Notes to the Consolidated Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2017	2016	2017	2016

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

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

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 108: Statutory Receivables	01 April 2016	The impact of the is not material.
• GRAP 32: Service Concession Arrangements: Grantor	01 April 2016	The impact of the is not material.
• IGRAP 17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset	01 April 2016	The impact of the is not material.

2.2 Standards and interpretations issued, but not yet effective

The economic entity has not applied the following standards and interpretations, which have been published and are mandatory for the economic entity's accounting periods beginning on or after 01 July 2017 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 34: Separate Financial Statements	01 April 2099	Unlikely there will be a material impact
• GRAP 35: Consolidated Financial Statements	01 April 2099	Unlikely there will be a material impact
• GRAP 36: Investments in Associates and Joint Ventures	01 April 2099	Unlikely there will be a material impact
• GRAP 37: Joint Arrangements	01 April 2099	Unlikely there will be a material impact
• GRAP 38: Disclosure of Interests in Other Entities	01 April 2099	Unlikely there will be a material impact
• GRAP 110: Living and Non-living Resources	01 April 2099	Unlikely there will be a material impact
• GRAP 12 (as amended 2016): Inventories	01 April 2018	Unlikely there will be a material impact
• GRAP 27 (as amended 2016): Agriculture	01 April 2018	Unlikely there will be a material impact
• GRAP31 (as amended 2016): Intangible Assets	01 April 2018	Unlikely there will be a material impact
• GRAP 103 (as amended 2016): Heritage Assets	01 April 2018	Unlikely there will be a material impact
• GRAP 110 (as amended 2016): Living and Non-living Resources	01 April 2018	Unlikely there will be a material impact
• IGRAP 18: Interpretation of the Standard of GRAP on Recognition and Derecogntion of Land	01 April 2019	Unlikely there will be a material impact
• Directive 12: The Selection of an Appropriate Reporting Framework by Public Entities	01 April 2018	Unlikely there will be a material impact
• GRAP 20: Related parties	01 April 2017	Unlikely there will be a material impact
• GRAP 26 (as amended 2016): Impairment of cash-generating assets	01 April 2018	Unlikely there will be a material impact
• GRAP 109: Accounting by Principals and Agents	01 April 2017	Unlikely there will be a material impact
• GRAP 21 (as amended 2016): Impairment of non-cash-generating assets	01 April 2018	Unlikely there will be a material impact

Notes to the Consolidated Financial Statements

2. New standards and interpretations (continued)

• GRAP 18 (as amended 2016): Segment Reporting	01 April 2018	Unlikely there will be a material impact
• GRAP 17 (as amended 2016): Property, Plant and Equipment	01 April 2018	Unlikely there will be a material impact
• GRAP 16 (as amended 2016): Investment Property	01 April 2018	Unlikely there will be a material impact
• GRAP 106 (as amended 2016): Transfers of functions between entities not under common control	01 April 2018	Unlikely there will be a material impact

3. Inventories

Consumable stores	6 713 362	4 636 017	6 713 362	4 636 017
Maintenance materials	421 161	6 410 189	421 161	6 410 189
Water	494 886	477 849	494 886	477 849
	7 629 409	**11 524 055**	**7 629 409**	**11 524 055**

The economic entity has identified and measured all inventory in terms of GRAP 12 for the financial year ended 30 June 2017.

The cost of water production for the year amounted to R2,08 per kilolitre (2016: R1,97 per kilolitre).

No inventories have been pledged as collateral for liabilities of the municipality.

4. Long-term receivables

At amortised cost				
Loans and receivables	217 252	240 668	217 252	240 668
Sundry loans are made of recoveries that are receivable from employees as results of damages to municipality belongings and employee has acknowlegded the negligence. The sundry loans are not secured and are interest free. The average term of these loans 1 to 5 years.				
	217 252	240 668	217 252	240 668
Impairments	(127 709)	(127 709)	(127 709)	(127 709)
	89 543	**112 959**	**89 543**	**112 959**
Non-current assets				
At amortised cost	30 812	101 365	30 812	101 365
Current assets				
At amortised cost	58 731	11 594	58 731	11 594

5. Operating lease asset (accrual)

Current assets	45 030	46 289	45 030	46 289
Current liabilities	(142 388)	(108 315)	(56 760)	(55 585)
	(97 358)	**(62 026)**	**(11 730)**	**(9 296)**

Operating leases are recognised on the straight-line basis as per the requirement of GRAP 13. In respect of non-cancellable operating leases the current assets and current liabilities (accrual) have been recognised as above.

Notes to the Consolidated Financial Statements

Figures in Rand	Economic entity 2017	Economic entity 2016	Controlling entity 2017	Controlling entity 2016

5. Operating lease asset (accrual) (continued)

Operating lease asset				
Balance at beginning of year	46 289	28 410	46 289	28 410
Operating lease revenue recorded	383 220	1 111 769	383 220	1 111 769
Operating lease revenue from smoothing	(384 479)	(1 093 890)	(384 479)	(1 093 890)
	45 030	**46 289**	**45 030**	**46 289**

Leasing arrangements

The municipality as lessor:

Operating leases relate to property owned by the municipality with lease terms of between 1 to 3 years, with an option to extend. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

Amounts receivable under operating leases

At the reporting date the following minimum lease payments were receivable under non-cancellable operating leases for property, plant and equipment, which are receivable as follows:

Up to 1 year	241 278	227 621	241 278	227 621
2 to 5 years	432 945	674 223	432 945	674 223
	674 223	**901 844**	**674 223**	**901 844**

The impact of charging the escalations in operating leases on a straight-line basis over the term of the lease has been a decrease in current year income of R45 030 (2016: R46 289).

The following restrictions (if any) have been imposed by the municipality in terms of the (specify) lease agreements:

(i) The lessee shall not have the right to sublet, cede or assign the whole or any portion of the premises let.

(ii) The lessor or its duly authorised agent, representative or servant shall have the right at all reasonable times to inspect the premises let.

(iii) The lessee shall use the premises let for the sole purpose prescribed in the agreement.

Operating lease accrual

Operating Leases are recognised on the straight-line basis as per the requirement of GRAP 13.

Balance at beginning of year	108 315	69 605	55 585	50 642
Operating lease expenses recorded	3 734 615	2 414 935	2 684 046	1 885 003
Operating lease payments from smoothing	(3 700 542)	(2 376 225)	(2 682 872)	(1 880 060)
	142 388	**108 315**	**56 759**	**55 585**

Leasing arrangements

The municipality as lessee

Operating leases relate to property, plant and equipment with lease terms not longer than 5 years, with an option to extend for a further period. All operating lease contracts contain market review clauses in the event that the municipality exercises its option to renew. The municipality does not have an option to purchase the leased asset at the expiry of the lease period.

Notes to the Consolidated Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2017	2016	2017	2016

5. Operating lease asset (accrual) (continued)

Amounts payable under operating lease

At the reporting date the municipality had outstanding commitments under non-cancellable operating leases for property, plant and equipment, which fall due as follows:

Within one year	3 477 118	1 729 191	1 751 981	436 369
In the second to third years, inclusive	2 990 958	1 953 228	1 995 746	552 211
Over three years	-	679 488	-	-
	6 468 076	**4 361 907**	**3 747 727**	**988 580**

The following payments have been recognised as an expense in the Statement of Financial Performance:

Minimum lease payments	3 734 615	2 414 935	2 684 046	1 885 003

The municipality has operating lease agreements for the following classes of assets, which are only significant collectively:

- Office equipment

The following restrictions have been imposed on the municipality in terms of the lease agreements on office equipment:

(i) The equipment shall remain the property of the lessor.

(ii) The hirer shall not sell, sublet, cede, assign or delegate any of its rights or obligations on the equipment.

(iii) The equipment shall be returned in good order and condition to the lessor upon termination of the agreement.

(iv) The municipality is obliged to enter into a maintenance agreement with the lessor for the equipment rented.

6. Receivables from non-exchange transactions

Payments made in advance	11 235 490	9 756 709	10 045 723	9 740 266
Ray Nkonyeni Municipality	836 413	-	-	-
Sundry deposits	1 605 132	1 604 432	1 604 432	1 604 432
Sundry debtors	8 271 892	15 770 685	8 271 892	15 770 685
	21 948 927	**27 131 826**	**19 922 047**	**27 115 383**

The average credit period for government grants and subsidies is dependent on the government department involved and the nature of the claim. No interest is charged on outstanding government grants and subsidies. The subsidies are payable to the municipality due to allocations made in the DORA or based on agreements between the municipality and the relevant departments.

Insurance claims are amounts which are claimable in terms of the insurance contract entered into by the municipality. The average waiting period depends on the nature of the claim. No interest is charged on outstanding insurance claims.

Sundry receivables are in respect of debits outstanding at year-end on normal business transactions entered into by the municipality.

The average credit period for receivables is 30 days. No interest is charged for the first 30 days from the date of the invoice. Thereafter interest is charged at the prime rate, charged by the municipality's banker, plus one percent per annum on the outstanding balance. The municipality strictly enforces its approved credit control policy to ensure the recovery of receivables.

Notes to the Consolidated Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2017	2016	2017	2016

6. Receivables from non-exchange transactions (continued)

The municipality does not hold deposits or other security for its receivables.

None of the receivables have been pledged as security for the municipality's financial liabilities.

The management of the municipality is of the opinion that the carrying value of receivables approximate their fair values.

Receivables from non-exchange transactions past due but not impaired

Other receivables from non-exchange transactions which are less than 3 months past due are not considered to be impaired. At 30 June 2017, R 5 800 875 (2016: R 7 041 696) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

3 months past due	5 800 875	7 041 696	5 230 875	7 041 696

Reconciliation of provision for impairment of receivables from non-exchange transactions

Opening balance	3 275 845	2 865 549	3 275 845	2 865 549
Provision for impairment	-	410 296	-	410 296
	3 275 845	**3 275 845**	**3 275 845**	**3 275 845**

The Provision for Impairment on receivables exists predominantly due to the possibility that these amounts may not be recovered. The receivables were assessed individually and grouped together at the Statement of Financial Position as financial assets with similar credit risk characteristics and collectively assessed for impairment.

The provision for impairment was calculated after grouping all the financial assets of similar nature and risk ratings and assessing the recoverability.

In determining the recoverability of a receivable, the municipality considers any change in the credit quality of the receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to most of these being sundry in nature.

7. VAT receivable

VAT	18 743 266	29 739 241	18 575 169	29 870 530

VAT for Municipality and South Coast Development Agency is payable on the payments basis. Once cash has been received from customers/receivables, VAT is payable over to SARS. However Ugu South Coast Tourism VAT is payable on the invoice basis. When the invoice is raised an amount of VAT is payable to SARS.

No interest is payable to SARS if the VAT is paid over timeously, but interest for late payments is charged according to SARS policies. The municipality has financial risk policies in place to ensure that payments are effected before the due date.

8. Receivables from exchange transactions

Gross balances				
Water rates	60 938 466	55 311 968	60 938 466	55 311 968
Water	250 861 939	202 564 723	250 861 939	202 564 723
Sewerage	72 063 342	61 824 904	72 063 342	61 824 904
Other trade	7 425 630	6 694 922	6 717 723	6 253 194
	391 289 377	**326 396 517**	**390 581 470**	**325 954 789**

Notes to the Consolidated Financial Statements

8. Receivables from exchange transactions (continued)

Figures in Rand	Economic entity 2017	Economic entity 2016	Controlling entity 2017	Controlling entity 2016
Less: Allowance for impairment				
Water rates	(49 470 129)	(48 819 652)	(49 470 129)	(48 819 652)
Water	(184 127 756)	(166 659 305)	(184 127 756)	(166 659 305)
Sewerage	(52 655 459)	(47 066 190)	(52 655 459)	(47 066 190)
Other trade	(3 732 107)	(3 732 107)	(3 732 107)	(3 732 107)
	(289 985 451)	**(266 277 254)**	**(289 985 451)**	**(266 277 254)**
Net balance				
Water rates	11 468 337	6 492 316	11 468 337	6 492 316
Water	66 734 183	35 905 418	66 734 183	35 905 418
Sewerage	19 407 883	14 758 714	19 407 883	14 758 714
Other trade	3 693 523	2 962 815	2 985 616	2 521 087
	101 303 926	**60 119 263**	**100 596 019**	**59 677 535**
Water rates				
Current (0 -30 days)	202 931	1 009 332	202 931	1 009 332
31 - 60 days	7 101	9 897	7 101	9 897
61 - 90 days	1 974	11 460	1 974	11 460
91 - 120 days	26 852	14 458	26 852	14 458
121 - 360 days	255 175	2 141 373	255 175	2 141 373
> 360 days	10 974 304	3 305 796	10 974 304	3 305 796
	11 468 337	**6 492 316**	**11 468 337**	**6 492 316**
Water				
Current (0 -30 days)	21 929 950	10 891 693	21 929 950	10 891 693
31 - 60 days	9 237 905	3 904 049	9 237 905	3 904 049
61 - 90 days	7 848 675	2 330 862	7 848 675	2 330 862
91 - 120 days	3 844 026	3 737 443	3 844 026	3 737 443
121 - 360 days	8 905 984	10 831 076	8 905 984	10 831 076
> 360 days	14 967 643	4 210 295	14 967 643	4 210 295
	66 734 183	**35 905 418**	**66 734 183**	**35 905 418**
Sewerage				
Current (0 -30 days)	8 720 300	6 983 017	8 720 300	6 983 017
31 - 60 days	3 560 882	1 820 177	3 560 882	1 820 177
61 - 90 days	2 542 895	698 929	2 542 895	698 929
91 - 120 days	1 008 582	1 331 171	1 008 582	1 331 171
121 - 360 days	1 950 456	1 703 413	1 950 456	1 703 413
> 360 days	1 624 768	2 222 007	1 624 768	2 222 007
	19 407 883	**14 758 714**	**19 407 883**	**14 758 714**
Other trade				
Current (0 -30 days)	724 223	441 728	-	-
31 - 60 days	48 402	-	-	-
91 - 120 days	2 914 366	2 521 087	2 985 616	2 521 087
121 - 360 days	6 532	-	-	-
	3 693 523	**2 962 815**	**2 985 616**	**2 521 087**

Notes to the Consolidated Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2017	2016	2017	2016

8. Receivables from exchange transactions (continued)

Summary of debtors by customer classification

Households				
Current (0 -30 days)	21 911 228	21 212 377	21 911 228	21 212 377
31 - 60 days	11 685 124	6 975 531	11 685 124	6 975 531
61 - 90 days	12 983 166	6 957 446	12 983 166	6 957 446
91 - 120 days	9 232 279	6 663 205	9 232 279	6 663 205
121 - 360 days	54 431 298	50 287 123	54 431 298	50 287 123
> 360 days	147 766 129	172 041 479	147 766 129	172 041 479
	258 009 224	264 137 161	258 009 224	264 137 161
Less: Allowance for impairment	(227 799 839)	(226 327 993)	(227 799 839)	(226 327 993)
	30 209 385	**37 809 168**	**30 209 385**	**37 809 168**

Industrial/ commercial				
Current (0 -30 days)	11 505 705	9 563 930	10 781 582	9 563 930
31 - 60 days	3 121 644	3 078 345	3 073 242	3 078 345
61 - 90 days	3 039 231	2 035 941	3 039 231	2 035 941
91 - 120 days	2 237 627	1 682 440	2 237 627	1 682 440
121 - 360 days	12 423 841	13 817 815	12 417 609	13 817 815
> 360 days	20 782 026	15 749 941	20 782 026	15 749 941
	53 110 074	45 928 412	52 331 317	45 928 412
Less: Allowance for impairment	(41 627 667)	(32 608 035)	(41 627 667)	(32 608 035)
	11 482 407	**13 320 377**	**10 703 650**	**13 320 377**

National and provincial government				
Current (0 -30 days)	4 005 519	5 323 487	4 005 519	5 323 487
31 - 60 days	1 342 572	1 285 679	1 342 572	1 285 679
61 - 90 days	1 159 574	1 235 648	1 159 574	1 235 648
91 - 120 days	778 548	2 242 510	778 548	2 242 510
121 - 360 days	6 347 466	5 094 221	6 347 466	5 094 221
> 360 days	3 177 091	707 671	3 177 091	707 671
	16 810 770	15 889 216	16 810 770	15 889 216
Less: Allowance for impairment	(12 768 275)	(7 341 226)	(12 768 275)	(7 341 226)
	4 042 495	**8 547 990**	**4 042 495**	**8 547 990**

Total				
Current (0 -30 days)	37 422 452	36 099 795	36 698 229	36 099 795
31 - 60 days	16 149 340	11 339 555	16 100 938	11 339 555
61 - 90 days	17 181 972	10 229 035	17 181 972	10 229 035
91 - 120 days	12 248 454	10 588 155	12 248 454	10 588 155
121 - 360 days	73 202 605	69 201 056	73 196 373	69 201 056
> 360 days	235 084 554	188 497 193	235 155 504	188 497 193
	391 289 377	325 954 789	390 581 470	325 954 789
Less: Allowance for impairment	(289 985 451)	(265 835 526)	(289 985 451)	(266 277 254)
	101 303 926	**60 119 263**	**100 596 019**	**59 677 535**

Less: Allowance for impairment				
Current (0 -30 days)	(5 845 049)	(10 036 852)	(5 845 049)	(10 036 852)
31 - 60 days	(3 295 050)	(3 639 614)	(3 295 050)	(3 639 614)
61 - 90 days	(6 788 428)	(4 488 323)	(6 788 428)	(4 488 323)
91 - 120 days	(7 368 993)	(5 504 884)	(7 368 993)	(5 504 884)

Notes to the Consolidated Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2017	2016	2017	2016

8. Receivables from exchange transactions (continued)

121 - 360 days	(65 816 865)	(50 517 837)	(65 816 865)	(50 517 837)
> 360 days	(200 871 066)	(192 089 744)	(200 871 066)	(192 089 744)
	(289 985 451)	**(266 277 254)**	**(289 985 451)**	**(266 277 254)**

Reconciliation of allowance for impairment

Balance at beginning of the year	(266 277 254)	(170 378 206)	(266 277 254)	(170 378 206)
Contributions to allowance	(36 084 926)	(95 961 516)	(36 084 926)	(95 961 516)
Debt impairment written off against allowance	12 376 729	62 468	12 376 729	62 468
	(289 985 451)	**(266 277 254)**	**(289 985 451)**	**(266 277 254)**

No receivables from exchange transactions have been pledged as collateral for liabilities of the municipality.

9. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	14 220 880	59 299 039	6 750 639	43 554 709
Short-term deposits	174 971 908	219 254 093	173 750 098	215 203 330
Other cash and cash equivalents	8 933	13 892	2 950	4 967
Bank overdraft	(150 443)	(2 306 145)	(150 443)	(2 306 145)
	189 051 278	**276 260 879**	**180 353 244**	**256 456 861**

Current assets	189 201 721	278 567 024	180 503 687	258 763 006
Current liabilities	(150 443)	(2 306 145)	(150 443)	(2 306 145)
	189 051 278	**276 260 879**	**180 353 244**	**256 456 861**

For the purposes of the Statement of Financial Position and the Cash Flow Statement, cash and cash equivalents include cash-on-hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts.

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Credit rating				
Long-term (AA+) Short-term (F1+)	23 154 848	111 228 408	14 462 797	91 433 317
Long-term (AA) Short-term (F1+)	45 736 436	30 000 000	45 736 436	30 000 000
Long-term (BB+) Short-term (F1)	75 000 000	70 000 000	75 000 000	70 000 000
Long-term (B) Short-term (F1)	45 151 061	65 018 578	45 151 061	65 018 578
	189 042 345	**276 246 986**	**180 350 294**	**256 451 895**

The municipality did not pledge any of its cash and cash equivalents as collateral for its financial liabilities.

Notes to the Consolidated Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2017	2016	2017	2016

9. Cash and cash equivalents (continued)

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2017	**30 June 2016**	**30 June 2015**	**30 June 2017**	**30 June 2016**	**30 June 2015**
ABSA BANK - Port Shepstone - Account Number 406 668 6529 (Primary Bank Account):	544 163	726 453	83 756	(132 177)	456 884	(16 321 139)
ABSA BANK - Port Shepstone - Account Number 406 668 6472 (General Bank Account):	2 191 339	5 176 442	3 223 171	1 140 847	(2 306 145)	(5 017 457)
ABSA BANK - Port Shepstone - Account Number 406 668 6294 (Collection Account):	918 661	798 319	83 316	894 726	774 383	59 381
ABSA BANK - Port Shepstone - Account Number 406 671 0647 (Consumer Deposits Bank Account):	1 149 078	2 173 512	740 365	(18 266)	748 578	(66 618)
ABSA BANK - Port Shepstone - Account Number 406 660 3763 (Salaries Account):	195 614	118 612	(56 150)	195 614	118 612	(56 150)
ABSA BANK - Port Shepstone - Account Number 406 757 0977 (Sanlam Group Life Account):	4 468 607	4 243 781	4 165 110	4 468 607	4 243 781	4 165 110
ABSA BANK - Port Shepstone - Account Number 406 668 6367 (MIG Project Account):	50 836	50 896	(4 690 825)	50 836	50 896	(4 690 825)
ABSA BANK - Port Shepstone - Account Number 407 187 0797 (Disaster Account):	172 122	81 731	-	172 122	81 731	-
ABSA BANK - Port Shepstone - Account Number 407 755 1917 (Conditional Grants Account):	9	37 161 575	32 765 471	9	37 161 575	32 765 471
Account Number 406 757 0008 (ABSA Call Account):	7 690 000	50 102 543	36 326 397	7 690 000	50 102 543	36 326 397
Account Number 908 888 2297 (ABSA Notice Deposit):	454	-	-	479	479	-
Account Number 625 155 61357 (FNB Call Account):	19 320	18 578	18 226	19 320	18 578	18 226
Account Number 746 266 34832 (FNB Call Account):	45 131 741	65 000 000	45 000 000	45 131 741	65 000 000	45 000 000
Account Number 058 905 324 040 (Standard Bank Notice Deposit):	45 736 436	30 000 000	45 000 000	45 736 436	30 000 000	45 000 000
Account Number 764 855 2728 (Nedbank Fixed Deposit Account):	40 000 000	30 000 000	30 000 000	40 000 000	30 000 000	30 000 000
Account Number 1100 - 458627 (Investec Call Deposit):	35 000 000	40 000 000	65 000 000	35 000 000	40 000 000	65 000 000
Ithala Bank Account: Short - term investment	-	-	734 892	-	-	734 892
Bank Accounts for Ugu South Coast Tourism	**Bank statement balances**			**Cash book balances**		
ABSA Bank - KZN Public Sector Branch Account Number: 407 403 6586	1 214 338	274 351	113 435	1 223 818	283 445	125 460

9. Cash and cash equivalents (continued)

ABSA Bank - KZN Public Sector Branch Account Number: 923 286 9178	4 627 029	15 414 065	13 319 582	4 627 029	15 414 065	13 319 582
ABSA Bank - KZN Public Sector Branch Account Number: 409 052 1454	1 554 515	-	-	1 554 515	-	-
ABSA Bank - Rental Guarantee, Account Number: 206 967 8591*	40 974	38 334	36 000	40 974	38 334	36 000
Account number / description	**Bank statement balances**			**Cash book balances**		
Investec Bank: Account Number 1100 4844 51450	-	1 407 931	-	-	1 407 931	-
Investec Bank: Account Number 1100 4844 51452	-	642 832	-	-	642 832	-
Investec Bank: Account Number 1100 4844 51499	-	2 000 000	-	-	2 000 000	-
ABSA Bank: Account Number 405 752 5673	23 904	8 485	132 358	23 905	8 484	132 358
ABSA Bank: Account Number 932 264 8008	1 221 810	-	-	1 221 810	-	-
Total	**191 950 950**	**285 438 440**	**271 995 104**	**189 042 345**	**276 246 986**	**246 530 688**

* The guarantee held by ABSA Bank is ceded to JHI Properties (Pty) Ltd, for a rental deposit for the Tourism Office in Shelly Centre. It is a 5 year lease which expires 31 October 2019. However, the guarantee is in place until 31 January 2020 (3 months after end of the lease).

10. Investment property

Economic entity	2017			2016		
	Cost / Valuation	**Accumulated depreciation and accumulated impairment**	**Carrying value**	**Cost / Valuation**	**Accumulated depreciation and accumulated impairment**	**Carrying value**
Investment property	39 342 482	-	39 342 482	29 500 000	-	29 500 000

Controlling entity	2017			2016		
	Cost / Valuation	**Accumulated depreciation and accumulated impairment**	**Carrying value**	**Cost / Valuation**	**Accumulated depreciation and accumulated impairment**	**Carrying value**
Investment property	30 242 482	-	30 242 482	29 500 000	-	29 500 000

Reconciliation of investment property - Economic entity - 2017

	Opening balance	**Additions**	**Fair value adjustments**	**Total**
Investment property	29 500 000	9 991 792	(149 310)	39 342 482