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PURPOSE

The purpose of this document is:

- To set out a methodology for the classification and measurement of land in line with the applicable accounting standards.

The classifications include:

- GRAP 12 Inventory;
- GRAP 16 Investment property;
- GRAP 17 Property, plant and equipment;
- GRAP 31 Intangible assets; and
- GRAP 103 Heritage assets.

SCOPE

The methodology is applicable to all land registered in the name of the municipality and all servitudes purchased and obtained through legislation by the municipality.

Definitions and abbreviations

“*ASB*” means Accounting Standards Board.

“*CFO*” means chief financial officer.

“*FAQ*” means frequently asked questions as issued by the Accounting Standards Board.

“*financial year*” means the period 1 July of one year to 30 June of the following year (both days included).

“*GRAP*” means generally recognised accounting practices.

“*MFMA*” means Municipal Finance Management Act, Act 56 of 2003.

“*municipality*” means Steve Tshwete Local Municipality.

“*PPE*” means property, plant and equipment as defined in GRAP 16.05.

“*RDP*” means reconstruction and development programme.

“*reporting date*” means 30 June of each year.

“*VAT*” means Value-Added Tax in terms of the Value-added Tax Act, Act 86 of 1991.