: state prosecutor	
GREENRO SOLUTIONS (PTY) LTD		**15 190**
N Thabeng	South African Police Service: forensic analyst	
HOWDEN PROJECTS		**5 405**
Z Chingwara	Department of Health: deputy director	
IAN DICKIE & CO (PTY) LTD		**1 652**
D Samuals	South Africa Police Services: warrant officer	
IKAMVA YOUTH ENTREPRENEURSHIP DEVELOPMENT		**235**
T Mouton	Cape Winelands Municipality: health inspector	
IKAPA RETICULATION CC		**51 880**
C Davids	Western Cape Education Department: teacher	
S Davids	Western Cape Education Department: teacher	
IMMEX WASTE		**21 191**
A Dorfling	Eastern Cape Department of Education: education therapist	
INDECON INSTRUMENTATION		**272**
L Baranard	Western Cape Education Department: teacher	
IX ENGINEERS		**1 443**
RJ Mashegana	Gauteng Department of Health: nurse	
JC ACTIVE ELECTRICAL		**11**
C van Vent	Western Cape Department of Health	
JG AFRIKA (PTY) LTD		**53 734**
R Maharaj	Umgeni Water: planner	
JVZ CONSTRUCTION (PTY) LTD		**46**
R Matthee	National Department of Correctional Services: security officer	
KEMP EN GENOTE		**3 533**
M Williams	Stellenbosch Municipality: legal advisor	
KEPTRA TRADING		**1 791**
R Marias	Western Cape Education Department: teacher	
LENTEC TRAINING ACADEMY		**190**
A Thesen	Western Cape Department of Health: radiologist	
LIKHONA LETHU SERVICES		**2 773**
Z Rafu	South African Police Services: forensic analyst	

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)

TO FAMILY OF EMPLOYEES IN SERVICE OF THE OTHER STATE ENTITIES (continued)

Connected person	Position held in state	2023
LJA CONSTRUCTION CC		**3 889**
L Mckriel	Western Cape Education Department: teacher	
LUKHOZI CONSULTING ENGINEERS		**59 055**
G Kennedy	South African Police Services: chief administration clerk	
MAGUGA ATTORNEYS INC.		**583**
K Mgengwana	South African Police Service: senior administrator	
MALHERBE TUBB FAURE INC T/A MHI ATTORNEY		**2 279**
J Rossouw	National Department of Transport and Public works: administrative officer	
NEOTERIC TRADING SERVICES		**346**
A Jacobs	Cape Agulhus Municipality: director infrastructure services	
NORTON ROSE FULBRIGHT SOUTH AFRICA		**903**
G Adams	Department of Education: deputy principal	
S Clay	Parktown Girls High School: teacher	
E Maubane	South African Police Service: human resources administrator	
F Nonhlanhla	Department of Justice: telecommunications operator	
C Sunpath	Department of Health: medical doctor	
H Sunpath	Department of Health: chief technical advisor	
PISTON POWER CHEMICALS (PTY) LTD		**11 869**
N Andhee	Kwazulu Natal Education Department: educator	
PSA AFRICA (PTY) LTD		**5 787**
T Frost	Department of Justice	
C Hector	Quality assessor	
M Hector	Medical doctor	
RED ANT SECURITY RELOCATION AND EVICTION		**54 787**
N Lesiela	Mogale City Local Municipality: design and development practitioner	
ROYAL HASKONINGDHV (PTY) LTD		**233**
L Dlaldla	Department of Health: deputy director	
T Sithole	City of Johannesburg: associate director	
STEDONE DEVELOPMENTS		**53 921**
L Dube	Department of Transport: clerk	
SUCCIDO ENTERPRISES		**237**
L Kramm	Administrator	
TERRATECH		**317**
AJM Pretorius	University of Johannesburg	
THE OIL CENTRE		**5 066**
LB Mdyogolo	Department of Education: educator	
TJEKA TRAINING MATTERS (PTY) LTD		**40 077**
B Nlantli	Department of Health	
TOXSOLUTIONS KITS AND SERVICES CC		**843**
G Pearson	Rand Water: senior education 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)

TO FAMILY OF EMPLOYEES IN SERVICE OF THE OTHER STATE ENTITIES (continued)

Connected person	Position held in state	2023
TRANSPORT TELEMATICS AFRICA		**32 873**
JJE Groenewald	Provincial Government Western Cape: transport and public works	
TRIDENTCHEM (PTY) LTD		**2 619**
GMT February	Western Cape Education Department: educator	
UNAKO HOLDINGS (PTY) LTD		**28**
T Vapi	Department of Correctional Services	
VONDO TRADING		**12 782**
N Nevondo	Department of Human Settlements	
ZUTARI (PTY) LTD		**229 314**
HC Ahlschlager	Special Investigating Unit: legal representative	
K Nadasen	National Department of Public Works: director	
Subtotal		**1 354 591**
GRAND TOTAL		**2 112 849**

See annexure F for the 2022 list.

ANNEXURE A: Schedule of external borrowings

AS AT 30 JUNE 2023

Rand thousands (R'000)

	Contractual interest rate (NACS) %	Loan ID	Redeemable in financial year	Balance as at 30 June 2022	Received during the year	Net interest accrual during the year	Concessionary loan adjustments	Redeemed/ written off during year	Balance as at 30 June 2023
MARKETABLE BONDS									
Municipal Bond CCT01	12,570	830014004	2023	1 002 747	-	(2 747)	-	(1 000 000)	-
Municipal Bond CCT02	11,615	830016003	2024	1 206 855	-	381	-	-	1 207 236
Municipal Bond CCT03	11,160	830017007	2025	2 065 505	-	-	-	-	2 065 505
Municipal Bond CCT04 (green bond)	10,170	830019504	2028	575 132	-	(4 570)	-	(100 000)	470 562
TOTAL MARKETABLE BONDS [1]				**4 850 239**	**-**	**(6 936)**	**-**	**(1 100 000)**	**3 743 303**
CONCESSIONARY LOANS									
AFD	5,763	830018500	2028	225 029	-	(676)	5 484	(40 000)	189 837
AFD	5,730	830018516	2028	224 817	-	(672)	5 540	(40 000)	189 685
AFD	5,755	830018530	2028	224 981	-	(675)	5 498	(40 000)	189 804
AFD	5,800	830018523	2028	219 430	-	(662)	5 280	(38 961)	185 087
KfW	8,107	830020016	2034	889 355	-	(877)	9 809	(85 867)	812 420
AFD	11,300	830020507	2038	-	2 116 000	16 377	(92 853)	-	2 039 524
TOTAL CONCESSIONARY LOANS				**1 783 612**	**2 116 000**	**12 815**	**(61 242)**	**(244 828)**	**3 606 357**
OTHER LOANS									
DBSA	9,639	830013000	2023	6 667	-	-	-	(6 667)	-
DBSA	10,565	830013507	2023	6 667	-	-	-	(6 667)	-
TOTAL OTHER LOANS				**13 334**	**-**	**-**	**-**	**(13 334)**	**-**
TOTAL				**6 647 185**	**2 116 000**	**5 879**	**(61 242)**	**(1 358 162)**	**7 349 660**

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

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

AS AT 30 JUNE 2023

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	1 528 371	214	35 840	-	(52)	1 564 373	(306 239)	-	-	(14 061)	-	(320 300)	1 244 073
Land and buildings	3 523 672	70 853	75 178	-	(30 619)	3 639 084	(915 325)	33	(73 110)	-	917	(987 485)	2 651 599
	5 052 043	**71 067**	**111 018**	**-**	**(30 671)**	**5 203 457**	**(1 221 564)**	**33**	**(73 110)**	**(14 061)**	**917**	**(1 307 785)**	**3 895 672**
Infrastructure													
Assets under construction	3 526 167	(1 237 625)	2 766 302	-	-	5 054 844	-	-	-	-	-	-	5 054 844
Telecommunications	1 519 669	4 908	139 692	-	(981)	1 663 288	(543 630)	(5)	(104 739)	-	699	(647 675)	1 015 613
Drains	1 751 518	168 225	94 778	-	-	2 014 521	(670 135)	-	(65 729)	-	-	(735 864)	1 278 657
Roads	16 451 143	451 404	504 761	-	(151)	17 407 157	(5 647 188)	(2 366)	(558 067)	-	131	(6 207 490)	11 199 667
Beach improvements	192 333	305	13 976	-	-	206 614	(51 750)	-	(6 008)	-	-	(57 758)	148 856
Sewerage mains and purification	7 910 506	323 648	296 944	-	-	8 531 098	(2 821 808)	-	(221 100)	-	-	(3 042 908)	5 488 190
Security	1 985 376	4 934	281 980	-	(997)	2 271 293	(1 013 022)	2 355	(170 376)	-	514	(1 180 529)	1 090 764
Electricity peak-load equipment and mains	12 621 425	71 361	567 154	-	(5)	13 259 935	(4 027 698)	-	(290 199)	-	2	(4 317 895)	8 942 040
Water mains and purification	7 065 952	215 885	335 359	-	-	7 617 196	(2 577 367)	-	(187 707)	-	-	(2 765 074)	4 852 122
Reservoirs - water	1 742 693	130 866	50 532	-	-	1 924 091	(516 530)	-	(28 489)	-	-	(545 019)	1 379 072
	54 766 782	**133 911**	**5 051 478**	**-**	**(2 134)**	**59 950 037**	**(17 869 128)**	**(16)**	**(1 632 414)**	**-**	**1 346**	**(19 500 212)**	**40 449 825**
Community assets													
Assets under construction	77 815	(26 436)	23 287	-	-	74 666	-	-	-	-	-	-	74 666
Parks and gardens	360 601	1 978	5 909	-	-	368 488	(101 726)	16	(12 051)	-	-	(113 761)	254 727
Libraries	357 218	(262)	42	-	-	356 998	(109 397)	11	(6 413)	-	-	(115 799)	241 199
Recreational facilities	1 534 250	17 540	37 820	-	-	1 589 610	(728 234)	(1 895)	(48 458)	(310)	-	(778 897)	810 713
Civic buildings	3 190 848	5 792	51 504	-	-	3 248 144	(935 093)	-	(54 723)	(55)	-	(989 871)	2 258 273
	5 520 732	**(1 388)**	**118 562**	**-**	**-**	**5 637 906**	**(1 874 450)**	**(1 868)**	**(121 645)**	**(365)**	**-**	**(1 998 328)**	**3 639 578**
Other assets													
Assets under construction	457 065	(352 669)	178 969	-	-	283 365	-	-	-	-	-	-	283 365
Buildings and land	1 249	-	-	-	-	1 249	(1 249)	-	-	-	-	(1 249)	-
Landfill sites	1 603 961	70 676	45 266	-	-	1 719 903	(785 072)	-	(40 690)	-	-	(825 762)	894 141
Furniture, fittings and equipment	1 512 385	1 302	155 450	-	(42 262)	1 626 875	(1 075 984)	(10)	(110 220)	-	39 937	(1 146 277)	480 598
Bins and containers	77 702	-	389	-	(4)	78 087	(56 447)	-	(6 362)	-	3	(62 806)	15 281
Emergency equipment	87 574	(2 417)	689	-	(3 974)	81 872	(62 662)	1 895	(9 147)	-	3 270	(66 644)	15 228
Motor vehicles and watercraft	2 569 841	-	363 485	-	(48 825)	2 884 501	(1 098 129)	-	(254 707)	(599)	40 415	(1 313 020)	1 571 481
Plant and equipment	1 456 378	5 562	82 732	-	(12 855)	1 531 817	(992 327)	(177)	(110 435)	-	11 670	(1 091 269)	440 548
Specialised vehicles	2 718 885	221	382 800	-	(34 733)	3 067 173	(1 187 665)	(30)	(166 218)	(212)	29 675	(1 324 450)	1 742 723
Computer equipment	2 548 983	1 764	225 060	-	(48 991)	2 726 816	(1 958 215)	14	(244 479)	-	47 160	(2 155 520)	571 296
	13 034 023	**(275 561)**	**1 434 840**	**-**	**(191 644)**	**14 001 658**	**(7 217 750)**	**1 692**	**(942 258)**	**(811)**	**172 130**	**(7 986 997)**	**6 014 661**
Living resources													
Animals	1 167	-	2	-	(81)	1 088	(784)	-	(169)	-	71	(882)	206
	1 167	**-**	**2**	**-**	**(81)**	**1 088**	**(784)**	**-**	**(169)**	**-**	**71**	**(882)**	**206**
Service concession assets													
Assets under construction	-	-	228	-	-	228	-	-	-	-	-	-	228
Cape Town Stadium	4 865 720	(157)	273	-	(24)	4 865 812	(2 299 119)	157	(181 240)	-	24	(2 480 178)	2 385 634
Buses and depots	1 459 882	-	11 044	-	-	1 470 926	(790 715)	-	(44 544)	(3 228)	-	(838 487)	632 439
	6 325 602	**(157)**	**11 545**	**-**	**(24)**	**6 336 966**	**(3 089 834)**	**157**	**(225 784)**	**(3 228)**	**24**	**(3 318 665)**	**3 018 301**
Housing rental stock	**3 364 951**	**5 006**	**76 690**	**-**	**(10 370)**	**3 436 277**	**(1 364 750)**	**-**	**(107 611)**	**-**	**8 791**	**(1 463 570)**	**1 972 707**
TOTAL PPE	**88 065 300**	**(67 122)**	**6 804 135**	**-**	**(234 924)**	**94 567 389**	**(32 638 260)**	**(2)**	**(3 102 991)**	**(18 465)**	**183 279**	**(35 576 439)**	**58 990 950**

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

AS AT 30 JUNE 2023

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
Heritage assets												
Paintings and museum items	10 268	-	-	-	-	10 268	-	-	-	-	-	-
	10 268	**-**	**-**	**-**	**-**	**10 268**	**-**	**-**	**-**	**-**	**-**	**-**
Investment property												
Vacant land	518 142	-	-	-	-	518 142	-	-	-	-	-	-
Land and buildings	124 501	-	-	-	-	124 501	(64 823)	-	(1 714)	-	-	(66 537)
	642 643	**-**	**-**	**-**	**-**	**642 643**	**(64 823)**	**-**	**(1 714)**	**-**	**-**	**(66 537)**
Intangible assets												
Assets under construction	5 652	-	21 923	-	-	27 575	-	-	-	-	-	-
Acquisition of rights	561 441	-	-	-	-	561 441	(545 158)	-	(11 275)	-	-	(556 433)
Computer software	1 498 637	93 680	132 998	-	(106)	1 725 209	(898 972)	2	(125 078)	-	100	(1 023 948)
	2 065 730	**93 680**	**154 921**	**-**	**(106)**	**2 314 225**	**(1 444 130)**	**2**	**(136 353)**	**-**	**100**	**(1 580 381)**
TOTAL OTHER	**2 718 641**	**93 680**	**154 921**	**-**	**(106)**	**2 967 136**	**(1 508 953)**	**2**	**(138 067)**	**-**	**100**	**(1 646 918)**
GRAND TOTAL PPE AND OTHER	**90 783 941**	**26 558**	**6 959 056**	**-**	**(235 030)**	**97 534 525**	**(34 147 213)**	**-**	**(3 241 058)**	**(18 465)**	**183 379**	**(37 223 357)**

[1] *See note 37 for more details.*

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

FOR THE YEAR ENDED 30 JUNE 2023

Rand thousands (R'000)

	2023	2022	2021
BANK ACCOUNTS HELD WITH			
Nedbank			
Main bank	486 048	275 930	189 554
Salary bank	-	-	-
Cashier's bank	-	-	-
General income bank (primary)	-	-	-
Traffic fines bank	-	-	-
IRT bank	-	-	-
Amortised cost	486 048	275 930	189 554
ABSA			
IRT bank	-	-	5 581
Amortised cost	-	-	5 581
Amortised cost - see note 11	**486 048**	**275 930**	**195 135**
BANK ACCOUNTS MANAGED BY FUND MANAGERS			
Nedbank			
City of Cape Town	675	180	702
City of Cape Town	214	66	139
City of Cape Town	6 517	15 857	1 206
City of Cape Town	3 596	2 328	1 823
City of Cape Town	4 549	9 626	4 102
City of Cape Town	860	1 227	601
City of Cape Town	204	215	277
City of Cape Town	329	1 717	617
City of Cape Town	194	136	94
City of Cape Town	-	9	426
City of Cape Town	3 225		
Fair value - see note 11	**20 363**	**31 361**	**9 987**

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

FOR THE YEAR ENDED 30 JUNE 2023

Rand thousands (R'000)

SHORT-TERM DEBT FACILITIES

The City had the following short-term debt facilities with its main banker:

	2023	2022
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.

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

FOR THE YEAR ENDED 30 JUNE 2023

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, Arts and Culture	(2)	-	2	-	-	-	-	-
Accreditation: Development Support	Human Settlements	(293)	-	-	-	-	-	-	(293)
City Public Employment Programme (PEP)	National Treasury	-	(230 176)	4 157	226 019	-	-	-	-
Contributed Assets	Water and Sanitation	-	-	(242)	-	242	-	-	-
Department of Environmental Affairs and Tourism	Forestry, Fisheries and the Environment	(314)	-	-	220	-	-	-	(94)
Dido Valley - Luyolo Land Claim	Human Settlements	-	-	-	11 758	-	-	(11 758)	-
DME - INEP	Energy	(5)	-	-	-	-	-	-	(5)
Energy Efficiency Electricity Demand Side Management	Energy	-	(9 000)	6	897	8 097	-	-	-
Expanded Public Works Incentive Grant	National Treasury	-	(42 406)	-	42 406	-	-	-	-
Finance Management Grant	National Treasury	-	(1 000)	-	1 000	-	-	-	-
Informal Settlements Upgrading Partnership	Human Settlements	(5 380)	(662 961)	111 988	26 506	473 208	-	-	(56 639)
Infrastructure Skills Development	National Treasury	(1 495)	(11 446)	1 444	10 446	1 051	-	-	-
Integrated City Development Grant	National Treasury	(107)	-	107	-	-	-	-	-
Municipal Emergency Housing Grant	Human Settlements	-	(5 004)	16	4 988	-	-	-	-
Municipal Disaster Recovery Grant	Cooperative Governance	(30)	-	-	-	-	-	-	(30)
National Skills Fund	Higher Education and Training	(5 191)	(25 636)	-	21 073	-	-	-	(9 754)
Neighbourhood Development Programme	National Treasury	-	(27 266)	875	-	26 391	-	-	-
Philippi Agri-Hub	General Budget Support Allocation	-	-	134	-	-	-	(134)	-
Programme and Project Preparation Support	National Treasury	(1 324)	(65 970)	2 130	65 164	-	-	-	-
Public Transport Network Grant	Transport	(35 176)	(1 314 261)	438 572	441 734	451 450	-	-	(17 681)
Public Transport Network Grant - BFI	Transport	-	-	(330 986)	-	330 986	-	-	-
Restructuring Grant - Seed Funding	National Treasury	(1 400)	-	1 227	-	-	-	-	(173)
Special Projects	Forestry, Fisheries and the Environment	-	-	47	(47)	-	-	-	-
Terrestrial Invasive Alien Plants	Forestry, Fisheries and the Environment	-	-	20	(20)	-	-	-	-
Tirelo Bosha Programme	Public Service and Administration	(73)	-	73	-	-	-	-	-
Urban Settlement Development Grant	National Treasury	(47 083)	(965 544)	159 054	22 079	794 931	-	-	(36 563)
TOTAL DORA ALLOCATION		**(97 873)**	**(3 360 670)**	**388 624**	**874 223**	**2 086 356**	**-**	**(11 892)**	**(121 232)**
2010 FIFA World Cup - Green Point: Interest account		(246)	-	246	-	-	-	-	-
Integrated City Development Grant: Interest account		(320)	-	320	-	-	-	-	-
National Skills Fund: Interest account		(157)	-	-	-	-	(478)	-	(635)

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]
Natural Resource Management: Interest account		(12)	-	-	-	-	(1)	-	(13)
Neighbourhood Development Programme: Interest account		(3 886)	-	3 886	-	-	-	-	-
Peninsula Wetlands Rehabilitation Project: Interest account		(18)	-	-	18	-	-	-	-
Philippi Agri-Hub: Interest account		-	-	-	-	-	-	-	-
Public Transport Infrastructure Systems Grant: Interest account		(180 899)	-	180 899	-	-	-	-	-
Public Transport Infrastructure Grant: Interest account		(45 337)	-	45 337	-	-	-	-	-
Public Transport Network Grant: Interest account		(152 654)	-	152 654	-	-	-	-	-
Public Transport Network Grant - BFI: Interest account		(1 658)	-	1 658	-	-	-	-	-
Public Transport Network Operations Grant: Interest account		(18 518)	-	18 518	-	-	-	-	-
Smart Living Handbook: Interest account		(123)	-	-	-	-	(9)	-	(132)
TOTAL INTEREST EARNED		**(403 828)**	**-**	**403 518**	**18**	**-**	**(488)**	**-**	**(780)**
TOTAL NATIONAL GOVERNMENT TRANSFERS AND GRANTS		**(501 701)**	**(3 360 670)**	**792 142**	**874 241**	**2 086 356**	**(488)**	**(11 892)**	**(122 012)**
PROVINCE									
ABET Adult Education	Education	(4)	-	-	-	-	-	-	(4)
Auxiliary Law Enforcement Officers (ALEOS)	Community Safety	-	(2 352)	-	2 843	-	-	(491)	-
Belhar Pentech 340 Top Structures	Infrastructure (Human Settlements)	(5 695)	-	(1 919)	10 437	-	-	(2 823)	-
Contributed Assets	Health	-	-	(6 637)	-	6 637	-	-	-
Community Residential Units	Infrastructure (Human Settlements)	(234)	-	234	-	-	-	-	-
Delft - The Hague Phase 2 (896)	Infrastructure (Human Settlements)	-	-	5 238	-	-	-	(5 238)	-
Disaster Fund - Fire/Flood Kits	Infrastructure (Human Settlements)	-	-	6 732	(6 732)	-	-	-	-
Edward Road Energy Efficient Project	Infrastructure (Human Settlements)	(4 388)	-	-	-	-	(304)	-	(4 692)
EHP Nyanga, Dunoon and Atlantis	Infrastructure (Human Settlements)	(3 710)	-	2 956	-	-	-	-	(754)
Eradication of Registration Backlog	Infrastructure (Human Settlements)	(8)	-	-	-	-	-	-	(8)
Erf 160: Boys Town	Infrastructure (Human Settlements)	(392)	-	-	392	-	-	-	-
Facilitation Grants	Infrastructure (Human Settlements)	(33)	-	34	-	-	(1)	-	-
Financial Management Capability Grant	Treasury	(96)	-	-	96	-	(5)	-	(5)
Fisantekraal Garden Cities (RDP 4672 Units)	Infrastructure (Human Settlements)	-	-	1 881	-	-	-	(1 881)	-
Fisantekraal , Greenville, Phase 3	Infrastructure (Human Settlements)	-	-	5 353	-	-	-	(5 353)	-
Garden Cities/Greenville/Fisantekraal 868	Infrastructure (Human Settlements)	(4)	-	4	-	-	-	-	-
Government Grant Community Development Workers	WCG Local Government	(723)	(1 034)	-	1 744	-	-	-	(13)
Greenville Housing Phase 4 Tops	Infrastructure (Human Settlements)	-	-	(701)	68 275	-	-	(67 574)	-

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

FOR THE YEAR ENDED 30 JUNE 2023

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]
Gugulethu Housing Infill Project	Infrastructure (Human Settlements)	(21 351)	-	(10 231)	26 002	-	-	-	(5 580)
Happy Valley - Phase 2 Top Structures	Infrastructure (Human Settlements)	(65)	-	-	-	-	-	-	(65)
Harare Infill Housing	Infrastructure (Human Settlements)	-	-	(21 756)	53 655	-	-	(31 899)	-
Hazendal Infill - Top Structures	Infrastructure (Human Settlements)	(66)	-	-	-	-	-	-	(66)
Heideveld Housing Infill	Infrastructure (Human Settlements)	(1 491)	-	-	-	-	-	-	(1 491)
HIV/AIDS Community Based Response Projects	Health	-	(297 717)	12 429	273 519	-	-	-	(11 769)
Housing Settlements Development Grant	Infrastructure (Human Settlements)	(79 084)	(185 710)	222 889	-	-	-	-	(41 905)
IDA Projects: Urban Engineering	Infrastructure (Human Settlements)	-	-	5 738	18 998	-	-	(24 736)	-
Informal Settlements	Infrastructure (Human Settlements)	(267)	(1 500)	74	1 234	-	-	-	(459)
Jakkelsvlei Canal Upgrading	Infrastructure (Human Settlements)	(10 427)	-	-	-	-	-	-	(10 427)
K9 Unit	Community Safety	-	(1 000)	-	998	-	-	-	(2)
Khayelitsha Site C Subsidies	Infrastructure (Human Settlements)	(5 853)	-	-	-	-	(405)	-	(6 258)
Kleinvlei Phase 2	Infrastructure (Human Settlements)	(396)	-	-	-	-	-	-	(396)
Law Enforcement Officers	Community Safety	(463)	-	-	-	-	-	-	(463)
Law Enforcement Officers	Community Safety	(970)	(500)	-	1 315	-	(40)	-	(195)
Law Enforcement Officers - LEAP	Community Safety	(11 490)	(400 000)	11 490	370 723	4 187	(2 906)	-	(27 996)
Library Service: Procurement Periodicals and Newspapers	Cultural Affairs and Sport	(2 876)	(5 338)	145	8 069	-	(121)	-	(121)
Library Metro Grant	Cultural Affairs and Sport	(182)	(5 492)	-	-	5 664	(136)	-	(146)
Local Government Public Employment Support (PEP)	PAWC Local Government	(3 285)	-	-	3 285	-	-	-	-
Maroela Housing (South)	Infrastructure (Human Settlements)	-	-	(12 782)	-	-	-	-	(12 782)
Metropolitan Land Transport Fund	Transport and Public Works	(89)	(10 000)	(21 000)	10 015	1 220	(62)	-	(19 916)
Morkel's Cottage Strand Housing Project	Infrastructure (Human Settlements)	(1 071)	-	-	-	-	-	-	(1 071)
Morningstar Infill IRDP	Infrastructure (Human Settlements)	(55)	-	-	-	-	-	-	(55)
Municipal Library Support Fund	Cultural Affairs and Sport	(23)	-	-	23	-	(1)	-	(1)
NHBRC Enrolment Fees	Infrastructure (Human Settlements)	-	-	(13 546)	12 312	-	-	-	(1 234)
Nutrition Supplement Programme	Health	-	(6 622)	1 161	6 437	-	-	(976)	-
Occupancy Survey	Infrastructure (Human Settlements)	(278)	-	-	278	-	-	-	-
Pelican Park 2083 Top Structures	Infrastructure (Human Settlements)	(31)	-	-	31	-	-	-	-
People's Housing Project	Infrastructure (Human Settlements)	(49 760)	-	(20 915)	40 380	-	(2 590)	-	(32 885)
Philippi East Phase 5	Infrastructure (Human Settlements)	(567)	-	-	-	-	-	-	(567)
Pooke se Bos Housing Project	Infrastructure (Human Settlements)	-	-	(7 976)	14 169	-	-	(6 193)	-
Public Library Fund	Cultural Affairs and Sport	(510)	(52 712)	-	51 897	-	(766)	-	(2 091)

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]
Sir Lowry's Pass HSDG Project	Infrastructure (Human Settlements)	-	-	(35 372)	33 537	-	-	-	(1 835)
Somerset West Housing Project	Infrastructure (Human Settlements)	(953)	-	-	-	-	-	-	(953)
TB Crisis Plan	Health	(9 009)	(40 784)	-	31 237	-	-	-	(18 556)
Title Deeds Restoration	Infrastructure (Human Settlements)	(12 400)	(11 129)	-	23 529	-	-	-	-
Vaccines	Health	(28 050)	(94 836)	-	99 058	-	-	-	(23 828)
Valhalla Park Integrated Housing Project	Infrastructure (Human Settlements)	-	-	(19 420)	19 420	-	-	-	-
Vrygrond	Infrastructure (Human Settlements)	(18)	-	-	-	-	-	-	(18)
WC Finance Management Capacity Grant (FMCG)	Treasury	-	(300)	-	300	-	(3)	-	(3)
WCED SRT Programme	Education Department	-	(20 000)	-	2 752	-	(276)	-	(17 524)
WCG - Municipal Accreditation and Capacity Building Grant	Infrastructure (Human Settlements)	-	(10 000)	-	10 000	-	-	-	-
TOTAL PROVINCE TRANSFERS AND GRANTS		**(256 367)**	**(1 147 026)**	**104 103**	**1 190 228**	**17 708**	**(7 616)**	**(147 164)**	**(246 134)**
Analysis of grants and subsidies									
Total National Government transfers and grants		**(501 701)**	**(3 360 670)**	**792 142**	**874 241**	**2 086 356**	**(488)**	**(11 892)**	**(122 012)**
Total Province transfers and grants		**(256 367)**	**(1 147 026)**	**104 103**	**1 190 228**	**17 708**	**(7 616)**	**(147 164)**	**(246 134)**
		(758 068)	**(4 507 696)**	**896 245**	**2 064 469**	**2 104 064**	**(8 104)**	**(159 056)**	**(368 146)**

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

ANNEXURE E: Appropriation statement

FOR THE YEAR ENDED 30 JUNE 2023

Rand thousands (R'000)

	2022/23											2021/22			
	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 i.to s32 of MFMA	Balance to be recovered	Restated audited outcome
FINANCIAL PERFORMANCE															
Property rates	11 519 486	-	11 519 486	-	-	11 519 486	11 561 610	-	-	100	100	-	-	-	-
Service charges	24 565 228	61 497	24 626 725	-	-	24 626 725	23 723 873	-	-	96	97	-	-	-	-
Investment revenue	1 118 566	144 694	1 263 260	-	-	1 263 260	1 447 418	-	-	115	129	-	-	-	-
Transfers recognised - operational	6 260 172	123 694	6 383 866	-	-	6 383 866	6 221 933	-	-	97	99	-	-	-	-
Other own revenue	9 822 523	268 508	10 091 031	-	-	10 091 031	11 164 334	-	-	111	114	-	-	-	-
Total revenue (excluding capital transfers and contributions)	**53 285 975**	**598 393**	**53 884 368**	**-**	**-**	**53 884 368**	**54 119 168**	**-**	**-**	**100**	**102**	**-**	**-**	**-**	**-**
Employee costs	17 322 936	(24 464)	17 298 472	-	(31 985)	17 266 487	15 261 344	-	-	88	88	-	-	-	-
Remuneration of councillors	176 133	4,987	181 120	-	-	181 120	176 064	-	-	97	100	-	-	-	-
Debt impairment	2 316 909	156 168	2 473 077	-	-	2 473 077	3 021 569	-	-	122	130	-	-	-	-
Depreciation and asset impairment	3 208 222	61 880	3 270 102	-	-	3 270 102	3 259 524	-	-	100	102	-	-	-	-
Finance charges	862 999	(109 830)	753 169	-	(888)	752 281	772 433	-	-	103	90	-	-	-	-
Materials and bulk purchases	17 565 690	373 762	17 939 452	-	35 662	17 975 114	17 498 594	-	-	97	100	-	-	-	-
Transfers and grants	391 480	41 441	432 921	-	1 208	434 129	377 101	-	-	87	96	-	-	-	-
Other expenditure	11 952 682	261 295	12 213 977	-	(3 996)	12 209 981	12 160 919	-	-	100	102	-	-	-	-
Total expenditure	**53 797 051**	**765 239**	**54 562 290**	**-**	**1**	**54 562 291**	**52 527 548**	**-**	**-**	**96**	**98**	**-**	**-**	**-**	**-**
Surplus	**(511 076)**	**(166 846)**	**(677 922)**	**-**	**(1)**	**(677 923)**	**1 591 620**	**-**	**-**	**-**	**(311)**	**-**	**-**	**-**	**-**
Transfers recognised - capital	2 171 013	97 071	2 268 084	-	-	2 268 084	2 111 820	-	-	93	97	-	-	-	-
Contributions recognised - capital and contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(deficit) after capital transfers and contributions	**1 659 937**	**(69 775)**	**1 590 162**	**-**	**(1)**	**1 590 161**	**3 703 440**	**-**	**-**	**233**	**223**	**-**	**-**	**-**	**-**
Share of surplus/(deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus for the year	**1 659 937**	**(69 775)**	**1 590 162**	**-**	**(1)**	**1 590 161**	**3 703 440**	**-**	**-**	**233**	**223**	**-**	**-**	**-**	**-**
CAPITAL EXPENDITURE AND FUNDS SOURCES															
Transfers recognised - capital	2 171 013	97 072	2 268 085	-	-	2 268 085	2 090 883	-	-	92	96	-	-	-	-
Public contributions and donations	100 854	(5 199)	95 655	-	-	95 655	85 082	-	-	89	84	-	-	-	-
Borrowing	2 000 000	-	2 000 000	-	-	2 000 000	1 758 326	-	-	88	88	-	-	-	-
Internally generated funds	3 235 452	212 384	3 447 836	-	-	3 447 836	2 994 616	-	-	87	93	-	-	-	-
Total sources of capital funds	**7 507 319**	**304 257**	**7 811 576**	**-**	**-**	**7 811 576**	**6 928 907**	**-**	**-**	**89**	**92**	**-**	**-**	**-**	**-**
CASH FLOWS															
Net cash from (used) operating	5 106 527	499 053	5 605 580	-	-	5 605 580	6 156 210	-	-	110	121	-	-	-	-
Net cash from (used) investing	(6 818 047)	(299 760)	(7 117 807)	-	-	(7 117 807)	(7 050 265)	-	-	99	103	-	-	-	-
Net cash from (used) financing	589 849	83 542	673 391	-	-	673 391	709 693	-	-	105	120	-	-	-	-
Cash/cash equivalents at the year end	**6 021 524**	**282 835**	**7 456 307**	**-**	**-**	**7 456 307**	**8 110 781**	**-**	**-**	**109**	**135**	**-**	**-**	**-**	**-**
Net decrease in cash and cash equivalents	**(1 121 671)**	**282 835**	**(838 836)**	**-**	**-**	**(838 836)**	**(184 362)**	**-**	**-**	**22**	**16**	**-**	**-**	**-**	**-**

ANNEXURE F: Bids awarded to family of employees in service of the state – 2022

Rand thousands (R'000)

Connected person	Position held in state	2022
AAE CATERING		**908**
Y Ebrahim	Regional operations manager	
AFRIVEST BUSINESS SOLUTIONS		**1 713**
R Davids	City Councillo	
AFRIWORLD BUSINESS SOLUTIONS (PTY) LTD		**939**
R Davids	City Councillo	
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	City SAP developer	
BATTERY CENTRE MITCHELLS PLAIN		**15**
F Badenhorst	Stellenbosch Municipality councillor	
BERGSTAN SOUTH AFRICA CONSULTING AND DEVELOPMENT		**309**
J Beukes	Department of Social Services	
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	National 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 Service: forensic analyst	
T Sass	Head: Compliance and Probity	
B Sepuba	Department of Finance: specialist recruiter (HR)	
E Steyn	Western Cape high court: judge	
E Tipru	Senior application analyst	
M van Aardt	Baragwaneth hospital complex: medical doctor	
J van de Heuvel	Department of Justice: magistrate	
A Visser	Wastewater maintenance manager	
S Zondo	City of Johannesburg: operations manager	

ANNEXURE F: Bids awarded to family of employees in service of the state – 2022 (continued)

Rand thousands (R'000)

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	Wastewater senior superintendent	
CONLOG		**8 565**
N Moodley	Department of Health: director	
COURTESY MANAGEMENT (PTY) LTD		**2 170**
F Khosa	Limpopo Cooperative Governance and Traditional Affairs: assistant director (risk)	
CPR TRUCK REPAIRS		**1 129**
B Manuel	Administrative officer	
CSM CONSULTING SERVICES (PTY) LTD		**458**
A Vancoillie	Department of 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	Access to Information manager	
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 office manager	
EMPA STRUCTURES (PTY) LTD		**1 789**
G Petersen	Western Cape Education	

ANNEXURE F: Bids awarded to family of employees in service of the state – 2022 (continued)

Rand thousands (R'000)

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	City of Johannesburg: 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	Finance: manager	
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	Business Continuity head	
D O'Reilly	South African Police Service: warrant officer	
A Petersen	Department of Education: subject specialist	
S Singh	Department of Education: HR 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 District Municipality: health inspector	
IKAPA RETICULATION CC		**43 648**
S Davids	Teacher	
C Davids	Teacher	
IMMEX WASTE		**8 622**
A Dorfling	Department of Education: therapist	

ANNEXURE F: Bids awarded to family of employees in service of the state – 2022 (continued)

Rand thousands (R'000)

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	

ANNEXURE F: Bids awarded to family of employees in service of the state – 2022 (continued)

Rand thousands (R'000)

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	KZN 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	Debt Management Services head	
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	

ANNEXURE F: Bids awarded to family of employees in service of the state – 2022 (continued)

Rand thousands (R'000)

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	Western Cape 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: commander colonel	
N Dias	Senior legal advisor	
B Mahlangu	School principal	
P Masedi	City of Johannesburg: 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 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	National Department of Public Works: director	
TOTAL		**1 306 425**

APPENDIX A

Abbreviations used in these financial statements

AARTO	Administrative Adjudication of Road Traffic Offences
AFD	Agence Française de Développement
AGSA	Auditor-General of South Africa
APAC	Audit and Performance Audit Committee
ASB	Accounting Standards Board
CCT	City of Cape Town
CID(s)	city improvement district
CMTF	Cape Metropolitan Transport Fund
COID	compensation for occupational injuries and diseases
CPI	consumer price index
CRR	capital replacement reserve
CTS	Cape Town Stadium (RF) SOC Limited
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
DTIC	Department of Trade, Industry and Competition
EPWP	Expanded Public Works Programme
ERP	Enterprise Resource Planning
FSCA	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 transit
ISUPG	Informal Settlements Upgrading Partnership Grant
JSE	Johannesburg Stock Exchange
KCT	Khayelitsha Community Trust
KZN	Kwazulu Natal
Mayco	Mayoral Committee
MFMA	Local Government: Municipal Finance Management Act
MOA	memorandum of agreement
MPRA	Local Government: Municipal Property Rates Act
mSCOA	Municipal Standard Chart of Accounts
NACS	nominal annual compounded semi-annually
NDHS	National Department of Human Settlements
NDPW	National Department of Public Works
NHRB	National Health Research Board
PAYE	pay-as-you-earn
PCDR	Public Contributions Donations Reserve
PFMA	Public Finance Management Act
PPE	property plant and equipment
Province	Western Cape Provincial Government
PTNG	Public Transport Network Grant
SALA	South African Local Authorities (Pension Fund)
SALGA	South African Local Government Association
SAP	Systems, Applications and Products
SCM	Supply Chain Management (Department)
SEZ	Special Economic Zone
SIU	Special investigating unit
SOA	Scheme of Arrangement
UIF	Unemployment Insurance Fund
USDG	Urban Settlements Development Grant
VAT	value-added tax