Ugu District Municipality

(Registration number DC21)
Consolidated Financial Statements for the year ended 30 June 2017

Cash Flow Statement

		Economic entity		Controlling entity	
Figures in Rand	Note(s)	2017	2016 Restated*	2017	2016 Restated*
Cash flows from operating activities					
Receipts					
Sale of goods and services		286 076 458	327 963 324	289 123 462	319 339 593
Grants		709 379 385	747 241 150	701 837 920	747 241 150
Interest income		28 297 098	30 628 193	27 447 517	29 874 150
		1 023 752 941	1 105 832 667	1 018 408 899	1 096 454 893
Payments					
Employee costs		(350 370 947)	(312 177 217)	(339 291 433)	(296 976 886)
Finance costs		(10 627 915)	(13 556 116)	(10 625 404)	(13 556 084)
Other payments		(403 242 801)	(363 516 729)	(407 546 666)	(376 336 118)
		(764 241 663)	(689 250 062)	(757 463 503)	(686 869 088)
Net cash flows from operating activities	39	**259 511 278**	**416 582 605**	**260 945 396**	**409 585 805**
Cash flows from investing activities					
Purchase of property, plant and equipment	11	(310 207 300)	(362 184 967)	(309 903 604)	(361 281 867)
Proceeds from sale of property, plant and equipment	11	801 765	963 496	801 765	874 497
Purchase of investment property	10	(9 991 792)	-	(642 482)	-
Purchase of other intangible assets	12	(8 318 469)	(4 901 812)	(8 299 609)	(4 895 935)
Proceeds from sale of financial assets		26 842	209 540	26 842	209 540
Net cash flows from investing activities		**(327 688 954)**	**(365 913 743)**	**(318 017 088)**	**(365 093 765)**
Cash flows from financing activities					
Repayment of other financial liabilities		(19 031 925)	(17 893 632)	(19 031 925)	(17 893 632)
Finance lease payments		-	(3 063 785)	-	(3 063 785)
Net cash flows from financing activities		**(19 031 925)**	**(20 957 417)**	**(19 031 925)**	**(20 957 417)**
Net increase/(decrease) in cash and cash equivalents		**(87 209 601)**	**29 711 445**	**(76 103 617)**	**23 534 623**
Cash and cash equivalents at the beginning of the year		276 260 879	246 549 434	256 456 861	232 922 238
Cash and cash equivalents at the end of the year	9	**189 051 278**	**276 260 879**	**180 353 244**	**256 456 861**

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Economic entity						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	473 667 454	-	**473 667 454**	314 581 575	**(159 085 879)**	Appendix E1
Rental of facilities and equipment	1 249 170	(100 000)	**1 149 170**	2 545 445	**1 396 275**	Appendix E1
Other income	11 557 957	3 758 098	**15 316 055**	12 751 040	**(2 565 015)**	Appendix E1
Interest received - investment	19 370 069	864 378	**20 234 447**	28 297 098	**8 062 651**	Appendix E1
Total revenue from exchange transactions	**505 844 650**	**4 522 476**	**510 367 126**	**358 175 158**	**(152 191 968)**	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	719 523 587	1 916 678	**721 440 265**	701 437 952	**(20 002 313)**	Appendix E1
Public contributions and donations	-	-	**-**	7 377 878	**7 377 878**	Appendix E1
Total revenue from non-exchange transactions	**719 523 587**	**1 916 678**	**721 440 265**	**708 815 830**	**(12 624 435)**	
Total revenue	**1 225 368 237**	**6 439 154**	**1 231 807 391**	**1 066 990 988**	**(164 816 403)**	
Expenditure						
Personnel	(332 850 265)	(6 282 371)	**(339 132 636)**	(340 948 143)	**(1 815 507)**	
Remuneration of councillors	(11 874 441)	820 000	**(11 054 441)**	(9 422 804)	**1 631 637**	
Depreciation and amortisation	(123 604 339)	(5 040 997)	**(128 645 336)**	(201 732 993)	**(73 087 657)**	Appendix E1
Impairment loss/ Reversal of impairments	(38 158 786)	8 817 461	**(29 341 325)**	(38 220 070)	**(8 878 745)**	Appendix E1
Finance costs	(15 775 660)	3 801 413	**(11 974 247)**	(10 627 915)	**1 346 332**	
Lease rentals on operating lease	(2 242 701)	(360 000)	**(2 602 701)**	(3 816 841)	**(1 214 140)**	
Debt Impairment	(17 740)	-	**(17 740)**	(17 731)	**9**	
Repairs and maintenance	(70 782 681)	470 185	**(70 312 496)**	(67 134 345)	**3 178 151**	Appendix E1
Bulk purchases	(81 468 000)	10 609 360	**(70 858 640)**	(77 790 321)	**(6 931 681)**	Appendix E1
Contracted Services	(29 683 354)	(9 631 459)	**(39 314 813)**	(35 647 802)	**3 667 011**	Appendix E1
Transfers and Subsidies	(57 715 762)	(38 307 923)	**(96 023 685)**	(36 335 454)	**59 688 231**	Appendix E1
General Expenses	(159 046 645)	(12 909 040)	**(171 955 685)**	(162 094 132)	**9 861 553**	
Total expenditure	**(923 220 374)**	**(48 013 371)**	**(971 233 745)**	**(983 788 551)**	**(12 554 806)**	
Operating surplus	**302 147 863**	**(41 574 217)**	**260 573 646**	**83 202 437**	**(177 371 209)**	
Gain on disposal of assets and liabilities	(10 405)	-	**(10 405)**	492 315	**502 720**	Appendix E1
Fair value adjustments	-	-	**-**	(149 310)	**(149 310)**	Appendix E1
Loss from transfer of functions between entities not under common control	-	-	**-**	(30 512 574)	**(30 512 574)**	Appendix E1
	(10 405)	**-**	**(10 405)**	**(30 169 569)**	**(30 159 164)**	
Surplus before taxation	**302 137 458**	**(41 574 217)**	**260 563 241**	**53 032 868**	**(207 530 373)**	

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**302 137 458**	**(41 574 217)**	**260 563 241**	**53 032 868**	**(207 530 373)**	

Ugu District Municipality
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Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Position						
Assets						
Current Assets						
Inventories	21 780 651	9 719 349	**31 500 000**	7 629 409	**(23 870 591)**	
Current portion of long-term liabilities	36 299	-	**36 299**	58 731	**22 432**	
Operating lease receivables	-	-	**-**	45 030	**45 030**	
Receivables from non-exchange transactions	31 215 187	(26 000 000)	**5 215 187**	21 948 927	**16 733 740**	
VAT receivable	25 000 000	-	**25 000 000**	18 743 266	**(6 256 734)**	
Receivables from exchange transactions	127 573 236	74 591 494	**202 164 730**	101 303 926	**(100 860 804)**	
Cash and cash equivalents	380 101 955	(98 304 745)	**281 797 210**	189 201 721	**(92 595 489)**	
	585 707 328	**(39 993 902)**	**545 713 426**	**338 931 010**	**(206 782 416)**	
Non-Current Assets						
Investment property	32 417 084	(2 917 084)	**29 500 000**	39 342 482	**9 842 482**	
Property, plant and equipment	4 015 299 981	242 687 972	**4 257 987 953**	3 929 693 061	**(328 294 892)**	
Intangible assets	7 114 362	4 389 769	**11 504 131**	16 318 420	**4 814 289**	
Long-term receivables	189 451	150 000	**339 451**	30 812	**(308 639)**	
	4 055 020 878	**244 310 657**	**4 299 331 535**	**3 985 384 775**	**(313 946 760)**	
Total Assets	**4 640 728 206**	**204 316 755**	**4 845 044 961**	**4 324 315 785**	**(520 729 176)**	
Liabilities						
Current Liabilities						
Current portion long term liabilities	18 277 294	-	**18 277 294**	21 590 802	**3 313 508**	
Operating lease liability	58 364	-	**58 364**	142 388	**84 024**	
Payables from exchange transactions	174 337 128	33 444 187	**207 781 315**	172 851 370	**(34 929 945)**	
Consumer deposits	21 456 419	273 087	**21 729 506**	20 830 963	**(898 543)**	
Unspent conditional grants and receipts	-	-	**-**	1 400 000	**1 400 000**	
Provisions	22 346 324	-	**22 346 324**	28 781 752	**6 435 428**	
Bank overdraft	-	1 500 000	**1 500 000**	150 443	**(1 349 557)**	
	236 475 529	**35 217 274**	**271 692 803**	**245 747 718**	**(25 945 085)**	
Non-Current Liabilities						
Long-term liabilities	109 523 687	-	**109 523 687**	104 930 511	**(4 593 176)**	
Retirement benefits liabilities	16 350 374	(700 000)	**15 650 374**	16 002 157	**351 783**	
Other long-term employee benefits	15 224 397	-	**15 224 397**	15 456 907	**232 510**	
	141 098 458	**(700 000)**	**140 398 458**	**136 389 575**	**(4 008 883)**	
Total Liabilities	**377 573 987**	**34 517 274**	**412 091 261**	**382 137 293**	**(29 953 968)**	
Net Assets	**4 263 154 219**	**169 799 481**	**4 432 953 700**	**3 942 178 492**	**(490 775 208)**	

Ugu District Municipality

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Consolidated Financial Statements for the year ended 30 June 2017

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated surplus	4 263 154 219	169 799 481	**4 432 953 700**	3 942 178 492	**(490 775 208)**	

Ugu District Municipality
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Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Sale of goods and services	424 875 276	3 680 634	**428 555 910**	300 554 910	**(128 001 000)**	
Grants	719 523 587	1 916 678	**721 440 265**	708 980 371	**(12 459 894)**	
Interest income	19 355 633	878 814	**20 234 447**	28 297 098	**8 062 651**	
	1 163 754 496	**6 476 126**	**1 170 230 622**	**1 037 832 379**	**(132 398 243)**	
Payments						
Employee costs	(344 724 706)	(5 462 371)	**(350 187 077)**	(350 320 947)	**(133 870)**	
Finance costs	(15 775 660)	4 775 160	**(11 000 500)**	(10 627 915)	**372 585**	
Other payments	(313 145 327)	(125 099 326)	**(438 244 653)**	(417 322 008)	**20 922 645**	
	(673 645 693)	**(125 786 537)**	**(799 432 230)**	**(778 270 870)**	**21 161 360**	
Net cash flows from operating activities	**490 108 803**	**(119 310 411)**	**370 798 392**	**259 561 509**	**(111 236 883)**	
Purchase of property, plant and equipment	(369 147 000)	19 913 707	**(349 233 293)**	(310 207 300)	**39 025 993**	
Proceeds from sale of property, plant and equipment	-	150 000	**150 000**	801 534	**651 534**	
Purchase of investment property	-	-	**-**	(9 991 792)	**(9 991 792)**	
Purchase of other intangible assets	-	-	**-**	(8 318 469)	**(8 318 469)**	
Decrease/(Increase) in long-term receivables	94 725	(244 725)	**(150 000)**	26 842	**176 842**	
Net cash flows from investing activities	**(369 052 275)**	**19 818 982**	**(349 233 293)**	**(327 689 185)**	**21 544 108**	
Cash flows from financing activities						
Repayment of other financial liabilities	(18 277 294)	1 975 440	**(16 301 854)**	(19 031 925)	**(2 730 071)**	
Increase/(Decrease) in consumer deposits	420 714	(147 627)	**273 087**	-	**(273 087)**	
Net cash flows from financing activities	**(17 856 580)**	**1 827 813**	**(16 028 767)**	**(19 031 925)**	**(3 003 158)**	
Net increase/(decrease) in cash and cash equivalents	103 199 948	(97 663 616)	**5 536 332**	(87 159 601)	**(92 695 933)**	
Cash and cash equivalents at the beginning of the year	263 708 830	12 552 048	**276 260 878**	276 260 879	**1**	
Cash and cash equivalents at the end of the year	**366 908 778**	**(85 111 568)**	**281 797 210**	**189 101 278**	**(92 695 932)**	

Ugu District Municipality
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Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Controlling entity						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	473 667 454	1 309 958	**474 977 412**	314 581 575	**(160 395 837)**	
Rental of facilities and equipment	1 249 170	(100 000)	**1 149 170**	2 545 445	**1 396 275**	
Other income - (rollup)	6 122 818	3 729 952	**9 852 770**	10 093 411	**240 641**	
Interest received - investment	18 801 593	600 000	**19 401 593**	27 447 517	**8 045 924**	
Total revenue from exchange transactions	**499 841 035**	**5 539 910**	**505 380 945**	**354 667 948**	**(150 712 997)**	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	711 790 000	(4 643 000)	**707 147 000**	701 437 952	**(5 709 048)**	
Total revenue	**1 211 631 035**	**896 910**	**1 212 527 945**	**1 056 105 900**	**(156 422 045)**	
Expenditure						
Personnel	(321 908 513)	(7 106 610)	**(329 015 123)**	(330 968 190)	**(1 953 067)**	
Remuneration of councillors	(11 200 371)	1 000 000	**(10 200 371)**	(8 323 243)	**1 877 128**	
Depreciation and amortisation	(123 604 339)	(4 780 997)	**(128 385 336)**	(201 477 998)	**(73 092 662)**	
Impairment loss/ Reversal of impairments	(38 108 786)	8 767 461	**(29 341 325)**	(38 213 407)	**(8 872 082)**	
Finance costs	(15 556 657)	3 582 910	**(11 973 747)**	(10 625 404)	**1 348 343**	
Lease rentals on operating lease	(800 000)	(360 000)	**(1 160 000)**	(2 723 216)	**(1 563 216)**	
Repairs and maintenance	(70 635 710)	470 185	**(70 165 525)**	(66 980 699)	**3 184 826**	
Bulk purchases	(81 466 500)	10 608 360	**(70 858 140)**	(77 790 321)	**(6 932 181)**	
Contracted Services	(29 683 354)	(9 590 569)	**(39 273 923)**	(35 428 382)	**3 845 541**	
Transfers and Subsidies	(21 780 890)	(38 307 923)	**(60 088 813)**	(53 773 680)	**6 315 133**	
General Expenses	(148 451 472)	(12 296 188)	**(160 747 660)**	(145 768 605)	**14 979 055**	
Total expenditure	**(863 196 592)**	**(48 013 371)**	**(911 209 963)**	**(972 073 145)**	**(60 863 182)**	
Operating surplus	**348 434 443**	**(47 116 461)**	**301 317 982**	**84 032 755**	**(217 285 227)**	
Gain on disposal of assets and liabilities	-	-	**-**	502 707	**502 707**	
Fair value adjustments	-	-	**-**	100 000	**100 000**	
Deficit on distribution of non-cash assets to owners	-	-	**-**	(30 512 574)	**(30 512 574)**	
	-	**-**	**-**	**(29 909 867)**	**(29 909 867)**	
Surplus before taxation	**348 434 443**	**(47 116 461)**	**301 317 982**	**54 122 888**	**(247 195 094)**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**348 434 443**	**(47 116 461)**	**301 317 982**	**54 122 888**	**(247 195 094)**	

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Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Position						
Assets						
Current Assets						
Inventories	21 780 651	9 719 349	**31 500 000**	7 629 409	**(23 870 591)**	
Current portion of Long-term Receivables	36 299	-	**36 299**	58 731	**22 432**	
Operating lease asset	50 000	-	**50 000**	45 030	**(4 970)**	
Receivables from non-exchange transactions	30 228 062	(26 000 000)	**4 228 062**	19 922 047	**15 693 985**	
VAT receivable	25 000 000	-	**25 000 000**	18 575 169	**(6 424 831)**	
Receivables from exchange transactions	127 573 236	74 591 494	**202 164 730**	100 596 019	**(101 568 711)**	
Cash and cash equivalents	365 953 928	(98 139 786)	**267 814 142**	180 503 687	**(87 310 455)**	
	570 622 176	**(39 828 943)**	**530 793 233**	**327 330 092**	**(203 463 141)**	
Non-Current Assets						
Investment property	32 417 084	(2 917 084)	**29 500 000**	30 242 482	**742 482**	
Property, plant and equipment	4 013 667 152	242 973 236	**4 256 640 388**	3 928 199 617	**(328 440 771)**	
Intangible assets	6 878 684	4 389 769	**11 268 453**	16 267 434	**4 998 981**	
Investments	200	-	**200**	200	**-**	
Long-term receivables	134 753	150 000	**284 753**	30 812	**(253 941)**	
	4 053 097 873	**244 595 921**	**4 297 693 794**	**3 974 740 545**	**(322 953 249)**	
Total Assets	**4 623 720 049**	**204 766 978**	**4 828 487 027**	**4 302 070 637**	**(526 416 390)**	
Liabilities						
Current Liabilities						
Current portion of long-term liabilities	18 277 294	-	**18 277 294**	21 590 802	**3 313 508**	
Operating lease liability	58 364	-	**58 364**	56 760	**(1 604)**	
Payables from exchange transactions	173 147 342	33 444 187	**206 591 529**	171 883 366	**(34 708 163)**	
Consumer deposits	21 456 420	273 087	**21 729 507**	20 830 963	**(898 544)**	
Unspent conditional grants and receipts	-	-	**-**	400 000	**400 000**	
Provisions	22 033 622	-	**22 033 622**	27 755 890	**5 722 268**	
Bank overdraft	-	1 500 000	**1 500 000**	150 443	**(1 349 557)**	
	234 973 042	**35 217 274**	**270 190 316**	**242 668 224**	**(27 522 092)**	
Non-Current Liabilities						
Long-term liabilities	109 523 687	-	**109 523 687**	104 930 511	**(4 593 176)**	
Retirement benefit liabilities	16 350 374	(700 000)	**15 650 374**	16 002 157	**351 783**	
Other long-term employee benefits	15 224 397	-	**15 224 397**	15 456 907	**232 510**	
	141 098 458	**(700 000)**	**140 398 458**	**136 389 575**	**(4 008 883)**	
Total Liabilities	**376 071 500**	**34 517 274**	**410 588 774**	**379 057 799**	**(31 530 975)**	
Net Assets	**4 247 648 549**	**170 249 704**	**4 417 898 253**	**3 923 012 838**	**(494 885 415)**	

Ugu District Municipality

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Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated surplus	4 247 648 549	170 249 704	**4 417 898 253**	3 923 012 838	**(494 885 415)**	

Ugu District Municipality

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Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Sale of goods and services	420 935 681	3 652 488	**424 588 169**	289 123 462	**(135 464 707)**	
Grants	693 092 774	(3 029 264)	**690 063 510**	701 837 920	**11 774 410**	
Interest income	18 995 132	614 436	**19 609 568**	27 447 517	**7 837 949**	
	1 133 023 587	**1 237 660**	**1 134 261 247**	**1 018 408 899**	**(115 852 348)**	
Payments						
Employee costs	(333 108 884)	(6 313 610)	**(339 422 494)**	(336 298 933)	**3 123 561**	
Finance costs	(15 774 085)	4 775 160	**(10 998 925)**	(10 625 404)	**373 521**	
Other payments	(295 386 616)	(130 819 471)	**(426 206 087)**	(410 539 166)	**15 666 921**	
	(644 269 585)	**(132 357 921)**	**(776 627 506)**	**(757 463 503)**	**19 164 003**	
Net cash flows from operating activities	**488 754 002**	**(131 120 261)**	**357 633 741**	**260 945 396**	**(96 688 345)**	
Cash flows from investing activities						
Purchase of property, plant and equipment	(368 557 000)	19 678 443	**(348 878 557)**	(309 903 604)	**38 974 953**	
Proceeds from sale of property, plant and equipment	-	150 000	**150 000**	801 765	**651 765**	
Purchase of investment property	-	-	**-**	(642 482)	**(642 482)**	
Purchase of other intangible assets	-	-	**-**	(8 299 609)	**(8 299 609)**	
Decrease/(Increase) in current portion long-term receivables	94 725	(244 725)	**(150 000)**	26 842	**176 842**	
Net cash flows from investing activities	**(368 462 275)**	**19 583 718**	**(348 878 557)**	**(318 017 088)**	**30 861 469**	
Cash flows from financing activities						
Increase/(decrease) in consumer deposits	420 714	(147 627)	**273 087**	-	**(273 087)**	
Repayment of other financial liabilities	(18 277 294)	1 975 440	**(16 301 854)**	(19 031 925)	**(2 730 071)**	
Net cash flows from financing activities	**(17 856 580)**	**1 827 813**	**(16 028 767)**	**(19 031 925)**	**(3 003 158)**	
Net increase/(decrease) in cash and cash equivalents	102 435 147	(109 708 730)	**(7 273 583)**	(76 103 617)	**(68 830 034)**	
Cash and cash equivalents at the beginning of the year	263 708 830	8 070 471	**271 779 301**	256 456 861	**(15 322 440)**	
Cash and cash equivalents at the end of the year	**366 143 977**	**(101 638 259)**	**264 505 718**	**180 353 244**	**(84 152 474)**	