

NELSON MANDELA BAY METROPOLITAN MUNICIPALITY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

	Note	ECONOMIC ENTITY		MUNICIPALITY	
		Actual 2014 R	Restated 2013 R	Actual 2014 R	Restated 2013 R
NET ASSETS AND LIABILITIES					
Net Assets					
Total Accumulated Surplus		11,196,263,860	10,070,889,884	11,195,321,078	10,070,450,727
Non-current Liabilities					
		3,194,976,755	3,435,031,123	3,193,972,175	3,432,861,399
Long-term Liabilities	3	1,579,062,215	1,718,350,944	1,578,057,635	1,716,181,220
Employee Benefit Obligation	4.1	1,304,681,454	1,465,089,079	1,304,681,454	1,465,089,079
Non-current Provisions	4.2	311,233,086	251,591,100	311,233,086	251,591,100
Current Liabilities					
		2,268,471,548	2,323,956,859	2,260,579,295	2,314,792,251
Consumer Deposits	7	100,347,533	93,158,571	100,347,533	93,158,571
Current Employee Benefit Obligation	5.1	82,254,519	115,048,782	81,605,533	114,565,186
Current Provisions	5.2	78,479,629	139,174,500	78,479,629	139,174,500
Creditors - Exchange Transactions	8	1,632,654,692	1,506,330,606	1,626,421,354	1,498,059,826
Unspent Conditional Grants and Receipts	9	260,757,148	364,675,344	260,757,148	364,675,344
Current Portion of Long-term Liabilities	3	113,978,027	105,569,056	112,968,098	105,158,824
Total Net Assets and Liabilities		<u>16,659,712,163</u>	<u>15,829,877,866</u>	<u>16,649,872,548</u>	<u>15,818,104,377</u>
ASSETS					
Non-current Assets					
		13,459,721,159	13,184,762,213	13,458,817,419	13,184,323,056
Property, Plant and Equipment (PPE)	10	12,877,317,615	12,549,403,331	12,876,688,749	12,548,702,870
Heritage Assets	11	203,660,123	197,652,202	203,409,623	197,422,702
Intangible Assets	12	167,213,016	207,021,519	167,188,642	207,004,329
Investment Property	13	199,439,155	199,262,490	199,439,155	199,262,490
Investments	14	0	(487,994)	0	20,000
Long-term Receivables - Exchange Transactions	15	6,734,606	27,499,304	6,734,606	27,499,304
Long-term Receivables - Non-exchange Transactions	15	5,356,644	4,411,361	5,356,644	4,411,361
Current Assets					
		3,199,991,004	2,645,115,653	3,191,055,129	2,633,781,321
Inventory	16	107,225,607	105,955,694	107,225,607	105,955,694
Consumer Debtors - Exchange Transactions	17	841,041,601	586,933,364	841,041,601	586,933,364
Consumer Debtors - Non-exchange Transactions	17	195,693,983	24,433,716	195,693,983	24,433,716
Other Debtors - Exchange Transactions	18	285,200,298	311,363,388	335,182,500	361,190,998
VAT Refund	19	119,440,061	3,962,310	118,583,727	3,452,792
VAT Suspense	19	40,765,490	29,703,240	40,765,490	29,703,240
Current Portion of Long-term Receivables - Exchange Transactions	15	80	80	80	80
Short-term Investments	20	2,526,748	1,882,274	2,526,748	1,882,274
Short-term Investment Deposits	20	1,421,480,088	1,245,378,088	1,421,480,088	1,245,378,088
Bank Balances and Cash	21	186,617,048	335,503,499	128,555,305	274,851,075
Total Assets		<u>16,659,712,163</u>	<u>15,829,877,866</u>	<u>16,649,872,548</u>	<u>15,818,104,377</u>

**NELSON MANDELA BAY METROPOLITAN MUNICIPALITY
CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2014**

Restated 2013 R		Actual 2014 R	Approved Original Budget 2014 R	Adjustments 2014 R	Approved Final Budget 2014 R	Variance between Final Budget and Actual R	%	No.
REVENUE								
1,058,523,375	Property Rates	22	1,205,525,500	1,214,336,810	40,028,090	1,254,364,900	48,839,400	4%
3,633,274,378	Service Charges	23	3,810,943,490	4,089,228,290	(107,193,590)	3,982,034,700	171,091,210	4%
67,638,736	Interest earned - Investments		82,577,554	45,740,040	17,119,910	62,859,950	(20,362,078)	-32%
419,419	Interest earned - Fair Value Adjustment		644,474	0	0	0	0	
166,835,449	Interest earned - Outstanding Debtors		217,462,732	171,724,420	75,000	171,799,420	(45,663,312)	-27%
28,891,542	Fines		12,808,381	34,808,730	(304,890)	34,503,840	21,695,459	63%
10,262,803	Licences and Permits		9,328,146	10,394,240	235,540	10,629,780	1,301,634	12%
1,270,307,288	Government Grants and Subsidies - Operating	24	1,300,058,389	1,119,572,470	319,263,591	1,438,836,061	138,777,672	10%
895,330,135	Government Grants and Subsidies - Capital	24	1,027,013,533	709,812,290	484,296,020	1,194,108,310	167,094,777	14%
16,554,597	Rental of Facilities and Equipment		17,906,720	21,460,590	(138,310)	21,322,280	3,415,560	16%
1,908,520	Income for Agency Services		2,094,655	1,484,000	(1,200)	1,482,800	(611,855)	-41%
805,638,852	Other Income	25	814,598,437	691,129,530	57,173,100	748,302,630	(66,295,807)	-9%
7,955,585,094	Total Revenue		8,500,962,011	8,109,691,410	810,553,261	8,920,244,671	419,282,660	
EXPENDITURE								
1,724,614,336	Employee Related Costs	26	1,761,421,078	1,972,548,120	16,084,813	1,988,632,933	227,211,855	11%
53,009,669	Remuneration of Councillors	27	55,572,269	57,199,290	(477,520)	56,721,770	1,149,501	2%
409,754,396	Impairment - receivables	28	200,766,874	318,213,910	(4,019,940)	314,193,970	113,427,096	36%
3,103,857	Collection Costs		3,214,202	4,435,190	0	4,435,190	1,220,988	28%
373,894,581	Contracted Services	54	289,459,339	326,624,690	(22,857,590)	303,767,100	14,307,761	5%
649,090,506	Depreciation - Property, Plant and Equipment	48	632,483,802	885,807,300	(68,894,320)	816,912,980	71,946,991	9%
5,367,960	Depreciation - Investment Property	51	6,117,799	0	0	0	0	0%
90,671,344	Amortisation	50	106,364,388	0	0	0	0	0%
29,299,742	Impairment - PPE	35.7	640,829,075	0	0	0	(640,829,075)	100%
472,823,460	Repairs and Maintenance		489,773,413	537,635,270	77,938,820	615,574,090	125,800,677	20%
201,167,008	Finance cost	29	190,854,707	190,534,160	(967,290)	189,566,870	(1,287,837)	-1%
2,179,992,687	Bulk Purchases	30	2,251,557,960	2,292,123,340	(42,219,350)	2,249,903,990	(1,653,970)	0%
18,783,465	Grants and Subsidies Paid	31	19,731,229	340,519,940	(5,008,120)	335,511,820	315,780,591	94%
777,066,424	General Expenses	54	726,677,803	695,271,520	286,925,491	982,197,011	255,519,208	26%
239,895	Share of Loss in Associate		0	0	0	0	0	
94,839,337	Loss on Disposal of Property Plant and Equipment	35.8	1,272,093	0	0	0	(1,272,093)	100%
7,083,718,667	Total Expenditure		7,376,096,031	7,620,912,730	236,504,994	7,857,417,724	481,321,693	
871,866,427	Surplus for the year		1,124,865,980	488,778,680	574,048,267	1,062,826,947	(62,039,033)	

Refer to Note 53 of the Financial Statements for explanation of variances

NELSON MANDELA BAY METROPOLITAN MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2014

Restated 2013 R		Actual 2014 R	Approved Original Budget 2014 R	Adjustments 2014 R	Approved Final Budget 2014 R	Variance Final Budget and Actual R	%	No.
REVENUE								
1,058,523,375	Property Rates	22	1,205,525,500	1,214,336,810	40,028,090	1,254,364,900	48,839,400	4%
3,633,444,852	Service Charges	23	3,811,083,848	4,089,228,290	(107,193,590)	3,982,034,700	170,950,852	4%
65,038,572	Interest earned - Investments		80,037,422	43,240,040	17,119,910	60,359,950	(20,321,946)	-34%
419,419	Interest earned - Fair Value Adjustment		644,474	0	0	0	0	
166,835,449	Interest earned - Outstanding Debtors		217,462,732	171,724,420	75,000	171,799,420	(45,663,312)	-27%
28,891,542	Fines		12,808,381	34,808,730	(304,890)	34,503,840	21,695,459	63%
10,262,803	Licences and Permits		9,328,146	10,394,240	235,540	10,629,780	1,301,634	12%
1,269,881,789	Government Grants and Subsidies - Operating	24	1,299,911,085	1,119,572,470	317,206,250	1,436,778,720	136,867,635	10%
895,330,135	Government Grants and Subsidies - Capital	24	1,026,453,533	709,812,290	483,578,020	1,193,390,310	166,936,777	14%
16,554,597	Rental of Facilities and Equipment		17,906,720	21,460,590	(138,310)	21,322,280	3,415,560	16%
1,908,520	Income for Agency Services		2,094,655	1,484,000	(1,200)	1,482,800	(611,855)	-41%
803,377,693	Other Income	25	809,012,291	690,879,530	57,173,100	748,052,630	(60,959,661)	-8%
7,950,468,746	Total Revenue		8,492,268,787	8,106,941,410	807,777,920	8,914,719,330	422,450,543	
EXPENDITURE								
1,716,616,688	Employee Related Costs	26	1,751,078,181	1,963,367,120	13,712,440	1,977,079,560	226,001,379	11%
53,009,669	Remuneration of Councillors	27	55,572,269	57,199,290	(477,520)	56,721,770	1,149,501	2%
409,730,233	Impairment - receivables	28	200,710,834	318,213,910	(4,029,940)	314,183,970	113,473,136	36%
3,103,857	Collection Costs		3,214,202	4,435,190	0	4,435,190	1,220,988	28%
373,894,581	Contracted Services	54	289,459,339	326,624,690	(22,857,590)	303,767,100	14,307,761	5%
648,940,455	Depreciation - Property, Plant and Equipment	48	632,333,505	885,807,300	(69,114,320)	816,692,980	71,886,812	9%
5,367,960	Depreciation - Investment Property	51	6,117,799	0	0	0	0	0%
90,637,156	Amortisation	50	106,354,864	0	0	0	0	0%
29,299,742	Impairment - PPE	35.7	640,829,075	0	0	0	(640,829,075)	100%
472,772,760	Repairs and Maintenance		489,697,574	537,635,270	77,938,820	615,574,090	125,876,516	20%
201,008,441	Finance cost	29	190,687,238	190,534,160	(1,147,290)	189,386,870	(1,300,368)	-1%
2,179,992,687	Bulk Purchases	30	2,251,557,960	2,292,123,340	(42,219,350)	2,249,903,990	(1,653,970)	0%
37,469,531	Grants and Subsidies Paid	31	43,257,157	401,269,200	879,380	402,148,580	358,891,423	89%
761,781,235	General Expenses	54	705,256,346	682,602,530	278,920,540	961,523,070	256,266,724	27%
94,839,337	Loss on Disposal of Property Plant and Equipment	35.8	1,272,093	0	0	0	(1,272,093)	100%
7,078,464,332	Total Expenditure		7,367,398,436	7,659,812,000	231,605,170	7,891,417,170	524,018,734	
872,004,414	Surplus for the year		1,124,870,351	447,129,410	576,172,750	1,023,302,160	(101,568,191)	

Refer to Note 53 of the Financial Statements for explanation of variances

NELSON MANDELA BAY MUNICIPALITY
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2014

	Accumulated Surplus
	R
Balance at 01 July 2012 as previously reported	9,325,552,733
Restatements (Refer note 40.2)	(126,529,276)
Restated Balance at 01 July 2012	9,199,023,457
Surplus for the year as previously reported	854,526,082
Decrease in Surplus (Refer note 40.1.1)	17,340,345
Restated Surplus for the year	871,866,427
Restated Balance at 30 June 2013	10,070,889,884
Balance at 01 July 2013	10,070,889,884
Surplus for the year	1,124,865,980
Reversal of Uitesco's portion in Accumulated Surplus	507,996
Balance at 30 June 2014	11,196,263,860

NELSON MANDELA BAY MUNICIPALITY
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2014

	Accumulated Surplus
	R
Balance at 01 July 2012 as previously reported	9,324,975,588
Restatements (Refer note 40.2)	(126,529,276)
Restated Balance at 01 July 2012	9,198,446,312
Surplus for the year as previously reported	854,664,070
Decrease in Surplus (Refer note 40.1.1)	17,340,345
Restated Surplus for the year	872,004,415
Restated Balance at 30 June 2013	10,070,450,727
Balance at 01 July 2013	10,070,450,727
Surplus for the year	1,124,870,351
Balance at 30 June 2014	11,195,321,078

NELSON MANDELA BAY METROPOLITAN MUNICIPALITY
THE CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

	Note	ECONOMIC ENTITY		MUNICIPALITY	
		Actual 2014 R	Restated 2013 R	Actual 2014 R	Restated 2013 R
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from ratepayers, government and other		7,554,307,750	7,222,146,654	7,550,963,864	7,208,188,901
- Sale of goods and services, fines, taxes levied and other		4,844,136,423	4,801,102,639	4,843,795,464	4,790,005,676
- Grants		2,425,658,929	2,195,007,499	2,424,951,625	2,194,582,000
- Interest received		284,512,398	226,036,516	282,216,775	223,601,225
Cash paid to suppliers and employees		(5,740,422,679)	(5,490,712,184)	(5,735,171,818)	(5,480,771,893)
- Employee Costs		(1,870,836,639)	(1,660,921,448)	(1,860,493,743)	(1,652,923,801)
- Suppliers		(3,676,871,242)	(3,624,681,864)	(3,681,963,277)	(3,622,739,220)
- Interest paid	29	(192,714,798)	(205,108,872)	(192,714,798)	(205,108,872)
CAH GENERATED FROM OPERATIONS	32	1,813,885,071	1,731,434,470	1,815,792,046	1,727,417,008
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of PPE		(1,602,085,801)	(1,219,873,354)	(1,602,005,250)	(1,219,604,577)
Purchase of Intangible assets		(66,555,885)	(23,665,975)	(66,539,177)	(23,651,413)
Purchase of Investment Property		(6,295,644)	(18,754,231)	(6,295,644)	(18,754,231)
Purchase of Heritage Assets		(6,007,921)	(6,643,847)	(5,986,921)	(6,621,347)
NET CASH FLOW FROM INVESTING ACTIVITIES		(1,680,945,251)	(1,268,937,407)	(1,680,826,992)	(1,268,631,568)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of Non-current Liabilities (external loan funding)	34	(105,158,824)	(97,443,690)	(105,158,824)	(97,443,690)
Increase/ (Decrease) in Non-current Liabilities (construction contracts)		(565,447)	848,969	0	0
NET CASH FLOW FROM FINANCING ACTIVITIES		(105,724,271)	(96,594,721)	(105,158,824)	(97,443,690)
NET CHANGE IN CASH AND CASH EQUIVALENTS		27,215,549	365,902,342	29,806,230	361,341,750
Cash and cash equivalents at the beginning of the year		1,580,881,587	1,214,979,245	1,520,229,163	1,158,887,413
Cash and cash equivalents at the end of the year	33	1,608,097,136	1,580,881,587	1,550,035,393	1,520,229,163