



CACADU DISTRICT DEVELOPMENT AGENCY
Annual Financial Statements
for the year ended 30 June 2023

CACADU DISTRICT DEVELOPMENT AGENCY

Annual Financial Statements for the year ended 30 June 2023

General Information

Legal form of entity	State Owned Enterprise Municipal Entity (MFMA)
Nature of business and principal activities	Promote socio-economic and infrastructural development in the Sarah Baartman District
Accounting Officer	E Uithaler
Registered office	32 Govan Mbeki Ave Standard Bank Building Gqeberha 6001
Postal address	P O Box 318 Gqeberha 6000
Controlling entity	Sarah Baartman District Municipality (DC10)
Bankers	ABSA Bank Limited
Auditors	Auditor-General South Africa
Preparer	The annual financial statements were internally compiled by: L Nomarwayi

CACADU DISTRICT DEVELOPMENT AGENCY

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Abbreviations used:

GRAP	General Recognised Accounting Practice
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards
MSCOA	Municipal Standard Chart of Accounts

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Board'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 annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipal entity 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 annual financial statements and was given unrestricted access to all financial records and related data.

The 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 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 municipal entity and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the board 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 municipal entity and all employees are required to maintain the highest ethical standards in ensuring the municipal entity business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipal entity is on identifying, assessing, managing and monitoring all known forms of risk across the municipal entity. While operating risk cannot be fully eliminated, the municipal 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 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 municipal entity cash flow forecast for the year to 30 June 2024 and, in the light of this review and the current financial position, he is satisfied that the municipal entity has access to adequate resources to continue in operational existence for the foreseeable future.

The municipal entity is dependent on Parent Municipality for operational grant and source funding for catalytic projects . The annual financial statements are prepared on the basis that the municipal entity is a going concern and that the municipal entity has neither the intention nor the need to liquidate or curtail materially the scale of the municipal entity.

Although the board are primarily responsible for the financial affairs of the municipal entity, they are supported by the municipal entity internal auditors.

The external auditors are responsible for independently reviewing and reporting on the municipality annual financial statements. The annual financial statements have been examined by the external auditors and their report is presented on page 4.

The annual financial statements set out on page 4 to page 20, which have been prepared on the going concern basis, were approved by the board on 31 August 2023 and were signed on its behalf by:



**Accounting Officer
Designation**

CACADU DISTRICT DEVELOPMENT AGENCY

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Statement of Financial Position as at 30 June 2023

Figures in Rand	Note(s)	2023	2022
Assets			
Current Assets			
VAT receivable	4	915,108	808,658
Cash and cash equivalents	5	10,768,930	11,570,781
		11,684,038	12,379,439
Non-Current Assets			
Property, plant and equipment	6	231,872	97,097
Total Assets		11,915,910	12,476,536
Liabilities			
Current Liabilities			
Payables from exchange transactions	7	380,270	837,690
Employee benefit	8	189,024	165,437
		569,294	1,003,127
Total Liabilities		569,294	1,003,127
Net Assets		11,346,616	11,473,409
Accumulated surplus		11,346,616	11,488,619
Total Net Assets		11,346,616	11,488,619

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Statement of Financial Performance

Figures in Rand	Note(s)	2023	2022
Revenue			
Revenue from exchange transactions			
Investment revenue	9	713,840	590,644
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	10	5,200,000	15,529,955
Other transfer revenue		-	250,000
Total revenue from non-exchange transactions		5,200,000	15,779,955
Total revenue		5,913,840	16,370,599
Expenditure			
Employee related costs	11	(4,167,533)	(3,850,783)
Remuneration of board of directors	12	(267,831)	(244,094)
Depreciation and amortisation	13	(30,573)	(45,749)
Impairment	14	(20,569)	-
General expenses	15	(1,569,337)	(10,102,849)
Total expenditure		(6,055,843)	(14,243,475)
(Deficit) surplus for the year		(142,003)	2,127,124

CACADU DISTRICT DEVELOPMENT AGENCY

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Statement of Changes in Net Assets

Figures in Rand		Total net assets
Balance at 01 July 2021	-	9,361,495
Changes in net assets		
Surplus for the year	-	2,127,124
Total changes	-	-
Balance at 01 July 2022	-	11,488,619
Changes in net assets		
Deficit for the year	-	(142,003)
Total changes	-	-
Balance at 30 June 2023	-	11,346,616
Note(s)		

CACADU DISTRICT DEVELOPMENT AGENCY

Annual Financial Statements for the year ended 30 June 2023

Cash Flow Statement

Figures in Rand	Note(s)	2023	2022
Cash flows from operating activities			
Receipts			
Grants		5,200,000	5,200,000
Interest income		713,840	571,277
Other receipts		-	250,000
		5,913,840	6,021,277
Payments			
Employee costs		(3,963,658)	(4,376,149)
Suppliers		(2,566,116)	(10,127,219)
		(6,529,774)	(14,503,368)
Net cash flows from operating activities	16	(615,934)	(8,482,091)
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(185,917)	(60,690)
Net increase/(decrease) in cash and cash equivalents		(801,851)	(8,542,781)
Cash and cash equivalents at the beginning of the year		11,570,781	20,113,562
Cash and cash equivalents at the end of the year	5	10,768,930	11,570,781

CACADU DISTRICT DEVELOPMENT AGENCY

Annual Financial Statements for the year ended 30 June 2023

Statement of Comparison of Budget and Actual Amounts

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
2023											
Financial Performance											
Investment revenue	48,000	32,000	80,000	-	-	80,000	713,840	-	633,840	892 %	1,487 %
Transfers recognised - operational	5,200,000	-	5,200,000	-	-	5,200,000	5,200,000	-	-	- %	- %
Rental revenue	226,746	(226,746)	-	-	-	-	-	-	-	- %	- %
Total revenue (excluding capital transfers and contributions)	5,474,746	(194,746)	5,280,000	-	-	5,280,000	5,913,840	-	633,840	112 %	108 %
Employee costs	(5,194,063)	1,102,569	(4,091,494)	-	-	(4,091,494)	(4,167,660)	-	(76,166)	102 %	80 %
Board of Directors	(135,835)	(48,040)	(183,875)	-	-	(183,875)	(267,831)	-	(83,956)	145 %	197 %
Depreciation and asset impairment	(57,750)	-	(57,750)	-	-	(57,750)	(29,268)	-	28,482	50 %	50 %
Other expenditure	(2,650,339)	(1,421,960)	(4,072,299)	-	-	(4,072,299)	(1,662,536)	-	2,409,763	41 %	63 %
Total expenditure	(8,037,987)	(367,431)	(8,405,418)	-	-	(8,405,418)	(6,127,295)	-	2,278,123	73 %	76 %
Surplus/(Deficit)	(2,563,241)	(562,177)	(3,125,418)	-	-	(3,125,418)	(213,455)	-	2,911,963	62 %	8 %
Surplus/(Deficit) for the year	(2,563,241)	(562,177)	(3,125,418)	-	-	(3,125,418)	(213,455)	-	2,911,963	7 %	8 %

CACADU DISTRICT DEVELOPMENT AGENCY

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies

Figures in Rand	Note(s)	2023	2022
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1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and are in compliance with GRAP issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These 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. They are presented in South African Rand.

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

1.1 Going concern assumption

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months. The entity has secured unconditional grant from the Parent municipality for the financial year ending on 30 June 2023.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the 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 annual financial statements. Significant judgements include: **Provision for bonuses**, guided by the entity's policy, past experience and future projection on performance of employees and the entity.

Other significant judgements, sources of estimation uncertainty and/or relating information, have been disclosed in the relating notes.

1.3 Property, plant and equipment

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. PPE is defined as non cash generating assets as no commercial return is expected, based on experience and the nature of the assets.

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.

.Property, plant and equipment are depreciated on the over their expected useful lives to their estimated residual value. Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight-line	7-15 years
Office equipment	Straight-line	2-10 years
IT equipment	Straight-line	2-10 years

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

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Annual Financial Statements for the year ended 30 June 2023

Accounting Policies

1.3 Property, plant and equipment (continued)

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.

The municipal entity assesses at each reporting date whether there is any indication that the municipal 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 municipal 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 determined as the difference between the net disposal proceeds, if any, and the carrying amount of the items.

1.4 Cash and cash equivalents

Cash comprises cash on hand and demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Cash and cash equivalents comprise bank balances, cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less which are available on demand

1.5 Provisions and contingencies

Provisions are recognised when the municipal entity has a present obligation as a result of a past event

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. 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. If an entity has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision.

Management take into consideration past experience, expert advice when necessary and entity's policy in calculating on provision

1.6 Investment income

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

1.7 Budget information

Municipal entity 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.

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

The approved budget covers the fiscal period from 2022/07/01 to 2023/06/30.

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

The annual financial statements are prepared on accrual basis and the budget on cash basis, therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

CACADU DISTRICT DEVELOPMENT AGENCY

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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2. Changes in accounting policy

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice on a basis consistent with the prior year and no new standard is adopted as none relevant to the entity's fair presentation of financial statements.

3. New standards and interpretations

3.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 July 2023 or later periods:

1. GRAP 104 Financial Instruments, effective date 1 April 2025
2. GRAP 25 Employee Benefits, effective date 1 April 2023

4. VAT receivable

VAT	915,108	808,658
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The entity is Category B VAT vendor and registered on accrual basis to account for VAT.

5. Cash and cash equivalents

There are no restrictions on cash balances held by the entity.

Bank balances	10,768,930	11,570,781
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The entity had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2023	30 June 2022	30 June 2021	30 June 2023	30 June 2022	30 June 2021
ABSA -current account	554,969	1,004,741	505,870	554,969	1,004,741	505,870
ABSA- call account	1,154,620	2,127,991	3,200,072	1,154,619	2,127,991	3,200,072
ABSA- Investment account	9,059,341	8,438,049	16,407,620	9,059,341	8,438,049	16,407,620
Total	10,768,930	11,570,781	20,113,562	10,768,929	11,570,781	20,113,562

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Notes to the Annual Financial Statements

Figures in Rand

6. Property, plant and equipment

	2023			2022		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	154,888	(95,947)	58,941	130,810	(76,061)	54,749
Office equipment	557	(557)	-	557	(557)	-
IT equipment	364,872	(191,941)	172,931	203,033	(160,685)	42,348
Total	520,317	(288,445)	231,872	334,400	(237,303)	97,097

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Notes to the Annual Financial Statements

Figures in Rand

6. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Depreciation	Impairment loss	Total
Furniture and fixtures	54,749	24,078	(8,699)	(11,187)	58,941
IT equipment	42,348	161,839	(21,874)	(9,382)	172,931
	97,097	185,917	(30,573)	(20,569)	231,872

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Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements

Figures in Rand

6. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	23,886	43,269	(12,406)	54,749
IT equipment	58,270	17,421	(33,343)	42,348
	82,156	60,690	(45,749)	97,097

Pledged as security

No asset is pledged by the entity as a security.

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 municipal entity.

No revaluation was performed on assets as entity measures its assets on cost.

7. Payables from exchange transactions

Trade payables	57,649	634,468
Accrued leave pay	300,205	159,736
Third party payment - Employee tax	22,416	43,486
	380,270	837,690

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Notes to the Annual Financial Statements

Figures in Rand 2023 2022

8. Employee benefit

Bonus provision - 2023

	Opening Balance	Additions	Utilised during the year	Total
Employee benefits	165,437	224,054	(200,467)	189,024

Bonus provision- 2022

	Opening Balance	Utilised during the year	Reversed during the year	Total
Provision	175,458	(228,534)	218,513	165,437

The performance bonus is disclosed as a provision as the amount to be paid will be determined on the performance of those personnel entitled to bonuses. In terms of the performance bonus policy, employees qualify from 5% to 10% and management took into account past performance and projection of future performance in calculating of the provision.

9. Investment revenue

Investment revenue

Interest - current account			128	162
Interest - investment account			713,712	590,482
			713,840	590,644

The average interest rate during the year was 7.10% (2022 - 6.75%)

10. Government grants & subsidies

Operating grants

Sarah Baartman District Municipality(operating)		5,200,000	5,200,000
Utilisation of conditional grant		-	10,329,955
		5,200,000	15,529,955

Conditional and Unconditional Grants

Operational grant is received from Parent municipality after approving the budget of the entity.
Conditional grant utilized relates to Somerset East industrial park, funds received from provincial department.

Unconditional grants received		5,200,000	5,200,000
Conditional grant utilised		-	10,329,955
		5,200,000	15,529,955

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Notes to the Annual Financial Statements

Figures in Rand	2023	2022
11. Employee related costs		
Basic	3,606,170	3,504,332
Bonus	224,179	230,156
UIF	10,625	9,633
SDL	36,014	34,637
Leave pay provision charge	204,165	26,784
Acting allowances	43,446	-
Telephone allowance	42,934	45,241
	4,167,533	3,850,783
Remuneration of Chief Executive Officer		
Annual Remuneration	949,261	1,142,384
Car Allowance	115,000	120,000
Performance Bonuses	-	97,741
Cellphone allowance	12,807	15,369
Reimbursement travelling	-	16,169
	1,077,068	1,381,841
Dr Eldrid Uiithaler was appointed as the Chief Executive Officer on the 1 September 2022 for a period of 3 years.		
Remuneration of board of directors		
A Taai	104,454	91,187
N Koeberg	91,062	84,189
D Mgoduka	72,315	68,718
	267,831	244,094
12. Remuneration of Board of Directors		
Board fees	267,831	244,094
13. Depreciation and amortisation		
Property, plant and equipment	30,573	45,749
14. Impairment loss		
Impairments		
Property, plant and equipment	20,569	-
Pertains to assets that were obsolete.		

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Notes to the Annual Financial Statements

Figures in Rand	2023	2022
15. General expenses		
Audit committee remuneration	92,783	116,167
Advertising	77,882	118,948
Auditors fees - External	457,059	384,942
Bank charges	9,416	10,538
Consulting and professional fees	-	1,500
Catering	40,617	12,486
Fines and penalties	8,069	-
IT expenses	84,763	52,213
Postage and courier	120	185
Printing and stationery	28,686	27,597
Telephone and fax	11,242	12,052
Training	70,337	86,872
Travel - local	178,017	215,953
Audit fees - Internal	240,508	231,182
Beef project	52,194	-
Fencing project	122,533	165,126
Construction of Somerset East industrial park	74,804	8,652,149
Legal fees	-	11,733
Tourism hub	-	3,206
Employee wellness	15,776	-
Advert - heritage assessment	4,563	-
	1,569,369	10,102,849

For beef project, fencing project and construction of Somerset East industrial park, refer to the relevant notes for disaggregate by nature.

16. Cash used in operations

(Deficit) surplus	(143,002)	2,127,124
Adjustments for:		
Depreciation and amortisation	30,573	45,749
Impairment loss	20,569	-
Movements in provisions	(23,712)	(11,526)
Changes in working capital:		
Payables from exchange transactions	(393,912)	205,707
Movement in VAT	(106,450)	(95,882)
Unspent conditional grants and receipts	-	(10,753,263)
	(615,934)	(8,482,091)

17. Taxation

Status on taxation

The entity is a state owned enterprise formed with no intention of profit making, so not carrying on trade in terms of Income Tax Act..

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Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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18. Financial instruments

Categories of financial instruments

2023

Financial assets

	At amortised cost	At amortised cost
Cash and cash equivalents	10,768,930	11,570,781

Financial liabilities

	At amortised cost	At amortised cost
Trade and other payables from exchange transactions	57,649	634,468

19. Commitments

Authorised operational expenditure

Total commitments

The Somerset Industrial Park project has been completed and handed over to the local municipality.

20. Related parties

Relationships

Accounting Officer

Controlling entity

Refer to accounting officers' report note

Sarah Baartman District Municipality (DC10)

Sarah Baartman District Municipality

The municipality holds 100% shareholding in the entity and is therefore the Parent Municipality.

The Municipal entity received an operational unconditional grant of R5 200 000 from the Parent municipality.

Management and Board members

The following interests in institutions have been declared, but no transactions have been entered into:

1. Ms N Koeberg - Chris Hani Development Agency
2. Mrs D Mgoduka - Doreen Mgoduka Attorneys
3. Mr A Taai - Flouriscent Trading t/a Kowie Bus Service

No transactions and loan/debts transactions entered with any board members and management.

21. Risk management

Liquidity risk

The municipal entity's risk to liquidity is a result of the funds available to cover future commitments. The municipal entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

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Notes to the Annual Financial Statements

Figures in Rand 2023 2022

21. Risk management (continued)

Credit risk

Credit risk consists mainly of cash deposits and cash equivalent. The municipal entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Financial assets exposed to credit risk at year end were as follows:

The municipal entity banks with one of the major banks and there are no restrictions on cash held by the entity.

22. Events after the reporting date

No event has been identified by management after the reporting date for disclosure.

23. Fruitless and wasteful expenditure

Opening balance as previously reported	189,416	189,416
Add: Fruitless and wasteful expenditure identified - current	8,069	-
Closing balance	197,485	189,416

Fruitless and wasteful expenditure is presented inclusive of VAT

On resignation of former CEO the bank delayed approving a new signatory and resulted to late payment of EMP201, which resulted to a penalty.

24. 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.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the board and includes a note to the annual financial statements.

Pastel payroll licence renewal - Sole provider	9,295	12,754
Purchase Office 365 E Licences - Sole provider	2,243	-
Tertial institution property development- one quote	13,500	-
Payroll training - Sole provider	27,623	-
Tertial institution tax law - one quote	14,900	-
Tertial institution Phd application - one quote	4,663	8,000
	-	6,307
Sage Accounting licence renewal - Sole provider	14,030	8,528
	-	9,200
Tertial institution public management - one quote	10,000	11,900
	96,254	56,689

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Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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25. Segment information

General information

Identification of segments

The municipal entity is organised and reports to management on the basis of operations, due to the size of the entity and nature of entity business. It implements project on behalf of local municipalities and the district municipality. It has no different material segments.

26. Budget differences

Material differences between budget and actual amounts

1. Rental revenue

The Airfield was not ready for use due to storm that affected the building and the difference is 0% revenue against budget.

2. Interest Income - Actual revenue is 892% of the budget, as a result of agreement with a funder that current year interest from conditional grant is due to the entity.

3. Employee costs - Actual expenditure is 102% of the original budget, due to resignation of former CEO at year end resulted to less provision on leave.

4. Board Fees - Actual expenditure is 145% of the original budget due to recruitment process of new CEO, project handover and attendance of entity's strategic plan.

5. Depreciation - Actual depreciation is 50% of the budget, due to less expenditure on capital assets

6. Other expenditure - 55% One of the three approved projects planned, was not implemented as result of change in strategy and approach.

27. Somerset Industrial Park

The entity was appointed as an implementing agent for the Blue Crane Route Municipality industrial park. Capital asset is in the records of the Blue Crane Route Municipality. The entity incurred advertisement costs in the current year.

Advert	23,159	8,652,149
Advert	51,645	-
	74,804	8,652,149

28. Fencing project

The entity is managing Somerset East airfield on behalf of Blue Crane Route Municipality.

The entity incurred expenditure maintainance costs in order to be in operational standard as per the operational licence.

Repair gate	2,745	604,721
Marking runway	21,275	-
Advert	29,704	-
Marking taxi and runway aerodrome	68,809	-
	122,533	604,721

29. Beef project

Flights costs - delegates	38,412	-
Accomodation - delegates	10,591	-
Car hire - delegates	3,191	-
	52,194	-

CACADU DISTRICT DEVELOPMENT AGENCY

Annual Financial Statements for the year ended 30 June 2023

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29. Beef project (continued)

The project was closed after quarter 2 as no real impact was being made by the agency and the project depended on Ndlambe LM's agreement.