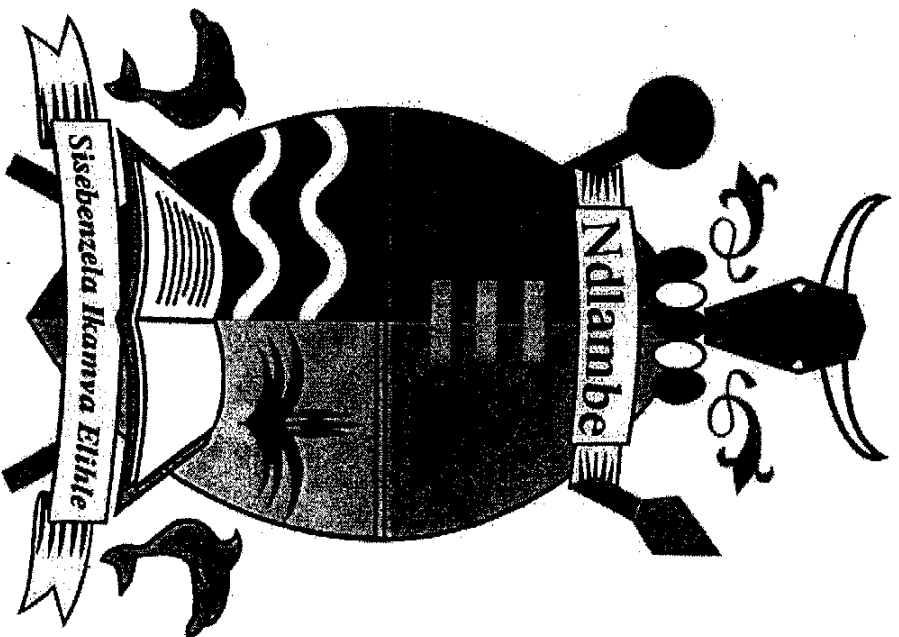


Ndlambe Municipality

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2004**





**MEMBERS OF THE NDLAMBE LOCAL MUNICIPALITY AT 30 JUNE 2004 :**

**Ward Councillors**

<u>Name</u>	<u>Party</u>	<u>Code</u>	<u>Telephone</u>
BONGANI BENSON MATYUMZA	ANC	046	6241066
CECIL PETER JONES-PHILLIPSON	DA	046	6245267
IGNATIUS PETRUS FERREIRA	DA	046	6540125
LULLU REBECCA JIKOLO	ANC	046	6530056
LUYANDA DYANI	ANC	046	6259164
SIPHO ROBERT TANDANI	ANC	046	6361484
TAMSANQA LEHLONONO ERIC KHOATHANI	ANC	046	6481043
ZAMUXOLO YUTAR QUMA	ANC	046	6242348
ZOLA WELLINGTON XANISE	ANC		

**PR Councillors**

<u>Name</u>	<u>Party</u>	<u>Code</u>	<u>Telephone</u>
GILLIAN MARY FOGARTY	DA	046	6481203
KHULULWA CELIA NCAMISO	ANC	046	6481194
KOLEKA PATRICIA NKWINTI	ANC		
MARIE LOUISE SWANEPOEL	DA	046	6241150
MBONISI HARRISON MANGCANGAZA	ANC	043	6422491
PHYLLIS CECILIA JACOBS	ANC	046	6223515
THEMBILE CHRISTOPHER BETHE	ANC	046	6530423
VUKILE MICHAEL BALURA	ANC	046	6241960

Mayor: Councillor V. M. Balura

**GRADING OF MUNICIPALITY** The Ndlambe Municipality consists of areas previously falling within the jurisdiction of the following local authorities:

<u>Extent</u>	<u>Name</u>	<u>Grade</u>
Full Area	Alexandria Transitional Local Council	Three
Full Area	Boknes/Cannon Rocks Local Council	Thirteen (Grading of erstwhile Western District Municipality)
Full Area	Boesmansriviermond Transitional Local Council	Two
Partial Area	Alexandria Transitional Rural Council	Thirteen (Grading of erstwhile Western District Municipality)
Full Area	Kenton-on-Sea Transitional Local Council	Three
Full Area	Port Alfred Transitional Local Council	Six
Full Area	Bathurst Transitional Local Council	One
Full Area	Bathurst Transitional Rural Council	Thirteen (Grading of erstwhile Western District Municipality)
Full Area	Seafeld Local Council	Thirteen (Grading of erstwhile Western District Municipality)

Note: In terms of Section 8 of the Remuneration of Town Clerks Act, 1984 (Act No. 115, 1984), Annexure A to Government Gazette 15250 dated 12 November 1993. This Act has since been repealed in its entirety. No comparable replacement legislation has yet been promulgated. The above gradings were conducted in terms of this repealed Act.

**AUDITOR :** The Auditor-General

**REGISTERED OFFICE :**

Causeway Road                      Post Box 13  
Port Alfred                              Port Alfred  
6170                                          6170

**BANKERS :** First National Bank of South Africa

Telephone: (046) 624 1140  
Fax: (046) 624 2669  
e-mail: portalfred@ndlambe.co.za  
website: <http://www.ndlambe.co.za>

  
**MUNICIPAL MANAGER**

N G Ngesi

  
**DIRECTOR : FINANCIAL MANAGEMENT**

R Wium



## ACCOUNTING POLICIES

### 1 Basis of Presentation

- 1.1 These financial statements have been prepared so as to conform to the standards laid down by the Institute of Municipal Treasurers and Accountants in its Code of Practice (1992) and Report on the Standardisation of Financial Statements of Local Authorities (4th Edition, as amended).
- 1.2 The financial statements are prepared on the historical cost basis, adjusted for capital expenditure as more fully detailed in Note Two. The accounting policies are consistent with those applied in the previous year, except if otherwise indicated.
- 1.3 The financial statements are prepared on the accrual basis :
  - Income is accrued when collectable and measurable. Certain direct Income is accrued when received, such as traffic fines and certain licences.
  - Expenditure is accrued in the year it is incurred.

### 2 Consolidation

The balance sheet includes the Rate and General services, Housing services, Trading services and the different funds, reserves and provisions. All inter departmental charges are set-off against each other, with the exception of assessment rates, refuse removal, electricity and water, which are treated as income and expenditure in the respective departments.

### 3 Fixed Assets

#### 3.1 Fixed Assets are stated at:

- historical cost, or
  - valuation (based on the market price at date of acquisition), where assets have been acquired by grant or donation.
- while they are in existence and fit for use, except in the case of bulk assets which are written off at the end of their estimated life as determined by the Treasurer.

#### 3.2 Depreciation

The balance shown against the heading "Loans Redeemed and Other Capital Receipts" in the notes to the balance sheet tantamount to a provision for depreciation, however, certain structural differences do exist. By way of this "Provision" assets are written down over their estimated useful life. Apart from advances from the various council funds, assets may also be acquired through:

- Appropriations from income, where the full cost of the asset forms an immediate and direct charge against the operating income and therefore it is unnecessary to make any further provision for depreciation.
- Grant or donation, where the amount representing the value of such grant or donation is immediately credited to the "Loan Redeemed and Other Capital Receipts" account.

3.3 All net proceeds from the sale of fixed property are credited to the Revolving Fund. Net proceeds from the sale of all other assets are credited to the revolving fund.

3.4 Capital assets are financed from different sources, including external loans, operating income, endowments and internal advances. These loans and advances are repaid within the estimated lives of the assets acquired from such loans or advances. Interest is charged to the services concerned at the ruling interest rate applicable at the time that the advance is made.

#### **4 Stock**

Stock is valued at the lower of cost, determined on the weighted average basis, and net realizable value.

#### **5 Funds and Reserves**

##### **5.1 Revolving Fund**

The Municipal Ordinance No. 20 of 1974, requires a pre-calculated contribution out of income of the local authority rates for the immediately preceding financial year to the revolving fund.

##### **5.2 Enhancement Trust Fund**

Enhancement levies were collected on new township developments for the enhancement of Port Alfred.

#### **6 Retirement Benefits**

Port Alfred and its employees contribute to the Cape Joint Pension Fund, SALA Pension and SAMWU Provident Fund which provides retirement benefits to such employees.

The retirement benefit plan is subject to the Pensions Funds Act, 1956, with pensions being calculated on the final pension remuneration paid. Current contributions are charged against operating income on the basis of current service costs.

#### **7 Surpluses and Deficits**

Any surpluses or deficits arising from the operation of the Electricity and Water services are transferred to Rate and General services.

#### **8 Treatment of Administration and other Overhead Expenses**

The cost of internal support services are transferred to the different services in accordance with the Institute Report on Accounting for Support Services (June 1990).

## 9 Leased assets

Lease finance charges are allocated to accounting periods over the duration of the leases, by the effective interest rate method which reflects the extent and cost of lease finance utilised in each accounting period. All other leases are treated as operating leases and the relevant rentals are charged to the operating account in a systematic manner related to the period of use of the assets concerned.

## 10 Investments

Investments are shown at the lower of cost or market value if a permanent decline in the value occurred, and are invested in accordance with Circular No. C/43/1993 issued by the Provincial Administration, Community Development Branch and the code of investment practice issued by the Institute of Municipal Finance Officers.

Interest received on investments is paid into the Revolving Fund. This Fund pays interest to all funds based on 10% of the average balance of the fund for the financial year.

## 11 Deferred Charges represents :

11.1 The balance outstanding on the costs incurred in raising loans on the capital market, which is recovered from operating income over the periods of the various loans involved.

## 12 Income recognition

### 12.1 Electricity and Water Billings

All meters in industrial areas, high density residential areas and residential areas are read and billed monthly.

### 12.2 Assessment Rates

Disparate rating systems are currently in force due to differences in policy amongst the erstwhile local authorities which now make up Ndlambe Municipality. These inconsistencies will be rectified once a simultaneous General Valuation is implemented throughout the entire new municipal area.



**BALANCE SHEET AT 30 JUNE 2004**

	Note	2004 R	2003 R
<b>CAPITAL EMPLOYED</b>			
<b>FUNDS AND RESERVES</b>			
Funds	1	39,142,607	34,058,789
Reserves		37,575,768	32,634,390
		1,566,839	1,424,399
<b>RETAINED INCOME</b>			
		17,355,885	17,354,543
		56,498,492	51,413,332
<b>TRUST FUNDS</b>			
LONG TERM LIABILITIES	2	1,966,717	1,787,921
CONSUMER DEPOSITS : SERVICES	3	5,090,776	4,344,696
	11	990,444	1,210,929
		<u>64,546,429</u>	<u>58,756,878</u>
<b>EMPLOYMENT OF CAPITAL</b>			
<b>FIXED ASSETS</b>			
INVESTMENTS	4	24,238,095	21,527,499
LONG TERM DEBTORS	5	2,888,540	2,614,148
	6	1,385,098	1,907,179
		28,511,733	26,048,826
<b>NET CURRENT ASSETS</b>		36,034,696	32,708,052
<b>CURRENT ASSETS</b>			
Inventory	7	44,125,295	39,068,828
Debtors	8	719,080	696,701
Cash on hand and at bank	22	40,495,259	37,142,080
Short term portion of long term debtors	6	2,532,840	723,663
		378,116	506,384
<b>CURRENT LIABILITIES</b>			
Provisions	10	8,090,599	6,360,776
Creditors	11	120,361	41,243
Short term portion of long term liabilities	3	4,522,450	2,201,033
Bank overdraft	22	103,522	211,032
		3,344,266	3,907,468
		<u>64,546,429</u>	<u>58,756,878</u>

*[Signature]*  
MUNICIPAL MANAGER

*[Signature]*  
DIRECTOR FINANCE

**INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2004**

2003 Actual income R	2003 Actual expenditure R	2003 Surplus/ deficit R	2004 Actual income R	2004 Actual expenditure R	2004 Surplus/ deficit R	2004 Budget Surplus/deficit R
31,709,303	38,703,869	(6,994,566)	35,323,441	42,848,095	(7,524,654)	(8,147,400)
23,121,660	27,337,059	(4,215,399)	25,077,908	31,116,628	(6,038,720)	(6,478,300)
242,156	5,233,035	(4,990,879)	294,776	5,563,648	(5,268,872)	(5,711,500)
8,345,487	6,133,775	2,211,712	9,950,757	6,167,819	3,782,938	4,042,400
10,230,839	6,731,535	3,499,304	15,243,677	11,527,729	3,715,948	2,089,800
19,050,916	16,370,639	2,680,277	23,492,843	19,682,795	3,810,048	6,068,500
60,991,058	61,806,043	(814,985)	74,059,961	74,058,619	1,342	10,900
		1,609,218				
		794,233				
		16,560,310				
		17,354,543				
		<b>ACCUMULATED SURPLUS/(DEFICIT)</b>				
		<u>17,354,543</u>				<u>17,355,985</u>

Appropriations for the year (note 16) 0

Net surplus/(deficit) for the year 1,342

Accumulated surplus/(deficit) at beginning of the year 17,354,543

17,354,543

17,355,985

**NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2004**

**1. FUNDS**

	2004 R	2003 R
<b>Statutory</b>		
Revolving fund	37,031,418	32,139,527
Capital Development	56,761	51,601
Dog tax fund	44,770	40,700
Electricity Stabilisation Fund	202,004	183,640
Community Facility Fund	39,259	35,690
Development: Kwanonqubela	19,258	17,507
Bottle Store Fund	113,937	103,579
Amortisation Fund	36,521	33,201
Zoning Map	31,840	28,945
	<u>37,575,768</u>	<u>32,634,390</u>
<b>Other</b>		
Staff Benefit	118,989	108,172
Leave Reserve Fund	202,718	184,289
Maintenance	1,221,746	1,110,678
Loss of Rental	23,386	21,260
	<u>1,566,839</u>	<u>1,424,399</u>
(Refer to appendix A for more details)		

2. TRUST FUNDS

	2004	2003
Transition		
Housing Development	185,667	168,788
Enhancement	87,919	79,926
Parking Area	150,509	136,826
West Beach Roads	182,664	166,058
Survey of Sites	7,715	7,014
Integrated Development Plan	280,596	255,087
Quarry	6,566	5,969
Development of Picnic Place WDC	31,622	28,747
C.P.A. Upgrading Land Ownership Legal Costs	3,391	3,083
Squatter	9,313	8,466
School Levy	4,067	3,697
Sewage Reticulation Rehabilitation	7,379	6,708
ARSC Toilets	30,271	27,519
Special Fund - Compensation	11,571	10,519
Special Fund - Community Hall	31,965	29,059
Special Fund - Creche	1,200	1,091
IDP Grant	924	840
ARSC Toilets	57,879	52,617
Social Plan Fund	1,231	1,119
Nature Conservation Grant	3,650	3,318
Community Fund	1,504	1,367
Severance Package	3,619	3,290
MIP Grant (Sewerage)	131,329	119,390
CMIP Grant (Water Tower)	389,881	354,437
Equitable Share	20,211	18,374
Property Ownership	160,474	145,885
Kwanonqubela Funds	7,218	6,562
	156,382	142,165
	<u>1,966,717</u>	<u>1,787,921</u>

2004  
R

2003  
R

**3. LONG TERM LIABILITIES**

Development Bank of S.A. (previously L.A.L.F.)  
 Other Loans  
 Less : Current portion transferred to current liabilities

	2004	2003
	R	R
	5,194,298	4,395,368
	0	160,360
	103,522	211,032
	<u>5,090,776</u>	<u>4,344,696</u>

**DEVELOPMENT BANK OF SOUTH AFRICA LOANS:**

These loans bear interest at rates of of between 9.75% and 17 % per annum and will be fully redeemed over periods up to 20 years.

**4. FIXED ASSETS**

Fixed assets at beginning of year  
 Capital expenditure during the year  
 Less : Assets written off, transferred or disposed of during the year  
**Total fixed assets**  
 Less : Loans redeemed and other capital receipts  
**Net fixed assets**

	192,194,367	186,527,169
	4,551,903	5,667,198
	(1,736,262)	0
	<u>198,482,532</u>	<u>192,194,367</u>
	<u>174,244,437</u>	<u>170,666,868</u>
	<u>24,238,095</u>	<u>21,527,499</u>

**5. INVESTMENTS**

Total  
 Listed:  
 Shares - Old Mutual

	2,888,540	2,614,148
	<u>63,000</u>	<u>63,000</u>

Unlisted:

Short Term Deposits - Standard Bank ex Alexandria  
 Short Term Deposits - GBS  
 Short Term Deposits - NRB  
 Short Term Deposits - FNB  
 Short Term Deposits - Old Mutual  
 Short Term Deposits - ABSA  
 Long Term Deposits

	78,796	74,244
	9,259	41,018
	2,018,893	1,786,264
	685,070	619,970
	0	0
	33,522	29,652
	<u>0</u>	<u>0</u>

Circular no 19 of 1984 issued by the Provincial Administration Community Development Branch, requires local authority invest funds, which are not immediately required, with prescribed institutions and the period should be such that it is necessary to borrow funds against the investment at a plenary rate to meet commitments.  
 The average rates of return were as follows: 16.00% 16.00%

**6. LONG TERM DEBTORS**

	2004	2003
	R	R
Housing Loans	1,080,760	1,068,040
Motor Vehicle Loans	660,059	1,309,381
Other	22,395	36,142
	<u>1,763,214</u>	<u>2,413,563</u>
Less :	378,116	506,384
Short term portion transferred to Current Assets	<u>1,385,098</u>	<u>1,907,179</u>

**7. INVENTORY**

Stock represents consumable stores, raw materials, work in progress and finished goods. Where necessary specific provision is made for obsolete stock. Stock is divided into different services:

Rate and general	359,760	353,879
Water	111,611	104,986
Electricity	247,363	237,490
Sewerage	346	346
	<u>719,080</u>	<u>696,701</u>

**8. DEBTORS**

Current debtors -	45,728,275	42,375,096
Amounts paid in advance (deposits & prepaid expenses)	18,088	18,088
	<u>45,746,363</u>	<u>42,393,184</u>
Less :	5,251,104	5,251,104
Provision for bad debts	<u>40,495,259</u>	<u>37,142,080</u>

**9. DEFERRED CHARGES**

Commission	0	0
Issue expenses	<u>0</u>	<u>0</u>

**10. PROVISIONS**

Bad Debts - included in Debtors (Note 8.)  
 Maintenance  
 Audit Fees

(Refer to appendix A for more details)

**11. CREDITORS**  
 Trade creditors  
 Deposits :  
 Electricity  
 Other

2004  
R

2003  
R

	120,361	120,361
	0	(79,118)
	<u>120,361</u>	<u>41,243</u>
	4,522,450	2,201,033
	990,441	1,210,926
	<u>818,429</u>	<u>803,774</u>
	172,012	407,152
	<u>5,512,891</u>	<u>3,411,959</u>

**12. ASSESSMENT RATES**

Residential & Commercial  
 Government  
 Municipal

	Land valuations at 1 July 2003 R 000's	Improvements valuations at 1 July 2003 R 000's	Actual income 2004 R	Actual income 2003 R
	1,034,453	1,769,844	17,005,834	16,573,620
	2,313	17,060	260,432	243,394
	4,875	3,341	53,450	48,591
	<u>1,041,641</u>	<u>1,790,245</u>	<u>17,319,716</u>	<u>16,865,605</u>

Rebates were granted to pensioners with a total income less than R 46 800 per year. Rebates on rates are also app specific areas which are not provided with full basic services.

**13. COUNCILLORS' REMUNERATION**

Mayor's allowance  
 Deputy mayor's allowance  
 Councillor allowances  
 Management Committee allowances

2004  
 R  
 246,120  
 0  
 921,408  
 0  
1,167,528

2003  
 R  
 214,870  
 0  
 704,486  
 0  
919,356

**14. AUDITORS' REMUNERATION**

Audit fees

553,882

375,000

**15. FINANCE TRANSACTIONS**

Total external interest earned or paid :  
 Interest earned  
 Interest paid

397,799  
 894,785

217,336  
992,254

Capital charges debited to operating account :

Interest :  
 Redemption :  
 External  
 Internal  
 External  
 Internal

894,785  
 1,113,801  
 207,922  
 3,269,365  
5,485,873

879,524  
 909,536  
 287,690  
 2,864,045  
4,940,795



2004  
R

2003  
R

**16. APPROPRIATIONS**

**Appropriation account**

Accumulated surplus/(deficit) at beginning of year  
Operating surplus/(deficit) for the year  
Appropriations for the year  
- Contribution to Revolving Fund  
- Prior year adjustments  
Accumulated surplus/(deficit) at end of year

17,354,543  
1,342  
0  
0  
0  
17,355,885

16,560,310  
(814,985)  
1,609,218  
0  
1,609,218  
17,354,543

**Operating account**

Fixed assets  
Contributions  
- Fixed assets  
- Accumulated Funds  
- Trust Funds  
- Provisions

136,747  
136,747  
0  
0  
0  
136,747

675,000  
0  
0  
0  
0  
675,000

136,747

675,000

**17. CASH GENERATED BY OPERATIONS**

Surplus/(deficit) for the year	1,342
Prior year adjustments	0
Appropriations charged against income	136,747
- Accumulated Funds	0
- Trust Funds	0
- Provisions	0
- Fixed assets	136,747
Capital charges	5,485,873
- Interest paid : to internal funds	1,113,801
to external loans	894,785
- Redemption : of internal advances	3,269,365
of external loans	207,922
Less :	
Prior year adjustments	0
Grants and subsidies received from the State	0
Assets Write Off	0
Investment income (operating)	0
Non-operating income	0
Net expenditure (income) ex Funds, Provisions and Reserves	301,495
	<u>5,925,457</u>

**18. (INCREASE)/DECREASE IN WORKING CAPITAL**

(Increase)/decrease in stock	(22,379)
(Increase)/decrease in debtors	(3,353,179)
Increase/(decrease) in creditors & provisions	2,400,535
	<u>(975,023)</u>

**19. (INCREASE)/DECREASE IN LONG TERM LOANS (EXTERNAL)**

Loans raised	141,774
Loans repaid	(227,554)
	<u>(85,780)</u>

2004  
R

2003  
R

	(814,985)
	1,609,218
	97,778
	<u>(2,222)</u>
	100,000
	0
	0
	4,940,795
	909,536
	879,524
	2,864,045
	<u>287,690</u>

	1,749,983
	(995,104)
	0
	155,002
	188,197
	<u>(589,559)</u>
	<u>6,341,325</u>

	44,372
	(11,145,995)
	663,030
	<u>(10,438,593)</u>

	2,086,507
	(271,530)
	<u>1,814,977</u>

**20. (INCREASE)/DECREASE IN SHORT TERM LOANS (EXTERNAL)**

Loans raised  
Loans repaid

2004  
R  
0  
0  
0

2003  
R  
0  
0  
0

**21. (INCREASE)/DECREASE IN EXTERNAL CASH INVESTMENTS**

Investments made  
Investments realised

0  
2,113,955  
2,113,955

0  
2,614,148  
2,614,148

**22. (INCREASE)/DECREASE IN CASH ON HAND**

Cash on hand at beginning of year

(3,183,805)

(174,789)

Less :  
Cash on hand at end of year  
Operating Current Account Balance & Cash  
Revolving Fund Current Account Balance

(811,426)  
(3,342,921)  
2,531,495

(3,183,805)  
(3,262,626)  
78,821

**23. RETIREMENT BENEFITS**

The employees of the Municipality contribute to either, the Cape Joint & SALA Pension Fund or the Provident Fund (Southern Life).

(2,372,379)

3,009,016

**APPENDIX A - ACCUMULATED FUNDS, PROVISIONS AND TRUST FUNDS**

	Balance at 30 June 2003	Contributions during the year	Interest on investments	Other income	Expenditure during the year	Balance at 30 June 2004
<b>ACCUMULATED FUNDS</b>						
Revolving Fund	32,139,527	0	257,655	4,935,731	1,495	37,031,418
Capital Development Fund	51,601	0	5,160	0	0	56,761
Dog Tax Fund	40,700	0	4,070	0	0	44,770
Electricity Stabilisation Fund	183,640	0	18,364	0	0	202,004
Community Facility Fund	35,690	0	3,569	0	0	39,259
Development: Kwanonqubela	17,507	0	1,751	0	0	19,258
Bottle Store Fund	103,579	0	10,358	0	0	113,937
Amortisation Fund	33,201	0	3,320	0	0	36,521
Zoning Map	28,945	0	2,895	0	0	31,840
	32,634,390	0	307,142	4,935,731	1,495	37,575,768
<b>PROVISIONS</b>						
Audit Fees	0	0	0	0	0	0
Maintenance	1,110,678	0	111,068	0	0	1,221,746
Staff Benefit	108,172	0	10,817	0	0	118,989
Leave Reserve	184,289	0	18,429	0	0	202,718
Uniform	0	0	0	0	0	0
Loss of Rental	21,260	0	2,126	0	0	23,386
	1,424,399	0	142,440	0	0	1,566,839

**Appendix A (continued)**

<b>TRUST FUNDS</b>	<b>Balance at 30 June 2003</b>	<b>Contributions during the year</b>	<b>Interest on investments</b>	<b>Other income</b>	<b>Expenditure during the year</b>	<b>Balance at 30 June 2004</b>
Transition	168,788	0	16,879	0	0	185,667
Housing Development	79,926	0	7,993	0	0	87,919
Enhancement	136,826	0	13,683	0	0	150,509
Parking Area	166,058	0	16,606	0	0	182,664
West Beach Roads	7,014	0	701	0	0	7,715
Survey of Sites	255,087	0	25,509	0	0	280,596
Integrated Development Plan	5,969	0	597	0	0	6,566
Quarry	28,747	0	2,875	0	0	31,622
Development of Picnic Place W	3,083	0	308	0	0	3,391
C.P.A. Upgrading Land Ownerst	8,466	0	847	0	0	9,313
Squatter	3,697	0	370	0	0	4,067
School Levy	6,708	0	671	0	0	7,379
Sewage Reticulation Rehabilitat	27,519	0	2,752	0	0	30,271
ARSC Toilets	10,519	0	1,052	0	0	11,571
Special Fund - Compensation	29,059	0	2,906	0	0	31,965
Special Fund - Community Hall	1,091	0	109	0	0	1,200
Special Fund - Creche	840	0	84	0	0	924
IDP Grant	52,617	0	5,262	0	0	57,879
ARSC Toilets	1,119	0	112	0	0	1,231
Social Plan Fund	3,318	0	332	0	0	3,650
Nature Conservation Grant	1,367	0	137	0	0	1,504
Community Fund	3,290	0	329	0	0	3,619
Severance Package	119,390	0	11,939	0	0	131,329
MIP Grant (Sewerage)	354,437	0	35,444	0	0	389,881
CMIP Grant (Water Tower)	18,374	0	1,837	0	0	20,211
Equitable Share	145,885	0	14,589	0	0	160,474
Property Ownership	6,562	0	656	0	0	7,218
Kwanonqubela Funds	142,165	0	14,217	0	0	156,382
	<b>1,787,921</b>	<b>0</b>	<b>178,796</b>	<b>0</b>	<b>0</b>	<b>1,966,717</b>

**APPENDIX B - EXTERNAL LOANS AND INTERNAL ADVANCES**

<b>EXTERNAL LOANS</b>	<b>Balance at 30 June 2003</b>	<b>Received during the year</b>	<b>Redeemed or written off during the year</b>	<b>Balance at 30 June 2004</b>
<b>LOCAL REGISTERED STOCK</b>				
DEVELOPMENT BANK OF S.A. - SEWERAGE - 13478/101-PA	0	0	0	0
DEVELOPMENT BANK OF S.A. - 11226/15391.8-PA	4,894,503	141,774	117	4,972,160
DEVELOPMENT BANK OF S.A. - 11226/15391.9-PA	23,128	0	0	23,128
DEVELOPMENT BANK OF S.A. - 11226/15391.10-PA	7,739	0	739	0
DEVELOPMENT BANK OF S.A. - 11226/15007.3-ALEX	65,769	0	65,769	0
DEVELOPMENT BANK OF S.A. - 11226/15007.4-ALEX	124,397	0	124,592	99,805
DEVELOPMENT BANK OF S.A. - 11226/15007.5-ALEX	53,483	0	5,102	48,381
OTHER LOANS - BANKS	54,962	0	4,138	50,824
	56,097	0	56,097	0
	5,280,078	141,774	554	5,194,298

(Refer to Note 3)

<b>INTERNAL ADVANCES</b>	<b>Balance at 30 June 2003</b>	<b>Received during the year</b>	<b>Redeemed or written off during the year</b>	<b>Balance at 30 June 2004</b>
Revolving Fund	17,173,270	4,273,382	3,289,365	18,177,287
	17,173,270	4,273,382	3,289,365	18,177,287

(Refer to Notes 1 and 15)

**APPENDIX C - ANALYSIS OF FIXED ASSETS**

Expenditure 2003 R	Service	Budget 2004 R	Balance at 30 June 2003 R	Expenditure during year R	Revised, transferred or written off	Balance at 30 June 2004 R
<b>Rates and General Services</b>						
5,661,569	Land	4,700,700	128,648,398	3,184,407	(241)	131,951,046
0	Buildings	0	9,935,498	0	0	9,935,498
163,659	General Improvements	297,000	10,899,050	155,481	0	11,054,531
3,412,144	Plant and Equipment	2,170,000	73,959,390	1,204,472	(3,241)	75,282,103
1,194,048	Town Planning	1,933,700	11,970,992	1,426,075	0	13,397,067
0	Sewerage	0	526,807	0	0	526,807
891,718		300,000	21,356,661	398,379	0	21,755,040
<b>Water Services</b>						
4,147	Water Plant	1,110,000	39,849,859	453,375	(537)	40,829,771
4,147	Dam	80,000	641,017	275,752	(320)	939,089
0	Waterworks	0	8,163,289	0	(140)	8,209,429
0		1,030,000	31,045,553	177,623	(077)	31,681,253
<b>Electricity Services</b>						
1,482	Buildings	950,000	16,395,152	914,121	(1,038,484)	18,400,757
0	Network	0	17,020	0	0	17,020
1,482	Highmast Lights	0	452,004	0	0	452,004
0		950,000	12,831,950	914,121	(1,038,484)	14,837,555
0		0	3,094,178	0	0	3,094,178
<b>Housing Services</b>						
0	Letting Scheme	0	7,300,958	0	0	7,300,958
0	Selling Scheme	0	1,009,869	0	0	1,009,869
0	Land	0	5,683,924	0	0	5,683,924
0	Nkwenkwezi Houses	0	427,557	0	0	427,557
0		0	179,608	0	0	179,608
<b>5,667,198</b>	<b>TOTAL FIXED ASSETS</b>	<b>6,760,700</b>	<b>192,194,367</b>	<b>4,551,903</b>	<b>(1,736,262)</b>	<b>198,482,532</b>
<b>Appendix C (continued)</b>						
<b>LESS : LOANS REDEEMED AND OTHER</b>						
<b>CAPITAL RECEIPTS</b>						
	Loans redeemed and advances repaid		170,666,868	3,577,569	0	174,244,437
	Contributions from operating income		76,598,721	3,440,822	0	80,039,543
	Provisions and reserves		10,879,523	136,747	0	11,016,270
	Grants and subsidies		562,877	0	0	562,877
	Public contributions		82,543,008	0	0	82,543,008
			82,739	0	0	82,739
	<b>NET FIXED ASSETS</b>		<b>21,527,499</b>	<b>974,334</b>	<b>(1,736,262)</b>	<b>24,238,095</b>

**APPENDIX D - ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE YEAR**

	Actual 2003 R	INCOME	Actual 2004 R	Budget 2004 R
Grants and subsidies	1,894,702		14,425,931	13,630,500
Operating income	59,096,356		59,634,031	61,365,300
<b>TOTAL INCOME</b>	<b>60,991,058</b>		<b>74,059,962</b>	<b>74,995,800</b>
<b>EXPENDITURE</b>	<b>EXPENDITURE</b>		<b>Actual 2004 R</b>	<b>Budget 2004 R</b>
Salaries, wages and allowances	27,178,553		31,448,348	30,966,200
General expenses	27,733,402		36,150,744	33,540,700
Repairs and maintenance	2,134,610		830,401	1,786,700
Capital charges	4,653,104		5,485,874	6,674,600
Contributions to fixed assets	106,374		136,747	173,500
Contributions to funds and reserves	0		6,507	1,843,200
<b>GROSS EXPENDITURE</b>	<b>61,806,043</b>		<b>74,058,621</b>	<b>74,984,900</b>
Less : amounts charged out	0		0	0
<b>NET EXPENDITURE</b>	<b>61,806,043</b>		<b>74,058,621</b>	<b>74,984,900</b>



**APPENDIX E - DETAILED INCOME STATEMENT FOR THE YEAR**

2003 Actual Income R	2003 Actual expenditure R	2003 Surplus/ (deficit) R	RATES & GENERAL SERVICES	2004 Actual Income R	2004 Actual expenditure R	2004 Surplus/ (deficit) R	2004 Budget surplus /(deficit) R
23,121,660	27,337,059	(4,215,399)	Community services	25,077,908	31,116,628	(6,038,720)	(6,478,300)
0	161,603	(161,603)	Beaches	0	168,601	(168,601)	(165,000)
31,748	133,450	(101,702)	Cemeteries	50,441	134,009	(83,568)	(139,000)
1,981,567	2,682,534	(700,967)	Health	2,612,456	2,869,748	(257,292)	(771,100)
332,458	1,089,272	(756,814)	Nature Conservation	349,741	1,111,578	(761,837)	(681,400)
0	582,587	(582,587)	Public Toilets	0	663,396	(663,396)	(499,200)
0	625	(625)	Rodent Control	0	5,445	(5,445)	(5,000)
0	0	0	Small Animal Pound	490	25,000	(24,510)	(27,000)
100,000	1,038,526	(938,526)	General Works	100,000	1,265,560	(1,165,560)	(1,139,300)
52,291	4,065,474	(4,013,183)	Roads	14,568	4,370,001	(4,355,433)	(4,649,900)
91,700	610,512	(518,812)	Chief Executive	91,700	721,646	(809,946)	(582,300)
435,130	1,744,828	(1,309,698)	Town Engineer	709,405	1,806,391	(1,096,986)	(1,438,100)
0	540,043	(540,043)	Workshop	0	1,696,059	(1,696,059)	(725,500)
0	28,923	(28,923)	Civil Protection	0	0	0	(19,000)
0	18,900	(18,900)	Grants & Donations	0	14,902	(14,902)	(40,000)
30,520	37,837	(7,317)	Town Planning	77,505	22,834	(54,671)	(1,800)
100,524	2,204,638	(2,104,114)	Administration	111,931	2,644,104	(2,532,173)	(2,652,500)
416,822	471,990	(55,168)	Licensing	524,473	476,163	(47,310)	(39,600)
1,165,193	1,807,829	(642,636)	Traffic	1,226,890	1,847,370	(620,480)	(123,800)
16,865,605	0	16,865,605	Rates	17,319,716	0	17,319,716	17,517,900
946,445	5,454,836	(4,508,391)	Council General	1,139,147	5,879,173	(4,740,026)	(5,744,200)
0	413,472	(413,472)	Stores	0	252,990	(252,990)	(317,800)
571,657	4,226,900	(3,655,243)	Financial Administration	749,445	5,095,333	(4,345,888)	(4,054,700)
0	22,280	(22,280)	Valuations	0	46,325	(46,325)	(180,000)

2003	2003	2003	RATES & GENERAL SERVICES (cont.)	2004	2004	2004	2004
Actual	Actual	Surplus/		Actual	Actual	Surplus/	Budget surplus
Income	expenditure	(deficit)		Income	expenditure	(deficit)	(deficit)
R	R	R		R	R		R

242,156	5,233,035	(4,990,879)	Subsidized services	294,776	5,563,648	(5,268,872)	(5,711,500)
5,927	2,528,286	(2,522,359)	Parks and Recreation	7,901	2,523,549	(2,515,648)	(2,511,100)
12,542	596,525	(583,983)	Library	8,584	680,100	(671,516)	(710,200)
223,687	656,380	(432,693)	Civic Buildings	277,591	751,613	(474,022)	(474,700)
0	27,914	(27,914)	Sports Grounds	0	27,333	(27,333)	(53,800)
0	1,185,415	(1,185,415)	Fire Protection	700	1,322,810	(617,110)	(1,695,000)
0	2,290	(2,290)	Proclaimed Roads	0	633	(633)	(3,200)
0	236,225	(236,225)	Publicity	0	257,610	(257,610)	(263,500)

8,345,487	6,133,775	2,211,712	Economic services	9,950,757	6,167,819	3,782,938	4,042,400
631,974	868,191	(236,217)	Sanitation	627,458	626,120	1,338	(268,200)
4,261,870	2,799,470	1,462,400	Refuse Removal	5,204,095	2,972,690	2,231,405	2,312,100
3,103,901	2,272,515	831,386	Sewerage	3,785,851	2,387,429	1,398,422	1,758,900
0	0	0	Quarry	0	0	0	0
315,440	185,967	129,473	Estates	304,598	173,948	130,650	209,000
32,302	7,632	24,670	Parking Development	28,755	7,632	21,123	30,600

10,230,839	6,731,535	3,499,304	HOUSING SERVICE	15,243,677	11,527,729	3,715,948	2,089,800
10,230,839	6,731,535	3,499,304	Housing	15,243,677	11,527,729	3,715,948	2,089,800

19,050,916	16,370,639	2,680,277	TRADING SERVICE:	23,492,843	19,682,795	3,810,048	6,068,500
10,162,592	9,537,781	624,811	Electricity	12,462,359	12,000,581	461,778	2,862,700
8,888,324	6,832,858	2,055,466	Water	11,030,484	7,682,214	3,348,270	3,205,800

60,991,058	61,806,043	(814,985)	<b>TOTAL</b>	74,059,961	74,058,619	1,342	10,900
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**Appendix E (continued)**

Appropriations for the year  
1,609,218 (refer to note 16)

794,233 Net surplus/(deficit) for the year

16,560,310 Accumulated surplus/(deficit) at the beginning of the year

**ACCUMULATED SURPLUS/(DEFICIT) AT THE END OF THE YEAR**

17,354,543  
17,354,543  
17,355,885

**APPENDIX F - STATISTICAL INFORMATION**

**A. General statistics**

	2004	2003	2002	2001	2000
<b>1. Population (estimated permanent)</b>	55,480	55,486	47,526	47,526	47,526
<small>http://www.demarcation.org.za/municipalities2003/index.asp</small>	(2001 Census)	(2001 Census)			
<b>Registered Voters</b>	29,285	28,440	25,834	25,834	25,834
<small>type=local&amp;prov=Eastern%20Cape&amp;code=EC105&amp;frm=home</small>	(2004 IEC)	(2003 IEC)			
<b>Area (km<sup>2</sup>)</b>	2,001	2,001	2,001	2,001	2,001
<small>type=local&amp;prov=Eastern%20Cape&amp;code=EC105&amp;frm=home</small>					

**2. Valuation of Property (R 000's)**

	2004		2003		2000	
	Land	Buildings	Land	Buildings	Land	Buildings
<b>No. of Properties</b>						
<b>R 000'S</b>						
Residential & Commercial	1,034,453	1,769,844	2,804,297	746,918	1,013,438	19,177
Government	2,313	17,060	19,373	8,924	10,594	
Municipal	4,875	3,341	8,216	10,087	20,992	
<b>Total</b>	<b>1,041,641</b>	<b>1,790,245</b>	<b>2,831,886</b>	<b>765,929</b>	<b>1,045,024</b>	