



**MSUNDUZI LOCAL MUNICIPALITY AND ITS MUNICIPAL ENTITY
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

Msunduzi Local Municipality and its Municipal Entity

Consolidated Annual Financial Statements for the year ended 30 June 2021

General Information

Legal form of entity	Category B Municipality in terms of section 12 of the Local Government : Municipal Structures Act, 1998 (Act 117 of 1998) read with section 155(1) of the Constitution of the Republic of South Africa (Act 108 of 1996) and Municipal Finance Management Act No. 56 of 2003.
Nature of business and principal activities	The primary function of Msunduzi Local Municipality is to provide basic services i.e. water, electricity, sanitation and refuse to the Msunduzi jurisdiction. Msunduzi Local Municipality is controlled by a Mayor, Deputy Mayor, Speaker, Chief Whip, ten Executive Committee members, the Accounting Officer and five General Managers who contribute to day-to-day management.
Grading of local authority	Category - B
Controlling entity	Msunduzi Local Municipality
Economic entity	Safe City Msunduzi NPC
Business address	The City Hall 260 Church Street Pietermaritzburg 3201
Postal address	The City Hall Private Bag X321 Pietermaritzburg 3200
Telephone	(033) 392 2002
Facsimile	(033) 392 2208
Legislation governing the municipality's operations	Municipal Finance Management Act (Act 56 of 2003) The Constitution of the Republic of South Africa (Act 108 of 1996) Municipal Structures Act (Act 117 of 1998) Municipal Systems Act (Act 32 of 2000) Municipal Property Rates Act (Act 6 of 2004) Division of Revenue Act (Act 1 of 2007) Municipal Demarcation Act (Act 27 of 1998)
Bankers	First National Bank
Website	www.msunduzi.gov.za
Accounting Officer	Madoda Phumula Khathide
Auditors	The Auditor General of South Africa
Chief Finance Officer (CFO)	Nelisiwe Margaret Ngcobo
Executive Committee	Mayor - Thebolla Mzimkhulu Deputy Mayor - Inderjit Manilal Madlala Linda Linford McArthur Glenn Robert

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General Information

Councillors

Mkhize Dorcas Sibongile
Ngcobo Zanele
Ngubo Gugu Mary - Jane
Ntombela Thinasonke Dennis
Majola Jerome Sibongiseni
Ntshangase Ntuthuko
Msimang Prudence Nokuthula
Speaker - Majola Nomagugu Eunice
Chief Whip - Ntshangase Vusumuzi Michael
Municipal Public Accounts Committee Chairperson - Schalkwyk Mary
Adkins Shawn
Ahmed Najmah Banu
Ahmed Rooksana
Amod Ismail Michael
Chonco Sibusiso
Dlamini Ambrosia Sibongile
Dlamini Godman Nkosivelile
Dlamini Sandile Wellington
Dlamini Tholakele Ignatia
Dlela Nomalady Eleanor
Duma Prince Dumisa
Gambu Nkosinathi Chasewell
Goga Mohammed Salim
Gwala Nelisiwe Jannet
Khumalo Yvonne Nontobeko
Khumalo Sphamandla Dennis
Lambert William Francis
Lyne Sandra Patricia
Madlala Siphamandla Sydney
Madonda Siphon Innocent
Madondo Ignatia Thandiwe
Majola Terrence Sboniso
Mbanjwa Nkosinathi Maxwell
Mbutu Phindisile Mysie
Mhlongo Snothi Raphael
Mkhize Mtuza Bhekithemba
Mkhize Mabhungu
Mncwango Gladness Sibongile
Molefe Thabiso Patrick
Mpulo Mthetho Ephraim
Mtshali Blessing Sbusiso
Naicker Lucky
Naidoo Sunny
Ndawonde Sipiwe Caiphas
Ndlovu Nelisiwe Zanele
Nene Jabulani
Nene S'fiso Derrick
Ngcobo Katherine Malindi
Ngongoma Xolani Ellington
Ngubane Sandile Duncan

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General Information

Ngubo Jabulisile Joyce
Ngubo Manqoba
Ngubo Zinhle Regina
Nhlabathi Bongumusa Cyril
Niemand Rienus
Njilo Mduduzi
Oumar Mehmood-UI Hassan
Ntombela Desmond Thandanani
Phungula Dumisani Bernard
Reddy Suraya
Ryder Dave
Sithole Philisiwe
Sithole Thamsanqa Wonderboy
Sokhela Balozile Cynthia
Sokhela Mansizwa Simon
Soobiah Rachel
Strachan Ross Bryan
Winterbach Ludwig Johann
Zondi Hamilton Mlungisi
Zondo Makhosazane Precious
Zuma Bukelani Ephraim
Zuma Michael Bhekabantu
Zuma Thobani
Zungu Ningi Jostinah

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Abbreviations

ASB	Accounting Standards Board
COID	Compensation for Occupational Injuries and Diseases
CPI	Consumer Price Index
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
FNB	First National Bank
GRAP	Generally Recognised Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards
KZN	Kwazulu Natal
ME's	Municipal Entities
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
NATIS	National Traffic Information System
NJMPF	Natal Joint Municipal Pension Fund
NPA	Natal Provincial Administration
PAYE	Pay As You Earn
UIF	Unemployment Insurance Fund
VAT	Value Added Taxation

Msunduzi Local Municipality and its Municipal Entity

Consolidated Annual Financial Statements for the year ended 30 June 2021

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the consolidated annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the consolidated annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the consolidated annual financial statements and was given unrestricted access to all financial records and related data.

The consolidated annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The consolidated annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the economic entity and places considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the economic entity and all employees are required to maintain the highest ethical standards in ensuring the economic entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the economic entity is on identifying, assessing, managing and monitoring all known forms of risk across the economic entity. While operating risk cannot be fully eliminated, the economic entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

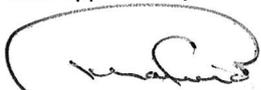
The accounting officer has reviewed the economic entity's cash flow forecast for the year to 30 June 2022 and, in the light of this review and the current financial position, he is satisfied that the economic entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

Although the accounting officer is primarily responsible for the financial affairs of the municipality, she is supported by the economic entity's audit committee, internal and external auditors.

The external auditors are responsible for independently auditing and reporting on the economic entity's consolidated annual financial statements. The consolidated annual financial statements have been examined by the economic entity's internal auditors.

I certify that the salaries, allowances and benefits of councillors as disclosed in note 52 of these Annual Financial Statements are within the upper limits of the framework envisaged in section 219 of the Constitution, read with Remuneration of Public Officer Bearer Act and the Minister of Provincial and Local Governments determination in accordance with this Act

The consolidated annual financial statements set out on page 1-197, which have been prepared on the going concern basis, were approved by the accounting officer on 30 September 2021 and were signed on its behalf by:



Accounting Officer
Madoda Phumula Khathide

Pietermaritzburg

Thursday, 30 September 2021

Msunduzi Local Municipality and its Municipal Entity

Consolidated Annual Financial Statements for the year ended 30 June 2021

Statement of Financial Position as at 30 June 2021

Figures in Rand	Note(s)	Economic entity		Controlling entity	
		2021	2020 Restated*	2021	2020 Restated*
Assets					
Current Assets					
Inventories	3	353 716 815	339 408 865	353 716 815	339 408 865
Short term investment	4	32 311 434	-	32 311 434	-
Receivables from exchange transactions	5	19 681 707	18 726 145	19 679 207	18 631 853
Statutory receivables	6	545 319 677	550 334 896	545 319 677	550 334 896
Consumer debtors	7	1 176 104 174	1 617 676 899	1 176 104 174	1 617 676 899
Cash and cash equivalents	8	361 320 731	518 976 967	359 519 552	517 656 140
		2 488 454 538	3 045 123 772	2 486 650 859	3 043 708 653
Non-Current Assets					
Agricultural assets	9	96 300 000	75 245 448	96 300 000	75 245 448
Heritage assets	10	272 918 984	271 924 472	272 918 984	271 924 472
Intangible assets	11	24 463 571	30 700 413	24 463 571	30 700 413
Investment property	12	892 583 607	821 336 190	892 583 607	821 336 190
Living resources	13	743 574	733 181	743 574	733 181
Property, plant and equipment	14	6 781 651 843	6 600 702 628	6 772 072 289	6 590 100 126
Other financial assets	15	-	-	-	-
		8 068 661 579	7 800 642 332	8 059 082 025	7 790 039 830
Total Assets		10 557 116 117	10 845 766 104	10 545 732 884	10 833 748 483
Liabilities					
Current Liabilities					
Consumer deposits	16	128 836 470	113 838 915	128 836 470	113 838 915
Other financial liabilities	17	81 573 484	113 418 258	81 573 484	113 418 258
Transfers payable (non-exchange)	18	21 715 043	22 991 872	21 715 043	22 991 872
Payables from exchange transactions	19	1 385 627 077	1 239 943 993	1 388 654 967	1 242 909 966
Provisions	20	10 129 381	8 835 575	9 473 444	8 291 753
Employee benefit obligation	21	39 852 001	38 202 000	39 852 001	38 202 000
Unspent conditional grants and receipts	22	179 373 712	180 851 130	179 373 712	180 851 130
VAT payable	23	190 638 434	179 812 237	190 234 402	179 391 512
		2 037 745 602	1 897 893 980	2 039 713 523	1 899 895 406
Non-Current Liabilities					
Other financial liabilities	17	203 744 512	285 317 996	203 744 512	285 317 996
Provisions	20	55 141 588	54 054 912	55 141 588	54 054 912
Employee benefit obligation	21	555 608 000	507 812 001	555 608 000	507 812 001
		814 494 100	847 184 909	814 494 100	847 184 909
Total Liabilities		2 852 239 702	2 745 078 889	2 854 207 623	2 747 080 315
Net Assets		7 704 876 415	8 100 687 215	7 691 525 261	8 086 668 168
Reserves					
Accumulated surplus	24	7 513 887 393	7 909 840 046	7 500 536 239	7 895 820 999
Capital replacement reserve	25	724 892	2 053 876	724 892	2 053 876
Housing development fund	26	95 126 533	93 528 758	95 126 533	93 528 758
Revaluation reserve	27	95 137 597	95 264 535	95 137 597	95 264 535
Total Net Assets		7 704 876 415	8 100 687 215	7 691 525 261	8 086 668 168

* See Note 70 & 69 & 71

Msunduzi Local Municipality and its Municipal Entity

Consolidated Annual Financial Statements for the year ended 30 June 2021

Statement of Financial Performance

Figures in Rand	Note(s)	Economic entity		Controlling entity	
		2021	2020 Restated*	2021	2020 Restated*
Revenue					
Revenue from exchange transactions					
Agency services	28	1 931 382	1 090 372	1 931 382	1 090 372
Interest - consumer debtors and receivables	29	144 311 904	225 860 971	144 311 904	225 860 971
Interest received - bank, call and investment accounts	30	8 530 436	14 258 674	8 455 919	14 116 343
Licences and permits	31	602 789	604 456	602 789	604 456
Operational revenue	32	53 354 598	47 529 602	53 318 643	47 529 602
Rental of facilities and equipment	33	14 558 911	43 600 611	14 558 911	43 600 611
Rendering of services	34	9 124 355	6 807 908	9 124 355	6 807 908
Sale of goods	35	196 121	16 811 766	195 821	16 811 005
Service charges	36	3 188 125 756	3 259 776 141	3 188 294 762	3 259 930 640
Total revenue from exchange transactions		3 420 736 252	3 616 340 501	3 420 794 486	3 616 351 908
Revenue from non-exchange transactions					
Taxation revenue					
Property rates	37	1 204 676 314	1 195 856 153	1 204 676 314	1 195 856 153
Interest - property rates	38	44 323 254	66 392 640	44 323 254	66 392 640
Transfer revenue					
Fines, penalties and forfeits	39	16 062 035	13 272 582	16 062 035	13 272 582
Government grants and subsidies	40	1 256 029 137	1 067 241 793	1 256 029 137	1 067 241 793
Other transfers	41	2 197 376	1 434 881	2 197 376	1 434 881
Total revenue from non-exchange transactions		2 523 288 116	2 344 198 049	2 523 288 116	2 344 198 049
Total revenue		5 944 024 368	5 960 538 550	5 944 082 602	5 960 549 957
Expenditure					
Bad debts written off	42	(384 120 628)	(20 930 221)	(384 120 628)	(20 930 221)
Bulk purchases	43	(2 659 404 299)	(2 491 126 597)	(2 659 404 299)	(2 491 126 597)
General expenses	44	(550 212 131)	(474 071 468)	(549 998 397)	(473 853 687)
Debt impairment	45	(660 355 263)	(567 918 578)	(660 355 263)	(567 918 578)
Depreciation and amortisation	46	(373 535 134)	(418 532 461)	(372 532 037)	(417 695 689)
Employee related costs	47	(1 428 279 457)	(1 354 174 978)	(1 418 425 769)	(1 345 486 985)
Finance costs	48	(35 856 007)	(43 716 970)	(35 856 007)	(43 716 970)
Inventory consumed	49	(58 203 619)	(57 199 347)	(58 158 321)	(57 161 591)
Operational costs	50	(129 809 590)	(136 029 529)	(128 892 961)	(135 085 454)
Operating leases	51	(26 047 813)	(23 049 402)	(26 036 599)	(23 037 264)
Remuneration of councillors	52	(51 641 246)	(43 759 322)	(51 641 246)	(43 759 322)
Transfers and subsidies	53	(5 076 471)	(13 927 479)	(16 870 305)	(25 306 678)
Total expenditure		(6 362 541 658)	(5 644 436 352)	(6 362 291 832)	(5 645 079 036)
Operating (deficit) surplus		(418 517 290)	316 102 198	(418 209 230)	315 470 921
Actuarial gains/(losses)	54	(18 190 156)	91 491 795	(18 190 156)	91 491 795
Fair value adjustments on investment property	55	42 197 500	(19 832 000)	42 197 500	(19 832 000)
Fair value on agricultural assets	56	21 054 552	8 721 325	21 054 552	8 721 325
Gains/(losses) on disposal of assets		(10 843 043)	(12 500 839)	(10 483 210)	(12 254 552)
Impairment loss	57	(7 730 183)	(6 353 310)	(7 730 183)	(6 353 310)
Inventory losses	58	(3 655 242)	(7 356 148)	(3 655 242)	(7 356 148)
		22 833 428	54 170 823	23 193 261	54 417 110
(Deficit) surplus for the year		(395 683 862)	370 273 021	(395 015 969)	369 888 031

* See Note 70 & 69 & 71

Msunduzi Local Municipality and its Municipal Entity

Consolidated Annual Financial Statements for the year ended 30 June 2021

Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Housing development fund	Capital replacement fund	Total reserves	Accumulated surplus	Total net assets
Economic entity						
Balance at 01 July 2019	97 158 944	90 761 936	40 992 378	228 913 258	7 505 212 643	7 734 125 901
Changes in net assets						
Prior year adjustment	-	-	-	-	14 789 810	14 789 810
Devaluation of Heritage assets	(1 894 409)	-	-	(1 894 409)	-	(1 894 409)
Cash utilised for capital expenditure	-	-	(39 572 027)	(39 572 027)	39 572 027	-
Net income (losses) recognised directly in net assets	(1 894 409)	-	(39 572 027)	(41 466 436)	54 361 837	12 895 401
Surplus for the year	-	-	-	-	370 273 021	370 273 021
Total recognised income and expenses for the year	(1 894 409)	-	(39 572 027)	(41 466 436)	424 634 858	383 168 422
Correction in surplus	-	-	-	-	(16 607 108)	(16 607 108)
Interest earned on investment	-	2 766 822	633 525	3 400 347	(3 400 347)	-
Total changes	(1 894 409)	2 766 822	(38 938 502)	(38 066 089)	404 627 403	366 561 314
Restated* Balance at 01 July 2020	95 264 535	93 528 758	2 053 876	190 847 169	7 909 840 046	8 100 687 215
Changes in net assets						
Devaluation of Heritage assets	(126 938)	-	-	(126 938)	-	(126 938)
Cash utilised for capital expenditure	-	-	(1 352 943)	(1 352 943)	1 352 943	-
Net income (losses) recognised directly in net assets	(126 938)	-	(1 352 943)	(1 479 881)	1 352 943	(126 938)
Surplus for the year	-	-	-	-	(395 683 862)	(395 683 862)
Total recognised income and expenses for the year	(126 938)	-	(1 352 943)	(1 479 881)	(394 330 919)	(395 810 800)
Interest earned on investment	-	1 597 775	23 959	1 621 734	(1 621 734)	-
Total changes	(126 938)	1 597 775	(1 328 984)	141 853	(395 952 653)	(395 810 800)
Balance at 30 June 2021	95 137 597	95 126 533	724 892	190 989 022	7 513 887 393	7 704 876 415
Note(s)	27	26	25			
Controlling entity						
Balance at 01 July 2019	97 158 944	90 761 936	40 992 378	228 913 258	7 491 578 590	7 720 491 848
Changes in net assets						
Prior year adjustment	-	-	-	-	14 789 809	14 789 809
Devaluation of Heritage assets	(1 894 409)	-	-	(1 894 409)	-	(1 894 409)
Cash utilised for capital expenditure	-	-	(39 572 027)	(39 572 027)	39 572 027	-
Net income (losses) recognised directly in net assets	(1 894 409)	-	(39 572 027)	(41 466 436)	54 361 836	12 895 400
Surplus for the year	-	-	-	-	369 888 031	369 888 031
Total recognised income and expenses for the 12 months	(1 894 409)	-	(39 572 027)	(41 466 436)	424 249 867	382 783 431
Correction in surplus	-	-	-	-	(16 607 111)	(16 607 111)
Interest earned on investment	-	2 766 822	633 525	3 400 347	(3 400 347)	-
Total changes	(1 894 409)	2 766 822	(38 938 502)	(38 066 089)	404 242 409	366 176 320
Restated* Balance at 01 July 2020	95 264 535	93 528 758	2 053 876	190 847 169	7 895 820 999	8 086 668 168
Changes in net assets						
Devaluation of Heritage assets	(126 938)	-	-	(126 938)	-	(126 938)
Cash utilised for capital expenditure	-	-	(1 352 943)	(1 352 943)	1 352 943	-
Net income (losses) recognised directly in net assets	(126 938)	-	(1 352 943)	(1 479 881)	1 352 943	(126 938)
Surplus for the year	-	-	-	-	(395 015 969)	(395 015 969)
Total recognised income and expenses for the year	(126 938)	-	(1 352 943)	(1 479 881)	(393 663 026)	(395 142 907)
Interest earned on investment	-	1 597 775	23 959	1 621 734	(1 621 734)	-
Total changes	(126 938)	1 597 775	(1 328 984)	141 853	(395 284 760)	(395 142 907)
Balance at 30 June 2021	95 137 597	95 126 533	724 892	190 989 022	7 500 536 239	7 691 525 261
Note(s)	27	26	25		24	

* See Note 70 & 69 & 71

Msunduzi Local Municipality and its Municipal Entity

Consolidated Annual Financial Statements for the year ended 30 June 2021

Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Capital replacement reserve	Capitalisation reserve	Total reserves	Accumulated surplus	Total net assets
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Cash Flow Statement

Figures in Rand	Note(s)	Economic entity		Controlling entity		
		2021	2020 Restated*	2021	2020 Restated*	
Cash flows from operating activities						
Receipts						
Sale of goods and services		4 078 704 928	3 882 882 791	4 078 745 887	3 883 061 684	
Interest income		8 124 683	14 091 556	8 050 166	14 091 556	
Interest received - consumer debtors		14 893 006	31 501 775	14 893 006	31 359 444	
Government grants		1 254 551 714	1 169 508 102	1 254 551 714	1 169 508 101	
		5 356 274 331	5 097 984 224	5 356 240 773	5 098 020 785	
Payments						
Employee costs		(1 423 824 295)	(1 340 606 132)	(1 414 140 111)	(1 332 020 408)	
Suppliers		(3 307 786 772)	(3 007 635 565)	(3 318 257 734)	(3 014 480 670)	
Finance costs		(36 203 064)	(46 314 311)	(36 203 064)	(46 314 311)	
		(4 767 814 131)	(4 394 556 008)	(4 768 600 909)	(4 392 815 389)	
Net cash flows from operating activities	59	588 460 200	703 428 216	587 639 864	705 205 396	
Cash flows from investing activities						
Purchase of tangible non current assets	14	(600 427 254)	(426 155 626)	(600 087 270)	(426 107 219)	
Purchase of intangible assets	11	(28 654)	(97 000)	(28 654)	(97 000)	
Receipts from other financial assets		69 164	166 278	69 164	166 278	
(Increase)/decrease in short term investment		(32 311 434)	17 040 365	(32 311 434)	17 040 365	
Net cash flows from investing activities		(632 698 178)	(409 045 983)	(632 358 194)	(408 997 576)	
Cash flows from financing activities						
Repayment of other financial liabilities		(113 418 258)	(83 600 511)	(113 418 258)	(83 600 511)	
Net cash flows from financing activities		(113 418 258)	(83 600 511)	(113 418 258)	(83 600 511)	
Net increase/(decrease) in cash and cash equivalents		(157 656 236)	210 781 722	(158 136 588)	212 607 309	
Cash and cash equivalents at the beginning of the year		518 976 967	308 195 245	517 656 140	305 048 831	
Cash and cash equivalents at the end of the year	8	361 320 731	518 976 967	359 519 552	517 656 140	

* See Note 70 & 69 & 71

Msunduzi Local Municipality and its Municipal Entity

Consolidated Annual Financial Statements for the year ended 30 June 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Economic entity						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Sale of goods	-	-	-	196 121	196 121	
Service charges	3 575 763 602	-	3 575 763 602	3 188 125 756	(387 637 846)	
Rendering of services	-	-	-	9 124 355	9 124 355	
Rental of facilities and equipment	29 078 798	-	29 078 798	14 558 911	(14 519 887)	
Interest received - consumer debtors and receivables	202 457 794	-	202 457 794	144 311 904	(58 145 890)	
Agency services	601 902	-	601 902	1 931 382	1 329 480	
Licences and permits	1 119 569	-	1 119 569	602 789	(516 780)	
Operational revenue	146 451 785	13 562 909	160 014 694	53 354 598	(106 660 096)	
Interest received - bank, call and investment accounts	15 260 422	108 900	15 369 322	8 530 436	(6 838 886)	
Total revenue from exchange transactions	3 970 733 872	13 671 809	3 984 405 681	3 420 736 252	(563 669 429)	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	1 269 794 594	-	1 269 794 594	1 204 676 314	(65 118 280)	
Interest - property rates	-	-	-	44 323 254	44 323 254	
Transfer revenue						
Government grants and subsidies	1 201 374 821	520 846 341	1 722 221 162	1 256 029 137	(466 192 025)	
Fines, penalties and forfeits	1 798 551	-	1 798 551	16 062 035	14 263 484	
Other transfers	-	-	-	2 197 376	2 197 376	
Total revenue from non-exchange transactions	2 472 967 966	520 846 341	2 993 814 307	2 523 288 116	(470 526 191)	
Total revenue	6 443 701 838	534 518 150	6 978 219 988	5 944 024 368	(1 034 195 620)	
Expenditure						
Employee related costs	(1 478 324 302)	(3 474 344)	(1 481 798 646)	(1 428 279 457)	53 519 189	
Remuneration of councillors	(53 650 401)	-	(53 650 401)	(51 641 246)	2 009 155	
Bad debts written off	-	-	-	(384 120 628)	(384 120 628)	
Depreciation and amortisation	(489 941 448)	15 230 182	(474 711 266)	(373 535 134)	101 176 132	
Impairment loss	-	(7 730 183)	(7 730 183)	(7 730 183)	-	
Finance costs	(31 793 212)	(4 712 122)	(36 505 334)	(35 856 007)	649 327	
Operating leases	(27 380 805)	-	(27 380 805)	(26 047 813)	1 332 992	
Debt Impairment	(123 904 143)	-	(123 904 143)	(660 355 263)	(536 451 120)	
Bulk purchases	(2 608 224 085)	(72 626 009)	(2 680 850 094)	(2 659 404 299)	21 445 795	
General expenses	(464 722 594)	(197 635 866)	(662 358 460)	(550 212 131)	112 146 329	
Transfers and subsidies	(25 080 461)	(21 621 333)	(46 701 794)	(5 076 471)	41 625 323	
Inventory consumed	(46 613 415)	(17 914 269)	(64 527 684)	(58 203 619)	6 324 065	
Operational costs	(166 842 603)	3 133 673	(163 708 930)	(129 809 590)	33 899 340	
Total expenditure	(5 516 477 469)	(307 350 271)	(5 823 827 740)	(6 370 271 841)	(546 444 101)	
Operating deficit	927 224 369	227 167 879	1 154 392 248	(426 247 473)	(1 580 639 721)	
Gains/(losses) on disposal of assets	-	(10 483 210)	(10 483 210)	(10 843 043)	(359 833)	
Fair value adjustments on investment property	-	-	-	42 197 500	42 197 500	

Msunduzi Local Municipality and its Municipal Entity

Consolidated Annual Financial Statements for the year ended 30 June 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Actuarial gains/losses	-	(18 190 159)	(18 190 159)	(18 190 156)	3	
Fair value adjustment on agricultural assets	-	-	-	21 054 552	21 054 552	
Inventory losses	-	(6 764 548)	(6 764 548)	(3 655 242)	3 109 306	
	-	(35 437 917)	(35 437 917)	30 563 611	66 001 528	
Deficit before taxation	927 224 369	191 729 962	1 118 954 331	(395 683 862)	(1 514 638 193)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	927 224 369	191 729 962	1 118 954 331	(395 683 862)	(1 514 638 193)	
Reconciliation						

Msunduzi Local Municipality and its Municipal Entity

Consolidated Annual Financial Statements for the year ended 30 June 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Position						
Assets						
Current Assets						
Inventories	36 180 572	286 841 163	323 021 735	353 716 815	30 695 080	
Short term investment	-	-	-	32 311 434	32 311 434	
Receivables from exchange transactions	67 823 550	-	67 823 550	19 681 707	(48 141 843)	
Statutory receivables	-	-	-	545 319 677	545 319 677	
Consumer debtors	2 485 904 794	(319 918 341)	2 165 986 453	1 176 104 174	(989 882 279)	
Cash and cash equivalents	382 435 849	(238 582 009)	143 853 840	361 320 731	217 466 891	
	2 972 344 765	(271 659 187)	2 700 685 578	2 488 454 538	(212 231 040)	
Non-Current Assets						
Agricultural assets	-	-	-	96 300 000	96 300 000	
Investment property	782 332 534	-	782 332 534	892 583 607	110 251 073	
Property, plant and equipment	7 111 997 636	441 312 507	7 553 310 143	6 781 651 843	(771 658 300)	
Living resources	1 065 650	-	1 065 650	743 574	(322 076)	
Intangible assets	46 132 727	-	46 132 727	24 463 571	(21 669 156)	
Heritage assets	395 927 434	-	395 927 434	272 918 984	(123 008 450)	
Other financial assets	2 969 671	(2 970 000)	(329)	-	329	
	8 340 425 652	438 342 507	8 778 768 159	8 068 661 579	(710 106 580)	
Total Assets	11 312 770 417	166 683 320	11 479 453 737	10 557 116 117	(922 337 620)	
Liabilities						
Current Liabilities						
Other financial liabilities	85 380 596	-	85 380 596	81 573 484	(3 807 112)	
Payables from exchange transactions	1 101 595 513	(95 870 887)	1 005 724 626	1 385 627 077	379 902 451	
Taxes and transfers payable (non-exchange)	-	-	-	21 715 043	21 715 043	
VAT payable	-	-	-	190 638 434	190 638 434	
Consumer deposits	114 344 431	-	114 344 431	128 836 470	14 492 039	
Employee benefit obligation	-	-	-	39 852 001	39 852 001	
Unspent conditional grants and receipts	-	-	-	179 373 712	179 373 712	
Provisions	140 397 812	-	140 397 812	10 129 381	(130 268 431)	
	1 441 718 352	(95 870 887)	1 345 847 465	2 037 745 602	691 898 137	
Non-Current Liabilities						
Other financial liabilities	282 085 537	-	282 085 537	203 744 512	(78 341 025)	
Employee benefit obligation	809 779 415	-	809 779 415	555 608 000	(254 171 415)	
Provisions	-	-	-	55 141 588	55 141 588	
	1 091 864 952	-	1 091 864 952	814 494 100	(277 370 852)	
Total Liabilities	2 533 583 304	(95 870 887)	2 437 712 417	2 852 239 702	414 527 285	
Net Assets	8 779 187 113	262 554 207	9 041 741 320	7 704 876 415	(1 336 864 905)	
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Revaluation reserve	97 158 944	-	97 158 944	95 137 597	(2 021 347)	

Msunduzi Local Municipality and its Municipal Entity

Consolidated Annual Financial Statements for the year ended 30 June 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Housing development fund	90 761 936	-	90 761 936	95 126 533	4 364 597	
Capital replacement reserve	40 992 378	-	40 992 378	724 892	(40 267 486)	
Accumulated surplus	8 550 273 855	262 554 207	8 812 828 062	7 513 887 393	(1 298 940 669)	
Total Net Assets	8 779 187 113	262 554 207	9 041 741 320	7 704 876 415	(1 336 864 905)	

Msunduzi Local Municipality and its Municipal Entity

Consolidated Annual Financial Statements for the year ended 30 June 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Sale of goods and services	4 270 917 481	(118 509 155)	4 152 408 326	4 078 704 928	(73 703 398)	
Grants	1 201 374 821	398 725 732	1 600 100 553	1 254 551 714	(345 548 839)	
Interest income	-	-	-	8 124 683	8 124 683	
Interest received - consumer debtors	185 060 484	-	185 060 484	14 893 006	(170 167 478)	
	5 657 352 786	280 216 577	5 937 569 363	5 356 274 331	(581 295 032)	
Payments						
Employee costs	(1 531 974 703)	(3 474 344)	(1 535 449 047)	(1 423 824 295)	111 624 752	
Suppliers	(3 341 051 441)	(308 287 202)	(3 649 338 643)	(3 307 786 772)	341 551 871	
Finance costs	(31 793 212)	(4 712 122)	(36 505 334)	(36 203 064)	302 270	
	(4 904 819 356)	(316 473 668)	(5 221 293 024)	(4 767 814 131)	453 478 893	
Net cash flows from operating activities	752 533 430	(36 257 091)	716 276 339	588 460 200	(127 816 139)	
Purchase of tangible non current assets	(580 891 581)	(430 028 267)	(1 010 919 848)	(600 427 254)	410 492 594	
Purchase of intangible assets	-	-	-	(28 654)	(28 654)	
Receipts from other financial assets	-	-	-	69 164	69 164	
(Increase)/decrease in short term investment	-	-	-	(32 311 434)	(32 311 434)	
Net cash flows from investing activities	(580 891 581)	(430 028 267)	(1 010 919 848)	(632 698 178)	378 221 670	
Cash flows from financing activities						
Repayment of other financial liabilities	(79 206 000)	-	(79 206 000)	(113 418 258)	(34 212 258)	
Net increase/(decrease) in cash and cash equivalents	92 435 849	(466 285 358)	(373 849 509)	(157 656 236)	216 193 273	
Cash and cash equivalents at the beginning of the year	290 000 000	227 703 140	517 703 140	518 976 967	1 273 827	
Cash and cash equivalents at the end of the year	382 435 849	(238 582 218)	143 853 631	361 320 731	217 467 100	

Msunduzi Local Municipality and its Municipal Entity

Consolidated Annual Financial Statements for the year ended 30 June 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Controlling entity						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Sale of goods	-	-	-	195 821	195 821	Refer to Note 82 for variance analysis comparison
Service charges	3 575 763 602	-	3 575 763 602	3 188 294 762	(387 468 840)	
Rendering of services	-	-	-	9 124 355	9 124 355	
Rental of facilities and equipment	29 078 798	-	29 078 798	14 558 911	(14 519 887)	
Interest received - consumer debtors and receivables	202 457 794	-	202 457 794	144 311 904	(58 145 890)	
Agency services	601 902	-	601 902	1 931 382	1 329 480	
Licences and permits	1 119 569	-	1 119 569	602 789	(516 780)	
Operational revenue	146 451 785	-	146 451 785	53 318 643	(93 133 142)	
Interest received - bank, call and investment accounts	15 260 422	-	15 260 422	8 455 919	(6 804 503)	
Total revenue from exchange transactions	3 970 733 872	-	3 970 733 872	3 420 794 486	(549 939 386)	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	1 269 794 594	-	1 269 794 594	1 204 676 314	(65 118 280)	
Interest - property rates	-	-	-	44 323 254	44 323 254	
Transfer revenue						
Government grants and subsidies	1 201 374 821	520 846 341	1 722 221 162	1 256 029 137	(466 192 025)	
Fines, penalties and forfeits	1 798 551	-	1 798 551	16 062 035	14 263 484	
Other transfers	-	-	-	2 197 376	2 197 376	
Total revenue from non-exchange transactions	2 472 967 966	520 846 341	2 993 814 307	2 523 288 116	(470 526 191)	
Total revenue	6 443 701 838	520 846 341	6 964 548 179	5 944 082 602	(1 020 465 577)	
Expenditure						
Employee related costs	(1 478 324 302)	7 476 873	(1 470 847 429)	(1 418 425 769)	52 421 660	
Remuneration of councillors	(53 650 401)	-	(53 650 401)	(51 641 246)	2 009 155	
Depreciation and amortisation	(489 941 448)	16 180 182	(473 761 266)	(372 532 037)	101 229 229	
Impairment loss	-	(7 730 183)	(7 730 183)	(7 730 183)	-	
Finance costs	(31 793 212)	(4 712 122)	(36 505 334)	(35 856 007)	649 327	
Operating lease	(27 380 805)	-	(27 380 805)	(26 036 599)	1 344 206	
Debt impairment	(123 904 143)	-	(123 904 143)	(660 355 263)	(536 451 120)	
Bad debts written off	-	-	-	(384 120 628)	(384 120 628)	
Bulk purchases	(2 608 224 085)	(72 626 009)	(2 680 850 094)	(2 659 404 299)	21 445 795	
General expenses	(437 341 789)	(196 984 613)	(634 326 402)	(549 998 397)	84 328 005	
Transfers and subsidies	(25 080 461)	(34 900 001)	(59 980 462)	(16 870 305)	43 110 157	
Inventory consumed	(46 613 415)	(17 875 670)	(64 489 085)	(58 158 321)	6 330 764	
Operational costs	(194 223 408)	4 771 271	(189 452 137)	(128 892 961)	60 559 176	
Total expenditure	(5 516 477 469)	(306 400 272)	(5 822 877 741)	(6 370 022 015)	(547 144 274)	
Operating deficit	927 224 369	214 446 069	1 141 670 438	(425 939 413)	(1 567 609 851)	

Msunduzi Local Municipality and its Municipal Entity

Consolidated Annual Financial Statements for the year ended 30 June 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Gain/(loss) on disposal of assets	-	(10 483 210)	(10 483 210)	(10 483 210)	-	
Fair value adjustments on investment property	-	-	-	42 197 500	42 197 500	
Actuarial gains/losses	-	(18 190 159)	(18 190 159)	(18 190 156)	3	
Fair value on agricultural assets	-	-	-	21 054 552	21 054 552	
Inventories losses	-	(6 764 548)	(6 764 548)	(3 655 242)	3 109 306	
	-	(35 437 917)	(35 437 917)	30 923 444	66 361 361	
Deficit before taxation	927 224 369	179 008 152	1 106 232 521	(395 015 969)	(1 501 248 490)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	927 224 369	179 008 152	1 106 232 521	(395 015 969)	(1 501 248 490)	

Msunduzi Local Municipality and its Municipal Entity

Consolidated Annual Financial Statements for the year ended 30 June 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference	
Figures in Rand							
Statement of Financial Position							
Assets							
Current Assets							
Inventories	36 180 572	143 420 581	179 601 153	353 716 815	174 115 662	Refer to Note 82 for variance analysis comparison	
Short term investment	-	-	-	32 311 434	32 311 434		
Receivables from exchange transactions	67 823 550	-	67 823 550	19 679 207	(48 144 343)		
Statutory receivables	-	-	-	545 319 677	545 319 677		
Consumer debtors	2 485 904 794	(319 918 341)	2 165 986 453	1 176 104 174	(989 882 279)		
Cash and cash equivalents	382 435 849	(238 581 884)	143 853 965	359 519 552	215 665 587		
	2 972 344 765	(415 079 644)	2 557 265 121	2 486 650 859	(70 614 262)		
Non-Current Assets							
Agricultural assets	-	287 614 266	287 614 266	96 300 000	(191 314 266)		
Investment property	782 332 534	26 763 925	809 096 459	892 583 607	83 487 148		
Property, plant and equipment	7 111 997 636	437 528 267	7 549 525 903	6 772 072 289	(777 453 614)		
Living resources	1 065 650	-	1 065 650	743 574	(322 076)		
Intangible assets	46 132 727	-	46 132 727	24 463 571	(21 669 156)		
Heritage assets	395 927 434	-	395 927 434	272 918 984	(123 008 450)		
Other financial assets	2 969 671	(2 970 000)	(329)	-	329		
	8 340 425 652	748 936 458	9 089 362 110	8 059 082 025	(1 030 280 085)		
Total Assets	11 312 770 417	333 856 814	11 646 627 231	10 545 732 884	(1 100 894 347)		
Liabilities							
Current Liabilities							
Other financial liabilities	85 380 596	-	85 380 596	81 573 484	(3 807 112)		
Payables from exchange transactions	963 406 050	(95 870 887)	867 535 163	1 388 654 967	521 119 804		
Transfers payable (non-exchange)	-	-	-	21 715 043	21 715 043		
VAT payable	77 991 818	-	77 991 818	190 234 402	112 242 584		
Consumer deposits	114 344 431	-	114 344 431	128 836 470	14 492 039		
Employee benefit obligation	-	-	-	39 852 001	39 852 001		
Unspent conditional grants and receipts	60 197 644	-	60 197 644	179 373 712	119 176 068		
Provisions	140 397 812	-	140 397 812	9 473 444	(130 924 368)		
	1 441 718 351	(95 870 887)	1 345 847 464	2 039 713 523	693 866 059		
Non-Current Liabilities							
Other financial liabilities	282 085 537	-	282 085 537	203 744 512	(78 341 025)		
Employee benefit obligation	809 779 415	-	809 779 415	555 608 000	(254 171 415)		
Provisions	-	-	-	55 141 588	55 141 588		
	1 091 864 952	-	1 091 864 952	814 494 100	(277 370 852)		
Total Liabilities	2 533 583 303	(95 870 887)	2 437 712 416	2 854 207 623	416 495 207		
Net Assets	8 779 187 114	429 727 701	9 208 914 815	7 691 525 261	(1 517 389 554)		

Msunduzi Local Municipality and its Municipal Entity

Consolidated Annual Financial Statements for the year ended 30 June 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Revaluation reserve	97 158 944	-	97 158 944	95 137 597	(2 021 347)	
Housing development fund	90 761 936	-	90 761 936	95 126 533	4 364 597	
Capital replacement reserve	40 992 378	-	40 992 378	724 892	(40 267 486)	
Accumulated surplus	8 550 273 856	429 727 701	8 980 001 557	7 500 536 239	(1 479 465 318)	
Total Net Assets	8 779 187 114	429 727 701	9 208 914 815	7 691 525 261	(1 517 389 554)	

Msunduzi Local Municipality and its Municipal Entity

Consolidated Annual Financial Statements for the year ended 30 June 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Sale of goods and services	4 270 917 481	(118 509 155)	4 152 408 326	4 078 745 887	(73 662 439)	Refer to Note 82 for variance analysis comparison
Government grants	1 201 374 821	398 725 732	1 600 100 553	1 254 551 714	(345 548 839)	
Interest received - consumer debtors	185 060 484	-	185 060 484	14 893 006	(170 167 478)	
Interest income	-	-	-	8 050 166	8 050 166	
	5 657 352 786	280 216 577	5 937 569 363	5 356 240 773	(581 328 590)	
Payments						
Employee costs	(1 316 770 407)	(211 537 965)	(1 528 308 372)	(1 414 140 111)	114 168 261	
Finance costs	(31 793 212)	(4 712 122)	(36 505 334)	(36 203 064)	302 270	
Suppliers	(3 556 255 737)	(100 223 247)	(3 656 478 984)	(3 318 257 735)	338 221 249	
	(4 904 819 356)	(316 473 334)	(5 221 292 690)	(4 768 600 910)	452 691 780	
Net cash flows from operating activities	752 533 430	(36 256 757)	716 276 673	587 639 863	(128 636 810)	
Cash flows from investing activities						
Purchase of tangible non current assets	(580 891 581)	(430 028 267)	(1 010 919 848)	(600 087 269)	410 832 579	
Purchase of intangible assets	-	-	-	(28 654)	(28 654)	
(Increase)/decrease in short term investment	-	-	-	(32 311 434)	(32 311 434)	
Receipts from other financial assets	-	-	-	69 164	69 164	
Net cash flows from investing activities	(580 891 581)	(430 028 267)	(1 010 919 848)	(632 358 193)	378 561 655	
Cash flows from financing activities						
Repayment of other financial liabilities	(79 206 000)	-	(79 206 000)	(113 418 258)	(34 212 258)	
Net increase/(decrease) in cash and cash equivalents	92 435 849	(466 285 024)	(373 849 175)	(158 136 588)	215 712 587	
Cash and cash equivalents at the beginning of the year	290 000 000	227 703 140	517 703 140	517 656 140	(47 000)	
Cash and cash equivalents at the end of the year	382 435 849	(238 581 884)	143 853 965	359 519 552	215 665 587	

Msunduzi Local Municipality and its Municipal Entity

Consolidated Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1. Presentation of Consolidated Annual Financial Statements

The consolidated annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003). The reporting framework is as prescribed by the Accounting Standards Board in Directive 5.

These consolidated annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these consolidated annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period, except for the changes set out in note 70 Changes in accounting policy.

1.1 Presentation currency

These consolidated annual financial statements are presented in South African Rand, which is the functional currency of the economic entity.

1.2 Going concern assumption

These consolidated annual financial statements have been prepared based on the expectation that the economic entity will continue to operate as a going concern for at least the next 12 months.

1.3 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The conceptual framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.4 Significant judgements and sources of estimation uncertainty

In preparing the consolidated annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the consolidated annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the consolidated annual financial statements. Significant judgements include:

Allowance for slow moving, damaged and obsolete stock

An allowance for stock to write stock down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the operating surplus note.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

The economic entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including economic factors.

Msunduzi Local Municipality and its Municipal Entity

Consolidated Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 20 - Provisions.

Useful lives of property, plant and equipment

The municipality's management determines the estimated useful lives and related depreciation charges for all assets. These estimates are based on the National Treasury Guideline. This estimate is based on the industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

Post retirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 21 - Employee benefits obligations.

Effective interest rate

The economic entity used the prime interest rate to discount future cash flows.

Debt Impairment

On consumer debtors and statutory receivables impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition unless if the effect of discounting is immaterial.

1.5 Agricultural assets

The entity recognises agricultural assets or agricultural produce when, and only when:

- the entity controls the asset as a result of past events;
- it is probable that future economic benefits or service potential associated with the asset will flow to the economic entity; and
- the fair value or cost of the asset can be measured reliably.

Agricultural assets are measured at their fair value less costs to sell.

A gain or loss arising on initial recognition of agricultural assets or agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of agricultural assets is included in surplus or deficit for the period in which it arises.

Where market determined prices or values are not available, the present value of the expected net cash inflows from the asset, discounted at a current market-determined pre-tax rate where applicable is used to determine fair value.

The plantation harvested is derecognised at its fair value less costs to sell at the point of harvest.

1.6 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services, or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

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1.6 Investment property (continued)

Investment property is recognised as an asset when it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the economic entity, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Fair value

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

If the municipality determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably measurable when construction is complete, it measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). If the entity determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, the entity measures that investment property using the cost model (as per the accounting policy on property, plant and equipment). The residual value of the investment property is then assumed to be zero. The entity applies the cost model (as per the accounting policy on property, plant and equipment) until disposal of the investment property.

Once the municipality becomes able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, it measures that property at its fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably. If this is not the case, the property is accounted for using the cost model in accordance with the accounting policy on property, plant and equipment.

1.7 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the economic entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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1.7 Property, plant and equipment (continued)

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land		Infinite
Buildings	Straight line	5-50 years
Roads	Straight line	5-50 years
Plant and machinery	Straight line	5-15 years
Furniture and fixtures	Straight line	7-10 years
Motor vehicles	Straight line	5-10 years
System security	Straight line	5-10 years
Storm water drainage	Straight line	25 - 50 years
Airport Infrastructure	Straight line	20 years
Solid waste infrastructure	Straight line	5-10 years
Water and sanitation	Straight line	10 - 50 years
Major substations:buildings	Straight line	5-50 years
Transformers and related equipment	Straight line	50 years
Mains	Straight line	45 years
Street lighting	Straight line	50 years
Recreational facilities	Straight line	5-50 years
Fresh produce and other markets	Straight line	5-50 years
Fire engines	Straight line	20 years
Landfill site	Straight line	5-50 years
Transport facilities	Straight line	5-50 years
Fencing	Straight line	10 years
Heavy and mobile plant	Straight line	10-15 years
Bins and containers	Straight line	5-10 years
Office equipment	Straight line	5 - 10 years
Emergency equipment	Straight line	5 - 15 years
Electricity	Straight line	5 - 50 years
Security	Straight line	5 - 10 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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1.7 Property, plant and equipment (continued)

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the economic entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The economic entity assesses at each reporting date whether there is any indication that the economic entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the economic entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The economic entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 14).

The economic entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 14).

1.8 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the economic entity or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the economic entity; and
- the cost or fair value of the asset can be measured reliably.

The economic entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

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1.8 Intangible assets (continued)

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software	Straight line	3-5 years
Servitudes		Indefinite

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised.

1.9 Heritage assets

Assets are resources controlled by an economic entity as a result of past events and from which future economic benefits or service potential are expected to flow to the economic entity.

The Municipality measures Artworks and jewellery using revaluation model.

Carrying amount is the amount at which an asset is recognised after deducting accumulated impairment losses except for Artworks and jewellery.

Class of heritage assets means a grouping of heritage assets of a similar nature or function in an economic entity's operations that is shown as a single item for the purpose of disclosure in the consolidated annual financial statements.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

An impairment loss of a cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.

An impairment loss of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

An inalienable item is an asset that an economic entity is required by law or otherwise to retain indefinitely and cannot be disposed of without consent.

Recoverable amount is the higher of a cash-generating asset's net selling price and its value in use.

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Accounting Policies

1.9 Heritage assets (continued)

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Value in use of a cash-generating asset is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

The economic entity separately discloses expenditure to repair and maintain heritage assets in the notes to the financial statements (see note 14).

The economic entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 14).

Recognition

The economic entity recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the economic entity, and the cost or fair value of the asset can be measured reliably.

Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent measurement

After recognition as an asset, all classes of heritage assets are carried at its cost less any accumulated impairment losses except for artworks and jewellery.

After recognition as an asset, Artworks, whose fair value can be measured reliably, are carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent impairment losses.

If Artworks carrying amount is increased as a result of a revaluation, the increase is credited directly to a revaluation surplus. However, the increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in surplus or deficit.

If Artworks carrying amount is decreased as a result of a revaluation, the decrease is recognised in surplus or deficit. However, the decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset.

Impairment

The economic entity assesses at each reporting date whether there is an indication that heritage assets may be impaired. If any such indication exists, the economic entity estimates the recoverable amount or the recoverable service amount of the heritage asset.

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

Derecognition

The economic entity derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised .

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1.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

At each reporting date conditions for impairment are conducted.

Classification

The municipality has the following types of financial assets (classes and category) as reflected on the face of the Statement of Financial Position or in the notes thereto:

Class	Category
Receivables from exchange transactions	Financial asset measured at amortised cost
Short term investments	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost
Other financial assets	Financial asset measured at amortised cost
Consumer debtors	Financial asset measured at amortised cost

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the Statement of Financial Position or in the notes thereto:

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Consumer deposits	Financial liability measured at amortised cost
Other financial liabilities	Financial liability measured at amortised cost

Initial recognition

The entity recognises a financial asset or a financial liability in its Statement of Financial Position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following category:

- Financial instruments at amortised cost.

All financial assets measured at amortised cost, are subject to an impairment review

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Accounting Policies

1.10 Financial instruments (continued)

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity :
 - derecognise the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its Statement of Financial Position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

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Accounting Policies

1.11 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the Statement of Financial Position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of this Standard) for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The economic entity recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on 1.20 - Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on 1.21 - Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The economic entity initially measures statutory receivables at their transaction amount.

Subsequent measurement

The economic entity measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Accrued interest

Where the economic entity levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

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1.11 Statutory receivables (continued)

Other charges

Where the economic entity is required or entitled in terms of legislation, supporting regulations, by-laws or similar means to levy additional charges on overdue or unpaid amounts, and such charges are levied, the entity applies the principles as stated in "Accrued interest" above, as well as the relevant policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers).

Impairment losses

The economic entity assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the economic entity measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses are recognised in surplus or deficit.

Derecognition

The economic entity derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the economic entity transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the economic entity, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
 - derecognise the receivable; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.12 Income Tax

The Municipality is exempted from income tax in terms of section 10(1)(a) of the Income Tax Act.

1.13 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

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1.14 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at net realisable value except for land which is carried at deemed cost.

Inventories are measured at the lower of cost and net realisable value where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the economic entity.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Inventories contains land that has been designated for the purposes of housing developments by the municipality. The land is initially measured at cost. The carrying amount of the land up until the date of reclassification, is the cost on the date of reclassification. The land shall be subsequently measured at its carrying amount at the date of reclassification. The municipality shall derecognize the land it longer controls at its carrying amount.

1.15 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the Statement of Financial Position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

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 the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

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1.15 Impairment of non-cash-generating assets (continued)

- the period of time over which an asset is expected to be used by the economic entity; or
- the number of production or similar units expected to be obtained from the asset by the economic entity.

Designation

At initial recognition, the economic entity designates an asset as non-cash-generating, or as cash-generating. The designation is made on the basis of an economic entity's objective of using the asset.

The economic entity designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

The economic entity designates an asset as non-cash-generating when its objective is not to use the asset to generate a commercial return but to deliver services.

Identification

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

The economic entity assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the economic entity estimates the recoverable service amount of the asset.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the depreciated replacement cost approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the economic entity would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an oversized or overcapacity asset. Oversized assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the economic entity recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

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1.15 Impairment of non-cash-generating assets (continued)

Reversal of an impairment loss

The economic entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the economic entity estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.16 Share capital / contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of an economic entity after deducting all of its liabilities.

1.17 Employee benefits

Employee benefits are all forms of consideration given by the municipality in exchange for service rendered by employees.

Termination benefits are employee benefits payable as a result of either:

- The municipality's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from the municipality's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the municipality has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

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1.17 Employee benefits (continued)

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the municipality during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The municipality measures the expected cost of accumulating compensated absences as the additional amount that the municipality expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which the entity provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

The municipality provides retirement benefits for its employees and councillors. Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the municipality's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

The Natal Joint Provident and Umgeni Provident Fund are defined contribution plans. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year they become payable.

The Municipality pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Municipality has no further payment obligations once the contributions have been paid. The contributions are recognized as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

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1.17 Employee benefits (continued)

Multi-employer plans and/or State plans and/or Composite social security programmes

The municipality classifies a multi-employer plan and/or state plans and/or composite social security programmes as a defined contribution plan.

Where a plan is a defined contribution plan, the municipality accounts for it in the same way as for any other defined contribution plan.

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the entity pays fixed contributions into a separate 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.

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, the municipality recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

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1.17 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the municipality recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognise past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, less the fair value of plan assets(if any), of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The municipality recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The municipality uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The entity recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

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Accounting Policies

1.17 Employee benefits (continued)

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Pension obligations

The Municipality's employees contribute to 6 different Pension Funds, of which the Natal Joint Provident and Retirement Pension Funds cater for the majority of the staff.

The following are defined contribution and benefit funds

- *The Natal Joint Provident Fund
- *The Natal Joint Pension Fund,
- *Government Employees Pension Fund,
- *Association Institution Pension Fund,
- *South African Local Authorities Pension Fund and
- *Municipal Councillors Pension Fund

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The liability / asset recognized in the statement of financial position in respect of defined benefit pension plans is equal to the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Past-service costs are recognised immediately against revenue.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

Natal Joint Retirement Funds, Government Employee Pension Fund and Associated Institution Pension Fund are defined benefit funds.

The Natal Joint Provident Fund , Municipal Councillors Pension Fund and South African Local Authority are defined contribution funds.

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Accounting Policies

1.17 Employee benefits (continued)

Other post retirement obligations

The municipality provides post-retirement health care benefits, upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The municipality shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

1.18 Provisions and contingencies

Provisions are recognised when:

- the economic entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Where the effect is material, non-current provisions are discounted to their present value using a prevailing prime rate at year end which reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability. The municipality uses the prevailing prime rate at year end.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the economic entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Future events that may affect the amount required to settle an obligation shall be reflected in the amount of a provision where there is sufficient evidence of occurrence.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 65.

Msunduzi Local Municipality and its Municipal Entity

Consolidated Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.18 Provisions and contingencies (continued)

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent asset is disclosed where an inflow of economic benefits or service potential is probable.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognised in the financial statements of the period in which the change occurs.

A contingent liability is:

(a) a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

(b) a present obligation that arises from past events but is not recognised because:

(i) it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or

(ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent liabilities are assessed continually to determine whether an outflow of resources embodying economic benefits or service potential has become probable. If it becomes probable that an outflow of future economic benefits or service potential will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

1.19 Commitments

A commitment is a binding agreement to undertake operating and capital expenditure at some set time in the future which has not yet become an actual liability.

Items are classified as commitments when the municipality has committed itself to future transactions that will normally result in the outflow of cash.

Capital expenditure is expenditure incurred to purchase, upgrade or construct physical assets (for e.g. buildings) for which there will be a long-term benefit. Long-term is defined as longer than one year.

Operational expenditure is expenditure incurred to purchase goods or services for which there will be a short-term benefit and which has been incurred in the normal course of business. Short-term is defined as less than one year.

An approved and contracted for commitment is where the expenditure has been approved and the contract has been awarded, service level agreement signed (where applicable) or any other pertinent authorisation has been granted at the end of the financial year/reporting date.

An approved and not yet contracted for commitment is where the expenditure has been approved and the contract has been awarded but awaiting finalisation of the service level agreement (where applicable) or any other authorisation pertinent to the contract at the end of the financial year/reporting date.

1.20 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

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Accounting Policies

1.20 Revenue from exchange transactions (continued)

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the economic entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the economic entity 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 measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the economic entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the economic entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Interest

Revenue arising from the use by others of municipality assets yielding interest or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.21 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arises when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Non- exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Msunduzi Local Municipality and its Municipal Entity

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Accounting Policies

1.21 Revenue from non-exchange transactions (continued)

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Taxes are economic benefits or service potential compulsorily paid or payable to municipalities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

When the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue received from conditional grants, donations and other funding are recognised as revenue to the extent that the municipality has complied with the criteria, conditions or obligations embodied in the grant agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Taxes

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources. Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured. The degree of probability attached to the inflow of resources is determined on the basis of evidence available at the time of initial recognition, which includes, but is not limited to, disclosure of the taxable event by the taxpayer.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

The taxable event for value added tax is the undertaking of taxable activity during the taxation period by the taxpayer.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

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Accounting Policies

1.21 Revenue from non-exchange transactions (continued)

Transfers

Apart from services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Debt forgiveness and assumption of liabilities

The municipality recognises revenues in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners.

Revenue arising from debt forgiveness is measured at the carrying amount of debt forgiven.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the municipality.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Services in-kind

Except for financial guarantee contracts, the municipality recognises services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the municipality's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality discloses the nature and type of services in-kind received during the reporting period.

1.22 Bad debts written off

Before any debt is written off it is proved that the debt has become irrecoverable.

Irrecoverable debt is debt which can not be traced successfully; and after all reasonable steps were taken to recover the debt.

Bad debt write offs are considered in terms of cost benefit; when it becomes too costly to recover and the chances of collecting the debt are remote, a write off is considered.

1.23 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.24 Borrowing costs

Borrowing costs are interest and other expenses incurred by the municipality in connection with the borrowing of funds.

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

1.25 Accounting by principals and agents

Identification

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Accounting Policies

1.25 Accounting by principals and agents (continued)

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

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).

Identifying whether an entity is a principal or an agent

When the municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether an municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The economic entity assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the economic entity in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the economic entity concludes that it is not the agent, then it is the principal in the transactions.

The economic entity is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the economic entity has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that it is an agent. The economic entity applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the economic entity is an agent.

Recognition

The economic entity, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements Standards of GRAP.

The economic entity, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of Standards of GRAP.

1.26 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

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Accounting Policies

1.27 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is disclosed in a note to the financial statements as an expense in the period that the expenditure is incurred.

1.28 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is disclosed in the notes to the financial statement in the period that the expenditure is incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.29 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Irregular expenditure is disclosed inclusive of VAT.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority is recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the municipal council may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.30 Housing development fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

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Accounting Policies

1.31 Internal reserves

Capital replacement reserve (CRR)

The CRR is an asset financing source that represents an alternative to the other funding sources available to the Municipality namely external loans (interest bearing borrowings) and government grants & subsidies.

Subsequent to the implementation of GRAP in 2008, Reserves and Funds had to be discontinued as they are not permissible in terms of GRAP. However, the National Treasury determined that the CRR is one of the few funds and reserves that are allowed.

As a matter of principle, the focus is the manner in which these reserves are created and accounted for, which in this instance the capital replacement of major components of Infrastructure Assets in the event of technical failure. For accounting purposes, the CRR will be created by transferring amounts out of Accumulated surpluses/deficits to the respective reserve account, or vice versa, in the Statement of Changes in Net Assets. The net effect of these transfers will be nil in the Statement of Changes in Net Assets, and will not affect the value of reserves in totality. It is the requirement of GRAP that no transactions should be accounted for, directly to the Statement of Changes in Net Assets other than those specifically allowed in terms of GRAP, i.e. Revaluation Surplus Reserve. Therefore, situations should be avoided where reserves are created and accounted for, by taking amounts directly to the Statement of Changes in Net Assets thereby circumventing the Statement of Financial Performance.

- The CRR will only be utilised for the purpose of purchasing items of property, plant and equipment for the municipality and will not be used for the maintenance of such items.

Self - Insurance reserve

The municipality has a Self-Insurance Reserve to set aside amounts to offset potential losses or claims that cannot be insured externally. The self-insurance scheme has a policy that is aligned with the practice in the insurance industry. The balance of the self-insurance reserve is determined based on surpluses accumulated since inception.

The municipality operates a self-insurance scheme under the Self-Insurance Reserve, which has a policy that is aligned with the practice in the insurance industry. The balance of the Self-Insurance Reserve is determined based on surpluses accumulated since inception.

Compensation for occupational injuries and diseases (COID) reserve

The Compensation for Occupational Injuries and Diseases Act (Act 130 of 1993) is to provide for payment of medical treatment and compensation for disablement caused by occupational injuries or diseases sustained or contracted by employees in the course of their employment, or for death resulting from such injuries or diseases. The contribution to the COID fund is 0.75% of the salary expense. The municipality is an exempt employer in terms of Section 84 (1) (a)(ii) & (2) and as such does not pay any assessments to the COID Commissioner. In terms of the exempt status the municipality is mandated to establish its own fund and administers this fund in terms of the COID Act.

1.32 Revaluation reserve

The surplus arising from the revaluation of Heritage assets is credited to a revaluation reserve. The revaluation surplus is realised upon disposal of artworks and jewellery. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the statement of financial performance.

1.33 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Msunduzi Local Municipality and its Municipal Entity

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Accounting Policies

1.33 Segment information (continued)

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

Directive 3 transitional provisions for GRAP 18 (Segment reporting) allows comparative figures not to be disclosed in the first year of adoption. The Municipality has elected to take advantage of the provisions of Directive 3.

1.34 Budget information

Municipalities are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by a economic entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a accrual basis and presented by functional classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2020/07/01 to 2021/06/30.

The budget for the economic entity includes all the entities approved budgets under its control.

The consolidated annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

Deviations between budget and actual amounts exceeding 10 percent are obtained monthly for the preparation of the Section 71 reporting and used during the audit process.

The threshold for which reasons for variances are provided is 10% and above.

1.35 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the economic entity, including those charged with the governance of the economic entity in accordance with legislation, in instances where they are required to perform such functions.

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Accounting Policies

1.35 Related parties (continued)

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the economic entity.

1.36 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The economic entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The economic entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.37 Living resources

Living resources (Game animals) are those resources that undergo biological transformation.

Non-living resources are those resources, other than living resources, that occur naturally and have not been extracted.

Agricultural activity is the management by an economic entity of the biological transformation and harvest of biological assets for:

- (a) sale;
- (b) distribution at no charge or for a nominal charge; or
- (c) conversion into agriculture produce or into additional biological assets for sale or distribution at no charge or for a nominal charge.

A bearer plant is a living plant that:

- (a) is used in the production or supply of agricultural produce;
- (b) is expected to bear produce for more than one period; and
- (c) has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Biological transformation (for purposes of this Standard) comprises the processes of growth, degeneration, production, and procreation that cause qualitative or quantitative changes in a living resource.

Carrying amount is the amount at which an asset is recognised after deducting any accumulated depreciation and accumulated impairment losses.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or development and, where applicable, the amount attributed to the asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.

Depreciable amount is the cost of an asset, or other amount substituted for cost, less its residual value.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Msunduzi Local Municipality and its Municipal Entity

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Accounting Policies

Living resources (continued)

Group of resources means a grouping of living or non-living resources of a similar nature or function in an entity's operations that is shown as a single item for the purpose of disclosure in the consolidated annual financial statements.

The residual value of an asset is the estimated amount that an economic entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life.

Useful life is the period over which an asset is expected to be available for use by an economic entity, or the number of production or similar units expected to be obtained from the asset by an economic entity.

Recognition

Non-living resources, other than land, are not recognised as assets. Required information are disclosed in the notes to the consolidated annual financial statements.

A living resource is recognised as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the economic entity, and the cost or fair value of the asset can be measured reliably.

Where the economic entity is required in terms of legislation or similar means to manage a living resource, but it does not meet the definition of an asset because control of the resource cannot be demonstrated, relevant information are disclosed in the notes to the consolidated annual financial statements.

Where the economic entity holds a living resource that meets the definition of an asset, but which does not meet the recognition criteria, relevant information are disclosed in the notes to the consolidated annual financial statements. When the information about the cost or fair value of the living resource becomes available, the economic entity recognise, from that date, the living resource and apply the measurement principles.

Measurement at recognition

A living resource that qualifies for recognition as an asset is measured at its cost.

Where a living resource is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

The cost of a living resource comprises its purchase price, including import duties and non-refundable purchase taxes, and any costs directly attributable to bringing the living resource to the location and condition necessary for it to be capable of operating in the manner intended by management.

Measurement after recognition

Cost model

After recognition as an asset, a group of living resources are carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation

Living resources are depreciated and the depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset, where appropriate.

The depreciable amount of a living resource is allocated on a systematic basis over its useful life.

The economic entity assesses at each reporting date whether there is any indication that the entity's expectations about the residual value and the useful life of a living resource have changed since the preceding reporting date. If any such indication exists, the economic entity revises the expected useful life and/or residual value accordingly. The change(s) is accounted for as a change in an accounting estimate.

In assessing whether there is any indication that the expected useful life of the living resource has changed, the economic entity considers the following indications:

(a) The use of the living resource has changed, because of the following:

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Accounting Policies

Living resources (continued)

- The economic entity has changed the manner in which the living resource is used.
- The economic entity has made a decision to dispose of the living resource in a future reporting period(s) such that this decision changes the expected period over which the living resource will be used.
- Legislation, government policy or similar means have been amended or implemented during the reporting period that have, or will, change the use of the living resource.
- The living resource was idle or retired from use during the reporting period.

(b) The living resource is approaching the end of its previously expected useful life.

(c) There is evidence that the condition of the living resource improved or declined based on assessments undertaken during the reporting period.

(d) The living resource is assessed as being impaired.

In assessing whether there is any indication that the expected residual value of the living resource has changed, the economic entity considers whether there has been any change in the expected timing of disposal of the living resource, as well as any relevant indicators as noted above.

The depreciation method used reflects the pattern in which the future economic benefits or service potential of the living resource is expected to be consumed by the entity.

The depreciation method applied to a living resource is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the living resource, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The useful lives of items of living resources have been assessed as follows:

Item	Depreciation method	Average useful life
Giraffe	Straight-line	25 years
Zebra	Straight-line	30 years
Blue Wildebeest	Straight-line	20 years
Inyala	Straight-line	20 years
Impala	Straight-line	15 years
Bush buck	Straight-line	15 years
Reed buck	Straight-line	15 years

Impairment

The economic entity assesses at each reporting date whether there is an indication that the living resource may be impaired. If any such indication exists, the economic entity estimates the recoverable amount or the recoverable service amount of the living resource.

Compensation from third parties for living resources that have been impaired, lost or given up, is included in surplus or deficit when the compensation becomes receivable.

Transfers

Transfers from living resources are made when the particular asset no longer meets the definition of a living resource and/or is no longer within the scope of this accounting policy.

Transfers to living resources are made when the asset meets the definition of a living resource.

Derecognition

The carrying amount of a living resource is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a living resource is included in surplus or deficit when the item is derecognised.

Msunduzi Local Municipality and its Municipal Entity

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Accounting Policies

1.38 Value Added Tax (VAT)

VAT is payable on the receipt and payment basis.

The transaction date is referred to as the “time of supply”. Time of supply applies to certain supplies as the prevailing rate of VAT on that date will apply to the transaction concerned.

- before 1 April 2018 – a VAT rate of 14% will apply;
- on or after 1 April 2018 – a VAT rate of 15% will apply.

1.39 Expenditure

An expense is a decrease in the net financial position of the entity, other than decreases arising from ownership distributions

An expense arises from exchange and non-exchange transactions, other events such as unrealised increases and decreases in the value of assets and the consumption of assets through depreciation and erosion of service potential and ability to generate economic benefits through impairments.

An expense may arise from individual transactions or groups of transactions.

Expenses are recognised in the Statement of Financial Performance when a decrease in future economic benefits or service potential related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably. The recognition of expenses occurs simultaneously with the recognition of an increase in liabilities or a decrease in assets

Expenses encompasses losses as well as those expenses that arise in the course of the operating activities of the municipality

Losses represent other items that meet the definition of expenses and may, or may not, arise in the course of the operating activities of the entity. Losses represent decreases in economic benefits or service potential and as such, they are no different in nature from other expenses.

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Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020

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:
• IGRAP 20: Accounting for Adjustments to Revenue	01 April 2020	The impact of the standard is not material.
• GRAP 1 (amended): Presentation of Financial Statements	01 April 2020	The impact of the standard is not material.
• GRAP 34: Separate Financial Statements	01 April 2020	The impact of the standard is not material.
• GRAP 35: Consolidated Financial Statements	01 April 2020	The impact of the standard is not material.
• GRAP 110 (as amended 2016): Living and Non-living Resources	01 April 2020	The impact of the Standard is set out in note 70 Changes in accounting policy.
• IGRAP 1 (revised): Applying the Probability Test on Initial Recognition of Revenue	01 April 2020	The impact of the standard is not material.
• Directive 7 (revised): The Application of Deemed Cost	01 April 2020	The impact of the interpretation standard is not material.
• GRAP 18 (as amended 2016): Segment Reporting	01 April 2020	The adoption of this has not had a material impact on the results of the municipality, but has resulted in more disclosure than would have previously been provided in the financial statements

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 2021 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 104 (amended): Financial Instruments	Date still to be determined by the Minister of Finance	Unlikely there will be a material impact
• Guideline: Guideline on the Application of Materiality to Financial Statements	Date still to be determined by the Minister of Finance	Unlikely there will be a material impact

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Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020
3. Inventories				
Consumable stores	32 788 610	28 232 910	32 788 610	28 232 910
Materials and supplies	33 401 053	29 289 017	33 401 053	29 289 017
Water for distribution	1 837 726	2 008 420	1 837 726	2 008 420
Land inventory	285 689 426	279 878 518	285 689 426	279 878 518
	353 716 815	339 408 865	353 716 815	339 408 865

Inventory are recorded using the weighted average cost method.

Inventory expensed during the year R58 203 619(2020 : R57 199 347).

Inventory are carried at lower of cost or net realisable value except for land carried at deemed cost.

Inventory losses - consumables for the year (R3 655 242) (2020 : (R7 356 148)).

Inventory pledged as security

No inventory was pledged as security for either overdraft facilities or any financial liabilities of the municipality.

4. Short term investment

Compensation for Occupational Injuries and Diseases Investment (COID)	32 311 434	-	32 311 434	-
Reconciliation of short term investment				
Opening balance	-	15 674 518	-	15 674 518
Interest on maturity	-	1 365 847	-	1 365 847
Redemption	-	(17 040 365)	-	(17 040 365)
Re-investment	32 311 434	-	32 311 434	-
Closing balance	32 311 434	-	32 311 434	-

COID short term investment invested at 5.225 % (2020: 8.69%).

The current fixed deposit was invested with Standard Bank and will mature on the 30th of March 2022.

The 12 month fixed deposit is re-invested annually.

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Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020
5. Receivables from exchange transactions				
Net Balance				
Accrued revenue	4 157	22 381	4 157	22 381
Advance payments	5 802 374	4 451 322	5 799 874	4 357 030
Cashier's shortages	22 268	23 092	22 268	23 092
Forestry receivable	13 058 187	13 908 187	13 058 187	13 908 187
Independent Development Trust	-	-	-	-
Insurance claims	-	-	-	-
Interest accrual on bank and call accounts	5 003	23 756	5 003	23 756
Interest accrual on investment	425 537	1 032	425 537	1 032
Land sale debtors	-	-	-	-
Prepaid electricity	364 181	273 843	364 181	273 843
Staff recoveries	-	22 532	-	22 532
	19 681 707	18 726 145	19 679 207	18 631 853
Gross balance				
Accrued revenue	4 157	22 381	4 157	22 381
Advance payments	5 802 374	4 451 322	5 799 874	4 357 030
Cashier's shortages	22 268	23 092	22 268	23 092
Forestry receivable	13 058 187	13 908 187	13 058 187	13 908 187
Independent Development Trust	108 836 507	108 836 507	108 836 507	108 836 507
Interest accrual on bank and call accounts	5 003	23 756	5 003	23 756
Interest accrual on investment	425 537	1 032	425 537	1 032
Land sale debtors	66 386	66 386	66 386	66 386
Prepaid electricity	364 181	273 843	364 181	273 843
Staff recoveries	-	22 532	-	22 532
	128 584 600	127 629 038	128 582 100	127 534 746
Less: Allowance for impairment				
Independent Development Trust	(108 836 507)	(108 836 507)	(108 836 507)	(108 836 507)
Land sale debtors	(66 386)	(66 386)	(66 386)	(66 386)
	(108 902 893)	(108 902 893)	(108 902 893)	(108 902 893)

Receivables from exchange transactions pledged as security

There are no receivables from exchange transactions pledged as security for any financial liabilities of the municipality.

Credit quality of receivables from exchange transactions

The credit quality of receivables from exchange transactions are neither past due nor impaired except for land sale debtors, insurance claims and IDT.

There is an ongoing dispute between IDT and Msunduzi Local Municipality on an amount that was paid by Msunduzi Local Municipality to IDT for the implementation of infrastructure projects. IDT was appointed as an implementing agent and advance payments were made to IDT during 2011/12 and 2012/13 financial years. The projects were implemented; however, IDT was unable to account for work amounting to R108 836 507. The municipality referred the matter to the legal team for a civil litigation and has not been finalised a yet. The receivable has been fully impaired since IDT is disputing the receivable and the matter is still under litigation.

During the year under review there has not been any change the matter is undergoing consequence management and legal process.

Receivables from exchange transactions past due but not impaired

Trade and other receivables which are past due and not impaired. At 30 June 2021 R 13 080 455 (2020: R 13 930 455).

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Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020
6. Statutory receivables				
Consumer debtors - rates	542 779 608	547 766 777	542 779 608	547 766 777
Fines	2 540 069	2 568 119	2 540 069	2 568 119
	545 319 677	550 334 896	545 319 677	550 334 896
Receivables from non-exchange transactions included in statutory receivables above are as follows:				
Consumer debtors - rates	542 779 608	547 766 777	542 779 608	547 766 777
Fines	2 540 069	2 568 119	2 540 069	2 568 119
	545 319 677	550 334 896	545 319 677	550 334 896
Total statutory receivables	545 319 677	550 334 896	545 319 677	550 334 896
Gross balances				
Consumer debtors - rates	1 224 045 893	1 080 668 101	1 224 045 893	1 080 668 101
Fines	93 829 368	78 882 668	93 829 368	78 882 668
	1 317 875 261	1 159 550 769	1 317 875 261	1 159 550 769
Less: Allowance for impairment				
Consumer debtors - rates	(681 266 285)	(532 901 324)	(681 266 285)	(532 901 324)
Fines	(91 289 299)	(76 314 549)	(91 289 299)	(76 314 549)
	(772 555 584)	(609 215 873)	(772 555 584)	(609 215 873)
Consumer debtors - rates				
Current	112 989 650	134 614 171	112 989 650	134 614 171
0 - 30 days	55 663 038	52 341 535	55 663 038	52 341 535
31 - 60 days	35 054 731	31 110 036	35 054 731	31 110 036
61 - 90 days	31 820 037	44 420 982	31 820 037	44 420 982
91 - 120 days	29 046 470	28 862 144	29 046 470	28 862 144
121 - 365 days	225 430 756	204 086 280	225 430 756	204 086 280
> 365 days	734 041 211	585 232 953	734 041 211	585 232 953
	1 224 045 893	1 080 668 101	1 224 045 893	1 080 668 101
Fines				
Current (0-30 days)	979 350	788 780	979 350	788 780
31 - 60 days	5 453 700	580 750	5 453 700	580 750
61 - 90 days	2 756 700	2 995 728	2 756 700	2 995 728
91 - 120 days	3 053 400	4 045 100	3 053 400	4 045 100
121 - 365 days	2 703 550	3 281 200	2 703 550	3 281 200
> 365 days	78 882 668	67 191 110	78 882 668	67 191 110
	93 829 368	78 882 668	93 829 368	78 882 668
Summary of debtors by customer classification				
Industrial/Commercial				
Current	42 368 528	54 416 191	42 368 528	54 416 191
0 - 30 days	23 577 131	18 341 215	23 577 131	18 341 215
31 - 60 days	9 762 343	11 285 566	9 762 343	11 285 566
61 - 90 days	9 146 564	13 568 269	9 146 564	13 568 269
91 - 120 days	8 387 796	8 710 421	8 387 796	8 710 421
121 - 365 days	56 439 669	57 907 562	56 439 669	57 907 562
> 365 days	124 983 519	107 039 841	124 983 519	107 039 841
	274 665 550	271 269 065	274 665 550	271 269 065
Government				
Current	10 847 502	16 461 703	10 847 502	16 461 703
0 - 30 days	5 958 998	7 585 134	5 958 998	7 585 134
31 - 60 days	5 071 955	3 388 431	5 071 955	3 388 431
61 - 90 days	4 582 805	11 847 848	4 582 805	11 847 848

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Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020
6. Statutory receivables (continued)				
91 - 120 days	3 705 945	3 097 882	3 708 945	3 097 882
121 - 365 days	27 360 502	23 334 061	27 360 502	23 334 061
> 365 days	95 424 452	75 060 960	95 424 452	75 060 960
	152 952 159	140 776 019	152 955 159	140 776 019
Consumers				
Current	59 773 620	64 215 797	59 773 620	64 215 797
0 - 30 days	26 126 909	26 415 186	26 126 909	26 415 186
31 - 60 days	20 220 433	16 436 040	20 220 433	16 436 040
61 - 90 days	18 090 667	19 004 865	18 090 667	19 004 865
91 - 120 days	16 949 730	17 053 841	16 949 730	17 053 841
121 - 365 days	141 630 584	122 844 657	141 630 584	122 844 657
> 365 days	513 633 241	402 652 631	513 633 241	402 652 631
	796 425 184	668 623 017	796 425 184	668 623 017

Statutory receivables general information

Transaction(s) arising from statute

Traffic fines

The two types of traffic fines that are issued are :

- 1)Traffic fines issued in terms of the Administrative Adjudication of Road Traffic Offences Act (AARTO Act).
- 2)Traffic fines issued in terms of the Criminal Procedures Act.

Property rates

The Municipal Property Rates Act No. 06 of 2004 governs property rates billed. The Act regulates, the power of the municipality to impose rates on properties; to exclude certain properties from rating in the national interest; to make provisions for the municipality to implement a transparent and fair system of exemptions, reductions and rebates through the municipalities rating policy, making provisions for fair and equitable valuation methods of properties; to make provisions for objections and appeals.

Determination of transaction amount

Traffic fines

Traffic fines are issued in terms of the AARTO Act by way of notices to offenders which specify the value of the fine that must be paid, along with any discount that can be applied if the fine is paid within a specific period of time.

Msunduzi Local Municipality and its Municipal Entity

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Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020

6. Statutory receivables (continued)

Traffic fines issued in terms of the Criminal Procedures Act are usually issued by way of notice to offenders, and can :

- (a) indicate the value of the fine to be paid, and that certain reductions could be made to the value of the fine payable and how, or the circumstances under which, such reductions can be applied, or
- (b) indicate that the offender must appear in Court on a specified date (in these instances, the value of the fine may or may not be indicated but this is often only determined after a separate legal process).

Property rates

Property rates are levied in terms of the municipality's rates policy, which is aligned to the Municipal Property Rates Act No. 6 of 2004.

The amount of rates levied by the municipality on properties, is the amount in the Rand

- a) On the market value of the property;
- b) In the case of public service infrastructure, on the market value of the public service infrastructure less 30% of that value as contemplated in section 17(1)(a) of the Municipal Property Rates Act of 2004 or on such a lower percentage as the minister determines in terms of section 17(4) of the Municipal Property Rates Act of 2004.
- c) In the case of property to which section 17(1) (h), of the Municipal Property Rates Act of 2004, applies on the market value of the property less the amount stated in that section, or on such amount as the Minister may determine

Refer to Note 37 for rate randages.

Interest or other charges levied/charged

Traffic fines

No interest is levied on traffic fines.

Property rates

The following are charges that may be charged in addition to rates levied:

- a) Interest on outstanding rates billed:

Interest shall be charged on all rates arrears in terms of section 64(g) of the Municipal Finance Management Act and the Municipal Systems Act.

The municipality has a Credit control policy that is approved by council. The credit control policy states that amounts on accounts, which remain unpaid after the due date shall attract interest irrespective of the reasons for non-payment. Interest will be charged at a rate of 7.25%, which is the annual interest rate as per approved tariff register.

- b) In addition to interest charged in respect of any property, collection charges shall accrue as follows:
As from the last working day, an amount representing ten per cent (10%) of the capital amount of the rates then in arrear in terms of Section 75A 1(b) of the Municipal Systems Act;

On the grant of a court order, a further amount representing ten per cent (10%) of the capital amount of the rates then in arrear in terms of Section 75A 1(b) of the Municipal Systems Act.

Basis used to assess and test whether a statutory receivable is impaired

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Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020

6. Statutory receivables (continued)

Traffic fines

The impairment loss is calculated as the difference between value of traffic fines issued for the year less finalised cases and the present value of expected cash flows.

Property rates

Impairment regarding property rates are assessed collectively in terms of the municipalities impairment policy. Each debtor is classified into their risk profiles based on total services outstanding.

The difference between the carrying-value at reporting date less the present value of expected future cash flows, determines if impairment needs to be provided for. This is in terms of GRAP 108.

Discount rate not applied to the estimated future cash flows

Considering the fact that traffic fines payments are short term in nature discounting is not performed as it is immaterial.

Statutory receivables past due but not impaired

Statutory receivables which are past due and not impaired. At 30 June 2021 R136 148 659 (2020: R116 729 182).

Statutory receivables impaired

The amount of the provision is R772 555 584 (2020: R609 215 873).

Factors the entity considered in assessing statutory receivables impaired

Traffic fines

Past history patterns and peculiarity of traffic fines.

Collection rates in the current year.

Finalised cases in the reporting period.

Property rates

Past history payment of debtors and the debtors risk profiling. Accounts outstanding that are above a million are considered material and are assessed separately based on their recovery of debt.

Reconciliation of provision for impairment for statutory receivables

Balance at beginning of the year	(609 215 873)	(453 676 983)	(609 215 873)	(453 676 983)
(Increase)/decrease in impairment contribution	(163 339 711)	(155 538 890)	(163 339 711)	(155 538 890)
Balance at end of year	(772 555 584)	(609 215 873)	(772 555 584)	(609 215 873)
Consumer debtors - rates				
Balance at beginning of the year	(532 901 324)	(389 054 492)	(532 901 324)	(389 054 492)
(Increase)/decrease in impairment contribution	(148 364 961)	(143 846 832)	(148 364 961)	(143 846 832)
Balance at end of year	(681 266 285)	(532 901 324)	(681 266 285)	(532 901 324)
Fines				
Balance at beginning of the year	(76 314 549)	(64 622 491)	(76 314 549)	(64 622 491)
(Increase)/decrease in impairment contribution	(14 974 750)	(11 692 058)	(14 974 750)	(11 692 058)

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Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020
6. Statutory receivables (continued)				
Balance at end of year	(91 289 299)	(76 314 549)	(91 289 299)	(76 314 549)
Statutory receivables pledged as security				
There are no statutory receivables pledged as security for any liability.				
7. Consumer debtors				
Gross balances				
Electricity	575 053 950	687 246 175	575 053 950	687 246 175
Other service charges	300 407 630	405 318 837	300 407 630	405 318 837
Property rental	54 505 951	65 526 710	54 505 951	65 526 710
Refuse	204 263 409	204 295 276	204 263 409	204 295 276
Sanitation	370 322 411	358 595 931	370 322 411	358 595 931
Water	2 194 564 896	1 922 463 206	2 194 564 896	1 922 463 206
	3 699 118 247	3 643 446 135	3 699 118 247	3 643 446 135
Less: Allowance for impairment				
Electricity	(239 045 243)	(228 188 338)	(239 045 243)	(228 188 338)
Other service charges	(217 681 284)	(253 632 483)	(217 681 284)	(253 632 483)
Property rental	(36 104 659)	(36 758 158)	(36 104 659)	(36 758 158)
Refuse	(145 424 315)	(123 868 968)	(145 424 315)	(123 868 968)
Sanitation	(253 036 818)	(208 953 172)	(253 036 818)	(208 953 172)
Water	(1 631 721 754)	(1 174 368 117)	(1 631 721 754)	(1 174 368 117)
	(2 523 014 073)	(2 025 769 236)	(2 523 014 073)	(2 025 769 236)
Net balance				
Electricity	336 008 707	459 057 837	336 008 707	459 057 837
Other service charges	82 726 346	151 686 354	82 726 346	151 686 354
Property rental	18 401 292	28 768 552	18 401 292	28 768 552
Refuse	58 839 094	80 426 308	58 839 094	80 426 308
Sanitation	117 285 593	149 642 759	117 285 593	149 642 759
Water	562 843 142	748 095 089	562 843 142	748 095 089
	1 176 104 174	1 617 676 899	1 176 104 174	1 617 676 899
Electricity				
Current	168 858 558	333 538 565	168 858 558	333 538 565
0 -30 days	85 388 663	52 928 114	85 388 663	52 928 114
31 - 60 days	41 019 581	36 291 555	41 019 581	36 291 555
61 - 90 days	13 196 747	16 989 291	13 196 747	16 989 291
91 - 120 days	11 630 759	14 802 274	11 630 759	14 802 274
121 - 365 days	84 111 584	82 878 599	84 111 584	82 878 599
> 365 days	170 848 058	149 817 777	170 848 058	149 817 777
	575 053 950	687 246 175	575 053 950	687 246 175
Water				
Current	91 295 003	78 239 935	91 295 003	78 239 935
0 -30 days	60 150 008	53 623 957	60 150 008	53 623 957
31 - 60 days	49 323 861	28 846 800	49 323 861	28 846 800
61 - 90 days	44 205 503	43 675 940	44 205 503	43 675 940
91 - 120 days	41 536 388	45 072 362	41 536 388	45 072 362
121 - 365 days	328 263 607	339 248 424	328 263 607	339 248 424
> 365 days	1 579 790 526	1 333 755 788	1 579 790 526	1 333 755 788
	2 194 564 896	1 922 463 206	2 194 564 896	1 922 463 206

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Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020
7. Consumer debtors (continued)				
Sanitation				
Current	18 835 224	19 052 467	18 835 224	19 052 467
0 -30 days	10 126 724	11 451 729	10 126 724	11 451 729
31 - 60 days	7 697 327	6 075 148	7 697 327	6 075 148
61 - 90 days	7 335 769	7 665 911	7 335 769	7 665 911
91 - 120 days	6 511 603	7 675 976	6 511 603	7 675 976
121 - 365 days	49 129 105	55 276 295	49 129 105	55 276 295
> 365 days	270 686 659	251 398 405	270 686 659	251 398 405
	370 322 411	358 595 931	370 322 411	358 595 931
Other service charges				
Current	1 972 889	3 095 001	1 972 889	3 095 001
0 -30 days	2 221 436	2 254 679	2 221 436	2 254 679
31 - 60 days	1 406 472	-	1 406 472	-
61 - 90 days	1 421 531	2 293 880	1 421 531	2 293 880
91 - 120 days	1 437 071	2 440 377	1 437 071	2 440 377
121 - 365 days	13 902 476	19 589 617	13 902 476	19 589 617
> 365 days	278 045 755	375 645 283	278 045 755	375 645 283
	300 407 630	405 318 837	300 407 630	405 318 837
Refuse				
Current	9 836 071	10 499 570	9 836 071	10 499 570
0 -30 days	5 334 990	5 943 019	5 334 990	5 943 019
31 - 60 days	4 378 116	3 554 235	4 378 116	3 554 235
61 - 90 days	3 818 680	4 260 554	3 818 680	4 260 554
91 - 120 days	3 563 375	4 874 652	3 563 375	4 874 652
121 - 365 days	25 558 342	33 852 941	25 558 342	33 852 941
> 365 days	151 773 835	141 310 305	151 773 835	141 310 305
	204 263 409	204 295 276	204 263 409	204 295 276
Property rental				
Current	2 021 162	9 663 437	2 021 162	9 663 437
0 - 30 days	1 239 687	2 516 758	1 239 687	2 516 758
31 - 60 days	553 845	3 074 136	553 845	3 074 136
61 - 90 days	1 043 662	944 000	1 043 662	944 000
91 - 120 days	909 361	921 771	909 361	921 771
121 - 365 days	5 314 129	10 138 367	5 314 129	10 138 367
> 365 days	43 424 105	38 268 241	43 424 105	38 268 241
	54 505 951	65 526 710	54 505 951	65 526 710

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Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020
7. Consumer debtors (continued)				
Summary of debtors by customer classification				
Consumers				
Current	120 662 022	279 233 609	120 662 022	279 233 609
0 - 30 days	100 549 477	78 723 130	100 549 477	78 723 130
31 - 60 days	67 929 388	43 168 742	67 929 388	43 168 742
61 - 90 days	56 328 706	59 689 902	56 328 706	59 689 902
91 - 120 days	54 401 754	60 508 316	54 401 754	60 508 316
121 - 365 days	424 947 503	461 196 516	424 947 503	461 196 516
> 365 days	2 256 493 721	2 062 261 335	2 256 493 721	2 062 261 335
	3 081 312 571	3 044 781 550	3 081 312 571	3 044 781 550
Industrial/ commercial				
Current	141 194 333	145 682 025	141 194 333	145 682 025
0 - 30 days	56 033 792	43 953 353	56 033 792	43 953 353
31 - 60 days	33 277 440	31 565 113	33 277 440	31 565 113
61 - 90 days	11 214 576	12 921 618	11 214 576	12 921 618
91 - 120 days	8 816 659	12 048 062	8 816 659	12 048 062
121 - 365 days	66 960 821	68 076 541	66 960 821	68 076 541
> 365 days	196 148 600	200 752 836	196 148 600	200 752 836
	513 646 221	514 999 548	513 646 221	514 999 548
National and provincial government				
Current	29 962 552	29 173 341	29 962 552	29 173 341
0 - 30 days	7 878 239	6 041 774	7 878 239	6 041 774
31 - 60 days	3 172 374	3 108 020	3 172 374	3 108 020
61 - 90 days	3 478 610	3 218 056	3 478 610	3 218 056
91 - 120 days	2 370 146	3 231 034	2 370 146	3 231 034
121 - 365 days	14 370 919	11 711 187	14 370 919	11 711 187
> 365 days	41 926 615	27 181 625	41 926 615	27 181 625
	103 159 455	83 665 037	103 159 455	83 665 037
Total				
Current	292 818 907	454 088 974	292 818 907	454 088 974
0 - 30 days	164 461 507	128 718 257	164 461 507	128 718 257
31 - 60 days	104 379 202	77 841 875	104 379 202	77 841 875
61 - 90 days	71 021 892	75 829 576	71 021 892	75 829 576
91 - 120 days	65 588 558	75 787 412	65 588 558	75 787 412
121 - 365 days	506 279 243	540 984 244	506 279 243	540 984 244
> 365 days	2 494 568 938	2 290 195 797	2 494 568 938	2 290 195 797
	3 699 118 247	3 643 446 135	3 699 118 247	3 643 446 135
Less allowance for impairment	(2 523 014 073)	(2 025 769 236)	(2 523 014 073)	(2 025 769 236)
Reconciliation of allowance for impairment				
Balance at beginning of the year	(2 025 769 236)	(1 615 616 565)	(2 025 769 236)	(1 615 616 565)
(Increase)/decrease in impairment contribution	(497 244 837)	(410 152 671)	(497 244 837)	(410 152 671)
Balance at end of year	(2 523 014 073)	(2 025 769 236)	(2 523 014 073)	(2 025 769 236)
Consumer debtors pledged as security				
There are no consumer debtors pledged as security for overdraft facilities of the municipality.				

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Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020

7. Consumer debtors (continued)

Consumer debtors past due but not impaired

Consumer debtors which are past due and not impaired. At 30 June 2021 R 65 318 665 (2020: R 48 449 922)

Consumer debtors impaired

Consumer debtors impaired R 2 056 544 273 (2020: R 2 025 769 236).

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Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020
8. Cash and cash equivalents				
Cash and cash equivalents consist of:				
Cash on hand	26 387	28 525	25 897	25 595
Bank balances	72 769 737	82 736 481	72 687 852	82 649 858
Short-term deposits	288 524 607	436 211 961	286 805 803	434 980 687
	361 320 731	518 976 967	359 519 552	517 656 140

Average rate of return is based on average interest rate on all bank and investment accounts 3.35 % (2020: 3.60%)

Due to the short term nature of these investments, no amortisation was performed.

No cash and cash equivalents were pledged as security for any financial liabilities.

No restrictions exist with regard to the use of cash except for unspent conditional grants and receipts.

The municipality had the following bank accounts

Account number / description	Bank statement balances		Cash book balances	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
FNB - No: 50941827782 (Primary) Demand deposit	41 761 020	56 060 058	53 830 850	62 178 200
FNB - No: 50940058750 (Electronic Transfers) Demand deposit	-	-	(90 327)	(67 666)
FNB - No: 50941840627 (Market) Demand deposit	2 159 161	1 170 875	2 159 161	1 170 875
FNB - No: 62069378539 (Oribi Airport)	637 764	2 027 885	637 764	2 027 885
FNB - No: 62003432846 (Salaries PACs No 1) Demand deposit	643 126	694 536	643 126	694 536
FNB - No: 62006041157 (Post Office) Demand deposit	-	-	15 507 278	16 646 029
FNB - No: 62045272143 (Traffic fines) Demand deposit	-	-	-	-
FNB - No: 62548639725 (Airport Development Fund) Call account	23 632	22 851	23 632	22 851
FNB - No: 62548629403 (MIG Grant) Call account	208 309	57 832 300	208 309	57 832 300
FNB - No: 62548623231 (Unspent Conditional Grant) Call account	207 810 701	254 777 653	207 810 701	254 777 653
FNB - No: 62856957588 (Housing Projects: Principal-Agent) Call account	21 305 452	23 154 917	21 305 452	23 154 917
FNB - No: 62548634460 (Insurance Fund) Call account	552 885	534 611	552 885	534 611
FNB - No: 62548632901 (MHOA) Call account	41 452 799	46 933 331	41 452 799	46 933 331
FNB - No: 62548630822 (Housing Accreditation) Call account	12 681 804	31 887 885	12 681 804	31 887 885
FNB - No: 62551687563 (VAT Recovery Grant) Call account	852 081	823 918	852 081	823 918
FNB - No: 62531891879 (General Reserves) Call account	-	-	-	-
FNB - No: 62600253984 (VAT Refund - CRR) Call account	724 892	700 933	724 892	700 933
Standard Bank No: 268799725 008- (COID Call)	-	17 159 749	-	17 159 749
ABSA - No: 9317549203(7 Day Notice)	1 193 248	1 152 538	1 193 248	1 152 538
FNB - No: 62035467978 Current account	81 885	86 623	81 885	86 623
FNB - No: 62035942392 Money market	1 718 804	1 231 274	1 718 804	1 231 274
Total	333 807 563	496 251 937	361 294 344	518 948 442

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Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020

9. Agricultural assets

Economic entity	2021			2020		
	Cost / Valuation	Fair value adjustments	Carrying value	Cost / Valuation	Fair value adjustments	Carrying value
Biological assets - Consumable	75 245 448	21 054 552	96 300 000	79 700 000	(4 454 552)	75 245 448

Controlling entity	2021			2020		
	Cost / Valuation	Fair value adjustments	Carrying value	Cost / Valuation	Fair value adjustments	Carrying value
Biological assets - Consumable	75 245 448	21 054 552	96 300 000	79 700 000	(4 454 552)	75 245 448

Reconciliation of agricultural assets - Economic entity - 2021

	Opening balance	Fair value adjustments	Total
Biological asset - Consumable	75 245 448	21 054 552	96 300 000

Reconciliation of agricultural assets - Economic entity - 2020

	Opening balance	Decreases due to harvest / sales	Fair value adjustments	Impairment loss	Total
Biological assets - Consumable	79 700 000	(12 254 552)	8 599 500	(799 500)	75 245 448

Reconciliation of Agricultural assets - Controlling entity - 2021

	Opening balance	Fair value adjustments	Total
Biological asset - Consumable	75 245 448	21 054 552	96 300 000

Reconciliation of Agricultural assets - Controlling entity - 2020

	Opening balance	Decreases due to harvest / sales	Fair value adjustments	Impairment loss	Total
Biological assets - Consumable	79 700 000	(12 254 552)	8 599 500	(799 500)	75 245 448

Pledged as security

No agricultural assets have been pledged as security

Non-financial information

The municipality owns a plantation forest that produces felled trees for timber production, separately disclosed as consumable biological assets.

There was harvests of timber 2021: Nil (2020: R14 400 000).

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Refer to note 78 for risk management strategies on agricultural assets.

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Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020

9. Agricultural assets (continued)

Restrictions imposed by regulations

There are no agricultural assets whose use or capacity to sell is subject to restrictions imposed by regulations.

Methods and assumptions used in determining fair value

The valuation at 30 June 2021 was performed by Malcolm Gardiner.

Malcolm Gardiner is a member of the South African Council for Property Valuers Profession (SACPVP), and has the required qualifications and expertise in the valuation of agricultural assets.

The valuations conform to South African Valuation Standards and were arrived at by reference to market evidence of transaction prices.

The standing value of the timber has been calculated at the stumpage price less harvesting costs, short haul, and long-haul costs. Research indicates that timber prices have increased marginally in the last 12 months and that input costs have decreased slightly, resulting in an increase in the net values per ton.

Msunduzi Local Municipality and its Municipal Entity

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Figures in Rand

10. Heritage assets

Economic entity

	2021			2020		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Artworks	237 469 926	(6 837 541)	230 632 385	237 530 864	(6 811 330)	230 719 534
Crematoriums	9 359 518	(26 921)	9 332 597	8 181 348	-	8 181 348
Jewellery	1 185 000	-	1 185 000	1 185 000	-	1 185 000
Museums and art gallery	23 315 796	(42 806)	23 272 990	23 315 796	(22 973)	23 292 823
Other	2 095 896	-	2 095 896	2 095 896	-	2 095 896
Parks	2 487 908	-	2 487 908	2 487 908	-	2 487 908
Stadiums	3 961 963	(49 755)	3 912 208	3 961 963	-	3 961 963
Total	279 876 007	(6 957 023)	272 918 984	278 758 775	(6 834 303)	271 924 472

Controlling entity

	2021			2020		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Artworks	237 469 926	(6 837 541)	230 632 385	237 530 864	(6 811 330)	230 719 534
Crematoriums	9 359 518	(26 921)	9 332 597	8 181 348	-	8 181 348
Jewellery	1 185 000	-	1 185 000	1 185 000	-	1 185 000
Museums and art gallery	23 315 796	(42 806)	23 272 990	23 315 796	(22 973)	23 292 823
Other	2 095 896	-	2 095 896	2 095 896	-	2 095 896
Parks	2 487 908	-	2 487 908	2 487 908	-	2 487 908
Stadiums	3 961 963	(49 755)	3 912 208	3 961 963	-	3 961 963
Total	279 876 007	(6 957 023)	272 918 984	278 758 775	(6 834 303)	271 924 472

Msunduzi Local Municipality and its Municipal Entity

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Figures in Rand

10. Heritage assets (continued)

Reconciliation of heritage assets Economic entity - 2021

	Opening balance	Additions	Revaluation increase/(decrease)	Impairment losses recognised	Total
Crematoriums	8 181 348	1 178 169	-	(26 920)	9 332 597
Jewellery	1 185 000	-	-	-	1 185 000
Museums and art gallery	23 292 823	-	-	(19 833)	23 272 990
Parks	2 487 908	-	-	-	2 487 908
Stadiums	3 961 963	-	-	(49 755)	3 912 208
Conservation areas	2 095 896	-	-	-	2 095 896
Artworks	230 719 534	66 000	(126 938)	(26 211)	230 632 385
	271 924 472	1 244 169	(126 938)	(122 719)	272 918 984

Reconciliation of heritage assets Economic entity - 2020

	Opening balance	Additions	Transfers	Revaluation increase/(decrease)	Impairment losses recognised	Total
Artworks	232 536 345	78 998	-	(1 894 409)	(1 400)	230 719 534
Crematoriums	8 181 348	-	-	-	-	8 181 348
Jewellery	1 185 000	-	-	-	-	1 185 000
Museums and art gallery	23 292 823	-	-	-	-	23 292 823
Other	1 785 373	-	310 523	-	-	2 095 896
Parks	2 487 908	-	-	-	-	2 487 908
Stadiums	3 961 963	-	-	-	-	3 961 963
	273 430 760	78 998	310 523	(1 894 409)	(1 400)	271 924 472

Msunduzi Local Municipality and its Municipal Entity

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Figures in Rand

10. Heritage assets (continued)

Reconciliation of heritage assets Controlling entity - 2021

	Opening balance	Additions	Revaluation increase/(decrease)	Impairment losses recognised	Total
Artworks	230 719 534	66 000	(126 938)	(26 211)	230 632 385
Crematoriums	8 181 348	1 178 169	-	(26 920)	9 332 597
Jewellery	1 185 000	-	-	-	1 185 000
Museums and art gallery	23 292 823	-	-	(19 833)	23 272 990
Other	2 095 896	-	-	-	2 095 896
Parks	2 487 908	-	-	-	2 487 908
Stadiums	3 961 963	-	-	(49 755)	3 912 208
	271 924 472	1 244 169	(126 938)	(122 719)	272 918 984

Reconciliation of heritage assets Controlling entity - 2020

	Opening balance	Additions	Transfers	Revaluation increase/(decrease)	Impairment losses recognised	Total
Artworks	232 536 345	78 998	-	(1 894 409)	(1 400)	230 719 534
Crematoriums	8 181 348	-	-	-	-	8 181 348
Jewellery	1 185 000	-	-	-	-	1 185 000
Museums and art gallery	23 292 823	-	-	-	-	23 292 823
Other	1 785 373	-	310 523	-	-	2 095 896
Parks	2 487 908	-	-	-	-	2 487 908
Stadiums	3 961 963	-	-	-	-	3 961 963
	273 430 760	78 998	310 523	(1 894 409)	(1 400)	271 924 472

Restrictions on heritage assets

There are no ownership and disposal restrictions on heritage assets.

There are no contractual commitments for the acquisitions, maintenance and restoration of heritage assets

Msunduzi Local Municipality and its Municipal Entity

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	2021	2020	2021	2020

10. Heritage assets (continued)

Pledged as security

No heritage assets have been pledged as security for any financial liabilities.

Revaluations

Heritage assets

Artworks and jewellery whose fair value can be measured reliably are carried at the revalued amount, being their fair value at the date of valuation less any subsequent impairment losses.

Artworks were last valued on 30 June 2019 for the 2018/19 financial year.

According to the municipality's accounting policy, artworks are revalued every 4 years.

Jewellery was last valued in the 2018/19 financial year.

The valuation of artworks was performed by Harriet Marry Gilfillan who is an independent professional appraiser and has experience in the valuation of artworks and jewellery.

The valuations were arrived at by reference to market analysis, market records and trends relating to each artist and type of artwork was researched in order to arrive at a fair value.

The revaluation reversal relates to the impairment loss of the assets which were previously revalued.

Heritage assets which fair values cannot be reliably measured

The following heritage assets were not recognised due to a reliable measurement not being possible on initial recognition is as follows:

Legal Deposit collection at the Bessie Head Library

In 1916, the Natal Society Library (now the Msunduzi Municipal Library – Bessie Head Library) was identified as one of five libraries in South Africa accorded Legal Deposit status. This privilege helped make it into one of South Africa's major research and information libraries. Legal Deposit libraries play a unique and very important role as custodians, in perpetuity, of this country's cultural wealth and information. They also have to make this information available, as widely as possible, to the citizens of South Africa. The Legal Deposit Collection has become an important asset. Since 1916, the Msunduzi Municipal Library has amassed a huge collection of South African books, pamphlets, periodicals, maps and newspapers which it has to preserve for future generations. Due to the nature of the class of heritage assets, the Department of Arts and Culture has confirmed that there is no monetary value as there is no active market.

Expenditure incurred to repair and maintain heritage assets

There were no repairs and maintenance costs incurred in the current year.

Msunduzi Local Municipality and its Municipal Entity

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11. Intangible assets

Economic entity

	2021			2020		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	107 741 844	(84 082 119)	23 659 725	107 713 190	(77 816 623)	29 896 567
Servitudes	803 846	-	803 846	803 846	-	803 846
Total	108 545 690	(84 082 119)	24 463 571	108 517 036	(77 816 623)	30 700 413

Controlling entity

	2021			2020		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	107 741 844	(84 082 119)	23 659 725	107 713 190	(77 816 623)	29 896 567
Servitudes	803 846	-	803 846	803 846	-	803 846
Total	108 545 690	(84 082 119)	24 463 571	108 517 036	(77 816 623)	30 700 413

Reconciliation of intangible assets - Economic entity - 2021

	Opening balance	Additions	Amortisation	Total
Computer software, other	29 896 567	28 654	(6 265 496)	23 659 725
Servitudes	803 846	-	-	803 846
	30 700 413	28 654	(6 265 496)	24 463 571

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11. Intangible assets (continued)

Reconciliation of intangible assets - Economic entity - 2020

	Opening balance	Additions	Amortisation	Total
Computer software, other	40 254 117	97 000	(10 454 550)	29 896 567
Servitudes	803 846	-	-	803 846
	41 057 963	97 000	(10 454 550)	30 700 413

Reconciliation of intangible assets - Controlling entity - 2021

	Opening balance	Additions	Amortisation	Total
Computer software, other	29 896 567	28 654	(6 265 496)	23 659 725
Servitudes	803 846	-	-	803 846
	30 700 413	28 654	(6 265 496)	24 463 571

Reconciliation of intangible assets - Controlling entity - 2020

	Opening balance	Additions	Amortisation	Total
Computer software, other	40 254 117	97 000	(10 454 550)	29 896 567
Servitudes	803 846	-	-	803 846
	41 057 963	97 000	(10 454 550)	30 700 413

Pledged as security

No intangible assets have been pledged as security for any financial liabilities.

Restricted title

There are no intangible assets whose title is restricted.

Msunduzi Local Municipality and its Municipal Entity

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	2021	2020	2021	2020

11. Intangible assets (continued)

Details of valuation

Intangible assets were assessed for any impairment based on service performance of an asset and intention by management to continue using the asset for the foreseeable future.

Servitudes have an infinite useful life as they are rights held by the Municipality to property.

Msunduzi Local Municipality and its Municipal Entity

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12. Investment property

Economic entity

	2021			2020		
	Valuation at the beginning of the year	Fair value adjustments/ Additions	Valuation at the end of the year	Valuation at the beginning of the year	Fair value adjustments/ Additions	Valuation at the end of the year
Investment property	821 336 190	71 247 417	892 583 607	778 787 512	42 548 678	821 336 190

Controlling entity

	2021			2020		
	Valuation at the beginning of the year	Fair value adjustments/ Additions	Valuation at the end of the year	Valuation at the beginning of the year	Fair value adjustments/ Additions	Valuation at the end of the year
Investment property	821 336 190	71 247 417	892 583 607	778 787 512	42 548 678	821 336 190

Reconciliation of investment property - Economic entity - 2021

	Opening balance	Additions	Transfers	Work in progress	Derecognition	Fair value adjustment	Total
Investment property	821 336 190	39 012 320	(15 113 611)	9 871 208	(4 720 000)	42 197 500	892 583 607

Reconciliation of investment property - Economic entity - 2020

	Opening balance	Work in progress	Fair value adjustment	Total
Investment property	778 787 512	62 380 678	(19 832 000)	821 336 190

Msunduzi Local Municipality and its Municipal Entity

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12. Investment property (continued)

Reconciliation of investment property - Controlling entity - 2021

	Opening balance	Additions	Transfers	Work in progress	Derecognition	Fair value adjustments	Total
Investment property	821 336 190	39 012 320	(15 113 611)	9 871 208	(4 720 000)	42 197 500	892 583 607

Reconciliation of investment property - Controlling entity - 2020

	Opening balance	Work in progress	Fair value adjustments	Total
Investment property	778 787 512	62 380 678	(19 832 000)	821 336 190

Pledged as security

No investment property has been pledged as security for any financial liabilities.

Investment property in the process of being constructed or developed

Included within investment property

Opening balance	113 989 199	51 608 521	113 989 199	51 608 521
Additions	9 871 208	62 380 678	9 871 208	62 380 678
Transferred to completed assets	(108 419 135)	-	(108 419 135)	-
	15 441 272	113 989 199	15 441 272	113 989 199

Carrying value of Investment property that is taking a significantly longer period of time to complete than expected

Jika Joe Housing Delays in completion of the project due to the lockdown	15 441 272	113 989 199	15 441 272	113 989 199
	15 441 272	113 989 199	15 441 272	113 989 199

Details of property

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Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020

12. Investment property (continued)

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Details of valuation

The effective date of the revaluations was 30 June 2021. Revaluations were performed by an independent valuer, R.M. Fitchet and has recent experience in location and category of the investment property being valued.

The valuation was based on open market value for existing use.

These assumptions are based on current market conditions.

Adjustments to the valuation is attributable to change in market value of investment property.

R.M Fitchet is a member of the South African Council for Property Valuers Profession (SACPVP), and has the required qualifications and expertise in the valuation of investment properties. The valuations conform to South African Valuation Standards and were arrived at by reference to market evidence of transaction prices for similar properties.

Investment property has been accounted for in terms of GRAP 16 and comprises both land and buildings owned by Msunduzi Municipality. Investment property is not depreciated but annually valued at year end in order to determine their fair value as prescribed in GRAP 16.

Amounts recognised in surplus or deficit

Rental revenue from Investment property	5 739 687	2 535 634	5 739 687	2 535 634
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The municipality does not hold any operating property interest.

There were no repairs, maintenance and direct operating expenses related to investment property incurred in the current year.

Tenants are responsible for repairs and maintenance.

Included in Investment property is vacant land which has been invaded/illegally occupied. The land has a carrying value of R39 937 000 (2020 : R38 853 000).

The illegally occupied land is not considered impaired by management as the service potential is not considered affected as this land is addressed by the Rapid urbanisation management within the parameters of the approved land use scheme.

Msunduzi Local Municipality and its Municipal Entity

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13. Living resources

Economic entity

	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Game animals	1 140 250	(396 676)	743 574	1 310 985	(577 804)	733 181

Controlling entity

	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Game animals	1 140 250	(396 676)	743 574	1 310 985	(577 804)	733 181

Reconciliation of living resources - Economic entity - 2021

	Opening balance	Increases due to births	Depreciation	Total
Game animals	733 181	93 500	(83 107)	743 574

Reconciliation of living resources - Economic entity - 2020

	Opening balance	Increases due to births	Depreciation	Derecognition due to deaths	Total
Game animals	692 951	170 500	(81 595)	(48 675)	733 181

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13. Living resources (continued)

Reconciliation of living resources - Controlling entity - 2021

	Opening balance	Increases due to births	Depreciation	Total
Game animals	733 181	93 500	(83 107)	743 574

Reconciliation of living resources - Controlling entity - 2020

	Opening balance	Increases due to births	Depreciation	Derecognition due to deaths	Total
Game animals	692 951	170 500	(81 595)	(48 675)	733 181

Msunduzi Local Municipality and its Municipal Entity

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13. Living resources (continued)

Pledged as security

No living resources have been pledged as security for any financial liabilities.

General Information

Msunduzi Local Municipality Bisley Nature Reserve's main purpose is the conservation of a representative system of biodiversity encompassing fauna, flora and unique scenery within the nature reserve. The municipality does not manage the reserve for reproduction of biodiversity.

The municipality is involved in biological transformation of fauna and flora primarily as a service to the community for the main purpose of recreation rather than for sale.

Other information

The Msunduzi Municipality has elected the cost model to account for Living resources.

A physical verification of living animals assets was performed by the conservation department from 1 to 18 June 2021.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Details of valuation

The cost of the species was determined by Garth Saville, a Game Capturer responsible for species auction for Ezemvelo Wildlife.

Entity as a custodian

Msunduzi Local Municipality does not have any custodial responsibility for game animals held on behalf of other entities, including the legislation or similar means that establishes the custodial responsibility over the living resources.

Living resources on loan to other entities

There are no living resources on loan to other entities.

Title restrictions

There are no living resources whose title is subject to restrictions to sell.

Restrictions on use or capacity to sell

There are no living resources which are subject to restrictions on use or capacity to sell.

Compensation from third parties

There was no compensation from third parties for living resources that were impaired, lost or given up during the current financial year.

Disposal

Msunduzi Local Municipality and its Municipal Entity

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13. Living resources (continued)

The municipality did not dispose any living resources in the current financial year.

Deemed cost

Deemed cost was determined using fair value/depreciated replacement costs.

Msunduzi Local Municipality and its Municipal Entity

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14. Property, plant and equipment

Economic entity

	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Buildings	1 233 037 252	(325 799 085)	907 238 167	1 227 935 566	(312 099 420)	915 836 146
Infrastructure	8 563 986 038	(3 551 367 096)	5 012 618 942	8 041 028 511	(3 254 997 386)	4 786 031 125
Community	810 873 009	(376 296 557)	434 576 452	796 998 311	(357 301 199)	439 697 112
Other assets	1 094 192 145	(666 973 863)	427 218 282	1 081 186 601	(622 048 356)	459 138 245
Total	11 702 088 444	(4 920 436 601)	6 781 651 843	11 147 148 989	(4 546 446 361)	6 600 702 628

Controlling entity

	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land and buildings	1 233 037 252	(325 799 085)	907 238 167	1 227 935 566	(312 099 420)	915 836 146
Infrastructure	8 563 986 038	(3 551 367 096)	5 012 618 942	8 041 028 511	(3 254 997 386)	4 786 031 125
Community assets	810 873 009	(376 296 557)	434 576 452	796 998 311	(357 301 199)	439 697 112
Other assets	1 074 862 822	(657 224 094)	417 638 728	1 061 033 672	(612 497 929)	448 535 743
Total	11 682 759 121	(4 910 686 832)	6 772 072 289	11 126 996 060	(4 536 895 934)	6 590 100 126

Reconciliation of property, plant and equipment - Economic entity - 2021

Msunduzi Local Municipality and its Municipal Entity

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14. Property, plant and equipment (continued)

	Opening balance	Additions	Disposals	Transfers	Work in progress	Depreciation	Impairment loss	Total
Buildings	915 836 146	1 187 810	-	(6 735 146)	10 649 021	(13 699 664)	-	907 238 167
Infrastructure	4 786 031 125	130 785 725	-	82 730 692	309 441 107	(291 044 484)	(5 325 223)	5 012 618 942
Community	439 697 112	-	-	-	13 874 699	(18 987 147)	(8 212)	434 576 452
Other assets	459 138 245	30 099 462	(359 833)	(67 561 836)	51 631 506	(43 455 233)	(2 274 029)	427 218 282
	6 600 702 628	162 072 997	(359 833)	8 433 710	385 596 333	(367 186 528)	(7 607 464)	6 781 651 843

Reconciliation of property, plant and equipment - Economic entity - 2020

	Opening balance	Additions	Disposals	Transfers	Work in progress	Depreciation	Impairment loss	Total
Land and buildings	929 762 105	297 155	-	(4 030 144)	11 864 070	(22 057 040)	-	915 836 146
Infrastructure	4 873 908 157	55 162 457	-	17 244 985	155 725 352	(314 331 144)	(1 678 682)	4 786 031 125
Community	450 370 531	2 070 588	-	(3 094 759)	11 883 646	(21 532 267)	(627)	439 697 112
Other assets	415 384 615	7 368 645	(246 287)	(12 809 347)	103 389 457	(50 075 162)	(3 873 676)	459 138 245
	6 669 425 408	64 898 845	(246 287)	(2 689 265)	282 862 525	(407 995 613)	(5 552 985)	6 600 702 628

Reconciliation of property, plant and equipment - Controlling entity - 2021

	Opening balance	Additions	Transfers	Work in progress	Depreciation	Impairment loss	Total
Land and buildings	915 836 146	1 187 810	(6 735 146)	10 649 021	(13 699 664)	-	907 238 167
Infrastructure	4 786 031 125	130 785 725	82 730 692	309 441 107	(291 044 484)	(5 325 223)	5 012 618 942
Community assets	439 697 112	-	-	13 874 699	(18 987 147)	(8 212)	434 576 452
Other assets	448 535 743	29 759 481	(67 561 836)	51 631 506	(42 452 137)	(2 274 029)	417 638 728
	6 590 100 126	161 733 016	8 433 710	385 596 333	(366 183 432)	(7 607 464)	6 772 072 289

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14. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Controlling entity - 2020

	Opening balance	Additions	Transfers	Work in progress	Depreciation	Impairment loss	Total
Land and buildings	929 762 105	297 155	(4 030 144)	11 864 070	(22 057 040)	-	915 836 146
Infrastructure	4 873 908 157	55 162 477	17 244 985	155 725 352	(314 331 144)	(1 678 682)	4 786 031 125
Community	450 370 658	2 070 588	(3 094 759)	11 883 646	(21 532 267)	(627)	439 697 112
Other assets	396 814 871	7 320 236	(12 809 347)	103 389 457	(49 238 391)	(3 873 676)	448 535 743
	6 650 855 791	64 850 456	(2 689 265)	282 862 525	(407 158 842)	(5 552 985)	6 590 100 126

Pledged as security

No property, plant and equipment has been pledged as security for any financial liabilities.

Other information

Refer to Appendix A for detailed property, plant and equipment schedule.

During the year the municipality undertook a conditional assessment of fixed assets, which culminated in the additional decreases/increases in remaining useful lives of assets.

The municipality applies the depreciated replacement cost method to calculate impairment.

Property plant and equipment were impaired by R7 607 464 (2020 :R5 552 410) as result of conditional assessment.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Invaded land

Included in Property, plant and equipment is vacant land which has been invaded/illegally occupied. The land has a carrying value of R25 222 261 (2020 : R19 530 480). The illegally occupied land is not considered impaired by management as the service potential is not considered affected as this land is addressed by the Rapid urbanisation management within the parameters of the approved land use scheme.

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14. Property, plant and equipment (continued)

Reconciliation of Work-in-Progress Economic entity - 2021

	Included within buildings	Included within infrastructure	Included within community	Included within other PPE	Total
Opening balance	54 065 948	726 409 146	62 832 194	104 439 836	947 747 124
Additions	10 649 021	309 441 107	13 874 699	51 631 506	385 596 333
Transferred to completed assets	(6 735 146)	(38 259 413)	-	(68 155 534)	(113 150 093)
	57 979 823	997 590 840	76 706 893	87 915 808	1 220 193 364

Reconciliation of Work-in-Progress Economic entity - 2020

	Included within buildings	Included within infrastructure	Included within community	Included within other PPE	Total
Opening balance	49 338 757	1 055 655 051	73 642 313	15 535 170	1 194 171 291
Additions	11 864 070	155 725 352	11 883 646	103 389 457	282 862 525
Transferred to completed assets	(7 136 879)	(484 971 257)	(22 693 765)	(14 484 791)	(529 286 692)
	54 065 948	726 409 146	62 832 194	104 439 836	947 747 124

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14. Property, plant and equipment (continued)

Reconciliation of Work-in-Progress Controlling entity - 2021

	Included within Buildings	Included within Infrastructure	Included within community assets	Included within other PPE	Total
Opening balance	54 065 948	726 409 146	62 832 194	104 439 836	947 747 124
Additions	10 649 021	309 441 107	13 874 699	51 631 506	385 596 333
Transferred to completed assets	(6 735 146)	(38 259 413)	-	(68 155 534)	(113 150 093)
	57 979 823	997 590 840	76 706 893	87 915 808	1 220 193 364

Reconciliation of Work-in-Progress Controlling entity - 2020

	Included within buildings	Included within Infrastructure	Included within community assets	Included within other assets	Total
Opening balance	49 338 757	1 055 655 051	73 642 313	15 535 170	1 194 171 291
Additions	11 864 070	155 725 352	11 883 646	103 389 457	282 862 525
Transferred to completed assets	(7 136 879)	(484 971 257)	(22 693 765)	(14 484 791)	(529 286 692)
	54 065 948	726 409 146	62 832 194	104 439 836	947 747 124

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Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020

14. Property, plant and equipment (continued)

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

Aircondition service	19 840	29 959	-	-
Camera repair	25 611	36 955	-	-
Computer service	-	3 552	-	3 552
Computer equipment maintenance	1 393	694	-	-
Contracted services	103 773 403	42 110 883	103 773 403	42 110 883
Inventory consumed	18 665 180	7 996 279	18 665 180	7 996 279
Motor vehicle service	17 643	19 110	-	-
Operating leases	1 644 590	1 337 084	1 644 590	1 337 084
	124 147 660	51 534 516	124 083 173	51 447 798

Projects taking a significantly longer period of time to complete than expected

	Reason for project taking long	2021	2020
IRPTN project	This is a multi year project. The delays were due to: a) The relocation of houses and infrastructure currently built on road reserve. b). Community strike action and objections to relocations and compensation. c). Land acquisition for relocations and road reserves. d). Procurement disputes of local subcontractors and court Interdicts.e). Re allocation of Unit f.) Covid delays	330 132 169	358 208 410
Youth Enterprise Park	The project was not fully funded in the current financial year by COGTA and the preapproved site for the project lacked the necessary infrastructure.	8 982 500	829 350
Unit H	Project delayed due to contractual disputes with originally appointed contractor	36 431 369	26 418 953
Rehabilitation of roads in Ashdown	Project delayed due to political unrest.	2 212 883	5 576 860
Upgrade road in Peace Valley	Project delays due to community protests and strike action by employees of contractor over non payment of salaries.	9 771 129	7 306 288

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	2021	2020	2021	2020
14. Property, plant and equipment (continued)				
Azalea PH2		Multi year project, and technical delays -service provider on penalties	22 483 449	9 559 284
Ward 3 Vulindlela		Contractor abundant site, contractual dispute	21 159 117	13 718 701
Community hall ward 7		Insufficient funding to start construction, delays in submitting the drawings to building plans	671 734	-
Community hall ward 8		Insufficient funding to start Construction b)Resistance in Implementation of the Project from other Community members	1 107 760	-
			432 952 110	421 617 846
Projects halted		Reasons	2021	2020
The Hollingwood cemetery project		The community boycotted the project	4 874 038	4 874 038
Edendale Town Centre		Legal complexities, expropriation and relocation of Informal settlements caused the project to be halted until the issues are resolved.	3 100 603	3 100 603
Mayor's Walk road widening		Budget constraints	1 435 825	1 435 825
Community hall ward 24		Insufficient funding to start Construction. b)Spluma	782 608	-
Community hall ward 38		Application process Insufficient funding to start Construction. b)Spluma	1 278 097	-
Design and construction of east ring road		Application process	1 949 450	-
			13 420 621	9 410 466

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	2021	2020	2021	2020
15. Other financial assets				
At amortised cost				
Housing selling scheme loans	14 035 644	14 264 928	14 035 644	14 264 928
	14 035 644	14 264 928	14 035 644	14 264 928
Impairments	(14 035 644)	(14 264 928)	(14 035 644)	(14 264 928)
Total other financial assets	-	-	-	-
16. Consumer deposits				
Building plans and wayleaves	483	483	483	483
Landfill site	5 240 271	-	5 240 271	-
Electricity	93 783 712	87 078 635	93 783 712	87 078 635
Market buyer's card	1 317 928	1 170 875	1 317 928	1 170 875
Poster applications	180 785	180 785	180 785	180 785
Refuse	23 155	11 800	23 155	11 800
Rental properties	2 524 493	2 394 337	2 524 493	2 394 337
Valuation appeal	8 907	8 907	8 907	8 907
Sewer	7 355	4 500	7 355	4 500
Water	25 749 381	22 988 593	25 749 381	22 988 593
	128 836 470	113 838 915	128 836 470	113 838 915
17. Other financial liabilities				
At amortised cost				
DBSA loan	285 317 996	398 736 254	285 317 996	398 736 254
DBSA - funding required for capital expenditure. Loans bear interest rates between 6.75% and 16.50% (2020: 6.75% and 16.50%). Loans are repayable over a period between 10 to 20 years, repayments are made quarterly and bi-annually.				
During the reporting period the municipality did not default on any of the interest or capital repayments of the external loans.				
Non-current liabilities				
At amortised cost	203 744 512	285 317 996	203 744 512	285 317 996
Current liabilities				
At amortised cost	81 573 484	113 418 258	81 573 484	113 418 258
Reconciliation of other financial liabilities				
Opening balance	398 736 254	480 602 288	398 736 254	480 602 288
Interest capitalised	-	12 188 527	-	12 188 527
Repayments	(113 418 258)	(94 054 561)	(113 418 258)	(94 054 561)
	285 317 996	398 736 254	285 317 996	398 736 254
18. Transfers payable (non-exchange)				
Advance receipts - Transfers	21 715 043	22 991 872	21 715 043	22 991 872

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18. Transfers payable (non-exchange) (continued)				
Beneficiary Audit and Transfers				
Balance at beginning of year	6 686 063	6 858 629	6 686 063	6 858 629
Current year interest received	219 020	392 663	219 020	392 663
Payments to date	(1 019 879)	(565 229)	(1 019 879)	(565 229)
Balance in terms for the advance receipt	5 885 204	6 686 063	5 885 204	6 686 063

Funding provided by Department of Human Settlements as part of the restoration programme to assist in fast tracking the issuing of title deeds to the people of Msunduzi. The arrangement is through the MOA in order for the Provincial Department to provide funding in advance to the Municipality for appointment of social facilitators and a panel of conveyances to undertake this process Beneficiary Audit and Transfers.

The Beneficiary Audit and Transfer was a National Programme which was then delegated to the Municipality through Provincial Department of Human Settlements. The EEDBS was a National program which was delegated to Municipalities in order to ensure that restoration of Title deeds for houses constructed in Pre 1994 through the Housing Subsidy Scheme It was an existing programme that was handed over to the Municipality and the Municipality provided with the funding. The Municipality has no power to determine the beneficiary list. The project is solely for the transfer of Title Deeds to rightful owners. Title deeds are legal documents which the Municipality is not allowed to sell to beneficiaries and neither can those be use by the Municipality for own use.

The Municipality is not exposed to variability of the transactions, The Provincial Department of Humans settlements is responsible for fulfilling all rights and obligations. Even in the event of disputes the Provincial Department and the court make the final determinations on who the beneficiaries will be.

Significantly the The arrangement was for the Department to transfer funds into the Municipality in order for the Municipality to undertake beneficiary verification and transfers of completed housing units. The purpose of the Principal-Agent relationship with regards to the Beneficiary Audit and Transfers is to task the Municipality to review all projects approved prior to 1994 and ensure that beneficiary verification in completed to facilitate transfers without the Municipality being exposed to any risks associated with the implementation of the Programme.

Military Veterans - Houses

Balance at beginning of year	7 252 863	8 624 156	7 252 863	8 624 156
Payments to date	(779 609)	(1 371 293)	(779 609)	(1 371 293)
Balance in terms of the advance receipt	6 473 254	7 252 863	6 473 254	7 252 863

The arrangement between the the Municipality and the Provincial Department of Human Settlements is to undertake planning and servicing of 180 proposed residential sites for the military veterans in the Msunduzi Municipal area of jurisdiction. The department is responsible in fulfilling rights and obligation with respect to payment of service providers as well as processing of allocation of beneficiaries. The Municipality through the MOA signed between both parties undertook transactions with implementing agents on behalf of the department to get the sites ready for Human settlements projects (Military Veterans). The sites will be handed over to the Provincial Department of Human Settlement once ready for development and the Department will eventually hand over to beneficiaries as allocated by the Provincial Department.

Site 11

Current year receipts	2 970 760	223 756	2 970 760	223 756
Payments to date	(2 970 760)	(223 756)	(2 970 760)	(223 756)
Balance in terms of the advance receipt	-	-	-	-

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18. Transfers payable (non-exchange) (continued)

Funding provided by Department of Human Settlements for the construction of 252 top structures in Woodlands Site 11 housing project in accordance with the technical specifications and drawings. The houses to be built already have beneficiaries as identifies by the Department, the Municipality is merely assisting in the construction of the houses . The Municipality appointed the Implementing Agents through SCM processes which will facilitate the construction of the Top structures, the spec was provided for by the Department of Human Settlements. Funding is not transferred into the Municipality but claimed as and when the work is completed by the IA. The Provincial Department approves all payments prior to funding being transferred to the Municipality for payment of Implementing Agents.

Thamboville

	-	-	-	-
Current year receipts	4 786 611	321 954	4 786 611	321 954
Payments to date	(4 786 611)	(321 954)	(4 786 611)	(321 954)
Balance in terms of the advance receipt	-	-	-	-

Funding provided by Department of Human Settlements for the construction of 416 top structures in Glenwood Thamboville housing project in accordance with the technical specifications and drawings. The houses to be built already have beneficiaries as identifies by the Department, the Municipality is merely assisting in the construction of the houses . The Municipality appointed the Implementing Agents through SCM processes which will facilitate the construction of the Top structures, the spec was provided for by the Department of Human Settlements. Funding is not transferred into the Municipality but claimed as and when the work is completed by the IA. The Provincial Department approves all payments prior to funding being transferred to the Municipality for payment of Implementing Agents.

Title Deeds Restoration Programme

Balance at beginning of year	8 802 946	8 965 991	8 802 946	8 965 991
Payments to date	(3 160 379)	(163 045)	(3 160 379)	(163 045)
Balance in terms of the advance receipt	5 642 567	8 802 946	5 642 567	8 802 946

Funds provided by the Provincial Department of Human Settlements to assist the municipality to ensure that people approved through the enhanced extended discount benefit scheme and the housing delivery programme, their ownership is confirmed through this title deeds restoration grant.

The Municipality is not exposed to variability of the transactions, The Provincial Department of Humans settlements is responsible for fulfilling all rights and obligations. Even in the event of disputes the Provincial Department and the court make the final determinations on who the beneficiaries will be.

Significantly the The arrangement was for the Department to transfer funds into the Municipality in order for the Municipality to undertake beneficiary verification and transferees of completed housing units. The purpose of the Principal-Agent relationship with regards to the Beneficiary Audit and Transfers is to task the Municipality to review all projects approved prior to 1994 and ensure that beneficiary verification in completed to facilitate transfers without the Municipality being exposed to any risks associated with the implementation of the Programme.

Title Deeds Restoration Advertisement for Missing Beneficiaries

Balance beginning of year	250 000	-	250 000	-
Current year receipts	-	250 000	-	250 000
Payments to date	(249 950)	-	(249 950)	-
Balance in terms of the advance receipt	50	250 000	50	250 000

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18. Transfers payable (non-exchange) (continued)

Funds provided by the Provincial Department of Human Settlements for services to be rendered in order to find missing beneficiaries for the Title Deeds Programme. The funding is solely for finding missing beneficiaries in order to fast track the Title deeds restoration programme. The department to provide the financial resources, monitor the project and accept forecasts, plans, milestones as well as project completion. However, the responsibility for day-to-day management of the project is delegated from the Department of Human Settlements to the Municipality to manage it based on the agreed upon objective.

Title Deeds Activities

Balance at beginning of year	-	-	-	-
Current year receipts	3 713 968	-	3 713 968	-
Balance in terms of the advance receipt	3 713 968	-	3 713 968	-

Funds provided by the Provincial Department of Human Settlements for services to be rendered for the Title Deeds Programme. Significantly the arrangement was for the Department to transfer funds into the Municipality in order for the Municipality to undertake more activities for the Title deeds programme. The purpose of the Principal-Agent relationship with regards to the Beneficiary Audit and Transfers is to task the Municipality to review all projects approved prior to 1994 and ensure that beneficiary verification is completed to facilitate transfers without the Municipality being exposed to any risks associated with the implementation of the Programme.

19. Payables from exchange transactions

Trade payables	182 954 697	139 124 963	182 954 695	139 124 962
Accrued leave pay	139 833 815	120 401 469	139 486 004	120 111 046
Retention liability	26 886 023	31 528 947	26 886 023	31 528 947
Accruals	226 333 081	253 860 166	229 708 784	257 116 563
Credit balances in debtors	153 688 093	104 476 100	153 688 093	104 476 100
Accrued Interest	379 101	726 158	379 101	726 158
Advance payments	4 117 048	4 067 742	4 117 048	4 067 742
Auditor General	242 154	444 019	242 154	444 019
Water bulk purchases	351 888 433	199 793 607	351 888 433	199 793 607
Electricity bulk purchases	297 700 406	383 516 063	297 700 406	383 516 063
Unallocated deposits	1 404 226	1 780 296	1 404 226	1 780 296
Payroll related	-	204 463	-	204 463
Surety	200 000	20 000	200 000	20 000
	1 385 627 077	1 239 943 993	1 388 654 967	1 242 909 966

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	2021	2020	2021	2020

20. Provisions

Reconciliation of provisions - Economic entity - 2021

	Opening Balance	Additions/reduction	Utilised during the year	Change in discount factor	Increase due to re-measurement	Total
Bonus	543 822	655 937	(543 822)	-	-	655 937
Landfill rehabilitation	59 228 344	-	-	703 040	1 891 161	61 822 545
Litigation	3 118 321	(325 834)	-	-	-	2 792 487
	62 890 487	330 103	(543 822)	703 040	1 891 161	65 270 969

Reconciliation of provisions - Economic entity - 2020

	Opening Balance	Additions	Utilised during the year	Change in discount factor	Reduction due to re-measurement	Total
Bonus	510 784	517 160	(484 122)	-	-	543 822
Landfill rehabilitation	69 408 932	-	-	5 173 432	(15 354 020)	59 228 344
Litigation	3 094 596	23 725	-	-	-	3 118 321
	73 014 312	540 885	(484 122)	5 173 432	(15 354 020)	62 890 487

Reconciliation of provisions - Controlling entity - 2021

	Opening Balance	Additions/reduction	Change in discount factor	Increase due to re-measurement	Total
Landfill rehabilitation	59 228 344	-	703 040	1 891 161	61 822 545
Litigation	3 118 321	(325 834)	-	-	2 792 487
	62 346 665	(325 834)	703 040	1 891 161	64 615 032

Reconciliation of provisions - Controlling entity - 2020

	Opening Balance	Additions	Change in discount factor	Reduction due to re-measurement	Total
Landfill rehabilitation	69 408 932	-	5 173 432	(15 354 020)	59 228 344
Litigation	3 094 596	23 725	-	-	3 118 321
	72 503 528	23 725	5 173 432	(15 354 020)	62 346 665
Non-current liabilities		55 141 588	54 054 912	55 141 588	54 054 912
Current liabilities		10 129 381	8 835 575	9 473 444	8 291 753
		65 270 969	62 890 487	64 615 032	62 346 665

The excess in provision liability is the amount by which the liability provision exceeds the carrying amount of the provision asset and is recognised in the Statement of Financial Performance in terms of paragraph 5 (b) of IGRAP 2 .

Landfill rehabilitation

The landfill rehabilitation provision represents management's best estimate of the municipality's rehabilitation liability based on a valuation provided by an external consultant on the remaining useful life of the landfill site.

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20. Provisions (continued)

Wilson and Pass Incorporated was appointed to provide the provision for the programme for closure of the New England Road landfill site. At the end of the life of the landfill site, the municipality is expected to restore the landfill site to the condition it was before its use.

According to the National Environmental Management Act, Act 107 of 1998, the operation of a landfill results in an obligation to rehabilitate the landfill and prevent any further pollution after closure thereof. The landfill site provision was created to ensure that the site is environmentally and publicly acceptable and suited to the implementation of the proposed end-use. The estimated remaining life of the landfill site is 7,25 years.

The key assumptions used by the experts were:

Net discount rate 3.69%
Compaction rate 700kg/sqm
Growth rate 3%
The landfill is a general landfill.

The municipality was declared to have been in breach of the Variation Waste Management Licence issued by the department of Economic Development, Tourism and Environmental Affairs (Kwa-Zulu Natal) on 3 July 2017, in respect of operation of the New England Road Landfill Site on Lot 1853 of the Farm Darvill No 15036, New England Road, Pietermaritzburg.

The High Court of South Africa issued a court order directing the Municipality to discharge its duty of care and remediation of environment as required by section 28(1) and (3) of the National Environmental Management Act 107 of 1998.

Alien vegetation provision

According to the National Environmental Management Act, 1998 (Act No. 107 of 1998) the municipality was encouraged to recognise a provision in this regard.

The Department of Agriculture has since 2006 provided considerable support to the municipality in terms of clearing listed alien invasive plants.

The municipality's involvement and responsibility is effectively operational support to the Department of Agriculture for the clearing of listed alien invasive plants.

No work has been carried out during the current reporting period.

Litigation

Litigations against the Municipality recognized as provisions are those that the appointed attorneys have considered probable that the Municipality is liable and an outflow of economic benefits associated with the litigation is expected and the costs can be measured reliably.

Key assumptions provided by legal counsel are -

Net effective discount rate varies case by case and range from prime rate to 15.5%

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21. Employee benefit obligations

Defined contribution plan

The Council provides retirement benefits to its employees by contributing to either a Provident fund, Retirement Pension Fund or Superannuation Pension Fund.

Membership to either a pension or provident fund is compulsory for all permanent employees.

The majority of the members and the Council contributes to the Natal Joint Municipal Pension and Provident funds (NJMP), employees contributes to the South African Local Authorities Pension Fund (SALA) and, Associated Institution Pension Fund (AIPF), Pietermaritzburg Provident Fund and Government Employees Pension Fund (GEPF). Employees contributing to SALA, AIPF, Pietermaritzburg Provident Fund and GEPF make up the minority of members contribution to the pension funds. The municipality's liability in these funds cannot be determined owing mainly to the assets not being allocated to each employer and one set of financials being compiled for each fund and not for each contributing employer. The majority of personnel are members of the following pension funds:

Kwa-Zulu-Natal Joint Municipal Provident Fund

An actuarial valuation was performed as at 31 March 2020 by SNG Argen Actuarial Solutions.

The market value of the fund's assets was R 4 641 835 000 as at 31 March 2020.

Results of the valuation

The Fund self-insures its risk benefits in excess of the full benefit. It therefore maintains a Risk Reserve Account as a measure of protection against volatility in claims experience. The amount of R26 571 000 required to be held in the Risk Reserve Account.

The Fund is financially sound as at the valuation date.

Benefits of the fund:

- 1) Pension age - 65 years
- 2) Earliest retirement age - 58 years (55 years if more than 10 years continuous service)
- 3) Full benefit - Initial transfer plus member's contributions plus employer's contributions for full benefits plus investment earnings and bonuses.
- 4) Member's portion of full benefits - Initial transfer plus members contributions plus local authorities contributions for full benefits plus interim, special and final bonuses.
- 5) Benefit on retirement after earliest retirement age or pension age - full benefit.
- 6) Benefit on retirement because of ill health - full benefit.
- 7) Benefit on death in service - Full benefit plus 0.7% of annual pensionable salary for each month of potential service to a maximum of 2.1 years salary

Contributions to the fund

Members may choose to contribute at a rate of 5%, 7% or 9.25% of their pensionable emoluments in terms of regulation 14(a).

Local Authorities Contributions

Participating employers contribute at a rate of 1.95 times of the rate of members contribution in terms of regulation 17(1)(b).

Benchmark:

Investments:

Domestic Investments R3 515 634 000

International Investments R1 322 891 000

Risk Reserve Account R 26 571 000

Membership 17 296 000

Liabilities and reserves

Member share account R4 564 548 000

Reserves and accounts R26 571 000

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21. Employee benefit obligations (continued)

Defined Benefit Plans

Natal Joint Municipal Pension Fund: (Superannuation) actuarial valuation

An actuarial valuation was performed as at 31 March 2020 by SNG Argen Actuarial Solutions.

The market value of the fund's assets was R 10 268 496 000 as at 31 March 2020.

The regulations of the fund have been amended with effect from 1 July 2004, so that the Committee of Management is able to levy a separate surcharge on local authorities which grant excessive salary increases, thereby causing a financial strain on the fund to the detriment of other stakeholders.

The employers are no longer permitting members to join the Fund, so that it is effectively closed to new members. This means that the average age will increase over time which, in turn, means that the required rate of contribution will also increase. Thus, once the surcharge ceases, the underlying rate of contribution will not be sufficient to meet the cost of the benefits. It is necessary to set aside a reserve to hold assets equal to the expected shortfall. For this reason a "Contribution Reserve is held equal to the present value of the shortfall in terms of the Financial Services Board's Circular PF117 for the 5 years to 2015 when it is expected that the surcharge will cease.

Benefits of the fund:

- 1) Members Contributions - 9.25% of pensionable salaries.
- 2) Pension age 65 years.
- 3) Final average salary - average annual pensionable salaries during the last year of service.
- 4) Pension on retirement at pension age - 2.2% of final average emoluments per year of continuous service.
- 5) Lump sum on retirement at pension age - 8.25% of final average emoluments per year of service.
- 6) Pension on retirement because of ill-health (minimum ten years continuous service) - pension as for retirement at pension age.
- 7) Lump sum on retirement because of ill-health (minimum 10 years continuous service) - lump sum as for retirement at pension age.
- 8) Lump sum on retirement because of ill health (less than ten years continuous service) - the greater of the resignation benefit or twice the members contributions.
- 9) Surviving spouses pension on death in service - 1,2% of final average emoluments per year of continuous service that the member would have had at the pension age.
- 10) Surviving spouses pension on death of pensioner - 1,2% (0,77% in the case of a pensioner who retired before 1 July 1999) of final average emoluments per year of continuous service.
- 11) Lump sum on death in service - Annual pensionable emoluments.10.75% of final average salaries.
- 12) Withdrawal - members contribution plus 5/12% for each month of continuous service (the addition is approximately equal to compound interest at 10% a year) and increased by 5% for each complete year of service up to a maximum of 20 years.

Benchmark

Investments

Domestic R 7 249 555 000

International R3 105 016 000

Membership 3 581

Liabilities and reserve

Accrued liability R11 183 153 000

Risk reserve R194 616 000

Solvency reserve R0

Balance of assets (R408 403 000)

Contribution reserve R49 559 000

Prescribed minimum benefits R95 894 000

Natal Joint Municipal Pension Fund: (Retirement) actuarial valuation

An actuarial valuation was performed at 31 March 2020 by SNG Argen Actuarial Solutions.

The market value of the fund's assets was R 3 542 952 000 as at 31 March 2020.

The regulations of the fund have been amended with effect from 1 July 2004, so that the Committee of Management is able to levy a separate surcharge on local authorities which grant excessive salary increases, thereby causing a financial strain on the

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21. Employee benefit obligations (continued)

fund to the detriment of other stakeholders.

Legislation does not oblige a fund to hold a Solvency Reserve for purposes of financial soundness. However, being financially sound only on the "best estimate" basis means that there is still a 50% chance of the Fund being in deficit in the future. Provisions of PF 117, the Circular issued by the FSCA setting out the level of solvency reserves that the FSCA considers reasonable as well as the guidelines set out in PF Notice No. 2 of 2016 were applied.

Benefits of the fund:

- 1) Members Contributions - 7 % of pensionable salaries.
- 2) Pension age 65 years.
- 3) Final average salary - average annual pensionable salaries during the last year of service.
- 4) Pension on retirement at pension age - 2.1% of final average emoluments per year of continuous service.
- 5) Lump sum on retirement at pension age - 5.5% of final average emoluments per year of service.
- 6) Pension on retirement because of ill-health (minimum ten years continuous service) - pension as for retirement at pension age.
- 7) Ill health retirement (minimum 10 years continuous service) - Same as normal retirement.
- 8) Ill health retirement (less than ten years continuous service) - the greater of the of the resignation benefit or twice the member's contributions.
- 9) Surviving spouses pension on death in service - 1,05% of final average pensionable salaries per year of continuous service at date of death and 75% of potential service to the pension age.
- 10) Surviving spouses pension on death of pensioner - 1,2% (0,77% in the case of a pensioner who retired before 1 July 1999) of final average emoluments per year of continuous service.
- 11) Lump sum on death in service - Annual pensionable emoluments. 10.75% of final average salaries.
- 12) Withdrawal - members contribution plus 5/12% for each month of continuous service (the addition is approximately equal to compound interest at 10% a year) and increased by 5% for each complete year of service up to a maximum of 20 years.

Benchmark

Investments

Domestic R 2 493 150 000

International R1 100 458 000

Membership 1 425

Liabilities and reserve

Accrued liability R3 642 972 000

Risk reserve R89 477 000

Solvency reserve R0

Balance of assets (R85 566 000)

Prescribed minimum benefits R143 198 000

The employees of the Council as well as the Council as employer contribute to municipal pension, retirement and various provident funds as listed below:

Associated Institution Pension Fund	50 329	143 676	50 329	143 676
Councillors Pension Fund	8 852 302	7 693 643	8 852 302	7 693 643
Government Employees Pension Fund	2 717 297	2 901 621	2 717 297	2 901 621
Natal Joint Pension Fund	97 146 646	98 485 365	97 146 646	98 485 365
Natal Joint Provident Fund	124 776 655	115 230 795	124 776 655	115 230 795
South African Local Authorities Pension Fund	782 083	444 988	782 083	444 988
	234 325 312	224 900 088	234 325 312	224 900 088

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21. Employee benefit obligations (continued)

Employment benefit obligations

Post employment medical aid

Eligible employees will receive a post-employment subsidy of 60% of the contribution payable should they be a member of a medical scheme at retirement.

Continuation members and their eligible dependants receive a between 60% and 65% subsidy.

Continuation members and their eligible dependants receive a 60% subsidy, with the exception of continuation members who retired prior to 2004, who receive a 65% subsidy. Members' individual subsidy rates were provided.

Upon a member's death-in-service, surviving dependants are entitled to commence receipt of the same post-employment subsidy. Upon a member's death-in-retirement, surviving dependants are entitled to continue to receive the same subsidy.

All post-employment subsidies are subject to a maximum subsidy. The maximum for the year ending 30 June 2022 is an assumed value of R 5,011.78 per member per month, which is the previous year's maximum of R 4,773.12 increased by 5.00% (the assumed 1 July 2021 general salary increase). The maximum subsidy amount has been assumed to increase in future at 75% of salary inflation.

The municipality's employees and councillors are members on 6 accredited medical aid schemes, namely:

- 1) Bonitas
- 2) Discovery Health
- 3) Hosmed
- 4) Key-Health,
- 5) LA Health
- 6) SAMWU Med

Pensioners continue on the option they belonged to on the day of their retirement.

The latest actuarial valuation was performed by Arch Actuarial Consulting for the period ended 30 June 2021.

The valuation undertaken in accordance with the requirements of Professional Guidance Note (PPN) 301 of the Actuarial Society of South Africa.

The expert is independent and an approved pension fund valuator and a member of the Actuarial Society of South Africa (ASSA).

According to the last valuation the accrued liability amounted to R 512 371 000 (2020: R 470 193 001).

A reconciliation of the municipality's accrued liability for the period ending 30 June 2021 is set out below:

Long service awards

The Municipality offers employees Long Service Awards (LSA) for every five years of service completed, from five years of service to 45 years of service, inclusive.

Employees' LSA are based on basic salary.

On termination of service of an employee with five or more years of service, for reasons of retirement after reaching pensionable age (excludes early retirement), medical incapacity or retrenchment, the above leave award is paid on a pro-rata basis. The pro-rata factor applicable is the number of years of service since an employee's most recent service milestone, divided by five.

An employee may choose to take the long service leave due to him/her or encash it. Whatever the employee chooses, it must be done in the same leave year in which he/she qualified for such leave.

The amounts recognised in the Statement of Financial Position are as follows:

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21. Employee benefit obligations (continued)				
Carrying value				
Long service awards	(83 089 000)	(75 821 000)	(83 089 000)	(75 821 000)
Post employment medical aid	(512 371 001)	(470 193 001)	(512 371 001)	(470 193 001)
	(595 460 001)	(546 014 001)	(595 460 001)	(546 014 001)
Non-current liabilities	(555 608 000)	(507 812 001)	(555 608 000)	(507 812 001)
Current liabilities	(39 852 001)	(38 202 000)	(39 852 001)	(38 202 000)
	(595 460 001)	(546 014 001)	(595 460 001)	(546 014 001)
Current				
Long service awards	(12 148 000)	(9 863 000)	(12 148 000)	(9 863 000)
Post employment medical aid	(27 704 001)	(28 339 000)	(27 704 001)	(28 339 000)
	(39 852 001)	(38 202 000)	(39 852 001)	(38 202 000)
Non current				
Long service awards	(70 941 000)	(65 958 000)	(70 941 000)	(65 958 000)
Post employment medical aid	(484 667 000)	(441 854 001)	(484 667 000)	(441 854 001)
	(555 608 000)	(507 812 001)	(555 608 000)	(507 812 001)

Changes in the present value of post employment medical aid benefit obligation are as follows:

Opening balance	(470 193 001)	(526 821 870)	(470 193 001)	(526 821 870)
Current service cost	(11 309 000)	(13 311 075)	(11 309 000)	(13 311 075)
Interest cost	(45 590 000)	(47 469 740)	(45 590 000)	(47 469 740)
Benefits paid	28 513 424	26 216 342	28 513 424	26 216 342
Actuarial gain/(loss)	(13 792 424)	91 193 342	(13 792 424)	91 193 342
	(512 371 001)	(470 193 001)	(512 371 001)	(470 193 001)

Changes in the present value of long service awards obligation are as follows:

Opening balance	(75 821 000)	(71 457 540)	(75 821 000)	(71 457 540)
Interest cost	(5 032 000)	(5 392 802)	(5 032 000)	(5 392 802)
Current service cost	(6 863 000)	(6 638 503)	(6 863 000)	(6 638 503)
Actuarial (loss)/ gain	(4 397 732)	298 453	(4 397 732)	298 453
Benefits paid	9 024 732	7 369 392	9 024 732	7 369 392
	(83 089 000)	(75 821 000)	(83 089 000)	(75 821 000)

The total post employment medical aid benefit obligation increased by R42 178 869 (9%) from the previous valuation attributed to the following reasons:

- 1) An increase in the average age which means members are closer to retirement, which in turn results in less discounting.
- 2) An increase in the average age also diminishes the likelihood of members to leave before retirement.
- 3) There were more exits than expected since the last valuation.
- 4) The actuarial loss which is chiefly attributed to the decrease in net discount rate.

The total long service awards liability increased by R 7 268 000 (10%) due to the following reasons:

- 1) An increase in the average earnings.
- 2) An increase in average past service

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	2021	2020	2021	2020

21. Employee benefit obligations (continued)

Net expense recognised in the Statement of Financial Performance(Post employment medical aid)

Current service cost	(11 309 000)	(13 311 075)	(11 309 000)	(13 311 075)
Interest cost	(45 590 000)	(47 469 740)	(45 590 000)	(47 469 740)
Actuarial (loss)/gain	(13 792 424)	91 193 342	(13 792 424)	91 193 342
	(70 691 424)	30 412 527	(70 691 424)	30 412 527

Net expense recognised in the Statement of Financial Performance(Long service awards)

Interest cost	(5 032 000)	(5 392 802)	(5 032 000)	(5 392 802)
Current service cost	(6 863 000)	(6 638 503)	(6 863 000)	(6 638 503)
Actuarial (loss)/gain	(4 397 732)	298 453	(4 397 732)	298 453
	(16 292 732)	(11 732 852)	(16 292 732)	(11 732 852)

Key assumptions used(Post employment medical aid)

Assumptions used at the reporting date:

Discount rates used	9,85 %	9,99 %	9,85 %	9,99 %
Health care inflation rate	6,65 %	6,24 %	6,65 %	6,24 %
Maximum subsidy inflation rate	4,61 %	4,31 %	4,61 %	4,31 %
Proportion with a spouse dependent at retirement	60,00 %	60,00 %	60,00 %	60,00 %
Continuation of membership retirement	75,00 %	75,00 %	75,00 %	75,00 %

The average retirement age is : 62 years.

Mortality during employment : SA 85 -90.

Mortality post-employment : PA(90) -1 with a 1% mortality improvement p.a. from 2010

The projected unit credit method is used as the standard valuation methodology for the valuation of the liability at the reporting date.

Other assumptions

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change is assumed in healthcare care inflation and discount rates changes and would have the following effect liability:

	One percentage point increase	One percentage point decrease	One percentage point increase	One percentage point decrease
Health care inflation rate (8%/ -9% change)	553 848 000	466 801 000	553 848 000	466 801 000
Discount rate (-11%/13% change)	456 601 000	580 792 000	456 601 000	580 792 000

Amounts for the current and previous four years are as follows:

	2021 R	2020 R	2019 R	2018 R	2017 R
Defined benefit obligation	512 371 000	470 193 000	526 822 000	629 855 000	631 619 000
Surplus (deficit)	(512 371 000)	(470 193 000)	(526 822 000)	(629 855 000)	(631 619 000)
Experience adjustments on plan liabilities ((gain)/loss))	(17 252 000)	(16 924 000)	(22 837 000)	(17 781 000)	4 119 000

Total contribution to medical aid (employer and employees)

Bonitas	28 181 153	26 696 523	28 181 153	26 696 523
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Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020
21. Employee benefit obligations (continued)				
Discovery	499 599	446 044	499 599	446 044
Hosmed	433 492	466 584	433 492	466 584
Key Health	28 054 783	29 746 569	28 054 783	29 746 569
LA Health	81 704 578	74 367 636	81 704 578	74 367 636
Profmed	176 118	162 168	176 118	162 168
Samwumed	3 456 163	3 385 786	3 456 163	3 385 786
	142 505 886	135 271 310	142 505 886	135 271 310

Experience adjustments are the effects of differences between the previous actuarial assumptions and what has actually occurred.

Key assumptions used(Long service awards)

The long service awards provision represents the amount of money that should be set aside in present day terms to cover all expected long service awards for current employees.

The long service award provision is created to ensure adherence to SALGA collective agreement requirements. The liability was estimated by an Actuary in terms of GRAP 25 (Employee Benefits).

Long service awards payments are expected on the anniversary of appointment for all the qualifying employees.

At the reporting date there were no future events that could affect the future payment costs for long service awards.

As at 30 June 2021, the liability was estimated by experts, Arch Actuarial Consulting.

The key assumptions used by the experts were:

Net effective discount rate- 3.18%

Average retirement age- 62 years

Mortality during employment- SA 85-90

The projected unit credit method is used as the standard valuation methodology for the valuation of the liability at the reporting date.

22. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

Energy Efficiency Demand Side Management Grant	-	664	-	664
Greater Edendale Development Initiative	99 595 434	14 436 497	99 595 434	14 436 497
Housing Accreditation Funding	10 064 740	29 829 350	10 064 740	29 829 350
Jika Joe Community Residential Units	7 909 450	24 872 619	7 909 450	24 872 619
Library	6 445 855	221 889	6 445 855	221 889
Manaye Area Precinct Upgrade	761	204 370	761	204 370
Municipal Disaster Relief Grant	-	1 192 000	-	1 192 000
Municipal Infrastructure Grant	-	10 712 543	-	10 712 543
Neighbourhood Development Partnership Grant	1 070 247	43 336	1 070 247	43 336
Operation Dlulisumlando	1 136 990	1 500 000	1 136 990	1 500 000
Public Transportation Infrastructure Grant	50 446 079	94 578 574	50 446 079	94 578 574
Tatham Art Gallery	18 939	395 076	18 939	395 076
Water Services Infrastructure Grant	-	248 151	-	248 151
Youth Enterprise Park	136 270	2 616 061	136 270	2 616 061
Expanded Public Parks Programme	469 014	-	469 014	-
Pietermaritzburg Airport	359 982	-	359 982	-
Informal Economy Infrastructure Development	1 719 951	-	1 719 951	-
	179 373 712	180 851 130	179 373 712	180 851 130

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Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020
22. Unspent conditional grants and receipts (continued)				
Movement during the year				
Balance at the beginning of the year	180 851 130	103 510 102	180 851 130	103 510 102
Funds paid back to National Treasury	(43 000)	(29 308 000)	(43 000)	(29 308 000)
Current year receipts	569 800 865	623 456 101	569 800 865	623 456 101
Current year interest received	2 390 850	4 382 720	2 390 850	4 382 720
VAT recovered from national grants as per MFMA circular 58	(54 992 924)	(42 935 818)	(54 992 924)	(42 935 818)
Conditions met - transferred to revenue	(518 633 209)	(478 253 975)	(518 633 209)	(478 253 975)
	179 373 712	180 851 130	179 373 712	180 851 130

The extent of government grants recognised in the Statement of Financial Performance relates to the extent of the grant conditions having been met.

Refer to Appendix D for details of Unspent Conditional Grants, Receipts and Transfers from National, Provincial, Government and other departments.

See note 40 for reconciliation of grants from National/Provincial Government.

These amounts are invested in a ring-fenced investment until utilised.

23. VAT payable

VAT payable	190 638 434	179 812 237	190 234 402	179 391 512
VAT Reconciliation				
Accrued output tax	324 673 129	274 534 620	324 673 129	274 534 620
Accrued input tax	(123 778 033)	(107 397 129)	(123 778 033)	(107 397 129)
VAT refund (due)/payable (from)/to SARS	(10 256 662)	12 674 746	(10 660 694)	12 254 021
	190 638 434	179 812 237	190 234 402	179 391 512

VAT is claimed on a payment basis.

All VAT returns have been submitted by the due date throughout the year.

Only once an invoice is paid is VAT claimed and receivable from SARS.

24. Accumulated surplus

Ring-fenced internal funds and reserves within accumulated surplus - Economic entity - 2021

	Accumulated surplus	Insurance reserve	COID reserve	Total
Opening balance	7 872 890 251	19 790 045	17 159 750	7 909 840 046
Cash utilised for capital expenditure	1 352 938	-	-	1 352 938
Interest earned on COID	(547 968)	-	547 968	-
Interest earned on insurance reserve	(18 274)	18 274	-	-
Interest earned on CRR	(23 957)	-	-	(23 957)
Interest earned on HDF	(1 597 772)	-	-	(1 597 772)
Transfer out of Insurance reserve	8 854 584	(8 854 584)	-	-
Transfer to COID	(14 603 716)	-	14 603 716	-
Surplus/(Deficit)	(395 683 862)	-	-	(395 683 862)
	7 470 622 224	10 953 735	32 311 434	7 513 887 393

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Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020

24. Accumulated surplus (continued)

Ring-fenced internal funds and reserves within accumulated surplus - Economic entity - 2020

	Accumulated surplus	Insurance reserve	COID reserve	Total
Opening balance	7 463 662 460	25 625 640	15 924 551	7 505 212 651
Prior period error	14 789 811	-	-	14 789 811
Cash utilised for capital expenditure	39 572 027	-	-	39 572 027
Interest earned on COID	(1 235 199)	-	1 235 199	-
Interest on CRR	(633 525)	-	-	(633 525)
Interest on HDF	(2 766 822)	-	-	(2 766 822)
Interest earned on insurance reserve	(287 894)	287 894	-	-
Transfer out of Insurance reserve	6 123 489	(6 123 489)	-	-
Correction in surplus	(16 607 117)	-	-	(16 607 117)
Surplus/(Deficit)	370 273 021	-	-	370 273 021
	7 872 890 251	19 790 045	17 159 750	7 909 840 046

Ring-fenced internal funds and reserves within accumulated surplus - Controlling entity - 2021

	Accumulated surplus	Insurance reserve	COID reserve	Total
Opening balance	7 858 871 204	19 790 045	17 159 750	7 895 820 999
Cash utilised for capital expenditure	1 352 938	-	-	1 352 938
Interest earned on COID	(547 968)	-	547 968	-
Interest earned on insurance reserve	(18 274)	18 274	-	-
Interest earned on CRR	(23 957)	-	-	(23 957)
Interest earned on HDF	(1 597 772)	-	-	(1 597 772)
Transfer out of Insurance reserve	8 854 584	(8 854 584)	-	-
Transfer to COID	(14 603 716)	-	14 603 716	-
Surplus/(Deficit)	(395 015 969)	-	-	(395 015 969)
	7 457 271 070	10 953 735	32 311 434	7 500 536 239

Ring-fenced internal funds and reserves within accumulated surplus - Controlling entity - 2020

	Accumulated surplus	Insurance reserve	COID reserve	Total
Opening balance	7 450 028 399	25 625 640	15 924 551	7 491 578 590
Prior period error	14 789 815	-	-	14 789 815
Cash utilised for capital expenditure	39 572 027	-	-	39 572 027
Interest earned on COID	(1 235 199)	-	1 235 199	-
Interest on CRR	(633 525)	-	-	(633 525)
Interest on HDF	(2 766 822)	-	-	(2 766 822)
Interest earned on Insurance reserve	(287 894)	287 894	-	-
Transfer out of Insurance reserve	6 123 489	(6 123 489)	-	-
Correction in surplus	(16 607 117)	-	-	(16 607 117)
Surplus/(Deficit)	369 888 031	-	-	369 888 031
	7 858 871 204	19 790 045	17 159 750	7 895 820 999

25. Capital replacement reserve

Based on the approval by the strategic management committee on the 7th April 2015 the CRR was created by transferring funds of R 151 935 999 from the accumulated surplus. This reserve will be used for the funding of property, plant and equipment.

Included in the reserve is an amount of R 23 959 (2020: R633 525) in respect to interest earned on the reserve.

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Notes to the Consolidated Annual Financial Statements

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	2021	2020	2021	2020
25. Capital replacement reserve (continued)				
The CRR is a cash backed reserve				
Opening balance	2 053 876	40 992 378	2 053 876	40 992 378
Utilised for capital expenditure	(1 352 943)	(39 572 027)	(1 352 943)	(39 572 027)
Interest earned	23 959	633 525	23 959	633 525
	724 892	2 053 876	724 892	2 053 876
26. Housing development fund				
Accumulative HDF utilisation	60 869 641	59 271 866	60 869 641	59 271 866
Loans extinguished by Government on 1 April 1988	34 256 892	34 256 892	34 256 892	34 256 892
	95 126 533	93 528 758	95 126 533	93 528 758
27. Revaluation reserve				
Opening balance	95 264 535	97 158 944	95 264 535	97 158 944
Devaluation of heritage assets	(126 938)	(1 894 409)	(126 938)	(1 894 409)
	95 137 597	95 264 535	95 137 597	95 264 535
28. Agency services				
Commission earned on driver's licenses renewals	1 931 382	1 090 372	1 931 382	1 090 372
29. Interest - consumer debtors and receivables				
Electricity	2 609 293	17 302 673	2 609 293	17 302 673
Property rental	745 945	1 325 503	745 945	1 325 503
Sanitation	17 156 170	24 889 686	17 156 170	24 889 686
Service charges	16 711 883	34 909 039	16 711 883	34 909 039
Waste management	9 963 701	14 336 012	9 963 701	14 336 012
Water	97 124 912	133 098 058	97 124 912	133 098 058
	144 311 904	225 860 971	144 311 904	225 860 971
30. Interest received bank, call and investment accounts				
Bank	193 462	1 547 197	118 945	1 404 866
Short term investments	8 336 974	12 711 477	8 336 974	12 711 477
	8 530 436	14 258 674	8 455 919	14 116 343
31. Licences and permits (exchange)				
Taxi ranks	109 361	155 987	109 361	155 987
Abnormal loads	292 574	277 264	292 574	277 264
Trading	163 734	125 829	163 734	125 829
Market porters	37 120	45 376	37 120	45 376
	602 789	604 456	602 789	604 456

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Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020
32. Operational revenue				
Administration and handling fees	1 437 856	861 945	1 437 856	861 945
Breakages and losses recovered	2 876	4 567	2 876	4 567
Bursary refund	501 777	363 000	501 777	363 000
Collection charges	17 758 554	12 746 390	17 758 554	12 746 390
Commission - transaction handling fees	19 498 229	19 462 451	19 498 229	19 462 451
Commission insurance	726 809	736 390	726 809	736 390
Incidental cash surplus	4 998	4 206	4 998	4 206
Insurance refund	35 955	35 203	-	35 203
Landing fees	1 325 522	2 119 150	1 325 522	2 119 150
Merchandising, jobbing and contracts	8 642 987	4 915 967	8 642 987	4 915 967
Passenger levy	1 780 400	3 500 941	1 780 400	3 500 941
Request for information - plan printing and duplicates	9 857	8 773	9 857	8 773
Sale of property	167 981	115 000	167 981	115 000
Skills development levy	1 460 320	2 655 202	1 460 320	2 655 202
Staff recoveries	477	417	477	417
	53 354 598	47 529 602	53 318 643	47 529 602
33. Rental of facilities and equipment				
Premises				
Non-residential	6 961 657	32 339 263	6 961 657	32 339 263
Residential	7 449 058	10 278 897	7 449 058	10 278 897
	14 410 715	42 618 160	14 410 715	42 618 160
Facilities and equipment				
Rental of facilities	148 196	982 451	148 196	982 451
	14 558 911	43 600 611	14 558 911	43 600 611
34. Rendering of services				
Building plan approval	1 923 379	1 881 460	1 923 379	1 881 460
Cemetery and burial fees	3 878 397	2 589 309	3 878 397	2 589 309
Entrance fees	6 704	291 408	6 704	291 408
Fire services	249 752	158 645	249 752	158 645
Legal fees	371 007	113	371 007	113
Management fees	143 181	108 177	143 181	108 177
Parking fees	84 346	95 806	84 346	95 806
Rates clearance certificates	1 544 875	1 145 287	1 544 875	1 145 287
Sign application fee	517 427	233 831	517 427	233 831
Town planning and servitudes	302 455	248 702	302 455	248 702
Wayleave tariffs	102 832	55 170	102 832	55 170
	9 124 355	6 807 908	9 124 355	6 807 908

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	2021	2020	2021	2020
35. Sale of goods				
Cleaning and removal	24 207	53 331	24 207	53 331
Buyer's card	37 079	35 048	37 079	35 048
Demolition application fees	108	156	108	156
Maps	-	124 697	-	124 697
Posters and charts	300	761	-	-
Sub-division and consolidation	50 218	71 579	50 218	71 579
Tender documents	46 548	71 170	46 548	71 170
Timber sales	-	16 441 902	-	16 441 902
Valuation services	22 165	13 122	22 165	13 122
Waste paper	15 496	-	15 496	-
	196 121	16 811 766	195 821	16 811 005
36. Service charges				
Sale of electricity	2 149 675 089	2 299 104 871	2 149 844 095	2 299 259 370
Sale of water	765 357 790	677 628 367	765 357 790	677 628 367
Sanitation	164 794 394	173 150 320	164 794 394	173 150 320
Refuse removal	108 298 483	109 892 583	108 298 483	109 892 583
	3 188 125 756	3 259 776 141	3 188 294 762	3 259 930 640
Reconciliation				
Gross revenue billed				
Sale of electricity	2 149 845 365	2 299 245 157	2 150 014 371	2 299 399 656
Sale of water	770 001 503	680 987 288	770 001 503	680 987 288
Sanitation	183 224 892	186 494 345	183 224 892	186 494 345
Refuse removal	108 312 388	110 144 498	108 312 388	110 144 498
	3 211 384 148	3 276 871 288	3 211 553 154	3 277 025 787
Less : Revenue foregone free basic services				
Sale of electricity	(170 276)	(140 286)	(170 276)	(140 286)
Sale of water	(4 643 713)	(3 358 921)	(4 643 713)	(3 358 921)
Sanitation	(18 430 498)	(13 344 025)	(18 430 498)	(13 344 025)
	(13 905)	(251 915)	(13 905)	(251 915)
Net Service charges	3 188 125 756	3 259 776 141	3 188 294 762	3 259 930 640

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Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020
37. Property rates				
Rates received				
Commercial	276 349 262	291 526 906	276 349 262	291 526 906
Farm properties	(1 489 342)	9 629 146	(1 489 342)	9 629 146
Unauthorised use	18 782 716	3 339 586	18 782 716	3 339 586
Industrial	127 146 236	132 844 015	127 146 236	132 844 015
Public benefit organisation	862 732	548 349	862 732	548 349
Residential	668 004 502	668 298 884	668 004 502	668 298 884
Communal land - other	2 521 600	2 726 245	2 521 600	2 726 245
State	698 319	774 451	698 319	774 451
Mining	106 720	121 434	106 720	121 434
Public service purpose	111 693 569	86 047 137	111 693 569	86 047 137
	1 204 676 314	1 195 856 153	1 204 676 314	1 195 856 153
Reconciliation				
Gross revenue billed				
Property rates	247 058 231	270 490 252	247 058 231	270 490 252
	247 058 231	270 490 252	247 058 231	270 490 252
Less : Revenue foregone free basic services				
Rebates property rates	(42 381 917)	(74 634 099)	(42 381 917)	(74 634 099)
	204 676 314	195 856 153	204 676 314	195 856 153
Valuations				
Agriculture	440 200 000	440 783 000	443 200 000	440 783 000
Commercial/Mining/Industrial/Unauthorised	24 939 127 138	24 800 205 103	24 939 127 138	24 800 205 103
Municipal properties	21 574 000	21 574 000	21 574 000	21 574 000
Residential	49 886 871 973	49 936 867 443	49 886 871 973	49 936 867 443
Rural communal land	165 726 000	167 817 000	165 726 000	167 817 000
Public Benefit Organisation	963 786 000	865 362 000	963 786 000	865 362 000
Public Service Infrastructure	212 322 635	210 423 000	212 322 635	210 423 000
Public Service Property	4 826 478 000	4 812 778 000	4 826 478 000	4 812 778 000
Vacant land	2 285 276 700	2 357 432 700	2 285 276 700	2 357 432 700
	83 741 362 446	83 613 242 246	83 744 362 446	83 613 242 246
Rate randage are as follows:				
			Rate per category 2021	Rate per category 2020
Agriculture			0,0032	0,0031
Public Service Property			0,0232	0,0222
Residential			0,0132	0,0126
Rural communal land			0,0179	0,0172
Public Benefit Organisation			0,0032	0,0031
Public Service Infrastructure			0,0032	0,0031
Vacant land			0,0239	0,0229
Commercial			0,0232	0,0222
Mining			0,0232	0,0222
Industrial			0,0232	0,0022
Unauthorised			0,0411	0,0393
Municipal property			0,0232	0,0222
Sectional Title Garages			0,0132	0,0126

Valuations on land and buildings are performed every 4 years in terms of the Municipal Property Rates Act. The last general valuation came into effect on 1 July 2019. Interim/ Supplementary valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

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Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020
38. Interest - property rates				
Property rates	44 323 254	66 392 640	44 323 254	66 392 640
39. Fines, penalties and forfeits				
Building fines	14 000	49 514	14 000	49 514
Court traffic fines	15 718 700	13 030 970	15 718 700	13 030 970
Law enforcement fines	277 334	187 653	277 334	187 653
Overdue books fines	-	445	-	445
Tender withdrawal penalties	52 001	4 000	52 001	4 000
	16 062 035	13 272 582	16 062 035	13 272 582

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Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020
40. Government grants and subsidies				
Operating grants				
Equitable Share	682 403 000	546 052 000	682 403 000	546 052 000
Municipal Infrastructure Grant	10 493 133	21 904 477	10 493 133	21 904 477
Expanded Public Works Programme	3 918 986	4 200 000	3 918 986	4 200 000
Finance Management Grant	1 700 000	1 700 000	1 700 000	1 700 000
Public Transport Infrastructure Grant	10 840 834	14 834 432	10 840 834	14 834 432
Housing Accreditation Funding	33 724 163	14 582 180	33 724 163	14 582 180
Greater Edendale Development Initiative	1 249 599	5 050 273	1 249 599	5 050 273
Tatham Art Gallery	744 109	242 517	744 109	242 517
Library	9 265 622	27 665 322	9 265 622	27 665 322
Housing	1 231 264	-	1 231 264	-
Manaye Area Precinct Upgrade	-	138 413	-	138 413
Youth Enterprise Park	-	758 430	-	758 430
Municipal Disaster Relief Grant	1 192 000	-	1 192 000	-
Operation Dlulisumlando	363 010	-	363 010	-
CBD Revitalisation	300 000	-	300 000	-
	757 425 720	637 128 044	757 425 720	637 128 044

Capital grants

Manaye Area Precinct Upgrade	210 119	2 723 120	210 119	2 723 120
Energy Efficiency Demand Side Management Grant	-	7 999 336	-	7 999 336
Informal Economy Infrastructure Development	2 324 673	-	2 324 673	-
Municipal Infrastructure Grant	193 940 410	164 899 849	193 940 410	164 899 849
Neighbourhood Development Partnership	16 930 754	9 957 109	16 930 754	9 957 109
Public Transport Infrastructure Grant	167 291 661	117 251 994	167 291 661	117 251 994
Housing Accreditation Funding	512 954	-	512 954	-
Greater Edendale Development Initiative	12 892 132	6 696 621	12 892 132	6 696 621
Library	5 882 335	1 065 175	5 882 335	1 065 175
Pietermaritzburg Airport	2 173 164	-	2 173 164	-
Youth Enterprise Park	2 595 863	5 557 287	2 595 863	5 557 287
Water Services Infrastructure	44 804 151	52 751 849	44 804 151	52 751 849
Tatham Art Gallery	142 347	400 000	142 347	400 000
Jika Joe Community Residential Units	48 902 854	60 811 409	48 902 854	60 811 409
	498 603 417	430 113 749	498 603 417	430 113 749
	1 256 029 137	1 067 241 793	1 256 029 137	1 067 241 793

Government grants and subsidies

Included in above are the following grants and subsidies received:

Equitable Share	682 403 000	546 052 000	682 403 000	546 052 000
Operating grants	73 950 537	88 769 211	73 950 537	88 769 211
Capital grants	444 682 672	389 484 764	444 682 672	389 484 764
VAT recovered from National grants - operating	1 072 182	2 306 833	1 072 182	2 306 833
VAT recovered from National grants - capital	53 920 746	40 628 985	53 920 746	40 628 985
	1 256 029 137	1 067 241 793	1 256 029 137	1 067 241 793

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

In terms of section 227 of the Constitution, the Equitable Share grant provides funding for the municipality to deliver free basic services to poor households and subsidises the cost of administration and other core services for the municipality.

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	2021	2020	2021	2020
40. Government grants and subsidies (continued)				
Water Services Infrastructure Grant				
Balance unspent at beginning of year	248 151	-	248 151	-
Current-year receipts	44 556 000	53 000 000	44 556 000	53 000 000
Conditions met - transferred to revenue	(38 899 309)	(46 084 092)	(38 899 309)	(46 084 092)
VAT recovered from grant	(5 904 842)	(6 667 757)	(5 904 842)	(6 667 757)
	-	248 151	-	248 151

Conditions still to be met - remain liabilities (see note 22).

To facilitate the planning and implementation of various water and sanitation projects to accelerate backlog reduction and improve the sustainability of services in prioritised district municipalities, especially in rural municipalities. Provide interim, intermediate water and sanitation services that ensure provision of services to identified and prioritised communities, including through spring protection, drilling, testing and equipping of boreholes and on-site solutions. To support drought relief projects in affected municipalities.

Finance Management Grant

Current-year receipts	1 700 000	1 700 000	1 700 000	1 700 000
Conditions met - transferred to revenue	(1 608 917)	(1 595 351)	(1 608 917)	(1 595 351)
VAT recovered from grant	(91 083)	(104 649)	(91 083)	(104 649)
	-	-	-	-

The purpose of this grant is to promote and support reforms in financial management by building capacity in Local Government to implement the Local Government : Municipal Finance Management Act (MFMA).

Municipal Infrastructure Grant

Balance unspent at beginning of year	10 712 543	15 480 868	10 712 543	15 480 868
Grant paid back to National Treasury	-	(15 480 000)	-	(15 480 000)
Current-year receipts	193 721 000	197 516 000	193 721 000	197 516 000
Conditions met - transferred to revenue	(180 158 049)	(168 992 927)	(201 718 857)	(168 992 927)
VAT recovered from grant	(24 275 494)	(17 811 398)	(2 714 686)	(17 811 398)
	-	10 712 543	-	10 712 543

Conditions still to be met - remain liabilities (see note 22).

The funding has been provided for addressing specific capital projects for basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities.

In November 2020, a letter was received from Department of Corporative Governance which was dated 09 September 2020, which according to the Department was sent to the Municipality in September 2020. According to the letter in terms of DORA, the Department intends to invoke section 18 (1) of the DORA and withhold the September transfer from Msunduzi for a period of not exceeding 30 days due to the following reasons:

1. Under expenditure (less than 60%) for the July transfer. 2. Msunduzi failed to submit the MIG annual report by 31 August 2020, and /or DORA compliance certificate that was attached to the S23 letter (payment schedule) due by the 13 July 2020.

The 2nd tranche which was due on the 25th September 2020 was withheld and was only received on the 26th October 2020

The 3rd tranche which was due on the 04th December 2020 was withheld and was only received on the 14th December 2020

The final tranche which was due on the 19th March 2021 was withheld and was only received on the 25th March 2021, The final tranche was reduced by R2 407 000.

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	2021	2020	2021	2020

40. Government grants and subsidies (continued)

Tatham Art Gallery

Balance unspent at beginning of year	395 076	537 142	395 076	537 142
Current-year receipts	488 000	463 000	488 000	463 000
Conditions met - transferred to revenue	(886 456)	(642 517)	(886 456)	(642 517)
Current year interest received	22 319	37 451	22 319	37 451
	18 939	395 076	18 939	395 076

Conditions still to be met - remain liabilities (see note 22).

Funding provided by the Provincial Department of Arts and Culture for Tatham Art Gallery to provide financial support to the municipality with a focus on the development and maintenance of museum care and preservation of our culture heritage.

Neighbourhood Partnership Development Grant

Balance unspent at beginning of year	43 336	13 828 445	43 336	13 828 445
Current-year receipts	18 000 000	10 000 000	18 000 000	10 000 000
Conditions met - transferred to revenue	(14 722 394)	(8 658 355)	(14 722 394)	(8 658 355)
VAT recovered from grant	(2 208 359)	(1 298 754)	(2 208 359)	(1 298 754)
Grant paid back to National Treasury	(42 336)	(13 828 000)	(42 336)	(13 828 000)
	1 070 247	43 336	1 070 247	43 336

Conditions still to be met - remain liabilities (see note 22).

Funding provided for to support and facilitate the planning and development of neighbourhood development programs and projects that provide catalytic infrastructure to leverage third party public and private sector development towards improving the quality of life of residents in targeted undeserved neighbourhoods.

National Treasury advised the Municipality in their letter dated 14 October 2020 that the gazetted allocation is going to be adjusted from R35 million to R20 million based on the cash flows submitted to the unit (or the non-submission thereof).

National Treasury advised the Municipality in their letter dated 18 January 2021 that the amended gazetted allocation is going to be adjusted further from R20 million to R18 million based on the revised cash flows submitted to the unit.

Public Transport Infrastructure Grant

Balance unspent at beginning of year	94 578 574	-	94 578 574	-
Current-year receipts	134 000 000	226 665 000	134 000 000	226 665 000
Conditions met - transferred to revenue	(155 749 244)	(116 076 558)	(155 749 244)	(116 076 558)
VAT recovered from grant	(22 383 251)	(16 009 868)	(22 383 251)	(16 009 868)
	50 446 079	94 578 574	50 446 079	94 578 574

Conditions still to be met - remain liabilities (see note 22).

Funding provided for accelerated planning, construction and improvement of public and non-motorised transport infrastructure.

Msunduzi Municipality was not allocated funding for the IRPTN Project in terms of the Division of Revenue Act for 2020 2021. National Treasury transferred an amount of R134 million to the Municipality on the 29th March 2021 .

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Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020
40. Government grants and subsidies (continued)				
Housing Accreditation Funding				
Balance unspent at beginning of year	29 829 350	42 192 231	29 829 350	42 192 231
Current-year receipts	3 401 916	-	3 401 916	-
Transfer from Jika Joe Community Residential Units	10 389 000	-	10 389 000	-
Conditions met - transferred to revenue	(34 237 116)	(14 582 180)	(34 237 116)	(14 582 180)
Current year interest received	681 590	2 219 299	681 590	2 219 299
	10 064 740	29 829 350	10 064 740	29 829 350

Conditions still to be met - remain liabilities (see note 22).

Funding provided for Level 1 accreditation subsidy for the operation of the Housing Delivery Unit within the municipality.

Greater Edendale Development Initiative

Balance unspent at beginning of year	14 436 497	260 233	14 436 497	260 233
Current-year receipts	98 000 000	25 500 000	98 000 000	25 500 000
Conditions met - transferred to revenue	(14 141 731)	(11 746 894)	(14 141 731)	(11 746 894)
Current year interest received	1 300 668	423 158	1 300 668	423 158
	99 595 434	14 436 497	99 595 434	14 436 497

Conditions still to be met - remain liabilities (see note 22).

The funding was provided by the Department of Human Settlements for the following :

1. To support GIS with the interrogation of housing layout against services in Edendale.
2. To support the finalisation of the town planning scheme.
3. For the development of an integrated land use management system for Edendale.
4. To value additional properties which are not within the 5 priority housing projects.
5. For advertising costs for expropriation of properties.
6. For costs relating to tenure conflicts, cadastral and deed office rectification.
7. For Increasing the resources for sales administration with regard to drawing up, signing and managing sales agreements.
8. For the provision of further training for personnel using GIS and property tracking systems.
9. For employment of two planning interns to be employed by the Land Legal Committee for a period of two years.

Msunduzi Municipality was not allocated funding for the Greater Edendale Development Initiative project in terms of the Provincial Gazette. Provincial Treasury transferred an amount of R98 million to the Municipality on the 31st March 2021.

Library

Balance unspent at beginning of year	221 889	7 872 161	221 889	7 872 161
Current-year receipts	21 186 000	20 052 000	21 186 000	20 052 000
Conditions met - transferred to revenue	(15 147 956)	(28 730 498)	(15 147 956)	(28 730 498)
Current year interest received	185 922	1 028 226	185 922	1 028 226
	6 445 855	221 889	6 445 855	221 889

Conditions still to be met - remain liabilities (see note 22).

This is a provincial grant whose purpose is to address the constitutional mandate whereby public libraries are an exclusive provincial competency. The funding is for the provision of library services.

Market

Balance unspent at beginning of year	-	167 184	-	167 184
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Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020
40. Government grants and subsidies (continued)				
Inter project transfer	-	(169 896)	-	(169 896)
Current year interest received	-	2 712	-	2 712
	-	-	-	-

Funds received from Department of Co-operative Governance and Traditional Affairs for the market. The purpose of this grant is for the renovations and improvement of the fresh produce market which entails short term repairs, maintenance and the upgrading of existing facilities.

Manaye Area Precinct Upgrade

Balance unspent at beginning of year	204 370	2 719 215	204 370	2 719 215
Conditions met - transferred to revenue	(210 119)	(2 861 532)	(210 119)	(2 861 532)
Current year interest received	6 510	176 790	6 510	176 790
Inter project transfer	-	169 897	-	169 897
	761	204 370	761	204 370

Conditions still to be met - remain liabilities (see note 22).

Funds received from Cooperative Governance and Traditional Affairs for the Manaye Area Precinct Upgrade in order to assist the municipality in fulfilling the developmental mandate and achieving the outcome of improving the lives of the communities through the implementation of the Corridor Development Programme that contributes towards creating an enabling environment for economic growth and job creation.

Youth Enterprise Park

Balance unspent at beginning of the year	2 616 061	8 436 694	2 616 061	8 436 694
Conditions met - transferred to revenue	(2 595 863)	(6 315 718)	(2 595 863)	(6 315 718)
Current year interest received	116 072	495 085	116 072	495 085
	136 270	2 616 061	136 270	2 616 061

Conditions still to be met - remain liabilities (see note 22).

Funds received from Co-operative Governance and Traditional Affairs for Youth Enterprise Park which emerged to address the challenges of finding appropriate localities for businesses. The concept of the park will be to cluster a purpose built park of 30 to 50 container enterprises in a particular locality either in community, small town or rural district or as part of urban or rural renewal programmes. The programme will also offer on site training facilities and support micro enterprises that operate within the park. The idea is to create a purpose built precinct at scale where the local community is able to take up local economic community opportunities to establish businesses. The Youth Enterprise Park should fundamentally be able to reconnect the economy with communities whose needs offer economic opportunity for its local entrepreneurs.

Expanded Public Works Programme

Current-year receipts	4 388 000	4 200 000	4 388 000	4 200 000
Conditions met - transferred to revenue	(3 918 986)	(4 200 000)	(3 918 986)	(4 200 000)
	469 014	-	469 014	-

Conditions still to be met - remain liabilities (see note 22).

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	2021	2020	2021	2020

40. Government grants and subsidies (continued)

To incentives municipalities to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the EPWP Guidelines:

1. road maintenance and the maintenance of buildings,
2. low traffic volume roads and rural roads,
3. basic services infrastructure, including water and sewer reticulation, sanitation and pipelines (excluding bulk infrastructure)-other economic and social infrastructure,
4. tourism and cultural industries,
5. waste management,
6. parks and beautification,
7. sustainable land-based livelihoods,
8. social services programmes,
9. health service programmes, and
10. community safety.

A letter dated 26 October 2020 was received from National Treasury advising of their intention to withhold the 2nd tranche of the EPWP allocation which was due on the 2nd November 2020. The reason for the withholding was due to Msunduzi not complying with the all the required conditions due to failure to spend at least 25 % of the initial disbursed amount and non reporting of the EPWP grant funded projects in the EPWP reporting system (EPWP-RS). The 2nd tranche was received on the 29th January 2021. The final tranche which was due on the 1st February was received on the 1st March 2021.

Pietermaritzburg Airport

Current-year receipts	2 500 000	-	2 500 000	-
Conditions met - transferred to revenue	(2 173 164)	-	(2 173 164)	-
Current year interest received	33 146	-	33 146	-
	359 982	-	359 982	-

Conditions still to be met - remain liabilities (see note 22).

The funding has been provided by the Economic Development, Tourism and Environmental Affairs for the improvement of the safety and security infrastructure of the Pietermaritzburg Airport.

Operation Dlulisumlando

Balance unspent at beginning of year	1 500 000	1 500 000	1 500 000	1 500 000
Current-year receipts	-	-	-	-
Conditions met - transferred to revenue	(363 010)	-	(363 010)	-
	1 136 990	1 500 000	1 136 990	1 500 000

Conditions still to be met - remain liabilities (see note 22).

Funds provided by the Office of the Premier to support both the establishment and implementation of the Dlulisumlando Project, a national historical development initiative and imperative.

Municipal Disaster Relief Grant

Balance unspent at beginning of year	1 192 000	-	1 192 000	-
Current-year receipts	-	1 192 000	-	1 192 000
Conditions met - transferred to revenue	(1 062 103)	-	(1 062 103)	-
Vat recovered from grant	(129 897)	-	(129 897)	-
	-	1 192 000	-	1 192 000

Conditions still to be met - remain liabilities (see note 22).

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	2021	2020	2021	2020

40. Government grants and subsidies (continued)

Funding received for response and intervention measures for COVID-19 pandemic. The approved funding is meant to augment the resources of the municipality with regard to the following prioritised areas: a) Sanitation; b) Decontamination of specific selected municipal spaces; Personal Protective Equipment, and hygiene packs; and c) Waste management

Informal Economy Infrastructure Development

Balance unspent at beginning of year	-	-	-	-
Current-year receipts	4 000 000	-	4 000 000	-
Conditions met - transferred to revenue	(2 324 673)	-	(2 324 673)	-
Current year interest received	44 624	-	44 624	-
	1 719 951	-	1 719 951	-

Conditions still to be met - remain liabilities (see note 22).

Funding has been provided by the Department of Economic Development, Tourism and Environmental Affairs for the development of Informal economic infrastructure. Funding is to be used for the refurbishment of 250 existing informal trading stalls as well as the provision of additional support facilities and services in the Msunduzi Municipality CBD.

Housing projects

Balance unspent at beginning of year	-	-	-	-
Current-year receipts	1 231 264	-	1 231 264	-
Conditions met - transferred to revenue	(1 231 264)	-	(1 231 264)	-
	-	-	-	-

Funding provided by Department of Human Settlements for implementation of Housing Projects as follows :

1, Harewood Informal Settlement Upgrade Housing Project No K15020002 - Implementation of Stage 1 activities on 1000 housing units.

Jika Joe Community Residential Units

Balance unspent at beginning of year	24 872 619	10 515 927	24 872 619	10 515 927
Current-year receipts	42 328 685	75 168 101	42 328 685	75 168 101
Transfer to Housing Accreditation	(10 389 000)	-	(10 389 000)	-
Conditions met - transferred to revenue	(48 902 854)	(60 811 409)	(48 902 854)	(60 811 409)
	7 909 450	24 872 619	7 909 450	24 872 619

Conditions still to be met - remain liabilities (see note 22)

Funds provided by the Provincial Department of Human Settlements for the addressing of the housing backlog in the Municipality, and rental stock has been identified as a strategic intervention in addressing the formal accommodation needs. The Jika Joe project has been identified as a priority to address the Jika Joe informal settlement. The project also aims to relocate the residents from the existing Masukwana Street temporary housing and the removal of the of structures.

CBD Revitalisation - EDTEA

Balance unspent at beginning of year	-	-	-	-
Current-year receipts	300 000	-	300 000	-
Conditions met - transferred to revenue	(300 000)	-	(300 000)	-
	-	-	-	-

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	2021	2020	2021	2020

40. Government grants and subsidies (continued)

Funding has been provided by the Department of Economic Development, Tourism and Environmental Affairs for the revitalisation of the City centre, The area that will be revitalised is the central mall area, Church Street between Chief Albert Luthuli and Peter Kerchoff. This will entail the removal of the fountains and tree stumps and to repave the central mall area with eco-pavers made from recycled plastic material and purchased by citizens. Pavers are to be laid in a substrate of recycled crushed glass instead of sand. All the property owners in the area will be contacted to request their assistance in doing up their building facades and to ask for a contribution towards the initiative, from which contribution the purchase of curbing made from recycled plastic, paint bollards and vendor stands, replace bins etc can be done.

Energy Efficiency and Demand Side Management Grant

Balance unspent at beginning of year	664	-	664	-
Current-year receipts	-	8 000 000	-	8 000 000
Conditions met - transferred to revenue	-	(6 955 944)	-	(6 955 944)
Vat recovered from grant	-	(1 043 392)	-	(1 043 392)
Grant paid back to National Treasury	(664)	-	(664)	-
	-	664	-	664

Conditions still to be met - remain liabilities (see note 22).

The energy efficiency and demand-side management grant is provided to implement energy-efficiency projects, with a focus on public lighting and energy-efficient municipal infrastructure.

41. Other transfers

Donations	2 103 876	1 434 881	2 103 876	1 434 881
Living resources(Non exchange)	93 500	-	93 500	-
	2 197 376	1 434 881	2 197 376	1 434 881

The donations comprises of artworks(paintings) and motor vehicles.

42. Bad debts written off

Bad debts written off	384 120 628	20 930 221	384 120 628	20 930 221
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43. Bulk purchases

Electricity	1 906 837 267	1 755 899 646	1 906 837 267	1 755 899 646
Water	752 567 032	735 226 951	752 567 032	735 226 951
	2 659 404 299	2 491 126 597	2 659 404 299	2 491 126 597

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Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020
44. General expenses				
Air pollution monitoring	72 635	652 314	72 635	652 314
Air traffic control	4 513 942	3 509 811	4 513 942	3 509 811
Animal care	1 400 050	1 322 049	1 400 050	1 322 049
Artists and performers	70 000	25 000	70 000	25 000
Burial services	171 500	235 917	171 500	235 917
Business and financial management services	58 821 364	81 794 728	58 821 364	81 794 728
Catering services	-	8 016	-	8 016
Cleaning services	8 940 897	4 534 415	8 940 897	4 534 415
Clearing and grass cutting services	1 474 359	3 006 719	1 474 359	3 006 719
Communications	196 455	361 401	196 455	361 401
Commission- prepaid electricity vendors	3 079 104	2 872 538	3 079 104	2 872 538
Connection/dis-connection	6 983 946	6 388 379	6 983 946	6 388 379
External accounting and internal audit	-	299 600	-	299 600
External security services	110 637 800	78 105 483	110 637 800	78 105 483
External sewerage services	184 407	100 194	184 407	100 194
Graphic designers	142 515	13 200	142 515	13 200
Infrastructure and planning consultancy	12 098 258	8 470 930	12 098 258	8 470 930
Legal costs	17 668 452	15 329 803	17 668 452	15 329 803
Medical services	93 198	134 771	93 198	134 771
Organisational transformation	2 790 910	12 432 783	2 682 474	12 330 259
Outsourced repairs and maintenance	113 170 810	57 676 123	113 083 727	57 581 977
Project management	21 045 558	11 869 880	21 045 558	11 869 880
Professional valuation services	1 735 265	1 371 761	1 735 265	1 371 761
Quality control - bacteriological	95 645	92 215	77 430	71 104
Refuse removal	2 509 873	9 571 503	2 509 873	9 571 503
Research and advisory	563 074	6 454 977	563 074	6 454 977
Sewerage services	181 752 114	166 587 508	181 752 114	166 587 508
Transportation	-	849 450	-	849 450
	550 212 131	474 071 468	549 998 397	473 853 687
45. Debt impairment				
Contribution to debt impairment	660 355 263	567 918 578	660 355 263	567 918 578
Reconciliation of debt impairment				
Electricity	10 856 905	63 782 352	10 856 905	63 782 352
Rates	148 364 961	143 846 832	148 364 961	143 846 832
Refuse	21 555 347	25 144 569	21 555 347	25 144 569
Property rental	(36 604 699)	19 020 429	(36 604 699)	19 020 429
Sanitation	44 083 646	40 338 546	44 083 646	40 338 546
Water	457 353 637	261 866 774	457 353 637	261 866 774
Total consumer debtors	457 353 637	-	645 609 797	553 999 502
Other financial assets	(229 284)	2 227 016	(229 284)	2 227 016
Receivables from non - exchange - Traffic fines	14 974 750	11 692 059	14 974 750	11 692 059
	660 355 263	567 918 577	660 355 263	567 918 577
46. Depreciation and amortisation				
Property, plant and equipment	367 186 531	407 996 316	366 183 434	407 159 544
Intangible assets	6 265 496	10 454 550	6 265 496	10 454 550
Living resources	83 107	81 595	83 107	81 595
	373 535 134	418 532 461	372 532 037	417 695 689

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	2021	2020	2021	2020
47. Employee related costs				
Municipal Staff				
Acting allowances	16 625 381	13 332 428	16 625 381	13 332 428
Basic salaries	812 517 006	745 822 614	806 618 634	740 832 517
Bargaining council	372 834	361 438	372 834	361 438
Bonus	64 975 282	61 359 735	64 376 155	60 827 252
Housing benefits and allowances	4 340 295	4 128 372	4 340 295	4 128 372
Leave pay provision	25 686 752	18 610 702	25 686 752	18 610 702
Long-service awards	25 708 631	27 903 119	25 708 631	27 903 119
Medical aid	64 595 282	60 324 132	63 779 739	59 601 206
Other allowances (tools, uniform, telephone etc)	8 020 656	7 624 060	7 959 406	7 568 260
Overtime payments	98 511 880	110 825 234	97 747 525	109 897 994
Pension contribution	159 896 398	154 503 125	159 441 813	154 121 991
Post employment medical aid benefit	56 899 000	60 780 815	56 899 000	60 780 815
Scarcity allowance	7 132 745	6 244 215	7 132 745	6 244 215
SDL	7 957 944	9 653 996	7 873 387	9 585 037
Standby allowance	27 330 451	28 538 036	27 330 451	28 538 036
Travel/Motor vehicle allowance	28 395 386	26 958 168	28 296 386	26 856 168
UIF	5 992 789	5 960 313	5 921 949	5 897 118
WCA	1 601 837	1 475 109	1 568 993	1 450 383
	1 416 560 549	1 344 405 611	1 407 680 076	1 336 537 051

Remuneration of City Manager

Basic salary	1 394 633	578 622	1 394 633	578 622
Bargaining council	119	47	119	47
Contributions to UIF, medical and pension funds	253 908	40 071	253 908	40 071
Housing allowance	-	36 000	-	36 000
Leave pay provision	11 941	(399)	11 941	(399)
Phone allowance	-	4 400	-	4 400
Travelling allowance	-	18 091	-	18 091
	1 660 601	676 832	1 660 601	676 832

Remuneration of Chief Finance Officer

Basic salary	1 228 641	1 228 641	1 228 641	1 228 641
Acting allowance	-	72 906	-	72 906
Bargaining council	119	112	119	112
Bonus	60 000	-	60 000	-
Contributions to UIF, medical and pension funds	121 691	121 577	121 691	121 577
Housing allowance	180 000	180 000	180 000	180 000
Leave pay provision	34 239	23 892	34 239	23 892
Phone allowance	14 400	14 400	14 400	14 400
Travelling allowance	176 493	176 493	176 493	176 493
	1 815 583	1 818 021	1 815 583	1 818 021

Remuneration of Chief Audit Executive

Basic salary	1 159 639	1 091 425	1 159 639	1 091 425
Bargaining council	119	112	119	112
Bonus	96 637	90 952	96 637	90 952
Contributions to UIF, medical and pension funds	246 043	233 269	246 043	233 269
Housing allowance	11 574	10 893	11 574	10 893
Leave pay provision	33 593	20 392	33 593	20 392
Phone allowance	13 800	18 200	13 800	18 200
Travelling allowance	153 262	153 262	153 262	153 262

Msunduzi Local Municipality and its Municipal Entity

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Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020
47. Employee related costs (continued)				
	1 714 667	1 618 505	1 714 667	1 618 505
Remuneration of General Manager : Corporate Services				
Basic salary	1 291 764	1 291 764	1 291 764	1 291 764
Bargaining council	119	112	119	112
Bonus	90 000	414 154	90 000	414 154
Contributions to UIF, medical and pension funds	234 416	234 302	234 416	234 302
Phone allowance	20 400	20 400	20 400	20 400
Leave pay provision	33 167	2 559	33 167	2 559
Travelling allowance	127 251	127 251	127 251	127 251
	1 797 117	2 090 542	1 797 117	2 090 542
Remuneration of General Manager : Safe City				
Phone allowance	8 000	7 200	-	-
Basic Salary	663 717	571 380	-	-
Bonus	56 811	54 478	-	-
Contributions to UIF, medical and pension funds	28 946	27 723	-	-
Travelling allowance	30 000	30 000	-	-
	787 474	690 781	-	-
Remuneration of Board members : Safe City				
Basis salary	185 741	128 652	-	-
Remuneration of General Manager : Sustainable Development and City Enterprises				
Basic salary	987 159	934 078	987 159	934 078
Bargaining council	119	112	119	112
Contributions to UIF, medical and pension funds	59 176	55 693	59 176	55 693
Leave pay provision	16 619	3 381	16 619	3 381
Phone allowance	14 400	14 400	14 400	14 400
Travelling allowance	383 145	297 325	383 145	297 325
	1 460 618	1 304 989	1 460 618	1 304 989
Remuneration of General Manager : Community Services				
Basic salary	1 335 758	1 136 024	1 335 758	1 136 024
Bargaining council	119	112	119	112
Bonus	-	135 057	-	135 057
Contributions to UIF, medical and pension funds	1 898	72 845	1 898	72 845
Housing allowance	-	34 450	-	34 450
Leave pay provision	25 685	2 930	25 685	2 930
Phone allowance	20 400	16 200	20 400	16 200
Travelling allowance	-	43 427	-	43 427
	1 383 860	1 441 045	1 383 860	1 441 045
Remuneration of General Manager : Infrastructure Services				
Basic salary	902 800	-	902 800	-
Bargaining council	79	-	79	-
Contributions to UIF, medical and pension funds	1 303	-	1 303	-
Leave pay provision	9 065	-	9 065	-

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Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020
47. Employee related costs (continued)				
	913 247	-	913 247	-
Total employee related costs				
City Manager	1 660 601	676 832	1 660 601	676 832
Chief Finance Officer	1 815 583	1 818 021	1 815 583	1 818 021
Chief Audit Executive	1 714 667	1 618 505	1 714 667	1 618 505
General Manager : Sustainable Development and City Enterprises	1 460 618	1 304 989	1 460 618	1 304 989
General Manager : Community Services	1 383 860	1 441 045	1 383 860	1 441 045
General Manager : Corporate Services	1 797 117	2 090 542	1 797 117	2 090 542
General Manager : Infrastructure Services	913 247	-	913 247	-
General Manager : Safe City	787 474	690 781	-	-
Board members : Safe City	185 741	128 652	-	-
Total section 57 employees	11 718 908	9 769 367	10 745 693	8 949 934
Municipal staff	1 416 560 549	1 344 405 611	1 407 680 076	1 336 537 051
	1 428 279 457	1 354 174 978	1 418 425 769	1 345 486 985
48. Finance costs				
Non-current borrowings	35 032 549	43 664 636	35 032 549	43 664 636
Trade and other payables	823 458	52 334	823 458	52 334
	35 856 007	43 716 970	35 856 007	43 716 970
49. Inventory consumed				
Consumables	54 982 293	55 791 689	54 936 995	55 753 933
Materials and supplies	3 221 326	1 407 658	3 221 326	1 407 658
	58 203 619	57 199 347	58 158 321	57 161 591

Msunduzi Local Municipality and its Municipal Entity

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Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020
50. Operational costs				
Advertising	4 926 946	4 515 036	4 926 946	4 504 470
Bank charges	5 589 796	2 199 812	5 561 569	2 173 754
Bursaries (employees)	210 835	594 059	210 835	594 059
Commission	13 239 834	15 338 259	13 239 834	15 338 259
Catering municipal activities	156 002	539 126	156 002	539 126
Cleaning	-	365	-	365
Communication	12 179 290	12 101 361	12 124 313	12 045 734
Conferences and seminars	368 911	19 415	368 911	16 265
Drivers licenses and permits and other	3 240	1 630	3 240	1 630
Entertainment	50 762	1 681	50 762	1 681
External audit fees	11 483 408	9 988 032	11 028 784	9 471 862
External computer services	14 055 643	13 739 102	14 055 643	13 739 102
Learnerships and internships	4 497 688	15 483 941	4 497 688	15 483 941
Litigation provision - contribution	-	23 724	-	23 724
IT expenses	21 430	20 237	21 430	20 237
Insurance	9 208 946	6 442 133	8 854 584	6 123 489
Interest cost - provisions	6 680 957	5 173 440	6 680 957	5 173 440
Uniform and protective clothing	5 458 722	4 541 107	5 441 387	4 539 503
Motor vehicle expenses	4 314 888	4 828 220	4 311 365	4 823 890
Municipal services	19 514 250	19 354 049	19 514 250	19 354 049
Office decorations	155	2 350	155	2 350
Parking fees	2 779	3 032	-	-
Printing, publication and books	2 685 863	2 169 845	2 685 863	2 169 845
Postage and courier	802	1 389	-	-
Signage	98 714	176 783	98 714	176 783
Storage of files	22 369	3 677	22 369	3 677
Subscriptions and membership fees	14 866 601	18 405 768	14 866 601	18 405 768
Title deed search fees	10 856	4 934	10 856	4 934
Travel - local	159 903	357 022	159 903	353 517
	129 809 590	136 029 529	128 892 961	135 085 454
51. Operating leases				
Motor vehicles				
Contractual amounts	18 481 188	16 707 181	18 481 188	16 707 181
Equipment				
Contractual amounts	7 566 625	6 342 221	7 555 411	6 330 083
	26 047 813	23 049 402	26 036 599	23 037 264

Msunduzi Local Municipality and its Municipal Entity

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Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020
52. Remuneration of councillors				
Mayor	1 430 078	1 297 412	1 430 078	1 297 412
Deputy Mayor	1 172 661	1 052 768	1 172 661	1 052 768
Speaker	1 170 604	1 043 547	1 170 604	1 043 547
Chief Whip	1 101 089	957 439	1 101 089	957 439
Executive Committee Members	8 871 127	7 751 500	8 871 127	7 751 500
Municipal Public Account Committee chairperson	1 081 372	967 080	1 081 372	967 080
Councillors	36 814 315	30 689 576	36 814 315	30 689 576
Total Remuneration of Councillors	51 641 246	43 759 322	51 641 246	43 759 322
Remuneration of Mayor				
Basic salary	1 155 131	1 075 069	1 155 131	1 075 069
Pension Contributions	173 270	130 430	173 270	130 430
Medical aid contributions	57 277	47 156	57 277	47 156
Phone allowance	44 400	44 757	44 400	44 757
	1 430 078	1 297 412	1 430 078	1 297 412
Remuneration of Deputy Mayor				
Basic salary	945 394	831 938	945 394	831 938
Medical aid contributions	39 558	24 715	39 558	24 715
Pension contributions	141 809	124 791	141 809	124 791
Phone allowance	45 900	44 567	45 900	44 567
Travelling allowance	-	26 757	-	26 757
	1 172 661	1 052 768	1 172 661	1 052 768
Remuneration of Speaker				
Basic salary	870 159	771 628	870 159	771 628
Medical aid contributions	50 339	45 541	50 339	45 541
Pension contributions	130 524	115 744	130 524	115 744
Phone allowance	45 900	44 567	45 900	44 567
Travelling allowance	73 682	66 067	73 682	66 067
	1 170 604	1 043 547	1 170 604	1 043 547
Remuneration of Chief Whip				
Basic salary	932 505	804 104	932 505	804 104
Medical aid contributions	19 865	17 783	19 865	17 783
Pension contributions	-	15 898	-	15 898
Phone allowance	42 900	26 612	42 900	26 612
Travelling allowance	105 819	93 042	105 819	93 042
	1 101 089	957 439	1 101 089	957 439
Remuneration of Executive Committee Members				
Basic salary	6 345 986	5 584 662	6 345 986	5 584 662
Housing allowance	-	6 374	-	6 374
Medical aid contributions	217 349	211 172	217 349	211 172
Out of pocket expenses	-	5 530	-	5 530
Pension contributions	951 898	820 955	951 898	820 955
Phone allowance	353 700	211 412	353 700	211 412
Travelling allowance	1 002 194	911 395	1 002 194	911 395
	8 871 127	7 751 500	8 871 127	7 751 500
Remuneration of other councillors				
Basic salary	24 374 603	20 608 239	24 374 603	20 608 239

Msunduzi Local Municipality and its Municipal Entity

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Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020
52. Remuneration of councillors (continued)				
Housing allowance	132 892	128 679	132 892	128 679
Medical aid contributions	1 460 593	1 306 883	1 460 593	1 306 883
Pension contributions	3 125 405	2 720 622	3 125 405	2 720 622
Phone allowance	2 838 724	1 669 872	2 838 724	1 669 872
Travelling allowance	4 882 098	4 255 281	4 882 098	4 255 281
	36 814 315	30 689 576	36 814 315	30 689 576
Municipal Public Accounts Committee Chairperson				
Basic salary	641 888	581 019	641 888	581 019
Medical aid contributions	39 558	37 338	39 558	37 338
Pension contributions	96 283	87 153	96 283	87 153
Phone allowance	44 400	26 400	44 400	26 400
Travelling allowance	259 243	235 170	259 243	235 170
	1 081 372	967 080	1 081 372	967 080
Other information				
The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time.				
All councillors received back pay of salary increment in September 2020 as per COGTA government gazette.				
53. Transfers and subsidies				
Grants paid to ME's				
Safe City Msunduzi NPC	-	-	11 793 834	11 379 199
Other subsidies				
Grant in aid	2 423 304	8 730 326	2 423 304	8 730 326
Injury on duty	1 754 682	1 734 087	1 754 682	1 734 087
Post retirement benefits	673 451	2 887 705	673 451	2 887 705
Arbitration awards	225 034	575 361	225 034	575 361
	5 076 471	13 927 479	5 076 471	13 927 479
	5 076 471	13 927 479	16 870 305	25 306 678
54. Actuarial gains/ (losses)				
Long service	(4 397 732)	298 453	(4 397 732)	298 453
Post retirement benefit - medical aid	(13 792 424)	91 193 342	(13 792 424)	91 193 342
	(18 190 156)	91 491 795	(18 190 156)	91 491 795
55. Fair value adjustments on investment property				
Investment property (fair value model)	42 197 500	(19 832 000)	42 197 500	(19 832 000)
56. Fair value on agricultural assets				
Fair value on agricultural assets	21 054 552	8 721 325	21 054 552	8 721 325

Msunduzi Local Municipality and its Municipal Entity

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Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020
57. Impairment loss				
Impairments				
Property, plant and equipment	(7 607 463)	(5 552 410)	(7 607 463)	(5 552 410)
The procedure used to determine if the asset was impaired was to physically inspect the asset and determine if the asset was impaired and what factors contributed to the impairment and then comparing the condition, age and cost of the asset to the current records in the asset register and if there was a change this was then adjusted.				
Agricultural assets	-	(799 500)	-	(799 500)
The procedure used to determine if the asset was impaired was to physically inspect the asset and determine if the asset was impaired and what factors contributed to the impairment.				
Heritage assets	(122 720)	(1 400)	(122 720)	(1 400)
A grading system which reflects the condition of each asset in relation to a monetary value whereby 0 indicated a 100% loss of value and 5 signified 100% retention of value with a sliding scale for the degree of damage apropos value was used to arrive at the impairment value.				
	(7 730 183)	(6 353 310)	(7 730 183)	(6 353 310)
58. Inventory losses				
Inventory losses	(3 655 242)	(7 356 148)	(3 655 242)	(7 356 148)
59. Cash generated from operations				
Surplus for year	(395 683 862)	370 273 021	(395 015 969)	369 888 031
Adjustments for:				
Depreciation and amortisation	373 535 134	418 532 461	372 532 037	417 695 689
(Gain) /Loss on sale of assets	10 843 043	12 500 838	10 483 210	12 254 551
Fair value adjustments	(42 197 500)	19 832 000	(42 197 500)	19 832 000
Impairment loss	7 730 183	6 353 310	7 730 183	6 353 310
Debt impairment	660 355 263	567 918 578	660 355 263	567 918 578
Bad debts written off	384 120 628	20 930 221	384 120 628	20 930 221
Movements in retirement benefit assets and liabilities	49 446 000	(52 265 409)	49 446 000	(52 265 409)
Movements in provisions	2 380 484	(10 054 593)	2 268 367	(10 156 863)
Fair value on agricultural assets	(21 054 552)	(8 721 325)	(21 054 552)	(8 721 325)
Inventory losses	3 655 242	7 356 148	3 655 242	7 356 148
Donations and transfers -non cash	(2 197 376)	(1 434 881)	(2 197 376)	(1 434 879)
Changes in working capital:				
Inventories	(12 152 285)	(4 064 118)	(12 152 285)	(4 064 118)
Receivables from exchange transactions	(955 561)	(13 353 129)	(1 047 353)	(13 261 337)
Consumer debtors	(439 792 741)	(760 379 376)	(439 792 741)	(760 379 376)
Statutory receivables	(158 324 492)	(290 875 161)	(158 324 492)	(290 875 161)
Payables from exchange transactions	145 683 086	303 459 351	145 745 004	306 715 056
VAT	10 826 198	34 926 543	10 842 890	34 926 543
Transfers payable (non-exchange)	(1 276 829)	(1 456 904)	(1 276 829)	(1 456 904)
Unspent conditional grants and receipts	(1 477 418)	77 341 028	(1 477 418)	77 341 028
Consumer deposits	14 997 555	6 609 613	14 997 555	6 609 613
	588 460 200	703 428 216	587 639 864	705 205 396

Msunduzi Local Municipality and its Municipal Entity

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Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020

60. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Current year subscription	902 345	921 881	902 345	921 881
Amount paid - current year	(902 345)	(921 881)	(902 345)	(921 881)
	-	-	-	-

Audit fees

Opening balance	386 104	154 977	386 104	154 977
Current year fees	11 483 408	9 988 032	11 028 784	9 471 862
Amount paid - current year	(11 272 839)	(9 601 928)	(10 818 215)	(9 085 758)
Amount paid - previous years	(386 104)	(154 977)	(386 104)	(154 977)
	210 569	386 104	210 569	386 104

PAYE and UIF

Opening balance	17 342 943	14 638 770	17 342 943	14 638 770
Current year contributions	199 504 250	160 593 275	198 170 380	159 630 890
Amount paid - current year	(201 089 365)	(157 889 102)	(199 755 495)	(156 926 717)
	15 757 828	17 342 943	15 757 828	17 342 943

Statutory payments are due by the 7th of the following month.

Pension and medical aid deductions

Opening balance	30 130 855	28 597 864	30 130 855	28 597 864
Current year contributions	379 155 630	302 572 676	377 858 454	301 442 677
Amount paid - current year	(378 128 374)	(301 039 685)	(376 831 198)	(299 909 686)
	31 158 111	30 130 855	31 158 111	30 130 855

Total medical aid and pension contributions are payable by the 4th and 7th of the following month respectively.

VAT

VAT payable	(190 638 434)	(179 812 237)	(190 234 402)	(179 391 512)
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Msunduzi Local Municipality and its Municipal Entity

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Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020

60. Additional disclosure in terms of Municipal Finance Management Act (continued)

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days.

30 June 2021

	Outstanding more than 90 days
	R
Alucia Mankoane	653
Cyril Emmanuel Simphiwe Dlungwane	4 265
Khethukuthula Brian Njokwe	43 692
Michael Ntshangase	41 127
Prudence Msimang	1 099
Nomalady Dlala	46 814
Siphamandla Madlala	4 173
Siphiwe Ndawonde	17 275
	159 098

30 June 2020

	Outstanding more than 90 days
	R
SD Mkhize	185 433
Nomalady Dlala	88 845
Michael Ntshangase	83 245
Siphiwe Ndawonde	30 108
Tholakele Dlamini	15 938
Sandile Dlamini	17 866
Siphamandla Madlala	6 573
Dumisani Phungula	836
Mzimkhulu Thebolla	1 041
Bongumusa Cyril Nhlabathi	5 159
Hamilton Zondi	259
	435 303

Normal credit control procedures have been applied for the recovery of all outstanding debt.

Councillors have made arrangements to re-pay outstanding debt.

Included in the consumer debtors impairment (Refer to note 7) is Councillors in arrears outstanding debt. The total councillors' impairment is R115 362 (2020 : R332 767)

Bad debts recognised in the Statement of Financial Performance relating to Councillors amounts to R Nil (2020 : R14 201). Refer to note 42

61. Non - compliance with the Municipal Finance Management Act

The Municipality did not comply with section 65(2)(e) of the MFMA.

There were instances of non-compliance wherein some suppliers were not paid within 30 days.

Msunduzi Local Municipality and its Municipal Entity

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Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020

62. Supply Chain Management regulation 45 of the MFMA

Awards to close family members of persons in the service of the state

Name of the service provider	Employee name	Job title	Organ of state	Amount paid
The Borain Brothers cc T/A Borain Leyland	Mchunu Nomvula Teressa	General Worker Infra Structure	Msunduzi Municipality	498 455
Mathew Francis Inc	Brenden Sivparsad	Senior Manager Water and Sanitation	Msunduzi Municipality	13 306 478
Mathew Francis Inc	Brenden Sivparsad	Senior Manager Water and Sanitation	Msunduzi Municipality	83 000 000
Eka GP Trading Enterprise	Nhlakanipho Wiseman Gini Dlamini	General Assistant Mechanical Workshop	Msunduzi Municipality	-
Valimbo Primary Co-Operative	Mzwenzhlanhla Wiseman Khoza	General Assistant Waste Management	Msunduzi Municipality	-
Ekuseni Investment Holdings Gibb (Pty) Ltd	Sandile Dlamini K. Pillay	Councillor Data Capturer	Department of Education	320 678 424 362
	P. Pillay Alan Moon	Educator Head :	Department of Education City of Cape Town	- -
	John Watson	Business Continuity Director - Accounting Support and Reporting	National Treasury	
	Leigh Stolworthy	Principle : Professional IRT System Planning	Department of Education	
	Sonnika Cilliers Nokuthula Mkhize	Educator Accounting Clerk	Department of Education National Department of Water Affairs and Forestry	
	Jeanne Mare	Senior Educator	Department of Education	
	Imra Brink Nkosinathi Mzayiya	Educator Correctional Officer	Department of Education Department of Correctional Services	
	Jacqueline Gooch	Head of Department	Department of Transport	
	Unathi Lekonyana	Deputy Director : Grant Monitoring and Analysis	Deputy Director: Grant Monitoring and Analysis	
	Douglas Kiewiet	Area Manager (North)	National Department of Water Affairs and Forestry	

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Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020
62. Supply Chain Management regulation 45 of the MFMA (continued)				
	Rajiv Beharie	Senior Engineer	Eskom	
	M B Haq	Architect / Town Planner	City of Cape Town	
Isibuko Development Planners	Mrs Hlongwa	Assistant Director	Department of Social Development	2 195 203
SMEC South Africa	Yvonne Pinky Phosa	Member of National Assembly, Chairman - standing Committee on appropriation	National Assembly - Standing Committee on Appropriations	72 450
Govert Vetten	S. Vetten		Western Cape Department of Health	3 535 578
				96 622 847

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Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020

63. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Regulation 36 of the Municipal SCM Regulations of 2005 permits the Accounting Officer to "dispense with official procurement processes established by the policy and to procure any required goods or services through any convenient process".

This would typically include urgent and emergency cases, single-source/sole providers of goods and services, and any other cases where it is impractical to follow normal SCM process. In the event of such a decision, the Accounting Officer is required to report this to the next council meeting for noting.

Deviations per category

Health and safety	-	6 135 000	-	6 135 000
Other	7 604	27 049 650	-	27 049 650
Repairs and maintenance	2 249 271	-	2 249 271	-
Repairs to motor vehicles	12 699 412	9 327 945	12 699 412	9 327 945
Rate based contracts	26 539 158	16 799 622	26 539 158	16 799 622
Service delivery	919 690	350 233	919 690	350 233
Water testing	-	217 500	-	217 500
	42 415 135	59 879 950	42 407 531	59 879 950

Reasons for deviations

Contact no	Contract name	Description of contract	Reasons for deviation	2021 Contract amount
Contract No.1/S36 of 20/21	Surprise Holdings	Appointment of service provider for VIP protection services	Urgent to need to safe guard the City manager due to posed security threats	-
Contract No.2/S36 OF 20/21	Z POWA-CORP 29	Appointment of service providers for repairs to the buildings and maintenance to the cremators at the mountain rise crematorium.	Emergency need to repair Crematorium	492 199
Contract No.3/S36 OF 20/21	Suprise Holding	Appointment of security service provider for VIP protection services	Urgent to need to safe guard the Councillors due to posed security threats	-
Contract No.7/S36 OF 20/21	Daleka Trading Enterprise cc	Supply and installation of galvanised steel palisade fencing and galvanised diamond mesh fencing at ethembeni cemetery	Urgent need to fence the cemetery to comply with the Compliance Notice issued by KZN Department of EDT EA	919 690

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Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020
Contract No.8/S36 of 20/21	EPI Use Business Services	Appointment of a SAP expert to provide advice to the legal team	Due to the confidentiality of the legal matters involved it is impractical to follow normal procurement procedures.	-
Contract No.9/S36 of 20/21	4 Gee U Trading Enterprise	Appointment of a service provider for waterproofing of the A.S chetty building	Emergency need to repair to A.S Chetty Building. Damage cause by rain	1 618 302
Contract No.14/S36 of 19/20	Thabzo Security Services, Royal Security cc, Isidingo Security Services, Amaphepheth wa Protection (Pty) Ltd, Magma Security	Appointment of a panel of security service providers for the provision of security services at certain municipal facilities and places of work including VIP protection	Delays in the appointment of a panel of security services at municipal facilities and VIP protection	19 602 922
Contract No.16/S36 of 19/20	Thabzo Security Services, Royal Security cc, AET Security, Isidingo Security Services, Amaphepheth wa Protection (Pty) Ltd, Magma Security	Appointment of a panel of security service providers for the provision of security services at certain municipal facilities and places of work including VIP protection	Delays in the appointment of a panel of security services at municipal facilities and VIP protection	6 936 236
Database	Various companies	Repairs to motor vehicles	Urgent need for safety	12 699 413
Contract No.15/S36 of 20/21	Syntell Pty Ltd	Supply and delivery of traffic signal controllers	Urgent strip and quote repairs	138 769
Invoice	Hoistmaster	Emergency repair of elevator	Urgent repair of elevator	7 604
				42 415 135

Msunduzi Local Municipality and its Municipal Entity

Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020
64. Commitments				
Authorised capital expenditure				
• Approved and contracted	467 452 880	623 141 228	467 452 880	623 141 228
Total capital commitments				
Already contracted for but not provided for	467 452 880	623 141 228	467 452 880	623 141 228
Authorised operational expenditure				
• Approved and contracted	521 167 819	396 607 503	521 167 819	396 607 503
Total operational commitments				
Already contracted for but not provided for	521 167 819	396 607 503	521 167 819	396 607 503
Total commitments				
	988 620 699	1 019 748 731	988 620 699	1 019 748 731
Operational expenditure - not yet contracted (Department of Human Settlement has not yet approved the funding)	810 151 756	809 843 756	810 151 756	809 843 756

The future commitments will be financed through council own funding, national and provincial grants in terms of DORA. Commitments are exclusive of Value Added Taxation.

Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	5 174 736	4 734 689	5 174 736	4 734 689
- in second to fifth year inclusive	5 384 773	10 164 449	5 384 773	10 164 449
	10 559 509	14 899 138	10 559 509	14 899 138

Operating lease payments represent rentals payable by the municipality for certain office equipment.

65. Contingencies

The municipality is defending various litigation and claim cases against it.

Should the litigation and claims against the municipality be successful the total estimated liability of all the cases is approximately R 308 628 880 (2020 : R269 448 324).

Prior year contingencies were restated owing to the reassessment of the cases.

Refer to Appendix E for further details.

Msunduzi Local Municipality and its Municipal Entity

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Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020

66. Related parties

Relationships

Municipal entity	Safe City Msunduzi NPC
Controlling entity	Msunduzi Local Municipality
Close family member of key management	Ekuseni Investment Holdings
Members of key management	City Manager: Madoda P Khathide Chief Financial Officer: Nelisiwe M. Ngcobo General Manager Community Services: Mbongeni Mathe General Manager Corporate Services: Mosa L.I Molapo General Manager Infrastructure Services: Vusimuzi Cele General Manager Sustainable Development and City Enterprises: Felix Nxumalo Chief Audit Executive: Petrus J. Mahlaba General Manager : L. Holtzhausen (Safe City Msunduzi NPC)
Safe City Msunduzi NPC - board of directors	Chairperson : D. Sokhela Vice Chairperson : G Moody Director : V. Biggs Director : R. Singh Director : S Ako-nai Director : K Basson

Councillor Sandile Dlamini is a brother of a Director of Ekuseni Investment holdings.

In kind benefits

The salary and benefits of the Ministerial representative are paid by the Department of Cooperative Governance and Traditional Affairs. The municipality has not been charged to the services rendered by the Municipal representative.

Related party balances

Amounts included in Trade receivable (Trade Payable) regarding related parties

Mathew Francis Inc	(13 005 101)	(1 209 306)
Safe City Msunduzi NPC	(3 390 727)	(3 271 520)
Ekuseni Investment Holdings	-	(255 128)

There are no guarantees given or received with regards to the related party balances outstanding.

There are no commitments with regards to related parties.

There related party balances are unsecured.

The terms and conditions with related parties are on an arm's length basis. There is no specific provision with regards to the nature of the consideration to be provided in settlement of the related party balances.

Refer to note Note 60 for Councillors' arrear consumer accounts for further details on outstanding balances.

The Safe City Msunduzi NPC balance relates to the outstanding last quarter payment.

Impairment relating to outstanding balances with related parties

Councillors in arrears	115 362	332 767
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Expenses recognised in respect of bad debts

Councillors in arrears	-	14 201
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Msunduzi Local Municipality and its Municipal Entity

Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020

66. Related parties (continued)

Related party transactions

Grants paid to related parties

Safe City Msunduzi NPC - Safe City is an entity of the Municipality. 11 793 834 11 379 198

Services from related parties

Matthew Francis - Senior Manager water and Sanitation is a spouse of the Matthew Francis Director. The Municipality conducts business with Matthew Francis on a regular basis. 19 581 223 4 161 164

Ekuseni Investment Holdings - Councillor is brother of the employee of the service provider. 320 678 221 850

Service charges paid received from related parties

Safe City Msunduzi NPC - Safe City is an entity of the Municipality. 169 006 154 499

The terms of transactions were the same for all suppliers.

Transactions are at arm's length with related parties.

Msunduzi Local Municipality and its Municipal Entity

Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Consolidated Annual Financial Statements

Figures in Rand

66. Related parties (continued)

Remuneration of management

Councillors

2021

Name	Basic salary	Phone allowance	Housing allowance	Travelling allowance	Pension	Medical aid	Motor vehicle allowance	Total
Mayor	1 155 131	44 400	-	-	173 270	57 277	-	1 430 078
Deputy mayor	945 394	45 900	-	-	141 809	39 558	-	1 172 661
Speaker	870 159	45 900	-	73 682	130 524	50 339	-	1 170 604
Chief whip	932 505	42 900	-	105 819	-	19 865	-	1 101 089
MPAC chair	641 888	44 400	-	39 195	96 283	39 558	220 048	1 081 372
Executive committee members	6 345 986	353 700	-	1 002 194	951 898	217 349	-	8 871 127
Other councillors	24 374 603	2 838 724	132 892	4 882 098	3 125 405	1 460 593	-	36 814 315
	35 265 666	3 415 924	132 892	6 102 988	4 619 189	1 884 539	220 048	51 641 246

2020

Name	Basic salary	Phone allowance	Housing allowance	Travelling allowance	Pension	Medical aid	Other long-term benefits	Total
Mayor	1 075 069	44 757	-	-	130 430	47 156	-	1 297 412
Deputy mayor	831 938	44 567	-	26 757	124 791	24 715	-	1 052 768
Speaker	771 628	44 567	-	66 067	115 744	45 541	-	1 043 547
Chief whip	804 104	26 612	-	93 042	15 898	17 783	-	957 439
MPAC chair	581 019	26 400	-	235 170	87 153	37 338	-	967 080
Executive committee members	5 584 662	211 412	6 374	911 395	820 955	211 172	5 530	7 751 500
Other councillors	20 608 239	1 669 872	128 679	4 255 281	2 720 622	1 306 883	-	30 689 576
	30 256 659	2 068 187	135 053	5 587 712	4 015 593	1 690 588	5 530	43 759 322

Msunduzi Local Municipality and its Municipal Entity

Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Consolidated Annual Financial Statements

Figures in Rand

66. Related parties (continued)

Executive management

2021

Name	Basic salary	Phone allowance	Housing allowance	Travelling allowance	Pension	Medical aid	Bonus	Other	Total
City Manager	1 394 633	-	-	-	252 010	-	-	13 958	1 660 601
Chief Financial Officer	1 228 641	14 400	180 000	176 493	119 792	-	60 000	36 257	1 815 583
Chief Audit Executive Internal audit	1 159 639	13 800	11 574	153 262	208 735	35 410	96 637	35 610	1 714 667
General Manager : Corporate Services	1 291 764	20 400	-	127 251	232 518	-	90 000	35 184	1 797 117
General Manager : Community services	1 335 758	20 400	-	-	-	-	-	27 702	1 383 860
General Manager : Sustainable Development and City Enterprises	987 159	14 400	-	383 145	-	57 277	-	18 637	1 460 618
General manager : Infrastructure services	902 800	-	-	-	-	-	-	10 447	913 247
Chairperson : D. Sokhela(Safe City Msunduzi NPC)	39 242	-	-	-	-	-	-	-	39 242
Vice Chairperson : G. Moody (Safe City Msunduzi NPC)	38 158	-	-	-	-	-	-	-	38 158
Director : V. Biggs (Safe City Msunduzi NPC)	13 226	-	-	-	-	-	-	-	13 226
Director : R Singh (Safe City Msunduzi NPC)	26 452	-	-	-	-	-	-	-	26 452
Director : S .Ako-nai (Safe City Msunduzi NPC)	21 162	-	-	-	-	-	-	-	21 162
Director : K. Basson (Safe City Msunduzi NPC)	47 501	-	-	-	-	-	-	-	47 501
General Manager : L.Holtzhausen	663 717	8 000	-	30 000	-	27 048	56 811	1 898	787 474
	9 149 852	91 400	191 574	870 151	813 055	119 735	303 448	179 693	11 718 908

Msunduzi Local Municipality and its Municipal Entity

Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Consolidated Annual Financial Statements

Figures in Rand

66. Related parties (continued)

2020

Name	Basic salary	Phone allowance	Housing allowance	Travelling allowance	Pension	Medical aid	Bonus	Acting allowance	Other	Total
City Manager	578 622	4 400	36 000	18 091	39 327	-	-	-	392	676 832
Chief Financial Officer	1 228 641	14 400	180 000	176 493	119 792	-	-	72 906	25 789	1 818 021
Chief Audit Executive - Internal audit	1 091 425	18 200	10 893	153 262	196 457	35 028	90 952	-	22 288	1 618 505
General Manager : Corporate Services	1 291 764	20 400	-	127 251	232 518	2 559	414 154	-	1 896	2 090 542
General Manager : Community services	1 136 024	16 200	34 450	43 427	60 393	10 668	135 057	-	4 826	1 441 045
General Manager : Sustainable Development and City Enterprises	934 078	14 400	-	297 325	-	53 908	-	-	5 278	1 304 989
Chairperson : D. Sokhela(Safe City Msunduzi NPC)	30 521	-	-	-	-	-	-	-	-	30 521
Vice Chairperson : G. Moody (Safe City Msunduzi NPC)	26 710	-	-	-	-	-	-	-	-	26 710
Director : V. Biggs (Safe City Msunduzi NPC)	13 226	-	-	-	-	-	-	-	-	13 226
Director : R Singh (SafeCity Msunduzi NPC)	21 162	-	-	-	-	-	-	-	-	21 162
Director : S .Ako-nai (SafeCity Msunduzi NPC)	13 226	-	-	-	-	-	-	-	-	13 226
Director : K. Basson (SafeCity Msunduzi NPC)	23 807	-	-	-	-	-	-	-	-	23 807
General Manager : L.Holtzhausen	571 380	7 200	-	30 000	-	25 938	54 478	-	1 785	690 781

Msunduzi Local Municipality and its Municipal Entity

Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Consolidated Annual Financial Statements

Figures in Rand

66. Related parties (continued)

6 960 586	95 200	261 343	845 849	648 487	128 101	694 641	72 906	62 254	9 769 367
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Msunduzi Local Municipality and its Municipal Entity

Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020

67. Accounting by principals and agents

The Municipality is party to principal-agent arrangements.

Details of the arrangements are as follows:

Department of Human Settlements KwaZulu Natal (Housing Projects)

The Municipality is Level 1 accredited Municipality and in terms of the Implementation Protocol. Msunduzi Local Municipality is accredited in terms of section 10 of the Housing Act to Administer all the National programmes on behalf of the Provincial Department of Human Settlements. The Municipality is authorised within its municipal area to manage and administer all Housing programmes as per Para 7 of the Implementation Protocol.

Sale of Prepaid Electricity

The municipality utilises the service of an agent for provision of supply, delivery, installation and commissioning of an online hosted prepayment electricity vending and revenue management system for the Msunduzi Local Municipality.

There is a binding arrangement where Contour Technology (Pty) Ltd (agent) undertakes transactions with 3rd parties, on behalf of, and for benefit of, Msunduzi Local Municipality (principal).

Terms and conditions are as per the contract and no changes occurred during the reporting period.

No risks as the Municipality is able to access the Contour prepaid electricity and is able to reconcile monies paid to the municipality by the agent to the actual sales as per the reports for correctness.

Department of Transport (Driver's licences)

The municipality acts as an agent of the Kwa-Zulu Natal Department of Transport for the following services:

- 1) Application for renewal of driving licence;
- 2) Issue of credit card format driving licence, including eye test and fingerprints;
- 3) Issue of duplicate credit card format driving licence, where required;
- 4) Renewal of credit card format driving licence, including eye test and fingerprints;
- 5) Issue of temporary driving licence
- 6) Issue of professional driving permit, including eye test and fingerprints;
- 7) Issue of duplicate professional driving permit, where required;
- 8) Substitution of Foreign Driving licence and issue of Credit Card Format Driving licence card, including eye test and fingerprints;
- 9) Verification of driving licence particulars;
- 10) Referral of all queries to the Departmental employee specified by the RTI contact person within two working days of a query or lodging of a complaint or dispute.

The agreement is valid for the period from 1 November 2020 to 31 October 2023. Terms and conditions are as per the contract and no changes occurred during the reporting period.

The purpose of the principal-agent relationship is to ensure greater access to clients throughout the province. No significant risks have been identified in this relationship.

Msunduzi Local Municipality and its Municipal Entity

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Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020

67. Accounting by principals and agents (continued)

Municipality as an agent

Resources held on behalf of the principal(s), but recognised in the entity's own financial statements

There are no resources held on behalf of principals.

Revenue recognised

The aggregate amount of revenue that the entity recognised as compensation for the transactions carried out on behalf of the principals is show below

There was no accreditation fee received in 2019/20 due to the change of the MEC which resulted in delays in signing the Implementation Protocol.

Driver's Licenses and professional driver's permits	1 931 382	1 090 372	1 931 382	1 090 372
Department of Human Settlements - Accreditation fee	3 401 886	-	3 401 886	-

Liabilities and corresponding rights of reimbursement recognised as assets

There are no corresponding rights of reimbursement that have been recognised as assets.

Additional information to municipality as an agent

Revenue and expenses that relate to transactions with third parties undertaken in terms of the principal-agent arrangement

Amount of revenue received on behalf of the principal during the reporting period

Driver's licences and Professional driver's permits	590 288	397 528	590 288	397 528
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Receivables and/or payables recognised based on the rights and obligations established in the binding arrangement(s)

Reconciliation of the carrying amount of payables

Department of Human Settlements (Housing Settlements)

Opening balance	22 991 872	24 448 776	22 991 872	24 448 776
Amount transferred by the principal	11 471 339	795 710	11 471 339	795 710
Interest earned on behalf of the principal	219 021	392 663	219 021	392 663
Payments on behalf of the principal	(12 967 188)	(2 645 277)	(12 967 188)	(2 645 277)
	21 715 044	22 991 872	21 715 044	22 991 872

Department of Transport (Driver's licences)

Opening balance	17 696	-	17 696	-
Payment to principal	(17 696)	-	(17 696)	-
Revenue received on behalf of the principal (unpaid)	135 090	17 696	135 090	17 696
	135 090	17 696	135 090	17 696

All categories

Opening balance	23 009 568	24 448 776	23 009 568	24 448 776
Amount transferred by the principal	11 471 339	795 710	11 471 339	795 710
Interest earned on behalf of the principal	219 021	392 663	219 021	392 663

Msunduzi Local Municipality and its Municipal Entity

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Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020
67. Accounting by principals and agents (continued)				
Cash paid on behalf of the principal	(12 967 188)	(2 645 277)	(12 967 188)	(2 645 277)
Payment to principal	(17 696)	-	(17 696)	-
Revenue received on behalf of the principal (unpaid)	135 090	17 696	135 090	17 696
	21 850 134	23 009 568	21 850 134	23 009 568

Entity as principal

Resources (including assets and liabilities) of the entity under the custodianship of the agent

There are no municipal resources under the custodianship of the agent.

Fee paid

Fee paid as compensation to the agent -Prepaid electricity	3 079 104	2 872 538	3 079 104	2 872 538
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Resource and/or cost implications for the entity if the principal-agent arrangement is terminated

None

Msunduzi Local Municipality and its Municipal Entity

Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020

68. Events after the reporting date

The unrest from 12th to 15th of July 2021 resulted in numerous buildings in the Msunduzi area being looted, damaged and, in some cases, burnt. Management is currently assessing the full extent of the damage.

The damages in properties will result in a decrease of property values and the ripple effect on the decrease on property rates to be billed.

On 12 July 2021, 25 Wigford Rd Substation Building caught fire as the result of the unrest and it was damaged. The impact thereof on municipal operations is loss of revenue and outages - an interruption or failure in the supply of power.

The socio-economic analysis conducted by the Sustainable Development and City Enterprises Business Unit, indicates that about 155 businesses were affected by the riot through looting and vandalism. Significant amount of employees were affected by the civil unrest which was characterized by criminality. The impact of the civil unrest, looting and vandalism in the Msunduzi Municipality is colossal.

The civil unrest has had a severe impact on the economic growth of the City of Pietermaritzburg.

Msunduzi Local Municipality and its Municipal Entity

Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020

69. Prior-year period error

Presented below are those items contained in the Statement of Financial Position, Statement of Financial Performance and Cash Flow Statement that have been affected by prior-year adjustments:

Statement of Financial Position

Economic entity - 2020

	As previously reported	Correction of error	Change in accounting policy	Restated
Accumulated surplus	(7 748 557 372)	(161 282 674)		- (7 909 840 046)
Consumer debtors	1 451 868 358	165 808 541		- 1 617 676 899
Agricultural assets	73 100 000	2 145 449		- 75 245 449
Statutory receivables	531 584 562	18 750 334		- 550 334 896
Inventories	340 986 532	(1 577 667)		- 339 408 865
Heritage assets	271 924 972	(500)		- 271 924 472
Investment property	821 671 435	(335 245)		- 821 336 190
Property, plant and equipment	6 588 894 508	11 808 120		- 6 600 702 628
Receivables from exchange transactions	18 452 302	273 843		- 18 726 145
Living resources	1 070 250	-	(337 069)	733 181
Payables from exchange transactions	(1 238 488 310)	(1 455 684)		- (1 239 943 994)
Provisions - current	(3 662 143)	(5 173 432)		- (8 835 575)
Provisions - non current	(23 367 839)	(30 687 073)		- (54 054 912)
VAT payable	(181 875 292)	2 063 055		- (179 812 237)
	903 601 963	337 069	(337 069)	903 601 961

Accumulated surplus

As previously reported	- (7 748 557 372)		- (7 734 538 318)
Correction of unclaimed Input VAT15/16 -section16(3) of the VAT act.	- (1 975 886)		- (1 975 886)
Correction of sureties written back to Accumulated surplus 2015/16	- 20 000		- 20 000
Correction of duplicated accruals in 2019/20 due to release of service entry and accruing manually as well	- (185 791)		- (185 791)
Correction of Msunduzi raised as a debtor 30 June 2020	- (15 959 267)		- (15 959 267)
Correction of consumer debtors - overlocking and abnormal billing	- (22 930 176)		- (22 930 176)
Correction of MTN accrual 2019/20	- 854 232		- 854 232
Correction of MTN accrual 2018/19	- 466 680		- 466 680
Correction of unclaimed VAT 2015/16	- 75 811		- 75 811
Correction of unallocated deposits - revenue recognition	- (814 598)		- (814 598)
Prepaid electricity accrual 2019/20	- (273 843)		- (273 843)
Correction of Inventory to match subledger and general ledger	- 1 577 666		- 1 577 666
Derecognition of property incorrectly recognised in the prior year	- 280 000		- 280 000
Correction of operating expenditure incorrectly capitalised in 2018/19	- 55 245		- 55 245
Derecognition of Art work according to report reconciliation.	- 500		- 500
Correction of accruals	- (61 722)		- (61 722)
GRAP 110 Implementation	- 337 069		- 337 069
Recognition of assets found on the floor	- (4 875 551)		- (4 875 551)
Correction of 2019/20 debtor/creditor settlement	- 35 862		- 35 862
Correction of unaccrued invoice 2018/19	- 18 355		- 18 348

Msunduzi Local Municipality and its Municipal Entity

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Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020
69. Prior-year period error (continued)				
Correction of revenue in the current year relating to services billed in prior years.	-	(9 534 919)	-	(9 534 919)
Correction of revenue in the current year relating to services billed in 2019/20	-	(135 174 826)	-	(135 174 826)
Correction of timber harvest in the prior year according to the revised expert report	-	(2 145 449)	-	(2 145 449)
Adjustment of the landfillsite provision in line with the revised expert report	-	30 501 044	-	30 501 044
Adjustment of the landfillsite provision interest cost in line with the revised expert report	-	(1 573 110)	-	(1 573 110)
Restated		- (7 909 840 046)		- (7 895 820 999)
Consumer debtors				
As previously reported	-	1 451 868 358	-	1 451 868 358
Correction of Msunduzi raised as a debtor 30 June 2020	-	(134 439)	-	(134 439)
Correction of Consumer debtors - overlocking and abnormal billing 30 June 2020	-	22 930 178	-	22 930 178
Clearing of unallocated deposits - revenue recognition	-	995 549	-	995 549
Correction of 2019/20 debtor/creditor settlement	-	(35 866)	-	(35 866)
Correction of revenue in the current year relating to services billed in prior years.	-	9 533 133	-	9 533 133
Correction of revenue in the current year relating to services billed in 2019/20	-	132 519 986	-	132 519 986
Restated		- 1 617 676 899		- 1 617 676 899
Statutory receivables				
As previously reported	-	531 584 562	-	531 584 562
Correction of Msunduzi raised as a debtor 30 June 2020	-	16 093 706	-	16 093 706
Correction of revenue in the current year relating to services billed in prior years.	-	1 786	-	1 786
Correction of revenue in the current year relating to services billed in 2019/20	-	2 654 842	-	2 654 842
Restated		- 550 334 896		- 550 334 896
Payables from exchange transactions				
As previously reported	-	(1 238 488 315)	-	(1 241 454 288)
Correction of sureties written back to accumulated surplus 2015/16	-	(20 000)	-	(20 000)
Correction of duplicated accruals in 2019/20 due to release of service entry and accruing manually as well	-	213 645	-	213 645
Correction of MTN accrual 2019/20	-	(981 228)	-	(981 228)
Correction of MTN accrual 2018/19	-	(536 683)	-	(536 683)
Correction of unallocated deposits	-	(180 951)	-	(180 951)
Correction of accruals	-	70 638	-	70 638
Correction of unaccrued invoice 2018/19	-	(21 100)	-	(21 100)
Restated		- (1 239 943 994)		- (1 242 909 967)
VAT payable				
As previously reported	-	(181 875 292)	-	(181 454 567)
Correction of unclaimed Input VAT15/16 -section16(3) of the VAT act.	-	1 975 886	-	1 975 886
Correction of accruals MTN accruals	-	197 010	-	197 010

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	2021	2020	2021	2020
69. Prior-year period error (continued)				
Correction of duplicated accruals, service entry and manual accrual 2019/20	-	(27 869)	-	(27 869)
Correction of unclaimed VAT 2015/16	-	(75 811)	-	(75 811)
Correction of accruals	-	(8 913)	-	(8 913)
Correction of unaccrued invoice 2018/19	-	2 752	-	2 752
Restated	-	(179 812 237)	-	(179 391 512)
Receivables from exchange transactions				
As previously reported	-	18 452 302	-	18 358 010
Prepaid electricity accrual 2019/20	-	273 843	-	273 843
Restated	-	18 726 145	-	18 631 853
Inventories				
As previously reported	-	340 986 532	-	340 986 532
Correction of inventory of to match subledger and general ledger	-	(1 577 667)	-	(1 577 667)
Restated	-	339 408 865	-	339 408 865
Investment property				
As previously reported	-	821 671 435	-	821 671 435
Derecognition of property incorrectly recognised in the prior year	-	(280 000)	-	(280 000)
Correction of operating expenditure incorrectly capitalised in 2018/19	-	(55 245)	-	(55 245)
Restated	-	821 336 190	-	821 336 190
Heritage assets				
As previously reported	-	271 924 972	-	271 924 972
Derecognition of Art work according to report reconciliation	-	(500)	-	(500)
Restated	-	271 924 472	-	271 924 472
Property, Plant and Equipment				
As previously reported	-	6 588 894 508	-	6 578 292 006
Recognition of assets found on the floor	-	4 875 552	-	4 875 552
Adjustment of the landfillsite provision asset in line with the revised expert report	-	6 932 568	-	6 932 568
Restated	-	6 600 702 628	-	6 590 100 126
Property, Plant and Equipment - Transfers			Community	Other
As previously reported			(2 603 413)	(13 300 693)
Typing and casting error			(491 346)	491 346
Restated			(3 094 759)	(12 809 347)
Property, Plant and Equipment - Depreciation			Infrastructure	Other
As previously reported			(314 105 987)	(50 026 085)
Typing and casting error			(225 157)	(49 053)
Restated			(314 331 144)	(50 075 138)
Agricultural assets				
As previously reported	-	73 100 000	-	73 100 000
Correction of timber harvest in the prior year according to the revised expert report	-	2 145 449	-	2 145 449

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	2021	2020	2021	2020
69. Prior-year period error (continued)				
Restated	-	75 245 449	-	75 245 449
Provisions - current				
As previously reported	-	(3 662 143)	-	(3 118 321)
Adjustment of the landfillsite provision in line with the revised expert report	-	(5 173 432)	-	(5 173 432)
Restated	-	(8 835 575)	-	(8 291 753)
Provisions - non current				
As previously reported	-	(23 367 839)	-	(23 367 839)
Adjustment of the landfillsite provision in line with the revised expert report	-	(30 687 073)	-	(30 687 073)
Restated	-	(54 054 912)	-	(54 054 912)

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	2021	2020	2021	2020
69. Prior-year period error (continued)				
Statement of Financial Performance				
Economic entity - 2020				
	As previously reported	Correction of error	Change in accounting policy	Restated
Surplus/deficit for the year	223 780 153	146 411 273	81 595	370 273 021
Rental of facilities and equipment	43 597 286	3 325	-	43 600 611
Operational revenue	47 565 470	(35 868)	-	47 529 602
Property rates	1 177 107 606	18 748 547	-	1 195 856 153
Service charges	3 104 466 759	155 309 382	-	3 259 776 141
Depreciation and amortisation	(418 450 866)	-	(81 595)	(418 532 461)
General expenses	(474 257 259)	185 791	-	(474 071 468)
Excess in provision liability	(30 501 044)	30 501 044	-	-
Operational costs	(136 748 409)	718 880	-	(136 029 529)
Gains/(losses) on disposal of assets	(14 646 287)	2 145 448	-	(12 500 839)
Surplus for the year	3 521 913 409	353 987 822	-	3 875 901 231
Surplus/(deficit)				
As previously reported	-	223 780 153	-	223 395 163
Correction of MTN accruals 2019/20	-	(854 228)	-	(854 228)
Correction of Msunduzi as a debtor 30 June 2020	-	15 959 267	-	15 959 267
Correction of Consumer debtors - overlocking and abnormal billing 30 June 2020	-	22 930 176	-	22 930 176
Correction of duplicated accruals, service entry and manual accrual 2019/20	-	185 791	-	185 791
Correction of 2019/20 debtor/creditor settlement	-	(35 866)	-	(35 866)
Change in accounting policy - GRAP 110 implementation	-	(81 595)	-	(81 595)
Correction of revenue in the current year relating to services billed in 2019/20	-	135 171 810	-	135 171 810
Correction of timber harvest in the prior year according to the revised expert report	-	2 145 449	-	2 145 449
Adjustment of the landfillsite provision in line with the revised expert report	-	(30 501 044)	-	(30 501 044)
Adjustment of the landfillsite provision interest cost in line with the revised expert report	-	1 573 108	-	1 573 108
Restated	-	370 273 021	-	369 888 031
Operational costs				
As previously reported	-	(136 748 409)	-	(135 804 334)
Correction of MTN accruals 2019/20	-	(854 228)	-	(854 228)
Adjustment of the landfillsite provision interest cost in line with the revised expert report	-	1 573 108	-	1 573 108
Restated	-	(136 029 529)	-	(135 085 454)
Rental of facilities and equipment				
As previously reported	-	43 597 285	-	43 597 285
Correction of Msunduzi raised as a debtor	-	3 326	-	3 326
Restated	-	43 600 611	-	43 600 611
Service charges				
As previously reported	-	3 104 466 759	-	3 104 621 258

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	2021	2020	2021	2020
69. Prior-year period error (continued)				
Correction of Msunduzi as a debtor 30 June 2020	-	(137 765)	-	(137 765)
Correction of Consumer debtors - overlocking and abnormal billing 30 June 2020	-	22 930 178	-	22 930 178
Correction of revenue in the current year relating to services billed in 2019/20	-	132 516 969	-	132 516 969
Restated		- 3 259 776 141		- 3 259 930 640
Property rates				
As previously reported	-	1 177 107 606	-	1 177 107 606
Correction of Msunduzi as a debtor 30 June 2020	-	16 093 705	-	16 093 705
Correction of revenue in the current year relating to services billed in 2019/20	-	2 654 842	-	2 654 842
Restated		- 1 195 856 153		- 1 195 856 153
General expenses				
As previously reported	-	(474 257 259)	-	(474 039 478)
Correction of duplicated accruals, service entry and manual accrual 2019/20	-	185 791	-	185 791
Restated		- (474 071 468)		- (473 853 687)
Operational revenue				
As previously reported	-	47 565 468	-	47 565 470
Correction of 2019/20 debtor/creditor settlement	-	(35 866)	-	(35 868)
Restated		- 47 529 602		- 47 529 602
Gains/(losses) on disposal of assets				
As previously reported	-	(14 646 288)	-	(14 400 000)
Correction of timber harvest in the prior year according to the revised expert report	-	2 145 449	-	2 145 449
Restated		- (12 500 839)		- (12 254 551)
Excess in provision liability				
As previously reported	-	30 501 044	-	30 501 044
Adjustment of the landfillsite provision in line with the revised expert report	-	(30 501 044)	-	(30 501 044)
Restated		-		-
Cash flow statement				
Economic entity - 2020				
		As previously reported	Correction of error	Restated
Cash flow from operating activities				
Sale of goods and services		3 893 416 276	(10 533 485)	3 882 882 791
Suppliers		(3 045 371 030)	37 735 465	(3 007 635 565)
		848 045 246	27 201 980	875 247 226
Cash flow from investing activities				
Purchase of tangible non current assets		(398 953 648)	(27 201 978)	(426 155 626)
Controlling entity - 2020				

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Figures in Rand	Economic entity		Controlling entity		
	2021	2020	2021	2020	
69. Prior-year period error (continued)					
			As previously reported	Correction of error	Restated
Cash flow from operating activities					
Sale of goods and services			3 893 416 276	(995 549)	3 892 420 727
Suppliers			(3 045 371 030)	283 505	(3 045 087 525)
			848 045 246	(712 044)	847 333 202
Cash flow from investing activities					
Purchase of tangible non current assets			(398 953 648)	712 046	(398 241 602)

70. Changes in accounting policy

The consolidated annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice on a basis consistent with the prior 12 months except for the adoption of the following new standards.

- GRAP 110 - Living resources and non living resources

Other information - GRAP 110 Living and non living resources

Prior to June 2021 The municipality formulated its own accounting policy regarding the treatment of Living resources. The living resources accounting policy was, however, based on the principles of the not yet effective GRAP 110 (Living and non living and resources).

During the year, the municipality changed its accounting policy with respect to the treatment of living resources and non living resources, in order to comply with the requirements of GRAP 110. Refer to note 69.

The aggregate effect of the changes in accounting policy on the consolidated annual financial statements for the 12 months ended 30 June 2020 is as follows:

Statement of Financial Position

Living resources

Previously stated	-	1 070 250	-	1 070 250
GRAP 110 living and non resources implementation	-	(337 069)	-	(337 069)
Restated	-	733 181	-	733 181

Statement of Financial Performance

Depreciation

As previously reported	-	(418 450 866)	-	(417 614 094)
GRAP 110 implementation	-	(81 595)	-	(81 595)
Restated	-	(418 532 461)	-	(417 695 689)

71. Prior period error - disclosures

Presented below are those items contained in the disclosure notes that have been affected by prior-year adjustments:

The correction of the error(s) results in adjustments as follows:

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	2021	2020	2021	2020

71. Prior period error - disclosures (continued)

Fruitless and wasteful expenditure

As previously disclosed	-	36 934 059	-	36 934 059
Mr Mkhize - fraud	-	692 477	-	692 477
Mr Mbanjwa -theft and fraud	-	1 434 280	-	1 434 280
Late payment of creditors - interest exemption correction	-	(52 322)	-	(52 322)
Restated	-	39 008 494	-	39 008 494

Adjustment made to the disclosed Fruitless and wasteful expenditure is due to the identification of two cases above and late payment of creditors - interest exemption notice correction(As per Auditor General and National Treasury consensus).

Valuations

Rate randage - residential				
As previously disclosed	-	0,0026	-	0,0026
Adjustments made	-	0,0100	-	0,0100
Restated	-	0,0126	-	0,0126

Contingencies

As previously disclosed	-	174 528 407	-	174 528 407
Adjustments made	-	94 919 917	-	94 919 917
Restated	-	269 448 324	-	269 448 324

Adjustment made to the disclosed contingencies is due to the reassessment of the cases.

72. Change in accounting estimate

Property, plant and equipment

GRAP 17: Property, plant and equipment requires that the review of the remaining useful life of an item of property, plant and equipment be conducted at least at each reporting period. The municipality performed this review as at 30 June 2021 and the following results were achieved:

Based on the condition assessment and utilisation of assets ascertained during the physical verification exercise, the remaining useful lives of assets were reviewed.

The impact of the adjustment is that depreciation charges on property, plant and equipment decreased by R49 864 836 (2020: R45 141 470).

It is impractical to determine the amount of the effect in future periods.

Depreciation before the review of useful life	(422 411 724)	(462 755 564)	(422 411 724)	(462 755 564)
Depreciation after the review of useful life	372 546 888	417 614 094	372 546 888	417 614 094
Increase/decrease	(49 864 836)	(45 141 470)	(49 864 836)	(45 141 470)

Property, Plant and Equipment - Landfill rehabilitation provision

Landfill rehabilitation provision is created to ensure that the municipality will be able to restore the landfill site to its original condition at the end of its life. The provision represents management's best estimate of the municipality's liability with regards to aforementioned restoration costs. The effect of the current year's revision was an increase of R38 454 706 due to change in discount factor and effect of re-measurement.

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	2021	2020	2021	2020

72. Change in accounting estimate (continued)

Employment benefit obligation

The municipality provides post-employment medical benefits to certain staff members. The provision represents management's best estimate of the municipality's liability with regards to aforementioned post-employment medical benefits. The effect of the current year's revision is an increase of R 42 177 999 to R 512 371 001 owing to the net effect of the actuarial loss, current service and interest costs for the reporting period ended 30 June 2021.

Leave accrual

The leave pay accrual is created to ensure adherence to SALGA collective agreement requirements. It states that at the end of a leave cycle, an employee may not have more than 48 days annual leave to their credit. The effect of this revision has increased the accrual by R 19 432 346 to R139 833 815.

Long service awards

In terms of the SALGA conditions of service collective agreement, employees qualify for long service leave upon completion of specified periods in the agreement. The provision was created to comply with the agreement. The effect of the current year's revision is an increase by R7 268 000 to R83 089 000 attributed to the net effect of the actuarial loss, benefits vesting, current service, past service and interest costs for the reporting period ended 30 June 2021.

73. Irregular expenditure

Opening balance as previously reported	506 075 548	511 925 660	505 679 620	511 122 090
Prior period error	803 570	-	-	-
Opening balance as restated	506 879 118	511 925 660	505 679 620	511 122 090
Add: Irregular expenditure - relating to prior year	5 951 642	11 857 631	5 951 642	11 857 631
Add: Irregular expenditure - relating to current year	44 705 507	40 900 625	44 144 461	40 504 697
Less: irregular expenditure written off	(63 524 293)	(58 608 368)	(63 524 293)	(57 804 798)
Closing balance	494 011 974	506 075 548	492 251 430	505 679 620

Analysis of expenditure awaiting Council's decision for write off or recovery per age classification

2008/2009	4 077 827	4 077 827	4 077 827	4 077 827
2009/2010	5 458 355	5 458 355	5 458 355	5 458 355
2010/2011	3 551 576	3 551 576	3 551 576	3 551 576
2011/2012	38 200	38 200	38 200	38 200
2013/2014	11 000	11 000	11 000	11 000
2014/2015	708 444	708 444	708 444	708 444
2016/2017	151 255 689	151 255 689	150 552 375	150 552 375
2015/2016 and 2016/2017 written off	(57 804 798)	(58 608 368)	(57 804 798)	(57 804 798)
2017/2018	152 961 988	152 961 988	152 961 988	152 961 988
2018/2019 plus comparative periods identified in current year	196 941 684	196 941 684	193 762 325	193 762 325
2019/2020	49 679 153	46 679 153	52 362 328	52 362 328
2019/20 identified in 2020/2021	5 951 642	-	5 951 642	-
2020/2021	44 705 507	-	44 144 461	-
2013/14, 2014/15, 2017/18 and 2018/19 written off	(63 524 293)	-	(63 524 293)	-
	494 011 974	503 075 548	492 251 430	505 679 620

Incidents/cases identified in the current year include those listed below:

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	2021	2020	2021	2020

73. Irregular expenditure (continued)

Cases under investigation

Irregular expenditure has not been written off or condoned.

Section 32(4) of the Municipal Finance Management Act requires that Council can deal with these matters in the manner prescribed.

In the case of irregular and fruitless and wasteful expenditure, it is only after an investigation has been conducted that irregular expenditure can be certified as a irrecoverable and written off by council, hence there were no movement between financial years 2008/2009 to 2017/2018 as the investigations are still open and as soon as they are closed council will write off or condone this expenditure.

Bids not advertised within 30 days	-	1 145 537	-	1 145 537
Expired contract	1 881 453	1 159 596	1 881 453	1 159 596
Invalid deviations	898 100	395 928	898 100	-
Non compliance with regulation 31	26 917 201	28 232 673	26 917 201	28 232 673
Payment to employee without contract	-	62 007	-	62 007
Security payment exceeding contract amount	-	1 215 195	-	1 215 195
VIP security without threat assessment	11 844 915	8 689 689	11 844 915	8 689 689
Expired contract - Contour	2 602 792	-	2 602 792	-
Insufficient quotations received as required by the procurement process.	48 531	-	-	-
Bidding process not followed	354 362	-	-	-
Preference point system not followed	96 618	-	-	-
Supplier bid declaration form not attached	61 535	-	-	-
	44 705 507	40 900 625	44 144 461	40 504 697

74. Comparative figures

Certain comparative figures have been reclassified and restated.

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75. Fruitless and wasteful expenditure

Opening balance as previously reported	39 008 494		39 008 494	
Correction of prior period error	13 716	-	-	-
Opening balance as restated	39 022 210	31 566 755	39 008 494	31 553 039
Add: fruitless and wasteful expenditure - relating to current year	6 269 071	7 455 455	6 269 071	7 455 455
Less: Amount written off - prior period	-	(13 716)	-	-
Closing balance	45 291 281	39 008 494	45 277 565	39 008 494

Analysis of expenditure awaiting Council's decision for write off or recovery per age classification

2006/2007	92 967	92 967	92 967	92 967
2008/2009	15 167	15 167	15 167	15 167
2009/2010	2 696 668	2 696 668	2 696 668	2 696 668
2010/2011	235 478	235 478	235 478	235 478
2011/2012	879 143	879 143	879 143	879 143
2012/2013	36 490	36 490	36 490	36 490
2013/2014	162 279	162 279	162 279	162 279
2014/2015	449 104	449 104	449 104	449 104
2015/2016	242 977	242 977	242 977	242 977
2016/2017	11 469 254	11 455 538	11 455 538	11 455 538
2017/2018	11 744 573	11 744 573	11 744 573	11 744 573
2018/2019	3 542 655	3 542 655	3 542 655	3 542 655
2019/2020 (Comparative periods identified in current year)	7 455 455	7 455 455	7 455 455	7 455 455
2020/2021	6 269 071	-	6 269 071	-
	45 291 281	39 008 494	45 277 565	39 008 494

Details of fruitless and wasteful expenditure

Cancelled tenders	390 808	217 492	390 808	217 492
Salaries and wages for suspended employees with unresolved cases within prescribed timeframe	263 739	5 111 206	263 739	5 111 206
Mr Mkhize - fraud	-	692 477	-	692 477
Mr Mbanjwa -theft and fraud	-	1 434 280	-	1 434 280
Egxezi re-establishment cost	5 614 524	-	5 614 524	-
	6 269 071	7 455 455	6 269 071	7 455 455

Fruitless and wasteful expenditure has not been written off or condoned.

Section 32(2)(b) of the Municipal Finance Management Act requires that Council can deal with these matters in the manner prescribed.

In the case of irregular and wasteful and fruitless expenditure, it is only after an investigation has been conducted that fruitless and wasteful expenditure can be certified as irrecoverable and written off by Council hence there is no movement between financial years 2008/2009 to 2019/2020 as the investigations are still open and as soon as they are closed Council will write off or condone this expenditure

A system has been put in place to stream-line the payment process to ensure non occurrence of interest costs.

Staff have been advised on possible recovery of costs due to negligence.

The comparative has been restated refer to Note 71

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76. Unauthorised expenditure

Opening balance as previously reported	1 336 963 931	772 305 577	1 336 963 931	772 305 577
Opening balance as restated	1 336 963 931	772 305 577	1 336 963 931	772 305 577
Expenditure identified - current year	920 571 748	564 658 354	920 571 748	564 658 354
Closing balance	2 257 535 679	1 336 963 931	2 257 535 679	1 336 963 931

Analysed as follows: non-cash

Bad debts written off	384 120 628	-	384 120 628	-
Debt impairment	536 451 120	523 070 206	536 451 120	523 070 206
Inventory losses	-	21 756 148	-	21 756 148
Fair value adjustments on investment property	-	19 832 000	-	19 832 000
	920 571 748	564 658 354	920 571 748	564 658 354

77. Electricity and water losses

Electricity losses

Units purchased - kWh	1 745 111 594	1 701 305 905	1 745 111 594	1 701 305 905
Units sold - kWh	(1 354 209 162)	(1 392 325 844)	(1 354 209 162)	(1 392 325 844)
Loss - kWh	390 902 432	308 980 061	390 902 432	308 980 061

Electricity loss as a percentage	22,12	18,16	22,12	18,16
Costs per kWh in cents	0,82195	0,57765	0,82195	0,57765
Electricity losses in rand value	321 301 494	178 487 194	321 301 494	178 487 194

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77. Electricity and water losses (continued)

The significant electricity losses of 390 902 432 kWh occurred during the year under review, which resulted in material revenue losses to the municipality.

The increase of losses from previous financial year may be as a result of the following:

1) Lockdown due to covid 19 impacted on the Municipality in conducting disconnections during the last quarter.

Some of the main contributing factors to increased electricity losses are:

Non –Technical Losses

1) Illegal connections.

2) Infrastructure vandalism.

3) Metering inaccuracies (due to faulty meters).

4) Unmetered energy (meter tempering or bypassing the meter at the customer meter).

Technical losses (these are inherent in the distribution networks and cannot be eliminated):

1) Ageing infrastructure that results in increased power dissipation during transmission and distribution on lines, cables and transformers in the system.

2) Overloading.

How are these non technical and technical losses being addressed

Strategy to minimize electricity losses has been developed and is being implemented in line with available resources.

The municipality has put in place a consolidated strategy to manage electricity losses which informs the activities being implemented. During the 2020/21 financial year the following activities were undertaken and the work will be continuing:

1) A total of 843 faulty meters were replaced

2) A total of 1984 Prepaid Meter Customers were audited. The summary of findings that are being attended are Tampered / Bypassed, Meter Replacement Required, NRS 057 – Not Compliant, Locking Mechanism Not Compliant, Meter Not Sealed / Seal Broken

3) 808 bulk meter audits were audited. The summary of findings that are being attended are Failed Accuracy Test, Tampered / Bypassed, Meter Replacement Required, NRS 057 – Not Compliant, Locking Mechanism Not Compliant, Meter Not Sealed / Seal Broken and Meters not in Database.

4) 404 Community Residential Units (CRU's) were electrified

5) The Municipality has secured INEP grant for the 2021/22 financial year to electrify an estimated connections of 928 in the following informal settlements areas namely Swapo Infills, Thembalihle, Ezinketheni, Sweetwaters Infills, Zamokuhle (Tamboville)

6) The municipality has entered into an agreement with Eskom to address the maintenance backlog on the electricity infrastructure and during the 2020/21 financial year the maintenance was undertaken in following Primary Substations namely Archbell Substation, Crossways Substation, Hesketh Substation, Mkondeni Substation, Woodburn Substation, Retief Street

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77. Electricity and water losses (continued)

Water losses

Units purchased (kl)	79 351 722	74 032 140	79 351 722	74 032 140
Units sold (kl)	(55 724 930)	(51 913 926)	(55 724 930)	(51 913 926)
Real losses (kl)	19 137 701	17 915 753	19 137 701	17 915 753
Apparent losses	4 489 090	4 202 461	4 489 090	4 202 461
Total water losses (kl)	23 626 792	22 118 214	23 626 792	22 118 214
Water loss as a percentage	29,80	29,90	29,80	29,90
Cost per kl in cents	9,454	9,454	9,454	9,454
Water loss in rand value	223 374 770	209 112 231	223 374 770	209 112 231

MFMA circular dictates that real losses and apparent losses be considered jointly as total water losses.

A calculated outcome of 23 626 792 kl was identified as a material water loss for the 2020/2021 year under review.

Progressive deterioration, illegal water connections, aging and increasing levels of fragility in the bulk water infrastructure is progressively contributing to increase in water losses.

Service Delivery initiatives slowed down marginally due to the Covid-19 protocols.

Non-water initiatives undertaken for the duration of the 2020/2021 financial

- 1) 3435 water meters were replaced, as to reduce water losses by approximately 27% thereby generating revenue enhancement, via correct water usage billing.
- 2) Establishment of PRV Civils tender to be re-presented to Bid-Specification Committee.
- 3) Establishment of leak detection tender formulation, currently approved via Bid-Specification awaiting to be rolled out in Financial year 2021/2022
- 4) Pressure reduction design of forty (40) new PRV Zones, to be implemented when the PRV Civils tender becomes active.
- 5) Reactively responded to 2152 burst pipes.

78. Risk management

Financial risk management

The economic entity's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

Liquidity risk

The economic entity's risk to liquidity is a result of the funds available to cover future commitments. The economic entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The municipality is exposed to the following liquidity risks:

Other financial liabilities

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
At 31 June 2021				
Borrowings	81 573 484	79 162 900	124 581 612	285 317 996
At 30 June 2020				
Borrowings	113 418 258	81 573 484	203 744 512	398 736 254

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	2021	2020	2021	2020

78. Risk management (continued)

Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the municipality.

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise mainly water, sanitation, refuse, rates, property rental, electricity and other service charges, dispersed across different industries and geographical areas. Management evaluated credit risk relating to customers financial conditions on an ongoing basis, and have been presented in these financial statements net of a provision for impairment. In the case of debtors whose accounts become in arrears, it is endeavored to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

Individual risk limits are set based on internal or external ratings in accordance with limits set by management. The utilisation of credit limits is regularly monitored. Sales to consumers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

The carrying amount of financial assets recorded in the financial statements that represent the municipality's maximum exposure to credit risk obtained details - Refer to note 80 - Financial instruments disclosure.

As at the end of the reporting period, no collateral was being held as a means of mitigating the risk of financial loss from default except for consumer deposits.

Credit quality

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. Although credit quality can be assessed, the Municipality did not apply any methods to evaluate the credit quality.

The credit quality of receivables from exchange transactions are neither past due nor impaired except for land sale debtors, insurance claims and IDT.

The analysis of the age of receivables that are past due but not impaired for the Municipality (Refer to note 7 - consumer debtors) for the analysis and details.

Market risk

Risk from agricultural assets

The municipality is exposed to financial risks arising from changes in timber prices. The economic entity does not anticipate that the timber prices will decline significantly in the foreseeable future. The economic entity has not entered into derivative contracts to manage the risk of a decline in sale of timber. The municipality reviews its outlook for timber prices regularly in considering the need for active financial risk management.

Interest rate risk

As the economic entity has no significant interest-bearing assets, the economic entity's income and operating cash flows are substantially independent of changes in market interest rates.

The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the municipality to cash flow interest rate risk.

Msunduzi Local Municipality and its Municipal Entity

Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020

79. Going concern

The consolidated annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Provincial Executive Council of KwaZulu-Natal and MEC for Department of Co-operative Governance and Traditional Affairs, resolved to intervene in terms of Section 139 (1) (b) of the Constitution and in terms of section 139 of the Municipal Finance Act. at the municipality and appointed the Ministerial representative. The appointment became effective on 14 April 2019 to 31 October 2021. The terms of reference specified the functions of the Ministerial representative which also include the implementation of governance systems and procedures including oversight of the administration including the ratification of decisions taken by the Municipal Council, the Executive Committee, Municipal Manager and Section 56 Managers in terms of the authority.

The Provincial intervention has implemented the Financial Recovery Plan, Interim Finance Committee, Revenue Enhancement and the Ministerial Representative Action Plan. It is envisaged that these plans will improve the municipality's financial viability.

In assessing the going concern, management identified indicators casting doubt on the municipality's ability to continue operating as a going concern. These indicators are summarised below :

- 1) Impact of Covid 19 pandemic on municipal finance and operations.
- 2) Adverse liquidity ratios.
- 3) Below norm cash cost coverage ratio.
- 4) The outstanding gross debtors balance has increased significantly and the majority of the debtors have been outstanding for over 365 days.
- 5) The dwindling of reserves over the recent years.
- 6) Deteriorating creditors days.
- 7) The increase in net debtors balances.
- 8) The recent social unrest.

The following measures are being implemented by management in respond to going concern risk indicators:

- 1) Development and implementation of the financial recovery plan and monitoring on a monthly basis.
- 2) The revenue enhancement task team was appointed to implement and monitor the revenue enhancement strategy and identification of additional revenue streams.
- 3) The dispute resolution committee was formed to speed up the process of dealing with consumer appeals.
- 4) The debt recovery plan was developed and approved by Council.
- 5) The debt collectors were appointed to recover long outstanding debtor.
- 6) Management is monitoring and implementing safety precautions provided by World Health Organisation to minimise the risk of covid 19.
- 7) The assessment of the impact of the July 2021 social unrest. (Refer to note 68 on events after reporting date.)

Notwithstanding, the above negative indicators, the municipality continues to adopt the going concern assumption as it is management's view that the municipality will continue to operate in its present form provided that the financial recovery plan, the debt recovery plan and the other revenue and expenditure enhancement strategies are successful and there is a successful relationship between the municipality and consumers, and consumer behaviour is supportive of the municipality's efforts.

80. Financial instruments disclosure

Categories of financial instruments

Controlling entity - 2020

Financial assets

Msunduzi Local Municipality and its Municipal Entity

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Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020

80. Financial instruments disclosure (continued)

At amortised cost

Short term investment	32 311 434	-	32 311 434	-
Receivables from exchange transactions	19 681 707	18 726 145	19 679 207	18 631 853
Consumer debtors	1 176 104 174	1 617 676 899	1 176 104 174	1 617 676 899
Cash and cash equivalents	361 320 731	518 976 967	359 519 552	517 656 140
	1 589 418 046	2 155 380 011	1 587 614 367	2 153 964 892

Financial liabilities

At amortised cost

Payables from exchange transactions	1 385 627 077	1 239 943 993	1 388 654 967	1 242 909 966
Consumer deposits	128 836 470	113 838 915	128 836 470	113 838 915
Other financial liabilities	285 317 996	398 736 254	285 317 996	398 736 254
	1 799 781 543	1 752 519 162	1 802 809 433	1 755 485 135

Other information

Receivables/payables from non contractual/compulsory arrangements have been removed or excluded from financial instruments disclosure, ie Property rates debtors, traffic fines debtors, transfers payable and unspent conditional grants. Statutory receivables/Payables are not financial instruments, as they arise not as a result of a contract, entered into by willing parties to the arrangement but rather a statutory or legislative arrangement.

Controlling entity

81. Segment information

General information

Identification of segments

The economic entity is organised and reports to management on the basis of nine major functional areas: Electricity, Water, Rates, Sanitation, Refuse, Airport, Market, Forestry and Support services. The segments were organised around the type of goods and services delivered. Management uses these same segments for determining strategic objectives. Supporting services segment was aggregated for reporting purposes.

The identification of these segments is consistent with the functional classification of local government activities which considers the nature of the services, the beneficiaries of such services and the fees charged for the services rendered.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Separate financial and other relevant information on geographical areas in which the municipality operates is not available. The necessary information is not available and the cost to develop it would be excessive.

Aggregated segments

Support services segment was aggregated as a practical limit has been reached beyond which segment information becomes too detailed. Management is of the view that such additional detailed segments are not useful and relevant.

Msunduzi Local Municipality and its Municipal Entity

Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2021	2020	2021	2020

81. Segment information (continued)

Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment	Goods and/or services
Electricity	Provision of electricity
Water	Provision of water
Rates	Property tax
Sanitation	Provision of solid and water waste services
Refuse	Refuse removal services
Airport	Aviation services
Market	Administration and handling fees
Forestry	Timber
Support services	Various goods and services

Information about geographical areas

The economic entity's operations are in the KwaZulu Natal Province.

Separate financial and other relevant information on geographical areas in which the municipality operates is not available. The cost to develop the necessary information would be excessive.

Msunduzi Local Municipality and its Municipal Entity

Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Consolidated Annual Financial Statements

Figures in Rand

81. Segment information (continued)

Segment surplus or deficit, assets and liabilities

2021

	Electricity	Water	Rates	Sanitation	Refuse	Airport	Market	Forestry	Support Services	Total
Revenue										
Revenue from exchange transactions	2 164 097 374	765 258 273	19 308 330	165 885 852	101 055 094	4 281 408	20 264 872	0	25 652 780	3 265 803 982
Revenue from non-exchange transactions	27 792 027	311 077 551	1 248 981 344	106 958 834	36 231 530	2 173 164	0	0	138 724 213	1 871 938 664
Interest consumer debtors and receivables	10 927 005	97 148 621	145 614	17 164 039	9 967 927	0	170 853	0	8 787 845	144 311 904
Interest - bank, call and investment accounts									74 517	74 517
Total segment revenue	2 202 816 406	1 173 484 444	1 268 435 288	290 008 725	147 254 551	6 454 572	20 435 725	0	173 239 355	5 282 129 067
Unallocated revenue/non-segment Elimination	(169 006)								(11 793 834)	673 858 141 (11 962 840)
Total entity's revenue										5 944 024 368
Expenditure and gains(losses)										
Bulk purchases	(1 906 837 267)	(752 567 032)	0	0	0	0	0	0	0	(2 659 404 298)
Debt impairment	25 747 794	(457 353 637)	(148 364 961)	(44 083 646)	(21 555 347)	0	0	0	(14 745 466)	(660 355 263)
Depreciation and amortisation	(94 470 644)	(55 253 189)	(122 197)	(19 928 789)	(2 335 711)	(5 515 098)	(6 145 309)	(94 116)	(35 189 329)	(219 054 381)
Employee related costs	(114 073 027)	(112 055 112)	(35 332 110)	(10 198 833)	(91 016 351)	(2 632 832)	(11 684 404)	0	(394 934 461)	(771 927 129)
Finance costs	(15 179 604)	(5 867 952)	0	(5 114 752)	(1 282 191)	(98)	0	0	(894)	(27 445 492)
Other expenses	(22 643 938)	6 548 215	(12 887 700)	(187 055 161)	(27 652 302)	(13 128 224)	(10 006 574)	(7 753 454)	(547 120 284)	(821 699 421)
Actuarial gains/losses	0	(2 637 619)	0	0	0	0	0	0	(355 873)	(2 993 493)
Fair value adjustments on investment property	0	0	0	0	0	0	0	0	42 197 500	42 197 500
Gains/(losses) on agricultural assets	0	0	0	0	0	0	0	21 054 552	0	21 054 552
Gain/(loss) on disposal of assets	0	0	0	0	0	0	0	0	(10 843 043)	(10 843 043)
Impairment loss	(4 124 829)	(503 893)	(10 673)	(102 419)	(23 005)	(5 799)	(41 242)	(1 882)	(421 936)	(5 235 677)
Inventory losses	0	(170 694)	0	0	0	0	0	0	0	(170 694)
Total segment expenditure and gains/(losses)	(2 127 456 685)	(1 376 548 707)	(196 706 968)	(266 381 181)	(143 841 902)	(21 276 252)	(27 836 286)	(7 847 570)	(991 990 434)	(5 115 876 839)
Total segmental surplus/(deficit)	75 359 721	(203 064 262)	1 071 728 320	23 627 544	3 412 649	(14 821 680)	(7 400 561)	(7 847 570)	(818 751 079)	828 147 529
Unallocated expenditure/non segment										(1 214 618 514)
Unallocated gains/(losses) / non segment										(21 175 717)
Elimination									11 962 840	11 962 840
Surplus (deficit) for the period as per Statement of Financial Performance										(395 683 862)

Msunduzi Local Municipality and its Municipal Entity

Consolidated Annual Financial Statements for the year ended 30 June 2021

Notes to the Consolidated Annual Financial Statements

Figures in Rand

81. Segment information (continued)

2021	Electricity	Water	Rates	Sanitation	Refuse	Airport	Market	Forestry	Support Services	Total
Assets										
Segment assets	1 432 411 827	1 040 594 952	892 268 063	627 028 675	144 435 472	58 357 980	84 502 055	109 729 117	3 018 489 320	7 407 817 462
Unallocated assets/non segment										3 152 689 382
Reclassification to liabilities										0
Elimination									(3 390 727)	(3 390 727)
Total assets as per Statement of Financial Position										10 557 116 117
Additions to non current assets										0
Segment additions	57 735 269	78 159 405	0	75 993 642	17 504 960	2 173 164	0	2 145 449	211 724 622	445 436 510
Unallocated additions/non segment										166 399 665
Total additions										611 836 175
Liabilities										
Segment liabilities	3 206 614 014	2 357 430 859	123 015 458	102 941 791	144 522 768	(2 442 996)	623 660 375	3 473 397 275	3 962 694 525	13 991 834 070
Unallocated liabilities /non segment										(11 136 203 641)
Reclassification from assets										0
Elimination									(3 390 727)	(3 390 727)
Total liabilities as per Statement of Financial Position										2 852 239 702

Directive 3 transitional provisions for GRAP 18 (Segment reporting) allows comparative figures not to be disclosed in the first year of adoption. The Municipality has elected to take advantage of the provisions of Directive 3.

Notes to the Consolidated Financial Statements

Figures in Rand

82. Variance analysis comparison of budget against actual

Reasons are only provided for variances above 10%

Account Balance / Transaction / Disclosure	Current year-to-date actual amount as at: 30 June 2021	Current year budget amount, as per approved budget	Current year budget adjustment	Current year budget final amount	Difference between current year actual and final budget - R	Difference between current year actual and final budget - %	Explanation for significant fluctuations
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STATEMENT OF FINANCIAL PERFORMANCE

Classes of revenue							
Agency Services	1 931 382	601 902	0	601 902	1 329 480	221%	The relaxation of the constrictive lockdown regulations resulted in the clearing of backlogs which accumulated during the lockdown period. The extended operating hours and the increased activities were not envisaged during the budget preparation process.
Interest - consumer debtors and receivables	144 311 904	202 457 794	0	202 457 794	-58 145 890	-29%	The negative variance is attributed to the lower interest rate regime necessitated by the adverse effects of lockdown on the economy. The prime rate was slashed in line with the repo rate which in turn resulted in a drop in interest charged on overdue accounts from 11.25% to 7.25%. In addition bad debts written off amounting to R384 120 628 contributed to the reduction of interest revenue.
Interest received - bank, call and investments accounts	8 530 436	15 260 422	108 900	15 369 322	-6 838 886	-44%	Cash and cash equivalents decreased by 69% in the current, this in turn resulted in less than anticipated interest revenue. Reduction in unspent grant liability has resulted in the decrease in cash and cash equivalents. The low repo rate necessitated by the effects of the lockdown resulted in a low interest rate regime during the period hence the unfavourable variance.
Licences & permits	602 789	1 119 569	0	1 119 569	-516 780	-46%	The licences and permits revenue was much lower than anticipated because the Municipality's non essential departments were not operating at full capacity due to the National lockdown levels.
Operational revenue	53 354 598	146 451 785	13 562 909	160 014 694	-106 660 096	-67%	The municipality collected less operational revenue because the weighbridge, crematorium and landfill site were closed during the lockdown period.
Rental of facilities and equipment	14 558 911	29 078 798	0	29 078 798	-14 519 887	-50%	This is a secondary revenue source on which revenue generated is dependent on customer needs. The lockdowns imposed by the government in response to the Covid 19 pandemic impacted negatively on revenue from Rental of facilities and equipment. Most activities were not permissible during the greater part of the financial year.
Rendering of services	9 124 355	0	0	0	9 124 355	100%	This is a secondary revenue which was budgeted for under operational revenue due to the fact that the mSCOA budget template is not aligned to the GRAP financial statements. Rendering of services are budgeted under operational revenue.
Sale of goods	196 121	0	0	0	196 121	100%	This was budgeted for under operational revenue due to the fact that the mSCOA budget template is not aligned to the GRAP financial statements.
Service charges	3 188 125 756	3 575 763 602	0	3 575 763 602	-387 637 846	-11%	This is due to the correction of revenue relating to prior years billed in the current year.
Property Rates	1 204 676 314	1 269 794 594	0	1 269 794 594	-65 118 280	-5%	N/A

Notes to the Consolidated Financial Statements

Figures in Rand

82. Variance analysis comparison of budget against actual

Reasons are only provided for variances above 10%

Account Balance / Transaction / Disclosure	Current year-to-date actual amount as at: 30 June 2021	Current year budget amount, as per approved budget	Current year budget adjustment	Current year budget final amount	Difference between current year actual and final budget - R	Difference between current year actual and final budget - %	Explanation for significant fluctuations
Interest - property rates	44 323 254	0	0	0	44 323 254	100%	This was budgeted for under interest consumer debtors due to the fact that the mSCOA budget template is not aligned to the GRAP financial statements.
Government grants and subsidies	1 256 029 137	1 201 374 821	520 846 341	1 722 221 162	-466 192 025	-27%	The positive variance is mainly due to the expenditure on the rolled over 2019/20 unspent grants in 2020/21. This includes WSIG, MIG, PTIG and Housing accreditation. Under normal circumstances the national grants would have been paid back to National Treasury.
Fines, penalties and forfeits	16 062 035	1 798 551	0	1 798 551	14 263 484	793%	The fines, penalties and forfeits revenue was much higher than anticipated because there were more traffic fines due to the relaxation of lockdown levels. As normal municipal operations resumed in the SCM unit an increase of tender objections arose.
Other transfers	2 197 376	0	0	0	2 197 376	100%	Unanticipated donations of motor vehicles and artworks were received by the municipality resulting in the positive variance.
Classes of expenditure				0			
Employee related costs	-1 428 279 457	-1 478 324 302	-3 474 344	-1 481 798 646	53 519 189	-4%	Within an acceptable range
Bad debts written off	-384 120 628	0	0	0	-384 120 628	100%	The municipality has improved on the implementation of the credit control policy during the 2020/21 period. The debt collectors were appointed in December 2019 and remained in operation for the entire 2020/21 period, where they have contacted customers with overdue accounts and have also conducted an assessment in terms of the accounts that are not recoverable. In the past the municipality was qualified on debt write-off where an adequate investigation was not conducted prior to the write-offs and the municipality took a decision to write-back these debtors. The debt collectors have assisted in terms of performing an assessment of these debtors and identified the debtors that are not recoverable. There were also write-offs of indigent customers who have been assessed as not being able to settle their debt due to their household income. The municipality is in the process of installing prepaid electricity meters and water restriction washers for indigent debtors in order to cap their consumption of services.
Remuneration of councillors	-51 641 246	-53 650 401	0	-53 650 401	2 009 155	-4%	N/A
Depreciation and amortisation	-373 535 134	-489 941 448	15 230 182	-474 711 266	101 176 132	-21%	As some of the aging infrastructure is reaching the end its useful life, a decrease in depreciation is notable.
Finance costs	-35 856 007	-31 793 212	-4 712 122	-36 505 334	649 327	-2%	N/A

Notes to the Consolidated Financial Statements

Figures in Rand

82. Variance analysis comparison of budget against actual

Reasons are only provided for variances above 10%

Account Balance / Transaction / Disclosure	Current year-to-date actual amount as at: 30 June 2021	Current year budget amount, as per approved budget	Current year budget adjustment	Current year budget final amount	Difference between current year actual and final budget - R	Difference between current year actual and final budget - %	Explanation for significant fluctuations
Operating leases	-26 047 813	-27 380 805	0	-27 380 805	1 332 992	-5%	Within an acceptable range
Debt impairment	-660 355 263	-123 904 143	0	-123 904 143	-536 451 120	433%	Due to the reassessment of deceased consumer debtors resulted in additional significant impairment.
Bulk purchases	-2 659 404 299	-2 608 224 085	-72 626 009	-2 680 850 094	21 445 795	-1%	Within an acceptable range
General expenses	-550 212 131	-464 722 594	-197 635 866	-662 358 460	112 146 329	-17%	The increase in general expenditure was driven by increase in project management(77%), security services(42%), contractors-sewerage(9%),repairs and maintenance(96%) and prepaid commission vendors(7%).These aboved mentioned contribute to about 80% general expenses. However, the increase was off by the decrease of Consultants expenditure, which went down by 28%. The aging infrastructure is one of the underlying reasons.
Transfers and subsidies	-5 076 471	-25 080 461	-21 621 333	-46 701 794	41 625 323	-89%	The actual expenditure incurred was less than anticipated due to cost-cutting measures.
Inventory consumed	-58 203 619	-46 613 415	-17 914 269	-64 527 684	6 324 065	-10%	Due to the COVID 19 pandemic the safety of the employees in line with health protocols was a priority. Hence personal protective equipment was purchased.
Operating costs	-129 809 590	-166 842 603	3 133 673	-163 708 930	33 899 340	-21%	The reduction in operational costs is explained mainly by the reduction in subscription & memberships(-19%), Telephone(-3%) and Landfil provision interest cost(-74%). The impact of Covid 19 on operations ie staff rotations contributed to reduction Telephone costs and subscriptions fees.
Actuarial gains/(losses)	-18 190 156	0	-18 190 159	-18 190 159	3	0%	Within an acceptable range
Fair value adjustments on investment property	42 197 500	0	0	0	42 197 500	100%	The unanticipated fair value gains or losses are not budgeted for. These are dependent on expert reports.
Fair value adjustments on agricultural assets	21 054 552	0	0	0	21 054 552	100%	The unanticipated fair value gains or losses are not budgeted for. These are dependent on expert reports.
Gains/(losses) on disposal of assets	-10 843 043	0	-10 483 210	-10 483 210	-359 833	3%	Within an acceptable range
Impairment loss	-7 730 183	0	-7 730 183	-7 730 183	0	0%	Within an acceptable range
Inventory losses	-3 655 242	0	-6 764 548	-6 764 548	3 109 306	-46%	This item can not be anticipated. The envisaged inventory losses as result of the year end stock count were lower than actual.
Capital expenditure							
Capital expenditure	685 931 270	580 891 581	430 028 267	1 010 919 848	-324 988 578	-32%	The Municipality spent less on capital projects than anticipated. Housing projects which were budgeted for have not kick started.

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Figures in Rand

82. Variance analysis comparison of budget against actual

Reasons are only provided for variances above 10%

Account Balance / Transaction / Disclosure	Current year-to-date actual amount as at: 30 June 2021	Current year budget amount, as per approved budget	Current year budget adjustment	Current year budget final amount	Difference between current year actual and final budget - R	Difference between current year actual and final budget - %	Explanation for significant fluctuations
STATEMENT OF FINANCIAL POSITION							
Classes of assets							
Current assets	2 488 454 538	2 972 344 765	-271 659 187	2 700 685 578	-212 231 040.00	-8%	The variance was mainly caused by the relaxed credit controls during the COVID-19 pandemic. There was also an increase on the cash and cash equivalents due to the unspent grants at the end of the financial year and the statutory increase of the COID investment. Consumers debtors increased by 11% due to the constrictive lockdown down conditions which restricted management credit control measures efforts. Statutory receivables increased by 13% due to the constrictive lockdown down conditions which restricted management credit control measures efforts. The relaxation during the year resulted in more traffic offences being committed and collection rate thereof was poor .
Non-Current Assets	8 068 661 579	8 340 425 652	438 342 507	8 778 768 159	-710 106 580.00	-8%	Within acceptable range
Classes of liabilities							
Current Liabilities	2 037 745 602	1 441 718 352	-95 870 887	1 345 847 465	691 898 137.00	51%	The variance was mainly due to cashflow constraints caused by the restricted credit control measures during the COVID-19 pandemic. Trade creditors grew by 18% owing to the worsening of creditors day payment period due to the restrictive lockdowns experienced.
Non-Current Liabilities	814 494 100	1 091 864 952	0	1 091 864 952	-277 370 852.00	-25%	The decrease in financial liabilities is attributed to the repayment of the loans which are reaching the end of the loan term which were not taken into consideration when the budget was formulated.
Reserves							
Reserves	7 704 876 415	8 779 187 113	262 554 207	9 041 741 320	-1 336 864 905.00	-15%	The significant additional impairment on deceased consumers resulted in a decrease in the accumulated surplus.
STATEMENT OF CASH FLOWS							
Cash flows from operating activities							
Receipts	5 356 274 331	5 657 352 786	280 216 577	5 937 569 363	-581 295 032.00	-10%	Within acceptable range
Payments	-4 767 814 131	-4 904 819 356	-316 473 668	-5 221 293 024	453 478 893.00	-9%	Within acceptable range
Cash flows from investing activities							
Net cash flows from investing activities	-632 698 178	-580 891 581	-430 028 267	-1 010 919 848	378 221 670.00	-37%	Over expenditure on the budgeted cashflow is mainly explained by unspent grants roll overs. As the the lockdown restrictions were relaxed capital expenditure was accelerated. This is also correlated to the decrease in unspent conditional grants in 2020/21

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82. Variance analysis comparison of budget against actual

Reasons are only provided for variances above 10%

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Cash flows from financing activities							
Net cash flows from financing activities	-113 418 258	-79 206 000	0	-79 206 000	-34 212 258.00	43%	The variance is attributed to the repayment of the long term DBSA loans, a couple of which were fully extinguished in the current year.

Msunduzi Local Municipality and its Municipal Entity

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For The Year Ended 30 June 2021

APPENDIX A - Analysis of Property plant and equipment																			
	COST/VALUATION										ACCUMULATED DEPRECIATION					Accumulated Impairment			Carrying Value
	Cost 01/07/2020	Valuation 01/07/2020	AUC 01/07/2020	Cost/Valuation 01/07/2020	Additions	Fair value gains/ (losses)	Transfers/ Adjustments	Additions AUC	Derecognition	Balance 30/06/2021	'01/07/2019	Depreciation 2019/20	Disposals	Adjustments/ Transfers	Balance 30/06/2021	Balance 01/07/2020	Impairment 2020/21	Balance 30/06/2021	
Land And Buildings																			
Land	713 176 741	-	32 021 317	745 198 058	-	-	(6 735 146)	8 053 159	-	746 516 071	-	-	-	-	-	-	-	-	746 516 071
Building	460 692 877	-	22 044 631	482 737 508	1 187 810	-	-	2 862 249	-	486 787 568	(311 430 024)	(13 699 665)	-	-	(325 129 688)	(669 396)	-	(669 396)	160 988 483
Total Land And Buildings	1 173 869 618	-	54 065 948	1 227 935 566	1 187 810	-	(6 735 146)	10 915 408	-	1 233 303 639	(311 430 024)	(13 699 665)	-	-	(325 129 688)	(669 396)	-	(669 396)	907 504 554
Infrastructure																			
ELECTRICITY RETICULATION	4 217 645	-	-	4 217 645	157 215	-	-	-	-	4 374 861	(310 521)	(93 526)	-	-	(404 048)	-	-	-	3 970 813
HV OVERHEAD LINES	65 963 416	-	39 709 806	105 673 222	-	-	-	6 636 660	-	112 309 882	(38 004 210)	(4 563 953)	-	-	(42 568 163)	-	-	-	69 741 719
HV SUBSTATIONS	412 061 788	-	-	412 061 788	4 509 674	-	-	30 599 295	-	447 170 757	(128 468 381)	(13 267 672)	-	-	(141 736 053)	(8 301 429)	(4 017 196)	(12 318 625)	293 116 079
HV UNDERGROUND CABLES	75 208 203	-	-	75 208 203	-	-	-	-	-	75 208 203	(10 443 124)	(1 870 202)	-	-	(12 313 327)	-	-	-	62 894 876
LV STREET LIGHTING	148 163 749	-	-	148 163 749	2 441 739	-	-	9 856 119	-	160 461 606	(37 803 985)	(6 092 440)	-	-	(43 896 425)	(73 692)	-	(73 692)	116 491 489
MV GROUND MOUNTED TRANSFORMERS	64 830 718	-	-	64 830 718	-	-	-	-	-	64 830 718	(17 285 976)	(2 557 982)	-	-	(19 843 957)	-	-	-	44 986 761
MV MINI SUBSTATIONS	131 776 793	-	-	131 776 793	495 366	-	-	-	-	132 272 160	(57 935 451)	(6 775 147)	-	-	(64 710 599)	(314 559)	-	(314 559)	67 247 002
MV OVERHEAD LINES	24 804 369	-	-	24 804 369	-	-	-	-	-	24 804 369	(19 021 266)	(1 444 820)	-	-	(20 466 086)	-	-	-	4 338 283
MV POLE MOUNTED TRANSFORMERS	47 021 061	-	-	47 021 061	11 872 993	-	-	-	-	58 894 054	(9 074 857)	(1 510 131)	-	-	(10 584 987)	(19 569)	-	(19 569)	48 289 497
MV RING MAIN UNIT	38 879 189	-	-	38 879 189	-	-	-	-	-	38 879 189	(16 035 867)	(2 048 491)	-	-	(18 084 358)	-	(22 362)	(22 362)	20 772 470
MV SUBSTATIONS	180 773 334	-	-	180 773 334	-	-	-	-	-	180 773 334	(59 705 739)	(8 805 951)	-	-	(68 511 690)	(1 367 156)	-	(1 367 156)	110 894 488
MV UNDERGROUND CABLES	712 516 552	-	-	712 516 552	2 238 417	-	-	-	-	714 754 969	(367 499 366)	(44 885 612)	-	-	(412 384 978)	(992 194)	(13 257)	(1 005 450)	301 364 540
Total Electricity	1 906 216 818	-	39 709 806	1 945 926 624	21 715 404	-	9 856 119	37 235 955	-	2 014 734 102	(761 588 744)	(93 915 927)	-	-	(855 504 671)	(11 068 598)	(4 052 815)	(15 121 412)	1 144 108 018
Airports																			
AIRPORT RUNAWAY	73 574 386	-	-	73 574 386	-	-	-	-	-	73 574 386	(35 443 666)	(4 577 405)	-	-	(40 021 071)	-	-	-	33 553 315
BRICK ROADS	148 520 649	-	-	148 520 649	-	-	-	-	-	148 520 649	(40 947 010)	(3 687 849)	-	-	(44 634 859)	-	(77 358)	(77 358)	103 808 432
BRIDGES AND TUNNELS	272 385 333	-	2 733 803	275 119 135	21 973 623	-	-	-	-	295 582 933	(83 562 171)	(12 536 697)	-	-	(96 098 869)	-	-	-	199 484 064
CONCRETE ROADS	76 513 278	-	1 808 377	78 321 656	-	-	-	-	-	78 321 656	(22 729 561)	(2 575 035)	-	-	(25 304 597)	-	(14 917)	(14 917)	53 002 142
GRAVEL ROADS	132 448 299	-	17 480 528	149 928 827	-	-	-	6 555 788	-	156 484 615	(111 375 587)	(3 905 686)	-	-	(115 281 273)	-	-	-	41 203 342
ROAD SIGNAGE	130 000	-	-	130 000	21 806	-	-	53 477	-	205 283	(40 983)	(5 251)	-	-	(46 234)	-	-	-	159 049
SIGNALISED INTERSECTIONS	79 017 512	-	458 255	79 475 766	5 424 589	-	-	3 707 804	-	88 608 160	(40 795 666)	(4 176 719)	-	-	(44 972 385)	(330 375)	-	(330 375)	43 305 400
TARRED ROADS	2 088 972 456	-	457 032 238	2 546 004 694	56 838 423	-	-	42 352 325	110 846 168	2 756 041 610	(1 141 617 264)	(68 369 412)	-	-	(1 209 986 676)	(1 125 609)	(723 778)	(1 849 387)	1 544 205 547
Total Roads	2 871 561 913	-	479 513 200	3 351 075 113	84 258 442	-	44 603 781	117 401 956	-	3 597 339 291	(1 476 511 910)	(99 834 054)	-	-	(1 576 345 964)	(1 455 984)	(816 053)	(2 272 037)	2 018 721 291
Sanitation																			
BULK SEWERS	104 815 665	-	-	104 815 665	-	-	-	-	-	104 815 665	(29 829 083)	(3 106 665)	-	-	(32 935 747)	(1 638 886)	-	(1 638 886)	70 241 032
PUMPSTATIONS	11 683 838	-	1 565 757	13 249 595	14 936	-	-	221 397	-	13 485 928	(7 159 645)	(3 777 585)	-	-	(7 537 230)	(47 679)	(35 142)	(82 821)	5 865 876
SEWER RETICULATION	432 843 053	-	67 054 439	499 897 492	2 677 781	-	-	3 366 159	49 330 933	555 272 364	(170 842 474)	(15 991 725)	-	-	(186 834 199)	-	-	-	368 438 166
SEWER TREATMENT WORKS	64 742 053	-	20 125 149	84 867 202	-	-	-	25 989 412	-	110 856 614	(1 941 031)	(671 990)	-	-	(2 613 021)	(2 315 376)	-	(2 315 376)	105 928 218
Total Sanitation	614 084 610	-	88 745 345	702 829 954	2 692 717	-	3 587 556	75 320 345	-	784 430 572	(209 772 233)	(20 147 964)	-	-	(229 920 197)	(4 001 941)	(35 142)	(4 037 083)	550 473 292
Water																			
PUMPSTATIONS	13 290 716	-	-	13 290 716	-	-	-	-	-	13 290 716	(2 505 779)	(124 444)	-	-	(2 630 223)	(986 508)	-	(986 508)	9 673 985
RESERVOIRS	248 053 666	-	6 928 673	254 982 339	-	-	-	17 016 562	-	271 998 902	(99 693 859)	(10 176 497)	-	-	(109 870 356)	(3 483 820)	-	(3 483 820)	158 644 726
WATER METERS	120 909 890	-	-	120 909 890	6 696	-	-	16 423	-	120 930 009	(17 037 257)	(7 797 835)	-	-	(24 835 092)	(1 031 626)	-	(1 031 626)	95 066 291
WATER RETICULATION	453 884 287	-	93 192 592	547 076 879	1 091 178	-	-	1 649 192	61 142 842	610 960 091	(201 404 696)	(14 370 361)	-	-	(215 775 058)	(20 584 766)	-	(20 584 766)	374 600 267
WATER SUPPLY BULK WATER PIPELINE	355 162 149	-	9 493 698	364 655 847	582 980	-	-	4 845 772	-	370 084 599	(183 630 505)	(22 015 853)	-	-	(205 646 359)	(39 429 321)	(419 872)	(39 849 194)	124 589 047
WATER SUPPLY PRESSURE REDUCERS	2 204 052	-	-	2 204 052	76 850	-	-	188 471	-	2 469 374	(969 422)	(153 317)	-	-	(1 122 739)	-	-	-	1 346 635
Total Water	1 193 504 761	-	109 614 963	1 303 119 724	1 757 705	-	6 699 858	78 159 405	-	1 389 736 691	(505 241 519)	(54 638 308)	-	-	(559 879 826)	(65 516 041)	(419 872)	(65 935 913)	763 920 951

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APPENDIX A - Analysis of Property plant and equipment																			
	COST/VALUATION										ACCUMULATED DEPRECIATION					Accumulated Impairment			Carrying Value
	Cost 01/07/2020	Valuation 01/07/2020	AUC 01/07/2020	Cost/Valuation 01/07/2020	Additions	Fair value gains/ (losses)	Transfers/ Adjustments	Additions AUC	Derecognition	Balance 30/06/2021	'01/07/2019	Depreciation 2019/20	Disposals	Adjustments/ Transfers	Balance 30/06/2021	Balance 01/07/2020	Impairment 2020/21	Balance 30/06/2021	
ACCESS CONTROL	298 234		-	298 234	-	-	-	-	-	298 234	(253 857)	(7 938)	-	-	(261 795)	-	-	-	36 438
FENCING	9 720 293		8 407 059	18 127 353	2 656 432	-	1 845 160	1 057 059	-	23 686 004	(4 816 583)	(552 203)	-	-	(5 368 786)	(125 720)	-	(125 720)	18 191 498
SECURITY SYSTEMS	25 670 381			25 670 381	-	-	(128)	-	-	25 670 253	(22 232 118)	(724 508)	-	-	(22 956 626)	(7 286)	(1 341)	(8 627)	2 705 001
Total Security	35 688 908	-	8 407 059	44 095 967	2 656 432	-	1 845 032	1 057 059	-	49 654 491	(27 302 559)	(1 284 648)	-	-	(28 587 208)	(133 006)	(1 341)	(134 347)	20 932 936
HEAD AND WINGWALLS	5 754 519		-	5 754 519	440 723	-	280 700	-	-	6 475 942	(2 720 172)	(215 468)	-	-	(2 935 640)	-	-	-	3 540 302
KERB INLETS	100 268 164		-	100 268 164	855 477	-	584 734	-	-	101 708 376	(42 891 844)	(3 760 297)	-	-	(46 652 141)	-	-	-	55 056 235
MAJOR CULVERTS	46 810 369		-	46 810 369	-	-	-	-	-	46 810 369	(11 242 722)	(1 144 909)	-	-	(12 387 631)	-	-	-	34 422 738
MANHOLES	56 558 788		-	56 558 788	5 973 284	-	5 548 002	-	-	68 080 073	(27 235 122)	(2 096 220)	-	-	(29 331 342)	-	-	-	38 748 731
MINOR CULVERTS	48 479 645		-	48 479 645	74 277	-	50 769	-	-	48 604 691	(5 330 535)	(4 789 216)	-	-	(10 119 751)	-	-	-	38 484 939
OPEN CHANNELS	29 304 119		-	29 304 119	1 806 503	-	1 234 777	-	-	32 345 399	(5 457 922)	(674 121)	-	-	(6 132 043)	-	-	-	26 213 356
RETICULATION	390 732 023		349 483	391 081 506	8 554 763	-	8 439 376	-	-	408 075 645	(90 476 596)	(8 114 963)	-	-	(98 591 559)	(235 377)	-	(235 377)	309 248 709
Total Stormwater	677 907 627	-	349 483	678 257 110	17 705 027	-	16 138 358	-	-	712 100 494	(185 354 913)	(20 795 194)	-	-	(206 150 107)	(235 377)	-	(235 377)	505 715 010
Railway Lines	3 449 377		-	3 449 377	-	-	-	-	-	3 449 377	(2 431 240)	(119 311)	-	-	(2 550 551)	-	-	-	898 826
Total Railway Lines	3 449 377	-	-	3 449 377	-	-	-	-	-	3 449 377	(2 431 240)	(119 311)	-	-	(2 550 551)	-	-	-	898 826
GARDEN REFUSE	3 590 993		69 291	3 660 284	-	-	-	-	-	3 660 284	(1 540 781)	(71 978)	-	-	(1 612 759)	(140 171)	-	(140 171)	1 907 354
LANDFILL SITE	8 075 607		-	8 075 607	-	-	-	-	-	8 075 607	(2 663 575)	(227 251)	-	-	(2 890 826)	-	-	-	5 184 781
SORTING STATIONS	538 741		-	538 741	-	-	-	-	-	538 741	(38 795)	(9 849)	-	-	(48 644)	-	-	-	490 097
Total Solid Waste	12 205 341	-	69 291	12 274 632	-	-	-	-	-	12 274 632	(4 243 151)	(309 078)	-	-	(4 552 229)	(140 171)	-	(140 171)	7 582 232
Total Infrastructure	7 314 619 354	-	726 409 147	8 041 028 501	130 785 726	-	82 730 703	309 174 720	-	8 563 719 650	(3 172 446 268)	(291 044 484)	-	-	(3 463 490 753)	(82 551 118)	(5 325 223)	(87 876 341)	5 012 352 557
Assets Under Construction																			
W.I.P : Project	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
W.I.P : Movable Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community																			
CEMETERIES	934 821		5 339 769	6 274 590	-	-	-	3 350 718	-	9 625 309	(327 118)	(22 848)	-	-	(349 967)	(1 267)	-	(1 267)	9 274 075
CIVIL THEATRES	13 733 672		-	13 733 672	-	-	-	-	-	13 733 672	(11 747 193)	(288 497)	-	-	(11 935 690)	-	-	-	1 797 981
CLINICS	29 442 063		-	29 442 063	-	-	-	-	-	29 442 063	(16 485 436)	(664 156)	-	-	(17 149 592)	-	-	-	12 292 471
COMMUNITY CENTRES	112 840 031		15 459 147	128 299 178	-	-	-	7 674 012	-	135 973 190	(56 282 013)	(3 018 680)	-	-	(59 300 693)	(865 399)	(4 537)	(869 936)	75 802 561
FIRE STATIONS	23 464 095		-	23 464 095	-	-	-	-	-	23 464 095	(15 138 889)	(586 997)	-	-	(15 725 886)	-	-	-	7 738 209
LIBRARIES	90 620 065		4 815 995	95 436 061	-	-	-	2 181 395	-	97 617 456	(49 371 488)	(2 385 124)	-	-	(51 756 612)	-	-	-	45 860 844
PARKS	3 846 887		8 945 828	12 792 715	-	-	-	418 492	-	13 211 207	(2 547 564)	(80 201)	-	-	(2 627 765)	-	-	-	10 583 442
PUBLIC CONVENIENCES	32 725 343		782 608	33 507 951	-	-	-	-	-	33 507 951	(19 375 621)	(1 019 518)	-	-	(20 395 139)	-	(3 071)	(3 071)	13 109 742
STADIUMS	83 047 476		-	83 047 476	-	-	-	-	-	83 047 476	(58 647 147)	(2 399 873)	-	-	(61 047 020)	(570 208)	-	(570 208)	21 430 248
BEER HALLS			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Community Buildings	390 654 454	-	35 343 348	425 997 802	-	-	-	13 624 617	-	439 622 419	(229 922 470)	(10 365 894)	-	-	(240 288 364)	(1 436 873)	(7 608)	(1 444 481)	197 889 574

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APPENDIX A - Analysis of Property plant and equipment																			
	COST/VALUATION									ACCUMULATED DEPRECIATION					Accumulated Impairment			Carrying Value	
	Cost 01/07/2020	Valuation 01/07/2020	AUC 01/07/2020	Cost/Valuation 01/07/2020	Additions	Fair value gains/ (losses)	Transfers/ Adjustments	Additions AUC	Derecognition	Balance 30/06/2021	'01/07/2019	Depreciation 2019/20	Disposals	Adjustments/ Transfers	Balance 30/06/2021	Balance 01/07/2020	Impairment 2020/21		Balance 30/06/2021
CEMETERIES	5 616 444	-	-	5 616 444	-	-	-	-	-	5 616 444	(2 935 090)	(85 049)	-	-	(3 020 139)	(14 858)	-	(14 858)	2 581 446
PARKS	16 227 905	-	-	16 227 905	-	-	-	-	-	16 227 905	(8 811 594)	(323 420)	-	-	(9 135 014)	(42 624)	-	(42 624)	7 050 268
SPORT FACILITIES	63 475 625	-	14 439 357	77 914 981	-	-	-	250 081	-	78 165 063	(20 546 946)	(1 752 631)	-	-	(22 299 576)	(474 957)	(400)	(475 358)	55 390 129
SPORT GROUNDS	214 488 441	-	727 655	215 216 096	-	-	-	-	-	215 216 096	(70 445 929)	(5 163 870)	-	-	(75 609 799)	(535 902)	(203)	(536 105)	139 070 192
SWIMMING POOLS	43 703 248	-	12 321 834	56 025 081	-	-	-	-	-	56 025 081	(22 050 232)	(1 296 282)	-	-	(23 346 514)	(83 724)	-	(83 724)	32 594 844
Total Community Recreational Facilities	343 511 663	-	27 488 845	371 000 508	-	-	-	250 081	-	371 250 590	(124 789 791)	(8 621 252)	-	-	(133 411 043)	(1 152 066)	(603)	(1 152 669)	236 686 878
Total Community	734 166 117	-	62 832 193	796 998 310	-	-	-	13 874 699	-	810 873 009	(354 712 260)	(18 987 146)	-	-	(373 699 407)	(2 588 939)	(8 211)	(2 597 150)	434 576 452
Other Assets																			
AIRPORT BUILDING	13 980 560	-	-	13 980 560	-	-	-	-	-	13 980 560	(6 727 905)	(530 681)	-	-	(7 258 586)	-	-	-	6 721 974
CRECHES	15 717 655	-	-	15 717 655	-	-	-	-	-	15 717 655	(8 316 611)	(497 502)	-	-	(8 814 112)	(5 494)	-	(5 494)	6 898 048
CREMATORIUMS	7 004 221	-	-	7 004 221	-	-	-	-	-	7 004 221	(5 034 649)	(335 996)	-	-	(5 370 645)	(112 289)	-	(112 289)	1 521 287
HOSTELS	1 557 492	-	-	1 557 492	-	-	-	-	-	1 557 492	(1 118 696)	(29 375)	-	-	(1 148 071)	-	-	-	409 421
HOUSING SCHEMES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LANDFILL SITE	51 524 320	-	-	51 524 320	(4 086 755)	-	-	1 933 512	-	49 371 077	(29 771 551)	(1 045 991)	-	-	(30 817 542)	-	(2)	(2)	18 553 533
MARKETS	240 425 536	-	593 697	241 019 233	-	-	-	2 324 673	-	243 343 906	(160 013 316)	(5 756 531)	-	-	(165 769 847)	(13 482)	-	(13 482)	77 560 577
NURSERIES	10 835 503	-	-	10 835 503	-	-	-	-	-	10 835 503	(7 811 863)	(307 817)	-	-	(8 119 680)	(6 226)	-	(6 226)	2 709 598
OLD AGE HOMES	924 086	-	-	924 086	-	-	-	-	-	924 086	(693 931)	(17 300)	-	-	(711 231)	-	-	-	212 855
SEWERAGE WORKS AND DUMPSITE	796 654	-	-	796 654	-	-	-	-	-	796 654	(630 354)	(6 798)	-	-	(637 152)	-	-	-	159 502
TRAINING CENTRE	4 298 468	-	-	4 298 468	-	-	-	-	-	4 298 468	(2 767 644)	(88 989)	-	-	(2 856 633)	-	-	-	1 441 836
TRANSPORT FACILITIES	43 956 072	-	103 027 452	146 983 524	-	-	(67 561 838)	46 166 077	-	125 587 763	(25 067 587)	(1 552 337)	-	-	(26 619 924)	-	-	-	98 967 839
WORKSHOPS AND DEPOTS	31 508 703	-	488 353	31 997 056	-	-	-	256 631	-	32 253 687	(21 752 913)	(814 702)	-	-	(22 567 615)	(280)	-	(280)	9 685 792
Total Other Properties	422 529 271	-	104 109 502	526 638 773	(4 086 755)	-	(67 561 838)	50 680 893	-	505 671 072	(269 707 021)	(10 984 017)	-	-	(280 691 038)	(137 772)	(2)	(137 774)	224 842 261
COMPRESSORS	371 990	-	-	371 990	-	-	-	-	-	371 990	(154 386)	(47 539)	-	-	(201 925)	(511)	-	(511)	169 554
FIREARMS	2 659 122	-	-	2 659 122	-	-	-	-	-	2 659 122	(1 511 290)	(249 742)	-	-	(1 761 033)	-	-	-	898 089
GRADERS	10 463 738	-	-	10 463 738	2 165 404	-	-	-	-	12 629 142	(5 653 831)	(448 714)	-	-	(6 102 545)	(17 859)	-	(17 859)	6 508 738
LABORATORY EQUIPMENT	388 679	-	-	388 679	-	-	-	-	-	388 679	(345 945)	(10 362)	-	-	(356 307)	-	-	-	32 372
LAWNMOWERS	3 532 665	-	-	3 532 665	770 000	-	0	-	-	4 302 665	(1 655 680)	(450 126)	-	-	(2 105 806)	(62 894)	(28 894)	(91 787)	2 105 071
PLANT AND EQUIPMENT	78 381 374	-	330 334	78 711 708	1 861 649	-	(0)	950 613	-	81 523 970	(37 905 327)	(3 320 441)	-	-	(41 225 768)	(767 937)	(461 734)	(1 229 670)	39 068 531
RADIO EQUIPMENT	3 492 550	-	-	3 492 550	-	-	-	-	-	3 492 550	(1 744 946)	(449 110)	-	-	(2 194 056)	(75 698)	(51 794)	(127 492)	1 171 002
TELECOMMUNICATION	6 412 692	-	-	6 412 692	-	-	-	-	-	6 412 692	(5 668 335)	(162 172)	-	-	(5 830 507)	(32 775)	(77 800)	(110 575)	471 609
TRACTORS	13 120 277	-	-	13 120 277	-	-	-	-	-	13 120 277	(7 079 118)	(496 246)	-	-	(7 575 364)	(3 848)	-	(3 848)	5 541 065
Total Plant And Equipment	118 823 086	-	330 334	119 153 420	4 797 053	-	(0)	950 613	-	124 901 086	(61 718 859)	(5 634 452)	-	-	(67 353 311)	(961 523)	(620 221)	(1 581 744)	55 966 032
AIRCONDITIONERS	19 779 188	-	-	19 779 188	21 220	-	0	-	-	19 800 409	(15 532 305)	(935 035)	-	-	(16 467 340)	(125 676)	(64 343)	(190 019)	3 143 050
COMPUTER HARDWARE	99 089 379	-	-	99 089 379	5 855 731	-	-	-	-	104 945 109	(69 284 498)	(7 968 043)	-	-	(77 252 541)	(508 149)	(179 856)	(688 004)	27 004 564
OFFICE MACHINES	5 201 043	-	-	5 201 043	122 402	-	0	-	-	5 323 445	(3 935 597)	(282 216)	-	-	(4 217 814)	(34 357)	(27 554)	(61 911)	1 043 721
Total Office Equipment	124 069 610	-	-	124 069 610	5 999 353	-	0	-	-	130 068 963	(88 752 400)	(9 185 294)	-	-	(97 937 694)	(668 182)	(271 752)	(939 934)	31 191 335
CABINETS AND CUPBOARDS	12 154 716	-	-	12 154 716	33 600	-	0	-	-	12 188 316	(8 334 457)	(487 672)	-	0	(8 822 129)	(214 998)	(46 533)	(261 531)	3 104 656
CHAIRS	9 634 625	-	-	9 634 625	131 842	-	0	-	-	9 766 467	(6 000 549)	(452 457)	-	(0)	(6 453 006)	(417 361)	(91 274)	(508 635)	2 804 826

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APPENDIX A - Analysis of Property plant and equipment																			
	COST/VALUATION									ACCUMULATED DEPRECIATION					Accumulated Impairment			Carrying Value	
	Cost 01/07/2020	Valuation 01/07/2020	AUC 01/07/2020	Cost/Valuation 01/07/2020	Additions	Fair value gains/ (losses)	Transfers/ Adjustments	Additions AUC	Derecognition	Balance 30/06/2021	'01/07/2019	Depreciation 2019/20	Disposals	Adjustments/ Transfers	Balance 30/06/2021	Balance 01/07/2020	Impairment 2020/21		Balance 30/06/2021
FURNITURE AND FITTINGS OTHER	5 768 255	-	-	5 768 255	-	-	(0)	-	-	5 768 255	(3 239 633)	(308 189)	-	0	(3 547 822)	(147 562)	(61 218)	(208 779)	2 011 654
TABLES AND DESKS	9 101 523	-	-	9 101 523	23 853	-	(0)	-	-	9 125 376	(6 012 259)	(394 993)	-	0	(6 407 252)	(158 866)	(69 214)	(228 080)	2 490 043
Total Furniture And Fittings	36 659 119	-	-	36 659 119	189 295	-	0	-	-	36 848 414	(23 586 899)	(1 643 310)	-	0	(25 230 209)	(938 787)	(268 239)	(1 207 026)	# 10 411 179
BULK CONTAINERS	1 641 572	-	-	1 641 572	-	-	-	-	-	1 641 572	(835 707)	(139 780)	-	-	(975 487)	(191)	-	(191)	665 894
HOUSEHOLD REFUSE BINS	2 203	-	-	2 203	-	-	-	-	-	2 203	(1 871)	(66)	-	-	(1 936)	-	-	-	267
Total Containers	1 643 775	-	-	1 643 775	-	-	-	-	-	1 643 775	(837 577)	(139 846)	-	-	(977 423)	(191)	-	(191)	666 161
FIRE EQUIPMENT	5 080 008	-	-	5 080 008	-	-	0	-	-	5 080 008	(2 884 761)	(173 431)	-	-	(3 058 192)	(19 548)	(120 242)	(139 789)	1 882 027
MEDICAL EQUIPMENT CLINICS	365 376	-	-	365 376	-	-	0	-	-	365 376	(296 381)	(7 882)	-	-	(304 263)	(961)	-	(961)	60 152
Total Fire And Medical Equipment	5 445 385	-	-	5 445 385	-	-	0	-	-	5 445 385	(3 181 142)	(181 313)	-	-	(3 362 455)	(20 509)	(120 242)	(140 750)	1 942 179
BUSES	3 631 939	-	-	3 631 939	-	-	-	-	-	3 631 939	(1 278 244)	(208 817)	-	0	(1 487 061)	(7 981)	-	(7 981)	2 136 897
FIRE ENGINES	32 031 564	-	-	32 031 564	-	-	-	-	-	32 031 564	(14 828 356)	(1 028 541)	-	-	(15 856 897)	(71 460)	(28 329)	(99 789)	16 074 879
MOTOR CYCLES	1 598 562	-	-	1 598 562	-	-	-	-	-	1 598 562	(1 309 103)	(70 557)	-	-	(1 379 660)	(25 029)	-	(25 029)	193 873
MOTOR VEHICLES	41 872 604	-	-	41 872 604	4 769 921	-	0	-	-	46 642 525	(22 105 790)	(3 522 567)	-	-	(25 628 358)	(2 475 059)	(700 603)	(3 175 662)	17 838 505
TRAILERS	1 135 003	-	-	1 135 003	-	-	0	-	-	1 135 003	(1 012 956)	(5 593)	-	-	(1 018 549)	(24 479)	-	(24 479)	91 976
TRUCKS AND BAKKIES	167 152 605	-	-	167 152 605	18 090 615	-	(0)	-	-	185 243 220	(117 155 600)	(9 847 832)	-	-	(127 003 432)	(1 691 698)	(264 641)	(1 956 339)	56 283 449
FINANCE LEASES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Motor Vehicles	247 422 278	-	-	247 422 278	22 860 536	-	(0)	-	-	270 282 814	(157 690 050)	(14 683 907)	-	0	(172 373 957)	(4 295 705)	(993 573)	(5 289 278)	92 619 579
Tool Boxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Low Value Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Assets	956 592 524	-	104 439 835	1 061 032 360	29 759 481	-	(67 561 838)	51 631 506	-	1 074 861 509	(605 473 949)	(42 452 138)	-	0	(647 926 087)	(7 022 668)	(2 274 029)	(9 296 697)	417 638 726
Total Ppe	10 179 247 613	-	947 747 123	11 126 994 737	161 733 018	-	8 433 720	385 596 333	-	11 682 757 807	(4 444 062 501)	(366 183 434)	-	0	(4 810 245 935)	(92 832 121)	(7 607 463)	(100 439 584)	6 772 072 289
Heritage Assets																			
ARTWORKS	119 801 240	116 552 687	-	236 353 927	66 000	-	-	-	-	236 419 927	-	-	-	-	(6 811 330)	(26 212)	(6 837 542)	229 582 385	
CREMATORIUMS	8 181 348	-	-	8 181 348	1 178 170	-	-	-	-	9 359 518	-	-	-	-	-	(26 921)	(26 921)	9 332 597	
Jewellery	1 058 500	1 176 500	-	2 235 000	-	-	-	-	-	2 235 000	-	-	-	-	-	-	-	2 235 000	
MUSEUMS AND ART GALLERY	6 002 000	-	-	6 002 000	-	-	-	-	-	6 002 000	-	-	-	-	-	-	-	6 002 000	
OTHER-SWIMMING POOLS	17 315 796	-	-	17 315 796	-	-	-	-	-	17 315 796	-	-	-	-	(22 973)	(19 832)	(42 806)	17 272 990	
PARKS	2 485 908	-	-	2 485 908	-	-	-	-	-	2 485 908	-	-	-	-	-	-	-	2 485 908	
STADIUMS	3 961 963	-	-	3 961 963	-	-	-	-	-	3 961 963	-	-	-	-	-	(49 755)	(49 755)	3 912 208	
	2 095 896	-	-	2 095 896	-	-	-	-	-	2 095 896	-	-	-	-	-	-	-	2 095 896	
Total Heritage Assets	160 902 650	117 729 187	-	278 631 837	1 244 170	-	-	-	-	279 876 007	-	-	-	-	(6 834 303)	(122 720)	(6 957 023)	272 918 984	
Investment Property	707 347 000	-	113 989 189	821 336 189	39 012 320	42 197 500	(15 113 610)	9 871 208	(4 720 000)	892 583 607	-	-	-	-	-	-	-	892 583 607	

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APPENDIX A - Analysis of Property plant and equipment

	COST/VALUATION										ACCUMULATED DEPRECIATION					Accumulated Impairment			Carrying Value
	Cost 01/07/2020	Valuation 01/07/2020	AUC 01/07/2020	Cost/Valuation 01/07/2020	Additions	Fair value gains/(losses)	Transfers/Adjustments	Additions AUC	Derecognition	Balance 30/06/2021	'01/07/2019	Depreciation 2019/20	Disposals	Adjustments/Transfers	Balance 30/06/2021	Balance 01/07/2020	Impairment 2020/21	Balance 30/06/2021	
Intangible Assets																			
COMPUTER SOFTWARES	50 821 618	-	-	50 821 618	28 654	-	-	-	-	50 850 272	(41 360 925)	(2 061 723)	-	-	(43 422 648)	(21 663)	-	(21 663)	7 405 961
SERVITUDES	803 846	-	-	803 846	-	-	-	-	-	803 846	-	-	-	-	-	-	-	-	803 846
SOFTWARES	56 891 572	-	-	56 891 572	-	-	-	-	-	56 891 572	(36 355 360)	(4 203 773)	-	-	(40 559 132)	(78 675)	-	(78 675)	16 253 764
Total Intangible Assets	108 517 036	-	-	108 517 036	28 654	-	-	-	-	108 545 690	(77 716 285)	(6 265 496)	-	-	(83 981 781)	(100 339)	-	(100 339)	24 463 571
				1 140 250															
Living Resources																			
Living Resources	1 025 683	-	-	1 025 683	93 500	-	-	-	(556 737)	562 446	-	(83 107)	264 235	-	181 128	-	-	-	743 574
Total Living Resources	1 025 683	-	-	1 025 683	93 500	-	-	-	(556 737)	562 446	-	(83 107)	264 235	-	181 128	-	-	-	743 574
Agricultural Assets																			
Plantations	75 245 449	-	-	75 245 449	-	21 054 552	-	-	-	96 300 000	-	-	-	-	-	-	-	-	96 300 000
Total Agricultural Assets	75 245 449	-	-	75 245 449	-	21 054 552	-	-	-	96 300 000	-	-	-	-	-	-	-	-	96 300 000
Total Non Current Assets	11 233 311 114	117 729 187	1 061 736 313	12 412 776 614	202 205 162	63 252 052	(6 679 891)	395 467 541	(5 276 737)	13 061 188 004	(4 521 778 786)	(372 615 143)	528 469	0	(4 893 865 460)	(99 766 763)	(7 730 183)	(107 496 946)	8 059 082 025
																			FAR
Housing Stock																			
Housing Stock	279 878 518	-	-	279 878 518	4 838 973	-	6 735 146	-	(5 763 210)	285 689 426	-	-	-	-	-	-	-	-	285 689 426
Total Housing Stock	279 878 518	-	-	279 878 518	4 838 973	-	6 735 146	-	(5 763 210)	285 689 426	-	-	-	-	-	-	-	-	285 689 426
Land Held For Sale																			
Land Held For Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Land Held For Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non Current Assets & Invent	11 513 189 632	117 729 187	1 061 736 313	12 692 655 131	202 205 162	63 252 052	55 255	395 467 541	(11 039 947)	13 346 877 430	(4 521 778 786)	(372 615 143)	528 469	0	(4 893 865 460)	(99 766 763)	(7 730 183)	(107 496 946)	8 344 771 451

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Appendix B

SEGMENTAL ANALYSIS OF ALL NON-CURRENT ASSETS CLASSIFICATION AS AT 30 JUNE 2021

DESCRIPTION	HISTORICAL COSTS								ACCUMULATED DEPRECIATION AND IMPAIRMENTS							CLOSING BALANCE	NET BOOK VALUE
	OPENING BALANCE	ADDITIONS/ UNDER CONSTRUCTION	TRANSFERS	REVALUATION	ADJUSTMENTS	DISPOSALS	DONATED ASSETS	CLOSING BALANCE	OPENING BALANCE	OPENING IMPAIRMENT	CURRENT YEAR DEPRECIATION	DEPRECIATION TRANSFER	DEPRECIATION ADJUSTMENTS	DEPRECIATION DISPOSALS	CURRENT YEAR IMPAIRMENT		
Executive and Council	31 541 682	1 409 775	(168 815)	1 176 500	-	-	-	33 959 143	(13 599 957)	(217 905)	(1 862 240)	21 473	-	-	(81 483)	(15 740 111)	18 219 032
Community and Social Services	583 758 717	13 316 951	(2 384 291)	116 318 587	(500)	-	-	711 009 464	(225 191 107)	(8 204 102)	(11 422 748)	469 582	-	-	(143 842)	(244 492 218)	466 517 247
Electricity	1 965 577 959	57 735 269	(778 071)	3 450	-	-	-	2 022 538 608	(774 696 599)	(11 286 629)	(94 484 257)	568 711	-	-	(4 124 829)	(884 023 603)	1 138 515 005
Environmental Protection	5 428 545	-	-	-	-	-	-	5 428 545	(2 838 624)	(54 987)	(279 740)	-	-	-	(9 126)	(3 182 477)	2 246 068
Finance and Administration	1 434 321 111	18 777 688	13 824 034	-	326 000	-	-	1 467 248 834	(569 325 404)	(5 544 600)	(37 752 095)	(6 881 396)	-	-	(1 300 735)	(620 804 231)	846 444 603
Housing	901 054 744	63 207 082	(0)	-	36 871 500	-	-	1 001 133 326	(23 227 513)	(91 736)	(2 885 440)	-	-	-	(22 162)	(26 226 851)	974 906 475
Other	437 438 413	2 173 164	-	-	23 200 000	-	-	462 811 576	(218 180 886)	(64 136)	(11 797 479)	-	-	-	(55 649)	(230 098 151)	232 713 425
Planning and Development	190 220 588	28 003 943	(7 131 415)	-	-	-	-	211 093 117	(19 617 889)	(131 156)	(3 926 698)	94 921	-	-	(136 062)	(23 716 885)	187 376 232
Public Safety	45 201 165	-	(4 150 955)	-	-	-	-	41 050 210	(24 846 574)	(204 653)	(1 327 981)	3 185 675	-	-	(211 245)	(23 404 778)	17 645 432
Road Transport	4 071 673 623	245 721 663	(120 827)	-	-	-	-	4 317 274 458	(1 668 051 143)	(1 846 820)	(116 124 330)	84 707	-	-	(900 210)	(1 786 837 795)	2 530 436 663
Sport and Recreation	537 235 637	2 508 231	(275 654)	175 650	(1 626 987)	-	-	538 016 877	(218 378 677)	(1 967 922)	(13 044 783)	236 230	264 235	-	(101 281)	(232 992 198)	305 024 679
Waste Management/Solid Waste	75 310 993	17 504 960	(2 847 857)	-	-	-	-	89 968 096	(38 795 384)	(459 492)	(2 424 868)	943 448	-	-	(9 613)	(40 745 909)	49 222 187
Waste Water Management	699 570 315	75 993 642	(0)	-	-	-	-	775 563 956	(213 247 837)	(4 050 017)	(19 946 158)	0	-	-	(130 053)	(237 374 064)	538 189 892
Water	1 308 016 212	78 159 405	(2 701 296)	55 000	-	-	-	1 383 529 321	(511 781 191)	(65 642 606)	(55 253 189)	1 276 649	-	-	(503 893)	(631 904 231)	751 625 090
TOTALS	12 286 349 705	604 511 772	(6 735 146)	117 729 187	58 770 013	-	-	13 060 625 532	(4 521 778 786)	(99 766 763)	(372 532 006)	(0)	264 235	-	(7 730 183)	(5 001 543 503)	8 059 082 028

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APPENDIX C

ACTUAL VERSUS BUDGET (ACQUISITION OF ALL NON-CURRENT ASSETS) FOR THE YEAR ENDED 30 JUNE 2021

Description	2021 Budget R	2021 Actual R	2021 Assets Under Construction R	2021 Additions R	2021 Variance R	2021 Variance %	Explanation of Significant Variances greater than 5% versus Budget
Executive and Council	3 400 000	1 409 775		1 409 775	12 355 681	47%	
Finance and Administration	35 394 416	9 166 407	1 203 793	18 774 237	26 228 009	74%	
Planning and Development	120 893 356	115 786 718	110 850 010	115 786 718	5 106 638	4%	
Public Safety		(300 000)			300 000	#DIV/0!	
Community and Social Services	26 476 197	14 120 516	9 099 059	14 186 516	12 355 681	47%	
Health					-	#DIV/0!	
Sport and Recreation	6 700 000	2 414 731	1 026 278	2 508 231	5 673 722	85%	
Road Transport	300 603 117	250 393 320	150 811 977	250 466 622	50 209 797	17%	
Water	83 327 083	78 159 405	72 597 623	72 597 623	5 167 678	6%	
Waste Water Management	67 532 758	75 993 642	62 025 425	62 698 722	(8 460 884)	-13%	
Electricity	53 727 330	51 098 609	30 599 295	51 098 609	2 628 721	5%	
Housing	284 603 167	63 262 327	10 137 595	63 207 082	221 340 840	78%	
Other	2 500 000	2 173 164	428 508	2 173 164	326 836	13%	
Environment Protection/Solid Waste	25 762 425	22 252 000	9 749 491	14 605 293	-	14%	
TOTALS	1 010 919 848	685 930 614	458 529 055	669 512 591	333 232 719	33%	

NOTE : Total additions included donated assets

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APPENDIX D

DETAILS OF UNSPENT CONDITIONAL GRANTS, RECEIPTS AND TRANSFERS TO INCOME AS AT 30 June 2021

Account Description	Unspent balance @ 01 July 2020	Transfers to income	Inter project	Funds paid back to National Treasury	VAT recovered from NT grants	Current year interest earned	Current year receipts	Unspent balance	Source Code
GRANTS UNSPENT:CP-NT-NEIGHBOURHOOD DEV P/SHIP GRANT	-43 336	14 722 394	-	42 336	2 208 359	-	-18 000 000	-1 070 247	UNSPENT CG - NATIONAL GOVERNMENT
GRANTS UNSPENT:CP-NT-WATER SERVICES INFRASTR GRANT	-248 151	38 899 309	-	-	5 904 841	-	-44 556 000	-	UNSPENT CG - NATIONAL GOVERNMENT
GRANTS UNSPENT:OP-NT-EXPANDED PUBLIC WORKS PROGRAMME	-	3 918 986	-	-	-	-	-4 388 000	-469 014	UNSPENT CG - NATIONAL GOVERNMENT
GRANTS UNSPENT:OP-NT-MUNICIPAL DISASTER RELIEF GRANT	-1 192 000	1 062 103	-	-	129 897	-	-	0	UNSPENT CG - NATIONAL GOVERNMENT
GRANTS UNSPENT:OP-NT-FINANCE MANAGEMENT GRANT	-	1 608 917	-	-	91 083	-	-1 700 000	-	UNSPENT CG - NATIONAL GOVERNMENT
GRANTS UNSPENT:CP-NT-PUBLIC TRANSPORT NETWORK GRANT	-58 378 480	145 010 355	-24 765 321	-	22 281 306	-	-134 000 000	-49 852 139	UNSPENT CG - NATIONAL GOVERNMENT
GRANTS UNSPENT:OP-NT-PUBLIC TRANSPORT NETWORK GRANT	-36 200 095	10 738 889	24 765 321	-	101 945	-	-	-593 940	UNSPENT CG - NATIONAL GOVERNMENT
GRANTS UNSPENT:CP-NT-ENERGY EFFIC/DEMAND SIDE MGT	-664	-	-	664	-	-	-	0	UNSPENT CG - NATIONAL GOVERNMENT
GRANTS UNSPENT:CP-NT-MUNICIPAL INFRASTRUCTURE PROGRAMME	-10 712 543	170 414 174	-	-	23 526 236	-	-183 227 867	-	UNSPENT CG - NATIONAL GOVERNMENT
GRANTS UNSPENT:OP-NT-MUNICIPAL INFRASTRUCTURE PROGRAMME	-	9 743 876	-	-	749 258	-	-10 493 133	-	UNSPENT CG - NATIONAL GOVERNMENT
	-106 775 269	396 119 004	-	43 000	54 992 924	-	-396 365 000	-51 985 340	
GRANTS UNSPENT:CP-DOHS-JIKA JOE	-24 872 619	48 902 854	10 389 000	-	-	-	-42 328 685	-7 909 450	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT:OP-DOHS - HOUSING PROJECTS	-	1 231 264	-	-	-	-	-1 231 264	-	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT:CP-KZN - PIETERMARITZBURG AIRPORT	-	2 173 164	-	-	-	-33 146	-2 500 000	-359 982	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT:CP-EDTEA - INFORMAL CBD	-	2 324 673	-	-	-	-44 623	-4 000 000	-1 719 951	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT:OP-EDTEA - CBD REVITALISATION	-	300 000	-	-	-	-	-300 000	-	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT:OP-KZN-A/CULTURE-TATHAM ART GALLERY	-297 996	744 109	19 426	-	-	-18 548	-458 000	-11 009	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT:CP-KZN-A/CULTURE-TATHAM ART GALLERY	-97 081	142 347	-19 426	-	-	-3 770	-30 000	-7 930	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT:OP-KZN-HOUSING:E/DALE PVT LAND ACQ	-1 816 647	1 249 599	-	-	-	-178 956	-15 000 000	-15 746 005	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT:CP-KZN-HOUSING:E/DALE PVT LAND ACQ	-12 619 849	12 892 132	-	-	-	-1 121 712	-83 000 000	-83 849 429	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT:CP-KZN -ARTS/CULTURE-LIBRARY	-221 889	5 882 335	2 273 665	-	-	-121 132	-10 986 000	-3 173 021	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT:OP-KZN-ARTS/CULTURE-LIBRARY	-	9 265 622	-2 273 665	-	-	-64 791	-10 200 000	-3 272 834	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT:CP-KZN: HOUSING- ACCREDITATION	-12 470 441	512 954	5 000 000	-	-	-415 898	-1 401 916	-8 775 301	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT:OP-KZN-: HOUSING- ACCREDITATION	-17 358 910	33 724 163	-15 389 000	-	-	-265 692	-2 000 000	-1 289 439	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT:CP-COGTA-MANAYE AREA PRECINCT UPGRADE	-198 696	210 119	-5 835	-	-	-6 349	-	-761	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT:OP-COGTA-MANAYE AREA PRECINCT UPGRADE	-5 674	-	5 835	-	-	-161	-	-0	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT:CP-COGTA-YOUTH ENTERPRISE PARK	-2 585 766	2 595 863	-31 156	-	-	-115 211	-	-136 270	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT:OP-COGTA-YOUTH ENTERPRISE PARK	-30 295	-	31 156	-	-	-861	-	-0	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT:CP-KZN-OFF.PREMIER-DLULISUMLANDO	-1 000 000	-	1 000 000	-	-	-	-	-	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT:OP-KZN-OFF.PREMIER-DLULISUMLANDO	-500 000	363 010	-1 000 000	-	-	-	-	-1 136 990	UNSPENT CG - PROVINCIAL GOVERNMENT
	-74 075 863	122 514 205	-	-	-	-2 390 849	-173 435 865	-127 388 373	
	-180 851 131	518 633 209	-	43 000	54 992 924	-2 390 849	-569 800 865	-179 373 713	

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B.A. Clark v. Msunduzi Municipality	Delictual Claim. The Municipality dug trenches along Old Howick Road, a net was placed adjacent to the trenches. Plaintiff alleges that he was caught by such nets whilst cycling.	Internal		2009	Awaiting new set down for trial.	R379 975.83 Plus interest at 15.5 per cent per annum.	Not Probable		
								2 141 607	1 854 205
Kheswa v. Msunduzi Municipality	Delictual Claim: The claim arises from a motor vehicle collision involving a municipal vehicle and Plaintiff's vehicle.	Internal	Internal	2009	Closed file	R30 470.12 Plus interest at 15.5 per cent per annum.	Not Probable		
								0	148 688
Orion Telecom v. Msunduzi Municipality	Contractual Claim: Plaintiff sued the Municipality for outstanding fees in terms of a contract.	Internal	Internal	2007	Closed file	R 92 189.52 and R23047.38 Plus interest at 15.5 per cent per annum.	Not probable		
								0	752 119
Nzaba IN v Msunduzi Municipality	Delictual Claim. The claim arises from a motor vehicle collision involving a municipal vehicle and Plaintiff's vehicle.	Internal	Internal	2008	Set down for trial was part-heard. Ongoing.	R73 500.00 Plus interest at 15.5 per cent per annum.	Not Probable		
								478 468	414 258
Thuthugisa Contracting Enterprise v. Msunduzi municipality	Memorandum of Agreement Dispute. Plaintiff owed monies by the Municipality in terms of a contract.	Internal	Internal	2007	Closed file	R 210 749.00 Plus 15.5 per cent per annum.	Not Probable		
								0	1 371 928
Terwolbeek PJ v Msunduzi Municipality	Delictual Claim: A water pipe allegedly causing flooding at Plaintiff's property and damaging his household appliances.	Insurance	Internal	2008	Closed file	R1 121 620. 00 plus interest at 15.5 per cent per annum.	Not Probable		
								0	6 321 637
Makungisa E v Msunduzi Municipality	Delictual Claim: The Plaintiff is suing the Municipality for damages to his vehicle as a result of a collision involving his vehicle and a Municipal vehicle driven by a Municipal employee within the course and scope of his employment.	Internal	Internal	2007	Closed file	R 6 213.00 plus interest at 15.5 per cent per annum.	Not Probable		
								0	40 445
F. Osman V Msunduzi Municipality	Delictual Claim: Plaintiff fell on an uneven pavement and sustained injuries	Internal	Internal	2007	The defendants plea has been filed. The matter is ongoing.	R 198 840.00 plus interest at 15.5 per cent per annum.	Not Probable		
								1 495 036	1 294 403
Rabikisoan R v Msunduzi Municipality	Delictual Claim: The Plaintiff is suing the Municipality for injuries sustained during a fall on an uneven pavement on Retief Street.	Internal	Internal	2007	Closed file	R20 000.00 plus interest at 15.5 per cent per annum.	Not Probable		
								0	130 195
Zuma NG v Msunduzi Municipality	Delictual Claim: The Plaintiff is suing the Municipality for unlawful arrest and detention by Municipal Traffic Officers.	Internal	Internal	2008	Correspondence exchanged between attorneys of record. The matter is ongoing.	R100 000.00 Plus interest at 15.5 per cent per annum.	Not Probable		
								650 977	563 617
Zondi PS v Msunduzi Municipality	Delictual Claim: Plaintiff is suing the Municipality for damages to his motor vehicle after it collided with a Municipal vehicle driven by a Municipal employee in the course and scope of his employment.	Internal	Internal	2007	The matter is ongoing.	R15 080.00 plus interests at 15.5 per cent per annum.	Not Probable		
								113 383	98 167
Painter LV v Msunduzi Municipality	Delictual Claim: The Plaintiff is suing the Municipality for damages sustained to his vehicle after a tree had fallen on top of Plaintiff's vehicle.	Internal	Internal	2006	Closed file	R45 361.38 plus interest at 15.5 per cent per annum.	Not Probable		
								0	341 063

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Dladla G v Msunduzi Municipality	Delictual Claim: Plaintiff fell on an uneven pavement and sustained injuries.	Internal	Internal	2006	Closed file	R20 000.00 plus interest at 15.5 per cent per annum.	Not Probable	0	150 376
Haffejee RB v Msunduzi Municipality	Delictual Claim against the municipality initiated by plaintiff seeking compensation from the municipality for alleged losses incurred. Claims are dealt with by insurance section. Plaintiff's claim based on the alleged negligence.	Internal	Internal	2004	Ongoing	R98 800.00 plus interest at 15.5 per cent per annum.	Not Probable	1 144 592	990 989
Zondi M. v Msunduzi Municipality	Delictual Claim: The Plaintiff is suing the Municipality for alleged unlawful arrest and detention by Municipal Traffic Officers.	Internal	Internal	2006	Closed file	R50 000.00 plus interest at 15.5 per cent per annum.	Not Probable	0	375 939
Mamusa Marketing v Msunduzi Municipality	Delictual Claim: The Plaintiff is suing the Municipality for damages to his vehicle after having been involved in a collision with a Municipal vehicle driven by an employee in the course and scope of his employment.	Internal	Internal	2007	Closed file	R 9823.48 plus interest at 15.5 per cent per annum.	Not Probable	0	63 949
Naidoo Kogulan v Msunduzi Municipality	Delictual claim. Plaintiff suing the Municipality for having fallen into an uncovered manhole.	Internal	Internal	2010	Closed file	R 100 000.00 plus interest at 15.5 per cent per annum.	Not Probable	0	422 493
Majazi HS v Msunduzi Municipality	Delictual claim. Plaintiff is suing the Municipality for injuries sustained as a result of having fallen into an uncovered manhole.	Internal	Internal	2010	Matter is ongoing.	R 95 000.00 plus interest at 15.5 per cent per annum.	Not Probable	463 581	401 369
Bishop's roadworks v Msunduzi Municipality	Contractual Claim: The Plaintiff is suing the Municipality for monies owed in terms of a contract.	Internal	Internal	2009	Closed file	R 120 000.00 plus interest at 15.5 per cent per annum.	Not Probable	0	585 576
Bayeni GP v Msunduzi Municipality	Delictual claim. Plaintiff fell into a trench dug by contractors appointed by the Municipality.	Internal	Internal	2010	Closed file	R 97 430.00 plus interest at 15.5 per cent per annum	Not Probable	0	411 635
Mlaba M. v Msunduzi Municipality	Delictual Claim: The Plaintiff is suing the Municipality for injuries sustained due to a fall on an open trench in Edendale.	Internal	Internal	2010	Closed file	R 100 000.00 plus interest at 15.5 per cent per annum.	Not Probable	0	422 493
Mans N. v Msunduzi Municipality	Delictual Claim: The Plaintiff is suing the Municipality for damages to her vehicle as a result of a collision between her vehicle and a Municipal vehicle driven by a Municipal employee in the course and scope of his employment.	Internal	Internal	2010	An application for condonation was opposed and the matter is ongoing.	R 7 045.75 plus interest at 15.5 per cent per annum.	Not Probable	34 382	29 768
Reddy Ronald v Msunduzi Municipality	Contractual Claim: The Plaintiff is suing the Municipality for monies owed in terms of a contract.	Internal	Internal	2010	The matter is part-heard.	R282 818.08 plus interest at 15.5 per cent per annum.	Not Probable	1 380 095	1 194 887
Mavundla AB v Msunduzi Municipality	Delictual Claim: The Plaintiff is suing the Municipality for being allegedly unlawfully arrested and detained by Municipal Traffic Officers.	Internal	Internal	2010	The matter is ongoing	R 200 000.00 plus interest at 15.5 per cent per annum.	Not Probable	975 960	844 987
Mpongose NK v Msunduzi Municipality	Delictual claim. Plaintiff is suing the Municipality due to structural and mechanical damage to his vehicle caused by towing by municipal traffic officers.	Internal	Internal	2011	The matter is ongoing	R 23 964.42 plus interest at 15.5 per cent per annum.	Not Probable	101 248	87 661
Nxumalo TR v. Msunduzi Municipality	Delictual Claim: The Plaintiff is suing the Municipality for damages to his motor vehicle as a result of a street lamp pole falling on it. The Municipality alleges that the site at the time was controlled by SANRAL and as such an application to join them as co-defendant has been made.	Internal	Internal	2011	The matter is part-heard.	R 21 791.04 plus interest at 15.5 per cent per annum.	Not Probable	92 066	79 711

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Dladla NB v. Msunduzi Municipality	Overpayment of Rates. The Plaintiff is disputing a rates account and is seeking reimbursement.	Internal	Internal	2011	The defendant's plea has been filed. The matter is ongoing.	R109 038.97 plus interest at 15.5 per cent per annum.	Not Probable	460 682	398 859
Naidoo M. v Msunduzi Municipality	Delictual Claim: The plaintiff is suing the Municipality because he fell on an uneven pavement in the vicinity of Delhi Road	Internal	Internal	2011	Defendant's plea has been filed. Matter ongoing.	R 370 000.00 plus interest at 15.5 per cent per annum.	Not Probable	1 563 225	1 353 442
Kroese J. v. Msunduzi Municipality	Delictual claim. Plaintiff is suing the Municipality and the Minister of the Police for unlawful arrest and detention.	Internal	Internal	2011	The matter is part-heard.	R 40 000.00 plus interest at 15.5 per cent per annum.	Not Probable	168 997	146 318
Check One Supermarket (PTY) LTD v. Msunduzi Municipality	Delictual claim. Plaintiff is suing the Municipality for overcharges in relation to a water account.	Internal	Internal	2012	The matter is ongoing	R139 961.45 plus interest at 15.5 per cent per annum	Not Probable	511 972	443 266
Govender Kem v. Msunduzi Municipality	Delictual Claim: Plaintiff suffered damages due to a power surge at his property.	Internal	Internal	2012	R260 493,86	R 22 242.00 plus interest at 15.5 per cent per annum.	Not Probable	81 360	70 442
Mkhonza B. v Msunduzi Municipality	Delictual claim. Plaintiff is suing the Municipality due to a fall on an uneven pavement slab.	Internal	Internal	2012	The matter is ongoing	R 293 000.00 plus interest at 15.5 per cent per annum.	Not Probable	1 071 780	927 948
Ogle COO v Msunduzi Municipality	Delictual Claim: Plaintiff fell on an uneven pavement and sustained injuries.	Insurance	Internal	2012	The matter is ongoing.	R 267 660.00 plus interest at 15.5 per cent per annum.	Not Probable	979 087	847 694
Makhaye SB v Msunduzi Municipality	Delictual Claim: The Plaintiff is suing the Municipality for damages to his vehicle after a collision involving his vehicle and a Municipal vehicle driven by a Municipal employee in the course and scope of his employment.	Internal	Internal	2013	An application to dismiss was received and opposed. Various correspondences exchanged between attorneys of record. The matter is ongoing.	R8688.46 plus interest at 15.5 per cent per annum.	Not Probable	27 517	23 824
LV Nagel v Msunduzi Municipality	Delictual claim: Plaintiff is suing the Municipality for damages caused by poor maintenance of a reservoir. The overflow of the reservoir caused damage to plaintiff's property.	Internal	Internal	2013	Closed file	R95 000.00 plus interest at 15.5 per cent per annum.	Not Probable	0	260 494
I Hansa v Msunduzi Municipality	Delictual Claim: Plaintiff fell into an uncovered manhole in the vicinity of Mountain rise.	Internal	Internal	2013	The matter is ongoing	R 124 734,50 plus interest at 9% p.a.	Not Probable	248 541	228 020
CDK Investments Trust CC v Msunduzi Municipality	Electricity Disconnection Acc number 2915243. The Plaintiff is disputing the disconnection.	Internal	Internal	2013	Closed file	Costs cannot be quantified at this stage.	Not Probable	0	0
CDK Investments Trust CC v Msunduzi Municipality	Electricity Disconnection Acc number 2976214. The Plaintiff is disputing the disconnection.	Internal	Internal	2013	Closed file	Costs cannot be quantified at this stage	Not Probable	0	0
Asiphakame Projects CC 9321-14 v Msunduzi Municipality	Contractual Claim: The Plaintiff is suing the Municipality for monies owed in terms of a contract.	Internal	Internal	2014	The Plaintiff applied for summary judgement and this was successfully opposed. Matter not yet finalised.	R 195 035.85 plus interest at 15.5 per cent per annum.	Not probable	534 796	463 027

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Asiphakame Projects CC 9358-14 v Msunduzi Municipality	Contractual Claim: The Plaintiff is suing the Municipality for monies owed in terms of a contract	Internal	Internal	2014	The Plaintiff applied for summary judgement and this was successfully opposed. The matter is not yet finalised with Plaintiff not having moved further.	R 73 590.47 plus interest at 15.5% p.a.	Not probable	201 788	174 708
EMT. Kapp v Msunduzi Municipality	Delictual Claim: The plaintiff is suing the Municipality for damaged sustained to his vehicle as a result of an open trench in a public road.	Internal	Internal	2014	Pleadings have closed in the matter. Matter ongoing.	R13 154.75 plus interest at 15.5% p.a.	Not probable	36 071	31 230
V. Barnabas v Msunduzi Municipality	Delictual Claim: The claim arises from Plaintiff's vehicle having collided with a pothole in the vicinity of Plymouth Road.	Internal	Internal	2014	Matter ongoing	R18 228.00 plus interest at 15.5 per cent per annum	Not probable	49 982	43 274
Musawenkosi Isaac Dlamini v Msunduzi Municipality	Delictual claim. Plaintiff collided with a tree that had fallen across the road.	Internal	Internal	2014	The Municipality has filed a plea. Matter ongoing.	R78 616.27. plus interest at 9% per annum	Not probable	143 714	131 847
NS Ngwenya v Msunduzi Municipality	Delictual claim. Plaintiff's vehicle collided with a municipal vehicle.	Internal	Internal	2015	The matter is ongoing	R 11 395.37 plus 9% interest per annum.	Not probable	19 111	17 533
Bermin Investments CC t/a Magalela electrical v Msunduzi Municipality	Contractual claim. Plaintiff is suing the Municipality for monies owed in terms of a contract.	Internal	Internal	2015	This is a claim arising from a contractual dispute. The claim is being defended and an appearance to defend as well as a defendant's plea have been filed.	R 170 100 .69 plus interest at 15.5% p.a.	Not probable	403 829	349 636
Abbas Ghulam v Msunduzi Municipality	Delictual Claim: The claim arise from an alleged assault by a Municipal Traffic Officer in the course and scope of his employment.	Internal	Internal	2015	The matter is ongoing	R1 00 000.00 plus interest at 15,5% per annum.	Not probable	237 406	205 546
SM Mazibuko v Msunduzi Municipality	Delictual Claim: The claim arises from an incident whereby Plaintiff's motor vehicle collided with a Municipal vehicle driven by a Municipal employee in the course and scope of his employment.	Internal	Internal	2015	The matter is ongoing	R11 395.73 plus 9% interest per annum.	Not probable	19 112	17 534
Anthoo Marion and Associates v Msunduzi Municipality	Contractual Claim: The Plaintiff is suing the Municipality for monies owed in terms of a contract.	Internal	Internal	2015	Matter ongoing	R12 935.00 plus interest at 15.5% p.a.	Not probable	30 708	26 587
A. Aboobaker v Msunduzi Municipality	Delictual Claim: Plaintiff's vehicle collided with a municipal vehicle driven by an employee in the course and scope of his employment.	Internal	Internal	2015	Ongoing	R10 411.46 plus 9% interest per annum.	Not probable	17 461	16 019
L. Van Zyl v Msunduzi Municipality	Delictual Claim. Plaintiff's motor vehicle collided with a Municipal vehicle driven by an employee in the performance of his duties.	Internal	Internal	2016	The matter is ongoing	R46 692.18 plus 9% interest per annum.	Not probable	71 842	65 910
N. Singh v Msunduzi Municipality	Delictual Claim: Plaintiff's vehicle hit a pothole on a public road that falls within the jurisdiction of the Municipality.	Internal	Internal	2016	The matter is ongoing	R9 406.21 plus 15,5% interest per annum.	Not probable	19 334	16 740
S. W. Khanyile v Msunduzi Municipality	Delictual Claim: Plaintiff claims that he was unlawfully assaulted and detained by Municipal Traffic Officers.	Insurance	Internal	2016	The matter is ongoing	R200 000.00 plus 9% interest per annum.	Not probable	307 725	282 316

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M. Brown v Msunduzi Municipality	Delictual claim: The Plaintiff claims that he was arrested unlawfully by a Municipal Traffic Officer.	Insurance	Internal	2016	Ongoing	R 257 000 plus 9% interest per annum.	Not probable		
								395 426	362 776
S.S.Nyoka v Msunduzi Municipality	Delictual Claim: The Plaintiff has sued the Municipality as a result of a collision involving a Municipal Vehicle and Plaintiff's vehicle.	Internal	Internal	2016	The summons herein was issued in the Magistrates Court.	R67 008.77 plus 9% interest per annum.	Not probable		
								103 101	94 588
Ilitha Research and Management CC v Msunduzi Municipality	Contractual Claim: The Plaintiff is suing the Municipality for monies owed in terms of a contract.	Internal	Internal	2016	The summons was issued in the Magistrates Court. Further particulars were sought from ICT. The matter is ongoing.	R62 768.00 plus interest at 15.5% p.a.	Not probable		
								129 017	111 703
L.M. Stilles v Msunduzi Municipality	Delictual Claim: The Plaintiff herein has sued the Municipality as a result of injuries sustained during a fall on an uncovered manhole.	Insurance	Internal	2016	The summons was issued at the High Court. Matter ongoing	R864 272.36 plus interest at 15.5% p.a.	Not probable		
								1 776 481	1 538 079
Ziyad Alley v Msunduzi Municipality	Delictual Claim: The Plaintiff has sued the Municipality as a result of a collision involving a Municipal Vehicle and Plaintiff's vehicle	Internal	Internal	2016	A summons has been received. An appearance to defend was filed and served on the Plaintiff.	R 45 887,66 plus interest at 15.5% p.a.	Not probable		
								94 320	81 663
Koshik Singh v Msunduzi Municipality	Delictual Claim: The plaintiff has sued the Municipality as a result of a collision with a pothole.	Internal	Internal	2016	The Defendant's Plea was filed in court and served on the Plaintiff.	R 9 406,21 plus 15.5% interest per annum.	Not probable		
								19 334	16 740
Akira Pillay v Msunduzi Municipality	Delictual Claim: The Plaintiff has sued the Municipality as a result of a collision involving a Municipal Vehicle and Plaintiff's vehicle	Internal	Internal	2016	The Defendant's Plea and counterclaim were filed in court and served on the Plaintiff	R 14 365,96 plus 9% interest per annum.	Not probable		
								22 104	20 279
Taro Govender / Msunduzi Municipality/ Case No. 12048/11	Delictual Claim: The Plaintiff is suing the Municipality for damages arising from a flood that allegedly caused damage to the Plaintiff's property	Internal	Internal	2011	The matter is ongoing	R 100 000-00 plus 15.5% interest per annum.	Not probable		
								422 493	365 795
Mr Mduduzi Collen Sosibo, Mrs Sosibo v Msunduzi Municipality	Delictual Claim: The plaintiff is suing the Municipality in respect of rates, taxes and services owed by the previous owner of the property.	Internal	Internal	2016	Summons were received from the plaintiff. Discovery notices have been filed and served on the plaintiff.	R 132 431, 96 plus interest at 10.25% p.a.	Not probable		
								215 718	195 662
Philani Kenneth Sikhosana v Msunduzi Municipality	Delictual Claim: The plaintiff is suing the Municipality for damages incurred as a result of the alleged failure of the defendant to keep the Hall in good condition for the Plaintiff's event on time.	Internal	Internal	2016	The plaintiff has claimed an amount of R 90 000. A plea has been filed and served on the plaintiff.	R 90 000 plus 9% interest per annum.	Not probable		
								138 476	127 042
Telkom SA Soc Limited Case No. 9672/16	Delictual Claim: The Plaintiff is suing the Municipality for damages to its underground cables allegedly caused during excavations by the municipal water department.	Internal	Internal	2016	Summons in the amount of R 33 523.55 was received. A plea has been filed in the matter.	R 33 523.55 plus 15.5% interest per annum.	Not probable		
								68 906	59 659
Lanre Ayodele Olaboye and Sibongile Mthembu v Msunduzi Municipality	Delictual Claim: The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a Municipal vehicle driven by a Municipal Employee in the course and scope of his/ her employment.	Internal	Internal	2016	An Appearance to defend was filed and served on plaintiff.	R42 376.09 plus 10,25% interest per annum.	Not probable		
								69 026	62 609
Prethaburan Govender v Msunduzi Municipality	Delictual Claim: The Plaintiff is suing the municipality for an incident wherein the municipality allegedly caused damages to the properties of eight tenants as a result of a power surge.	Internal	Internal	2016	A Notice of Exception in terms of Rule 19 (1) to Plaintiff's Particulars of claim has been filed in court and served on the plaintiff	R48 200.00 plus interest at 15.5% p.a.	Not probable		
								99 073	85 778

MATTER ID	DESCRIPTION	INSTRUCTING OFFICIAL	ATTORNEY/AD VOCATE	YEAR INITIATE D	CURRENT STATUS/ PROGRESS	QUANTUM	PROBABILITY OF OUTFLOW	2021	2020
Krishna Govender v Msunduzi Municipality	Delictual Claim: The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a Municipal vehicle driven by a Municipal Employee in the course and scope of his/ her employment.	Internal	Internal	2016	An Appearance to Defend was filed and served on the Plaintiff.	R 13 405.21 plus 15.5% interest per annum.	Not probable		
								27 554	23 856
Elizabeth Fredrica Jepson v The Msunduzi Local Municipality	Delictual Claim: The Plaintiff is suing the Municipality for an incident wherein Plaintiff allegedly tripped over the pavement and was injured.	External Insurers	Internal	2017	The matter is ongoing	R 600 000.00 plus 15.5% interest per annum.	Insurance (external insurers)		
								1 067 774	924 479
Electro Technical Agencies cc v Msunduzi Municipality	Delictual Claim: The plaintiff is suing the Municipality for an incident wherein the Plaintiff's vehicle was allegedly involved in a collision with a Municipal driven by a Municipal employee in the course and scope of his employment.	Internal	Internal	2017	A notice to withdraw the action was received from the Plaintiff.	R 10 817.73 plus 9% interest per annum.	Not probable		
								15 270	14 009
Musa Nxumalo and Msunduzi Local Municipality/ Petros Reta Mokoena	Delictual Claim: The Plaintiff is suing the Municipality for an incident wherein the Plaintiff's vehicle was allegedly involved in a collision with a Municipal driven by a Municipal employee in the course and scope of his employment.	Internal	Internal	2017	A Plea and Counterclaim were filed and served on the Plaintiff.	R 44 454.88 plus 9% interest per annum.	Not probable		
								62 752	57 570
Qalapha Jacob Ngubane v Msunduzi Municipality	Delictual claim: The Plaintiff is suing the municipality for an incident wherein Plaintiff allegedly suffered a loss as a result of a power outage which resulted in a power surge.	Internal	Internal	2017	An Appearance to defend was filed and served on the Plaintiff.	R 21 862, 00 plus 15.5% interest per annum.	Not probable		
								38 906	33 685
Lionel Longsdale Vuminkosi Magaqa v Msunduzi Municipality	Delictual claim: The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly damaged in a collision with a pothole.	Internal	Internal	2017	An Appearance to defend was filed and served on the Plaintiff.	R 19 724, 58 plus 15.5% interest per annum.	Not probable		
								35 102	30 392
Catherine Scott v Msunduzi Local Municipality	The Plaintiff is suing the municipality for an incident wherein Plaintiff allegedly suffered a loss as a result of a colliding with a pothole.	Internal	Internal	2017	The matter is ongoing	R 11 443, 92 plus 15.5% interest per annum.	Not probable		
								20 366	17 633
Gys De Necker Ontwinkkelings (Pty) Ltd v Msunduzi Local Municipality	The plaintiff is suing the Municipality for an alleged failure to refund the Plaintiff in respect municipal service. The plaintiff issued summons in the amount of R 77 083.05.	Internal	Internal	2017	The Defendant's Plea was filed in court and served on the Plaintiff.	R 77 083.05 plus 10,25% interest per annum.	Not probable		
								113 887	103 299
Anton Venter v The Msunduzi Municipality - Case No. 7596/17	The Plaintiff is suing the municipality for allegedly suffering damage in the amount of R 13 641.50 for incurring legal fees in resolving his rates query.	Internal	Internal	2017	The matter is ongoing	R13641.5 plus 15.5% interest per annum.	Not probable		
								24 277	21 019
Wiseman Sibonelo Thamsanqa Maphumulo v Msunduzi Local Municipality	Delictual Claim: The Plaintiff is suing the Municipality for an incident where the Plaintiff fell into an open manhole and allegedly suffered damages.	Insurance	Internal	2017	The matter is ongoing	R 177 000.00 plus 15.5% interest per annum.	Insurance (external insurers)		
								314 993	272 721
Servest Hygiene v Msunduzi Municipality	Breach of contract. The Plaintiff is suing the Municipality for services rendered to the Municipality.	Internal	Internal	2017	The matter is ongoing	R 36 941,89 plus 10,25% interest per annum.	Not probable		
								54 580	49 506
Thandeka Brightness Dubazana and Mzwenhlanhla Wiseman Khoza and Msunduzi Municipality	Delictual Claim: The Plaintiff has sued the Municipality as a result of a collision involving a Municipal Vehicle and Plaintiff's vehicle	Internal	Internal	2017	The Defendant's plea has been filed in the matter. Matter is ongoing.	R34 214.88 plus 10,50% interest per annum.	Not probable		
								51 011	46 164
Ncamisile Madlala v Msunduzi Municipality	The plaintiff is suing the Municipality for damages arising because of the Defendant's alleged erroneous disconnection of a meter supplying electricity to the Plaintiff's premises	Internal	Internal	2017	The Defendant filed its Appearance to Defend in court and served it on the Plaintiff.	R 1495.23 plus 15.5% interest per annum.	Not probable		
								2 661	2 304

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Sibongile Priscilla Zama v Msunduzi Municipality/ Philani Patrick Vidima	The plaintiff is suing the Municipality for damages arising because of a motor vehicle collision between a municipal worker driven by a municipal worker and the Plaintiff's vehicle	Internal	Internal	2018	The Defendants filed an Appearance to defend in court and served same on the Plaintiff.	R53 152.22 plus interest at 15.5% p.a.	Not probable	81 897	70 906
Kandasamy Moonsamy Devan v Msunduzi Municipality	Delictual Claim: The Plaintiff is suing the municipality for allegedly suffering damage from having tripped on a broken protruding portion of a pavement block/slab.	Internal	Internal	2018	The Defendant's Plea has been filed in the matter.	R92 596.44 plus 15.5% interest per annum.	Not probable	142 672	123 526
Skhumbuzo M Mpata v Msunduzi Municipality	The plaintiff is suing the Municipality for damages arising because of the natural flow of water, which caused damage the Plaintiff's property	Internal	Internal	2018	Defendant filed its Notice of Appearance to Defend as well as its Plea in court and served both on the Plaintiff	R 11 914.43 plus interest at 15.5% p.a.	Not probable	18 358	15 894
Nimie Mahomed v The Msunduzi Municipality	Plaintiff is suing the municipality for damages arising out of the Plaintiff allegedly falling on an uneven concrete slab.	Insurance (external insurers)	Internal	2018	The matter is ongoing	R 585 400.00 plus 15.5% interest per annum.	Insurance (external insurers)	901 984	780 938
Melvyn Conrad Jansen v The Msunduzi Municipality	Delictual claim. Plaintiff suing the Municipality caused by having fallen into an uncovered manhole.	Insurance (external insurers)	Internal	2018	The matter is ongoing	R 927 400.00 plus 15.5% interest per annum.	Insurance (external insurers)	1 428 937	1 237 175
Mzotshingwe Millon Mzobe v Kevin Deon Joseph/ The Msunduzi Municipality	Delictual claim: The plaintiff is suing the Municipality for damages arising because of a motor vehicle collision between a municipal worker and the Plaintiff's vehicle	Internal	Internal	2018	The matter is ongoing	R 75 119.79 plus interest at 15.5% p.a.	Not probable	115 744	100 212
Eskom Holdings Soc Limited v Msunduzi Municipality and Indiza Airport Management (PTY) Limited	The Plaintiff is suing the Municipality for having allegedly suffered damage to its aircraft due to a fire breakout.	Insurance (external insurers)	Internal	2018	The matter is ongoing	R 17 963 805.75 plus 10% interest per annum.	Insurance (external insurers)	23 909 825	21 736 205
Dharam C Deeplaul v Msunduzi Municipality	The Plaintiff is suing the Municipality for damages allegedly suffered to its motor vehicle as a result of colliding with a pothole.	Internal	Internal	2018	The matter is ongoing	R 50 462.89 plus 10,25% interest per annum.	Not probable	67 625	61 338
Rowan Gareth Blakeman v Msunduzi Municipality	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a large pothole.	Internal	Internal	2018	The matter is ongoing	R 104 352.10 plus 10% interest per annum.	Not probable	138 893	126 266
Bhekezakhe Victor Langa v Msunduzi Local Municipality	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a Municipal vehicle driven by a Municipal Employee in the course and scope of his/ her employment.	Internal	Internal	2018	Conducted research, consultations and instructions on plea and claim in reconviction	R24 909.17 plus 10% interest per annum.	Not probable	33 154	30 140
Dan Moonsamy Naidoo v Msunduzi Municipality/ Hlengiwe Sithole	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a Municipal vehicle driven by a Municipal Employee in the course and scope of his/ her employment.	Internal	Internal	2019	A round table conference has been arranged between the parties.	Claim 1 R 35 000.00 , Claim 2 R 3000.00 plus interest at 15.5% p.a.	Not probable	50 693	43 890
J Spathy v Msunduzi Local Municipality	Delictual Claim for damages: The plaintiff is suing the Municipality for damages as a result of his motor vehicle having allegedly collided with a pothole in the vicinity of New Holmes Way.	Internal	Internal	2019	The matter is ongoing	R 26 250,30 plus interest at 15.5% p.a.	Not probable	35 019	30 319
Sunil Rakuban Case No. 3199/19	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a pothole within the jurisdiction of the Municipality.	Internal	Internal	2019	The matter is ongoing	R 45 250,75 plus interest at 15.5% p.a.	Not probable	60 366	52 265
R J Walker Case No. 6149/19	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a Municipal vehicle driven by a Municipal Employee in the course and scope of his/ her employment	Internal	Internal	2019	The matter is ongoing	R 31 266,67 plus 10,25% interest per annum.	Not probable	38 005	34 472

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Rhonda Basdeo Case No. 6914/19	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a Municipal vehicle driven by a Municipal Employee in the course and scope of his/ her employment	Internal	Internal	2019	The matter is ongoing	R 54 566,01 plus 10% interest per annum.	Not probable		
								66 025	60 023
Bongani Charles Zondi Case No. 7432/19	Plaintiff is suing the Municipality for damage to property due to the alleged negligence of the Municipality.	Internal	Internal	2019	The matter is ongoing	R192 000,00 plus interest at 15.5% p.a.	Not Probable		
								256 133	221 760
Seelan Naidoo and The Msunduzi Municipality/ Devante Delwin Shaw	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a Municipal vehicle driven by a Municipal Employee in the course and scope of his/ her employment	Internal	Internal	2019	The matter is ongoing	R64 115,19 plus interest at 15.5% p.a.	Not probable		
								85 531	74 053
Zwelinzima Jakusja and Msunduzi Municipality Local Municipality	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a Municipal vehicle driven by a Municipal Employee in the course and scope of his/ her employment	Internal	Internal	2019	The matter is ongoing	R73 750 plus 10,25% interest per annum.	Not probable		
								89 644	81 309
Andre Hagen and Thulani Zakhele Dlamini/ Msunduzi Local Municipality	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a Municipal vehicle driven by a Municipal Employee in the course and scope of his/ her employment	Internal	Internal	2019	The matter is ongoing	R11 420,48 plus 15.5% interest per annum.	Not probable		
								15 235	13 191
MJ Essack and Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality.	Internal	Internal	2019	The matter is ongoing	R 91 029,10 plus 15.5% interest per annum.	Not probable		
								121 435	105 139
Muhammad Sheik and Msunduzi Local Municipality.	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality.	Internal	Internal	2019	The matter is ongoing	R 8 066.12 plus interest at 15.5% p.a.	Not probable		
								10 760	9 316
Tihago Elias Ngwanto and Msunduzi Municipality.	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality.	Internal	Internal	2019	The matter is ongoing	R 34 405.93 plus interest at 15.5% p.a.	Not probable		
								45 898	39 739
Datcentre Motors (Pty) Ltd trading as CMH Datcentre Pietermaritzburg	The Plaintiff is suing the Municipality in respect of work allegedly done and automotive parts supplied to the Defendant.	Internal	Internal	2019	The matter is ongoing	R 212 344.06 plus interest at 15.5% p.a.	Not probable		
								283 272	245 257
Duanne Dominic Naidoo and Msunduzi Municipality	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a pothole within the jurisdiction of the Municipality.	Internal	Internal	2019	The matter is ongoing	R 11 495,50 plus 10,25% interest per annum.	Not probable		
								13 973	12 674
Flavour More (PTY) LTD and Msunduzi Municipality	The Plaintiff is suing the Municipality for damages that allegedly occurred from a power surge/outage as a result of the failure of the Municipality to maintain a constant supply of electricity and perform timeously	External Insurers	Internal	2019	File with External Insurers	R 949 084.85 plus interest at 15.5% p.a.	Not probable		
								1 266 103	1 096 193
Berend van AS and Msunduzi Municipality	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a Municipal vehicle driven by a Municipal Employee in the course and scope of his/ her employment	Internal	Internal	2020	Matter ongoing	R 23 338,09 plus interest at 15.5% p.a.	Not probable		
								26 955	23 338
Duncan Stewart Harrison N.O and Msunduzi Municipality	Contractual Claim	Internal	Internal	2020	Matter ongoing	R 164 552,79 plus 10,25% interest per annum.	Not probable		
								181 419	164 553
Suresh Gopal and Msunduzi Municipality	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a Municipal vehicle driven by a Municipal Employee in the course and scope of his/ her employment	Internal	Internal	2020	Appearance to defend has been filed.	R 36 171,00 plus interest at 15.5% p.a.	Not probable		
								41 778	36 171

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Robyn Hemmens and Msunduzi Local Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality.	Internal	Internal	2020	Appearance to defend has been filed.	R 9 351,14 plus interest at 15.5% p.a.	Not probable	10 801	9 351
Abigail Dlamini and Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality	Internal	Internal	2020	Appearance to defend has been filed.	R 16 584.53 plus 15.5% interest per annum.	Not probable	19 155	16 585
Jadamei Trading and Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality	Internal	Internal	2020	Appearance to defend has been filed.	R 22 678.84 plus interest at 15.5% p.a.	Not probable	26 194	22 679
Noxolo Zungu and Msunduzi Local Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality	Internal	Internal	2020	File has been diarized for entering an appearance to defend.	R 72 813,24 plus interest at 15.5% p.a.	Not probable	84 099	72 813
Ajith Lachman and Msunduzi Local Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality	Internal	Internal	2020	File has been diarized for entering an appearance to defend.	R 15 859,09 plus interest at 15.5% p.a.	Not probable	18 317	15 859
Msunduzi Municipality / Imbali Mens Hostel Our Ref: 02M003028	Instruction to bring an application to reverse the transfer of various title deeds obtained through fraudulent representations and unlawfully registered of. Based on advise from Council, decided to proceed with expropriation rather than an application to reverse transfer, as it is the quicker and more cost effective route, and the Municipality has a good basis to expropriate.	K Thaver	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel:033 940 1497, fax:0862428747 ,e-mail:mail@mfilaw.co.za, Advocate AJ Dickson, 17 Prince Edward Street, Advocates' Chambers, tel: 38453542/3, fax: 38453544,e-mail:adickson@l aw.co.za	2013	Draft Report to Council submitted for approval	0	Not probable	0	0
Transnet/ Occupiers of Woodlands v Msunduzi Municipality	Application for eviction of illegal occupiers from railway sidings, which land belongs to Transnet. Settlement agreement reached between the parties for the Municipality to provide alternative accommodation.	J van der Merwe	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel:033 940 1497, fax:0862428747 ,e-mail:mail@mfilaw.co.za, Advocate Moodley	2013	Relocation plan settled and funding obtained from Department of Human Settlement. Construction is largely finalised. However, new contractor is to be appointed in terms of Municipality's SCM process in order to finalise the construction, as the contract of the previous contractor has been finalised.	0	Not probable	0	0
M.E. Mnguni/ Msunduzi Municipality	Action instituted to compel the Municipality to build a road under case number 10250/2014, out of the High Court, Pietermaritzburg	K Thaver	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel:033 940 1497, fax:0862428747 ,e-mail:mail@mfilaw.co.za, Advocate Anton Flemming	2014	Municipality is not the dominus litis, and we await enrolment of the matter by the Applicant	0	Not probable	0	0

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Telkom SA SOC LTD/ Msunduzi Municipality (127 Waterwork Road-Edendale) Case No. 13903/2015	Delictual claim: The plaintiff is suing the Municipality for damages to its underground cables allegedly caused by Municipal water pipes.	K Thaver	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, e-mail: mail@mfilaw.co.za, Adv. AJ Dickson, 17 Prince Edward Street, Advocate's Chambers, tel: 38453542/3, fax: 38453544, e-mail: adickson@l aw.co.za	2014	Applicant has requested that matter be held in abeyance, until a similar matter is heard in the Johannesburg High Court, in order for the outcome to be used as precedence	R 74 803.90 plus interest at 15.5% p.a.	Not probable		
								205 115	177 589
Farouk Jasat N.O & 3 others v Msunduzi Municipality	Delictual Claim for damages: Plaintiff's motor vehicle collided with a pothole on Scania Road intersection. Action instituted in the Magistrate's Court under case No. 2219/2015	K Thaver	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, e-mail: alicia@mfilaw.co.za,	2014	Municipality is not the dominus litis, and we await enrolment of the matter by the Applicant	R 54 588,60 plus interest at 15.5% p.a.	Not probable		
								149 684	129 597
Msunduzi Municipality/ Feroz Essa Ismail & 2 others (118 Boom St.)	Interdict by municipality to prevent unauthorised town planning use in terms of the Planning and Development Act	J van der Merwe	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, e-mail: mail@mfilaw.co.za,	2015	The contempt application was successful. Respondent brought an application for leave to appeal. Respondent further proposed settlement application for leave to appeal would be withdrawn if Municipality agrees to abandon its costs order. Counsel is of the view that settlement ought to be rejected, as the Respondent is in any event significantly out of time in bringing its appeal. Bill of costs to accordingly be prepared.	0	Not probable		
								0	0
Msunduzi Municipality/ The SA Incinerator Company	Delictual Claim for damages. Action instituted in the High Court, Pietermaritzburg under case number 5422/2015	Dudu Ndlovu (SCM)	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, e-mail: mail@mfilaw.co.za, Advocate H. Gani	2015	Awaiting signed and commissioned discovery affidavit from Ms Dudu-Ndlovu Gambu	R970 568.88 plus interest at 15.5% p.a. (in respect of the Defendants counterclaim for retention monies)	Not probable		
								2 304 190	1 994 970
Telkom SA SOC LTD/ Msunduzi Municipality (Oribi Road, Pelham) Case No. (15146/2015)	Delictual Claim: Plaintiff is suing the Municipality due to damage to its underground cables allegedly cause by Municipal water pipes.	K Thaver	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, e-mail: alicia@mfilaw.co.za, REF: 22M003128	2015	Applicant has requested that matter be held in abeyance, until a similar matter is heard in the Johannesburg High Court, in order for the outcome to be used as precedence	R75 433.42 plus interest at 15.5% p.a.	Not probable		
								179 084	155 051
Telkom SA SOC LTD/ Msunduzi Municipality (Eden Park Drive) Case No. 14572/2015	Delictual Claim: Plaintiff is suing the Municipality due to damage to its underground cables allegedly cause by Municipal water pipes.	K Thaver	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, e-mail: alicia@mfilaw.co.za, REF: 22M003161	2015	Applicant has requested that matter be held in abeyance, until a similar matter is heard in the Johannesburg High Court, in order for the outcome to be used as precedence	R43 262.08 plus interest at 15.5% p.a.	Not probable		
								102 707	88 924

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Telkom SA SOC LTD/ Msunduzi Municipality (Zwartkop, Blackridge) Case No. 15793/2015	Delictual claim: Plaintiff is suing the Municipality due to damage to its underground cables allegedly cause by Municipal water pipes.	K Thaver	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, e-mail: alicia@mfilaw.co.za,	2015	Applicant has requested that matter be held in abeyance, until a similar matter is heard in the Johannesburg High Court, in order for the outcome to be used as precedence	R 25 554,55 plus interest at 15.5% p.a.	Not probable		
								60 668	52 526
IMA PROP 29 CC/ Msunduzi Municipality	Interdict: Applicants/Plaintiffs sought to interdict the Municipality from disconnecting electricity supply to their various buildings.	L Van den Berg	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, e-mail: mail@mfilaw.co.za, advocate De Wet SC, 17 Prince Edward Street, Advocates' Chambers	2016	Settlement negotiations unsuccessful. Matter to be set down again on trial roll. Awaiting release of new court roll for all non-urgent matters by Judge President, then matter will be set down		0 Not probable		
								0	0
Msunduzi Municipality/Gubela Trading	Contractual dispute: Applicant sought an order to review the Municipality's decision to cancel a contract of services.	P Mahlaba	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, e-mail: mail@mfilaw.co.za, advocate A. De Wet, 17 Prince Edward Street, Advocates' Chambers, tel: 0338453534, fax: 033-3428941, e-mail: dewet@group8.co.za	2015	Gubela Trading has made a proposal to withdraw the Application against the Municipality with each party to tender its own legal costs.	R595 337.26 plus interest at 15.5% p.a. plus costs of the application.	Not probable		
								1 413 367	1 223 694
G. Govender/ P. Naidoo and Msunduzi Municipality.	Application in terms of PIE	K Thaver	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, e-mail: mail@mfilaw.co.za. REF: 22M003071	2018	Awaiting outcome of application for absolution..		0 Not probable		
								0	0
S. Shangase/ Sibisi and 2 others. V Msunduzi Msunduzi	Eviction application in terms of the PIE Act	K Thaver	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, e-mail: mail@mfilaw.co.za, REF: 22M003196	2018	The Application was set down for hearing on 24 March 2020, however, due to the COVID-19 pandemic the Magistrate decided to adjourn the matter sine die.		0 Not probable		
								0	0
RV. Zulu/ Msunduzi municipality	Eviction application in terms of PIE Act	K Thaver	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, e-mail: mail@mfilaw.co.za, REF: 22M003405	2017	Answering affidavit has been filed and served. Awaiting Applicant's Replying Affidavit.		0 Not probable		
								0	0

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S. Jetu/ S. P Ngamu/ S.N Ngamu and Msunduzi Municipality	Application for an interdict	K Thaver	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, e-mail: mail@mfilaw.co.za, REF: 22M00	2018	Court file is misplaced. Currently liaising with Magistrates to replicate court file in order for matter to be set down on opposed roll for argument.		0 Not probable	0	0
G Hlengwa/ N. N Mthembu/Msunduzi Municipality	Eviction application in terms of PIE Act	K Thaver	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, e-mail: mail@mfilaw.co.za,	2018	The engagement meeting in this matter proceeded on 1 August 2018 and our report has been forwarded to the Municipality for commissioning and was consequently filed accordingly/ to date, the Applicants have not set the matter down for hearing		0 Not probable	0	0
Msunduzi Municipality/ Sealake Industries	Interdict	J van der Merwe	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, e-mail: alicia@mfilaw.co.za,	2019	Matter is ongoing		0 Not probable	0	0
Moteko v Msunduzi Municipality	Claim for contractual damages	K. Thaver	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, e-mail: alicia@mfilaw.co.za,	2017	Municipality's replying affidavit needs to be delivered in the review proceedings and a trial date needs to be obtained in the action	Moteko Cost Consultants Claim A - R15 079.193.37 Claim B - R10 475 572.38 plus 15.5% interest per annum.	Not probable	45 477 841	39 374 754
Matrisolve / Msunduzi Municipality	Review of decision to lease	Mr Sizwe Hadebe	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, e-mail: alicia@mfilaw.co.za,	2017	This is an application for review and for the recovery of rentals paid to the MYK trust.	Not yet quantified	Not probable	0	0
Msunduzi Municipality v SBS Electrical Contractors	Claim for invoices paid by the Msunduzi Municipality for work partially done or not done at all.	PJ Mahlaba	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, e-mail: alicia@mfilaw.co.za,	2015		R 987 821,88 plus interest at 15.5% p.a.	Not probable	2 345 150	2 030 433
Msunduzi Municipality v Zama Traffic Signs	Claim for invoices paid by the Msunduzi Municipality for work partially done or not done at all.	PJ Mahlaba	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, e-mail: alicia@mfilaw.co.za,	2015		R 752 257,23 plus interest at 15.5% p.a.	Not probable	1 785 905	1 546 238

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Msunduzi Municipality v Bewton Investments (T/A Ukukhanya)	Claim for invoices paid by the Msunduzi Municipality for work partially done or not done at all.	PJ Mahlaba	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, e-mail: alicia@mfilaw.co.za,	2015		R8 561.29 plus interest at 15.5% p.a.	Not probable		
								20 325	17 597
Deveng Africa Consulting (PTY) LTD and Municipal Manager, The Msunduzi Municipality/ The Msunduzi Municipality	Contractual Claim	M Mbokazi	Tomlinson Mnguni James Attorneys, 12 Montrose Park Blvd, Victoria Country Club Estate- Office Park, 170 Peter Brown Drive. Tel: 033 341 9100, email: claudettep@tmj.co.za / noluthandod@tmj.co.za /tmj@tmj.co.za	2018	Pleadings Closed. To proceed with Pre- Trial Processes.	R5 309 127.01 plus 10,25% interest per annum.	Not probable		
								7 114 738	6 453 277
Abdool Saccor Trust v Msunduzi Municipality	Dispute in a property transaction: review application in respect of the Municipality's decision to sell the property.	J Van Der Merwe	Tomlinson Mnguni James Attorneys, 12 Montrose Park Blvd, Victoria Country Club Estate- Office Park, 170 Peter Brown Drive. Tel: 033 341 9100, email: claudettep@tmj.co.za / noluthandod@tmj.co.za /tmj@tmj.co.za	2018	Awaiting application papers from Advocate		0 Not probable		
								0	0
Giyani Engineering v Msunduzi Municipality	Contractual claim	J Van Der Merwe	Tomlinson Mnguni James Attorneys, 12 Montrose Park Blvd, Victoria Country Club Estate- Office Park, 170 Peter Brown Drive. Tel: 033 341 9100, email: claudettep@tmj.co.za / noluthandod@tmj.co.za /tmj@tmj.co.za	2017	Matter referred to trial.	R1 193 005,79 plus interest at 15.5% p.a.	Not probable		
								2 123 100	1 838 182
Ted Textiles	Application for different electricity scale	M. Mbokazi	Tomlinson Mnguni James Attorneys, 12 Montrose Park Blvd, Victoria Country Club Estate- Office Park, 170 Peter Brown Drive. Tel: 033 341 9100, email: claudettep@tmj.co.za / noluthandod@tmj.co.za /tmj@tmj.co.za	2019	Matter adjourned sine die		0 Not probable		
								0	0

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283 Church street	Contravention matter	M. Mbokazi	Tomlinson Mnguni James Attorneys, 12 Montrose Park Blvd, Victoria Country Club Estate- Office Park, 170 Peter Brown Drive. Tel: 033 341 9100, email: claudettep@tmj.co.za / noluthandod@tmj.co.za /tmj@tmj.co.za	2019	Contravention notice sent via sherriff. In the process of setting up inspection in loco		0 Not Probable	0	0
SB Mkhize	Monetary claim	M. Mbokazi	Tomlinson Mnguni James Attorneys, 12 Montrose Park Blvd, Victoria Country Club Estate- Office Park, 170 Peter Brown Drive. Tel: 033 341 9100, email: claudettep@tmj.co.za / noluthandod@tmj.co.za /tmj@tmj.co.za	2019	Plea filed, anticipate possible summary judgment application	R 318 383 plus interest at 15.5% p.a.	Not Probable	424 731	367 732
Planet Waves 399/Msunduzi Municipality	Council withholding payment to contractor that built sludge dams. Possibility of eventual liability.	Johan van der Merwe	Xaba Attorneys, 223 Boom Street, Central Office Park, PMB.tel: 0333457927, fax: 3456985, e-mail: dumixaba@xabainc.com / mail@xabainc.com	2012	we await the Plaintiff to set matter down for trial. Alternatively, we await instruction to push the matter forward.	Planet Waves sued for R1 694 937.70 plus interest at 15.5% p.a. and Municipality countersued for R 1, 940 934.00.	Not Probable	6 199 999	5 367 964
S Dewaraj v Msunduzi Municipality	Delictual Claim: The Plaintiff has sued the Municipality as a result of a collision involving a Municipal Vehicle and Plaintiff's vehicle	Kass Thaver	Xaba Attorneys, 223 Boom Street, Central Office Park, PMB.tel: 0333457927, fax: 3456985, e-mail: dumixaba@xabainc.com / mail@xabainc.com	2015	The matter is at pre-trial stage.	R15 575.00 plus interest at 15.5% p.a.	Not Probable	36 976	32 014
Indo Contractors cc v Msunduzi Municipality	Termination of contract: contract dispute with Contractor claiming premature termination.	Johan van der Merwe	Xaba Attorneys, 223 Boom Street, Central Office Park, PMB.tel: 0333457927, fax: 3456985, e-mail: dumixaba@xabainc.com / mail@xabainc.com	2013	Parties to set up a date for arbitration. The matter has been in limbo and the Claimant is not pushing it. Thus the final outcome is still pending.	R 2 660 888.31 plus interest at 15.5% p.a..	Not probable	8 427 185	7 296 264

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Andre Geard Ramsingh v Msunduzi Municipality	Delictual claim: The plaintiff herein is suing the Municipality for damages suffered as a result of being arrested and detained unlawfully.	Kass Thaver	Xaba Attorneys, 223 Boom Street, Central Office Park, PMB.tel: 0333457927, fax: 3456985, e-mail: dumixaba@xabainc.com / mail@xabainc.com	2015	Matter was partly heard on 24 May 2018. Plaintiff to set matter down for trial.	R 200 000 plus interest at 15.5% p.a.	Not Probable	474 812	411 093
Sikelephi Ngubane v Msunduzi Municipality	Delictual Claim: This claim arises from plaintiff's vehicle having collided with a municipal vehicle driven by a municipal employee in the course and scope of his employment.	Kass Thaver	Xaba Attorneys, 223 Boom Street, Central Office Park, PMB.tel: 0333457927, fax: 3456985, e-mail: dumixaba@xabainc.com / mail@xabainc.com	2014	The matter is at pre-trial stage.	R17 312,33 plus interest at 15.5 per cent per annum.	Not Probable	47 471	41 101
Anton Venter/Msunduzi Municipality	Interdict against Municipality for road construction.	Johan van der Merwe	Xaba Attorneys, 223 Boom Street, Central Office Park, PMB.tel: 0333457927, fax: 3456985, e-mail: dumixaba@xabainc.com / mail@xabainc.com	2014	The contempt of court application is on hold.	0	Not Probable	0	0
AIC White v Msunduzi Municipality	Delictual Claim: The matter arises from plaintiff having fallen into an uncovered meter box in the vicinity of Flemming Street/Prince Alfred Street.	Kass Thaver	Xaba Attorneys, 223 Boom Street, Central Office Park, PMB.tel: 0333457927, fax: 3456985, e-mail: dumixaba@xabainc.com / mail@xabainc.com	2015	Plaintiff's Attorneys withdrawn as attorneys on record awaiting Plaintiff to set the matter down for Trial.	R100 000.00 plus interest at 15.5% p.a.	Not probable	237 406	205 546
Moosa Omar v Msunduzi Municipality	Debatement of Electricity Account	Johan van der Merwe	Xaba Attorneys, 223 Boom Street, Central Office Park, PMB.tel: 0333457927, fax: 3456985, e-mail: dumixaba@xabainc.com / mail@xabainc.com	2015	The application in this matter was finalised. Applicant to set matter down for taxation.	0	Not Probable	0	0
Infraserve (Pty) LTD v Msunduzi Municipality	Contractual dispute claim: Breach of contract for cancellation and non-payment of invoices.	Johan van der Merwe	Xaba Attorneys, 223 Boom Street, Central Office Park, PMB.tel: 0333457927, fax: 3456985, e-mail: dumixaba@xabainc.com / mail@xabainc.com	2005	Awaiting Plaintiff to set the matter down for Trial. Matter dormant.	R14 007 158.61 plus interest at 15.5% p.a.	Not Probable	140 495 299	121 640 952

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Simphiwe Jonathan Zama v Msunduzi Municipality case no. 199039/12	Delictual Claim: The Plaintiff has sued the Municipality as a result of a collision involving a Municipal Vehicle and Plaintiff's vehicle	Kass Thaver	Xaba Attorneys, 223 Boom Street, Central Office Park, PMB.tel: 0333457927, fax: 3456985, e-mail: dumixaba@xabainc.com / mail@xabainc.com	2012	Municipality to revert on settlement proposal.	R14 846,22 with interest rate at 15.5% p.a.	Not Probable		
Telkom v Msunduzi Municipality Case No.12506/08	Delictual Claim: Plaintiff is suing the Municipality due to damage to its underground cables allegedly caused by Municipal water pipes.	K Thaver	Lister and Lister Attorneys: Tel 033 345 4530 Fax: 033 342 7669 Physical Address 161 Pietermaritz Street, Pietermaritzburg, 3201 Postal Address: PO Box 144, Pietermaritzburg, 3200.	2008	A judgement awaited before moving forward. Matter ongoing	R45 979. 87 Plus interest at 15.5 per cent per annum	Not Probable	54 307	47 019
Telkom SA LTD v Msunduzi Municipality Case No.6292/05	Delictual Claim. The claim arises from a dispute between Plaintiff and the Municipality due to damage caused to Plaintiff's underground cables.	K Thaver	Lister and Lister Attorneys: Tel 033 345 4530 Fax: 033 342 7669 Physical Address 161 Pietermaritz Street, Pietermaritzburg, 3201 Postal Address: PO Box 144, Pietermaritzburg, 3200.	2004	Awaiting judgement in another case. Matter ongoing	R22 541.11 plus interest at 15.5 per cent per annum	Not Probable	299 318	259 150
Telkom SA LTD v Msunduzi Municipality Case No.3994/06	Delictual Claim. The claim arises from a dispute between Plaintiff and the Municipality due to damage caused to Plaintiff's underground cables.	K Thaver	Lister and Lister Attorneys: Tel 033 345 4530 Fax: 033 342 7669 Physical Address 161 Pietermaritz Street, Pietermaritzburg, 3201 Postal Address: PO Box 144, Pietermaritzburg, 3200.	2006	Awaiting judgement in another case. Matter ongoing.	R13 283.82 plus interest at 15.5 per cent per annum.	Not Probable	261 137	226 093
Telkom SA LTD v Msunduzi Municipality Case No 542/06	Delictual Claim. The claim arises from a dispute between Plaintiff and the Municipality due to damage caused to Plaintiff's underground cables.	K Thaver	Lister and Lister Attorneys: Tel 033 345 4530 Fax: 033 342 7669 Physical Address 161 Pietermaritz Street, Pietermaritzburg, 3201 Postal Address: PO Box 144, Pietermaritzburg, 3200.	2006	Awaiting judgement in another case. Matter ongoing.	R 21 697.25 plus interest at 15.5 per cent per annum.	Not Probable	115 359	99 878
								188 423	163 137

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Telkom SA LTD v Msunduzi Municipality Case No.16356/05	Delictual Claim. The claim arises from a dispute between Plaintiff and the Municipality due to damage caused to Plaintiff's underground cables.	K Thaver	Lister and Lister Attorneys: Tel 033 345 4530 Fax: 033 342 7669 Physical Address 161 Pietermaritz Street, Pietermaritzbur g, 3201 Postal Address: PO Box 144, Pietermaritzbur g, 3200.	2005	Awaiting judgement in another case. Matter ongoing.	R34 806.17 plus interest at 15.5 per cent per annum.	Not Probable		
								349 115	302 264
Telkom SA LTD v Msunduzi Municipality Case No.3806/12	Delictual Claim: The Plaintiff is suing the Municipality for damages to its underground cables allegedly caused by Municipal water pipes.	K Thaver	Lister and Lister Attorneys: Tel 033 345 4530 Fax: 033 342 7669 Physical Address 161 Pietermaritz Street, Pietermaritzbur g, 3201 Postal Address: PO Box 144, Pietermaritzbur g, 3200.	2012	Awaiting judgement. Matter ongoing.	R 49 834.75 plus interest at 15.5 per cent per annum	Not Probable		
								182 293	157 829
Telkom SA LTD v Msunduzi Municipality Case No. 4709/13	Delictual Claim: The Plaintiff is suing the Municipality for damages to its underground cables allegedly caused by Municipal water pipes.	K Thaver	Lister and Lister Attorneys: Tel 033 345 4530 Fax: 033 342 7669 Physical Address 161 Pietermaritz Street, Pietermaritzbur g, 3201 Postal Address: PO Box 144, Pietermaritzbur g, 3200.	2013	Awaiting judgement in another case. Matter ongoing.	R 46 628.06 plus interest at 15.5 per cent per annum	Not Probable		
								147 674	127 856
Telkom SA LTD v Msunduzi Municipality Case 12403/07	Delictual Claim: The matter arises from a dispute wherein Telkom alleges that Municipal water pipes cause damage to their underground cables.	K Thaver	Lister and Lister Attorneys: Tel 033 345 4530 Fax: 033 342 7669 Physical Address 161 Pietermaritz Street, Pietermaritzbur g, 3201 Postal Address: PO Box 144, Pietermaritzbur g, 3200.	2013	Awaiting judgement in another case. Matter ongoing.	R34 951.26 plus interest at 15.5% p.a.	Not Probable		
								110 693	95 838
Telkom SA LTD v Msunduzi Municipality Case No. 7256/14	Delictual Claim: The Plaintiff is suing the Municipality for damages to its underground cables allegedly caused by Municipal water pipes.	K Thaver	Lister and Lister Attorneys: Tel 033 345 4530 Fax: 033 342 7669 Physical Address 161 Pietermaritz Street, Pietermaritzbur g, 3201 Postal Address: PO Box 144, Pietermaritzbur g, 3200.	2013	Awaiting judgement in another case. Matter ongoing.	R 40 236.47 plus Interest at 15.5 per cent per annum	Not Probable		
								127 431	110 330
Telkom SA Limited v Msunduzi Municipality Case No.14696/13	Delictual Claim: The Plaintiff is suing the Municipality for damages to its underground cables allegedly caused by Municipal water pipes.	K Thaver	Lister and Lister Attorneys: Tel 033 345 4530 Fax: 033 342 7669 Physical Address 161 Pietermaritz Street, Pietermaritzbur g, 3201 Postal Address: PO Box 144, Pietermaritzbur g, 3200.	2013	Awaiting judgement in another case. Matter ongoing.	R34 951.26 plus interest at 15.5 per cent per annum.	Not Probable		
								110 693	95 838

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KZN-Digi connect v Msunduzi Municipality	Claim by contractor for payment for IT services allegedly rendered.	K Thaver	Kwela Attorneys. 224 Boom Street, Pietermaritzbur g. 3201. james@kwelala w.co.za. Tel: 033 394 8116	2012	Matter in abeyance.	R505 000.00 plus interest at 15,5% p/a plus legal costs	Not probable	1 847 265	1 599 364
APS Panelbeaters (Hugo's Panel Beaters) v Msunduzi Municipality	Delictual Claim: The claim arises from a new meter that was installed at Plaintiff's premises giving inaccurate readings resulting in Plaintiff being overcharged.	K Thaver	Kwela Attorneys. 224 Boom Street, Pietermaritzbur g. 3201. james@kwelala w.co.za. Tel: 033 394 8116	2015	Matter in abeyance	R 292 725.00, plus interest at 15.5% p/a plus legal costs.	Not probable	694 947	601 686
Minnes Singh v Msunduzi Municipality	Delictual Claim: Plaintiff is suing the municipality for damages to his motor vehicle after it collided with a pothole/uneven road surface.	Kass Thaver	Afzal Akoo and Partners Tel: 033 394 7274 Fax: 033 345 0938. Physical Address 187 Boshoff Street, Pietermaritzbur g. 3201. Postal Address PO Box 7836, Cumberwood, 3235.	2015	Defence has closed its case. Magistrate requested written heads of argument based on the record of the proceedings.	R69 224 . 62 plus interest at 15.5% p.a.	Not probable	164 343	142 289
3 DM contractors v Msunduzi Municipality	Contractual Claim: The Plaintiff is suing the Municipality for monies owed in terms of a contract.	Kass Thaver	Diedricks attorneys,90@ Roberts road, claredon, Pietermaritzbur g. tel:3429808, fax:0862191672 ,e-mail:admin@die driecksattorney s.co.za, Adv. Fleming, Tel: 033 845 3501	2011	The matter is ongoing	R 66930.35 plus interest at 15.5% p.a.	Not Probable	282 776	244 828
Ramharak RJ v Msunduzi Municipality	Delictual Claim: The Plaintiff is a Municipal employee. He is suing the Municipality because he was assaulted by a fellow employee within the premises of the Municipality whilst they were in the course and scope of their employment.	Kass Thaver	Diedricks attorneys,90@ Roberts road, claredon, Pietermaritzbur g. tel:3429808, fax:0862191672 ,e-mail:admin@die driecksattorney s.co.za,	2012	The matter is ongoing	R 300 000.00 plus interest at 15.5% p.a.	Not Probable	1 097 385	950 117
Belinda Lisa Bramdaw	Interdict: To prevent the Municipality from disconnecting electricity.		Diedricks Inc. Tel: 033 342 9808 Fax: 086 219 1672 Physical Address: 90 C Roberts Road, Clarendon, Pietermaritzbur g. PO Box 50, Pietermaritzbur g. 3200 and Adv. R Padayachee SC Tel: 033 845 3546 Fax 033 394 5744 Address Advocates Chambers Block A1, 17 Prince Edward Street.	2015	Setting up settlement meeting	0	Not Probable	0	0

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Diedre Doreen Rajah V Msunduzi Municipality	Interdict: To prevent the Municipality from disconnecting electricity.		Diedricks Inc. Tel: 033 342 9808 Fax: 086 219 1672 Physical Address: 90 C Roberts Road, Clarendon, Pietermaritzbur g. PO Box 50, Pietermaritzbur g. 3200 and Adv. R Padayachee SC Tel: 033 845 3546 Fax 033 394 5744 Address Advocates Chambers Block A1, 17 Prince Edward Street	2015	The matter is ongoing		0 Not Probable	0	0
Takeshape Properties V Msunduzi Municipality	Debatement of services account R 413 213, 72		Diedricks Inc. Tel: 033 342 9808 Fax: 086 219 1672 Physical Address: 90 C Roberts Road, Clarendon, Pietermaritzbur g. PO Box 50, Pietermaritzbur g. 3200 and Adv. Potgieter 033-845 3501 Address Advocates Chambers Block A1, 17 Prince Edward Street, Pietermaritzbur g. 3201.	2015	The matter is ongoing		0 Not Probable	0	0
Rajendra Govender and Msunduzi Municipality	Labour Dispute (appeal and High Court application). Application for re-instatement.		Diedricks Inc. Tel: 033 342 9808 Fax: 086 219 1672 Physical Address: 90 C Roberts Road, Clarendon, Pietermaritzbur g. PO Box 50, Pietermaritzbur g. 3200. Adv. Gani - Appeal. Adv. Moola-High Court Application. Advocates Chambers Block A1, 17 Prince Edward Street, PMB, 3201		The matter is ongoing	Risk of R115 000. (Salary related)	Not Probable	115 000	115 000
EOH Mthombo v Msunduzi Municipality	Potential Cancellation of services by service provider	Johan Van Der Merwe	Mdlele Inc. Suite 201, Second Floor 161 Pietermaritz Street, Pietermaritzbur g. 3201 Tel: 033 345 4022.	2018	Draft Summons and Particulars of Claim have been prepared. We are awaiting further information from internal audit to finalise same.		0 Not Probable	0	0
E. G. Alexander v Msunduzi Municipality	Delictual Claim: The Plaintiff is suing the Municipality as a result of colliding with a pothole whilst cycling in the vicinity of Murray Road.	Kass Thaver	Mdlele Inc. Suite 201, Second Floor 161 Pietermaritz Street, Pietermaritzbur g. 3201 Tel: 033 345 4022.	2014	Matter is at a stale mater and Plaintiff must take the next step.	R 83499.16 plus interest at 15.5% p.a.	Not Probable	228 958	198 232
71 New England Road: Avinash Samlall & Others: case no: 14104/15	Application to challenge decision by a Town Planning Tribunal	Mduduzi Mbokazi	Mdlele Inc. Suite 201, Second Floor 161 Pietermaritz Street, Pietermaritzbur g. 3201 Tel: 033 345 4022.	2015	Closed file	No monetary value	Not Probable	0	0

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Kua-Siza Transporters CC v Msunduzi Municipality	Delictual claim: The Plaintiff is suing the Municipality for an incident wherein the Plaintiff's vehicle was allegedly involved in a collision with a Municipal driven by a Municipal employee in the course and scope of his employment.	Kass Thaver	Mdlele Inc. Suite 201, Second Floor 161 Pietermaritz Street, Pietermaritzburg, 3201 Tel: 033 345 4022.	2017	The Plea has been filed and we are waiting for the Plaintiff's Attorneys to proceed further.	R 55 532, 34 plus interest at 15.5% p.a.	Not Probable	98 827	85 564
Simphiwe Dube v Msunduzi Municipality	Interdict for the return of a motor vehicle, Contempt Application for not complying with the Interdict Order and Rescission Application for Initial Interdict	Kass Thaver	Mdlele Inc. Suite 201, Second Floor 161 Pietermaritz Street, Pietermaritzburg, 3201 Tel: 033 345 4022.	2005	Closed file	No monetary value	Not Probable	0	0
A S Variawa/ Y Cassim v Msunduzi Municipality	Eviction application as a result of an encroachment by Municipality onto the Applicant's land.	Kass Thaver	Mdlele Inc. Suite 201, Second Floor 161 Pietermaritz Street, Pietermaritzburg, 3201 Tel: 033 345 4022.	2018	we are awaiting the outcome of Council's decision regarding the proposed Settlement Agreement	0	Not Probable	0	0
Red Alert TSS (PTY) LTD v Msunduzi Municipality	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a Municipal vehicle driven by a Municipal Employee in the course and scope of his/ her employment.	Kass Thaver	Mdlele Inc. Suite 201, Second Floor 161 Pietermaritz Street, Pietermaritzburg, 3201 Tel: 033 345 4022.	2018	The matter is partly heard and we are awaiting a further trial date.	R 105 930.97 plus 10% interest per annum.	Not Probable	140 994	128 176
Israel Sibiyi v Msunduzi Municipality	Delictual Claim: The plaintiff is suing the Municipality for an alleged unlawful arrest and detention, defamation of character as well as injuries sustained to his wrist.	Kass Thaver	Mdlele Inc. Suite 201, Second Floor 161 Pietermaritz Street, Pietermaritzburg, 3201 Tel: 033 345 4022.	2016	We are awaiting a hearing date for the Special Plea raised.	R400 000 plus 15.5% interest per annum.	Not Probable	822 186	711 849
Ntombeningi Sokhela v Msunduzi Municipality	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a Municipal vehicle driven by a Municipal Employee in the course and scope of his/ her employment.	Kass Thaver	Mdlele Inc. Suite 201, Second Floor 161 Pietermaritz Street, Pietermaritzburg, 3201 Tel: 033 345 4022.	2018	The matter is at Pre-Trial stage and there is an Application to Compel Discovery set down for hearing on 27 July 2020.	R 19 345.83 plus interest at 15.5% p.a.	Not Probable	29 808	25 808
AMA-Grace Business Enterprises v Msunduzi Municipality	Delictual Claim: The Plaintiff is suing the municipality for an incident wherein Plaintiff allegedly suffered damages as a result of a burst pipe which then allegedly caused damage to the plaintiff's property	Kass Thaver	Mdlele Inc. Suite 201, Second Floor 161 Pietermaritz Street, Pietermaritzburg, 3201 Tel: 033 345 4022.	2016	We are awaiting a further trial date herein.	R59 042.52 plus interest at 15.5% p.a.	Not probable	121 360	105 073
Mr Mduduzi Collen Sosibo, Mrs Sosibo	Delictual Claim: The plaintiff is suing the Municipality in respect of rates, taxes and services owed by the previous owner of the property.	Kass Thaver	Mdlele Inc. Suite 201, Second Floor 161 Pietermaritz Street, Pietermaritzburg, 3201 Tel: 033 345 4022.	2016	This matter was removed from the roll and we are awaiting a further hearing date.	R 132 431, 96 with interest calculated at 10,25% p.a.	Not probable	215 718	195 662

MATTER ID	DESCRIPTION	INSTRUCTING OFFICIAL	ATTORNEY/AD VOCATE	YEAR INITIATE D	CURRENT STATUS/ PROGRESS	QUANTUM	PROBABILITY OF OUTFLOW	2021	2020
SAMRO and Msunduzi Municipality- Case No KZN/PMB/RC723/17	The Plaintiff is suing the Municipality for an alleged breach of contract wherein the Plaintiff suffered in the amount of R 369 337, 77	K Thaver	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, e-mail: mail@mfilaw.co.za,	2017	Settlement proposal submitted by Applicant's attorneys. As advised by legal department, settlement has been submitted to Management for consideration	R 369 337, 77 plus 10,25% interest per annum.	Not probable	545 680	494 948
SAMRO and Msunduzi Municipality- Case No KZN/PMB/RC7295/17	The Plaintiff is suing the Municipality for an alleged breach of contract wherein the Plaintiff suffered in the amount of R 25 062,90.	K Thaver	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, e-mail: mail@mfilaw.co.za,	2017	Settlement proposal submitted by Applicant's attorneys. As advised by legal department, settlement has been submitted to Management for consideration	R 25 062,90 plus 10,25% interest per annum.	Not probable	37 029	33 587
Certificate of Urgency in the matter Kwezi Cash and Carry CC (Reg No. 1994/029959/23 and The Msunduzi Municipality Case No. 13363/17P	Interdict: The matter involves a dispute over the placement and use of electricity meters on the property	K Thaver	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, e-mail: mail@mfilaw.co.za,	2017	Closed file	NIL	Not probable	0	0
Hatch Africa and Msunduzi Municipality	Contractual Claim: the Plaintiff is suing for unpaid monies owing to Plaintiff for work done flowing from an alleged agreement between the parties.	K Thaver	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, e-mail: alicia@mfilaw.co.za,	2018	The matter was enrolled for trial from 18 May to 21 May 2020. The matter was removed from the roll and reinstated to October 2020 by consent in line with the Judge President's directives. Trial preparation is complete and counsel is in the process of preparing a memorandum with regard to the settlement options.	R8 323 443.20. plus interest of prime plus 2% per annum.	Not probable	10 779 100	9 889 083
Beka Schreder (Pty)Ltd/ Msunduzi Municipality	Vindictory Application - Claim for return of goods delivered/ payment	Sibusiso Mkhize	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, e-mail: alicia@mfilaw.co.za,	2019	Powerec and Beka entered into a settlement agreement in terms of which Msunduzi is to pay the full contract amount. The settlement agreement, which Msunduzi is not a party to, still has to be made an order of court. Matter is ongoing.	R 3 791 340 plus interest at 15.5% p.a.	Not probable	5 057 742	4 378 998
Moosa Omar v Msunduzi Municipality	Debatement of Electricity Account	Johan van der Merwe	Xaba Attorneys, 223 Boom Street, Central Office Park, PMB.tel: 0333457927, fax: 3456985, e-mail: dumixaba@xabainc.com / mail@xabainc.com	2015	Closed file	NIL	Not Probable	0	0
Makhosazane Mbanjwa v Msunduzi Municipality	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a Municipal vehicle driven by a Municipal Employee in the course and scope of his/ her employment	Internal	Internal	2020	Matter is ongoing	R 29 000.00 plus interest at 7.00 per annum	Not probable	31 030	
Yolanda De Langa v Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality	Internal	Internal	2020	Matter is ongoing	R 17 917.00 plus interest at 7.00% per annum			
								19 171	

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Karyn Micayla Harrichand v Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality	Internal	Internal	2020	Matter is ongoing	R 33 904.82 plus interest at 9.75% per annum	Not probable	37 211	
Hayworth Road Properties CC v Msunduzi Municipality	The Plaintiff is suing the Municipality for an amount of R 14 663.50 in respect of damages that allegedly occurred when a municipal employee collided with the Plaintiff's property, specifically the gate.	Internal	Internal	2020	Matter is ongoing	R 14 663.50 plus interest at 10% per annum	Not probable	16 130	
Santosh Singh v Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of Msunduzi Municipality	Internal	Internal	2020	Matter is on going	R 62 904.33 plus interest at 7.00% per annum	Not probable	67 308	
Thulasizwe Collen Ncalane v Msunduzi Municipality	The Plaintiff is suing the Municipality for an amount of R 66 937.08 in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality.	Internal	Internal	2020	Matter is on going	R 66 937.08 plus interest at 7.00% per annum	Not probable	71 623	
Gonaselen Valautham Naidoo v Msunduzi Municipality	The Plaintiff is suing the municipality for an amount of R 13 505.72 for incident wherein Plaintiff's vehicle was allegedly involved in a collision with municipal vehicle driven by a municipal employee within his course and scope of employment	Internal	Internal	2020	Matter is on going	R 13 505.72 plus interest at 7.00% per annum	Not probable	14 451	
Kameel Maharaj v Msunduzi Municipality	The Plaintiff is suing the Municipality for an amount of R 7 100.00 in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality.	Internal	Internal	2020	Matter is ongoing	R 7 100.00 plus interest at 8.75% from 4 June 2020 to date of payment	Not probable	7 721	
Tulisa Cables (Pty) Ltd v Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of breach of contract to pay Plaintiff in respect of outstanding invoices	Internal	Internal	2020	Matter is ongoing	R 288 221.39 plus interest at 8.75% per annum	Probable	313 441	
Udash Jaipal Vather v Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality	Internal	Internal	2020	Matter is ongoing	R 14 717.60 plus interest at 9% from 1 June 2020 to date of payment	Not probable	16 042	
Margret Nelisiwe Ngobo v Msunduzi Municipality	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a Municipal vehicle driven by a Municipal Employee in the course and scope of his/ her employment	Internal	Internal	2020	Matter has been settled	R 36 880.37 plus interest at 8.75% p.a	probable	0	
Ikhayelihle Cleaning Services v Msunduzi Municipality	Breach of contract. The Plaintiff is suing the Municipality for services rendered to the Municipality	Internal	Internal	2020	Matter has been settled	R 797 886.36 plus interest at 7.00% per annum	probable	0	
Rajiv Auckloo v Msunduzi Municipality	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a Municipal vehicle driven by a Municipal Employee in the course and scope of his/ her employment	Internal	Internal	2020	Matter has been settled	R 87 317.55 plus interest at 7.00% per annum	probable	0	
Yagambaram Pandaram v Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality	Internal	Internal	2020	Matter is ongoing	R 17 564.27 plus interest at 7.00% per annum	Not probable	18 794	
Sixolile Exelent Nene v Msunduzi Municipality	The Plaintiff is suing the Municipality for damages allegedly suffered as a result of the negligence of Municipal employees failing to cover the water drain	External Insurers	External insurers still to confirm appointed attorneys	2020		R 4 921 000.00 plus interest 7.00% per annum	Not probable	5 265 470	

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Therisa Julia Pitout v Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality	Internal	Internal	2020	Matter is ongoing	R 11 667.76 plus interest at 7.00% per annum	Not probable		
Reshnee Maharaj v Msunduzi Municipality	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a Municipal vehicle driven by a Municipal Employee in the course and scope of his/ her employment	Internal	Internal	2019	Matter was settled	R 39 111.07 plus interest at 7.00% per annum	Not probable	12 485	
Bhekinkosi Mkhize v Msunduzi Municipality	Applicant is lodging a complaint with the Municipality for the reconnection of electricity supply.	Internal	Internal	2020	Matter was removed from the court roll	N/A	Not probable	0	
Nandha Thatayiya Naidoo v Msunduzi Municipality	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a Municipal vehicle driven by a Municipal Employee in the course and scope of his/ her employment	Internal	Internal	2020	Awaiting court set down date	R 46 435.45 plus interest at 8.75% per annum	Not Probable	50 499	
Dumisani Emmanuel Radebe v Msunduzi Municipality	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a Municipal vehicle driven by a Municipal Employee in the course and scope of his/ her employment	Internal	Internal	2020	Matte is on going	R 6 685.53 plus interest at 7.00% per annum	Not probable	7 154	
SMG (Pty) Ltd v Msunduzi Municipality	The Plaintiff is suing the municipality in respect of damages that allegedly occurred as a result of a collision with a TLB Tractor allegedly driven by an employee of the Municipality	Internal	Internal	2020	Matter has been settled	R 188 870.55 plus interest at 7.00% per annum	Not probable	0	
Zutari (Pty) Ltd v Msunduzi Municipality	Plaintiffs previously known as Aurecon South Africa (Pty) Ltd who allege entered into a contract with the Municipality in 2012 under SCM 7 of 2013 for the design and contract administration for the installation of water borne sanitation in ward 10 as per the tender, allege have not been paid even after submitting an invoice	Kass Thaver	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel:033 940 1497, fax:0862428747, e-mail:mail@mfilaw.co.za,	2020	Matter handled by external attorneys	R 2 139 446.97 plus interest at 7.75% per annum	Not probable	2 305 254	
Rajinne Erradu v Msunduzi Municipality	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle allegedly collided with a pothole, that falls under the Defendants area of Jurisdiction and maintenance	Internal	Internal	2020	Matter is ongoing	R 131 182.18 plus interest at 7.00% per annum	Not probable	140 365	
Tumelo Mongali v Msunduzi Municipality	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a Municipal vehicle driven by a Municipal Employee in the course and scope of his/ her employment	Internal	Internal	2020	Matter is ongoing	R 180 000.00 plus interest at 15.5% per annum	Not probable	207 900	
Indirah Ramroop v Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a motor vehicle collision with a municipal vehicle, allegedly driven by an employee of the Defendant, within the course and scope of his employment	Internal	Internal	2020	Matter is ongoing	R 107 833.63 plus interest at 7.00% per annum	Not probable	115 382	
Babonke Twetwa v Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a physical altercation and an unlawful arrest by the Municipality's Road Traffic Official during the course and scope of his/ her employment	Internal	Internal	2020	Matter is on going	R 1 200 700.00 plus interest 7.00% per annum	Not probable	1 284 749	

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MATTER ID	DESCRIPTION	INSTRUCTING OFFICIAL	ATTORNEY/AD VOCATE	YEAR INITIATED	CURRENT STATUS/ PROGRESS	QUANTUM	PROBABILITY OF OUTFLOW	2021	2020
Isnon Trading (Pty) Ltd v Msunduzi Municipality	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle allegedly collided with a pothole, that falls under the Defendants area of Jurisdiction and maintenance	Internal	Internal	2020	Matter is ongoing	R 66 937.08 plus interest at 7.00% per annum	Not probable	71 623	
Nonkululeko Masikane v Msunduzi Municipality	The Plaintiff is suing the Municipality for an incident wherein Plaintiff's vehicle allegedly collided with a pothole, that falls under the Defendants area of Jurisdiction and maintenance	Internal	Internal	2021	Matter is ongoing	R 34 810.78 plus interest 7.00% per annum		34 811	
Thokozani Michael Mahlaba v Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a motor vehicle collision with a municipal vehicle, allegedly driven by an employee of the Defendant, within the course and scope of his employment	Internal	Internal	2021	Matter is ongoing	R 60 654.85 plus interest at 7.75% per annum	Not probable	60 655	
Sanjay Arjun v Msunduzi Municipality	The Plaintiff is suing the Municipality for overpayment of municipal services	Internal	Internal	2020	Matter is ongoing	R74 738.49 plus interest at 8.75% per annum	Not probable	81 278	
Andre Hagen v Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a motor vehicle collision with a municipal vehicle, allegedly driven by an employee of the Defendant, within the course and scope of his employment.	Internal	Internal	2019	Matter has been settled	R 11 420.48 plus interest at 7.00% per annum	Not probable	0	
Dr A A Khan v Msunduzi Municipality	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle allegedly collided with a pothole, that falls under the Defendants area of Jurisdiction and maintenance	Internal	Internal	2021	Matter is ongoing	R 22 741.68 plus interest at 10.25% per annum	Not probable	22 742	
Samukelisiwe Sithole v Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a motor vehicle collision with a municipal vehicle, allegedly driven by an employee of the Defendant, within the course and scope of his employment.	Internal	Internal	2020	Matter settled	R 112 582.25 plus interest at 7.00% per annum		0	
Sasha Rambullu v Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality	Internal	Internal	2020	Matter is ongoing	R 39 976.39 plus interest 7.00% per annum	Not probable	42 775	
Mark Francis v Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages whereby a storm caused trees within the jurisdictional area of the defendant to fall on overhead electricity lines. The Plaintiff is suing for subsequent electrical surge which damaged various of Plaintiffs electrical appliances, installations and fittings	Internal	Internal	2021	Matter is ongoing	R 85 288.00 plus interest 7.00% per annum	Not probable	0	

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MATTER ID	DESCRIPTION	INSTRUCTING OFFICIAL	ATTORNEY/AD VOCATE	YEAR INITIATE D	CURRENT STATUS/ PROGRESS	QUANTUM	PROBABILITY OF OUTFLOW	2021	2020
Dudu Rose-Mary Khumalo v Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of 2 Traffic Officers of the Msunduzi Municipality Traffic Police Department, in uniform and acting within the course and scope of their employment, harassed and assaulted the Plaintiff and the person who was driving the vehicle.	External Insurers	Prinsloo Whitehead Attorneys Old House of Trade Building 226 Prinsloo St Pretoria Tel : 27 12 329 7126 Fax : +27 86 626 9649 mail : shannon@pwmlaw.co.za	2021	Matter has been handed over to external attorneys by our insurers	R 250 000.00 plus interest at 7.00% per annum a tempora morae	Not probable	250 000	
Yalekile Freda Kheswa v Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality	Internal	Internal	2021	Matter is ongoing	R 19 901.84 plus interest 7.00% per annum	Not probable	19 902	
Liberty Group/ First Rand Bank Limited NO/ Liberty Two Degrees Limited/ Two Degrees Properties (Pty) Ltd v Msunduzi Municipality	The Plaintiff's are suing the Municipality in respect of an alleged breach of contract for upgrade and supply of electricity services to the Plaintiffs expansion project to the retail facilities at the Liberty Midlands Mall. The Plaintiffs are suing for refund of amount paid	Internal	Internal	2021	Matter is on going	R 1 859 588.00 plus interest at 7.00% per annum	Probable	1 859 588	
Marece Donnelly v Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality	Internal	Internal	2021	Notice of appearance to defend has been filed in court and served on the Plaintiffs attorney	R 8 767.32 plus interest at 7.00% per annum	Not probable	8 767	
Lisahlile Mavuso v Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of the Plaintiff walking past a street pole adjacent to transformer number 360. Injuries caused by high voltage power line which had alleged become detached from the connection	Internal	Internal	2021	Matter is on going	R 150 00.00 plus interest 10.5% from date of services of summons	Not probable	150 000	
Sonny Kulan Thangalan v Msunduzi Municipality	The Plaintiff is suing the Municipality for an incident wherein Plaintiff allegedly tripped and fell and landed on his left arm due to the unevenness of the pavement/road within the municipal boundaries of the Municipality	External Insurers	External insurers still to appoint attorneys	2021	Matter has been handed over to external attorneys by our insurers	R 550 000.00 plus interest at 7.00% per annum	Not probable	550 000	
Thavandan Subramanian Marie v Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality	Internal	Internal	2021	Matter is on going	R 43 061.96 plus interest at 7.00% per annum	probable	43 062	
Danielle Gounder v Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a motor vehicle collision with a municipal vehicle, allegedly driven by an employee of the Defendant, within the course and scope of his employment.	Internal	Internal	2021	Appearance to defend has been filed.	R 9 260.93 plus interest at 7.00% per annum	probable	9 261	
Theresa Khetiwe Mlotshwa v Msunduzi Municipality		Internal	Internal	2021	Appearance to defend has been filed.	R 73 760.10 plus interest at 7.00% per annum	probable	73 760	
BAFANO NDLOVU AND THE MSUNDUZI MUNICIPALITY	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle allegedly collided with a pothole, that falls under the Defendants area of Jurisdiction and maintenance.	Internal	Internal	2021	Diarised for filing of appearance to defend	R 17 754.65 plus interest at 7.00% per annum	not probable	17 755	

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SELLO SIMON MABOEE AND THE MSUNDUZI MUNICIPALITY	The Plaintiff is suing the municipality for an incident wherein the employees of the Municipality who were cutting down trees near the boundary of the Plaintiffs premises, cut a tree which fell and damaged the Plaintiffs palisade fencing together with the tennis court	Internal	Internal	2021	Diarised for filing of appearance to defend	R 125 350 plus interest at 7.00% per annum	not probable		
DONALD RAYMOND MIDDLETON AND THE MSUNDUZI MUNICIPALITY	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality	Internal	internal	2021	Diarised for filing of appearance to defend	R 8 114.07 plus interest at the prescribed amount per annum	probable	125 350	
Zabalaza Mshengu/ Thabisile Ntombuthi Ngema / Association for Rural Advancement and Msunduzi Local Municipality/ Umsiwe Local Municipality / Umgungundlovu District Municipality/ Shock proof Investments 71 (Pty) Ltd / Vangapath Propriety Limited / Minister of water and sanitation / Minister of Co-operative Governance and Traditional Affairs/ IMEC: Co-operative Governance and Traditional Affairs, KZN	The Applicant are seeking an Order from the court to order the various Respondents to provide certain municipal services in the areas which they occupy.	M Mbokazi	Tomlinson Mnguni James Attorneys, 12 Montrose Park Blvd, Victoria Country Club Estate- Office Park, 170 Peter Brown Drive. Tel: 033 341 9100, email: claudettep@tmj.co.za / noluthandod@tmj.co.za / tmj@tmj.co.za	2017	Judgment granted in favour of the Applicants. Application for leave to appeal lodged and awaiting High Court date for the matter to be heard.	0	Probable	8 114	
								0	
								308 628 880	269 448 324