

BOJANALA PLATINUM DISTRICT MUNICIPALITY



BOJANALA PLATINUM DISTRICT MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS

for the year ended

30 June 2008

BOJANALA PLATINUM DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2008

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 25, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 15 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

Mr.C K Molokwane
Municipal Manager
29 August 2008

**BOJANALA PLATINUM DISTRICT MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2008**

	Note	2008 R	2007 R
NET ASSETS AND LIABILITIES			
Net assets		104 789 013	83 848 062
Government grant reserve		1 405 947	1 532 724
Accumulated Surplus/(Deficit)		103 383 066	82 315 338
Non-current liabilities		68 512	180 822
Long-term liabilities	2	68 512	180 822
Current liabilities		25 804 946	12 500 593
Provisions	3	676 336	566 560
Creditors	4	11 515 700	4 250 688
Unspent conditional grants and receipts	5	13 500 600	7 579 856
Current portion of long-term liabilities	2	112 310	103 489
Total Net Assets and Liabilities		<u>130 662 471</u>	<u>96 529 477</u>
ASSETS			
Non-current assets		18 075 340	15 378 949
Property, plant and equipment	7	18 075 340	15 344 509
Long-term receivables	8	0	34 440
Current assets		112 587 131	81 150 528
Other debtors	9	495 925	1 960 171
Current portion of long-term debtors	8	35 340	67 271
VAT	6	71 967	373 919
Call investment deposits	10	11 378 636	20 000 000
Bank balances and cash	11	100 605 263	58 749 167
Total Assets		<u>130 662 471</u>	<u>96 529 477</u>

**BOJANALA PLATINUM DISTRICT MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2008**

	Note	Actual	
		2008 R	2007 R
REVENUE			
Regional Services Levies - turnover		128 828	10 295 596
Regional Services Levies - remuneration		2 074 216	4 246 229
Rental of facilities and equipment		0	2 939
Interest earned - external investments		12 640 132	11 743 890
Interest earned - outstanding levy debtors		0	1 350 543
Government grants and subsidies	12	166 481 800	149 172 634
Other income	13	301 664	2 069 670
Gains on disposal of property, plant and equipment			0
Total Revenue		181 626 640	178 881 501
EXPENDITURE			
Employee related costs	14	39 757 276	35 916 495
Remuneration of Councillors	15	6 246 010	5 977 209
Bad debts		0	381 959
Depreciation		4 244 947	2 478 844
Repairs and maintenance		727 687	487 439
Interest paid	16	41 422	0
Grants and subsidies paid	17	92 678 961	128 032 350
General expenses	18	16 989 386	18 061 223
Total Expenditure		160 685 689	191 335 519
SURPLUS/(DEFICIT)			
Share of surplus/(deficit) of associate accounted for under the equity method		0	0
SURPLUS/(DEFICIT) FOR THE YEAR		20 940 951	-12 454 018

No segmental statement of financial performance has been prepared
Refer to Appendix E(1) for comparison with the approved budget.

**BOJANALA PLATINUM DISTRICT MUNICIPALITY
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2008**

	Government Grant Reserve	Accumulated Surplus/ (Deficit)	Total
	R	R	R
2007			
Balance at 1 July 2006	1 128 937	96 441 763	97 570 700
Implementation of GAMAP		0	0
Correction of error (Note 19)		-1 244 930	-1 244 930
Restated balance	1 128 937	95 196 833	96 325 770
Surplus/(deficit) for the year		-12 454 018	-12 454 018
Capital grants used to purchase PPE	652 130	-652 130	0
Donated/contributed PPE		0	0
Asset disposals		0	0
Offsetting of depreciation	-248 343	248 343	0
Balance at 30 June 2007	1 532 724	82 339 028	83 871 752
2008			
Change in accounting policy			0
Correction of error (Note 19)		-23 690	-23 690
Restated balance	1 532 724	82 315 338	83 848 062
Surplus/(deficit) for the year		20 940 951	20 940 951
Transfer to CRR		0	0
Property, plant and equipment purchased		0	0
Capital grants used to purchase PPE	136 954	-136 954	0
Donated/contributed PPE		0	0
Asset disposals		0	0
Offsetting of depreciation	-263 731	263 731	0
Balance at 30 JUNE 2008	1 405 947	103 383 066	104 789 013

**BOJANALA D PLATINUM DISTRICT MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008**

	Note	2008 R	2007 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from/(utilised in) operations	20	27 648 918	-44 725 595
Interest received		12 640 132	13 094 433
Interest paid		-41 422	0
NET CASH FROM OPERATING ACTIVITIES		<u>40 247 628</u>	<u>-31 631 162</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-6 975 778	-4 402 466
Proceeds on disposal of property, plant and equipment		0	0
(Increase)/decrease in non-current receivables		66 371	593 485
NET CASH FROM INVESTING ACTIVITIES		<u>-6 909 407</u>	<u>-3 808 981</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net change in Lease Liability		-103 489	0
NET CASH FROM FINANCING ACTIVITIES		<u>-103 489</u>	<u>0</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		<u>33 234 732</u>	<u>-35 440 143</u>
Cash and cash equivalents at the beginning of the year		78 749 167	114 189 310
Cash and cash equivalents at the end of the year	21	111 983 899	78 749 167

**BOJANALA PLATINUM DISTRICT MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

1. SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

1.1 BASIS OF PRESENTATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention.

The annual financial statements have been prepared in accordance with the Standards of Generally Recognized Accounting Practices (GRAP) and the Standards of Generally Accepted Municipal Accounting Practices (GAMAP) prescribed by the Minister of Finance in terms of General Notice 991 and 992 of 2005.

These standards are summarized as follows:

GRAP 1	Presentation of financial statements
GRAP 2	Cash flow statements
GRAP 3	Accounting policies, changes in accounting estimates and errors
GAMAP 4	Effects of changes in foreign exchange rates
GAMAP 7	Accounting for investments in associates
GAMAP 8	Financial reporting of interests in joint ventures
GAMAP 9	Revenue
GAMAP 12	Inventories
GAMAP 17	Property, plant and equipment
GAMAP 19	Provisions, contingent liabilities and contingent assets

Accounting policies for material transactions, events or conditions not covered by the above GRAP and or GAMAP Standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3. These accounting policies and the applicable disclosures have been based on the South African Statements of Generally Accepted Accounting Practices (SA GAAP) including any interpretations of such Statements issued by the Accounting Practices Board.

The Minister of Finance has, in terms of General Notice 552 of 2007 exempted compliance with certain of the above mentioned standards and aspects or parts of these standards. Details of the exemptions applicable to the municipality have been provided in the policies to the annual financial statements.

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GAMAP or GRAP.

1.1 PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand.

1.3 GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going concern basis.

**BOJANALA PLATINUM DISTRICT MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

1.4 RESERVES

1.4.1 Government Grant Reserve

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/(deficit) to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/(deficit). The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/(deficit). The balance on Government Grant Reserve equals the carrying value of the items of properties, plant and equipment funded from government grants.

When an item of PPE financed from government grants is disposed, the balance in the GGR relating to such items is transferred to the accumulated surplus/(deficit).

1.4.2 Donations and Public Contributions Reserve

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/(deficit) to the Donations and Public Contributions Reserve equal to the donations and public contributions recorded as revenue in the Statement of Financial Performance. When such items of property, plant and equipment are depreciated, a transfer is made from the Donations and Public Contributions Reserve to the accumulated surplus/(deficit). The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions. The balance on the Donations and Public Contributions Reserve equals the carrying value of the item of property, plant and equipment funded from donations and public contributions.

When items of property, plant and equipment financed from public contributions and donations, the balance relating to such item is transferred to the accumulated surplus/(deficit).

1.5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, is stated at cost, less accumulated depreciation. Land is not depreciated as it is deemed to have an indefinite life.

Land and buildings were recognized as items of property, plant and equipment.

Accounting Policy for the 2006/07 financial year:

The carrying values of items of property, plant and equipment have not been adjusted with impairment losses as no impairment testing was done. The useful lives and residual values of assets classified as property, plant and equipment were not reviewed at financial year-end. No property was classified and disclosed as investment property.

Accounting Policy for the 2007/08 financial year:

In terms of the exemptions granted by the Minister of Finance no review of useful life of items of PPE or the depreciation method applied to PPE was done as is required by GAMAP 17. No impairment testing was done for non-cash-generating assets as well as cash-generating assets due to the application of an exemption of IAS 36/AC 128 granted in Gazette 30013. The municipality is exempt from IAS 40 (AC 135) as it has not recognized any property as investment property but as property, plant and equipment in terms of GAMAP 17. It only recognizes its property as investment property when it is certain that it meets the definition of investment property.

Subsequent expenditure is capitalized when the recognition and measurement criteria of an asset are met.

Depreciation is calculated on cost, using the straight-line method over the estimated useful lives of the assets. The annual depreciation rates are based on the following estimated asset lives:-

Other	
Buildings	30
Motor vehicles	5
Office equipment/computers	3-7
Furniture and fittings	3-10

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognized in the Statement of Financial Performance.

1.6 INVESTMENTS

Financial instruments, which include listed government bonds, unlisted municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks, are stated at cost.

Accounting policy for 2006/07 financial year:

No impairment testing of assets is done to determine impairment losses that should be recognized as an expense in the period that the impairment is identified

Accounting policy for 2007/08 financial year:

The municipality does not test for impairment of assets as it is exempted from IAS 36 (AC128) in entirety.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

1.7 ACCOUNTS RECEIVABLE

Accounts receivable are carried at anticipated realizable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Bad debts are written off during the year in which they are identified. Amounts that are receivable within 12 months from the reporting date are classified as current.

1.8 TRADE CREDITORS

Trade creditors are stated at their nominal value.

1.9 REVENUE RECOGNITION

9.1 Revenue from Exchange Transactions

Interest and rentals are recognized on a time proportion basis.

9.2 Revenue from non-exchange transactions

Revenue from Regional Services Levies, both those based on turnover as well as those based on remuneration, is recognised on receipt basis.

Donations are recognized on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are brought into use.

Revenue from the recovery of unauthorized, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognized when the recovery thereof is virtually certain.

1.10 CONDITIONAL GRANTS AND RECEIPTS

Revenue received from conditional grants, donations and funding are recognized as revenue to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognized.

BOJANALA PLATINUM DISTRICT MUNICIPALITY NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

1.11 PROVISIONS

Provisions are recognized when the Municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting sheet date and adjusted to reflect the current best estimate.

1.12 CASH AND CASH EQUIVALENTS

Cash is cash on hand and cash with banks. Cash equivalents are all short-term liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, investments in financial instruments and net of bank overdraft.

1.13 UNAUTHORISED EXPENDITURE

Unauthorized expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorized expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.14 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorized expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.15 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.16 COMPARATIVE INFORMATION

1.16.1 Current year comparatives:

Budgeted amounts have been included in the annual financial statements for the current year only.

1.16.2 Prior year comparatives:

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

1.17 LEASES

Accounting policy for 2006/07 financial year:

Operating lease payments are recognized on the basis of the cash flows in the lease agreement.

Accounting policy for 2007/08 financial year:

Exempted from recognizing operating lease payments on a straight-line basis if the amounts are recognized on the basis of the cash flows in the lease agreement (IAS 17 (AC 105))

1.18 BORROWING COSTS

Borrowing costs are recognised as expenses in the Statement of Financial Performance.

1.19 RETIREMENT BENEFITS

The Municipality provides retirement benefits for its employees and councillors.

Contributions to defined contribution retirement plans are recognised as an expense when employees and councillors have rendered the employed service or served office entitling them to the contribution.

1.20. EXEMPTIONS

1.20.1 Full Advantage

The municipality had taken full advantage of all the exemptions by the Minister of Finance in Government Gazette 30013 of 29 June 2007. These exemptions are for the 2006/07 and 2007/08 financial years.

1.20.2 Adjustment for full compliance

By complying fully with the standards that are now exempted and of which full advantage has been taken will result in changes to the Annual Financial Statements as disclosed in note 36.

**BOJANALA PLATINUM DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008**

	2008	2007
	R	R
2 LONG-TERM LIABILITIES		
Long-term lease liability (See Note 19)	180 822	284 311
Less : Current portion transferred to current liabilities	112 310	103 489
Total Long-term liability	<u>68 512</u>	<u>180 822</u>
3 PROVISIONS		
Provision for Performance bonuses	676 336	566 560
Total Provisions	<u>676 336</u>	<u>566 560</u>
4 CREDITORS		
Trade creditors	4 380 628	638 224
Retentions	3 590 585	1 388 225
Staff leave	2 742 606	2 045 536
Mvula Trust	24 446	
Ga Motla Housing	777 435	178 703
Total Creditors	<u>11 515 700</u>	<u>4 250 688</u>
5 UNSPENT CONDITIONAL GRANTS AND RECEIPTS		
5.1 Conditional Grants from other spheres of Government	11 003 917	3 352 439
FM Grant	547 345	541 281
Municipal Infrastructure Grant (MIG)	1 994 666	0
IMMIS	15 850	19 450
Fire Support Grant	6 090 276	0
Conditional Grant Disaster Management	1 664 072	0
Drought Relief Grant	217 670	217 670
Municipal Systems Improvement Grant	0	2 100 000
Transitional and Amalgamation Grant	474 038	474 038
5.2 Other Conditional Receipts	2 496 683	4 227 417
SETA Skills Development	286 706	155 355
Disaster Management Grant	1 228 960	1 250 000
Miscellaneous Receipts	981 017	2 822 062
Total Conditional Grants and Receipts	<u>13 500 600</u>	<u>7 579 856</u>
See Note 10 for reconciliation of grants from other spheres of government. These amounts are invested until utilized.		
6 VAT		
VAT Receivable	<u>71 967</u>	<u>0</u>
VAT is payable on the receipts basis. Only once payment is received from debtors is VAT paid over to SARS. The municipality claims back VAT on expenditure resulting in SARS being a debtor.		

BOJANALA PLATINUM DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

7 PROPERTY, PLANT AND EQUIPMENT

30-Jun-08

Reconciliation of Carrying Value	Office Equipment	Other PPE	Total
	Leased		
	R	R	R
Carrying values at 1 July 2007	260 621	15 083 888	15 344 509
Cost	0	27 969 826	27 969 826
Correction of error (note 20)	336 929		336 929
Revaluation	0		0
Accumulated depreciation	76 308	12 885 938	12 962 246
Correction of error (note 20)	76 308	0	76 308
- Cost		12 885 938	12 885 938
- Revaluation		0	0
Acquisitions		6 975 778	6 975 778
Depreciation	112 310	4 132 637	4 244 947
- based on cost	112 310	4 132 637	4 244 947
- based on revaluation		0	0
Carrying value of disposals		0	0
Cost/revaluation		0	0
Accumulated depreciation		0	0
Carrying values at 30 June 2008	148 311	17 927 029	18 075 340
Cost	336 929	34 945 604	35 282 533
Revaluation		0	0
Accumulated depreciation	188 618	17 018 575	17 207 193
- Cost	188 618	17 018 575	17 207 193
- Revaluation	0	0	0

PROPERTY, PLANT AND EQUIPMENT

30-Jun-07

Reconciliation of Carrying Value	Office Equipment	Land and Buildings	Other PPE	Total
	Leased			
	R	R	R	R
Carrying values at 1 July 2006	2 990 908	10 169 358		13 160 266
Cost	5 830 368	17 736 991		23 567 359
Correction of error (note 20)	0	1		1
Revaluation	0	0		0
Accumulated depreciation	2 839 460	7 567 634		10 407 094
Correction of error (note 20)		-5 069		-5 069
- Cost	2 839 460	7 572 703		10 412 163
- Revaluation	0	0		0
Acquisitions	0	4 402 466		4 402 466
Depreciation		107 133	2 371 711	2 478 844
- based on cost		107 133	2 371 711	2 478 844
- based on revaluation		0	0	0
Carrying value of disposals		0	0	0
Cost/revaluation		0	0	0
Accumulated depreciation		0	0	0
Other movements		0	0	0
Carrying values at 30 June 2007	2 883 775	12 200 113		15 083 888
Cost	5 830 368	22 139 458		27 969 826
Accumulated depreciation	2 946 593	9 939 345		12 885 938
- Cost	2 946 593	9 939 345		12 885 938
- Revaluation	0	0		0

Refer to Appendix B for more detail on property, plant and equipment. The opening balance of Land and buildings and "Other PPE" has been allocated to more asset categories in Appendix B.

8 LONG-TERM RECEIVABLES

Car loans	35 340	101 711
Less : Current portion transferred to current receivables	35 340	67 271
Car loans	0	67 271
Less : Provision for Bad Debt		0
Total	0	34 440
Reconciliation of Bad Debt Provision		
Balance at beginning of year	0	60 283
Bad debt written off	0	-60 283
Balance at end of year	0	0

CAR LOANS

Staff was entitled to car loans which attract interest at 8% per annum for Municipal Manager and 8.5% per annum for all other staff staff, which are repayable over a maximum period of 5 years. These loans are to be phased out over the next year as the Municipal Finance Management Act forbids such loans.

BOJANALA PLATINUM DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
9 OTHER DEBTORS		
Investment interest accrued	188 523	26 027
Advances to staff and councillors	225 876	41 482
SARS VAT (see note 6)	0	0
Deposits	48 178	40 550
Study loans to employees	33 348	59 825
Sundry Debtors	0	1 792 287
Sub Total	495 925	1 960 171
Less: Provision for bad debt	0	0
Total Other Debtors	495 925	1 960 171
	2008	2007
	R	R
Reconciliation of the Bad Debt provision:-		
Balance at the beginning of the year	0	3 469 916
Contribution to provision	0	0
Contribution of Gamap implementation (See note 30.9)	0	0
Bad Debt written off against provision	0	-3469916
Reversal of provision and other	0	0
Balance at the end of the year	0	0
	2008	2007
	R	R
10 CALL INVESTMENT DEPOSITS		
Deposits (mature within 3 months)	11 378 636	20 000 000
The allocation of investments :-		
Unspent grants	0	0
Operating account	11 378 636	20 000 000
	11 378 636	20 000 000
11 BANK BALANCES AND CASH		
The Municipality has the following main bank accounts: -		
<u>Current Account (Primary Bank Account)</u>		
ABSA, Rustenburg Account Number: 11-3150-0277		
Cash book balance at beginning of year / (overdrawn)	58 745 774	60 185 195
Cash book balance at end of year / (overdrawn)	100 601 870	58 745 774
Bank statement balance at beginning of year / (overdrawn)	66 058 601	66 264 402
Bank statement balance at end of year / (overdrawn)	101 386 373	66 058 601
<u>Savings Account</u>		
ABSA, Rustenburg, Account Number 90-8451-8967		
Cash book balance	1 393	1 393
Bank statement balance	1 393	1 393
Cash on hand	2 000	2 000
	2008	2007
	R	R
12 GOVERNMENT GRANTS AND SUBSIDIES		
Equitable share	162 197 151	139 975 451
FM Grant	243 936	299 356
Disater management fund	335 928	0
MIG Grants	0	2 858 666
DWAF Counter funding	518 263	0
Fire Grant	0	0
MSIG Grant	3 100 000	0
Drought Relief Grant	5 465	39 640
Transitional and Amalgamation Grant	3 600	182 952
Upgrading Fire Station	37 182	0
Integrated municipal management information system	40 275	530 550
Miscellaneous Receipts	0	5 286 019
Total Government Grant and Subsidies	166 481 800	149 172 634

**BOJANALA PLATINUM DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008**

12.1 Equitable Share

This unconditional grant is used as general revenue that is used to finance special projects and capital expenditure on behalf of local municipalities

12.2 Financial Management Grant

Balance unspent at beginning of year	541 281	340 637
Current year receipts	250 000	500 000
Conditions met - transferred to revenue	-243 936	-299 356
Conditions still to be met - transferred to liabilities (see note 3)	<u>547 345</u>	<u>541 281</u>

The conditions of the grant have been met. There was no delay or withholding of the subsidy

12.3 MIG Grant

Balance unspent at beginning of year	1 994 666	1 419 627
Current year receipts	0	1 439 039
Conditions met - transferred to revenue	0	-2 858 666
Conditions still to be met - transferred to liabilities (see note 3)	<u>1 994 666</u>	<u>0</u>

This grant was used for various projects that are not fixed assets of the Municipality. No funds have been withheld.

12.4 Transitional and Amalgamation Grant

Balance unspent at beginning of year	474 038	656 990
Current year receipts	0	0
Conditions met - transferred to revenue		-182 952
Conditions still to be met - transferred to liabilities (see note 3)	<u>474 038</u>	<u>474 038</u>

The conditions of the grant have been met. There was no delay or withholding of the subsidy

12.5 Integrated municipal management information system

Balance unspent at beginning of year	19 450	450 000
Current year receipts	40 275	100 000
Conditions met - transferred to revenue	-43 875	-530 550
Conditions still to be met - transferred to liabilities (see note 3)	<u>15 850</u>	<u>19 450</u>

The conditions of the grant have been met. There was no delay or withholding of the subsidy

12.6 Drought Relief Grant

Balance unspent at beginning of year	217 670	257 310
Current year receipts	0	0
Conditions met - transferred to revenue	0	-39 640
Conditions still to be met - transferred to liabilities (see note 3)	<u>217 670</u>	<u>217 670</u>

The conditions of the grant have been met. There was no delay or withholding of the subsidy

12.7 Changes in levels of government grants

Based on the allocations set out in the Division of Revenue Act, 2008, no significant changes in the level of government grant funding are expected over the forthcoming three financial years. A RSC Levies Replacement Grant is included in the Equitable Share.

BOJANALA PLATINUM DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
13 OTHER INCOME		
Interest on vehicle and study loans	13 698	34 501
Eskom rebates	226 648	0
PMU Moses Kotana	0	0
Retention money recognised as own income	318	827 680
VAT claimed after VAT audit	0	1 030 433
Miscellaneous revenue	61 000	177 056
Total	301 664	2 069 670

14 EMPLOYEE RELATED COSTS

Employee related costs - Salaries and Wages	27 765 469	26 013 857
Employee related costs - Contributions for UIF, pensions and medical aids	5 247 831	4 413 168
Travel and other allowances	3 319 890	3 069 945
Housing subsidy	460 155	407 407
Overtime payments	2 963 931	1 445 558
Performance bonus	0	566 560
Less: Employee costs capitalised to Property, Plant and Equipment	0	0
Less: Employee costs included in other expenses	0	0
Total Employee Related Costs	39 757 276	35 916 495

There were no advances to employees. Loans to employees are set out in note 7 and 8

Remuneration of the Municipal Manager: appointed 1 December 2006

Annual Remuneration	695 528	382 760
Performance Bonuses	125 093	
Car Allowance	180 000	105 000
Medical, pension fund and other allowances	18 000	10 500
Total	1 018 621	498 260

Remuneration of the Chief Finance Officer: appointed 1 Nov 2006

Annual Remuneration	576 344	421 202
Performance Bonuses	98 328	76 518
Car Allowance	108 000	72 000
Medical, pension fund and other allowances	18 000	31 585
Total	800 672	601 305

Remuneration of Individual Executive Directors

	30-Jun-08		30-Jun-07	
	<u>Community Directorate</u>	<u>Corporate Directorate</u>	<u>LED Directorate</u>	<u>Technical Directorate</u>
	R	R	R	R
Annual Remuneration	598 675	48 806	85 380	563 745
Performance Bonuses	83 814	0	0	89 844
Car Allowance	0	9 000	19 040	60 000
Medical, pension fund and other allowances	0	1 500	3 360	18 000
Total	682 489	59 306	107 780	731 589

	30-Jun-07		30-Jun-06	
	<u>Community Directorate</u>	<u>Corporate Directorate</u>	<u>LED Directorate</u>	<u>Technical Directorate</u>
	R	R	R	R
Annual Remuneration	382 025	585 671	457 391	559 813
Performance Bonuses	42 161	60 942	41 203	36 411
Car Allowance	67 224	108 000	102 000	60 000
Medical, pension fund and other allowances	5 866	18 000	18 000	18 000
Total	497 276	772 613	618 594	674 224

	2008	2007
	R	R
15 REMUNERATION OF COUNCILLORS		
Executive Mayor	514 039	441 178
Speaker	402 562	342 524
Councillors	4 848 087	4 633 187
Councillors' pension contribution	481 322	560 320
Total Councillors' Remuneration	6 246 010	5 977 209

In-kind Benefits

The Executive Mayor and Speaker are full-time. Each is provided with an office and secretarial support at the cost of the Council. The Mayor has use of a Council owned vehicle for official duties. The Executive Mayor has a full-time driver and bodyguard

BOJANALA PLATINUM DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

16 INTEREST PAID	2008	2007
	R	R
Long-term liabilities: Finance Leases	41 422	0
Bank overdrafts	<u>0</u>	<u>0</u>
Total Interest on External Borrowings	<u>41 422</u>	<u>0</u>

17 GRANTS AND SUBSIDIES PAID		
Grant to Rustenburg Municipality	7 548 600	10 750 000
Grant to Kgetlengrivier Municipality	7 500 000	11 035 000
Grant to Moses Kotane Municipality	7 500 000	10 750 000
Grant to Madibeng Municipality	7 500 000	13 280 000
Grant to Moretele Municipality	20 000 000	10 869 040
Expenditure on regional facilities/special projects	42 626 361	68 094 072
Grants spent on operating expenditure benefitting local municipalities	0	3 208 666
Study loans converted to grants	4 000	45 572
Total Grants and Subsidies	<u>92 678 961</u>	<u>128 032 350</u>

The grants paid are in the form of special projects. It includes the transfer of cash grants.

18 GENERAL EXPENSES		
Included in general expenses is the following:-		
General expenditure on operating budgets of departments	16 459 954	15 665 425
General expenditure from grants	529 432	1 600 348
Other	<u>0</u>	<u>795 450</u>
	<u>16 989 386</u>	<u>18 061 223</u>

This note is to highlight specific expenditure included in General Expenses

BOJANALA PLATINUM DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

19 CHANGE IN ACCOUNTING POLICY	2008	2007
2007/2008		
19.1 Correction of Error		
Financial lease of office machines not capitalised and depreciated according to IAS 17 and GAMAP 17 in 2006/07. It has been restated as follows:		
Increase long term liability	284 310	
Increase current portion of long term liability	103 490	
Increase Accumulated Surplus with redemption portion of instalment	52 618	
Increase leased Property, plant and equipment	336 929	
Increase accumulated depreciation of leased office machines	76 308	
Decrease Accumulated Surplus with the depreciation on leased assets	-76 308	
Net effect on Accumulated Surplus	<u>-23 690</u>	
2006/07:		
19.1 Correction of Error	2008	2007
Disaster Management Grant treated as a fund and transferred to Accumulated Surplus. Should have been retained as Unspent Conditional Grant. It has been restated as follows:	R	R
Accumulated Surplus	0	-1 250 000
Unspent Conditional Grants	0	1 250 000
Net effect on surplus/(deficit) for the year	<u>0</u>	<u>0</u>
19.2 Correction of Error		
Adjustment of PPE at cost and Accumulated Depreciation differences with Fixed Asset Register		
It has been restated as follows:		
Accumulated Depreciation	0	5 069
Property, plant and equipment at cost	0	1
Accumulated Surplus	0	5 070
Net effect on surplus/(deficit) for the year	<u>0</u>	<u>0</u>
20 CASH GENERATED BY OPERATIONS		
Surplus/(Deficit) for the year	20 940 951	-12 454 018
Adjustment for:-		
Cash contributions from State		
Depreciation	4 244 947	2 478 844
Adjustment provisions		
Gain on disposal of property, plant and equipment	0	0
Contribution to bad debt provision		
Surplus/(Deficit) account adjustments	0	0
Investment income	-12 640 132	-13 094 433
Interest paid	41 422	0
Operating surplus before working capital changes:	12 587 188	-23 069 607
Increase in provisions	109 776	309 323
(Increase)/decrease in other debtors	1 464 246	425 188
(Decrease)/increase in conditional grants and receipts	5 920 744	-5 261 521
(Decrease)/Increase in creditors	7 265 012	-3 316 824
(decrease)/Increase in VAT	301 952	-13 812 154
Cash generated by/(utilized in) operations	27 648 918	-44 725 595
21 CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the cash flow statement comprise the following statement of amounts indicating financial position :		
Bank balances and cash	100 605 263	58 749 167
Call investment	11 378 636	20 000 000
Bank overdraft	0	0
Total cash and cash equivalents	111 983 899	78 749 167

BOJANALA PLATINUM DISTRICT MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

22 UNAUTHORIZED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED	2008	2007
	R	R
<u>22.1 Unauthorized expenditure</u>		
Reconciliation of unauthorized expenditure		
Opening balance	0	0
Unauthorized expenditure current year	0	0
Approved by Council or condoned	0	0
Transfer to receivables for recovery (note 16)	0	0
Unauthorized expenditure awaiting authorization	<u>0</u>	<u>0</u>
<hr/>		
<u>22.2 Fruitless and wasteful expenditure</u>		
Reconciliation of fruitless and wasteful expenditure		
Opening balance	0	0
Fruitless and wasteful expenditure current year	0	0
Condoned or written off by Council	0	0
To be recovered – contingent asset (see note 40)	0	0
Fruitless and wasteful expenditure awaiting condonement	<u>0</u>	<u>0</u>
<hr/>		
<u>22.3 Irregular expenditure</u>		
Reconciliation of irregular expenditure		
Opening balance	0	0
Fruitless and wasteful expenditure current year	0	0
Condoned or written off by Council	0	0
Transfer to receivables for recovery – not condoned	0	0
Irregular expenditure awaiting condonement	<u>0</u>	<u>0</u>
<hr/>		
23 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
<u>23.1 Contributions to organized local government</u>		
Opening balance	0	0
Council subscriptions	238 706	82 600
Amount paid - current year	238 706	-82 600
Amount paid - previous years	0	0
Balance unpaid (included in creditors)	<u>477 412</u>	<u>0</u>
<u>23.2 Audit fees</u>		
Opening balance	0	0
Current year audit fee	949 234	963 943
Amount paid - current year	0	-963 943
Amount paid - previous years	949 234	0
Balance unpaid (included in creditors)	<u>1 898 468</u>	<u>0</u>
<u>23.3 VAT</u>		
VAT inputs receivables and VAT outputs receivables are shown in note 8 . All VAT returns have been submitted by the due date throughout the year.		
<u>23.4 PAYE and UIF</u>		
Opening balance	0	0
Current year payroll deductions	7 443 822	7 122 892
Amount paid - current year	-7 443 822	-7 122 892
Amount paid - previous years	0	0
Balance unpaid (included in creditors)	<u>0</u>	<u>0</u>

BOJANALA PLATINUM DISTRICT MUNICIPALITY
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

24 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)

24.1 Pension and Medical Aid Deductions

	2008	2007
	R	R
Opening balance		0
Current year payroll deductions and Council Contributions	9 538 347	8 214 522
Amount paid - current year	-9 538 347	-8 214 522
Amount paid - previous years	0	0
Balance unpaid (included in creditors)	0	0

24.2 Non-Compliance with Chapter 11 of the Municipal Finance Management Act

The Municipality did not deviate from the procurement policy and there was nothing reported to council in 2007/08

Service Provider and kind of goods or service	Motivation	Value
		R
None		

25 CAPITAL COMMITMENTS

	2008	2007
	R	R
Commitments in respect of capital expenditure:		
- Approved and contracted for	8 764 183	22 836 010
<i>Infrastructure</i>	8 764 183	22 836 010
<i>Community</i>	0	0
<i>Other</i>	0	0
- Approved but not yet contracted for	10 000 000	15 189 530
<i>Infrastructure</i>	10 000 000	15 189 530
<i>Community</i>	0	0
<i>Other</i>	0	0
Total	18 764 183	38 025 540

The expenditure will be financed from current revenue cash flows and grants. The expenditure is not recognised as Property, plant and equipment by the District Municipality as the assets are transferred to the local municipalities. These transfers are recognised as Grants Paid in the Statement of Financial Performance.

26 RETIREMENT BENEFIT INFORMATION

Contributions by Council in respect of Councillor and employees retirement funding have been expended in the year

BOJANALA PLATINUM DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

27 CONTINGENT LIABILITIES

27.1) Amalgamated Services are claiming R605201.30 from the municipality. Legal cost is estimated at R100 000.00 if the claim succeeds.

27.2) There is an outstanding arbitration award to pay eight months salary to Mr Mpho Seromo. If successful the municipality will have to pay R300 000.

28 CONTINGENT ASSETS

The municipality are claiming an amount of R176562.33 from Power House Utilities for a double payment in error. The High Court case is pending. Legal cost of R80000.00 may be added

29 EVENTS AFTER THE REPORTING DATE

None

30 COMPARISON WITH THE BUDGET

The comparison of the Municipality's actual financial performance with that budgeted is set out in Annexures E (1) and E (2).

31 FINANCE LEASE OBLIGATION

2008 2007

Minimum Lease Payments Due

Within One Year

In second and fifth year inclusive

144 911

63 259

208 170

Less future finance charges

Present value of minimum lease payments

27 348

180 822

Present value of Lease Payments Due

Within One Year

In second and fifth year inclusive

112 310

68 512

180 822

The Gestetnet lease is secured by office equipment under financial lease with a carrying value of R148 311. The effective interest is 17.38% and is repayable in 36 equal installments of R12076 of which the first was paid in December 2006. The last installment will be payable in November 2009. (See Note 2)

32 MINIMUM LEASE PAYMENTS: OPERATIONAL LEASE

2008 2007
R R

Bojanala Platinum District Municipality leases office buildings in terms of an operating lease agreement starting on 1 July 1997. These lease agreement provides for payments per month with an escalation of 12% per year.

Future minimum lease payments

The total future minimum lease payments are payable over the following periods:

Payments due within 12 months

Payments due within 12 to 18 months

Total

937893

744636

1682529

289 507.00

505 825.00

795 332.00

33 AWARDS TO CLOSE FAMILY MEMBERS IN TERMS OF SECTION 45 OF THE SUPPLY CHAIN MANAGEMENT POLICY

No transactions in 2006/07 and 2007/2008

34 RELATED PARTY TRANSACTIONS

Car Loans to employees (See Note 8 for more detail)

Study Loans to employees

35340

48178

101711

40550

Assistance with the cost of personal studies is given. If successful with the studies

35 RISK EXPOSURES

The municipality is at risk in the following areas:

(i) Credit Risk, which is defined as the risk that one party to a financial instrument will fail to honour its obligation, thus causing the other party to incur a financial loss.

(ii) Interest Rate Risk, which is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of credit risk and interest rate risk consist mainly of fixed deposit investments, long-term debtors, other debtors, short-term investment deposits and bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing.

Long-term Receivables and Other Debtors are individually evaluated annually at balance Sheet date for impairment or discounting.

The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows:

2008 2007

Fixed Deposit Investments

Long-term Receivables

Current portion of long-term debtors

Other Debtors

0

0

35 340

567 892

0

34 440

67 271

1 960 171

VAT Receivable
Short-term Investment Deposits
Bank and Cash Balances

11 378 636
100 605 263

20 000 000
58 749 167

Maximum Credit and Interest Risk Exposure

112 587 131

80 811 049

36 EXEMPTIONS OF MUNICIPAL FINANCE MANAGEMENT ACT, 2003

The Minister of Finance has, in terms of General notice 552 of 2007 exempted compliance with certain of the above mentioned standards and aspects or parts of these standards listed in Accounting Policy 1. In the table set out below, the exemptions offered have been listed; together with an indication of the process that the municipality will follow regarding plans to implement the exemptions. Furthermore, the extent to which information in the annual financial statements would need to be adjusted to achieve compliance with exempted standards has also been stated in the table.

**BOJANALA PLATINUM DISTRICT MUNICIPALITY
EXEMPTIONS FROM MUNICIPAL MANAGEMENT ACT IN 2006/2007 AND 2007/2008**

Std. no.	Standard title	GRAP, GAMAP and/or SA GAAP requirement(s) exempted in terms of General Notice 552 of 2007	Exemption Adopted Y/N	Description of implementation plans that still need to be implemented to achieve full compliance with exempted standards	Extent to which information in the AFS would need to be adjusted to achieve compliance with the exempted standards
GRAP 03	Accounting policies, changes in accounting estimates and errors	<p>Identification and impact of GRAP standards that have been issued but are not yet effective (GRAP 3.30 – 31). A list of these standards is as follows:</p> <p>GRAP 4 The Effects of Changes in Foreign Exchange Rates</p> <p>GRAP 5 Borrowing Costs</p> <p>GRAP 6 Consolidated AFS</p> <p>GRAP 7 Associates</p> <p>GRAP 8 JV's</p> <p>GRAP 9 Revenue</p> <p>GRAP 10 Financial Reporting in Hyperinflationary Economies</p> <p>GRAP 11 Construction Contracts</p> <p>GRAP 12 Inventories</p> <p>GRAP 13 Leases</p> <p>GRAP 14 Events After the Reporting Date</p> <p>GRAP 16 Investment Property</p> <p>GRAP 17 Property, plant and equipment</p> <p>GRAP 18 Segment Reporting</p> <p>GRAP 19 Provisions, Contingent Liabilities and Contingent Assets</p> <p>GRAP 100 Non Current assets held for sale</p> <p>GRAP 101 Agriculture</p> <p>GRAP 102 Intangible Assets</p>	Y	<p>The following GRAP standards have been issued but are not yet effective. The implementation plans that still need to be implemented to achieve full compliance with the standards are set out below.</p> <p>GRAP4,6,7,8,9,12,17 AND 19</p> <p>Currently the municipality adheres to the requirements of the comparable GAMAP standards. Determine the difference between the applicable accounting treatment and disclosure requirements of the GAMAP versus the GRAP standards and make any necessary adjustments to the AFS.</p> <p>GRAP 5 Borrowing Costs. Determine the applicable accounting treatment and disclosure requirements of GRAP 5 for the municipality.</p> <p>The municipality does not have municipal entities</p> <p>The municipality did not invest in an associate</p> <p>The municipality did not enter into a Joint Venture</p> <p>GRAP 10 and 11. The municipality does not have these types of transactions.</p> <p>GRAP 13, 14, 16, 18, 100, 101 and 102. The municipality adheres to the requirements of the comparable GAAP standards, if applicable, except for the exemptions adopted as set out below per standard.</p>	<p>Highly likely that no adjustments to the AFS will be required as there are no fundamental differences between these GAMAP and GRAP standards.</p> <p>A portion of interest cost on interest bearing borrowings, in respect of assets that take a substantial period of time for construction and before they are ready for use, may be capitalised to the relevant asset and will result in interest cost in the Statement of Financial Performance reducing and the cost of the asset increasing.</p> <p>No adjustment required.</p> <p>No adjustment required.</p> <p>No adjustment required.</p> <p>No adjustment required.</p> <p>See adjustments required as per relevant sections of this document set out below.</p>
		Changes in accounting policies (GRAP 3.14, 19)	Y	No action plans are required. Where it is practicable to do so, all changes in accounting policy are dealt with by the municipality retrospectively and disclosed as such in accordance with the requirements of GRAP 3.	No adjustments to the AFS are required.
GAMAP 09	Revenue	Initial measurement of fair value; discounting all future receipts using an imputed rate of return (GAMAP 9.12 and SAICA circular 9/06)	Y	In terms of GAMAP 9 revenue is measured at the fair value of the consideration received. In most cases the consideration is in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable.	No adjustments to the AFS are required.

				The municipality does not envisage entering into transactions where an interest free credit period is provided to the purchaser of services or goods from the municipality and therefore it is highly unlikely that the municipality will be faced with this type of transaction.	
GAMAP 12	Inventories	The entire standard as far as it relates to immovable capital assets inventory that is accounted for in terms of GAMAP17.	Y	Currently the municipality does have land and buildings that will be sold within the next twelve months as inventories. No implementation plan needs to be executed to ensure compliance with GAMAP 12.	No adjustments will need to be made to the AFS to comply with accounting for inventories land and buildings in terms of GAMAP 12:
		The entire standard as far as it relates to water stock that was not purchased by the municipality.	N/A	The municipality does not provide water service.	The following adjustments will need to be made to the AFS to comply with accounting for purified water in terms of GAMAP 12: None
GAMAP 17	Property, plant and equipment	Review of useful life of items of PPE recognised in the annual financial statements (GAMAP 17.69 – 71, 77)	Y	<ol style="list-style-type: none"> 1) CFO to issue a memo to all departmental managers at year end to request them to ensure that the remaining useful life of all items of PPE as reflected for assets under their control per the FAR is realistic. 2) Departmental managers should inform the manager responsible for assets of items of PPE with remaining useful lives shorter or longer than those reflected on the FAR at year end. 3) Pass necessary accounting entries and also do necessary disclosure of the change in estimate. 	The following adjustments will need to be made to the AFS if the review of useful lives of PPE result in a change in estimate. <ol style="list-style-type: none"> 1) The depreciation charge for the year in which the change in estimate takes place as well as for all other years of the remaining useful life of the asset will be adjusted. This change in accounting treatment will therefore take place prospectively. 2) A note on the change in estimate will be disclosed if the change in estimate is material.
		Review of depreciation method applied to PPE recognised in the annual financial statements(GAMAP 17.62, 77)	Y	<ol style="list-style-type: none"> 1) CFO to issue a memo to all departmental managers at year end to request them to ensure that the depreciation method used to depreciate all items of PPE as reflected as being under their control per the FAR is realistic. 2) CFO to review the depreciation method used to depreciate different classes of assets annually to assess its applicability for each class of asset. 3) Departmental managers should inform the manager responsible for assets of items of PPE with remaining useful lives shorter or longer than those reflected on the FAR at year end. 4) Pass necessary accounting entries and also do necessary disclosure of the change in estimate. 	The following adjustments will need to be made to the AFS if the review of depreciation methods of PPE results in a change in estimate. <ol style="list-style-type: none"> 1) The depreciation charge for the year in which the change in estimate takes place as well as for all other years of the remaining useful life of the asset will be adjusted. This change in accounting treatment will therefore take place prospectively 2) A note on the change in estimate will be disclosed if the change in estimate is material.
		Impairment of non-cash generating assets (GAMAP 17.64 – 69, 75(e)(v) - (vi))	Y	<ol style="list-style-type: none"> 1) Identify items of PPE that may have suffered impairment losses at year end by issuing a memo to all departments requesting them to identify assets that: <ul style="list-style-type: none"> > Are in a state of permanent damage at year end (no impairment losses will be recognised in respect of assets damaged that will be repaired after year end); > Are stolen at year end (impairment loss is recorded equal to the carrying amount of stolen assets at the date of the theft); > Are technologically obsolete at year end (this can be facilitated by supplying departments with a FAR printout pertaining to major assets showing the remaining useful lives of assets - the departments can then assess and indicate cases where the assessed remaining useful life is shorter than the remaining useful life in the fixed asset register. 	The following adjustments will need to be made to the AFS if impairment losses are calculated and disclosed for the first time: <ol style="list-style-type: none"> 1) The carrying amount of PPE will be reduced. 2) The reconciliation between the opening and closing balance of the carrying amount of PPE will have to reflect impairment losses. 3) The accounting policy relating to PPE will have to be amended to indicate how the entity deals with and discloses impairment losses.

				<ul style="list-style-type: none"> > Have remained idle for a considerable period either prior to them being put into use at year end or during their useful life. > Show that they are not performing according to their specifications or according to industry accepted norms. <p>2) Calculate and record impairment losses by determining the difference between the asset's carrying amount and its recoverable (service) amount where the recoverable amount is less than the asset's carrying amount.</p>	<p>4) The impairment loss itself should be reflected in the notes to the Statement of Financial Performance, if material.</p> <p>5) Adgering to al disclosure requirements.</p>
		Impairment of cash generating assets (GAMAP 17.63, 75(e)(v) – (vi))	Y	<p>1) Identify items of PPE that may have suffered impairment losses at year end by issuing a memo to all departments requesting them to identify assets that:</p> <ul style="list-style-type: none"> > Are in a state of permanent damage at year end (no impairment losses will be recognised in respect of assets damaged that will be repaired after year end); > Are stolen at year end (impairment loss is recorded equal to the carrying amount of stolen assets at the date of the theft); > Are technologically obsolete at year end (this can be facilitated by supplying departments with a FAR printout pertaining to major assets showing the remaining useful lives of assets - the departments can then assess and indicate cases where the assessed remaining useful life is shorter than the remaining useful life in the fixed asset register > Have remained idle for a considerable period either prior to them being put into use at year end or during their useful life. > Show that they are not performing according to their specifications or according to industry accepted norms. <p>Calculate and record impairment losses by determining the difference between the asset's carrying amount and its recoverable (service) amount where the recoverable amount is less than the asset's carrying amount.</p>	<p>The following adjustments will need to be made to the AFS if impairment losses are calculated and disclosed for the first time:</p> <ul style="list-style-type: none"> 1) The carrying amount of PPE will be reduced. 2) The reconciliation between the opening and closing balance of the carrying amount of PPE will have to reflect impairment losses. 3) The accounting policy relating to PPE will have to be amended to indicate how the entity deals with and discloses impairment losses. 4) The impairment loss itself should be reflected in the notes to the Statement of Financial Performance, if material. 5) All disclosure requirements as required by IAS 36.
IAS 11 AC 109	Construction contracts	Entire standard	Y	<p>The municipality does not enter into construction contracts, where assets are constructed with the purpose of realising a profit on construction activities. Therefore it is estimated that the application of IAS 11 by the municipality will not be necessary, as the municipality does not enter into transactions accounted for in terms of IAS 11.</p>	<p>The municipality does not enter into construction contracts, where assets are constructed with the purpose of realising a profit on construction activities. Therefore it is estimated that the application of IAS 11 by the municipality will not be necessary, as the municipality does not enter into transactions accounted for in terms of IAS 11.</p>
IAS 14 AC 115	Segment reporting	Entire standard	Y	<ul style="list-style-type: none"> 1) Obtain an understanding of the definitions of business segments and geographical segments as set out in IAS 14. 2) Determine the business and geographical segments of the municipality. 3) Decide on the primary and secondary reporting formats for the entity. Therefore a decision must be made whether business is primary and geographical secondary or vice versa. 4) Change the chart of accounts and accounting software package to ensure that the segmental revenue, expenses, results, assets and liabilities can be accounted for and presented in the AFS according to the primary and secondary reporting formats. 	<p>The AFS will have to be adjusted to ensure that the disclosure requirements of IAS 14.51 to .67 relating to segment information are met.</p> <p>The primary reporting format requires inter alia, disclosure of:</p> <ul style="list-style-type: none"> 1) Segment revenue for every reportable segment. 2) Segment results for every reportable segment.

					<p>3) Segment assets for every reportable segment.</p> <p>4) The total cost incurred during the period to acquire reportable segment long term assets.</p> <p>5) A reconciliation between the information disclosed for reportable segments and the information in the entity's own financial statements.</p> <p>Based on the decision of the entity whether business or geographical segments are the primary reporting format, the secondary reporting format requirements as set out in IAS 14 will also need to be disclosed in the AFS.</p>
IAS17 AC 105	Leases	Recognising operating lease payments / receipts on a straight-line basis if the amounts are recognised on the basis of the cash flows in the lease agreement (IAS 17.33 – 34 and 50 – 51 and SAICA circular 12/06.8 – 11)	Y	<p>1) The municipality must obtain copies of all existing current lease agreements.</p> <p>2) For each lease agreement the municipality must distinguish each lease as a Finance Leases or an Operating Lease.</p> <p>3) Assets held in terms of Finance Leases as defined in IAS 17 must be capitalised and subsequently depreciated and/or impaired.</p> <p>4) Operating Leases that have fluctuating payment arrangements must be identified and operating lease expenses that fall within this category must be straight-lined (smoothed).</p>	<p>The following adjustments will need to be made to the AFS if operating lease payments are straight lined as opposed to accounting for them based on cash flows:</p> <p>Currently, operating lease payments are accounted for based on the cash flows in the lease agreement and therefore the actual amount of lease instalments incurred per annum is recognised in the Statement of Financial Performance. Once straight lining is done the amount recognised in the statement of financial performance will be the average annual instalment calculated over the entire lifespan of the leaser. If the actual instalment in a year is more than the average instalment the difference will be shown either as a prepayment (debtor) in the AFS or if the actual instalments in a year are less than the average instalment the difference will be shown as an accrual (creditor) in the AFS.</p>
IAS 19 (AC 116)	Employee benefits	Defined benefit accounting as far as it relates to defined benefit plans accounted for as defined contribution plans and defined benefit obligation disclosed by narrative information (IAS 19.29, 48 – 119 and 120A(c) – (q))	Y	<p>1) The municipality must obtain actuarial valuation reports of all defined benefit plans.</p> <p>2) The valuations obtained in point 1 above will have to be studied and analysed to extract all the relevant information necessary for defined benefit accounting as set out in IAS 19.</p> <p>3) The necessary disclosures in terms of IAS 19 must still be performed.</p>	No work had been done in terms of IAS 19 as of yet. Thus the full requirements and steps listed in the previous column must still be performed.
IAS 20	Accounting for government grants	Entire standard excluding paragraphs 24 and 26, replaced by GAMAP 12.8, 17.25 and 9.42 – 46.	Y	<p>1) Currently all conditional capital grants received for the purchase of PPE are accounted for in terms of the NT GRAP implementation guidelines dated June 2005 and also GAMAP 9.42 to 46.</p> <p>2) On receipt of a conditional capital government grant the amount is banked and reflected as a current liability called Unspent Conditional Grants and Receipts. Once the amount is spent in accordance with the grant conditions a transfer is made from the current liability to the Statement of Financial Performance equal to the amount that has been spent during the financial year in accordance with the grant conditions. Thereafter an equal amount is transferred from the Accumulated Surplus to the Government Grant Reserve (GGR) on the statement of Changes in Net Assets. Annually an amount is transferred from the reserve to accumulated surplus equal to the amount of depreciation on assets funded from government grants.</p>	<p>1) Unbundle the balance on the GGR and transfer it to a deferred income account.</p> <p>2) Capital Grants utilised will no longer be transferred to a GGR via the Statement of Financial Performance and the Statement of Changes in Net Assets. Once an amount is utilised it will be transferred directly from the unspent capital conditional grant creditor to a creditor called deferred income. Therefore the GGR (Rederve) will be replaced by a creditor called deferred income.</p>

				<p>3) On the implementation of IAS 20, unbundled the GGR by transferring the balance to a deferred income account.</p> <p>4) For future depreciation charges in respect of assets that have a carrying amount equal to the deferred income account on the date of the unbundling of the GGR, ensure that an amount equal to the depreciation charge is transferred from deferred income to the Statement of Financial Performance.</p>	<p>3) In future a transfer will be made from the deferred income account to the Statement of Financial Performance to annually offset the amount of depreciation in respect of assets funded from government grants. The GGR will no longer exist and therefore transfer from the GGR to the accumulated surplus to offset depreciation will be made on the Statement of Changes in Net Assets.</p>
IAS 36 (AC 128)	Impairment of assets	Entire standard	Y	<p>1) Identify items of PPE that may have suffered impairment losses at year end by issuing a memo to all departments requesting them to identify assets that:</p> <ul style="list-style-type: none"> > Are in a state of permanent damage at year end (no impairment losses will be recognised in respect of assets damaged that will be repaired after year end); > Are stolen at year end (impairment loss is recorded equal to the carrying amount of stolen assets at the date of the theft); > Are technologically obsolete at year end (this can be facilitated by supplying departments with a FAR printout pertaining to major assets showing the remaining useful lives of assets - the departments can then assess and indicate cases where the assessed remaining useful life is shorter than the remaining useful life on the fixed asset register. > Have remained idle for a considerable period either prior to them being put into use at year end or during their useful life. > Show that they are not performing according to their specifications or according to industry accepted norms. <p>2) Calculate and record impairment losses by determining the difference between the asset's carrying amount and its recoverable (service) amount where the recoverable amount is less than the asset's carrying amount.</p>	<p>The following adjustments will need to be made to the AFS if impairment losses are calculated and disclosed for the first time:</p> <ol style="list-style-type: none"> 1) The carrying amount of PPE will be reduced. 2) The reconciliation between the opening and closing balance of the carrying amount of PPE will have to reflect impairment losses. 3) The accounting policy relating to PPE will have to be amended to indicate how the entity deals with and discloses impairment losses. 4) The impairment loss itself should be reflected in the notes to the Statement of Financial Performance, if material. 5) All disclosure requirements as required by IAS 36.
IAS 38 (AC 129)	Intangible assets	The entire standard except for the recognition, measurement and disclosure of computer software and website costs (SIC 32) and all other costs are expensed	Y	<p>1) Ensure that all assets that meet the definition of an intangible asset and the recognition criteria for an asset are identified by scrutinising the FAR and capital purchases file.</p> <p>2) Ensure that all intangible assets identified are measured initially at their cost price. Examples of items which may meet the definition of an intangible asset in the municipal environment are:</p> <ul style="list-style-type: none"> • A license fee for operating a tip site, where the fee grants to the municipality the right to operate the tip site for a period of longer than one year. 	<p>The following adjustments will need to be made to the AFS if intangible assets are accounted for in terms of IAS 38:</p> <ol style="list-style-type: none"> 1) If any intangible assets are currently classified as part of PPE, then the application of IAS 38 will lead to a reclassification of these items as intangible assets, with a new line item called intangible assets being reflected on the Statement of Financial Position. This will result in the carrying amount of PPE and an increase in a new asset called intangible assets. 2) In future a new expense item will be reflected in the Statement of Financial Performance called amortisation, which reflects the amount of "depreciation" on the intangible assets for the year.

				<p>3) Ensure that the necessary procedures are put in place to ensure the proper accounting treatment of Intangible assets after initial recognition to deal with the accounting for subsequent expenditure, amortisation, review of useful lives of intangible assets retirements and disposals of intangible assets and internally generated intangible assets.</p>	<p>3) If intangible assets have been incorrectly expensed in the past this can be regarded as a prior period error and should be corrected retrospectively by applying GRAP 3. This will lead to a restatement (increase) of the opening balance of the Accumulated Surplus Account as well as an increase in the Asset Value on the Statement of Financial Position of the municipality.</p> <p>4) An accounting policy note related to the accounting treatment of Intangible assets will need to be developed and disclosed.</p> <p>5) The municipality shall disclose the following for each class of intangible assets, distinguishing between internally generated intangible assets and other intangible assets:</p> <p>(a) The useful lives or the amortisation rates used;</p> <p>(b) The amortisation methods used for intangible assets with finite useful lives;</p> <p>(c) The gross carrying amount and any accumulated amortisation (aggregated with accumulated impairment losses) at the beginning and end of the period;</p> <p>(d) The line item(s) of the Statement of Financial Performance in which any amortisation of intangible assets is included;</p> <p>(e) A reconciliation of the carrying amount at the beginning and end of the period showing:</p> <p>(i) Additions, indicating separately those from internal development, those acquired separately, and those acquired through business combinations;</p> <p>(ii) Any amortisation recognised during the period;</p> <p>6) The municipality shall disclose the aggregate amount of research and development expenditure recognised as an expense during the period.</p> <p>7) The municipality shall give a description of any fully amortised intangible asset that is still in use.</p> <p>8) The municipality shall also disclose the following:</p> <ul style="list-style-type: none"> • A description, the carrying amount and remaining amortisation period of any individual intangible asset that is material to the entity's financial statements. • For intangible assets acquired by way of a government grant and initially recognised at fair value: <ul style="list-style-type: none"> (i) The fair value initially recognised for these assets; (ii) Their carrying amount; and (iii) Whether they are measured after recognition under the cost model or the revaluation model. • The amount of contractual commitments for the acquisition of intangible assets.
IAS 39 (AC 133)	Financial instruments: recognition and measurement	Initially measuring financial assets and liabilities at fair value (IAS 39.43, AG79, AG64 – AG65 and SAICA circular 9/06)	Y	<p>1) The municipality must study the applicable sections of IAS 39.</p> <p>2) The fair values of these financial instruments will have to be determined, based on the type of financial instrument as per IAS 39.9.</p> <p>3) Discounting of certain financial instruments will have to be performed if the discounted value differs materially from its cost/ face value.</p>	<p>The full initial measurement of financial assets and liabilities will have to be recalculated and corrected retrospectively, is practicable. The previous column gives an indication of the extent of adjustment for full compliance with IAS 39.43, AG79, AG64 - AG65 and SAICA circular 9/06.</p>

IAS 40 (AC 135)	Investment property	The entire standard to the extent that the property is accounted for in terms of GAMAP 17	Y	<ol style="list-style-type: none"> 1) Prepare a list of all possible names under which property belonging to the municipality could have been registered in the past. 2) Perform a title deeds search using all these names mentioned in 1) above to identify all land and buildings under the control of the municipality. 3) Compare the results of the title deeds search to the Fixed Asset Register and the Valuation roll and adjust the FAR to reflect all land and buildings under the control of the municipality. 4) Value all land and buildings, which were previously not reflected on the FAR at fair value where historical cost prices and acquisition dates are unknown. 5) Identify and reclassify as Investment Property (IP) all land and buildings reflected on the updated FAR meeting the definition of Investment Property as per IAS 40. 6) Decide on an accounting policy for the subsequent measurement of IP i.e. cost price less accumulated depreciation or Fair Value. 7) Ensure that the necessary procedures are put in place to ensure the proper accounting treatment of IP after initial recognition to deal with the accounting for subsequent expenditure, disposal of IP, transfers of IP, Fair value increases etc. 	<p>The following adjustments will need to be made to the AFS if IAS 40 is implemented and if IP is measured at Fair Value.</p> <ul style="list-style-type: none"> • The criteria developed by the municipality to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of operations; • The methods and significant assumptions applied in determining the fair value of investment property. <ul style="list-style-type: none"> • The extent to which the fair value of investment property is based on a valuation by an independent valuer. • The amounts included in the statement of financial performance for: <ol style="list-style-type: none"> (a) Rental revenue from investment property; (b) Direct operating expenses arising from investment property that generated rental revenue during the period; and (c) Direct operating expenses arising from investment property that did not generate rental revenue during the period; (d) Fair value increases in IP <ul style="list-style-type: none"> • The existence and amounts of restrictions on the realisability of investment property or the remittance of revenue and proceeds of disposal; • Material contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements; • A reconciliation of the carrying amount of investment property at the beginning and end of the period showing the following <ol style="list-style-type: none"> (a) Additions, disclosing separately those additions resulting from acquisitions and those resulting from capitalized subsequent expenditure; (b) Additions resulting from acquisitions through municipality combinations; (c) Disposals; (d) Net gains or losses from fair value adjustments; (e) Transfers to and from inventories and owner-occupied property; and (f) Other movements. <p>The following adjustments will need to be made to the AFS if IAS 40 is implemented and if IP is measured at Cost Price less accumulated depreciation.</p>
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					<p>If the municipality elects to reflect all of its investment properties at cost less accumulated depreciation, ensure disclosure in the AFS of the following information, in addition to any relevant information required by the disclosure requirements relating to IP at fair value as set out above:</p> <ul style="list-style-type: none"> • The depreciation methods used; • The useful lives or the depreciation rates used; • The gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period; • A reconciliation of the carrying amount of investment property at the beginning and end of the period showing the following (comparative information is not required): <ul style="list-style-type: none"> (i) Additions, disclosing separately those additions resulting from acquisitions and those resulting from capitalized subsequent expenditure; (ii) Additions resulting from acquisitions through municipality combinations; (iii) Disposals; (iv) Depreciation; (v) The amount of impairment losses recognized, and the amount of impairment losses reversed, during the period; (vi) The net exchange differences arising on the translation of the financial statements of a foreign municipality; (vii) Transfers to and from inventories and owner – occupied property; and (viii) Other movements; and • The fair value of investment property. In the exceptional cases, when the municipality cannot determine the fair value of the investment property reliably, the municipality should disclose: <ul style="list-style-type: none"> (i) A description of the investment property; (ii) An explanation of why fair value cannot be determined reliably; and (iii) If possible, the range of estimates within which fair value is highly likely to lie.
		Disclosure of the fair value of investment property if the cost model is applied and where the municipality has recognised the investment property in terms of this standard (IAS 40.79(e)(i) – (iii))	Y	1) Ensure that, even if IP is reflected at cost procedures are put in place to obtain the Fair Value of IP at each Balance Sheet date for inclusion in the notes to the AFS.	1) The disclosure notes relating to IP would provide an indication of the Fair Value of IP which is carried at cost price less accumulated depreciation on the face of the Statement of Financial Position.
IFRS 3 (AC 140)	Business combinations	Entire standard	Y	The municipality does not have this type of transactions.	1) No adjustments will need to be made to the AFS.
IFRS 5 (AC 142)	Non-current assets held for sale and discontinued operations	Classification, measurement and disclosure of non-current assets held for sale (IFRS 5.6 – 29 (in so far as it relates to non-current assets held for sale) and 38 – 42)	Y	1) Print-outs of the FAR per department must be made and distributed to the Heads of every department. The Heads of departments must scrutinise the FAR applicable to their department and identify assets that meet the criteria for non-current assets held for sale as set out by IFRS5.6 to 11. 2) The Heads of departments must return the departmental FAR, to the CFO and indicate the assets that meet the above mentioned criteria.	1) Non Current Assets held for sale will no longer be recorded as part of PPE and will not necessarily be carried at cost less accumulated depreciation. 2) No current assets held for sale will be recorded as such as part of current assets and will be recorded at the lower of carrying amount and fair value less costs to sell.

				<p>3) CFO must ensure that every department returned the departmental-FAR and ensure that it has been signed-off as proof that it has been reviewed.</p> <p>4) Scrutinise the fixed asset votes in the GL after year-end up to the date when the financial statements are prepared, to identify assets that are sold after year-end and meet the IFRS 5.6 to 11 requirements at year end. Ensure that these assets are classified as Non-current assets held for sale in the Financial Statements for the year under review.</p> <p>5) Measure and disclose the Non Current Assets held for Sale in accordance with IFRS 5 requirements.</p>	<p>3) Impairment losses in respect of non current assets held for sale will be recorded in the Statement of Financial Performance if such impairment losses exist.</p>
IFRS 7 (AC 144)	Financial instruments: disclosures	Entire standard to be replaced by IAS 32 (AC 125) issued August 2006 and effective for financial statements covering periods beginning on or after 1 January 1998	Y	All the applicable sections regarding the disclosure requirements relating to Financial Instruments as set out in IFRS 7 are adhered to by the municipality, as IAS 32 includes the relevant disclosures that is required by IFRS 7.	No adjustments will need to be made to the AFS as the municipality already fully complies with the relevant requirements of IFRS 7, due to compliance with the version of IAS 32 that addresses both disclosure and presentation.

APPENDIX B

BOJANALA PLATINUM DISTRICT MUNICIPALITY : ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2008

	Cost/Revaluation				Accumulated Depreciation				Carrying Value	
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals		Closing Balance
Land and Buildings										
Buildings	3 234 504	2 674 841	0	0	5 909 345	331 015	194 342	0	525 357	5 383 988
	3 234 504	2 674 841	0	0	5 909 345	331 015	194 342	0	525 357	5 383 988
Other Assets										
Furniture and fittings	1 997 626	964 849	0	0	2 962 475	1 247 088	741 475	0	1 988 563	973 912
Office Equipment	4 242 610	356 666	0	0	4 599 276	3 195 230	524 350	0	3 719 580	879 696
Security systems	1 487 712	117 012	0	0	1 604 724	342 184	312 355	0	654 539	950 185
Emergency equipment	145 218	0	0	0	145 218	24 142	16 637	0	40 779	104 439
Tented Camp (Game Parks)	2 616 390	0	0	0	2 616 390	2 616 390		0	2 616 390	0
Miscellaneous	32 471	0	0	0	32 471	20 830	1 438	0	22 268	10 203
Plant and equipment	204 313	1 255 778	0	0	1 460 091	67 633	88 333	0	155 966	1 304 125
Vehicles	14 008 982	1 606 632	0	0	15 615 614	5 041 426	2 253 707	0	7 295 133	8 320 481
	24 735 322	4 300 937	0	0	29 036 259	12 554 923	3 938 295	0	16 493 218	12 543 041
Total	27 969 826	6 975 778	0	0	34 945 604	12 885 938	4 132 637	0	17 018 575	17 927 029
Leased Assets										
Office Equipment	336 929	0	0	0	336 929	76 308	112 310	0	188 618	148 311
Total Leased Assets	336 929	0	0	0	336 929	76 308	112 310	0	188 618	148 311
Total	28 306 755	6 975 778	0	0	35 282 533	12 962 246	4 244 947	0	17 207 193	18 075 340

APPENDIX E(1)

BOJANALA PLATINUM DISTRICT MUNICIPALITY: ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2008

	2008 Actual (R)	2008 Budget (R)	2008 Variance (R)	2008 Variance (%)	Explanation of Significant Variances greater than 10% versus Budget
REVENUE					
Regional Services Levies	128 828	0	128 828	Not budgeted	
Regional Services Levies	2 074 216	0	2 074 216	Not budgeted	
Rental of facilities and equipment	0	0	0	Not budgeted	
Interest earned - external investments	12 640 132	9 000 000	3 640 132	Not budgeted	
Interest earned - outstanding debtors	0	0	0	Not budgeted	
Government grants and subsidies	166 481 800	169 230 636	-2 748 836	-2%	
Other income	301 664	0	301 664	Not budgeted	
Gains on disposal of property, plant and equipment	0	0	0	0%	
Total Revenue	181 626 640	169 230 636	12 396 004	7%	Budget not fully GRAP compliant. AFS comply
EXPENDITURE					
Employee related costs	39 757 276	42 860 742	-3 103 466	-7%	
Remuneration of Councillors	6 246 010	6 288 030	-42 020	-1%	
Bad debts	0	0	0		
Depreciation	4 244 947	0	4 244 947	-100%	Not budgeted for
Repairs and maintenance	727 687	1 672 374	-944 687	-56%	All infrastructure assets transferred to municipalities
Grants and subsidies paid	92 678 961	136 359 704	-43 680 743	-32%	Different treatment of grants under GRAP/GAMAP
General expenses - other	16 989 386	21 374 239	-4 384 853	-21%	Expenditure from grants not budgeted for
Total Expenditure	160 685 689	208 555 089	-47 869 400	-23%	Budget not fully GRAP/GAMAP compliant
NET SURPLUS/(DEFICIT) FOR THE YEAR	20 940 951	-39 324 453	60 265 404	-153%	Budget must still be structured in terms of GAMAP/GRAP

APPENDIX E(2)

BOJANALA PLATINUM DISTRICT MUNICIPALITY: ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2008

	2 008 Actual	2 008 Under Construction	2 008 Total Additions	2 008 Budget	2 008 Variance	2008 Variance	Explanation of Significant Variances greater than 5% versus Budget
	R	R	R	R	R	%	
Land and Buildings							
Land and buildings	2 674 841	0	2 674 841	3 573 628	-898 787	-25%	Saving on budget. Furniture separately procured
	2 674 841	0	2 674 841	3 573 628	-898 787	-25%	

APPENDIX F
BOJANALA PLATINUM DISTRICT MUNICIPALITY
DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grants and Subsidies received: 2007/2008

Name of Grants	Name of organ of state or municipal entity	Total Receipts for the Year	Total Expenditure for the Year	Delay \ withheld	Gazette amount Municipal year	Reason for delay/ withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for non-compliance
		Total	Total	Total	Total			
Equitable Share	DPLG	162 197 151	162 197 151	0	0	None	Not Applicable	None
Financial Management Grant	National Treasury	250 000	243 936	0	0	None	Yes	None
Systems Improvement Grant	DPLG	1 000 000						
IMMIS	Provincial	40 275	40 275	0	0	None	Yes	None
DWAF Counter funding	DPLG	0	518 263	0	0	None	Yes	None
Fire Support Grant	Provincial	5 783 636						
Upgrading Fire Stations Grant	Provincial	0	37 182	0	0	None	Yes	None
Drought Relief Grant	DWARF	0	0	0	0	None	Yes	None
DMSP Grant	Provincial	250 000	3 100 000					
Transitional and Amalgamation Grant	National Treasury	0	3 600	0	0	None	Yes	None
Disaster Management Grant	Provincial	750 000	335 928					
Miscellaneous Receipts	Diverse	136 815	5 465	0	0	None	Yes	None
		170 407 877	166 481 800	0	0			

Equitable Share shown as expended in order that total grant expenditure recognised as revenue balance with Note 12