

## ANNEXURE A

## EXEMPTIONS FOR HIGH CAPACITY MUNICIPALITIES IN TERMS OF CLAUSE 2(2) OF THIS NOTICE

High capacity municipalities must comply with GRAP and GAMAP standards prescribed in General Notice 991 and 992 of 2005, except for the standards or parts of standards as set out below.

Financial reporting standard	Extent of exemption from standard	Exemption period
GRAP 3	Accounting policies, changes in accounting estimates and errors	For the 2006/07 and 2007/08 financial years
GAMAP 17	Property, plant and equipment (PPE)	For the 2006/07 and 2007/08 financial years
	Review of useful life of items of PPE recognized in the annual financial statements [paragraphs 59 - 61, and 77]	For the 2006/07 and 2007/08 financial years
	Review of depreciation method applied to PPE recognized in the annual financial statements [paragraphs 62 and 77]	For the 2006/07 and 2007/08 financial years
	Impairment of non-cash-generating assets [paragraphs 64 - 69 and 75(e)(v) - (vi)]	For the 2006/07 and 2007/08 financial years
	Impairment of cash-generating assets [paragraphs 63 and 75(e)(v) - (vi)]	For the 2006/07 and 2007/08 financial years
IAS 36 (AC 128)	Entire standard	For the 2006/07 and 2007/08 financial years
GAMAP 12	Inventories	For the 2006/07 and 2007/08 financial years
	The entire standard as far as it relates to immovable capital assets inventory that is accounted for in terms of GAMAP 17	For the 2006/07 and 2007/08 financial years
	The entire standard to the extent that it relates to water stock that was not purchased by the municipality	For the 2006/07 and 2007/08 financial years
IAS 40 (AC 135)	Investment property	For the 2006/07 and 2007/08 financial years
	The entire standard to the extent that the property is accounted for in terms of GAMAP 17	For the 2006/07 and 2007/08 financial years
	Disclosure of the fair value of investment property if the cost model is applied and where the municipality has recognised the investment property in terms of this standard [paragraphs 79(e)(i) - (iii)]	For the 2006/07 and 2007/08 financial years

## ANNEXURE A

Financial reporting standard		Extent of exemption from standard	Exemption period
IAS 17 (AC 105)	Leases	Recognising operating lease payments / receipts on a straight-line basis if the amounts are recognised on the basis of the cash flows in the lease agreement. (SAICA circular 12/06 paragraphs 8 – 11 and paragraphs 33, 34, 50, 51 of IAS 17 / AC 105)	For the 2006/07 and 2007/08 financial years
IAS 38 (AC 129)	Intangible assets	The entire standard except for the recognition, measurement and disclosure of computer software and website costs (SIC 32/AC 432) and all other costs are expensed.	For the 2006/07 and 2007/08 financial years
IAS 19 (AC 116)	Employee benefits	Defined benefit accounting as far as it relates to defined benefit plans accounted for as defined contribution plans and the defined benefit obligation disclosed by narrative information. [paragraphs 29, 48 - 119, 120A(c) – (q)]	For the 2006/07 and 2007/08 financial years
GAMAP 9	Revenue	Initial measurement of fair value discounting all future receipts using an imputed rate of interest. (SAICA circular 09/06 and paragraph 12)	For the 2006/07 and 2007/08 financial years
IAS 39 (AC 133)	Financial instruments: Recognition and measurement	Initially measuring financial assets and financial liabilities at fair value. (SAICA circular 09/06, paragraph 43, AG 79, AG64 and AG65 of IAS 39 / AC 133)	For the 2006/07 and 2007/08 financial years
IFRS 5 (AC 142)	Non-current assets held for sale and discontinued operations	Classification, measurement and disclosure of non-current assets held for sale [paragraphs 6 – 14, 15 – 29 (in so far as it relates to non-current assets held for sale), 38 – 42]	For the 2006/07 and 2007/08 financial years
IFRS 7 (AC144)	Financial instruments: Disclosures	Entire Standard to be replaced by IAS 32 (AC125) issued August 2006 and effective for financial statements covering periods beginning on or after 1 January 1998	For the 2006/07 and 2007/08 financial years
IAS 14 (AC 115)	Segment reporting	Entire Standard	For the 2006/07 and 2007/08 financial years
IFRS 8 (AC 145)	Operating segments	Entire Standard	For the 2006/07 and 2007/08 financial years

## ANNEXURE A

Financial reporting standard		Extent of exemption from standard	Exemption period
IAS 11 (AC 109)	Construction contracts	Entire standard	For the 2006/07 and 2007/08 financial years
IFRS 3 (AC 140)	Business combinations	Entire standard	For the 2006/07 and 2007/08 financial years
IAS 20 (AC 134)	Accounting for government grants and disclosure of government assistance	Entire standard excluding paragraph 24 and 26, replaced by paragraph 08 of GAMAP 12, paragraph 25 of GAMAP 17 and paragraphs 42 - 46 of GAMAP 9	For the 2006/07 and 2007/08 financial years

**OVERSTRAND MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008**

	2008 R	2007 R
<b>1 HOUSING DEVELOPMENT FUND</b>		
Housing Development Fund	3 317 403	3 305 463
Unappropriated Surplus	<u>3 317 403</u>	<u>3 305 463</u>
The Housing Development Fund is represented by the following assets and liabilities		
Instalment Sales Debtors (see note 12)	48 899	49 700
Consumer Debtors (see note 14)	9 835	9 942
Cash and cash equivalents	3 258 669	3 245 821
<b>Total Housing Development Fund Assets and Liabilities</b>	<u><b>3 317 403</b></u>	<u><b>3 305 463</b></u>
<b>2 LONG TERM LIABILITIES</b>		
Annuity Loans (Classification : held to maturity)	51 323 243	57 544 426
Capitalised Lease Liability	0	0
Sub-Total	<u>51 323 243</u>	<u>57 544 426</u>
Less: Current portion transferred to current liabilities Annuity Loans	7 591 851	6 989 445
	<u>7 591 851</u>	<u>6 989 445</u>
<b>Total External Loans</b>	<u><b>43 731 392</b></u>	<u><b>50 554 981</b></u>
Refer to Appendix A for more detail on long-term liabilities.		
<b>3 NON-CURRENT PROVISIONS</b>		
Provision for rehabilitation of tip sites	9 456 931	3 282 000
Provision for the clearing out of alien vegetation	3 380 000	5 100 000
Provision for the cleaning up of illegal dumping	1 172 580	4 282 000
Provision for post retirement benefits: Health Care	46 582 736	41 305 590
Provision for post retirement benefits: Long Service Bcnuses	585 427	511 157
<b>Total Non-Current Provisions</b>	<u><b>61 177 674</b></u>	<u><b>54 480 747</b></u>
<b>Provision for rehabilitation of tip sites</b>		
Balance at beginning of year	3 282 000	4 432 000
Transfer from non-current	0	0
Contributions to provision	1 188 112	0
Additional Contribution	5 713 531	0
Transfer to current provisions	(726 712)	(1 150 000)
<b>Balance at end of year</b>	<u><b>9 456 931</b></u>	<u><b>3 282 000</b></u>
The costs to rehabilitate all identified sites in the Overstrand is estimated at R11 031 931. Provision for R1 575 000 has been made for this program in the 2008/2009 operating budget		
<b>Provision for the clearing out of alien vegetation</b>		
Balance at beginning of year	5 100 000	1 225 000
Transfer from non-current	(1 249 619)	0
Contributions to provision	0	4 875 000
Additional Contribution	350 000	0
Transfer to current provisions	(820 381)	(1 000 000)
<b>Balance at end of year</b>	<u><b>3 380 000</b></u>	<u><b>5 100 000</b></u>
Approx. 20% of a total area of 26 154ha must be cleared during the next four years and the estimated cost amounts to R4,03m of which an amount of R1m has been provided for in the 2008/2009 operating budget		

**OVERSTRAND MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008**

	2008 R	2007 R
<b>Provision for the cleaning up of illegal dumping</b>		
Balance at beginning of year	4 282 000	4 405 400
Transfer from non-current	0	(123 400)
Contributions to provision	2 152 899	0
Transfer to current provisions	(5 262 319)	0
<b>Balance at end of year</b>	<u>1 172 580</u>	<u>4 282 000</u>

The estimated cost to clean up all illegal dumping in Overstrand amounts to R4 267 000. An amount of R3 094 420 has been provided for in the 2008/2009 budget to address this program.

<b>Provision for post retirement benefits: Health Care</b>		
Balance at beginning of year	41 305 590	36 684 802
Transfer to current provisions	(1 085 799)	0
Contributions to provision	1 105 431	0
Adjustment for actuarial valuation	5 257 514	4 620 788
<b>Balance at end of year</b>	<u>46 582 736</u>	<u>41 305 590</u>

Post retirement benefits relating to health care benefits have been provided for. An actuarial valuation has been carried out by a professional actuary as at 30 June 2007. The provision has been adjusted with the projection from the 2007 report.

<b>Provision for post retirement benefits: Long Service Bonuses</b>		
Balance at beginning of year	511 157	380 319
Transfer to current provisions	0	0
Contributions to provision	0	0
Adjustment for actuarial valuation	74 270	130 838
<b>Balance at end of year</b>	<u>585 427</u>	<u>511 157</u>

Post retirement benefits relating to long service bonuses have been provided for. An actuarial valuation has been carried out by a professional actuary as at 30 June 2007. The provision has been adjusted with the projection from the 2007 report.

**4 CONSUMER DEPOSITS**

Electricity and water	10 220 922	8 861 602
<b>Total Consumer Deposits</b>	<u>10 220 922</u>	<u>8 861 602</u>

**5 CURRENT PROVISIONS**

<b>Projected outflows for 2008/2009:</b>		
Rehabilitation of tip sites	1 575 000	1 150 000
Clearing out of alien vegetation	1 000 000	1 000 000
Cleaning up of illegal dumping	3 094 420	0
Post retirement benefits: Health Care	999 903	938 876
Post retirement benefits: Long service Bonuses	6 756	6 148
<b>Total Current Provision</b>	<u>6 676 079</u>	<u>3 095 024</u>

**The movement in current provisions are reconciled as follows:**

Balance at beginning of year	3 095 024	1 213 498
Transfer from non-current	7 895 210	2 150 000
Contributions to provision	61 635	(268 474)
Expenditure incurred	(4 375 790)	0
<b>Balance at end of year</b>	<u>6 676 079</u>	<u>3 095 024</u>

**OVERSTRAND MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008**

	2008 R	2007 R
<b>6 TRADE AND OTHER PAYABLES</b>		
	(Classification: Contractual obligations at fair value)	
Trade creditors	49 041 129	31 559 935
Staff leave	4 920 100	4 842 455
Payments received in advance	5 568 212	4 476 392
Deferred Income	211 293	179 278
Suspence accounts	0	2 255 447
Control account - salaries	29 621	0
Control account - sundry	6 736 299	42 274 750
Control account - Other Payables	2 080 921	2 890 287
Retention money	7 859 419	3 837 508
Deposits - Builders	6 073 174	6 093 709
Deposits - Other	195 299	154 553
Insurance claims	65 783	19 366
Prepaid Vending	1 670 159	338 298
<b>Total Payables</b>	<b><u>84 451 409</u></b>	<b><u>98 921 977</u></b>
<b>7 UNSPENT CONDITIONAL GRANTS AND RECEIPTS</b>		
<i>7.1 Conditional Grants from other spheres of Government</i>	<b>4 860 759</b>	<b>7 400 367</b>
National Government Grants	1 501 688	1 172 647
Provincial Government Grants	3 357 349	6 225 996
District Municipality Grants	1 724	1 724
<i>7.2 Other Conditional Receipts</i>	<b>14 497 631</b>	<b>17 452 118</b>
Developers Contribution - Electricity	2 539 139	3 159 542
Developers Contribution - Water	4 333 770	6 936 989
Developers Contribution - Sewerage	2 799 900	4 060 339
Developers Contribution - Roads	381 371	16 702
Developers Contribution - Storm Water	24 612	24 612
Developers Contribution - Sandbaai Erf 1448 - 14 Units	731 245	731 245
Developers Contribution - Parking	1 881 021	1 888 608
Public contributions	1 806 572	634 080
<b>Total Conditional Grants and Receipts</b>	<b><u>19 358 390</u></b>	<b><u>24 852 485</u></b>
<b>8 VAT</b>		
	(Classification : loans and receivables)	
Vat receivable/ (payable)	<b><u>13 273 863</u></b>	<b><u>4 939 750</u></b>
Vat is payable on the receipts basis. Only when payment is received from debtors, VAT is paid over to SARS.		

OVERSTRAND MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

9 PROPERTY, PLANT AND EQUIPMENT

30 June 2008

Reconciliation of Carrying Value	Land and Buildings	Infra-structure	Community	Heritage	Other	Total
	R	R	R	R	R	R
<b>Carrying values at 1 July 2007</b>	34 895 323	234 262 182	24 595 900	1 088 522	69 301 778	364 143 705
Cost	34 895 323	321 823 109	29 747 106	1 088 522	113 184 948	500 739 007
Correction of error	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Accumulated depreciation	0	(87 560 927)	(5 151 206)	0	(43 883 170)	(136 595 302)
- Cost		(87 560 927)	(5 151 206)		(43 883 170)	(136 595 302)
- Revaluation						0
Acquisitions		80 285 259	10 977 944		15 764 622	107 027 825
Capital under Construction		41 205 658	4 361 488		7 058 046	52 625 192
Increases/decreases in revaluation						0
Depreciation	0	(18 281 545)	(1 005 904)	0	(7 080 719)	(26 368 168)
- based on cost		(18 281 545)	(1 005 904)		(7 080 719)	(26 368 168)
- based on revaluation						0
Carrying value of disposals	0	0	0	0	(465 030)	(465 030)
Cost/revaluation						0
Accumulated depreciation					(465 030)	(465 030)
Impaired losses						0
Other movements					(465 030)	(465 030)
<b>Carrying values at 30 June 2008</b>	34 895 323	337 471 554	38 929 428	1 088 522	85 043 726	497 428 554
Cost	34 895 323	443 314 026	45 086 537	1 088 522	135 542 586	659 926 994
Revaluation	0	0	0	0	0	0
Accumulated depreciation	0	(105 842 472)	(6 157 110)	0	(50 498 859)	(162 498 440)
- Cost	0	(105 842 472)	(6 157 110)	0	(50 498 859)	(162 498 440)
- Revaluation	0	0	0	0	0	0

30 June 2007

Reconciliation of Carrying Value	Land and Buildings	Infra-structure	Community	Heritage	Other	Total
	R	R	R	R	R	R
<b>Carrying values at 1 July 2006</b>	51 645 323	174 294 505	17 057 938	1 088 522	54 937 357	299 023 646
Cost	0	247 818 118	21 411 459	1 088 522	88 647 773	358 965 873
Correction of error	33 645 323	0	0	0	0	33 645 323
Revaluation	18 000 000	0	0	0	0	18 000 000
Accumulated depreciation	0	(73 523 613)	(4 353 521)	0	(33 710 416)	(111 587 549)
- Cost	0	(73 523 613)	(4 353 521)	0	(33 710 416)	(111 587 549)
- Revaluation	0	0	0	0	0	0
Acquisitions	1 250 000	56 106 047	2 605 343		23 286 817	83 248 207
Capital under Construction		17 898 943	5 730 304		1 250 357	24 879 605
Increases/decreases in revaluation						0
Depreciation	0	(14 037 314)	(797 685)	0	(10 172 754)	(25 007 753)
- based on cost		(14 037 314)	(797 685)		(10 172 754)	(25 007 753)
- based on revaluation						0
Carrying value of disposals	(18 000 000)	0	0	0	0	(18 000 000)
Cost/revaluation	(18 000 000)					(18 000 000)
Accumulated depreciation						0
Impaired losses						0
Other movements						0
<b>Carrying values at 30 June 2007</b>	34 895 323	234 262 182	24 595 900	1 088 522	69 301 778	364 143 705
Cost	34 895 323	321 823 109	29 747 106	1 088 522	113 184 948	500 739 007
Revaluation	0	0	0	0	0	0
Accumulated depreciation	0	(87 560 927)	(5 151 206)	0	(43 883 170)	(136 595 302)
- Cost	0	(87 560 927)	(5 151 206)	0	(43 883 170)	(136 595 302)
- Revaluation	0	0	0	0	0	0

**OVERSTRAND MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008**

**9.1 Transitional provisions**

Overstrand Municipality has taken advantage of the transitional provisions of paragraph .86 of GAMAP 17.

During the year of review no further assets or classes of assets were recognised from the previous reporting date.

The municipality is in the process of unbundling and recognising all assets and classes of assets. This will be fully recognised in the 2008/2009 financial year.

	2008 R	2007 R
<b>10 INVESTMENT PROPERTY</b>		
Fair Value	0	0
Total Investment Property	0	0
<b><u>Reconciliation of investment property</u></b>		
Opening balance of investment property	0	33 645 323
Transferred (See note 28)		(33 645 323)
Closing balance of investment property	0	0

The value of investment properties recorded in the 2006 financial year, have been re-allocated to Property, Plant and Equipment due to the incorrect classification of these properties.

The recognition of assets as Investment Properties will be done by 30 June 2009.

Revenues earned from rentals are included in the statement of financial performance.

**11 INVESTMENTS**

**Financial Assets**

Fixed Deposits	(Classification : held to maturity)	12 525 864	8 134 323
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The investments are summarised as follows:

Rand Merchant Bank (Momentum Policy Backed Loan Structure)	9 132 915	4 827 711
New Republic Bank	3 332 454	3 246 117

The bank is under receivership. Interest only accrued till 31 December 2007. There is no guarantee that the municipality will receive the full value of the investment. After year end, a dividend of R0,45 on the original capital still outstanding has been received. This brings the total payout to 89% of the original investment.

Eskom (Long term investments in lieu of consumer deposits)	60 495	60 495
	12 525 864	8 134 323

**OVERSTRAND MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008**

	2008 R	2007 R
<b>12 LONG-TERM RECEIVABLES</b> (Classification : loans and receivables)		
Land sales	29 748	38 120
Officials: Car loans	383 526	830 119
Officials: Study loans	21 808	27 909
Officials: Bursary Fund	4 206	4 206
Housing selling scheme loans	48 899	49 700
Sport clubs	322 505	451 871
	810 692	1 401 925
Less: Current portion transferred to current receivables	365 417	498 059
Officials: Car loans	253 842	375 880
Officials: Study loans & Bursaries	26 014	32 115
Housing scheme loans	902	701
Sport clubs	84 660	89 364
<b>Total</b>	<b>445 275</b>	<b>903 866</b>

**Land Sales**

These erven formed part of the previous RDP housing developments and were identified for sale to religious organisations and business premises for SMME's.

**Car Loans**

Senior staff were entitled to car loans which attracts interest at 8% per annum and which are repayable over a maximum period of 6 years. These loans are repayable in the year 2010.

**Study Loans & Bursaries**

Bursaries are awarded to staff members for studies at tertiary institutions. If the student should fail, the bursary is converted to a loan, which is repayable over twelve months.

**Housing Scheme Loans**

The outstanding balances of two church sites attract interest at 13,5% p.a. and will be repaid by 2023 and 2028

**Sports Clubs & Other Organisations**

The outstanding balances of loans to sports clubs and other bodies attract interest at 5% p.a. and are payable between 2009 and 2020

**13 INVENTORY**

Consumable stores - at weighted average	4 722 631	1 899 515
<b>Total Inventory</b>	<b>4 722 631</b>	<b>1 899 515</b>

**OVERSTRAND MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008**

<b>14 TRADE RECEIVABLES</b>	(Classification : loans and receivables)		
	<b>Gross Balances</b>	<b>Provision for Bad Debts</b>	<b>Net Balance</b>
<b>As at 30 June 2008</b>			
Service receivables	37 366 635	13 821 380	23 545 254
Rates	9 083 675	3 103 269	5 980 406
Trading Services (Electricity & Water)	18 902 865	5 881 955	13 020 910
Economic Services (Sewerage & Refuse)	9 380 095	4 836 157	4 543 938
Housing Rentals	9 835	3 569	6 266
Other	3 739 461	1 978 280	1 761 181
<b>Total</b>	<b>41 115 931</b>	<b>15 803 229</b>	<b>25 312 701</b>
<b>As at 30 June 2007</b>			
Service receivables	34 460 877	9 854 346	24 606 531
Rates	9 671 928	1 675 036	7 996 893
Trading Services (Electricity & Water)	17 232 710	4 649 385	12 583 325
Economic Services (Sewerage & Refuse)	7 556 239	3 529 926	4 026 313
Housing Rentals	9 942	4 666	5 276
Other	2 689 456	1 780 010	909 445
<b>Total</b>	<b>37 160 274</b>	<b>11 639 022</b>	<b>25 521 252</b>
		<b>2008 R</b>	<b>2007 R</b>
<b>Rates: Ageing</b>			
Current (0 - 30 days)		5 584 461	4 689 564
31 - 60 Days		171 897	2 058 659
61 - 90 Days		154 843	391 790
91 - 120 Days		69 205	94 034
+ 120 Days		3 103 269	2 437 881
<b>Total</b>		<b>9 083 675</b>	<b>9 671 928</b>
<b>Trading Services (Electricity and Water): Ageing</b>			
Current (0 - 30 days)		11 616 499	9 432 337
31 - 60 Days		603 188	1 696 599
61 - 90 Days		460 824	858 793
91 - 120 Days		340 399	595 596
+ 120 Days		5 881 955	4 649 385
<b>Total</b>		<b>18 902 865</b>	<b>17 232 710</b>
<b>Economic Services (Sewerage and Refuse): Ageing</b>			
Current (0 - 30 days)		3 958 417	2 763 543
31 - 60 Days		255 505	598 570
61 - 90 Days		204 157	395 587
91 - 120 Days		125 859	268 613
+ 120 Days		4 836 157	3 529 926
<b>Total</b>		<b>9 380 095</b>	<b>7 556 239</b>
<b>Housing rentals: Ageing</b>			
Current (0 - 30 days)		4 967	2 439
31 - 60 Days		920	1 330
61 - 90 Days		372	784
91 - 120 Days		6	724
+ 120 Days		3 569	4 666
<b>Total</b>		<b>9 835</b>	<b>9 942</b>
<b>Other: Ageing</b>			
Current (0 - 30 days)		1 073 960	638 987
31 - 60 Days		516 220	137 334
61 - 90 Days		146 700	79 868
91 - 120 Days		24 301	53 257
+ 120 Days		1 978 280	1 780 010
<b>Total</b>		<b>3 739 461</b>	<b>2 689 456</b>

**OVERSTRAND MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008**

**Summary of Receivables by Customer Classification**

<b>30 June 2008</b>	<b>Consumers</b>	<b>Industrial/ Commercial</b>	<b>National and Provincial Gov</b>
	<b>R</b>	<b>R</b>	<b>R</b>
Current (0 - 30 days)	18 242 231	3 661 163	334 911
31 - 60 Days	1 399 746	97 937	50 048
61 - 90 Days	824 653	114 139	28 105
91 - 120 Days	506 967	35 634	17 168
+ 120 Days	12 994 317	2 099 118	709 794
Sub-total	<u>33 967 913</u>	<u>6 007 991</u>	<u>1 140 026</u>
Less: Provision for bad debts	13 704 111	2 099 118	0
<b>Total receivables by customer classification</b>	<u>20 263 802</u>	<u>3 908 873</u>	<u>1 140 026</u>

<b>30 June 2007</b>	<b>Consumers</b>	<b>Industrial/ Commercial</b>	<b>National and Provincial Gov</b>
	<b>R</b>	<b>R</b>	<b>R</b>
Current (0 - 30 days)	14 655 110	2 568 715	303 045
31 - 60 Days	3 933 827	500 415	58 249
61 - 90 Days	1 502 789	194 913	29 120
91 - 120 Days	907 486	83 078	21 661
+ 120 Days	9 513 615	2 125 408	762 845
Sub-total	<u>30 512 826</u>	<u>5 472 529</u>	<u>1 174 919</u>
Less: Provision for bad debts	9 513 615	2 125 408	0
<b>Total receivables by customer classification</b>	<u>20 999 212</u>	<u>3 347 121</u>	<u>1 174 919</u>

**2008**  
**R**

**2007**  
**R**

**Reconciliation of bad debt provision**

Balance at beginning of the year	11 639 022	16 028 454
Contributions to provision	4 834 083	315 962
Bad debts written off against provision	(669 876)	(4 705 394)
Reversal of provision	0	0
<b>Balance at end of year</b>	<u>15 803 229</u>	<u>11 639 022</u>

**15 OTHER RECEIVABLES** (Classification : loans and receivables)

Control accounts - salaries	0	60 370
Control accounts - sundry	20 679 345	14 457 266
Control accounts - receivables	7 626 431	46 448 075
Subsidy claims	0	0
Deposits	101 122	47 322
<b>Total Other Receivables</b>	<u>28 406 898</u>	<u>61 013 033</u>

**16 SHORT TERM INVESTMENTS**

Overberg Agri Shares (Classification : available for sale)	0	17 454
Other Deposits (Classification : held to maturity)	50 000 000	55 000 000
	<u>50 000 000</u>	<u>55 017 454</u>

**Market valuation of listed investments**

Overberg Agri Shares (4672 ordinary shares). The shares were sold	0	259 763
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**OVERSTRAND MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008**

	2008 R	2007 R
<b>17 CASH AND CASH EQUIVALANTS</b> (Classification : available for sale)		
The Municipality has the following bank accounts:		
<b>ABSA - Account Number 322 000 0035 (Hermanus - Primary Bank Account)</b>		
Cash book balance at beginning of year	140 340 482	31 600 965
Cash book balance at end of year	<u>166 616 889</u>	<u>140 340 482</u>
Bank statement balance at beginning of year	103 879 545	24 951 006
Bank statement balance at end of year	<u>48 300 352</u>	<u>103 879 545</u>
<b>ABSA - Account Number 322 017 0240 (Gansbaai)</b>		
Cash book balance at beginning of year	(18 649 801)	(2 272 730)
Cash book balance at end of year	<u>(28 888 283)</u>	<u>(18 649 801)</u>
Bank statement balance at beginning of year	1 145 293	4 849 814
Bank statement balance at end of year	<u>8 043</u>	<u>1 145 293</u>
<b>ABSA - Account Number 405 835 6861 (Hangklip-Kleinmond)</b>		
Cash book balance at beginning of year	(29 400 193)	(9 050 571)
Cash book balance at end of year	<u>(41 388 278)</u>	<u>(29 400 193)</u>
Bank statement balance at beginning of year	1 089 905	5 092 135
Bank statement balance at end of year	<u>26 969</u>	<u>1 089 905</u>
<b>ABSA - Account Number 405 589 9787 (Onrus Caravan Park)</b>		
Cash book balance at beginning of year	(253 046)	29 355
Cash book balance at end of year	<u>(292 395)</u>	<u>(253 046)</u>
Bank statement balance at beginning of year	13 237	38 812
Bank statement balance at end of year	<u>6 006</u>	<u>13 237</u>
<b>ABSA - Account Number 405 642 0921 (Traffic Department)</b>		
Cash book balance at beginning of year	(111 828)	1 076 991
Cash book balance at end of year	<u>(309 084)</u>	<u>(111 828)</u>
Bank statement balance at beginning of year	399 224	1 179 909
Bank statement balance at end of year	<u>163 206</u>	<u>399 224</u>
<b>ABSA - Account Number 406 657 8021 (Debtors Acc's)</b>		
Cash book balance at beginning of year	(6 891 354)	0
Cash book balance at end of year	<u>(75 287 487)</u>	<u>(6 891 354)</u>
Bank statement balance at beginning of year	1 606 441	0
Bank statement balance at end of year	<u>172 219</u>	<u>1 606 441</u>
Cash on hand in cash floats:	9 920	9 920
<b>Total Bank and Cash</b>	<u><u>20 461 282</u></u>	<u><u>85 044 179</u></u>

**OVERSTRAND MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008**

	2008 R	2007 R
<b>18 PROPERTY RATES</b>		
<b>Income</b>		
Residential	71 756 145	61 789 189
Commercial	9 868 423	7 846 984
Agricultural	0	2 344 927
	<u>81 624 568</u>	<u>71 981 101</u>
Less: Exempted properties	0	0
<b>Total Assessment Rates</b>	<u><b>81 624 568</b></u>	<u><b>71 981 101</b></u>
<b>Valuations</b>	<b>Jun 2008 R000's</b>	<b>Jun 2007 R000's</b>
Residential	10 509 515	9 752 383
Commercial	1 153 895	1 070 874
Agricultural	0	353 762
Exempted properties	319 351	293 040
<b>Total Property Valuations</b>	<u><b>11 982 761</b></u>	<u><b>11 470 059</b></u>

Valuations on land and buildings are undertaken every four years. The last valuation came into effect on 1 July 2003. Interim valuations are processed annually. A general rate of 0,6754 c/R and 0,9118 c/R for residential and commercial respectively (2006/2007: 0,6372 c/R and 0,7328 c/R) is applied to property valuations to determine assessment rates. Rebates ranging between 20% & 40% are applied to pensioners and up to 90% on certain rural properties. Rates are levied on an annual basis and can be paid in instalments or annually. The final date of payment for annual rates was 30 September 2007. Interest at prime plus 1% is levied on outstanding rates.

	2008 R	2007 R
<b>19 SERVICE CHARGES</b>		
Sale of electricity	89 194 284	82 711 777
Sale of water	43 810 733	41 210 674
Refuse removal	26 594 007	24 635 442
Sewerage and sanitation charges	29 106 097	25 959 788
<b>Total Service Charges</b>	<u><b>188 705 121</b></u>	<u><b>174 517 681</b></u>

**20 GOVERNMENT GRANTS AND SUBSIDIES**

<b>Operating:</b>		17 784 910	14 622 703
National FMG Grant	20.1A	467 959	1 225 950
National Equitable share	20.1B	15 446 463	13 018 253
Municipal Systems Improvement Grant	20.1D	150 000	0
Provincial Library	20.2B	304 919	0
Provincial Proclaimed Roads Maintenance	20.2C	707 000	368 000
Provincial Town Planning Subsidy	20.2M	400 000	0
Provincial Other	20.2N	196 969	10 500
Provincial Housing Consumer Education	20.2P	111 600	
<b>Capital:</b>		11 551 011	15 976 549
National DME - INEP	20.1C	3 352 000	1 500 000
Provincial MIG funds 2007/08	20.2A	4 060 000	4 389 000
Provincial Gansbaai Spaces 4 Sport	20.2E	1 500 000	0
Provincial Informal Settlement Re-Location	20.2G	0	5 824
Provincial Social Housing Projects	20.2J	2 239 011	7 172 642
Provincial Multipurpose Centre	20.2K	400 000	2 909 082
<b>Total Government Grant and Subsidies</b>		<u><b>29 335 921</b></u>	<u><b>30 599 252</b></u>

**OVERSTRAND MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008**

	2008 R	2007 R
<b>20.1A Conditional Grants: National - FMG Grant</b>		
Balance unspent at beginning of year	1 172 647	1 898 597
Current year receipts	500 000	500 000
Conditions met - transferred to revenue	(467 959)	(1 225 950)
Conditions still to be met - transferred to liabilities (see note 7)	<u>1 204 688</u>	<u>1 172 647</u>

The Financial Management Grant is paid by National Treasury to all municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The MFMA Grant also pays for the cost of the Financial Management Internship Programme (eg salary costs of the Financial Management Interns).

**20.1B Conditional Grants: National - Equitable Share**

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive a monthly subsidy based on the basic service charges for water, electricity, sewerage, refuse and 6kl free basic water and 50kwh unit of electricity (2007: same principle applied), which is funded from this grant.

**20.1C Conditional Grants: National - DME - INEP**

Balance unspent at beginning of year	0	0
Current year receipts	3 352 000	1 500 000
Conditions met - transferred to revenue	(3 352 000)	(1 500 000)
Conditions still to be met - transferred to liabilities (see note 7)	<u>0</u>	<u>0</u>

**20.1D Conditional Grants: National - MSIG**

Balance unspent at beginning of year	0
Current year receipts	150 000
Conditions met - transferred to revenue	(150 000)
Conditions still to be met - transferred to liabilities (see note 7)	<u>0</u>

**20.1E Conditional Grants: National - DWAF (Masibimbane Project)**

Balance unspent at beginning of year	0
Current year receipts	297 000
Conditions met - transferred to revenue	0
Conditions still to be met - transferred to liabilities (see note 7)	<u>297 000</u>

**20.2A Conditional Grants: Provincial - MIG FUNDS 2007/08 Allocation**

Balance unspent at beginning of year	1 457 049	0
Current year receipts	2 602 951	5 846 049
Conditions met - transferred to revenue	(4 060 000)	(4 389 000)
Conditions still to be met - transferred to liabilities (see note 7)	<u>0</u>	<u>1 457 049</u>

**20.2B Conditional Grants: Provincial - Library**

Balance unspent at beginning of year	0
Current year receipts - included in public health vote	304 919
Conditions met - transferred to revenue	(304 919)
Conditions still to be met - transferred to liabilities (see note 7)	<u>0</u>

OVERSTRAND MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
<b>20.2C Conditional Grants: Provincial - Main Road Subsidy</b>		
Balance unspent at beginning of year	0	0
Current year receipts - included in roads maintenance vote	707 000	368 000
Conditions met - transferred to revenue	<u>(707 000)</u>	<u>(368 000)</u>
Conditions still to be met - transferred to liabilities (see note 7)	<u>0</u>	<u>0</u>
<b>20.2D Conditional Grants: Provincial - Water Conservation</b>		
Balance unspent at beginning of year	<u>421 039</u>	<u>421 039</u>
Conditions still to be met - transferred to liabilities (see note 7)	<u>421 039</u>	<u>421 039</u>
Balance unspent at beginning of year	1 500 000	0
Current year receipts	0	1 500 000
Conditions met - transferred to revenue	<u>(1 500 000)</u>	<u>0</u>
Conditions still to be met - transferred to liabilities (see note 7)	<u>0</u>	<u>1 500 000</u>
<b>20.2G Conditional Grants: Provincial - Informal Settlement Re-Location</b>		
Balance unspent at beginning of year	501 763	507 587
Conditions met - transferred to revenue	<u>0</u>	<u>(5 824)</u>
Conditions still to be met - transferred to liabilities (see note 7)	<u>501 763</u>	<u>501 763</u>
<b>20.2H Conditional Grants: Provincial - Hemel en Aarde Structure Plan</b>		
Balance unspent at beginning of year	<u>114 563</u>	<u>114 563</u>
Conditions still to be met - transferred to liabilities (see note 7)	<u>114 563</u>	<u>114 563</u>
<b>20.2I Conditional Grants: Provincial - 2004/032 ST Water Resources</b>		
Balance unspent at beginning of year	<u>50 000</u>	<u>50 000</u>
Conditions still to be met - transferred to liabilities (see note 7)	<u>50 000</u>	<u>50 000</u>
<b>20.2J Conditional Grants: Provincial - Social Housing</b>		
Balance unspent at beginning of year	0	0
Current year receipts	2 239 011	7 172 642
Conditions met - transferred to revenue	<u>(2 239 011)</u>	<u>(7 172 642)</u>
Conditions still to be met - transferred to liabilities (see note 7)	<u>0</u>	<u>0</u>
<b>20.2K Conditional Grants: Provincial - Multipurpose Centre</b>		
Balance unspent at beginning of year	694 435	3 603 517
Current year receipts	400 000	0
Conditions met - transferred to revenue	<u>(400 000)</u>	<u>(2 909 082)</u>
Conditions still to be met - transferred to liabilities (see note 7)	<u>694 435</u>	<u>694 435</u>
<b>20.2L Conditional Receipts: Other - Schulphoek Resort</b>		
Balance unspent at beginning of year	<u>784 899</u>	<u>784 899</u>
Conditions still to be met - transferred to liabilities (see note 7)	<u>784 899</u>	<u>784 899</u>
<b>20.2M Conditional Receipts: Provincial - Town Planning Subsidy</b>		
Balance unspent at beginning of year	0	
Current year receipts	400 000	
Conditions met - transferred to revenue	<u>(400 000)</u>	
Conditions still to be met - transferred to liabilities (see note 7)	<u>0</u>	

**OVERSTRAND MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008**

	2008	2007
	R	R
<b>20.2N Conditional Receipts: PAWC: Other Grants</b>		
Balance unspent at beginning of year	702 247	702 247
Current year receipts	196 969	10 500
Conditions met - transferred to revenue	(196 969)	(10 500)
Conditions still to be met - transferred to liabilities (see note 7)	<u>702 247</u>	<u>702 247</u>

These grants include Community Development Workers and Fire Victims Relief

**20.2P Conditional Receipts: PAWC: Housing Consumer Education**

Balance unspent at beginning of year	0	
Current year receipts	200 000	
Conditions met - transferred to revenue	(111 600)	
Conditions still to be met - transferred to liabilities (see note 7)	<u>88 400</u>	

**20.3A Conditional Receipts: ODM: Health Centre**

Balance unspent at beginning of year	1 724	1 724
Conditions met - transferred to revenue	0	0
Conditions still to be met - transferred to liabilities (see note 7)	<u>1 724</u>	<u>1 724</u>

**20.3 Changes in levels of government grants**

Based on the allocations set out in the Division of Revenue Act, (2007), government grant funding is expected to increase over the two years 2008/09 and 2009/10.

**21 OTHER INCOME**

Other income	14 023 121	10 165 264
<b>Total Other Income</b>	<u>14 023 121</u>	<u>10 165 264</u>

Other income has increased by R3 857 857 (representing a 38% increase) since the previous financial year and is identified mainly as follows:

Sundry income	14 023 121	8 148 261
Public contributions	0	2 017 003
	<u>14 023 121</u>	<u>10 165 264</u>

**21a LEASES**

**Municipality as Lessor**

Finance leases	0	0
Operating leases	<u>6 468 366</u>	<u>5 371 142</u>
(i) Not later than one year	1 361 492	0
(ii) Later than one year and not later than five years	2 953 624	0
(iii) Later than five years: Land and Buildings	<u>2 153 251</u>	<u>5 371 142</u>
	<u>6 468 366</u>	<u>5 371 142</u>

These leases pertain to the rental of municipal properties at a monthly or annual rental.

**Municipality as Lessee**

Finance leases	0	0
Operating leases	<u>374 422</u>	<u>2 951 321</u>
(i) Not later than one year	142 567	979 596
(ii) Later than one year and not later than five years	231 855	1 971 725
(iii) Later than five years	<u>0</u>	<u>0</u>
	<u>374 422</u>	<u>2 951 321</u>

These operating leases pertain to the rental of office equipment.

OVERSTRAND MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
<b>22 EMPLOYEE RELATED COSTS</b>		
Employee related costs - Salaries and Wages	64 787 692	53 220 356
Employee related costs - Contributions for UIF, pensions and medical aids	17 223 519	14 672 688
Travel, motor car, accommodation, subsistence and other allowances	6 259 290	6 544 342
Housing benefits and allowances	980 714	708 897
Overtime payments	10 194 286	8 477 043
Performance bonus	4 629 782	4 060 577
Long-service awards	350 745	303 177
Contribution to Full Time Union Representative	58 987	70 952
<b>Total Employee Related Costs</b>	<u><u>104 485 015</u></u>	<u><u>88 058 032</u></u>
There were no advances to employees. Loans to employees are set out in note 12.		
<b>Remuneration of the Municipal Manager from July 07 to Jan.08</b>		
Annual Remuneration	338 461	527 220
Performance Bonus	35 654	70 000
Car Allowance	67 051	108 000
Computer Allowance	3 800	6 060
Council Contributions to UIF, Medical and Pension Funds	1 451 118	121 202
<b>Total</b>	<u><u>1 896 084</u></u>	<u><u>832 482</u></u>
<b>Acting as Municipal Manager from Nov 07 to March 08 by Head: Management Services</b>	<b>75 000</b>	
<b>Remuneration of the Municipal Manager from April 08 to June 08</b>		
Annual Remuneration	183 473	
Performance Bonus	15 000	
Car Allowance	40 027	
Computer Allowance	238 500	
Office Allowance		
Council Contributions to UIF, Medical and Pension Funds		
<b>Total</b>	<u><u>477 015</u></u>	
<b>Remuneration of the Director: Finance from July 07 to September 07</b>		
Annual Remuneration	404 355	
Performance Bonus	10 300	
Car Allowance	32 745	
Housing Subsidy	1 662	
Computer Allowance	789	
Council Contributions to UIF, Medical and Pension Funds	27 164	
<b>Total</b>	<u><u>477 015</u></u>	
<b>Acting Director: Finance from July 07 to Jan 08 by Project Manager</b>	<b>105 000</b>	
<b>Remuneration of the Director: Finance from February 08 to June 08</b>		
Annual Remuneration	199 830	416 132
Car Allowance	32 141	130 980
Housing Subsidy	0	5 556
Computer Allowance	0	2 937
Council Contributions to UIF, Medical and Pension Funds	39 607	101 525
<b>Total</b>	<u><u>271 578</u></u>	<u><u>657 130</u></u>

**OVERSTRAND MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008**

	2008 R	2007 R
<b>Remuneration of the Director: Community Services</b>		
Annual Remuneration	360 013	337 004
Performance Bonus	16 414	40 240
Car Allowance	132 978	125 345
Computer Allowance	3 908	2 736
Council Contributions to UIF, Medical and Pension Funds	88 652	74 431
<b>Total</b>	<u><u>601 965</u></u>	<u><u>579 756</u></u>
<b>Remuneration of the Director: Infrastructure &amp; Planning (From August 2006)</b>		
Annual Remuneration	437 508	352 133
Performance Bonus	22 500	53 350
Car Allowance	129 530	0
Computer Allowance	6 513	5 560
Council Contributions to UIF, Medical and Pension Funds	108 922	87 046
<b>Total</b>	<u><u>704 973</u></u>	<u><u>498 089</u></u>
<b>Remuneration of the Director: Local Economic Development</b>		
Annual Remuneration	323 352	300 839
Performance Bonus	0	30 382
Car Allowance	131 134	130 114
Computer Allowance	13 809	12 847
Council Contributions to UIF, Medical and Pension Funds	71 074	66 295
<b>Total</b>	<u><u>539 369</u></u>	<u><u>540 477</u></u>
<b>23 INTEREST PAID</b>		
Long-term liabilities	6 155 028	6 397 901
Bank overdrafts	0	0
<b>Total Interest on External Borrowings</b>	<u><u>6 155 028</u></u>	<u><u>6 397 901</u></u>
<b>24 BULK PURCHASES</b>		
Electricity	42 831 232	39 256 492
Water	0	0
<b>Total Bulk Purchases</b>	<u><u>42 831 232</u></u>	<u><u>39 256 492</u></u>
<b>25 REMUNERATION OF COUNCILLORS</b>		
Executive Mayor	470 369	448 097
Deputy Executive Mayor	373 473	366 127
Speaker	374 335	361 158
Mayoral Committee Members	701 942	734 048
Councillors	1 953 871	1 972 756
<b>Total Councillors' Remuneration</b>	<u><u>3 873 990</u></u>	<u><u>3 882 186</u></u>
<b>In-kind Benefits</b>		
The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time councillors. Each one is provided with an office and secretarial support at the cost of the Council. Councillors may utilize official Council transportation when engaged in official duties.		
<b>26 GRANTS AND SUBSIDIES PAID</b>		
Grant to Tourism Associations	963 855	1 501 338
Low Income Subsidy	9 350 079	11 276 688
<b>Total Grants and Subsidies</b>	<u><u>10 313 935</u></u>	<u><u>12 778 026</u></u>

**OVERSTRAND MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008**

	2008 R	2007 R
<b>27 CORRECTION OF PRIOR PERIOD ERRORS</b>		
The following adjustments were made to amounts previously reported in the Annual Financial Statements of the Municipality arising from the incorrect classification of properties:		
<b>27.1 Investment Properties</b>		
Balance previously reported		33 645 323
Correction of error:		
Transferred to Property, Plant & Equipment		<u>(33 645 323)</u>
		<u>0</u>
<b>27.2 Sale of Land</b>		
Balance at beginning of year		18 000 000
Revaluation		
Disposal		<u>(18 000 000)</u>
		<u>0</u>
The gain recognised on the sale of these properties amounts to R30 703 418.		
<b>27.3 Post retirement benefits</b>		
An estimate was previously reported for post retirement benefits. An actuarial valuation has since been carried out by a professional actuary.		
<b>Non-Current Provisions: Post Retirement (Health Care)</b>		
Balance at beginning of the year		36 684 802
Adjustment for actuarial valuation		<u>4 620 788</u>
		<u>41 305 590</u>
<b>Non-Current Provisions: Post Retirement (Long Service Bonuses)</b>		
Balance at beginning of the year		380 319
Adjustment for actuarial valuation		<u>130 838</u>
		<u>511 157</u>
<b>Current Provisions: Post Retirement (Health Care)</b>		
Balance at beginning of the year		938 876
Adjustment for actuarial valuation		<u>0</u>
		<u>938 876</u>
<b>Current Provisions: Post Retirement (Long Service Bonuses)</b>		
Balance at beginning of the year		274 622
Adjustment for actuarial valuation		<u>(268 474)</u>
		<u>6 148</u>
<b>27.4 Government Grant Reserve</b>		
Offset depreciation for 2006/2007 on Asset ID. 100081 (Public Health & Community Centre in Kleinmond) was reported under the Public Contributions Reserve instead of Government Grants Reserve		
<b>Government Grant Reserve</b>		
Balance previously reported		45 547 140
Correction of error:		
Transferred from Public Contributions Reserve		<u>(6 118)</u>
		<u>45 541 023</u>
<b>Public Contributions Reserve</b>		
Balance previously reported		5 848 966
Correction of error:		
Transferred to Government Grants Reserve		<u>6 118</u>
		<u>5 855 084</u>

**OVERSTRAND MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008**

	2008 R	2007 R
<b>27.5 Deferred Income</b>		
Deferred Income recognised for pre-paid electricity when the risks and rewards of ownership have passed to the buyer.		
<b>Service Charges</b>		
Balance previously reported		174 696 958
Correction of error:		
Transfer to Deferred Income		<u>(179 278)</u>
		<u><b>174 517 681</b></u>
<b>Trade and Other Payables: Deferred Income</b>		
Balance previously reported		0
Correction of error:		
Transfer from Service Charges		<u>179 278</u>
		<u><b>179 278</b></u>
<b>28 CORRECTION OF ERROR</b>		
During the year ended 30 June 2008, expenses were incurred and corrections were made that related to the financial year 30 June 2007.		
Details of the corrections and expenses are as follows:		
Corrections on creditors for previous years (SARS PAYE 2002 - 2006)	0	(805 420)
Corrections on income of previous years (Overstatement of services charges income for previous years)	(522 380)	(502 847)
<b>Decrease in accumulated surplus</b>	<u><b>(522 380)</b></u>	<u><b>(1 308 267)</b></u>
<b>29 CASH GENERATED BY OPERATIONS</b>		
Surplus for the year	70 828 015	87 372 921
Adjustment for:		
Post Retirement Benefits	(6 518 481)	0
Landfill Sites Provision	(5 713 531)	0
Alien Clearing Provision	(350 000)	0
Electricity Stock Take-on	2 652 271	0
Correction of prior year error	(522 380)	(1 308 267)
Depreciation	26 368 168	25 007 753
Proceeds on the sale of assets	(17 458 509)	(38 430 776)
Contribution to provisions - non-current	2 091 391	2 679 600
Dividends received	0	(7 075)
Proceeds on sale of shares	(197 124)	0
Investment income	(21 413 560)	(14 024 237)
Interest paid	<u>6 155 028</u>	<u>6 397 901</u>
<b>Operating surplus before working capital changes</b>	<b>55 921 288</b>	<b>67 687 820</b>
(Increase)/Decrease in inventories	(2 823 116)	(430 521)
(Increase)/Decrease in trade receivables	208 551	(5 349 640)
(Increase)/Decrease in other receivables	32 606 135	(54 126 590)
Increase/(Decrease) in provisions	8 186 591	2 072 000
Increase/(Decrease) in conditional grants and receipts	(5 494 095)	1 112 983
Increase/(Decrease) in trade and other payables	(14 470 568)	73 145 790
(Increase)/Decrease in Vat	<u>(8 334 113)</u>	<u>(4 916 758)</u>
<b>Cash generated by operations</b>	<u><b>65 800 674</b></u>	<u><b>79 195 084</b></u>

**OVERSTRAND MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008**

	2008 R	2007 R
<b>30 CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents included in the cash flow statement comprise the following statement of amounts indicating financial position:		
Bank balances and cash	20 461 282	85 044 179
Call investment deposits	50 000 000	55 017 454
Bank overdraft	0	0
<b>Total cash and cash equivalents</b>	<b>70 461 282</b>	<b>140 061 633</b>

**31 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION**

Long-term liabilities (see Note 2)	51 323 243	57 544 426
Used to finance property, plant and equipment - at cost	51 323 243	57 544 426
Sub-total	0	0
Cash set aside for the repayment of long-term liabilities (see note 2)	7 591 851	6 989 445
<b>Cash invested for repayment of long-term liabilities</b>	<b>7 591 851</b>	<b>6 989 445</b>

External loans have been utilized in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that long-term liabilities can be repaid on redemption date.

**32 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED**

**32.1 Fruitless and wasteful expenditure**

Opening Balance	0
Fruitless and wasteful expenditure current year	6 863
Approved by Council	0
Transfers to receivables for recovery	0
Closing Balance	<b>6 863</b>

Incident	Disciplinary steps/criminal proceedings
Interest on late payments	Referred to HR for investigation

**32.2 Other Losses**

A cash shortage of R14 230 was discovered at the Traffic department. The matter was reported to the South African Police Service and an internal investigation was launched. The theft could not be linked to any specific individual and disciplinary action was instituted against the Manager: Protection Services as the responsible person for applying internal control in that department. The Council has written this amount off in terms of sections 32(2) of the MFMA.

**33 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT**

**33.1 Contributions to organised local government - SALGA**

Opening balance	0	0
Council subscriptions	411 556	276 184
Amount paid - current year	(411 556)	(276 184)
Amount paid - previous years	0	0
<b>Balance unpaid (included in creditors)</b>	<b>0</b>	<b>0</b>

**33.2 Audit fees**

Opening balance	0	0
Current year audit fee	1 645 709	1 078 951
Amount paid - current year	(1 645 709)	(1 078 951)
Amount paid - previous years	0	0
<b>Balance unpaid (included in creditors)</b>	<b>0</b>	<b>0</b>

**OVERSTRAND MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008**

	2008 R	2007 R
<b>33.3 VAT</b>		
VAT is accounted for on the payment basis. The net input/output VAT is paid/claimed from SARS.		
<b>33.4 PAYE, UIF and SDL</b>		
Opening balance	0	0
Current year payroll deductions	12 424 806	10 491 530
Amount paid - current year	(12 424 806)	(10 491 530)
Amount paid - previous years	0	0
<b>Balance unpaid (included in creditors)</b>	<b>0</b>	<b>0</b>

<b>33.5 Pension and Medical Aid Deductions</b>		
Opening balance	0	0
Current year payroll deductions and Council contributions	17 223 519	14 672 688
Amount paid - current year	(17 223 519)	(14 672 688)
Amount paid - previous years	0	0
<b>Balance unpaid (included in creditors)</b>	<b>0</b>	<b>0</b>

**33.6 Councillor's arrear consumer accounts**

The following Councillors had arrear accounts outstanding for more than 90 days as at:

	Total	Outstanding up to 90 days	Outstanding more than 90 days
<b>30 June 2008</b>			
<b>Total Councillor Arrear Consumer Accounts</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>30 June 2007</b>			
<b>Total Councillor Arrear Consumer Accounts</b>	<b>0</b>	<b>0</b>	<b>0</b>

During the year no Councillors had arrear accounts outstanding for more than 90 days.

<b>30 June 2008</b>	<b>Highest amount outstanding</b>	<b>Ageing &gt; 90 Days</b>
<b>30 June 2007</b>	<b>Highest amount outstanding</b>	<b>Ageing &gt; 90 Days</b>
	<b>2008 R</b>	<b>2007 R</b>

**34 CAPITAL COMMITMENTS**

Commitments in respect of capital expenditure:

- Approved and contracted for	0	0
<i>Infrastructure</i>	0	0
<i>Community</i>	0	0
<i>Other</i>	0	0
- Approved but not yet contracted for	167 127 961	167 893 100
<i>Infrastructure</i>	111 448 286	120 440 000
<i>Community</i>	31 682 000	11 385 000
<i>Other</i>	23 997 675	36 068 100
<b>Total</b>	<b>167 127 961</b>	<b>167 893 100</b>

This expenditure will be financed from:

External Loans	40 000 000	40 000 000
Capital Replacement Reserve	73 207 961	81 141 100
Government Grants	28 420 000	16 752 000
Public Contributions	0	10 000 000
Unappropriated Surplus	25 500 000	20 000 000
	<b>167 127 961</b>	<b>167 893 100</b>

**OVERSTRAND MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008**

**35 RETIREMENT BENEFIT INFORMATION**

The municipality makes provision for post-retirement benefits to eligible Councillors and employees who belong to different pension schemes. These funds are governed by the Pension Funds Act and include both defined benefit and defined contribution schemes. Contributions of R11 356 882 (2007: R8 464 840) to the defined benefit and defined contribution structures are expensed as incurred during the year under review. These schemes are subject to a tri-annual, bi-annual or annual actuarial valuation as set out hereunder.

**DEFINED BENEFIT SCHEMES**

**Cape Joint Pension Fund (multi-employer fund)**

The DB section is a multi-employer plan and the contribution rate payable is 27%, 9% by the members and 18% by their councils. The fund was certified as being in a sound financial condition as at 30 June 2007 by the Actuary. The valuation disclosed an actuarial surplus of R200 million and was funded 107,2%.

**SALA Pension Fund (multi-employer fund)**

The fund is a defined benefit plan, and is financially sound and was 110% funded as at 30 June 2007.

**DEFINED CONTRIBUTION SCHEMES**

**Cape Joint Retirement Fund (multi-employer fund)**

The contribution rate paid by the members (9%) and their councils (18%) is sufficient to fund the benefits accruing from the Fund in future. The Actuary certified the fund, a defined contribution plan, as being in a sound financial position as at 30 June 2007.

**Municipal Councillors' Pension Fund (multi-employer fund)**

The Municipal Councillors' Pension Fund operates as a defined contribution scheme. The contribution rate paid by the members (13,75%) and their councils (15,00%) as part of their structured remuneration packages, is sufficient to fund the benefits accruing from the fund in the future. The last actuarial valuation of the fund was undertaken at 30 June 2005 and the actuary reported that the fund was as a whole in a sound financial position.

**South African Municipal Workers Union National Provident Fund (multi-employer fund)**

The SAMWU National Provident Fund is a defined contribution scheme. The last actuarial valuation of the fund was performed at 30 June 2005 and certified as being in a financially sound position. The next statutory valuation is due not later than 30 June 2008.

**POST EMPLOYMENT HEALTH CARE BENEFITS**

For past service of in-service and retired employees, the municipality recognises and provides for the actuarially determined present value of post retirement medical aid employer contributions on an accrual basis using the projected unit credit method. Based on the scope of valuation in the actuarial report and the fact that the municipality does not operate a closed medical scheme, no contingent liability is recognised for the cross-subsidy liability, as the employer's cost can be taken as the expected contributions only.

Expenses amounting to R1 085 799 were expensed during 2007/2008

Actuarial gains and losses have been recognised to 30 June 2007.

**POST EMPLOYMENT LONG SERVICE BONUS BENEFITS**

The municipality recognises and provides for the actuarially determined present value of long service bonuses on an accrual basis using the projected unit credit method. An actuarial valuation has been performed of the municipality's liability for long service leave benefits relating to vested leave benefits to which employees may become entitled upon completion of ten years service and every five years thereafter. The provision is utilised when employees are entitled to these awards. It is expected that approximately 1,15% of the provision will be expensed during 2008/2009.

Expenses amounting to R0 were expensed during 2007/2008

Actuarial gains and losses have been recognised to 30 June 2007.

**OVERSTRAND MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008**

**36 IN-KIND DONATIONS AND ASSISTANCE**

No in-kind donations and assistance was received during the year under review.

**37 EVENTS AFTER THE REPORTING DATE**

No significant events, knowledge of which would have influenced the users of the statements in making correct evaluations and decisions, occurred after the date of the financial statements and the date of approval thereof.

**38 CONTINGENT LIABILITIES**

The Council has approved a letter of undertaking to the amount of R1 million for the development of the Kleinmond Harbour. A provisional claim amounting to approx. R750 000 has been received from the Development Bank of Southern Africa for expenses incurred on the afore-mentioned project

**39 COMPARISON WITH THE BUDGET**

The comparison of the Municipality's actual financial performance with that budgeted is set out in Annexures E(1) and E(2).

**40 RELATED PARTY DISCLOSURES**

All Councillors have disclosed their interests in related parties and no one has the ability to control or exercise significant influence over the Council in making financial and operating decisions.

**41 INTANGIBLE ASSETS**

***Computer Software***

The Municipality is largely a user of "Packaged Software" and therefore most Application System Software is on a "Usage Licenced" basis entitling this municipality to the use of that software and the support of the system by the Supplier. In terms of IAS38, these cannot be identified as intangible assets.

	2008 R	2007 R
Certain of these software packages have been identified as intangible assets and are summarised as follows:		
Opening balance:	0	
Transfer from Property, Plant & Equipment	465 030	
Accumulated Depreciation	<u>(465 030)</u>	
<b>Carrying Value</b>	<b><u>0</u></b>	

***Website Costs***

The Municipality's website is also a Service Provider situation and therefore cannot be classified as an intangible asset.

**42 MFMA EXEMPTIONS - IMPLEMENTATION PLAN**

In terms of General Notice 522 of 2007, high capacity municipalities must disclose the progress made towards achieving full compliance with the standards referred to in section 122(3) of the MFMA. For this purpose the implementation plan submitted to the National Treasury is attached as Appendix G.

The extent to which the information in the annual financial statements would need to be adjusted for full compliance with those standards, is disclosed in the accounting policy and in the relevant notes to the annual financial statements.

**OVERSTRAND MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008**

**43 FINANCIAL RISK MANAGEMENT**

**Interest rate risk**

The municipality is not exposed to interest rate risk on its financial liabilities. All of the municipality's interest bearing external loan liabilities, as detailed in Appendix A, are fixed interest rate loans. Similarly with financial assets, the municipality invests its surplus funds on fixed interest rate deposits with banks for fixed terms not exceeding one year.

**Liquidity risk**

The municipality manages liquidity risk by effectively managing its working capital, capital expenditure, external borrowings and cash flows. Standby credit facilities, in the form of a R4,585 million overdraft facility, are available with its main banker to cater for any unexpected temporary shortfall in operating funds. No use has been made of this facility at the reporting date.

**Credit risk**

The municipality manages credit risk in its borrowing and investing activities by dealing with only A rated financial institutions and by spreading its exposure over a range of such institutions in accordance with its draft investment policies. Credit risk relating to consumer debtors is managed in accordance with the municipality's credit control and debt collection policy. The municipality's credit exposure is spread over a large number and wide variety of consumers and is not concentrated in any particular sector or geographical area. Adequate provision has been made for anticipated bad and doubtful debts. Additional information relating to the analysis of consumer debtors is given in note 14 to the financial statements.

**Fair value interest rate risk**

The municipality is exposed to fair value interest rate risk on that portion of its external investments and loan liabilities which is at fixed interest rates.

**44 AUTHORISATION FOR ISSUE**

These financial statements are authorised for issue on 22 December 2008.

## 45. DEVIATION FROM PROCUREMENT PROCESSES 1 JULY 2007 TO 30 JUNE 2008

\* SCM Reg 36(1)(a) (i) - in an emergency

\* SCM Reg 36(1)(a) (ii) - if goods and services are available from a single provider

\* SCM Reg 36(1)(a) (v) - where it is impractical or impossible to follow the official procurement processes.

TENDER NO	Date approved	Deviation SCM Regulations	Description	Service Area	Awarded to	Amount Operational	Capital 2007/2008
SC142/2007	03/07/2007	SCM Reg 36(1)(a) (i)	Fire Disaster Mashakane Gansbaai	Mashakanhe	Build It Gansbaai Gene Louw Kollege & Silver Protea	39 564,67	
SC143/2007	05/07/2007	SCM Reg 36(1)(a) (ii)	Training Six Traffic Officers	Overstrand		214 379,16	
SC145/2007	05/07/2007	SCM Reg 36(1)(a) (i)	Fire Disaster Thambo Square Zweilihle	Zweilihle	Build It Gansbaai	43 199,75	
SC149/2007	17/06/2007	SCM Reg 36(1)(a) (ii)	Herstel van Rioolpompe (HSM)	Hermanus	HSM Water Management Services CC		245 256,00
SC170/2007	13/08/2007	SCM Reg 36(1)(a) (ii)	Town Planning Module EIMS	Overstrand		98 300,00	
SC183/2007	29/08/2007	SCM Reg 36(1)(a) (ii)	eNatis Equipment control room	Hermanus	Tasima Pty Ltd		33 512,75
SC198/2007	06/09/2007	SCM Reg 36(1)(a) (ii)	Licence Fee Total Computer Services	Overstrand	TCS Pty Ltd	41 500,00	
SC202/2007	07/09/2007	SCM Reg 36(1)(a) (ii)	Electricity Increase Onrus Caravan Park	Onrus	Escrom Holdings		75 495,26
SC211/2007	04/10/2007	SCM Reg 36(1)(a) (v)	Municipal offices extension Phase 5	Hermanus	A Greeff	28 245,85	
SC218/2007	08/10/2007	SCM Reg 36(1)(a) (i)	Power Outage Eskom Hire Generators	Hermanus	Neptune Plant Hire Safe Security HSM Amanzi	104 276,00	
SC243/2007	12/12/2007	SCM Reg 36(1)(a) (i)	IT Repairs & Services	Overstrand	Lateral Dynamics	45 450,00	
SC245/2007	19/12/2007	SCM Reg 36(1)(a) (v)	Blue Flag Beaches Cleanup Dec/Jan	Overstrand	Gia	61 092,00	
SC066a/2007	07/03/2008	SCM Reg 36(1)(a) (v)	Biometric Time & Attendance Clock Stations	Overstrand	Fourier-e	74 740,00	
SC212a/2008	11/03/2008	SCM Reg 36(1)(a) (v)	Sewer Tanker Rental R4 662.00 p.d.	Kleinmond	Hlumani Wasteman		
SC247/2008	31/01/2008	SCM Reg 36(1)(a) (ii)	Scada System (Electricity monitoring)	Hermanus	Spectrum		87 643,88
SC248/2008	01/02/2008	SCM Reg 36(1)(a) (ii)	My City Flow Monitoring Systems	Hermanus	Flotron		389 075,00

TENDER NO	Date approved	Deviation SCM Regulations	Description	Service Area	Awarded to	Amount Operational	Capital 2007/2008
SC249/2008	08/02/2008	SCM Reg 36(1)(a) (ii)	Booking Systems: Halls, Cemetery & Housing Waiting List	Overstrand	Business Engineering		156 000,00
SC249a/2008	08/02/2008	SCM Reg 36(1)(a) (ii)	Human Resources Processes	Overstrand	Business Engineering		60 000,00
SC271/2008	25/02/2008	SCM Reg 36(1)(a) (v)	Repair & Service Telemetry Stations	Hermanus	Benlikor Communications	43 878,80	
SC272/2008	26/02/2008	SCM Reg 36(1)(a) (v)	Indaba Durban May 2008	Overstrand	Overberg Tourism	109 602,00	
SC273/2008	26/02/2008	SCM Reg 36(1)(a) (v)	Repair Pump	Kleinmond	Tricom Africa	17 882,58	
SC284/2008	26/03/2008	SCM Reg 36(1)(a) (v)	Cleaning Sewerage lines - Dyna Rod	Hermanus	Dyna Rod	150 430,00	
SC286/2008	28/03/2008	SCM Reg 36(1)(a) (i)	Power failure Sunday 30/03/2008 Escom	Overstrand	Neptune Plant Hire	11 021,00	
SC286/2008	28/03/2008	SCM Reg 36(1)(a) (i)	Power failure Sunday 30/03/2008 Escom	Overstrand	CW Security	5 184,00	
SC286/2008	28/03/2008	SCM Reg 36(1)(a) (i)	Power failure Sunday 30/03/2008 Escom	Overstrand	HSM	53 400,00	
SC287/2008	28/03/2008	SCM Reg 36(1)(a) (v)	Repair Robot Pumps	Kleinmond	Tricom Africa	31 667,27	
SC287/2008	28/03/2008	SCM Reg 36(1)(a) (v)	Repair Robot Pumps	Kleinmond	Tricom Africa	17 882,58	
SC288/2008	31/03/2008	SCM Reg 36(1)(a) (v)	P MAXX Electrical metering Reading Software	Overstrand	PJ Technologies	14 182,18	
SC289/2008	01/04/2008	SCM Reg 36(1)(a) (v)	Repairs to Robot Mainroad Hermanus	Overstrand	Syntell	46 587,24	
SC294/2008	18/04/2008	SCM Reg 36(1)(a) (v)	Transfers Gansbaai Low Cost Housing	Gansbaai	Hannes Pretorius, Bock & Isaacs	202 796,00	
SC299/2008	22/04/2008	SCM Reg 36(1)(a) (ii)	Pision Workabout Scanner Asset Registers	Overstrand	Bytes Technology Group	19 321,43	
SC301/2008	25/04/2008	SCM Reg 36(1)(a) (ii)	Argcist 9.3 GIS Program Town Planning	Overstrand	GIMS (Pty) Ltd	48 000,00	
SC302/2008	25/04/2008	SCM Reg 36(1)(a) (i)	Rent Mobile Toilets Market Sqaure	Hermanus	Boland Toilette Supervision	16 167,09	
SC306/2008	05/05/2008	SCM Reg 36(1)(a) (v)	Access Control IT Server rooms	Overstrand	Biometric Systems	79 415,00	
SC307/2008	05/05/2008	SCM Reg 36(1)(a) (v)	Cleaning of Lagune & Cemetery Onrus	Onrus	Onrus Ratepayers	8 064,00	
SC308/2008	06/05/2008	SCM Reg 36(1)(a) (v)	Purchase Hot Bitumen Emulsion Sprayer	Hermanus	Ian Dickie	15 775,20	
SC311/2008	12/05/2008	SCM Reg 36(1)(a) (v)	Actuarial Calculation for Financial Year 2006/2007	Overstrand	ARCH Actuarial Consulting	57 800,00	
SC312/2008	13/05/2008	SCM Reg 36(1)(a) (v)	Gearbox Repairs CEM21722 Nissan UD70	Hermanus	AAD Truck & Bus	62 772,35	
SC313/2008	13/05/2008	SCM Reg 36(1)(a) (v)	Spring Packs CEM	Hermanus	Saaymans Springworks	11 280,00	
SC321/2008	16/05/2008	SCM Reg 36(1)(a) (i)	Overstrand Build It	Kleinmond	Overstand Build It	36 623,55	

TENDER NO	Date approved	Deviation SCM Regulations	Description	Service Area	Awarded to	Amount Operational	Capital 2007/2008
SC323/2008	23/05/2008	SCM Reg 36(1)(a) (v)	EMIS System	Overstrand	Water Management Services cc	180 000,00	
SC324/2008	23/05/2008	SCM Reg 36(1)(a) (v)	Licence Fee Groupwise Novell	Overstrand	Lateral Dynamics	221 076,50	
SC325/2008	20/05/2008	SCM Reg 36(1)(a) (ii)	Repairs to Duvelo 200 Street Sweeper	Hermanus	Uni-Cape Equipment	15 028,00	
SC326/2008	20/05/2008	SCM Reg 36(1)(a) (v)	Cisco MDS 9124 FC4	Overstrand	GBS Network Solutions	87 985,48	
SC327/2008	20/05/2008	SCM Reg 36(1)(a) (v)	Repairs to CEM 10616 & CEM 24230	Hermanus	Saaymans Springworks	13 700,00	
SC328/2008	20/05/2008	SCM Reg 36(1)(a) (v)	Webcopy & one year maintenance	Overstrand	Lateral Dynamics	22 995,00	
SC329/2008	20/05/2008	SCM Reg 36(1)(a) (v)	Repair Engin - CEM 15376	Hermanus	Worcester Enjin Sentrum	31 800,00	
SC330/2008	20/05/2008	SCM Reg 36(1)(a) (v)	Repair Gearbox - CEM 6932	Hermanus	Vaal-Cape Transmission	25 426,93	
SC332/2008	26/05/2008	SCM Reg 36(1)(a) (v)	Publisher Extension Arcgis	Overstrand	GIMS (Pty) Ltd	25 000,00	
SC333/2008	26/05/2008	SCM Reg 36(1)(a) (i)	Cable Jointing - Power Failureharbour Road	Hermanus	Giles Superintention Jointing cc	6 420,00	
SC334/2008	26/05/2008	SCM Reg 36(1)(a) (i)	Storm Damage 5/05 & 11/05 D Fourie	Hermanus	D Fourie	750,00	
SC334a/2008	26/05/2008	SCM Reg 36(1)(a) (i)	Storm Damage 5/05 & 11/05 Mr Spike	Hermanus	Mr Spike	4 614,04	
SC336/2008	27/05/2008	SCM Reg 36(1)(a) (v)	Data Cabling Gansbaai Offices	Gansbaai	GijimaAst	58 752,28	
SC337/2008	27/05/2008	SCM Reg 36(1)(a) (v)	PV NX1950 Gateway	Overstrand	Dell Computer(Pty)Ltd	159 426,22	
SC338/2008	27/05/2008	SCM Reg 36(1)(a) (v)	Corporate Local Cashe Server Implementation	Overstrand	Business Engineering	75 000,00	
SC339/2008	27/05/2008	SCM Reg 36(1)(a) (v)	Supply Chain Functionality in SAMRAS	Overstrand	Bytes Technology Group	168 825,00	
SC341/2008	27/05/2008	SCM Reg 36(1)(a) (ii)	Roller Shutters Sandbaai Hall	Sandbaai	Windsor Securitycc	26 228,95	
SC344/2008	28/05/2008	SCM Reg 36(1)(a) (v)	Purchase Bitumen from Tosas	Hermanus	Tosas	25 680,00	
SC345/2008	28/05/2008	SCM Reg 36(1)(a) (v)	Language Policy for Overstrand Municipality	Overstrand	Frans Boot	21 000,00	
SC346/2008	29/05/2008	SCM Reg 36(1)(a) (v)	New Municipal Offices	Hermanus	Site Form Framing	699 508,77	
SC346a/2008	17/06/2008	SCM Reg 36(1)(a) (v)	Electricity New Municipal Offices	Hermanus	Atlas Cables	26 700,00	
SC346b/2008	17/06/2008	SCM Reg 36(1)(a) (v)	Computer Network New Municipal Offices	Hermanus	Supplies Cape Cable's Cabling	49 386,00	

TENDER NO	Date approved	Deviation SCM Regulations	Description	Service Area	Awarded to	Amount Operational	Capital 2007/2008
SC347/2008	30/05/2008	SCM Reg 36(1)(a) (v)	Repairs to Digger Loader	Hermanus	Masakhanye Motor Repairs	7 908,00	
SC349/2008	03/06/2008	SCM Reg 36(1)(a) (ii)	Wireless Vantage Pro2 Weather station	Overstrand	C.W. Price & Co (pty) Ltd	12 750,00	
SC350/2008	03/06/2008	SCM Reg 36(1)(a) (v)	Land survey Erf 3430 Gansbaai	Gansbaai	Spronk Associates Inc	13 660,00	
SC351/2008	03/06/2008	SCM Reg 36(1)(a) (v)	Radio Repeater Grootbos- Fir Brigade Services	Gansbaai	Benlikor Communications	19104,00	
SC352/2008	03/06/2008	SCM Reg 36(1)(a) (v)	Purchase of Electrical Cable	Overstrand	Atlas Cable Supply	38 000,00	
SC354/2008	06/06/2008	SCM Reg 36(1)(a) (v)	Service Heil 4000 Compactor & Fit 3 top doors CEM 17013	Hermanus	Transtech	5 449,60	
SC355/2008	06/06/2008	SCM Reg 36(1)(a) (v)	Repairs on Caterpillar 930 CAM 13541	Kleinmond	Masakhanye Motor Repairs	14 040,00	
SC361/2008	10/06/2008	SCM Reg 36(1)(a) (v)	Accomodation Traffic Officers	Overstrand	Silver Protea Accommodation	58 921,05	
SC362/2008	19/06/2008	SCM Reg 36(1)(a)(ii)	Electrical Equipment CT Lab	Hermanus	CT LAB (Pty) Ltd	34 100,00	
SC363/2008	17/06/2008	SCM Reg 36(1)(a) (v)	Analysis of Water samples (AL Abbott)	Overstrand	AL Abbott & Assoc (Pty)Ltd	51 035,00	
SC364/2008	18/06/2008	SCM Reg 36(1)(a)(ii)	Interlock Pavers Rooiels	Rooiels	Concrete Quality	39 078,94	
SC366/2008	19/06/2008	SCM Reg 36(1)(a)(i)	Repairs Zwelihle Sewerline	Zwelihle	Requad Constructi	15 000,00	
SC367/2008	24/06/2008	SCM Reg 36(1)(a)(v)	Telephone Cabling Gansbaai Offices	Gansbaai	Gijima Ast	46 580,00	
SC368/2008	24/06/2008	SCM Reg 36(1)(a)(v)	Educational Equipment Creches	Overstrand	Plastics for Africa	24 699,66	
SC369/2008	24/06/2008	SCM Reg 36(1)(a)(v)	Educational Equipment Creches	Overstrand	Grassroots Pre-School Shop	32 271,05	
SC160f/2008	27/06/2008	SCM Reg 36(1)(a)(v)	Construct Gravel Road Mnt Pleasant	Mnt Pleasant	Peter Starke Civils	273 722,37	
SC166a/2007	27/06/2008	SCM Reg 36(1)(a)(v)	Construction Roads Prigle Bay Rooiels	Pringle Bay Rooiels	Cape Asphalt	1 035 584,00	
<b>TOTAL VALUE OF DEVIATIONS APPROVED FOR PERIOD 1 JULY 2007 - JUNE 2008</b>						<b>3 153 926,23</b>	<b>3 351 639,20</b>