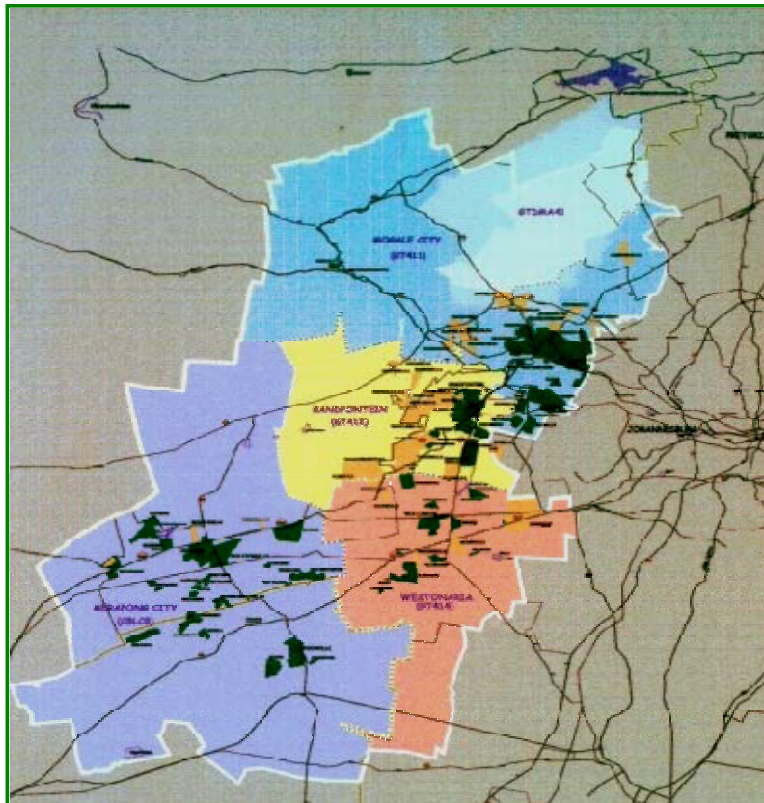


WESTONARIA LOCAL MUNICIPALITY



FINANCIAL STATEMENTS FOR THE YEAR ENDED

30 JUNE 2004



FOREWORD

EXECUTIVE MAYOR

The President set clear service delivery targets for the next five years. To achieve visible advances in improving the quality of life, Westonaria Municipality committed itself to the following:

- * all households having easy access to clean water*
- * all households having access to basic electricity*
- * all households having access to basic sewer*
- * all households having access to basic sanitation(Refuse removal)*

The financial statements fairly present the state of affairs of the municipality, its business, its financial results, its performance against prescribed financial management performance indicators and the financial position as at the end of the financial year.

With regard to basic services Westonaria achieve the following:

- * % of households having access to clean water: 100%*
- * % of households having access to basic electricity: 63%*
- * % of households having easy access to basic sewerage: 63%*
- * % of households having access to basic sanitation (refuse removal): 100%*



M A KHUMALO (Ms)

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GENERAL INFORMATION

MEMBERS OF THE MAYORAL COMMITTEE : WESTONARIA LOCAL MUNICIPALITY

M A Khumalo (Ms) Executive Mayor
B Mngqazana (Ms)
S Mosalakae
D J Ntsie
N Tundzi (Ms)

SPEAKER

S Saki

GRADING OF LOCAL AUTHORITY

Category B (Grade 3 in terms of the Remuneration of Office Bearers Act)

AUDITORS

Auditor-General

BANKERS

Absa Bank, P O Box 423, Westonaria, 1780

REGISTERED OFFICE

Bekkersdal Office

Godlo Street, Bekkersdal

P O Box 19

Telephone: (011) 278 3000

Westonaria Office

c/o Neptunes & Saturnus str's
Westonaria

Westonaria
1780

Fax : (011) 753 4176

MUNICIPAL MANAGER

Mr E Z Phukwana
B. Admin, Dipl. Public Policy Development and Management

ACTING MUNICIPAL MANAGER

Mr. T.F. Mopeloa
B. Admin

CHIEF FINANCIAL OFFICER

Mr. H J van Brakel
B Comm Honn AIMFO

MEMBERS OF THE COUNCIL

De Jager P H C
Diale H
Hesi V (Ms)
Khumalo M A (Ms)
Mankayi M
Matshaya W K
Masetle M D
Mithani M
Mkhungekwana P
Mndayi S
Mngqazana B (Ms)
Mokome M
Molebatsi L M (Ms)
Mosalakae S
Mosimane B M (Ms)

Mpotsana S
Nkhoma N
Nong T (Ms)
Ntshiba A
Ntsie D J
Papiyana N
Rammutele A
Saki S (Speaker)
Siwayi K
Soke Z L
Thabapelo C
Tundzi N (Ms)
Turner C
Zulu Z N

APPROVAL OF FINANCIAL STATEMENTS

The annual financial statements set out on pages 1 to 21 were approved by the Acting Municipal Manager on 15 September 2004 and was resubmitted on 20 December 2004. The financial statements was presented to and approved by Council on 27 May 2005
The annual financial statements was resubmitted on 28 September 2005.

T.F. MOPELOA
ACTING MUNICIPAL MANAGER
(Accounting Officer)
28-Sep-05

H J VAN BRAKEL
CHIEF FINANCIAL OFFICER
(Associate)
28-Sep-05

REPORT OF THE CHIEF FINANCIAL OFFICER

1 Operating results

Details of the operating results per department, classification and object of expenditure, are indicated in appendices D and E.

The overall operating results for the year ended 30 June 2004, are as follows:

	Actual	Actual	Budget	Variance
	2002/2003	2003/2004	2003/2004	%
Income	92,716,460	97,384,004	87,757,159	11%
Expenditure	92,993,977	102,033,055	87,901,970	16%
Deficit	(277,517)	(4,649,051)	(144,812)	3110%

Actual income exceeds budgeted income as a result of an increase in equitable share allocation, an increase in the health subsidy allocation and increases in sales of water and electricity services. Actual expenditure exceeds budgeted expenditure as a result of the writing off of bad debts.

Rates and General services

	Actual	Actual	Budget	Variance
	2002/2003	2003/2004	2003/2004	%
Income	54,503,145	55,878,241	42,838,215	30%
Expenditure	62,053,958	60,563,713	45,934,603	32%
Deficit	(7,550,813)	(4,685,472)	(3,096,388)	51%

Community Services

	Actual	Actual	Budget	Variance
	2002/2003	2003/2004	2003/2004	%
Income	40,233,141	41,007,537	27,550,590	49%
Expenditure	45,999,266	41,808,541	26,220,291	59%
Deficit/ (Surplus)	(5,766,125)	(801,005)	1,330,299	-160%

The actual income include increase in grants and subsidies in excess of budgeted income. The actual expenditure reflects expenditure related to the Grants and savings on Capital Charges as a result of GAMAP implementation. The recorded deficit is mainly as a result of the writing off of bad debts.

Subsidised services

	Actual	Actual	Budget	Variance
	2002/2003	2003/2004	2003/2004	%
Income	1,607,874	2,695,030	2,173,258	24%
Expenditure	6,461,512	6,551,755	6,717,852	(2)%
(Deficit)	(4,853,638)	(3,856,725)	(4,544,594)	15%

Actual income exceeds budgeted income as a result of an increase in the health subsidy received from the Gauteng Health department.

Economic Services

	Actual	Actual	Budget	Variance
	2002/2003	2003/2004	2003/2004	%
Income	12,662,130	12,175,675	13,114,367	(7)%
Expenditure	9,593,180	12,203,416	12,996,460	(6)%
Surplus/ (Deficit)	3,068,950	(27,742)	117,907	(124)%

Actual expenditure reflects savings on Capital Charges as a result of GAMAP implementation.

Housing Services

	Actual 2002/2003	Actual 2003/2004	Budget 2003/2004	Variance %
Income	124,537	15,441	45,000	(66)%
Expenditure	1,218,692	1,297,312	1,186,432	9%
(Deficit)	(1,094,155)	(1,281,871)	(1,141,432)	12%

The hostels were transformed into family units in terms of the Governments housing policy regarding beneficiaries. This resulted in a decline in rent income.

Trading Services

	Actual 2002/2003	Actual 2003/2004	Budget 2003/2004	Variance %
Income	38,088,778	41,490,322	44,382,099	(7)%
Expenditure	29,721,327	40,172,030	39,780,935	1%
Surplus	8,367,451	1,318,292	4,601,164	(71)%

Actual expenditure reflects savings on Capital Charges as a result of GAMAP implementation.

2 Financial Indicators

<u>Balance sheet ratios and financial statement ratios</u>	2004 R	2003 R
Deficit before appropriations	(4,649,051)	(277,517)
Deficit at the end of the year	66,804,187	71,453,238
Salaries and Wages : Total Expenses %	41%	40%
General Expenses : Total Expenses %	49%	55%
Repair & Maintenance : Total Expenses %	5%	3%
Depreciation : Total Expenses %	1%	0%
Finance Charges : Total Expenses %	4%	2%
Current Ratio	1.1:1	1.32:1
Creditors Days	7	47
Debtors Days	258	375

3 Post Balance Sheet events

Subsequent to year end a VAT Audit was conducted by Maximum Profit (Pty)Ltd. An Amount of R14 161 386.45 was received from the Receiver of Revenue.

4 Reconciliation of Budget to Actual

	2004 R	2003 R
4.1 Variances on Operating Budget		
Budgeted surplus before appropriations	363,343	36,618
Revenue variances	10,118,689	9,621,686
Expense variances - Salaries and Wages	(783,622)	(428,554)
Expense variances - General Expenses	9,527,021	(6,888,400)
Expense variances - Repair & Maintenance	(3,695)	(2,830)
Contribution to capital expenditure	(86,163)	0
Expense variances - Depreciation	(646,934)	(1,990,353)
Contribution to working capital	(1,983,179)	(814,567)
Expense variances - Finance Costs	(879,957)	(8,128)
Amounts charged out variance	(10,976,452)	35,016
Actual deficit before appropriations	(4,649,051)	(277,517)

4.2 Variances by Service	2004	2003
Budgeted surplus before appropriations	363,343	36,618
Community services	(2,131,303)	(2,737,792)
Electricity Service	(645,695)	1,232,074
Water Service	(2,637,176)	1,286,873
Sewerage Service	10,763	314,241
Cleancing Services	(40,157)	(322,529)
Industrial Township	(116,254)	(6,862)
Housing Service	(140,439)	82,854
Subsidised Services	687,869	114,523
Actual deficit before appropriations	(4,649,051)	(277,517)

5 Capital Expenditure And Financing

The expenditure on Fixed assets incurred during the year amounted to R13,518,070

	Actual	Budget	Actual
	R	R	R
5.1 Fixed asset expenditure	2003/2004	2003/2004	2002/2003
Community services	7,936,230	7,710,125	9,629,782
Subsidised services	2,126,577	2,200,000	2,295,361
Economic services	3,022,360	3,055,000	27,441,555
Trading services	713,003	795,000	444,333
	13,798,170	13,760,125	39,811,031

	Actual	Budget	Actual
	R	R	R
5.2 Resources used to finance Fixed assets	2003/2004	2003/2004	2002/2003
Grants and subsidies - Conditional	3,798,170	3,673,962	36,115,514
Loans	10,000,000	10,000,000	2,322,301
Public Contribution	0	0	788,672
Operating Income	0	86163	584,544
	13,798,170	13,760,125	39,811,031

Variances between actual and budgeted capital expenditure is immaterial.

6 Cash and Investments

	2003/2004	2002/2003
	R	R
Investments	8,374,877	6,299,894
Cash on hand	10,006	34,668
Shortterm Investments	1,153,083	907,986
Bank	(3,263,765)	0
	6,274,200	7,242,548

Investments reflects a independent valuation of Investments. Details is disclosed in note 6.

7 External Loans

2003/2004	2002/2003
R	R
31,257,223	19,024,983

External loans reflects the balances as at year end as diclosed in the balance sheet. During 2003/04 the municipality took up a loan of R10 million for the financing of capital infrastructure. Details are disclosed in appendix A.

8 Trading Services

Electricity

The bulk purchase of electricity totals to 87,618 million units and electricity sales to 79,599 million units. This results a distribution loss of 9%.

Water

The bulk purchase of electricity totals to 4 130 425 kl and water sales to 3 782 285 kl. This results a distribution loss of 8%.

9 Inter - Governmental Grants

	Amount	Purpose
	R	
Health	2,053,080	Operating expenses
Equitable Share	19,711,682	Basic Services/ Operating expenses
Municipal Finance Management grant	1,000,000	Financial / Budget reforms
Capital grants	0	
Vuna Award	750,000	Capital & Operating expenses
CMIP	0	Infrastructure Projects
NER	0	Electrification Projects
	23,514,762	

Grants and subsidies used for operational expenditure

	Actual R 2003/2004	Budget R 2003/2004	Actual R 2002/2003
Conditional grants and subsidies received	3,053,080	2,043,619	3,951,488
Less: Conditional grants and subsidies used	2,119,747	2,043,619	3,951,488
Conditional grants and subsidies unspent	<u>933,333</u>	<u>0</u>	<u>0</u>
Unconditional grants and subsidies received	20,461,682	19,711,682	13,138,755
Less: Unconditional grants and subsidies used	19,900,381	19,711,682	13,138,755
Unconditional grants and subsidies unspent	<u>561,301</u>	<u>0</u>	<u>0</u>

10 Assessment Rates

Valuation roll totals	Land R	Improvements R
Westonaria	44,156,700	297,607,100
Simunye	2,247,700	7,478,900
Bekkersdal	12,877,900	63,452,900
Glenharvie	15,847,150	80,963,450
Hillshaven	7,731,250	50,203,000
Venterspost	630,400	11,922,300
Agricultural Holdings/ Farms/ Mines	<u>97,578,329</u>	<u>145,315,696</u>
Total	<u>181,069,429</u>	<u>656,943,346</u>

The valuation roll expires on 30 June 2004. The frequency of valuations is every 3 years.
Assessment rates is charged at a rate of 11,62 c/Rand
Levied income for the 2003/2004 financial year amounts to R 14 276 198

11 Institutional Information

Municipal Manager	E Z Phukwana (Resigned on 31/3/2005)
Executive Manager: Infrastructure, Dev & Planning	H R Uys
Executive Manager: Support Services / Acting Municipal Manager	T Mopeloa
Executive Manager: Community Services	M Mazibuko
Chief Financial Officer	H J van Brakel

12 Good Governance

12.1 Internal Audit

The Internal Audit function was previously performed by KPMG. For the 2004/05 financial year the Municipality approved the establishment of a Internal Audit Section/ Unit. The staffing of this unit was not completed by financial year end.

12.2 Audit Committee

An audit committee was set up in the 2001/02 financial year and reviewed by Council during 2003/04.

Its major functions are to:

- Receive reports from the Internal Auditors
- Liase with external audit
- Oversee that proper accounting and internal controls be instituted.

BALANCE SHEET AS AT 30 JUNE 2004

	Notes	2004 R	2003 R
CAPITAL EMPLOYED			
NON- DISTRIBUTABLE RESERVES	1	48,621,379	38,594,994
Unappropriated surplus	2	66,804,185	71,453,236
		115,425,565	110,048,230
LONG-TERM LIABILITIES	3	31,257,223	19,024,983
CONSUMER DEPOSITS	4	2,254,460	2,089,474
TOTAL		148,937,248	131,162,687
EMPLOYMENT OF CAPITAL			
PROPERTY, PLANT AND INVESTMENTS	5	127,442,877	115,190,098
	6	8,374,877	6,299,894
LONG-TERM DEBT	7	14,314,564	11,582,065
		150,132,318	133,072,057
NET CURRENT ASSETS		7,979,618	1,606,611
CURRENT ASSETS			
		11,274,597	15,776,568
Inventory	8	587,307	486,592
Consumer debtors	9	3,536,241	7,179,226
Other debtors	9	2,993,980	3,515,978
Short-term portion of investments	7	2,993,980	3,652,117
Short-term investments	6	1,153,083	907,986
Cash resources	17	10,006	34,668
CURRENT LIABILITIES			
		3,294,980	14,169,957
Provisions	10	1,144,502	1,582,797
Creditors	11	1,977,065	11,298,313
Bank overdraft	18	3,263,765	0
Short-term portion of investments	3	-3,090,352	1,288,847
TOTAL		158,111,932	134,678,665

WESTONARIA LOCAL MUNICIPALITY

BALANCE SHEET AS AT 30 JUNE 2004

	Notes	2004 R	2003 R
CAPITAL EMPLOYED			
NON- DISTRIBUTABLE RESERVES	1	48,621,379	38,594,994
DISTRIBUTABLE RESERVES			
Unappropriated surplus	2	<u>66,804,185</u>	<u>71,453,236</u>
		115,425,565	110,048,230
LONG-TERM LIABILITIES	3	31,257,223	19,024,983
CONSUMER DEPOSITS - SERVICES	4	2,254,460	2,089,474
TOTAL		148,937,248	131,162,687
EMPLOYMENT OF CAPITAL			
PROPERTY, PLANT AND EQUIPMENT	5	127,442,877	115,190,098
INVESTMENTS	6	8,374,877	6,299,894
LONG-TERM DEBTORS	7	14,314,564	11,582,065
		<u>150,132,318</u>	<u>133,072,057</u>
NET CURRENT ASSETS		(1,195,066)	-1,909,368
CURRENT ASSETS			
		8,280,617	12,260,589
Inventory	8	587,307	486,592
Consumer debtors	9	3,536,241	7,179,226
Short-term portion of long-term debtors	7	2,993,980	3,652,117
Short-term investments	6	1,153,083	907,986
Cash resources	17	10,006	34,668
CURRENT LIABILITIES			
		9,475,684	14,169,957
Provisions	10	1,144,502	1,582,797
Creditors	11	1,977,065	11,298,313
Bank overdraft	18	3,263,765	0
Short-term portion of long-term liabilities	3	3,090,352	1,288,847
TOTAL		148,937,248	131,162,687

WESTONARIA LOCAL MUNICIPALITY

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 Actual R	2004 Budget R	2003 Actual R
SURPLUS FROM ORDINARY ACTIVITIES				
Rate and General Services		(4,685,472)	(3,096,389)	(7,550,813)
Housing Services		(1,281,871)	(1,141,432)	(1,094,155)
Trading Services		1,318,292	4,601,164	8,367,451
Sub-total (Refer Annexure E)	15	(4,649,051)	363,343	(277,517)
NET SURPLUS BEFORE APPROPRIATIONS		(4,649,051)	363,343	(277,517)
UNAPPROPRIATED SURPLUS AT BEGINNING OF THE YEAR		71,453,236	71,453,236	72,136,586
Less Fundamental error (2002/03)		-		-
APPROPRIATIONS		-	-	(405,833)
Previous year transactions		-	-	-
Grants		-	-	-
Transfer to provision for bad debts		-		-
Transfer to provision for leave		-		-
Write -off of investment		-		-
Transfer to Bursary fund (Completion of studies)		-		(405,833)
UNAPPROPRIATED SURPLUS AT END OF YEAR		66,804,185	71,816,579	71,453,236

APPENDIX A**SCHEDULE OF LONG TERM LIABILITIES**

Interest rate	Redemption date	Loan no.	Balance at 01/07/2003 R	Received during the year R	Redeemed or written of during the year R	Balance at 30/06/2004 R
LONG-TERM LOANS						
LOCAL REGISTERED STOCK			9,628,000	-	-	9,628,000
15.50%	30/06/2011	33	2,628,000		-	2,628,000
17.50%	30/06/2009	32	7,000,000		-	7,000,000
ANNUITY LOANS			10,685,831	10,000,000	732,441	19,953,390
PRIME	30/06/2007	Absa	4,940,822	-	20,408	4,920,414
12.39%	30/06/2013	INCA	-	10,000,000	549,522	9,450,478
9.625%	30/06/2003	DBSA	-		-	-
10.05%	30/06/2003	DBSA	-		-	-
12.00%	30/06/2017	DBSA	5,745,009	-	162,510	5,582,498
Finance leases			-	280,100	42,225	237,875
			-		-	-
Absa (mayor' s Car)			-	280,100	42,225	237,875
External Loans : Total			20,313,831	10,280,100	774,666	29,819,265

Department of Transport
Short term portion of long term liabilities

4,528,309
-3,090,351

NET LONG- TERM LIABILITIES**31,257,223**

WESTONARIA LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004	2003
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		103,373,816	95,194,603
Cash paid to suppliers and employees		(106,362,253)	(92,993,977)
Cash generated from operations	15	(2,988,437)	2,200,626
Interest received		1,418,491	682,880
Interest paid		(4,027,995)	(1,496,776)
NET CASH FLOW FROM OPERATING ACTIVITIES		(5,597,940)	1,386,730
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(12,252,779)	(39,811,031)
Proceeds on disposal of fixed assets		-	306,080
Increase in investments		(2,074,983)	
Advances to long-term debtors		(2,732,499)	94,200
NET CASH FLOW FROM INVESTING ACTIVITIES		(17,060,261)	(39,410,751)
CASH FLOW FROM FINANCING ACTIVITIES			
New loans raised		10,280,100	881,494
Loans repaid		(774,666)	(186,840)
Other capital receipts		9,864,341	39,811,031
NET CASH FLOW FROM FINANCING ACTIVITIES		19,369,775	40,505,685
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	16	(3,288,426)	2,481,664
CASH BALANCE AT BEGINNING OF YEAR	16	34,668	(2,446,996)
CASH BALANCE AT END OF YEAR	18/17	(3,253,758)	34,668

WESTONARIA LOCAL MUNICIPALITY

Notes to the Financial Statements

	<u>2004</u>	<u>2003</u>
	R	R
1. NON-DISTRIBUTABLE RESERVES		
Capital Receipts	48,621,379	38,594,994
- Used to finance property, plant & equipment	48,621,379	38,594,994
- Unutilized	0	0
Total non-distributable reserve	48,621,379	38,594,994

Movements is reconciled as follows:

Utilized Capital receipts

Balance at beginning of year	38,594,994	38,594,994
Contributions received	13,575,885	13,596,994
Used to finance property, plant and equipment	(3,549,500)	13,596,994
Balance at end of year	48,621,379	38,594,994

2. UNAPPROPRIATED SURPLUS

Balance at beginning of the year	71,453,236	72,136,586
Fundamental error (2002/03)	-	-
Surplus for the year	(4,649,051)	(277,517)
Previous year transactions	-	-
Grants	-	-
Transfer to provision for bad debts	-	-
Transfer to provision for leave	-	-
Write -off of investment	-	-
Transfer to Bursary fund (Completion of studies)	-	(405,833)
Balance at the end of the year	66,804,186	71,453,236

Included in the recorded deficit of R 4 649 051 for 2003/04 is an amount of R 26 993 350 which were written off as bad debts.

3. LONG-TERM LIABILITIES

Local Registered stock		
INCA	9,628,000	9,628,000
Annuity loans		
INCA	9,450,478	-
Development Bank of SA	5,582,498	5,745,009
ABSA	4,920,414	4,940,822
Finance Lease	237,875	-
	29,819,265	20,313,831
Department of Transport	4,528,309	
Less current portion transferred to current liabilities	(3,090,351)	1,288,847
Total External Loans	31,257,223	19,024,984

The financial lease represents the lease of the Mayor's car. The lease will be redeemed on 31/08/2008. The lease is financed at prime less 0,83%. The purchase amount of the vehicle and the lease amount was R280 100.

(Refer to Appendix A for more detail regarding the interest rates and terms of these loans.)

Investments to the amount of R 4 840 751 has been invested with Nedcor as security for the redemption of registered municipal stock on maturity date.

Investments to the amount of R 3 233 002 has been invested with Metropolitan as security for the redemption of a ABSA Loan on maturity date.

No security has been pledge for the other annuity loans

Long term liabilities include an amount of R 4,528,309 owned to the Department of Transport with regard to licensing fees. As from 1 January 2004 all license fees income is directly deposited into the bank account of the Department of transport. The municipality's share of income is netted of against the outstanding debt. At the current rate the outstanding amount will be fully redeemed within 24 months. No interest is charged on the outstanding amount.

WESTONARIA LOCAL MUNICIPALITY

Notes to the Financial Statements

	<u>2004</u>	<u>2003</u>
	R	R
4. CONSUMER DEPOSITS - SERVICES	2,254,460	2,089,474

All consumers are required to pay a deposit equating to two-months consumption of electricity and water services. Deposits are considered a long-term liability as the deposit is only refunded once the service is terminated. Interest is not paid on deposits.

5. PROPERTY, PLANT AND EQUIPMENT

	<u>R</u>	<u>R</u>	<u>R</u>
	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Net book Value</u>
30th June 2004			
Owned property, plant and equipment			
Infrastructure Assets	131,043,386	55,355,974	75,687,412
Community Assets	19,064,485	-	19,064,485
Other Assets	26,648,621	8,337,179	18,311,442
Investment properties	14,379,538	-	14,379,538
Totals	191,136,030	63,693,153	127,442,877
30th June 2003			
Owned property, plant and equipment			
Infrastructure	124,317,561	53,901,220	70,416,341
Community	18,821,972	-	18,821,972
Other	13,900,575	8,246,643	5,653,932
Investment properties	20,297,853	-	20,297,853
Totals	177,337,961	62,147,863	115,190,098

Refer to Appendices B and C for more detail

6. INVESTMENTS

Unlisted	8,374,876	6,299,894
Short-term deposits	1,153,083	907,987
Total	9,527,958	7,207,881
Management Valuation	9,527,958	7,207,881

Investments to the amount of R 4 840 751 has been invested with Nedcor as security for the redemption of registered municipal stock on maturity date.

Investments to the amount of R 3 233 002 has been invested with Metropolitan as security for the redemption of a ABSA Loan on maturity date.

(Note 3 refers)

The average rate of return on the investments were 9,3 % p.a.

Monies are invested in institutions approved by legislation.

Allocation of Cash & Investments

Leave provision	1,144,502	1,582,797
Security on External loans	8,073,753	4,241,823
Operational capital	309,703	1,383,261
Total	9,527,958	7,207,881

WESTONARIA LOCAL MUNICIPALITY

Notes to the Financial Statements

	<u>2004</u>	<u>2003</u>
	R	R
7. LONG-TERM DEBTORS		
Sale of stands	4,245,882	4,159,493
Motor car loans	630,076	720,119
Sundry staff loans	406,725	314,039
Mothlakeng Sewer (Randfontein Local Municipality)	12,025,860	10,040,530
	17,308,543	15,234,181
Less current portion transferred to current debtors	2,993,980	3,652,117
	14,314,564	11,582,064
Motor car loans		
Senior staff are entitled to car loans at a interest rate 8,5% per annum and which are repayable over a maximum period of 6 years. These loans will be repaid in full by 2009.		
Sundry staff loans		
This loans consists of study loans and firearm loans (traffic personnel) granted in terms of specific policy. These loans attract interest at a rate of 15,3 % p.a. and are repayable over a period of 3 years		
These loans will be repaid in full by 2005		
Sale of stands		
No provision is made for bad debts with regard for the sale of stands. The stands is only registered into the name of the purchaser when the purchased amount is paid in full. Failure to pay the stand the council repoused the stand.		
8. INVENTORY		
Consumable Stores	587,307	486,592
9. DEBTORS		
Consumer Debtors	48,021,322	65,781,698
Less: Provision for bad debts	(44,485,082)	(58,602,471)
Total	3,536,241	7,179,227
Short term portion of long term debtors	2,993,980	3,515,977
Less: Provision for bad debts	-	-
	2,993,980	3,515,977
The ageing of Consumer debtors is as follows:		
-		
Current	1,717,360	3,225,800
30-60 days	26,625	1,778,855
60-90 days	1,779,019	1,599,439
90- 120 days	1,754,642	575,132
More than 120 days	42,743,676	58,602,471
Total	48,021,322	65,781,697
<u>Other debtors</u>		
Current	469,389	3,521,453
30-60 days	129,447	(2,806)
60-90 days	6,655	(587)
90- 120 days	80,342	(2,082)
More than 120 days	2,308,147	-
Total	2,993,980	3,515,977
Bad debt Provision		
The bad debt provision is calculated on the ageing of debtors.		
Council's policy is to provide 100% on consumer debtor amounts outstanding for more than 120 days.		
During the Financial year and amount of R 26,993,349.90 with regard to Debtors residing in the informal area's has been written off .	44,485,082	58,602,471

WESTONARIA LOCAL MUNICIPALITY

Notes to the Financial Statements

	<u>2004</u>	<u>2003</u>
	R	R
10. PROVISIONS		
Leave Provision		
Balance at beginning of the year	1,582,797	582,797
Plus Contributions	-	1,000,000
Less charged out	<u>438,296</u>	
Balance at the end of the year	<u>1,144,502</u>	<u>1,582,797</u>
11. CREDITORS		
Amounts received in advance	-	-
Debtors paid in advance (Creditors)		-
Trade Creditors	1,760,367	4,531,069
Fundamental error (2002/03) Note 2 refers	-	1,937,063
VAT 201 (Receiver of Revenue)	<u>216,700</u>	<u>4,830,181</u>
	<u>1,977,066</u>	<u>11,298,313</u>
12. NET SURPLUS / (DEFICIT) FOR THE YEAR		
<p>The following has been taken into account in determining the net surplus /(deficit) for the year.</p>		
Profit / (Loss) on the disposal of Property, plant & equipment	<u>-</u>	<u>306,080</u>
Bad debt written off (See note 2.)	<u>26,993,350</u>	<u>-</u>
<u>Depreciation</u>		
Owned property, plant and equipment		
Infrastructure	1,454,754	
Other	<u>90,536</u>	<u>2,079</u>
Total Depreciation	<u>1,545,291</u>	<u>2,079</u>
<u>Interest Paid</u>		
External loans	4,027,995	1,496,776
Finance Leases		-
Total interest paid	<u>4,027,995</u>	<u>1,496,776</u>
<u>Councillors Remuneration</u>		
Executive Mayor	214,996	103,503
Speaker	179,980	83,916
Mayoral Committee	423,744	335,664
Ordinary Members	1,490,069	1,097,928
Councillor's pension contribution	208,640	243,152
Transport Allowance	<u>347,733</u>	<u>405,253</u>
	<u>2,865,162</u>	<u>2,269,416</u>
<u>Investment income</u>		
Interest received	1,418,491	682,880
Rental Received	<u>561,301</u>	<u>308,618</u>
Total investment income	<u>1,979,791</u>	<u>991,498</u>
<u>Auditors Remuneration</u>		
Audit fees	<u>574,548</u>	<u>498,739</u>
<u>Abnormal Expenses</u>		
Transformation expenditure	<u>-</u>	<u>469,994</u>
<p>Transformation expenditure relates to organizational restructuring alignment with powers and functions , policies and systems.</p>		
<u>Provincial and Central government subsidies</u>		
Health Subsidy	2,053,080	1,480,018
Grants	750,000	3,666,763
Equitable share allocation	19,711,682	13,138,755
Transformation	-	1,241,470
Municipal Finance Management Grant	1,000,000	
LED	-	1,230,000
Total Provincial and Central government subsidies	<u>23,514,762</u>	<u>20,757,006</u>

WESTONARIA LOCAL MUNICIPALITY

Notes to the Financial Statements

	<u>2004</u>	<u>2003</u>
	R	R
13. REVENUE		
Assessment rates	14,276,198	13,336,378
Service charges	42,746,784	34,624,476
Revenue from tariffs	11,945,937	16,126,431
Fines	391,766	740,576
Government Grants and Subsidies	23,514,762	20,757,006
Other Income	4,508,557	7,131,592
Total income	<u>97,384,004</u>	<u>92,716,459</u>

14. Assessment Rates

		Actual rates income	
Valuation roll totals	Land	Improvements	2003/2004
Westonaria	44,156,700	297,607,100	5,385,202
Simunye	2,247,700	7,478,900	267,434
Bekkersdal	12,877,900	63,452,900	1,498,071
Glenharvie	15,847,150	80,963,450	1,940,850
Hillshaven	7,731,250	50,203,000	948,553
Venterspost	630,400	11,922,300	75,484
Agricultural Holdings/ Farms/ Mines	97,578,329	145,315,696	4,160,604
Total	<u>181,069,429</u>	<u>656,943,346</u>	<u>14,276,198</u>

The valuation roll expires on 30 June 2004. The frequency of valuations is every 3 years.
 Assessment rates is charged at a rate of 11,62 c/Rand
 A rebate of 40% is given to pensioners.

15. CASH GENERATED FROM OPERATIONS

(Deficit) for the year	(4,649,051)	(277,516)
The net surplus/(deficit) for the year has been determined after taking the following into account: Adjustments for:		
Bad debts	-	-
Adjustments for depreciation	1,503,066	2,077
Capital receipts realized	-	-
Contribution from Provision for bad debts	-	-
Contributions to provisions (Working Capital)	(231,418)	-
Investment income	(1,418,491)	(682,880)
Interest paid	4,027,995	1,496,776
Operating surplus before working capital changes:	<u>(767,899)</u>	<u>538,457</u>
(Increase)/ Decrease in Inventories	(100,715)	15,856
Decrease /(Increase) in consumer debtors	3,642,985	(27,359,004)
Decrease in other debtors	-	-
Increase in Consumer deposits	164,986	423,711
(Decrease)/Increase in Provisions	(438,296)	1,000,000
(Decrease) in creditors	<u>(9,321,248)</u>	<u>(2,170,019)</u>
Cash generated by operations	<u>(6,820,185)</u>	<u>(27,550,999)</u>

16. CASH AND CASH EQUIVALENTS

Balance at the end of year	(3,253,758)	34,666
Balance at the beginning of year	34,666	(2,446,996)
Net (decrease)/increase in cash and cash equivalents	<u>(3,288,424)</u>	<u>2,481,662</u>

17. CASH RESOURCES

Bank	-	24,661
Cash on hand	10,006	10,007
	<u>10,006</u>	<u>34,668</u>

18. BANK

Cash book balance	(3,263,765)	0
	<u>(3,263,765)</u>	<u>-</u>

Balance per bank statement	143,142	
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19. CONTINGENT LIABILITIES

The Municipality is being sued in respect of a tender awarded. A confirmation from the attorneys: Hantie Groenewald & Botha indicates that the Municipality stands to lose an approximate amount of R80 000 in respect of legal cost should the case be lost.

WESTONARIA LOCAL MUNICIPALITY

Notes to the Financial Statements

<u>2004</u>	<u>2003</u>
R	R

20 CAPITAL COMMITMENTS

Approved and not contracted for	3,800,000
Approved and contracted for	-
Un completed projects as at year end	-
	3,800,000

The capital budget for the 2004/05 financial year was approved by Council before 30 June 2004. The Capital Budget for 2004/05 amounts to (External source of Finance)

11,168,263

21 RETIREMENT BENEFITS

The municipality provides retirement benefits for its employees and councillors. The council contributes to the following defined contribution pension funds: The National Fund for Municipal workers, The National Gratuity Fund and the Pension fund for Municipal councillors.

**APPENDIX B
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT**

	HISTORICAL COST				ACCUMULATED DEPRECIATION				
	Opening Balance R	Additions R	Disposal R	Closing Balance R	Opening Balance R	Additions R	Disposal R	Closing Balance R	Net Value R
INFRASTRUCTURE									
Electricity Network	26,348,400	351,618	37,978	26,662,041	26,348,396	6,150		26,354,546	307,494
Roads & Stormwater	42,890,133	6,331,008	6,984,942	42,236,199	225,734	43,066		268,800	41,967,399
Water Network	5,836,859	40,691		5,877,550	5,562,771	19,046		5,581,817	295,733
Sewerage Network	49,176,939	2,509	-	49,179,448	21,764,319	1,373,413		23,137,732	26,041,716
Security	65,229	-		65,229		13,078		13,078	52,151
	124,317,560	6,725,826	7,022,919	124,020,467	53,901,220	1,454,754	-	55,355,974	68,664,493
COMMUNITY ASSETS									
Civic Buildings	18,219,155	242,513	4,970	18,456,698				-	18,456,698
Recreation Grounds	602,817	-	-	602,817				-	602,817
	18,821,972	242,513	4,970	19,059,515	-	-	-	-	19,059,515
INVESTMENT ASSETS									
Investment assets	20,297,853	6,350,768	3,029,926	23,618,695				-	23,618,695
	20,297,853	6,350,768	3,029,926	23,618,695	-	-	-	-	23,618,695
OTHER ASSETS									
Land	5,469,224	116,744		5,585,968				-	5,585,968
Office equipment	1,393,119	-		1,393,119	1,392,763			1,392,763	356
Furniture & fittings	1,423,781	120	100	1,423,801	1,408,969	1,479		1,410,448	13,353
Motor vehicles	2,707,900	280,100	-	2,988,000	2,707,803	42,225	-	2,750,028	237,972
Machinery	2,906,551	82,099		2,988,650	2,737,108	46,832		2,783,940	204,711
	13,900,575	479,063	100	14,379,538	8,246,643	90,536	-	8,337,179	6,042,359
Total	177,337,960	13,798,170	10,057,915	181,078,215	62,147,863	1,545,291	-	63,693,153	117,385,062

**APPENDIX B
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT**

	HISTORICAL COST				ACCUMULATED DEPRECIATION				
	Opening Balance R	Additions R	Disposal R	Closing Balance R	Opening Balance R	Additions R	Disposal R	Closing Balance R	Net Value R
INFRASTRUCTURE									
Electricity Network	26,348,400	351,618	-	26,700,018	26,348,396	6,150		26,354,546	345,472
Roads & Stormwater	42,890,133	6,331,008	-	49,221,141	225,734	43,066		268,800	48,952,341
Water Network	5,836,859	40,691		5,877,550	5,562,771	19,046		5,581,817	295,733
Sewerage Network	49,176,939	2,509	-	49,179,448	21,764,319	1,373,413		23,137,732	26,041,716
Security	65,229	-		65,229		13,078		13,078	52,151
	124,317,560	6,725,826	-	131,043,386	53,901,220	1,454,754	-	55,355,974	75,687,412
COMMUNITY ASSETS									
Civic Buildings	18,219,155	242,513	-	18,461,668				-	18,461,668
Recreation Grounds	602,817	-	-	602,817				-	602,817
	18,821,972	242,513	-	19,064,485	-	-	-	-	19,064,485
INVESTMENT ASSETS									
Investment assets	20,297,853	6,350,768	-	26,648,621				-	26,648,621
	20,297,853	6,350,768	-	26,648,621	-	-	-	-	26,648,621
OTHER ASSETS									
Land	5,469,224	116,744		5,585,968				-	5,585,968
Office equipment	1,393,119	-		1,393,119	1,392,763			1,392,763	356
Furniture & fittings	1,423,781	120	100	1,423,801	1,408,969	1,479		1,410,448	13,353
Motor vehicles	2,707,900	280,100	-	2,988,000	2,707,803	42,225	-	2,750,028	237,972
Machinery	2,906,551	82,099		2,988,650	2,737,108	46,832		2,783,940	204,711
	13,900,575	479,063	100	14,379,538	8,246,643	90,536	-	8,337,179	6,042,359
Total	177,337,960	13,798,170	100	191,136,030	62,147,863	1,545,291	-	63,693,153	127,442,877

**APPENDIX C
SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT 30 JUNE 2004**

	HISTORICAL COST				ACCUMULATED DEPRECIATION				Carrying value
	Opening Balance	Additions	Disposal	Closing Balance	Opening Balance	Additions	Disposal	Closing Balance	
	R	R	R	R	R	R	R	R	
RATE AND GENERAL SERVICES									
Community services	103,251,098	7,936,230	6,168,928	105,018,401	27,034,134	70,930	-	27,105,063	77,913,337
Halls	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-
Mechanical Workshop	210,871	-	-	210,871	199,116	-	-	199,116	11,755
Municipal land & buildings	-	-	-	-	-	-	-	-	-
Public works	47,259,956	987,785	3,096,154	45,151,587	3,990,700	7,212	-	3,997,911	41,153,676
Parks	-	-	-	-	-	-	-	-	-
Council General	26,191,869	428,891	4,970	26,615,790	20,645,224	42,474	-	20,687,698	5,928,093
Sports Complex	2,689,136	46,236	-	2,735,372	580,518	1,499	-	582,017	2,153,355
Municipal support services	24,939,773	6,076,425	3,029,926	27,986,271	532,192	-	-	532,192	27,454,079
Financial services	1,294,080	351,738	37,878	1,607,941	421,320	19,231	-	440,550	1,167,390
Traffic and licences	665,413	45,155	-	710,568	665,064	515	-	665,579	44,989
Subsidised services	12,057,228	2,126,577	1,077,870	13,105,935	981,616	14,949	-	996,565	12,109,370
Cemeteries	529,518	162,088	100	691,506	-	3,282	-	3,282	688,224
Community centre	4,384,242	1,564,418	1,077,770	4,870,890	228,078	11,186	-	239,264	4,631,626
Libraries	2,132,294	-	-	2,132,294	204,251	-	-	204,251	1,928,043
Clinic's	2,465,849	283,327	-	2,749,176	351,365	481	-	351,846	2,397,330
Development	2,025,002	-	-	2,025,002	197,922	-	-	197,922	1,827,080
Hostel	520,323	116,744	-	637,067	-	-	-	-	637,067
Economic services	29,147,910	3,022,360	1,651,868	30,518,402	1,735,292	1,393,410	-	3,128,702	27,389,699
Sewerage	29,147,910	3,022,360	1,651,868	30,518,402	1,735,292	1,393,410	-	3,128,702	27,389,699
Sanitation	-	-	-	-	-	-	-	-	-
HOUSING SERVICES	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
TRADING SERVICES	32,881,725	713,003	1,159,250	32,435,478	32,396,821	66,001	-	32,462,822	(27,344)
Electricity	26,735,657	590,213	1,159,250	26,166,619	26,734,582	123	-	26,734,705	(568,085)
Water	6,146,068	122,791	-	6,268,859	5,662,239	65,878	-	5,728,117	540,741
TOTAL	177,337,960	13,798,170	10,057,915	181,078,215	62,147,863	1,545,291	-	63,693,153	117,385,062

**APPENDIX C
SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT 30 JUNE 2004**

	HISTORICAL COST				ACCUMULATED DEPRECIATION				Carrying value
	Opening Balance	Additions	Disposal	Closing Balance	Opening Balance	Additions	Disposal	Closing Balance	
	R	R	R	R	R	R	R	R	
RATE AND GENERAL SERVICES									
Community services	103,251,098	7,936,229	-	111,187,327	27,034,134	70,930	-	27,105,063	84,082,264
Halls	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-
Mechanical Workshop	210,871	-	-	210,871	199,116	-	-	199,116	11,755
Municipal land & buildings	-	-	-	-	-	-	-	-	-
Public works	47,259,956	987,785	-	48,247,741	3,990,700	7,212	-	3,997,911	44,249,830
Parks	-	-	-	-	-	-	-	-	-
Council General	26,191,869	428,890	-	26,620,759	20,645,224	42,474	-	20,687,698	5,933,062
Sports Complex	2,689,136	46,236	-	2,735,372	580,518	1,499	-	582,017	2,153,355
Municipal support services	24,939,773	6,076,425	-	31,016,198	532,192	-	-	532,192	30,484,006
Financial services	1,294,080	351,738	-	1,645,818	421,320	19,231	-	440,550	1,205,268
Traffic and licences	665,413	45,155	-	710,568	665,064	515	-	665,579	44,989
Subsidised services	12,057,228	2,126,577	100	14,183,705	981,616	14,949	-	996,565	13,187,140
Cemeteries	529,518	162,088	100	691,506	-	3,282	-	3,282	688,224
Community centre	4,384,242	1,564,418	-	5,948,660	228,078	11,186	-	239,264	5,709,396
Libraries	2,132,294	-	-	2,132,294	204,251	-	-	204,251	1,928,043
Clinic's	2,465,849	283,327	-	2,749,176	351,365	481	-	351,846	2,397,330
Development	2,025,002	-	-	2,025,002	197,922	-	-	197,922	1,827,080
Hostel	520,323	116,744	-	637,067	-	-	-	-	637,067
Economic services	29,147,910	3,022,360	-	32,170,270	1,735,292	1,393,410	-	3,128,702	29,041,567
Sewerage	29,147,910	3,022,360	-	32,170,270	1,735,292	1,393,410	-	3,128,702	29,041,567
Sanitation	-	-	-	-	-	-	-	-	-
HOUSING SERVICES	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
TRADING SERVICES	32,881,725	713,003	-	33,594,728	32,396,821	66,001	-	32,462,822	1,131,906
Electricity	26,735,657	590,213	-	27,325,869	26,734,582	123	-	26,734,705	591,164
Water	6,146,068	122,791	-	6,268,859	5,662,239	65,878	-	5,728,117	540,741
TOTAL	177,337,960	13,798,169	100	191,136,030	62,147,863	1,545,291	-	63,693,153	127,442,877

APPENDIX D
ANALYSIS OF OPERATING INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2004

Actual 2003 R		Actual 2004 R	Budget 2004 R
	INCOME		
13,336,378	Assessment Rates	14,276,198	14,290,945
23,990,057	Electricity sales	26,421,792	23,994,596
14,098,721	Water sales	15,068,531	11,865,734
7,152,725	Sewerage	6,547,807	3,338,757
5,488,225	Cleansing	5,627,868	3,513,668
682,880	Interest on investments	1,418,491	200,000
20,757,006	Government Grants & Subsidies	23,514,762	22,256,607
7,210,467	Other income	4,508,557	7,805,008
<u>92,716,459</u>	Total Income	<u>97,384,004</u>	<u>87,265,315</u>
	EXPENDITURE		
37,411,450	Salaries ,Wages and allowances	41,604,612	42,388,234
51,170,605	General Expenses	50,278,101	40,751,080
11,735,832	Purchases of electricity	14,833,170	15,919,273
9,079,029	Purchases of water	12,249,842	10,654,322
30,355,744	Other general expenses	23,195,089	14,177,485
2,672,726	Repairs and Maintenance	5,555,563	5,559,258
	Capital Expenditure	-	86,163
2,077	Depreciation	1,503,066	2,150,000
3,331,226	Contributions to working capital	231,418	2,214,597
1,496,776	Finance Cost	4,027,995	4,907,952
96,084,860	Gross Expenditure	103,200,755	98,057,284
(3,090,885)	Less: Amounts Charged out	(1,167,700)	(11,155,314)
<u>92,993,975</u>	Nett Expenses	<u>102,033,055</u>	<u>86,901,970</u>

APPENDIX E
SEGMENTAL INCOME STATEMENT FOR THE YEAR
ENDED 30 JUNE 2004

2003 Actual Income	2003 Actual Expenditure	2003 Surplus/ (Deficit)	GFS Codes	2004 Actual Income	2004 Actual Expenditure	2004 Surplus/ (Deficit)	2004 Budget Surplus / (Deficit)
R	R	R		R	R	R	R
54,503,145	62,053,958	(7,550,813)	RATE AND GENERAL SERVICES	55,878,241	60,563,713	(4,685,472)	(3,096,389)
40,233,141	45,999,266	(5,766,125)	Community Services	41,007,537	41,808,541	(801,005)	1,330,298
27,881	323,744	(295,863)	Halls	27,562	207,999	(180,437)	(324,211)
375,256	9,041,785	(8,666,529)	Public works	96,933	8,235,797	(8,138,863)	(8,736,676)
0	2,242,898	(2,242,898)	Parks	0	2,551,238	(2,551,238)	(2,425,378)
13,410,107	20,439,815	(7,029,708)	Council general	16,197,859	14,895,247	1,302,612	3,402,255
12,189	816,851	(804,662)	Sport complex	18,091	781,732	(763,641)	(804,629)
782,536	3,086,494	(2,303,958)	Municipal support services	617,540	4,258,830	(3,641,290)	(3,675,363)
6,164,955	876,475	5,288,480	Financial services	7,719,500	3,850,561	3,868,939	1,356,427
2,273,498	3,927,273	(1,653,775)	Traffic	2,053,854	4,230,253	(2,176,399)	(1,978,563)
3,850,341	1,285,829	(1,285,829)	Workshops	0	1,417,786	(1,417,786)	-
13,336,378	3,958,102	(107,761)	Community Development	0	909,298	(909,298)	(888,951)
			Local Economic Development		469,801	(469,801)	(432,037)
			Assessment Rates	14,276,198		14,276,198	15,837,424
1,607,874	6,461,512	(4,853,638)	Subsidised Services	2,695,030	6,551,755	(3,856,725)	(4,544,594)
87,748	429,786	(342,038)	Cemetaries	108,316	461,086	(352,770)	(445,720)
39,508	1,031,978	(992,470)	Libraries	37,787	1,061,916	(1,024,129)	(1,012,673)
1,480,618	4,999,748	(3,519,130)	Clinic's	2,548,927	5,028,753	(2,479,826)	(3,086,201)
12,662,130	9,593,180	3,068,950	Economic Services	12,175,675	12,203,416	(27,742)	117,907
5,488,225	4,012,431	1,475,794	Cleansing	5,627,868	5,587,202	40,666	80,823
7,152,725	5,580,749	1,571,976	Sewerage	6,547,807	6,503,540	44,267	33,504
21,180	0	21,180	Industrial Township	0	112,674	(112,674)	3,580
124,537	1,218,692	(1,094,155)	HOUSING SERVICES	15,441	1,297,312	(1,281,871)	(1,141,432)
124,537	1,218,692	(1,094,155)	Housing	15,441	1,297,312	(1,281,871)	(1,141,432)
38,088,778	29,721,327	8,367,451	TRADING SERVICES	41,490,322	40,172,030	1,318,292	4,601,164
23,990,057	17,719,601	6,270,456	Electricity	26,421,792	24,241,199	2,180,593	2,826,288
14,098,721	12,001,726	2,096,995	Water	15,068,531	15,930,831	(862,300)	1,774,876
92,716,460	92,993,977	(277,517)	Net surplus/(deficit) for the year	97,384,004	102,033,055	(4,649,051)	363,343

**APPENDIX F
STATISTICAL INFORMATION
2003/04**

Population group (SA Statistics 2001)	Male	Female	Total
Black African	56,315	41,226	97,541
Coloured	238	247	485
Indian or Asian	90	79	169
White	5,573	5,561	11,134
Total	62,216	47,113	109,329

Valuation of property

	Land R	Improvements R
Westonaria	44,156,700	297,607,100
Simunye	2,247,700	7,478,900
Bekkersdal	12,877,900	63,452,900
Glenharvie	15,847,150	80,963,450
Hillshaven	7,731,250	50,203,000
Venterspost	630,400	11,922,300
Agricultural Holdings/ Farms/ Mines	97,578,329	145,315,696
Total	181,069,429	656,943,346

Number of Employees**439****Bulk Electricity**

	2003/04	2002/03
Electricity purchased	87,618,996	88,495,186
Electricity sold	79,599,468	80,993,460
Electricity unaccounted	8,019,528	7,501,726
% Electricity losses	9%	8%
Cost per unit sold	0.19	0.14

Bulk Water

Water purchased	4,130,425	4,217,164
Water sold	3,782,285	3,901,842
Water unaccounted	348,140	315,322
% Water losses	8%	7%
Cost per unit sold	3.24	2.33

Cemeteries

Burials	84
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Annexure 1

Amendments to the financial Statements as a result of exception reports.

Exception	Adjustment amount	Amount before amendment	Amount after amendment	Action	Doc. Ref.
Ex.46					
Creditors	1,937,063	4,775,167	6,712,230	Amended F/S	Jnl.
Appropriation Account	-1,937,063	73,390,301	75,327,364	Amended F/S	
Ex.51	See Ex.65				
Ex.57		90	38,563,654	38,563,564 Amended F/S	Not appl.
Ex.74		-747,276	42,351,888	41,604,612 Amended Annexure D	Not appl.
General Expenditure	747,276	12,688,996	13,436,272	Amended Annexure D	Not appl.
Ex. 75		-2,435	4,248,317	4,245,882 Amended Note 9	Not appl.
Ex. 76		291,909	136,140	291,909 Amended Note 7	Not appl.
Ex. 82		1,068	9,041,803	9,042,871 Amended Note 9	
Ex. 83		5,806		5,806 Amended note 9 Con. Debtors	Jnl
		-5,806		-5,806 Amended note 9 Sundry. Debtors	Jnl
Ex. 85		-	-	No amendments	
Ex. 94		877,321	0	877,321 Increase provision for bad debts	Jnl
Appropriation Account	-877,321			-877,321 Decrease in Appropriation account	Jnl
Ex. 47		3778165.41		Amended note 9 Consumer debtors	Not appl.
VAT Control Account	-3778165.41		-3,778,165	Amended note11 Creditors	Not appl.
VAT Control Account	216891.12		216,891	Amended note11 Creditors	Not appl.
Ex. 65					
Financial Lease					
Lease amount	280100.01			Amended F/S- Long term Liabilities	Jnl
Net present value as at 30/6/04	237875.03		-237875.03		
Assets			237875.03	Amended F/S- Assets	Jnl
Ex.67				No amendments needed. AFS correct.	
Ex. 95		1750000		1750000 Amended Appendix D	Not appl.
Ex.98				AFS Amended	

Annexure 1

Amendments to the financial Statements as a result of exception reports.

Exception	Adjustment amount	Amount before amendment	Amount after amendment	Action	Doc. Ref.
Ex.33					
Creditors	-1,221,599.59	-4,775,167.00	-5,996,766.59	Amend Note 11	Jnl
Bulk purchase Water	1,101,657.00	11,149,185.00	12,250,842.00	Amend Annexure D	Jnl
General Expenditure	119,942.59	13,436,272.00	13,556,214.59	Amend Annexure D	Jnl
Ex.46					
Creditors	1,937,063.00		1,937,063.00	Amended F/S	Jnl.
Appropriation Account	-1,937,063.00	73,390,301.00	75,327,364.00	Amended F/S	
Ex.51					
Long term liabilities	See Ex.65				
Ex.57					
Non distributable reserves	90.00	38,563,654.00	38,563,564.00	Amended F/S	Not appl.
Ex.74					
Salaries,wages & Allowances	-747,276.00	42,351,888.00	41,604,612.00	Amended Annexure D	Not appl.
General Expenditure	747,276.00	12,688,996.00	13,436,272.00	Amended Annexure D	Not appl.
Ex. 75					
Long term Debtors	-2,435.00	4,248,317.00	4,245,882.00	Amended Note 9	Not appl.
Ex. 76					
Short term portion of long term debt	291,908.80	136,140.00	291,908.80	Amended Note 7	Not appl.
Ex. 82					
Consumer Debtors	1,067.69	9,041,803.00	9,042,870.69	Amended Note 9	
Ex. 83					
Consumer Debtors	5,805.83		5,805.83	Amended note 9 Con. Debtors	Jnl
	-5,805.83		-5,805.83	Amended note 9 Sundry. Debtors	Jnl
Ex. 85					
Provision for bad debts	-	-	-	No amendments	
Ex. 94					
Provision for bad debts	877,321.00	0.00	877,321.00	Increase provision for bad debts	Jnl
Appropriation Account	-877,321.00		-877,321.00	Decrease in Appropriation account	Jnl
Ex.					
VAT Control Account	3,778,165.41		3,778,165.41	Amended note 9 Consumer debtors	Not appl.
VAT Control Account	-3,778,165.41		-3,778,165.41	Amended note 11 Creditors	Not appl.
Ex. 65					
Financial Lease					
Lease amount	280,100.01			Amended F/S- Long term Liabilities	Jnl
Net present value as at 30/6/04	237,875.03		-237,875.03		
Assets			237,875.03	Amended F/S- Assets	Jnl