



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

VILLAGE COUNCIL OF WITVLEI

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

Published by authority

Price (Vat excluded) N\$ 60.00

Report no: 68/2022

REPUBLIC OF NAMIBIA



TO THE HONOURABLE SPEAKER OF THE NATIONAL ASSEMBLY

I have the honour to submit herewith my report on the accounts of the Witvlei Village Council for the financial year ended 30 June 2020, in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honourable Minister in terms of Section 27(1) of the State Finance Act, 1991 (Act 31 of 1991) to be laid upon the Table of the National Assembly in terms of Section 27(4) of the Act.

A handwritten signature in black ink, appearing to read 'Junias Etuna Kandjeke'.

JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

WINDHOEK, August 2022

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
WITVLEI VILLAGE COUNCIL
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020**

1. ADVERSE AUDIT OPINION

I have audited the financial statements of the Witvlei Village Council for the financial year ended 30 June 2020. These financial statements comprise the statement of financial position, statement of financial performance, statement of changes in net assets or equity, statement of cash flows and notes to the annual financial statements for the year then ended, and a summary of significant accounting policies.

In my opinion, because of the significance of matters discussed in the Basis for Adverse audit Opinion paragraph, the financial statements do not present fairly, in all material respects, the financial position of the Witvlei Village Council as at 30 June 2020 and its financial performance for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS).

2. BASIS FOR ADVERSE AUDIT OPINION

I conducted my audit in accordance with International Standards for Supreme Audit Institutions (ISSAI's). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of my report. I am independent of the entity in accordance with the Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for the adverse audit opinion.

The adverse audit opinion is expressed due to the following:

2.1 GOVERNMENT GRANTS

Government grants were recorded twice in the financial statements with an amount of N\$ 1 500 000. This resulted in income being overstated with N\$ 1 500 000 in the financial statements.

2.2 PROPERTY, PLANT AND EQUIPMENTS

2.2.1 ADDITIONS

Disclosed in the financial statements, under the property, plant and equipment note are additions to infrastructures amounting to N\$ 1 718 328, however this amount could not be traced to the fixed asset register and the transaction ledger.

2.2.2 FIXED ASSETS REGISTER

A difference of N\$ 1 437 295 was observed between the trial balance of N\$ 5 776 789 and the fixed assets register of N\$ 4 339 494 for infrastructures due to failure by Council to reconcile and update the fixed asset register regularly.

2.3 INTEREST CHARGED

The auditors observed that interest charged by Nampower and Namwater was recorded twice in the financial statements under sundries account and interest on creditors, this resulted in expenditures being overstated with an amount of N\$ 901 775.

2.4 PROVISION FOR BAD DEBTS

Trade debtors for the year are disclosed at a value of N\$ 1 699 624 in the financial statements however, the trade debtors are recorded in the trial balance at a value of N\$ 19 219 028. The Council provided for provision for bad debts of N\$ 17 519 404 which is contrary to the Council's credit policy which states that "*provision for bad debt should not exceed 20% of amounts owed in the categories of 90 days and older*".

2.5 PAYMENTS RECEIVED IN ADVANCE

The auditors observed that the Council disclosed debtors with credit balances amounting to N\$ 1 114 983 under liabilities in the statement of financial position for the year under review, however due to the absence of debtors detailed ledger and supporting documents, the auditors were unable to confirm the completeness and accuracy for payment received in advance.

2.6 CASH AND CASH EQUIVALENTS

The auditors observed an unexplained difference of N\$ 11 368 515 between the cash and cash equivalents as disclosed in the Council financial statements of N\$ 187 928 and the statement of cash flow prepared by the auditors.

2.7 INTEREST RECEIVED ON OUTSTANDING ACCOUNTS

A difference of N\$ 184 278 was observed between the financial statements amount of N\$ 2 001 765 and the Finstel system report amount of N\$ 2 186 043 on interest received on the outstanding accounts.

2.8 GOING CONCERN

The auditors observed that the current liabilities (N\$ 14 917 182) exceed the non-current assets (N\$ 1 887 552), which means the Council might not be able to settle its debts. It was also noted that the net assets are in deficit. This event may cast a significant doubt for the Council to continue as a going concern in the foreseeable future.

3. KEY AUDIT MATTERS

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I do not have anything to report on this matter.

4. AUDIT OF PERFORMANCE INFORMATION

The auditors observed that the Council does have an approved strategic plan in place, however there was no performance management system in place for the year under review.

5. OTHER INFORMATION

The directors are responsible for the other information. The other information does not include the financial statements and the audit report thereon. My opinion on the financial statements does not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon. In connection with the audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information; I am required to report that fact. I have nothing to report in this regard.

6. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Section 86 of the Local Authorities Act, 1992 and legislation, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible of overseeing the entity's financial reporting process.

7. AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue and auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs), will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the International Standards for Supreme Audit Institutions, I exercise professional scepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for

one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence, obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
- I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

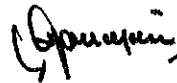
8. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The financial statements were submitted later than required by the Accounting Officer to the Auditor-General on 30 August 2021 in terms of section 87(1) of the Local Authority Act, 1992, instead of three months after year end.

8. ACKNOWLEDGEMENT

The co-operation and assistance by the management and staff of the Witvlei Village Council during the audit is appreciated.

WINDHOEK, August 2022



**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

ANNEXURE A

WITVLEI VILLAGE COUNCIL
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE

		2020	2019
	Note	N\$	N\$
ASSETS			
Current Assets		1 887 552	17 815 535
Cash and cash equivalents	2	187 928	580 938
Receivables from exchange transactions		1 699 624	16 151 172
Receivables from non-exchange transaction		-	1 083 425
Non-Current Assets		13 439 133	9 694 211
Property, plant and equipment	3	8 198 179	9 694 211
Long term receivables		5 240 954	-
Total Assets		15 326 685	27 509 746
LIABILITIES			
Current Liabilities		14 917 182	10 989 802
Consumer deposits and other		1 130	25 662
Payables under exchange transactions	4	13 462 562	10 964 140
Value Added Tax payable		338 507	-
Payments received in advance		1 114 983	-
Non-Current Liabilities		1 257 379	1 257 379
GRN Long term loans		1 257 379	1 257 379
Total Liabilities		16 174 561	12 247 181
Net Assets		(847 876)	15 262 565
RESERVES			
Statutory funds	5	15 913 298	15 599 535
Accumulated surplus		(16 761 174)	(555 438)
Balancing figure		-	219 468
Total Net Assets/Equity		(847 876)	15 263 565

ANNEXURE B

WITVLEI VILLAGE COUNCIL

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE

		2020	2019
	Note	N\$	N\$
Total revenue		11 654 587	7 738 619
Revenue from non-exchange transactions		4 933 901	1 412 959
Property rates	6	1 040 989	-
Transfers from other government entities	7	3 874 891	1 400 000
Fines, penalties and levies		10 547	12 959
Licences and permits		7 474	-
Revenue from exchange transactions		6 720 686	6 325 660
Service charges	8	4 171 060	4 772 324
Rental of facilities and equipment	9	537 549	-
Administration and management fees received		7 669	-
Interest income		2 643	1 553 336
Interest earned on outstanding debtors		2 001 765	-
Expenses		14 786 037	8 295 059
Bulk purchases	10	3 591 645	-
Employee costs	11	3 319 795	2 913 644
Remuneration of Councilors		172 168	-
Depreciation and amortisation expense		366 715	468 530
Repairs and maintenance		947 363	-
Debt impairment		2 719 380	-
General expenses	12	2 767 196	4 677 078
Supplies and consumable used		-	235 807
Interest paid		901 775	-
Deficit for the year		(3 131 450)	(556 440)

WITVLEI VILLAGE COUNCIL
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE

	Housing funding	Accumulated surplus/deficit	Total net assets/equity
	N\$	N\$	N\$
Balance at 01 July 2018	14 918 580	1 229 469	16 148 049
Interest allocated to funds and reserves	680 955	-	680 955
Surplus/(deficit) for the year	-	(644 455)	(644 455)
Total net Surplus (deficit) for the period		(644 455)	36 500
Opening balance as previously reported	15 599 535	585 015	16 221 049
Adjustments			
Correction of errors	-	(14 216 161)	(14 216 161)
Balance at 01 July 2019 as restated*	15 599 535	(13 631 146)	2 004 888
Changes in net assets/equity			
Surplus for the year	-	(3 130 028)	(3 130 028)
Movement in funds and reserves	313 763	-	313 763
Balance at 30 June 2020	15 913 298	(16 761 174)	(811 377)

ANNEXURE D

WITVLEI VILLAGE COUNCIL
STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE

	2020	2019
Note	N\$	N\$
Cash flows from operating activities	546 898	5 572 556
Deficit	(3 130 028)	(644 455)
Adjustments for:		
Depreciation and amortisation expense	366 715	556 545
Debt impairment	2 719 380	-
Direct adjustments to net assets	(11 054 757)	680 955
Changes in working capital:		
Receivables from exchange transactions	9 515 599	3 980 083
Debt impairment	(2 719 380)	-
Other receivables from non-exchange transactions	921 984	(921 984)
Payables under exchange transactions	2 840 476	1 553 701
Value Added Tax	(28 074)	366 581
Consumer deposits	-	1 130
Payments received in advance	1 114 983	-
Cash flows from investing activities	(2 023 333)	(5 212 996)
Purchase of property, plant and equipment	(1 718 328)	(277 047)
Decrease / (increase) in long-term receivables	(305 005)	(4 935 949)
Net increase/(decrease) in cash and cash equivalents	(1 476 435)	359 560
Cash and cash equivalents at the beginning of the year	1 664 363	1 304 803
Cash and cash equivalents at the end of the year	187 928	1 664 363

**WITVLEI VILLAGE COUNCIL
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE**

ACCOUNTING POLICIES

1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS), as approved by the line minister in consultation with audit Auditor General in accordance with Section 87 (1) of the Local Authorities Act 23 of 1992 as amended.

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, unless specified otherwise. They are presented in Namibia dollar.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of IPSAS.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below. Certain accounting policies are supported by reasonable and prudent judgements and estimates.

These accounting policies are consistent with the previous period

1.1 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.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods

The following are the critical judgements and estimations that management have made in the process of applying the Village Council's accounting policies and that have the most significant effect on the amounts recognised in annual financial statements:

Revenue recognition

Accounting Policy 1.3 on revenue from exchange transactions and accounting Policy 1.2 on Revenue from non-exchange transactions describes the conditions under which revenue will be recorded by the management of the Village Council.

WITVLEI VILLAGE COUNCIL
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE (continued)

In making their judgement, the management considered the detailed criteria for the recognition of revenue asset outin IPSAS9 (Revenue from Exchange Transactions) and IPSAS23 (Revenue from non-exchange transactions). As far as Revenue from non-exchange transactions is concerned (see Basis of Preparation above), and, in particular, whether the village council, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services is rendered, whether the service has been rendered. Also of importance is the estimation process involved in initially measuring revenue at the fair value thereof. Management of the village council is satisfied that recognition of the revenue in the current year is appropriate.

Estimation of meter readings:

Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without it being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Estimation of unused prepaid metered services

Estimates of unused consumption of prepaid metered services, based on the consumption history, are made at year-end. Sales for prepaid metered services are recognised as revenue upon receipt of payment for these services, except at year-end when estimates for unused consumption up to year-end are reversed from revenue and accrued as payment for services received in advance. These accruals are reversed in the new financial year to revenue again, deemed to be consumed after 30 June. In respect of estimates of consumption between the last date of purchase and the reporting date, an accrual for payments received in advance is made based on the average monthly consumption of consumers.

Impairment of financial assets

Accounting Policy 1.7 on **financial instruments** sub-paragraph **impairment of financial assets** describes the process followed to determine the value at which financial assets should be impaired. In making the estimation of the impairment, the management of the village council considered the detailed criteria of impairment and used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. The management of the Village Council is satisfied that impairment of financial assets recorded during the year is appropriate.

**WITVLEI VILLAGE COUNCIL
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE (continued)**

Impairment of trade receivables

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their credit worthiness. This is performed per service-identifiable categories across all classes of debtors.

Useful lives of property, plant and equipment, intangible assets and investment property

As described in accounting policies 1.4, and 1.5, the village council depreciates its property, plant & equipment and investment property, and amortises its intangible assets, over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives, which is determined when the assets are available for use.

The estimation of residual values of assets is based on management's judgement as to whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

Impairment: write-down of property, plant & equipment, intangible assets, investment property and inventories

Accounting policy on impairment of assets, accounting policy 1.5 on intangible assets – subsequent measurement, amortisation and impairment and accounting policy on inventory – subsequent measurement describe the conditions under which non-financial assets are tested for potential impairment losses by the management of the village council. Significant estimates and judgements are made relating to impairment testing of property, plant and equipment, impairment testing of intangible assets and write-down of inventories to the lowest of cost and net realisable value.

In making the above-mentioned estimates and judgement, management considered the subsequent measurement criteria and indicators of potential impairment losses. In particular, the calculation of the recoverable service amount for property, plant and equipment and intangible assets and the net realisable value for Inventories involves significant judgment by management.

Estimated impairments during the year to inventory, property, plant and equipment, intangible assets and investment property are disclosed in Note 3, and to the annual financial statements, if applicable.

1.2 Revenue from non-exchange transactions

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

**WITVLEI VILLAGE COUNCIL
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE (continued)**

Rates and taxes

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time-proportionate basis with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

Government grants and receipts

Conditional grants, donations and funding are recognised as revenue to the extent that the village council has complied with any of the criteria, conditions or obligations embodied in the agreement

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the village council with no future related costs, are recognised in surplus or deficit in the period in which they become receivable.

Interest earned on investments is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor and if it is the village council's interest, it is recognised as interest earned in surplus or deficit.

Fines

Fines constitute both spot fines and summonses.

Revenue for fines is recognised when the fine is issued at the full amount of the receivable. The village council uses estimates to determine the amount of revenue that the village council is entitled to collect that is subject to further legal proceedings.

Public contributions

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are brought into use.

1.3 Revenue from exchange transactions

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

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

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

**WITVLEI VILLAGE COUNCIL
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE (continued)**

Sale of goods (including houses)

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

- the entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Service charges

Service charges are levied in terms of the approved tariffs.

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been taken. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without it being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meter shave been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to all properties that have improvements. Tariffs are determined per category of property usage, and are levied based on the number of bins on each property.

Service charges relating to sewerage for residential properties are recognised on a monthly basis in arrears by applying the approved tariff to all properties. Tariffs are levied based on the extent and or zoning of each property. All other properties are levied based on the water consumption, using the tariffs approved by Council, and are levied monthly.

Prepaid electricity and water

Revenue from the sale of electricity and water prepaid meter cards are recognised at the point of sale. Revenue from the prepaid sales is recognised based on an estimate of the prepaid service consumed as at the reporting date.

**WITVLEI VILLAGE COUNCIL
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE (continued)**

Rentals received

Revenue from the rental of facilities and equipment is recognised on a Straight-line Basis over the term of the lease agreement.

Finance income

Interest earned on investments is recognised in surplus or deficit on the time-proportionate basis that takes into account the effective yield on the investment.

Interest earned on the following investments is not recognised in surplus or deficit:

1.4 Property, plant and equipment

Initial recognition

Property, plant and equipment are initially recognised at cost.

Where an asset is acquired by the village council for no or nominal consideration (i.e. anon-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Subsequent measurement

Subsequently all property plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses.

Depreciation

Depreciation on assets other than land is calculated on cost, using the straight-line method, to allocate their cost or revalued amounts to their residual values over the estimated useful lives of the assets. 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 useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Buildings	
Improvements	8-80
Leased	
Motor vehicles	5-15
Infrastructure	
Electricity	10-50
Roads and storm water	8-80
Sanitation	10-90
Solid waste	5-80
Water	10-90

WITVLEI VILLAGE COUNCIL
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE (continued)

Community	
Facilities	8-80
Other	
Computer equipment	4-8
Emergency equipment	5-6
Furniture and fittings	5-8
Motor vehicles	5-15
Office equipment	4-15
Plant & equipment	4-15
Specialised vehicles	5-15

Land

Land is stated at historical cost and is not depreciated as it is deemed to have an indefinite useful life.

Incomplete construction work

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is available for use.

Leased assets

Assets capitalised under finance leases are depreciated over their expected useful lives on the same basis as property, plant and equipment controlled by the Village Council or, where shorter, the term of the relevant lease if there is no reasonable certainty that the Village Council will obtain ownership by the end of the lease term.

Derecognition

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. Gains are not classified as revenue.

1.5 Intangible assets**Initial recognition**

Identifiable non-monetary assets without physical substance are classified and recognised as intangible assets.

For internally generated intangible assets, all research expenditure is recognised as an expense as it is incurred and costs incurred on development projects are recognised as intangible assets in accordance with IPSAS 31 (intangible assets). Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use. Development assets are tested for impairment annually.

WITVLEI VILLAGE COUNCIL
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE (continued)

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired by the village council for no or nominal consideration (i.e. anon-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

The cost of an intangible asset acquired in exchange for non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets, is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up. If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Repairs and maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in surplus or deficit and measured at cost.

Subsequent measurement, amortisation and impairment

After initial recognition, intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

Amortisation is charged on a straight-line method over the intangible assets' useful lives. The residual value of intangible assets with finite useful lives is zero, unless an active market exists. Where intangible assets are deemed to have indefinite useful lives, such intangible assets are not amortised. However, such intangible assets are subject to an annual impairment test.

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

Asset class	Useful life
Computer software	3-5 years

Derecognition

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised. Gains are not classified as Revenue.

**WITVLEI VILLAGE COUNCIL
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE (continued)**

1.6 Leases

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

1.6.1 The Village Council as lessee

Operating leases

The Village Council recognises operating lease rentals as an expense in surplus or deficit on a straight-line basis over the term of the relevant lease. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability. Any lease incentives are included as part of the net consideration agreed.

1.6.2 The Village Council as a lessor

Amounts due from lessees under finance leases or instalment sale agreements are recorded as receivables at the amount of the village council's net investment in the leases. Finance lease or instalment sale revenue is allocated to accounting periods so as to reflect a constant periodic rate of return on the Village Council's net investment outstanding in respect of the leases or instalment sale agreements.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

1.7 Financial instruments

The council has various types of financial instruments and these can be broadly categorised as financial assets, financial liabilities or residual interests in accordance with the substance of the contractual agreement.

Initial recognition

Financial assets and financial liabilities are recognised when it becomes party to the contractual provisions of the instrument.

The council does not offset a financial asset and a financial liability unless legally enforceable rights to set off the recognised amounts currently exist and the Village Council intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**WITVLEI VILLAGE COUNCIL
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE (continued)**

Fair value methods and assumptions

The fair values of financial instruments are determined as follows:

- The fair values of quoted investments are based on current bid prices;
- The market for a financial asset is not active (and for unlisted securities), the Village Council establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs;

Classification

The entity has the following types of **financial assets** (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Type of Financial Asset	Classification in terms of IPSAS 29
Non-current investments – fixed deposits	Held-to-maturity investments
Non-current investments – shares	Available-for-sale investments
Long-term receivables	Loans and receivables
Receivables from exchange transactions	Loans and receivables
Receivables from non-exchange transactions	Loans and receivables
Bank, cash and cash equivalents–notice deposits	Held-to-maturity investments
Bank, cash and cash equivalents–call deposits	Available-for-sale investments
Bank, cash and cash equivalents–bank	Available-for-sale investments
Bank, cash and cash equivalents–cash	Available-for-sale investments
Current portion of non-current investments	Held-to-maturity investments
Current portion of long-term receivables	Loans and receivables

Trade and other receivables (excluding value Added tax, prepayments and operating lease receivables), loans to municipal entities and loans that have fixed and determinable payments that are not quoted in an active market are classified as financial assets at amortised cost.

Cash includes cash-on-hand (including petty cash) and cash with banks (including call deposits). For the purposes of the cash flow statement, cash and cash equivalents comprise cash-on-hand and deposits held on call with banks, net of bank overdrafts.

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

WITVLEI VILLAGE COUNCIL
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE (continued)

Type of Financial Liability	Classification in terms of IPSAS 29
Long-term liabilities	Financial liability measured at amortised cost
Payables from exchange transactions	Financial liability measured at amortised cost
Payables from non-exchange transactions	Financial liability measured at amortised cost
Bank overdraft	Financial liability measured at amortised cost
Short-term loans	Financial liability measured at amortised cost
Current portion of long-term liabilities	Financial liability measured at fair value

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred

Initial and subsequent measurement of financial assets and financial liabilities

Financial assets:

At fair value through surplus or deficit

Financial assets at fair value through surplus and deficit are initially and subsequently, at the end of each financial year, measured at fair value with the profit or loss being recognised in surplus or deficit.

Held-to-maturity investments

Held-to-maturity investments are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequently, these assets are measured at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.

Loans and receivables

Loans and receivables are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. After initial recognition loans and receivables are measured at amortised cost, using the effective interest rate method less a provision for impairment.

Available-for-sale investments

Available-for-sale investments are initially measured at fair value plus directly attributable transaction costs. They are subsequently measured at fair value with unrealised gains or losses recognised directly in equity until the investment is derecognised, at which time the cumulative gain or loss recorded in equity is recognised in surplus or deficit, or determined to be impaired, at which time the cumulative loss recorded in equity is recognised in surplus or deficit.

WITVLEI VILLAGE COUNCIL
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE (continued)

Financial liabilities:

At fair value through surplus or deficit

Financial liabilities that are measured at fair value through surplus or deficit are stated at fair value, with any resulted gain or loss recognised in surplus or deficit.

At amortised cost

Any other financial liabilities are classified as other financial liabilities (all payables, loans and borrowings are classified as other liabilities) and are initially measured at fair value, net of transaction costs. Trade and other payables, interest-bearing debt including finance lease liabilities, non-interest-bearing debt and bank borrowings are subsequently measured at amortised cost using the effective interest rate method. Interest expense is recognised in surplus or deficit by applying the effective interest rate.

Bank borrowings, consisting of interest-bearing short-term bank loans, repayable on demand and over drafts are recorded at the proceeds received. Finance costs are accounted for using the accrual basis and are added to the carrying amount of the bank borrowing to the extent that they are not settled in the period that they arise.

Prepayments are carried at cost less any accumulated impairment losses.

Impairment of financial assets:

Financial assets, other than those at fair value, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence of impairment of financial assets (such as the probability of in solvency or significant financial difficulties of the debtor). If there is such evidence the recoverable amount is estimated and an impairment loss is recognised through the use of an allowance account.

Financial assets at amortised cost

A provision for impairment of accounts receivables is established when there is objective evidence that the Village Council will not be able to collect all amounts due according to the original terms of receivables. The provision is made where by the recoverability of accounts receivable is assessed individually and then collectively after grouping the assets in financial assets with similar credit risk characteristics. The amount of the provision is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Cash flows relating to short-term receivables are not discounted where the effect of discounting is immaterial.

WITVLEI VILLAGE COUNCIL
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE (continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets carried at amortised cost with the exception of consumer debtors, where the carrying amount is reduced through the use of an allowance account. When a consumer debtor is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against revenue. Changes in the carrying amount of the allowance account are recognised in surplus or deficit.

Financial assets available-for-sale

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in net assets and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in net assets shall be removed and recognised in surplus or deficit even though the financial asset has not been derecognised.

The amount of the cumulative loss that is removed from net assets and recognised in surplus or deficit is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in surplus or deficit.

Impairment losses recognised in surplus or deficit for an investment in an equity instrument classified as available-for-sale are not reversed through surplus or deficit.

If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss is recognised in surplus or deficit, the impairment loss must be reversed, with the amount of the reversal recognised in surplus or deficit.

The entity measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value].

The entity first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan into its component parts and accounts for each component separately. The entity accounts for that part of a concessionary loan that is:

- A social benefit in accordance with the framework for the preparation and presentation of financial statements, where it is the issuer of the loan; or
- Non-exchange revenue, in accordance with the standard of IPSAS on revenue from non-exchange transactions (taxes and transfers), where it is the recipient of the loan.

**WITVLEI VILLAGE COUNCIL
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE (continued)**

Derecognition

Financial assets

The council derecognises financial assets only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of financial assets due to non-recoverability.

If the council neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the village council recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the village council retains substantially all the risks and rewards of ownership of a transferred financial asset, the Village Council continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The council derecognises financial liabilities when, and only when, Council's obligations are discharged, cancelled or they expire.

The council recognises the difference between the carrying amount of the financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, in surplus or deficit.

1.8 Provisions and contingencies

The best estimate of the expenditure required to settle the present obligation is the amount that the Village Council would rationally pay to settle the obligation at the reporting date or to transfer it to a third party at that time and are determined by the judgment of the management of the Village Council, supplemented by experience of similar transactions and, in some cases, reports from independent experts. The evidence considered includes any additional evidence provided by events after the reporting date. Uncertainties surrounding the amount to be recognised as a provision are dealt with by various means according to the circumstances. Where the provision being measured involves a large population of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it – this unavoidable cost resulting from the contract is the amount of the provision to be recognised.

**WITVLEI VILLAGE COUNCIL
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE (continued)**

Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.

Decommissioning, restoration and similar liability

Estimated long-term environmental provisions, comprising rehabilitation and land fill site closure, are based on the village council's policy, taking into account current technological, environmental and regulatory requirements. The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the asset, they are capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are charged to surplus or deficit.

Contingent assets and contingent liabilities

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

1.9 Employee benefits

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

Short-term employee benefits

The costs of all short-term employee benefits such as leave pay, are recognised during the period in which the employee renders the related service. The liability for leave pay is based on the total accrued leave days at year end and is shown as a creditor in the statement of financial position. The Village Council recognises the expected cost of performance bonuses only when the Village council has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

Post-employment benefits

The Village Council provides retirement benefits for its employees.

1.10 Borrowing costs

The Village Council uses the benchmark treatment of borrowing costs as such borrowing costs are recognised as an expense in the period in which they are incurred regardless of how the borrowing costs were applied.

**WITVLEI VILLAGE COUNCIL
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE (continued)**

1.11 Related parties

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Management is regarded as a related party and comprises the Mayor, Management Committee Members, Council Members, Chief Executive Officer and all other Strategic Executive Officers reporting directly to the Chief Executive Officer or as designated by the Chief Executive Officer.

1.12 Going concern assumption

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

At 30 June 2020 the Village Council's liabilities exceeded its assets. In addition the Village Council was not spared from the impact of Covid-19 and related effects. However, the council have prepared the annual financial statements under the going concern assumption, based on management assumptions.

1.13 Net assets

Statutory fund

The housing fund was established in terms of Section 58 of the Local Authorities Act, 1992 (Act 23 of 1992). The housing fund contains all proceeds from housing developments, which include proceeds of loans raised, rental income, redemption of loans granted, sales of houses, interest from investments and other moneys accruing to the fund. Unexpended moneys in the housing fund which are not required for immediate use may be invested with such financial institution as may be approved by the Minister.

Monies standing to the credit of the housing fund are used only for purposes of the construction, acquisition or maintenance of dwellings; loans granted; repayment of loans raised; costs incurred in connection with the administration of housing schemes and any other purpose approved in writing by the Minister.

Accumulated surplus

The accumulated surplus contains accumulated surpluses, after appropriations to and from statutory funds.

1.14 Grants-in-aid

The Village Council transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the Village Council does not:

WITVLEI VILLAGE COUNCIL
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE (continued)

- (a) Receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- (b) Expect to be repaid in future; or
- (c) Expect a financial return, as would be expected from an investment.

These transfers are recognised in surplus or deficit as expenses in the period that the events giving rise to the transfer occurred.

1.15 Value Added Tax

The Village Council accounts for value added tax in accordance with section 18 of the Value-Added Tax Act (Act No 10 of 2000).

1.16 Material losses

Due to their significance, the complete calculation of water and electricity losses is provided, including the opening balance, purchases, sales and closing balance where applicable. For electricity the unit rate is the rate per the last purchase for the financial year. For water the unit rate is measured based on the weighted average method as defined by IPSAS 12 (Inventories).

1.17 Commitments

Commitments are future expenditure to which the village council committed and that will result in the out flow of resources. Commitments are not recognised in the statement of financial position as a liability or as expenditure in surplus or deficit, but are included in the disclosure notes. A distinction is made between capital and current commitments.

1.18 Events after reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the annual financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in notes to the annual financial statements.

1.19. Going concern

Management considered the following matters relating to the going concern:

- (i) Strict daily cash management processes are embedded in the village council's operations to manage and monitor all actual cash inflows and cash outflows in terms of the budget
- (ii) As the Council has the power to levy fees, tariffs and charges, this will result in an ongoing inflow of revenue to support the ongoing delivery of municipal services.
- (iii) The Village Council continue to receive financial support for capital projects and its operations from the central government the Ministry Urban and Rural Development.

Taking the aforementioned into account, management has prepared the annual financial statements on the going concern basis.

ANNEXURE E

WITVLEI VILLAGE COUNCIL
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE (continued)

	2020	2019
	N\$	N\$
2. Cash and cash equivalents	187 928	580 938
Cash on hand	3 901	38 993
Bank balances	134 726	121 547
Short-term deposits	49 301	420 398

For the purposes of the Statement of Financial Position and the Cash Flow Statement, Cash and Cash Equivalents include Cash-on-Hand, Cash in Banks and Investments in Money Market Instruments, net of outstanding Bank Overdrafts.

No other restrictions have been imposed on the council in terms of the utilisation of its Cash and Cash Equivalents.

Short term deposits consist of Call deposits and fixed deposits.

ANNEXURE E

WITVLEI VILLAGE COUNCIL
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE (continued)

	2020				2019				
	Cost/Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost/Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost/Valuation	Accumulated depreciation and accumulated impairment	Carrying value
	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$	N\$
3. Property, plant and equipment									
Land	758 108	-	758 108	-	-	-	-	-	-
Buildings	2 732 407	(468 971)	2 263 436	-	-	-	-	-	-
Plant and machinery	856 018	(105 808)	750 210	-	-	-	-	-	-
Furniture and fixtures	9 914	(7 660)	2 254	-	-	-	-	-	-
Motor vehicles	838 935	(824 194)	14 741	-	-	-	-	-	-
Office equipment	245 708	(112 005)	133 703	-	-	-	-	-	-
IT equipment	340 096	(337 305)	2 791	-	-	-	-	-	-
Infrastructure	5 776 789	(1 721 342)	4 055 447	-	-	-	-	-	-
Bins and containers	111 228	(111 198)	30	-	-	-	-	-	-
Tools and loose gear	299 881	(82 422)	217 459	-	-	-	-	-	-
Other assets	-	-	-	10 250 756	(556 545)	-	9 694 211	-	-
Total	11 969 084	(3 770 905)	8 198 179	10 250 756	(556 545)	9 694 211			

ANNEXURE E

**WITVLEI VILLAGE COUNCIL
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE (continued)**

Reconciliation of property, plant and equipment-2020						
	Opening balance	Additions	Transfers	Depreciation	Total	
	N\$	N\$	N\$	N\$	N\$	N\$
Land	-	-	758 108	-	758 108	
Buildings	-	-	2 318 197	(54 761)	2 263 436	
Roads and Street	-	-	767 365	(17 155)	750 210	
Furniture and fixtures	-	-	2 917	(663)	2 254	
Motor vehicles	-	-	22 669	(7 928)	14 741	
Office equipment	-	-	157 250	(23 547)	133 703	
IT equipment	-	-	23 700	(20 909)	2 791	
Infrastructure	-	1 718 328	2 545 599	(208 480)	4 055 447	
Bins and containers	-	-	11 174	(11 144)	30	
Tools and loose gear	-	-	239 587	(22 128)	217 459	
Other assets	9 694 211	-	(9 694 211)	-	-	
TOTAL	9 694 211	1 718 328	(2 847 645)	(366 715)	8 198 179	
Reconciliation of property, plant and equipment-2019						
	Opening balance	Additions	Other movement	Impairment loss	Total	
	N\$	N\$	N\$	N\$	N\$	N\$
Other assets	9 674 211	277 047	299 498	(556 545)	9 694 211	
TOTAL	9 674 211	277 047	299 498	(556 545)	9 694 211	

WITVLEI VILLAGE COUNCIL
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE (continued)

	2020	2019
	N\$	N\$
4. Payables under exchange transactions	13 462 562	10 964 140
Trade payables	12 989 815	10 964 140
Leave Provision	472 747	-
5. Funds	15 913 298	15 599 535
Build Together fund	5 309 175	4 995 412
Capital outlay	9 047 880	9 047 880
Fixed Property and Capital Contributed	1 556 243	1 556 243
6. Property rates	1 040 989	-
Businesses	390 147	-
Other	650 842	-
7. Transfers from other government entities	3 874 891	1 400 000
Road Fund Administration (RFA)	874 891	-
Government Grants And Subsidies	1 500 000	1 400 000
Contribution Central Government grant (operating)	1 141 038	-
Contribution Subsidy	358 962	-
8. Service charges	4 171 060	4 772 324
Sales of ervens	79 278	4 772 324
Sale of electricity	2 144 234	-
Sale of water	1 535 973	-
Sewerage and sanitation charges	109 494	-
Refuse removal	302 081	-

The amounts disclosed above for revenue from Service Charges are in respect of services rendered which are billed to the consumers on a monthly basis according to approved tariffs.

WITVLEI VILLAGE COUNCIL
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE (continued)

	2020	2019
	N\$	N\$
9. Rental of facilities and equipment	537 549	-
Premises	532 366	-
Rental of equipment	5 183	-

Rental revenue earned on Facilities and Equipment is in respect of Non-financial Assets rented out.

10. Bulk purchases	3 591 645	-
Electricity	1 846 884	-
Water	1 744 761	-

Bulk Purchases are the cost of commodities not generated by the village council, which the village council distributes in the municipal area for resale to the consumers. Electricity is purchased from NamPower whilst Water is purchased from NamWater.

11. Employee related costs	3 319 795	2 913 644
Basic	1 365 430	2 913 644
Medical aid - company contributions	410 500	-
Social Security	14 714	-
Defined contribution plans	400 983	-
Long-service awards	143 265	-
Housing benefits and allowances	511 488	-
Other allowances	22 800	-
Internship & Job Attachment	2 400	-
Other	448 215	-

WITVLEI VILLAGE COUNCIL
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE (continued)

	2020	2019
	N\$	N\$
12. General expenses	2 767 196	4 912 885
General other	34 957	4 677 078
Advertising	1 286	
Bank charges	70 785	
Catering & Entertainment Cost	2 753	
Supplies and consumables used	-	235 807
Cleaning	12 446	
Consulting and professional fees	159 752	
Electricity (departmental)	682 090	
Insurance	96 045	
Inter-departmental Transfers	982 624	
Motor vehicle expenses	246 030	
Printing and stationery	26 355	
Regional Council 5% rates and taxes	44 425	
Youth Centre Sec/Care Taker	65 871	
Security (Guarding of municipal property)	49 620	
Software expenses	67 725	
Staff welfare	14 200	
Subscriptions and membership fees	10 000	
Telephone and fax	33 109	
Training	5 540	
Travel - local	140 540	
Sewer Erf Connections	21 043	