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| GENERAL INFORMATION |
|----------------------------|

MEMBERS OF THE FULL TIME COUNCIL**After Election**

Councillor M E Dapula (Mayor)
 Councillor M B Snyders (Speaker)
 Councillor G N Xoseni
 Councillor M Nontsele
 Councillor T T Madubedube
 Councillor A E Hulushe
 Councillor M Gongqa (Member-Not Full Time)

Before Election

Councillor G N Xoseni (Mayor)
 Councillor M E Dapula (Speaker)
 Councillor P J Cloete
 Councillor Z A Beje
 Councillor T T Madubedube
 Councillor M Gongqa (Member-Not Full Time)

MEMBERS OF THE PART TIME COUNCIL

Councillor B M Adoons
 Councillor Z A Beje
 Councillor J N Birch
 Councillor T Booi
 Councillor N H Breakfast
 Councillor Z A Deliwe
 Councillor V V Dondolo
 Councillor F N Duda
 Councillor Z A Dywili
 Councillor T Fikizolo
 Councillor S L Gaju
 Councillor M Z Gwantshu
 Councillor T M Gxaba
 Councillor J M Irlam
 Councillor L E James
 Councillor E K Jikele
 Councillor K H Kedema
 Councillor O Keva
 Councillor N A Kopolo
 Councillor J J Makasi
 Councillor N M Malmani
 Councillor M Mangqangwana
 Councillor N L Maqungo
 Councillor G S Mateta
 Councillor N O Mfenyana
 Councillor M Nomalizo
 Councillor N P Mnyengeza
 Councillor S C Mpemba
 Councillor T V Mpolo
 Councillor G N Mrwebi
 Councillor S E Mvana
 Councillor S S Ndamane
 Councillor D X Ndidi
 Councillor S N Ndlebe
 Councillor Z Pambani
 Councillor P M X Sibefu
 Councillor L L Sikweyiya
 Councillor N E Simayile
 Councillor N Sixabayi
 Councillor E F Smuts
 Councillor F N Sopapaza
 Councillor E N Tsotetsi

MEMBERS OF THE PART TIME COUNCIL

Councillor B M Adoons
 Councillor K Apolis
 Councillor Z A Deliwe
 Councillor V V Dondolo
 Councillor T Fikizolo
 Councillor N Gatyeni
 Councillor M E Hoko
 Councillor A E Hulushe
 Councillor A B Jakob
 Councillor T M Jocki
 Councillor K H Kedema
 Councillor O Ketelo
 Councillor O Keva
 Councillor D M Lali
 Councillor M S Lufodo
 Councillor E F Lupnow
 Councillor J H Madlongwana
 Councillor Z H Makwayiba
 Councillor X S Mandaba
 Councillor M Mangqangwana
 Councillor G S Mateta
 Councillor M S Mayekiso
 Councillor N O Mfenyana
 Councillor S E A Mrwebi
 Councillor Z Mtongana
 Councillor Mzimkulu
 Councillor N E Haiya
 Councillor C J Niewoudt
 Councillor S Nxele
 Councillor M R Pambo
 Councillor M Piliso
 Councillor F W Sewe
 Councillor L L Skweyiya
 Councillor N E Simayile
 Councillor N S Sindilima
 Councillor N Sixabayi
 Councillor G P Sizakele
 Councillor E F Smuts
 Councillor F S Sopapaza
 Councillor N C Twalo
 Councillor N S Yekani

GENERAL INFORMATION

After Election

Councillor L N Twaku
Councillor N C Twalo
Councillor N S Yekani
Councillor N C Twalo
Councillor N S Yekani

GRADING OF LOCAL AUTHORITY

Grade 8

AUDITORS

Auditor-General

BANKERS

ABSA Bank

REGISTERED OFFICE

70 Cathcart Road
QUEENSTOWN
5320

Private Bag X7111 Telephone 045-807 2773
QUEENSTOWN Fax 045-807 2733
5320

MUNICIPAL MANAGER

P BACELA

DIRECTOR OF FINANCE

I SCHOEMAN

TREASURER'S REPORT

1. INTRODUCTION

The operating budget were adjusted twice during the year to bring it in line with a cash based budget. The control over expenditure and the revised budget has resulted in that the expenditure for 2005/06 stayed within the budgeted figure for expenditure and that resulted in the year closing off with a operating surplus of R8 032 227. This surplus is based on the revenue billed against actual expenditure. The operating surplus as at 30 June 2006 has increased from R12 486 828 to R18 289 266.

2. OPERATING RESULTS

Details of the results per department, classification and object of expenditure are included in appendix D and E. The applicable statistics are shown in appendix F. The overall operating results for the year ended 30 June 2006 are as follows :

| INCOME | Actual 2004/05 R | Actual 2005/06 R | Variance Actual 05/ Actual 06 % | Budget 2005/06 | Variance Actual/ Budget 05/06 % |
|----------------------------------|------------------------|------------------------|--|-------------------|--|
| Opening surplus | 52,238,499 | 12,486,828 | | | |
| Operating income for the year | 158,843,038 | 173,897,167 | 9.48% | 165,360,785 | 5.16% |
| Closing deficit | | | | | |
| | 211,081,537 | 186,383,995 | | 165,360,785 | |
| EXPENDITURE | | | | | |
| Opening deficit | | | | | |
| Operating expenditure | 152,830,069 | 165,864,940 | 8.53% | 164,832,040 | 0.63% |
| Sundry transfers | 45,764,639 | 2,229,789 | | | |
| Closing surplus | 12,486,828 | 18,289,266 | | 528,745 | |
| | 211,081,537 | 186,383,995 | | 165,360,785 | |

2.1 RATE AND GENERAL SERVICES

| | Actual 2004/05 R | Actual 2005/06 R | Variance Actual 05/ Actual 06 % | Budget 2005/06 | Variance Actual/ Budget 05/06 % |
|---|------------------------|------------------------|--|-------------------|--|
| Income | 88,100,232 | 99,092,801 | 12.48% | 95,184,935 | 4.11% |
| Expenditure | 98,475,767 | 102,188,729 | 3.77% | 101,597,890 | 0.58% |
| Surplus/Deficit | -10,375,535 | -3,095,928 | -70.16% | -6,412,955 | -51.72% |
| Surplus (Deficit) as % of total income | -11.78% | -3.12% | | -6.74% | |

2.2 HOUSING SERVICE

| | Actual 2004/05 R | Actual 2005/06 R | Variance Actual 05/ Actual 06 % | Budget 2005/06 | Variance Actual/ Budget 05/06 % |
|---|------------------------|------------------------|--|-------------------|--|
| Income | 111,520 | 128,546 | 15.27% | 110,400 | 16.44% |
| Expenditure | 29,271 | 46,122 | 57.57% | 37,490 | 23.02% |
| Surplus/Deficit | 82,249 | 82,424 | 0.21% | 72,910 | 13.05% |
| Surplus (Deficit) as % of total income | 73.75% | 64.12% | | 66.04% | |

2.3 TRADING SERVICES

ELECTRICITY

| | Actual 2004/05 R | Actual 2005/06 R | Variance Actual 05/ Actual 06 % | Budget 2005/06 | Variance Actual/ Budget 05/06 % |
|---|------------------------|------------------------|--|-------------------|--|
| Income | 50,875,536 | 53,093,308 | 4.36% | 49,865,550 | 6.47% |
| Expenditure | 40,517,369 | 41,714,991 | 2.96% | 41,217,120 | 1.21% |
| Surplus/Deficit | 10,358,166 | 11,378,317 | 9.85% | 8,648,430 | 31.57% |
| Surplus (Deficit) as % of total income | 20.36% | 21.43% | | 17.34% | |

WATER

| | Actual 2004/05 R | Actual 2005/06 R | Variance Actual 05/ Actual 06 % | Budget 2005/06 | Variance Actual/ Budget 05/06 % |
|---|------------------------|------------------------|--|-------------------|--|
| Income | 19,755,750 | 21,582,512 | 9.25% | 20,199,900 | 6.84% |
| Expenditure | 13,807,662 | 21,915,098 | 58.72% | 21,979,540 | -0.29% |
| Surplus/Deficit | 5,948,088 | -332,586 | -105.59% | -1,779,640 | -81.31% |
| Surplus (Deficit) as % of total income | 30.11% | -1.54% | | -8.81% | |

3. CAPITAL EXPENDITURE

| | Actual 2005/06 R | Budget 2005/06 R | Actual 2004/05 R |
|---------------------------|------------------------|------------------------|------------------------|
| Vehicles | 4,856,735 | 4,882,560 | |
| Buildings | | | |
| Roads/Stormwater Drainage | | | |
| Other Infrastructure | 8,348,029 | 7,301,278 | |
| Other | 1,044,250 | 15,905,253 | 333,486 |
| | 14,249,014 | 28,089,091 | 333,486 |

Resources used to finance the fixed assets were as follows :

| | Actual 2005/06 R | Budget 2005/06 R | Actual 2004/05 R |
|--|------------------------|------------------------|------------------------|
| Consolidated Loans Fund | | | |
| Contributions from operating income | 812,293 | 1,786,560 | 24,250 |
| Other Funds | 13,436,721 | 26,302,531 | 309,236 |
| | 14,249,014 | 28,089,091 | 333,486 |

A complete analysis of capital expenditure (budgeted and actual) per department, classification or service is included in appendix C. More details regarding external loans and internal advances used to finance fixed assets are shown in appendix B.

4. EXTERNAL LOANS, INVESTMENTS AND CASH

External loans outstanding on 30 June 2006 amounted to R6 750 242 as set out in appendix B. During the year interest were accrued on the loans and amounted to R61 187 and interest to the value of R772 047 were repaid. Capital to be started in the 2006/07 financial year.

Investments and cash on 30 June 2006 amounted to R35 328 350 (R25 763 047 in 2005).

The bank overdraft on 30 June 2006 amounted to R8 348 748 (R2 359 911 in 2005).

More information regarding loans and investments is disclosed in notes 4 and 7 and appendix B to the financial statements.

5. FUNDS AND RESERVES

The consolidated capital development and loans fund has increased with R1 604 075 to R32 822 900. Advances amounting to Rnil has been granted to borrowing accounts while R2 627 847 has been repaid. The total advances to borrowing accounts amounted to R17 385 799 on 30 June 2006.

More information regarding funds and reserves are disclosed in notes 1 to 3, 11 and appendix A to the financial statements.

EXPRESSION OF APPRECIATION

I am grateful to the Mayor, Councillor's, the Municipal Manager and Directors of Departments for their support during the past year. A special word of thanks to the staff of the Finance Directorate for their support and loyalty.

I SCHOEMAN
CHIEF FINANCIAL OFFICER
31 August 2006

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 Finance Officers in its Code of Accounting Practice (1997) and Report on Published Annual Financial Statements (Second edition-January 1996).
- 1.2 The financial statements are prepared on the historical cost basis, adjusted for capital expenditure as more fully detailed in note 3. 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 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
- at 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

Vehicles and machinery under the vehicle fleet are depreciated at 25% and equipment at 10% as determined by the Council's policy up to a nominal value. The balance shown against the heading "Loans Redeemed and other Capital Receipts" in the notes to the balance sheet is 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 "Loans Redeemed and Other Capital Receipts" account.

3.3 All net proceeds from the sale of fixed assets are credited to the Consolidated Loans Fund.

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

4. STOCK

Stock is also reflected in the Balance Sheet at the lower of cost, determined on the weighted average basis, and net relisable value. Provision has also been made for stock obsolescence. Council took a decision to close the store and to issue all stock to departments that can be used and to sell the balance that can not be used. All stock has been charged out to the departments and reflects a zero balance in the statements.

5. FUNDS AND RESERVES

5.1 Capital Development Fund

The Capital Development Fund Ordinance No 20 of 1974 requires a minimum contribution of seven and a half percent of the product of assessment rates in respect of the financial year immediately preceding the financial year for which such contribution is required to be made.

5.4 RESERVES

Reserve Funds are utilised for purposes unknown and which may occur in the future. Contributions are made from the the operating account and in certain instances according to the policy of the Department of Housing e.g. Rental reserve. The following reserve is applicable to this section:

Housing Development Fund - Maintenance and repairs to existing properties still in the name of the municipality.
 Nature Conservation : Nature Reserves - Funds receivable from Game sales for use in Reserve. The purpose of the fund is to purchase new game for the nature reserve as well as repairs and maintenance to the reserve.

5.5 PROVISIONS

Provisions are utilised for specific purposes and contributions are made from the operating account.

5.6 TRUST FUNDS

Funds are paid to the Council for a specific purpose and consists of grants, subsidies and bequests from the public or higher authorities.

6. RETIREMENT BENEFITS

The employees of Queenstown TLC contribute to the Cape Joint Pension Fund/Retirement Fund, the South African Local Authorities Pension Fund, the Transkei Municipal Pension Fund and the Old Mutual Provident Fund. Councillors contribute to the Pension Fund for Municipal Councillors. Current contributions are charged against the operating account at the rate of a fixed percentage of the basic salary paid to employees and Councillors.

7. SURPLUSES AND DEFICITS

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

8. TREATMENT OF ADMINISTRATION AND OTHER OVERHEAD EXPENSES

Administration charges are allocated to each department on a percentage basis, based on the actual expenditure from the previous year. Interdepartmental users are charged at actual cost and debited to each user department.

9. INVESTMENTS

Investments are shown at the lower of cost or market value if a permanent decline in the value occurred, and are invested per Council's Investment Policy.

10. INCOME RECOGNITION

10.1 Electricity and Water Billing

All electricity and water meters are read and invoiced on a monthly basis. If a reading cannot be obtained a estimated reading, based on the average consumption is made. Income is recognised on the date when invoicing is done.

10.2 Assessment Rates

Assessment Rates are levied at the same tariff for land and improvements. Rebates are granted according to Council's Policy. Income is recognised when the annual levies are done.

11. CONSOLIDATED LOANS FUND

The capital resources of the Consolidated Loans Fund consist both of external and internal loans. Advances are made to borrowing departments at an interest rate approved by the Premier. Loans are repaid over the useful life of the asset acquired.

BALANCE SHEET FOR THE YEAR ENDED 30 JUNE 2006

| | Note | 2006 R | 2005 R |
|---|------|-------------|-------------|
| CAPITAL EMPLOYEED | | | |
| FUNDS AND RESERVES | | | |
| | | 35,212,980 | 33,430,642 |
| Statuary Funds | 1 | 32,822,900 | 31,218,825 |
| Reserves | 3 | 2,390,080 | 2,211,817 |
| (ACCUMULATED DEFICIT)/RETAINED SURPLUS | 17 | 18,289,266 | 12,486,828 |
| | | 53,502,246 | 45,917,470 |
| TRUST FUNDS | | | |
| | 2 | 17,635,636 | 21,992,989 |
| LONG-TERM LIABILITIES | | | |
| | 4 | 6,119,195 | 6,689,055 |
| CONSUMER DEPOSITS : SERVICES | 5 | 6,256,021 | 5,906,454 |
| | | 83,513,097 | 80,505,968 |
| EMPLOYMENT OF CAPITAL | | | |
| FIXED ASSETS | | | |
| | 6 | 21,041,207 | 23,669,054 |
| INVESTMENTS | 7 | 599,978 | 580,707 |
| LONG-TERM DEBTORS | 8 | 0 | 88,279 |
| | | 21,641,185 | 24,338,040 |
| NET CURRENT ASSETS/LIABILITIES | | | |
| | | 61,871,912 | 56,167,928 |
| CURRENT ASSETS | | | |
| | | 96,541,163 | 83,272,056 |
| Stock | 9 | 0 | 1,201,524 |
| Debtors | 10 | 61,140,302 | 56,065,311 |
| Cash | | 573,775 | 541,266 |
| Short-term portion of Investments | 7 | 34,154,596 | 24,641,074 |
| Short-term portion of Long-term debtors | 8 | 672,490 | 822,881 |
| CURRENT LIABILITIES | | | |
| | | -34,669,251 | -27,104,128 |
| Provisions | 11 | 4,581,282 | 4,741,516 |
| Creditors | 12 | 21,108,138 | 20,002,701 |
| Short-term of Long-term liabilities | 4 | 631,047 | 0 |
| Bank overdraft | | 8,348,784 | 2,359,911 |
| | | 83,513,097 | 80,505,968 |

.....
P BACELA
MUNICIPAL MANAGER

.....
CERTIFIED AS CORRECT
I SCHOEMAN
CHIEF FINANCIAL OFFICER

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

| 2005 Actual Income R | 2005 Actual Expenditure R | 2005 Surplus/ (Deficit) R | | 2006 Actual Income R | 2006 Actual Expenditure R | 2006 Surplus/ (Deficit) R | 2006 Budget Surplus/ (Deficit) R |
|-------------------------------|------------------------------------|------------------------------------|--|-------------------------------|------------------------------------|------------------------------------|--|
| | | | RATE AND GENERAL | | | | |
| 88,100,232 | 98,475,767 | -10,375,535 | SERVICES | 99,092,801 | 102,188,729 | -3,095,928 | -6,412,955 |
| 60,555,871 | 69,896,278 | -9,340,407 | Community Services | 72,978,385 | 65,483,759 | 7,494,626 | 5,873,205 |
| 3,446,218 | 11,297,419 | -7,851,201 | Subsidised Services | 1,169,847 | 12,321,447 | -11,151,600 | -11,894,590 |
| 24,098,143 | 17,282,070 | 6,816,073 | Economic Services | 24,944,570 | 24,383,524 | 561,046 | -391,570 |
| 111,520 | 29,271 | 82,249 | HOUSING SERVICES | 128,546 | 46,122 | 82,424 | 72,910 |
| 70,631,286 | 54,325,032 | 16,306,254 | TRADING SERVICES | 74,675,820 | 63,630,089 | 11,045,731 | 6,868,790 |
| 158,843,038 | 152,830,069 | 6,012,968 | TOTAL | 173,897,167 | 165,864,940 | 8,032,227 | 528,745 |
| | | | Appropriations for this year (Refer to note 17) | | | -2,229,789 | |
| | | | Net surplus/(deficit) for the year | | | 5,802,438 | |
| | | | Accumulated surplus/ (deficit) beginning of the year | | | 12,486,828 | |
| | | | ACCUMULATED SURPLUS/ 12,486,828 (DEFICIT) END OF YEAR | | | 18,289,266 | |

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

| | 2006 R | 2005 R |
|--|-------------------|-------------------|
| CASH RETAINED FROM OPERATING ACTIVITIES : | -36,801,784 | -19,367,364 |
| Cash receipts from ratepayers, consumers, and users of services | 158,764,711 | 175,415,139 |
| Cash paid to employees and suppliers | -194,971,949 | -193,772,947 |
| From Operations | -36,207,238 | -18,357,808 |
| Investment Income | 275,859 | 156,167 |
| Interest paid | -870,405 | -1,165,723 |
| INVESTING ACTIVITIES | -47,758,557 | -62,968,938 |
| Purchase of property, plant and equipment | -47,982,527 | -63,340,913 |
| Proceeds from disposal of fixed assets | 0 | -322,130 |
| Receipts from long term debtors | 238,670 | 694,155 |
| Increase in cash on hand | -14,700 | -50 |
| FINANCING ACTIVITIES | 78,603,977 | 91,204,425 |
| Net loans repaid | 0 | -131,566 |
| Increase in consumer deposits | 349,567 | 1,021,587 |
| Cash contribution from public and state | 78,254,410 | 90,314,404 |
| NET CASH GENERATED | -5,956,365 | 8,868,123 |
| Cash resources at beginning of year | -1,818,643 | -10,686,766 |
| Cash resources at 30 June 2005 | <u>-7,775,008</u> | <u>-1,818,643</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

| | 2006 R | 2005 R |
|---|-------------------|-------------------|
| 1. STATUTORY FUNDS | | |
| Consolidated Loans Fund (Refer to Appendix A for more detail) | 32,822,900 | 31,218,825 |
| | <u>32,822,900</u> | <u>31,218,825</u> |
| 2. TRUST FUNDS | | |
| Grants, Subsidies and Bequests | 17,623,444 | 21,982,410 |
| Mayor's Christmas Fund | 75 | 75 |
| Storm Relief Fund (Refer to Appendix A for more detail) | 12,117 | 10,505 |
| | <u>17,635,636</u> | <u>21,992,989</u> |
| 3. RESERVES | | |
| Rental Reserve | 2,334,670 | 2,155,231 |
| Rapirs and Renewals | 32,072 | 30,050 |
| Other (Refer to Appendix A for more detail) | 23,337 | 26,536 |
| | <u>2,390,080</u> | <u>2,211,817</u> |
| 4. LONG TERM LIABILITIES | | |
| Local Registered Stock | | |
| Annuity Loans | 6,750,242 | 6,689,055 |
| | <u>6,750,242</u> | <u>6,689,055</u> |
| 7 Less : Current portion transferred to current liabilities | -631,047 | 0 |
| Local Registered Stock | 631,047 | |
| Annuity Loans (Refer to Appendix B for more detail on long term liabilities) | <u>6,119,195</u> | <u>6,689,055</u> |
| LOCAL REGISTERED STOCK | | |
| Stock was issued at rates between 10,85% and 13,70% per annum and is repayable over periods between five and twenty years. No local registered stock outstanding. Redeemed in full. | | |
| ANNUITY LOANS | | |
| No Annuity loans. All debt rescheduled with DBSA. Interest rate payable on loan at 12.00% over a period of 8 years. | | |
| 5. CONSUMER DEPOSITS | | |
| Electricity and Water | 6,256,021 | 5,906,454 |
| Guarantees in lieu of electricity deposits were R20 320. | | |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

| | 2006 | 2005 |
|--|--------------------------|--------------------------|
| | R | R |
| 6. FIXED ASSETS | | |
| Fixed Assets at the beginning of the year | 191,500,677 | 196,415,875 |
| Capital Expenditure during the year | 14,249,014 | 333,486 |
| Less : Assets written off, transferred or disposed of during the year | -922,296 | -5,248,684 |
| TOTAL FIXED ASSETS | <u>204,827,395</u> | <u>191,500,677</u> |
| Less : Loans redeemed and other capital receipts | -183,786,189 | -167,831,623 |
| NET FIXED ASSETS | <u><u>21,041,207</u></u> | <u><u>23,669,054</u></u> |
| (Refer to Appendix C for more detail) | | |
| 7. INVESTMENTS | | |
| Listed | | |
| RSA Internal Registered Stock | <u>18,500</u> | <u>18,500</u> |
| | <u><u>18,500</u></u> | <u><u>18,500</u></u> |
| Unlisted | | |
| Fixed deposits | 581,478 | 562,207 |
| Call deposits | <u>34,154,596</u> | <u>24,641,074</u> |
| | <u>34,736,074</u> | <u>25,203,281</u> |
| TOTAL INVESTMENTS | <u><u>34,754,574</u></u> | <u><u>25,221,781</u></u> |
| Market value of listed investments and managements valuation of unlistewd investments | | |
| Listed | <u>23,200</u> | <u>23,200</u> |
| Unlisted | <u><u>31,536,157</u></u> | <u><u>31,536,157</u></u> |
| Average rate of return on investments | 6.53% | 7.06% |
| Funds are invested according to Council's Investment Policy. | | |
| No investments were written off during the year. | | |
| 8. LONG TERM DEBTORS | | |
| Loans to : | | |
| Housing Loans | 6,378 | 6,378 |
| Sale of Land | 656,082 | 756,915 |
| Study Loans | | 423 |
| Vehicle Loans | <u>10,030</u> | <u>147,444</u> |
| | 672,490 | 911,160 |
| Less : Current portion transferred to current assets | <u>672,490</u> | <u>822,881</u> |
| | <u><u>0</u></u> | <u><u>88,279</u></u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

| | 2006 R | 2005 R |
|---|-------------------------------|-------------------------------|
| 9. INVENTORY | | |
| Stock represents consumable stores, raw materials and finished goods. | 0 | 1,611,524 |
| Less : Stock Obsolescence | 0 | -410,000 |
| | <u>0</u> | <u>1,201,524</u> |
| 10. DEBTORS | | |
| Current Debtors | 9,765,346 | 8,572,344 |
| 30 Days Outstanding | 5,902,118 | 4,569,507 |
| 60 Days Outstanding | 3,683,661 | 2,776,781 |
| 90 Days Outstanding | 129,527,145 | 2,742,655 |
| 120 Days and more Outstanding | | 107,431,395 |
| Plus : Payments in Advance | 2,069,583 | 2,148,218 |
| Plus : Unknown Payments | 466,864 | 466,864 |
| | <u>151,414,716</u> | <u>128,707,764</u> |
| Less : Provision for Bad Debt | -90,274,415 | -72,642,453 |
| | <u>61,140,302</u> | <u>56,065,311</u> |
| 11. PROVISIONS | | |
| Leave Gratuity | 3,334,716 | 3,715,002 |
| Valuation Expenses | 1,246,566 | 1,026,514 |
| | <u>4,581,282</u> | <u>4,741,516</u> |
| 12. CREDITORS | | |
| Trade Creditors | 7,771,167 | 7,925,397 |
| Other | 13,336,970 | 12,077,305 |
| Deposits : Other | | |
| | <u>21,108,138</u> | <u>20,002,701</u> |
| 13. ASSESSMENT RATES | | |
| | 2006 R Actual Income | 2005 R Actual Income |
| Residential | 7,417,716 | 7,109,929 |
| Commercial | 1,174,237 | 1,105,662 |
| Industrial | 1,933,951 | 1,828,814 |
| Business | 1,687,776 | 1,585,340 |
| Institutional | 10,358 | 14,229 |
| Agricultural | 4,270 | 4,028 |
| Educational | 1,310,720 | 1,236,550 |
| State | 1,383,837 | 1,295,201 |
| Transnet | 116,520 | 109,926 |
| Post and Telecommunications | 69,135 | 65,223 |
| Municipal | 32,304 | 32,037 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

| | 2006 R | 2005 R |
|--------------|-------------------|-------------------|
| Grant-in-Aid | 106,085 | 95,389 |
| Sport Clubs | 36,454 | 34,391 |
| | <u>15,283,363</u> | <u>14,516,720</u> |

Valuations on land and improvements are performed every four years and the last general valuation came into effect on 1 July 1998. The basic rate was 1,8202 per cent in the Rand on land and improvements. The following rebates were granted :

| | |
|-------------------|--------|
| Residential | 15% |
| Commercial | 5% |
| Industrial | 5% |
| Business | 5% |
| Institutional | 5% |
| Agricultural | 15% |
| Educational | 20% |
| State | 20% |
| Grant-in-Aid | 100% |
| Residential-R1300 | 23.75% |

14. COUNCILLOR'S REMUNERATION

| | | |
|---------------------------------------|------------------|------------------|
| Mayor's allowance | 342,504 | 220,576 |
| Executive Councillors allowances | 1,717,075 | 766,175 |
| Councillor's allowances | 3,126,134 | 2,236,416 |
| Councillor's pension contribution | 4,172,949 | 417,563 |
| Councillor's medical aid contribution | 137,680 | 102,943 |
| | <u>9,496,340</u> | <u>3,743,673</u> |

All coucillors remuneration is paid in accordance with the determination of the upper limits of salaries, allowances and benefits of different members of municipal councils. (Remuneration of Public Office Bearers Act, 1998)(Act no. 209 of 1998)

15. AUDITOR'S REMUNERATION

| | | |
|------------|----------------|----------------|
| Audit Fees | <u>864,834</u> | <u>677,351</u> |
|------------|----------------|----------------|

16. FINANCE TRANSACTIONS

Total external interest earned or paid :

| | | |
|-----------------|------------------|------------------|
| Interest Earned | <u>2,172,770</u> | <u>1,877,015</u> |
| Interest Paid | <u>870,405</u> | <u>1,165,723</u> |

Capital charges debited to operating account :

| | | |
|------------|------------------|------------------|
| Interest : | 3,348,882 | 3,787,833 |
| : External | | |
| : Internal | <u>3,348,882</u> | <u>3,787,833</u> |

Redemption :

| | | |
|------------|------------------|------------------|
| : External | 2,627,847 | 2,608,304 |
| : Internal | <u>2,627,847</u> | <u>2,608,304</u> |
| | <u>5,976,729</u> | <u>6,396,136</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

| | 2006 R | 2005 R |
|---|-------------------|-------------------|
| 17. APPROPRIATIONS | | |
| Appropriation account : | | |
| Accumulated surplus at the beginning of the year | 12,486,827 | 52,238,499 |
| Operating surplus for the year | 8,032,227 | 6,012,968 |
| - Rate and General services | 8,032,227 | 6,012,968 |
| - Dog Tax fund | | |
| - Parking Areas Development Fund | | |
| Appropriations for the year | -2,229,789 | -45,764,639 |
| | <u>18,289,266</u> | <u>12,486,828</u> |
| The accumulated surplus at the end of the year is made up as follows : | | |
| - Rate and General services | 18,289,266 | 12,486,828 |
| - Dog Tax fund | | |
| - Parking Areas Development Fund | | |
| | <u>18,289,266</u> | <u>12,486,828</u> |
| Operating Account : | | |
| Capital expenditure | 1,464,994 | 27,432 |
| Contributions to : | | |
| Bad Debt | 20,748,160 | 17,654,440 |
| Leave Gratuity | 1,160,000 | 500,000 |
| Removal Expenses | 20,000 | 20,000 |
| Rental reserve | 33,230 | 33,230 |
| Stock Obsolescence | 50,000 | 50,000 |
| Valuation expenses | 250,000 | 250,000 |
| | <u>23,726,384</u> | <u>18,535,102</u> |
| 18 OFFICIALS REMUNERATION | | |
| Municipal Manager | 466,646 | 414,395 |
| Chief Financial Officer | 439,968 | 394,818 |
| Directors(Estates, Admin, Technical, Community Services & Infrastructure) | 2,157,904 | 2,021,149 |
| | <u>3,064,517</u> | <u>2,830,362</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

| | 2006 R | 2005 R |
|--|--------------------|--------------------|
| 19. CASH GENERATED BY OPERATIONS | | |
| Surplus for the year | 8,032,227 | 6,012,968 |
| Adjustments in respect of previous years operating expenses | 2,229,789 | 45,764,639 |
| Appropriations charged against income : | -6,561,981 | -77,318,019 |
| Contributions | 22,228,160 | 18,474,440 |
| Administration Charges (Non Cash) | -45,971,893 | -99,539,043 |
| Fixed Assets | 12,784,021 | 2,848,837 |
| Long Term Debtors | 238,670 | -694,155 |
| Less : Brought to Account | 1,060,513 | 210,475 |
| Contribution Ex CCDLF | 1,600,325 | 1,320,765 |
| Provisions and Reserves | 33,230 | 33,230 |
| Fixed Assets | 1,464,994 | 27,432 |
| Capital Charges : | 5,976,729 | 6,396,136 |
| Interest Paid | | |
| - to internal funds | 3,348,882 | 3,787,833 |
| - to external loans | | |
| Redemption Paid | | |
| - to internal funds | 2,627,847 | 2,608,304 |
| - to external loans | | |
| <u>Grants and Subsidies (Operating Account)</u> | -36,052,651 | -31,589,283 |
| Non-operating income : | 43,644,461 | 60,398,316 |
| Funds | 43,644,461 | 60,236,656 |
| Reserves | 0 | 161,660 |
| Non-operating expenditure : | -48,386,012 | -63,601,439 |
| Expenditure charged against Accumulated Fund | 0 | 48,000 |
| Expenditure charged against Trust Funds | 47,982,527 | 63,340,913 |
| Expenditure charged against Reserves | 23,199 | 30,895 |
| Expenditure charged against Provisions | 380,286 | 148,685 |
| Expenditure charged against Consolidated Loans Fund | 0 | 32,946 |
| (Increase)/decrease in stock | 1,201,524 | -161,769 |
| (Increase)/decrease in debtors | -4,836,321 | 43,828,712 |
| (Increase)/decrease in creditors | -1,455,003 | -8,088,069 |
| | <u>-36,207,239</u> | <u>-18,357,808</u> |
| 20. (INCREASE)/DECREASE IN WORKING CAPITAL | | |
| (Increase)/decrease in stock | 1,201,524 | -161,769 |
| (Increase)/decrease in debtors | -4,836,321 | 43,828,712 |
| (Increase)/decrease in creditors | -1,455,003 | -8,088,069 |
| | <u>-5,089,801</u> | <u>35,578,875</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

| | 2006 R | 2005 R |
|---|-------------------|-------------------|
| 21. (INCREASE)/DECREASE IN LONG-TERM LOANS (EXTERNAL) | | |
| Loans Raised | 0 | -131,566 |
| Loans Repaid | 0 | -131,566 |
| | <u>0</u> | <u>-131,566</u> |
| 22. (INCREASE)/DECREASE IN EXTERNAL CASH INVESTMENT | | |
| Investment realised | 43,707,066 | 59,230,835 |
| Investment made | -53,239,859 | -57,543,708 |
| | <u>-9,532,793</u> | <u>1,687,128</u> |
| 23. (INCREASE)/DECREASE IN CASH ON HAND | | |
| Cash balance at the beginning of the year | -1,818,644 | -10,686,767 |
| Less : Cash balance at the end of the year | -7,775,008 | -1,818,644 |
| | <u>5,956,364</u> | <u>-8,868,123</u> |
| 24. CONTINGENT LIABILITIES AND CONTRACTUAL OBLIGATIONS | | |
| Guarantees in respect of housing bonds to employees | 201,503 | 201,503 |
| WSSA Contract | 20,906,986 | 19,916,537 |
| Rural Hardware/Fenjel CC | 1,800,000 | 1,800,000 |
| Meliziswe International Property Group | 1,000,000 | 886,630 |
| Swift Construction | 12,000 | |
| MaxProf - VAT | 1,600,000 | |
| Mahiti - Damages | 340,000 | |
| Mkhetsu - Damages | 24,000 | |
| Motile - Damages | 94,000 | |
| | <u>25,978,490</u> | <u>20,118,041</u> |
| 25. CAPITAL COMMITMENTS | | |
| Commitments in respect of capital expenditure : | | |
| - Approved and contracted for | | |
| | | |
| This expenditure will be financed from : | | |
| -Internal sources | | |
| -External sources | | |
| | | |
| 26. CONSOLIDATED LOANS FUND | | |
| External Loans | 6,750,242 | 6,689,055 |
| Internal Investments | 32,822,900 | 31,218,825 |
| Creditors | 20,234 | 19,560 |
| Bank | 7,797,776 | 1,826,711 |
| | <u>47,391,152</u> | <u>39,754,151</u> |
| Less : | 30,005,353 | 19,740,505 |
| External Investments | 34,754,574 | 25,221,781 |
| Debtors | 7,000 | 7,000 |
| Temporary Advances | -4,756,221 | -5,488,276 |
| (Refer to Appendix B for more detail) | <u>17,385,799</u> | <u>20,013,646</u> |

APPENDIX A

STATUTORY FUNDS, RESERVES AND TRUST FUNDS FOR THE YEAR ENDED 30 JUNE 2006

| | Balance at 2005-06-30 R | Contributions during the year R | Interest on Investments R | Other Income R | Expenditure during the year R | Capital Expenditure during the year R | Written Off | Balance at 2006-06-30 R |
|-----------------------------------|-------------------------------|--|------------------------------------|----------------------|--|---|-------------|-------------------------------|
| STATUTORY FUNDS | | | | | | | | |
| Consolidated Loans Fund | -31,218,825 | -1,600,325 | | -3,750 | | | | -32,822,900 |
| | <u>-31,218,825</u> | <u>-1,600,325</u> | | <u>-3,750</u> | | | | <u>-32,822,900</u> |
| | <u>-31,218,825</u> | <u>-1,600,325</u> | | <u>-3,750</u> | | | | <u>-32,822,900</u> |
| TRUST FUNDS | | | | | | | | |
| Grants, Subsidies and Bequests | -21,982,410 | | -1,441,090 | -42,201,759 | 47,982,527 | 19,288 | | -17,623,444 |
| Mayor's Christmas Fund | -75 | | | | | | | -75 |
| Storm Relief Fund | -10,505 | | -1,612 | | | | | -12,117 |
| | <u>-21,992,989</u> | | <u>-1,442,702</u> | <u>-42,201,759</u> | <u>47,982,527</u> | <u>19,288</u> | | <u>-17,635,636</u> |
| RESERVE FUNDS | | | | | | | | |
| Rental Reserve | -2,155,231 | -33,230 | -146,209 | | | | | -2,334,670 |
| Repairs and Renewals | -30,050 | | -2,022 | | | | | -32,072 |
| Other Funds | -26,536 | -20,000 | | | 23,199 | | | -23,337 |
| | <u>-2,211,817</u> | <u>-53,230</u> | <u>-148,231</u> | | <u>23,199</u> | | | <u>-2,390,080</u> |

APPENDIX B

EXTERNAL LOANS AND EXTERNAL ADVANCES FOR THE YEAR ENDED 30 JUNE 2006

| | Balance at 2005-06-30 R | Received during the year R | Redeemed or written off during the year R | Balance at 2006-06-30 R |
|------------------------|-------------------------------|-------------------------------------|---|-------------------------------|
| EXTERNAL LOANS | | | | |
| LOCAL REGISTERED STOCK | | | | |
| Is Redeemable | | Loan No | Redeemable | |
| Annuity Loans | 6,689,055 | 61,187 | | 6,750,242 |
| | <u>6,689,055</u> | <u>61,187</u> | | <u>6,750,242</u> |
| | 6,689,055 | 61,187 | | 6,750,242 |

| | Balance at 2005-06-30 R | Received during the year R | Redeemed or written off during the year R | Balance at 2006-06-30 R |
|---|-------------------------------|-------------------------------------|---|-------------------------------|
| INTERNAL ADVANCES TO BORROWING SERVICES | | | | |
| Consolidated Loans Fund | 20,013,646 | | 2,627,847 | 17,385,799 |
| | <u>20,013,646</u> | | <u>2,627,847</u> | <u>17,385,799</u> |

APPENDIX C

ANALYSIS OF FIXED ASSETS FOR THE YEAR ENDED 30 JUNE 2006

| Expenditure 2005 R | | Budget 2006 R | Balance at 2005-06-30 R | Expenditure 2006 R | Written off transferred redeemed or disposed of during the year R | Balance at 2006-06-30 R |
|--------------------------|---|---------------------|-------------------------------|--------------------------|---|-------------------------------|
| 317,862 | RATE AND GENERAL SERVICES | 19,741,062 | 65,018,783 | 6,947,737 | 893,264 | 71,073,256 |
| 174,870 | Community Services | 18,871,803 | 29,366,331 | 6,242,866 | 806,976 | 34,802,221 |
| | Administration : Council General | | 6,010,340 | 7,250 | 2,480 | 6,015,110 |
| | Administration : Estates | | 416 | | 139 | 277 |
| | Health Services | | 1,490,757 | 51,887 | 13,241 | 1,529,404 |
| | Municipal Security | | 5,150 | | 1,602 | 3,548 |
| | Pound | | 30,401 | 92,418 | | 122,818 |
| | Vehicle Fleet | 4,882,560 | 959,814 | 4,856,735 | 697,078 | 5,119,470 |
| 4,446 | Public Works/Town Planning | 9,990,660 | 6,469,812 | | 8,855 | 6,460,957 |
| | Infrastructure Development Services | 1,189,134 | 2,999,455 | 6,260 | 626 | 3,005,089 |
| | Municipal Manager | | 5,243,305 | | | 5,243,305 |
| | Municipal Manager | | 18,480 | 6,600 | 838 | 24,243 |
| 107,246 | Administration and Human Resources | | 118,443 | | 1,757 | 116,686 |
| 58,998 | Financial Services | 2,057,449 | 459,606 | 1,171,195 | 3,038 | 1,627,764 |
| | Traffic Services | | 98,346 | 2,995 | 11,911 | 89,431 |
| | Dog Kennels | | 366,000 | | | 366,000 |
| | Parking Areas | | 0 | | | 0 |
| 4,180 | Computers and Printers | 752,000 | 306,148 | 47,526 | 65,413 | 288,262 |
| | Hewu TRC | | 760,150 | | | 760,150 |
| | Queenstown TRC | | 3,074,352 | | | 3,074,352 |
| | Tylden TRC | | 144,655 | | | 144,655 |
| | Whittlesea | | 810,701 | | | 810,701 |
| 103,142 | Subsidised Services | 133,111 | 10,954,251 | 630,648 | 23,993 | 11,560,906 |
| 103,142 | Aerodrome | | 200,000 | | | 200,000 |
| | Art Gallery | | 286,631 | 4,418 | | 291,049 |
| | Cemetries | | 77,113 | | 12,774 | 64,339 |
| | Civic Centre | | 3,839,580 | | 2,914 | 3,836,666 |
| | Fire Brigade | | 81,959 | | 444 | 81,515 |
| | Libraries | | 739,614 | 118,540 | 2,456 | 855,698 |
| | Parks and Recreation | 133,111 | 5,729,355 | 507,689 | 5,405 | 6,231,639 |
| 39,850 | Economic Services | 736,148 | 24,698,201 | 74,223 | 62,295 | 24,710,129 |
| 39,850 | Cleansing Services | 522,410 | 961,709 | 74,223 | 61,845 | 974,087 |
| | Estates | 68,465 | 14,045,118 | | | 14,045,118 |
| | Nature Reserve | 145,273 | 355,820 | | 450 | 355,370 |
| | Sewerage | | 9,335,555 | | | 9,335,555 |
| 0 | Housing Services | 0 | 2,236,403 | 0 | 0 | 2,236,403 |
| | Sub-Economic Housing | | 1,859,018 | | | 1,859,018 |
| | Self Help Schemes | | 377,385 | | | 377,385 |
| 15,624 | Trading Services | 8,348,029 | 124,245,491 | 7,301,278 | 29,032 | 131,517,736 |
| 15,624 | Electricity | 8,348,029 | 93,091,556 | 7,301,278 | 22,986 | 100,369,848 |
| | Water | | 31,153,935 | | 6,046 | 31,147,888 |
| <u>333,486</u> | TOTAL FIXED ASSETS | <u>28,089,091</u> | <u>191,500,677</u> | <u>14,249,014</u> | <u>922,296</u> | <u>204,827,395</u> |
| | LESS : LOANS REDEEMED AND OTHER CAPITAL RECEIPTS | | 167,831,623 | 21,660,388 | 5,705,823 | 183,786,189 |
| | Loans redeemed and advances paid | | 45,653,100 | 2,627,847 | 4,783,527 | 43,497,420 |
| | Contribution ex operating income | | 100,216,630 | 5,595,820 | 196,868 | 105,615,581 |
| | Lease Agreements | | 462,146 | 4,574,182 | 725,428 | 4,310,900 |
| | Provision and Reserves | | 58,098 | | | 58,098 |
| | Grants and Subsidies | | 21,441,649 | 8,862,540 | | 30,304,189 |
| | NET FIXED ASSETS | | <u>23,669,054</u> | <u>-7,411,374</u> | <u>-4,783,527</u> | <u>21,041,207</u> |

APPENDIX D

ANALYSIS OF OPERATING INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2006

| Actual 2005 R | | Actual 2006 R | Budget 2006 R |
|---------------------|---|---------------------|---------------------|
| | INCOME | | |
| 31,589,283 | Grants and Subsidies - Provincial Government | 36,052,651 | 35,515,795 |
| 127,253,754 | Operating Income | 137,844,516 | 129,844,990 |
| 15,465,388 | - Assessment Rates | 15,283,361 | 15,150,720 |
| 44,486,157 | - Sale of Electricity | 49,425,202 | 45,285,500 |
| 19,197,981 | - Sale of Water | 21,248,731 | 19,941,000 |
| 48,104,228 | - Other services and charges | 51,887,221 | 49,467,770 |
| <u>158,843,037</u> | | <u>173,897,167</u> | <u>165,360,785</u> |
| | EXPENDITURE | | |
| 62,828,047 | Salaries, wages and allowances | 65,587,034 | 68,050,320 |
| 60,652,806 | General Expenses | 62,641,860 | 65,967,240 |
| 26,911,621 | - Purchase of Electricity | 28,533,048 | 28,335,000 |
| | - Purchase of Water | | |
| 91,336 | - Entertainment | 128,054 | 154,700 |
| 33,649,849 | - Other general Expenses | 33,980,758 | 37,477,540 |
| 4,165,068 | Repairs and Maintenance | 4,982,530 | 6,114,360 |
| 6,388,570 | Capital Charges | 6,074,616 | 325,000 |
| 27,432 | Contribution to fixed assets | 1,464,994 | 1,786,560 |
| 18,557,670 | Contributions | 3,305,234 | 1,463,230 |
| 152,619,594 | Gross expenditure | 144,056,268 | 143,706,710 |
| 210,475 | Less : Amounts charged out | 21,808,673 | 21,125,330 |
| <u>152,830,069</u> | Net Expenditure | <u>165,864,941</u> | <u>164,832,040</u> |

APPENDIX E

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

| Actual Income 2005 R | Actual Expenditure 2005 R | Actual Surplus/ (Deficit) 2005 R | | Actual Income 2006 R | Actual Expenditure 2006 R | Actual Surplus/ (Deficit) 2006 R | Budget Surplus/ (Deficit) 2006 R |
|-------------------------------|------------------------------------|--|---|-------------------------------|------------------------------------|--|--|
| 88,100,232 | 98,475,767 | -10,375,535 | RATE AND GENERAL SERVICES | 99,092,801 | 102,188,729 | -3,095,928 | -6,412,955 |
| 60,555,871 | 69,896,278 | -9,340,407 | <u>Community Services</u> | 72,978,385 | 65,483,759 | 7,494,626 | 5,873,205 |
| 24,102,422 | 4,503 | 24,097,919 | Assessment Rates | 46,638,192 | 4,457,849 | 42,180,343 | 41,620,800 |
| 13,167,402 | 26,226,889 | -13,059,487 | Council's General | 3,279,042 | 11,692,691 | -8,413,649 | -5,268,870 |
| 57,202 | 3,423,924 | -3,366,722 | Administration : Estates | 7,675 | 3,771,696 | -3,764,021 | -3,880,570 |
| 7,214,223 | 10,197,366 | -2,983,143 | Health Services | 8,073,888 | 11,977,098 | -3,903,210 | -3,687,135 |
| 1,124,843 | 872,229 | 252,615 | Pound | 948,603 | 1,049,067 | -100,463 | -211,270 |
| 89,681 | 432,647 | -342,966 | Protection Services | 90,690 | 2,596,649 | -2,505,959 | -3,078,580 |
| 1,159,049 | 11,093,143 | -9,934,094 | Public Works/Town Planning | 1,506,416 | 11,342,751 | -9,836,335 | -8,987,500 |
| 95,350 | 2,924,252 | -2,828,902 | Security | | 2,706,345 | -2,706,345 | -2,812,210 |
| | 1,004,242 | -1,004,242 | Municipal Manager | | 1,333,846 | -1,333,846 | -1,597,200 |
| | 1,535,341 | -1,535,341 | Administration & HR | 538,528 | 2,321,473 | -1,782,945 | -1,977,280 |
| 9,537,863 | 6,664,073 | 2,873,791 | Financial Services | 6,632,695 | 6,628,804 | 3,890 | -3,556,050 |
| 4,007,836 | 5,517,670 | -1,509,834 | Traffic Services | 5,262,657 | 5,605,490 | -342,833 | -690,930 |
| 3,446,218 | 11,297,419 | -7,851,201 | <u>Subsidised Services</u> | 1,169,847 | 12,321,447 | -11,151,600 | -11,894,590 |
| 2,583 | 99,491 | -96,909 | Aerodrome | 2,512 | 100,757 | -98,245 | -115,200 |
| | 61,437 | -61,437 | Art Gallery | | 46,588 | -46,588 | -88,300 |
| 747,642 | 662,322 | 85,320 | Cemeteries | 609,847 | 763,317 | -153,469 | -355,140 |
| 545,262 | 1,537,851 | -992,589 | Civic Centre | 362,766 | 1,586,251 | -1,223,486 | -1,459,190 |
| 45,006 | 580,072 | -535,067 | Fire Brigade | 9,458 | 765,207 | -755,750 | -742,850 |
| 109,360 | 1,967,368 | -1,858,007 | Libraries | 55,638 | 2,014,395 | -1,958,757 | -2,054,040 |
| 1,996,365 | 6,388,877 | -4,392,512 | Parks and Recreation | 129,626 | 7,044,931 | -6,915,305 | -7,079,870 |
| 24,098,143 | 17,282,070 | 6,816,073 | <u>Economic Services</u> | 24,944,570 | 24,383,524 | 561,046 | -391,570 |
| 11,888,653 | 9,771,147 | 2,117,506 | Cleansing Services | 12,727,588 | 12,993,110 | -265,522 | -1,887,360 |
| 498,736 | 1,016,344 | -517,609 | Estates | 480,795 | 1,043,488 | -562,693 | -37,860 |
| 297,849 | 419,023 | -121,174 | Nature Reserve | 119,361 | 540,666 | -421,305 | -224,990 |
| 11,412,906 | 6,075,556 | 5,337,350 | Sewerage | 11,616,826 | 9,806,260 | 1,810,566 | 1,758,640 |
| 111,520 | 29,271 | 82,249 | <u>Housing Services</u> | 128,546 | 46,122 | 82,424 | 72,910 |
| 111,520 | 29,271 | 82,249 | Economic Housing | 128,546 | 46,122 | 82,424 | 72,910 |
| 70,631,286 | 54,325,032 | 16,306,254 | <u>Trading Services</u> | 74,675,820 | 63,630,089 | 11,045,731 | 6,868,790 |
| 50,875,536 | 40,517,369 | 10,358,166 | Electricity | 53,093,308 | 41,714,991 | 11,378,317 | 8,648,430 |
| 19,755,750 | 13,807,662 | 5,948,088 | Water | 21,582,512 | 21,915,098 | -332,586 | -1,779,640 |
| 158,843,038 | 152,830,069 | 6,012,968 | TOTAL | 173,897,167 | 165,864,940 | 8,032,227 | 528,745 |
| | | -45,764,639 | Appropriations for this year (Refer to note 17) | | | -2,229,789 | |
| | | -39,751,671 | Net surplus/(deficit) for the year | | | 5,802,438 | |
| | | 52,238,499 | Accumulated surplus/(deficit) beginning of the year | | | 12,486,828 | |
| | | 12,486,828 | ACCUMULATED SURPLUS/(DEFICIT) END OF YEAR | | | 18,289,266 | |

APPENDIX F

STATISTICAL INFORMATION

| | | |
|--|-------------|-------------|
| a) GENERAL STATISTICS | 2005/06 | 2004/05 |
| Population | 300,000 | 300,000 |
| Total Registered Voters | 178,845 | 178,845 |
| Area km | 4,191 | 4,191 |
| Total Valuation : | | |
| - Rateable | 123,130,638 | 123,130,638 |
| - Non Rateable | 76,116,608 | 76,116,608 |
| - Residential | 751,025,388 | 751,025,388 |
| - Commercial | 67,776,310 | 67,776,310 |
| Number of Sites : | | |
| - Residential | 17,664 | 17,664 |
| - Commercial | 162 | 162 |
| Assessment Rates : Levies | | |
| - Basic (per Rand) | 1.8202 | 1.7172 |
| - Rebate : Residential | 15,00% | 15,00% |
| - Other Rebate : Pensioners | 23,75% | 23,75% |
| Number of Employees of the Local Authority | 625 | 632 |
| b) ELECTRICITY STATISTICS | | |
| Units bought | 172,628,455 | 164,704,228 |
| Cost per unit bought | 0.1653 | 0.1620 |
| Units sold | 130,713,361 | 128,292,566 |
| Units lost in distribution | 41,915,094 | 36,411,662 |
| Units lost in distribution as a % | 24.28 | 22.11 |
| Cost per unit sold | 1.7484 | 0.1835 |
| Income per unit sold | 0.3781 | 0.3468 |
| c) WATER STATISTICS | | |
| Units bought | | |
| Cost per unit bought | | |
| Units sold | | |
| Units lost in distribution | | |
| Units lost in distribution as a % | | |
| Cost per unit sold | | |
| Income per unit sold | | |