

GARIEP LOCAL MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2009



CONTENTS
FOR THE YEAR ENDED 30 JUNE 2009

	<u>BLADSY</u>
1. GENERAL INFORMATION	1-2
2. REPORT OF THE CHIEF FINANCIAL OFFICER	3 - 5
3. REPORT OF THE AUDITOR GENERAL	(Nog nie beskikbaar nie).
4. ACCOUNTING POLICIES	7 - 8
5. BALANCE SHEET	9
6. INCOME STATEMENT	10
7. CASH FLOW STATEMENT	11
8. NOTES TO THE FINANCIAL STATEMENTS	12 - 18
9. APENDICES	
A. STATUTORY FUNDS, RESERVES AND PROVISIONS	19
B. EXTERNAL LOANS AND INTERNAL ADVANCES	20
C. ANALYSIS OF FIXED ASSETS	21
D. ANALYSIS OF OPERATING INCOME AND EXPENDITURE	22
E. DETAILED INCOME STATEMENT	23
F1. STATISTICAL INFORMATION	24
F2. LIQUIDITY RATIO'S AND FINANCIAL INDICATORS	25

GENERAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2009

Grading of local authority

Grade 2

Auditors

The office of the Auditor-General

Bankers

ABSA Burgersdorp

Registered office

**Municipal Office
Jan Greyling Street
Burgersdorp, 9744**

**PO Box 13
Burgersdorp
9744**

**Tel: 051-653 1777
Faks: 051-653 0056**

Minicipal Manager

Mr. T A Mawonga

Acting Chief Financial Officer

Mr. M L Mosala

Members of Council

- 1 N W Ngoqo (Mayor/Speaker)**
- 2 Y L Magqazolo**
- 3 H I Cary**
- 4 T Z Notyeke**
- 5 E M Thomas**
- 6 N Mabunu**
- 7 L G Paul**
- 8 B Khweyiya**

APPROVAL OF FINANCIAL STATEMENTS

The financial statements set out in pages 3 to 25 were approved by the Municipal Manager in his capacity as Accounting Officer on Wednesday 18 November 2009 and will be submitted to council at the next council meeting

T A Mawonga
Municipal Manager
Accounting Officer
18 November 2009

M L Mosala
Acting Chief Financial Officer
18 November 2009

REPORT OF THE CHIEF FINANCIAL OFFICER **FOR THE YEAR ENDED 30 JUNE 2009**

Introduction

The financial year ended with a deficit of R 26 966 177. This deficit was mainly as a result of the increase in the provision for doubtful debts in order to lower the the outstanding debtors to its net realisable value.

All water and sanitation operations (including assets and liabilities) were transferred to Ukhahlamba District Municipality. Ukhahlamba District Municipality is the service provider for these services and Gariep Municipality only renders these services on behalf of the District Municipality.

1. Operating results:

1.1 Detail of operating results per department, classification and function of expenditure is provided in Appendix "D" and "E". The overall result for the year were as follows:

INCOME AND EXPENSES	Actual 2007/08	Actual 2008/09	Variance %	Budget 2008/09	Variance Actual/ Budget %
	R	R		R	
Surplus at the beginning of the year	3 196 010	(2 109 700)	(166)		
Operating surplus/(deficit) for the year	3 587 953	(12 798 218)	(457)	630 201	(2 131)
Prior year adjustments	(8 893 663)	(12 058 259)			
	<u>(2 109 700)</u>	<u>(26 966 177)</u>	1 178	<u>630 201</u>	(4 379)
Operating income for the year	49 574 691	39 275 499	(21)	52 030 992	(25)
Operating expenditure for the year	(45 986 738)	(52 073 718)	13	(51 400 791)	1
Operating surplus/(deficit) for the year	3 587 953	(12 798 219)	(457)	630 201	(2 131)

The operating results for rates and general services, housing, electricity and water were as follows:

1.2 Rates and general services:

	Actual 2007/08	Actual 2008/09	Variance %	Budget 2008/09	Variance Actual/ Budget %
Income	29 116 462	28 744 035	(1)		
Expenses	31 942 560	41 905 906	31		
Surplus/(deficit)	<u>(2 826 097)</u>	<u>(13 161 871)</u>	366	<u>(3 464 563)</u>	280
Surplus/(deficit) as % of total income	(10)	(46)			

1.3 Housing

	Actual 2007/08	Actual 2008/09	Variance %	Budget 2008/09	Variance Actual/ Budget %
Income	1 359	-	(100)		
Expenses	522 987	484 522	(7)		
Surplus/(deficit)	<u>(521 628)</u>	<u>(484 522)</u>	(7)	<u>(434 793)</u>	11
Surplus/(deficit) as % of total income	(38 383)	-			

1.4 Water

	Actual 2007/08	Actual 2008/09	Variance %	Budget 2008/09	Variance Actual/ Budget %
Income	9 320 567	-	(100)		
Expenses	6 288 728	-	(100)		
Surplus/(deficit)	3 031 839	-	(100)	5 988	(100)
Surplus/(deficit) as % of total income	33	-			

1.4 Electricity

	Actual 2007/08	Actual 2008/09	Variance %	Budget 2008/09	Variance Actual/ Budget %
Income	7 386 981	10 531 464	43		
Expenses	7 755 451	9 683 289	25		
Surplus/(deficit)	(368 470)	848 175	(330)	4 523 569	(81)
Surplus/(deficit) as % of total income	(5)	8			

1.5 Summary of rates and general services, housing, water and electricity

	Actual 2007/08	Actual 2008/09	Variance %	Budget 2008/09	Variance Actual/ Budget %
Income	45 825 370	39 275 499	(14)		
Expenses	46 509 725	52 073 717	12		
Surplus/(deficit)	(684 355)	(12 798 218)	1 770	630 201	(2 131)
Surplus/(deficit) as % of total income	(1)	(33)			

A detailed analysis between the operating budget and and actual expenditure were as follows:

1.6 Operating expenditure:

	Actual 2007/08	Actual 2008/09	Variance %	Budget 2008/09	Variance Actual/ Budget %
	<u>R</u>	<u>R</u>		<u>R</u>	
Salaries, wages and allowances	20 522 094	21 600 165	5	27 945 102	(23)
General expenses	21 933 203	25 840 146	18	19 763 704	31
Repairs and maintenance	1 288 754	1 247 482	(3)	843 651	48
Vehicles and implements	-	1 183 381	100	677 019	75
Capital charges	870 973	1 171 085	34	1 288 562	(9)
Contributions to Capital Outlay	-	270 597	100	93 057	191
Contributions to Funds and Res.	1 371 714	1 040 851	(24)	789 696	32
	45 986 738	52 353 707	14	51 400 791	2

1.7 Operating Income

INCOME	Actual 2007/08	Actual 2008/09	Variance %	Budget 2008/09	Variance Actual/ Budget %
	<u>R</u>	<u>R</u>		<u>R</u>	
Grants and subsidies	15 199 114	9 177 862	(40)	13 234 710	(31)
Rates	4 702 055	5 116 936	9	5 336 470	(4)
Electricity	7 386 981	10 531 464	43	13 164 946	(20)
Water	9 320 567	-	(100)	5 706 745	(100)
Sewerage & Sanitation	4 961 815	-	(100)	5 570 613	(100)
Refuse removal	5 210 076	5 688 761	9	4 584 474	24
Other tariffs and services	2 794 083	8 760 476	214	4 433 034	98
	49 574 691	39 275 499	(21)	52 030 992	(25)

2 Capital expenditure

EXPENSE	Actual 2008/09 R	Budget 2008/09 R	Variance %	Actual 2007/08 R
Rates and general services	7 367 054	6 700 000	(10)	4 225 315
Housing	40 365	300 000	87	-
Trade services	9 948	1 164 000	99	376 183
	7 417 367	8 164 000	9	4 601 498

3.1 External loans and investments.

External loans outstanding on 30 June 2009 amounted to R 4 351 972 (30 June 2008 - R 1 733 073). Loans to the value of R 3 000 000 was raised during the year and R 525 366 was redeemed during the year. Refer to Appendix B and note 5 for further detail.

Investments amounted to R 362 780 on 30 June 2009 (30 June 2008 - R 330 527)
Refer to note 7 for further detail regarding investments.

3.2 Internal advances (Revolving fund)

On 30 June 2009 the outstanding internal advances amounted to R 1 217 380 (30 June 2008 - R 1 682 841). Loans to the value of R 379 345 were redeemed in the current year. Refer to Appendix B for further detail.

4. Statutory funds, reserves and provisions

Statutory funds amounted to R 9 611 119 on 30 June 2009 (30 June 2008 - R 8 934 049).

There were no reserve balances on 30 June 2009 (30 June 2008 - R 2 049 462).

Trust funds amounted to R 2 107 on 30 June 2009 (30 June 2008 - R 2 107).

Provisions amounted to R 4 681 538 on 30 June 2009 (30 June 2008 - R 2 000 712).

A Provision was also made for doubtful debts to provide for all balances outstanding 90 days and longer.

Refer to note 1, 2, 3 and 9 of the financial statements and Apperndix A for further detail regarding statutory funds, reserves and provisions.

5. Subsequent events

There were no events after balance sheet date that we are aware of that will have a significant impact on the financial statements.

6 Foreword

I wish to express my appreciation to the Mayor, the chairperson of the Finance Standing Committee, the Council at large, Municipal Manager, my fellow managers and Budget and Treasury Office Staff.

The special word of thanks to the Audit Committee, Auditor General and Provincial Treasury for their support throughout the year.

M L MOSALA
Acting Chief Financial Officer

18 November 2009

ACCOUNTING POLICY

1. BASIS OF PREPARATION

- 1.1 These Financial statements have been prepared so as to conform to the standards laid down by the Institute of Municipal Treasurers in its Report on the Standardisation of Financial Statements of Local Authorities (Second edition - 1996 as amended)
- 1.2 The financial statements are prepared on the historical cost basis. The accounting policies are consistent with the prior year, except if otherwise indicated.
- 1.3 The financial statements are prepared on the accrual basis:
 - (i) Income is accrued when collectable and measurable
Certain direct income is accrued when received, such as traffic fines and licences
 - (ii) Expenditure is accrued in the year it is incurred

2. CONSOLIDATION

The balance sheet includes Rate and General Services, Housing Service, 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 its historical cost while they are in existence and fit for use, except in the case of bulk assets, which are written off at the end of their estimated life as determined by the Treasurer.
- 3.2 Depreciation: The balance shown against the heading "Loans Redeemed and other Capital Receipts" in the notes to the balance sheet is tantamount to a provision for depreciation; however, certain structural differences exist. By way of this "provision", assets are written down over their estimated useful life. Apart from advances from various council funds, assets may also be acquired through:
 - (i) Appropriations from operating income, where the full cost of the asset forms an immediate and direct charge against operating income, and therefore it is unnecessary to make any further provision for depreciation.
 - (ii) Grant of 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 nett proceeds from the sale of property and proceeds from the sale of all other assets are credited to the Revolving Fund.
- 3.4 Capital assets are financed from different sources, including external loans, operating income, endowments and internal advances. These loans and advances are repaid within the estimated lives of the assets acquired from such loans and advances. Interest is charged to the service concerned at the ruling interest rate applicable at the time the advance is made.

4. STOCK

Stock (stores and materials) is valued on the weighted average basis.

5. FUNDS AND RESERVES
 - 5.1 REVOLVING FUND

The Municipal Ordinance. No 20 of 1974 section 75 (l) (a) requires a minimum contribution equal to the previous years contribution plus 20%.
 - 5.2 LEAVE RESERVE

A Leave Reserve is built up to finance accumulated leave payments when employees leave the service of the Municipality.
 - 5.3 COMMUNITY FACILITIES FUND

This fund is built from contributions received from the residents in certain areas. The money is the used to provide community facilities in such areas.
 - 5.4 REPAIR AND MAINTENANCE FUND

This fund is financed by contributions from income and is used to repair vehicles, streets etc.
6. PROVISIONS

Provisions are created for liabilities or contingencies which are known at the date of the balance sheet but for whom the amounts involved cannot be determined with substantial accuracy.

 - (i) Provision for doubtful debts: A provision for doubtful debt is raised for outstanding debtors of 90 days and older. This provision ensures that debtors are shown at its net realisable value.
7. RETIREMENT BENEFITS

Council and its employees contribute to the Cape Joint Pension Fund, Cape Joint Retirement Fund, SALA Pension Fund and the SAMWU National Provident Fund. All these funds provide retirements benefits to the employees of the Municipality.
8. SURPLUS AND DEFECITS

Any surplusses or defecits arising from the operating of the electricity service are transferred to Rate and General Services to alleviate the tax burden of rate payers.
9. INVESTMENTS

Investments are shown at market value and are invested according to the provisions contained in Circular 43 of 1993 issued by the Provincial Administration.
10. FINANCE LEASE ASSETS

Assets (eg copiers) under finance leases are treated as operating leases and all lease payments are allocated to the operating account over the period of the lease.
11. INCOME RECOGNITION
 - 11.1 ELECTRICITY AND WATER BILLINGS

All meters are read and billed monthly. Where meters cannot be read during a particular month, they are provisionally billed with the neccesary adjustments made in the month they are indeed read.
 - 11.2. ASSESSMENT RATES

Assessment rates are levied at the same rate on the value of land and buildings.

Balance Sheet At 30 June 2009

	<u>Notes</u>	<u>2008/2009</u>	<u>2007/2008</u>
		<u>R</u>	<u>R</u>
<u>CAPITAL EMPLOYED</u>			
Funds And Reserves		9 611 119	10 983 511
Statutory Funds	1	9 611 119	8 934 049
Reserves	2	0	2 049 462
Accumulated Deficit	16	(26 966 177)	(2 109 700)
		(17 355 058)	8 873 811
Trust Funds	3	2 107	2 107
Project Funds	4	9 785 127	2 085 339
Long Term Liabilities	5	3 025 605	3 226 835
Consumer Deposits: Services	11	640 174	565 325
		(3 902 046)	14 753 417

EMPLOYMENT OF CAPITAL

Fixed Assets	6	5 342 323	6 410 122
Net Current Assets/(liabilities)		(9 244 371)	8 343 295
<u>Current Assets</u>		25 833 968	44 549 921
Inventory	8	435 804	357 193
Debtors	9	24 604 119	41 766 540
Cash		4 450	0
Bank		426 815	0
Short Term Investments	7	362 780	330 527
Advances		0	2 095 661
<u>Current Liabilities</u>		35 078 339	36 206 626
Provisions	10	4 225 520	2 000 712
Creditors	11	30 460 407	23 642 283
Short Term Portion Of Long Term Liabilities		392 411	189 079
Bank Overdraft		0	10 374 552
		(3 902 046)	14 753 417

INCOME STATEMENT FOR THE YEAR ENDED
30 JUNE 2009

2007/2008 Actual Income	2007/2008 Actual Expenditure	2007/2008 Surplus/ (Deficit)		2008/2009 Actual Income	2008/2009 Actual Expenditure	2008/2009 Surplus/ (Deficit)	Budget Surplus/ (Deficit)
R	R	R		R	R	R	R
29 115 103	31 419 573	(2 304 470)	RATES AND GENERAL SERVICES	28 744 035	41 905 906	(13 161 871)	(3 464 563)
18 724 063	20 243 080	(1 519 017)	Community Services	22 836 305	31 734 724	(8 898 419)	(2 233 535)
219 149	3 844 132	(3 624 983)	Subsidy Services	218 969	3 863 429	(3 644 460)	(3 562 721)
10 171 891	7 332 361	2 839 530	Economic Services	5 688 761	6 307 753	(618 992)	2 331 693
1 359	522 987	(521 628)	HOUSING SERVICE		484 522	(484 522)	(434 793)
16 707 548	14 044 178	2 663 370	TRADING SERVICE	10 531 464	9 683 289	848 175	4 529 557
3 750 681	0	3 750 681	GRANTS	0	0	0	0
<u>49 574 691</u>	<u>45 986 738</u>	<u>3 587 953</u>		<u>39 275 499</u>	<u>52 073 717</u>	<u>(12 798 218)</u>	<u>630 201</u>
			APPROPRIATION FOR THE YEAR				
		<u>(8 893 663)</u>	(refer to note 16)			<u>(12 058 259)</u>	
		(5 305 710)	NET DEFICIT FOR THE YEAR			(24 856 477)	
		3 196 010	ACCUMULATED SURPLUS/(DEFICIT) AT THE BEGINNING OF THE YEAR			(2 109 700)	
		<u>(2 109 700)</u>	ACCUMULATED DEFICIT AT THE END OF THE YEAR			<u>(26 966 177)</u>	

(refer to Appendices D and E for further detail)

CASH FLOW STATEMENT FOR
THE YEAR ENDED 30 JUNE 2009

	Note/ App.	2008/2009 R	2007/2008 R
CASH RETAINED FROM OPERATING ACTIVITIES		18 103 872	3 397 911
Cash generated by operations	18	(42 556 642)	(265 414)
External Investment income	14	55 132	0
(Increase)/decrease in working capital	19	26 072 444	(681 447)
		(16 429 066)	(946 861)
LESS: External interest paid	14	(1 467 413)	163 772
Cash available from operations		(17 896 479)	(783 089)
Grants from Government		36 000 351	4 181 000
CASH UTILISED IN INVESTING ACTIVITIES			
Investment in fixed assets	App. C	(7 267 904)	(4 716 111)
Net cash flow		<u>10 835 968</u>	<u>(1 318 200)</u>
CASH EFFECTS OF FINANCING ACTIVITIES			
Increase/(decrease) in long term loans	20	2 102	(209 670)
Decrease in short term loans	21	(32 253)	0
Increase in cash investments	22	(10 801 367)	(320 919)
(Increase)/decrease in cash		(4 450)	1 422 193
Increase in funds		0	333 895
Net cash (generated)/utilised		<u>(10 835 968)</u>	<u>1 225 499</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

	2008/09 R	2007/08 R
1 STATUTORY FUNDS		
Revolving fund	9 309 454	8 632 385
Housing Development Fund	301 664	301 664
	9 611 119	8 934 049
<i>(Refer to Appendix A for more detail)</i>		
2 RESERVES		
Maintenance Fund	0	368 662
Renewal Fund	0	358 628
Working Capital	0	1 322 172
	0	2 049 462
<i>(Refer to Appendix A for more detail)</i>		
3 TRUST FUNDS		
C I Hughes Fund	2 107	2 107
	2 107	2 107
<i>(Refer to Appendix A for more detail)</i>		
4 PROJECT FUNDS		
DPLG Burgersdorp Cemetary	72 600	72 600
DPLG Spacial Development Plan	152 123	152 123
Finance Management Grant	577 366	708 374
J L de Bruin Dam	911 219	868 836
LG Seta	55 529	0
MIG Mzamomhle Road	1 129 105	0
Nosiswe Venterstad	5 748	5 338
Premiers Trust Fund	17 762	13 545
Public Participation Grant	40 000	40 000
Rectification 71 Low Cost Houses	0	0
Umsobomvu Youth Fund	40 425	0
Upgrading Electrification	2 000 000	0
Vehicles Grant Funding	224 523	224 523
Venterstad 360 Houses	113 324	0
Venterstad Sportfield	68 413	0
MSP	574 074	0
Grant Office	250 505	0
Steynsburg Toilets	1 224 669	0
Commonage Management Plan	225 000	0
Gariep Development Centre Fund	250 000	0
Mzamomhle Waterborne Sanitation	546 158	0
Libraries Replacement Books	407 300	0
Evaluation Control Account	751 651	0
LED	47 633	0
Tourism Sector Plan	100 000	0
	9 785 127	2 085 338
<i>(Refer to Appendix A for more detail)</i>		

	2008/09 R	2007/08 R
5 LONG TERM LIABILITIES		
External Loans	4 351 973	1 733 073
Internal advances	0	1 682 841
Less: Senqu loan transferred to Creditors - Note 11	(650 904)	0
	<u>3 701 069</u>	<u>3 415 914</u>
Less: Transferred to Ukhahlamba District Municipality	(283 053)	0
Less: Current Portion transferred to current liabilities	(392 411)	(189 079)
	3 025 605	3 226 835
External loans are subject to interest of between 5% to 15.1% with the last loan redeemed on 30 June 2018.		
<i>(Refer to Appendix B for more detail)</i>		
6 FIXED ASSETS		
Fixed assets at the beginning of the year	62 820 390	58 104 279
Capital expenditure during the year	7 417 367	4 716 111
Prior year adjustments	(94 500)	0
Less: Assets written off, transferred or disposed during the year	(31 966 862)	0
Total fixed assets	38 176 396	62 820 390
Less: Loans redeemed and other capital receipts	(32 834 072)	(56 410 268)
Net fixed assets	5 342 323	6 410 122
<i>(Refer to Appendix C)</i>		
7 SHORT TERM INVESTMENTS		
	362 780	330 527
Town Register	1 771	1 644
Nosizwe	5 748	5 338
Premiers Fund	77 762	73 545
ABSA Fixed Deposit	277 500	250 000
8. INVENTORY		
Stores and materials	435 804	357 193
9. DEBTORS		
Rates and general services	11 454 492	8 533 065
Consumer	19 738 163	33 376 220
Other debtors	15 404 293	4 100 411
	46 596 948	46 009 696
Less: Provision for bad debts	(21 992 828)	(4 243 156)
	24 604 119	41 766 540
10. PROVISIONS		
Provisions (refer to appendix A)	4 225 520	2 000 712

	2008/09 R	2007/08 R
11. CREDITORS	30 460 407	23 642 285
Trade creditors	8 762 517	23 642 285
Value Added Tax	9 410 545	0
Performance and other bonuses	1 096 700	0
Retentions	423 875	0
Senqu short-term loan transferred from long-term liabilities	650 903	0
Other creditors	10 115 867	0
	640 174	565 325
Consumer deposits		
12. ASSESSMENT RATES	INCOME	INCOME
	5 116 936	4 702 055
<u>VALUATIONS</u>		
- Residential & Commercial properties	0	0
- Government	0	0
Total valuations	0	0
13 <u>AUDITORS REMUNERATION</u>		
Audit Fees	555 000	615 162
14 <u>FINANCE TRANSACTIONS</u>		
TOTAL EXTERNAL INTEREST EARNED AND PAID:	(1 412 281)	0
- Interest earned	55 132	0
- Interest paid	(1 467 413)	0
15 <u>CAPITAL CHARGES DEBITED TO OPERATING ACCOUNT</u>		
<u>INTEREST PAID</u>	538 147	364 257
- Internal	183 798	200 485
- External	354 349	163 772
<u>REDEMPTION</u>	918 335	480 242
- Internal	465 461	316 417
- External	452 874	163 825
	1 456 482	844 499
<u>Reconciliation of Capital Charges debited to Operating Account to Capital Charges per Appendix D</u>		
Capital Charges (refer above)	1 456 482	
Redemption and interest on Senqu Loan	(271 773)	
Prior year adjustments on internal- and external loans	(13 624)	
Capital Charges per Appendix D	1 171 085	
16. <u>ACCUMULATED SURPLUS/(DEFICIT):</u>		
<u>APPROPRIATION ACCOUNT</u>		
- Accumulated Surplus/(Deficit) at the beginning of the year	(2 109 700)	3 196 010
- Operating surplus/(deficit) for the year	(12 798 218)	3 587 953
- Prior year adjustments (nett)	(12 058 259)	(8 893 663)
- Accumulated Surplus/(Deficit) at the end of the year	(26 966 177)	(2 109 700)
<u>OPERATING ACCOUNT</u>		
Capital Expenditure	2 399 100	2 584 801
- Project funding	1 204 542	1 855 278
- Audit Provision	555 000	0
- Landfill Sites	141 626	0
- Trust funds	0	4 986
- Leave provision	497 932	724 537
<u>CONTRIBUTIONS TO RESERVES EN FUNDS</u>	383 770	6 415 878
- Revolving Fund	383 770	1 311 275
- Renewal Fund	0	1 193 033
- Working Capital	0	3 911 570

	2008/09 R	2007/08 R
17. REVOLVING FUND		
- Accumulated Funds	9 309 454	8 632 385
- Less: Cash and Investments	0	0
- Temporary Advances	(8 092 074)	(6 949 544)
Outstanding advances to services	1 217 380	1 682 841
18. CASH GENERATED BY OPERATIONS	(42 556 642)	(265 414)
Surplus/(deficit) for the year	(12 798 218)	3 587 953
Prior year adjustment	(12 058 259)	(8 893 662)
Appropriations charged against income		
- Provisions and reserves	1 424 621	4 195 796
Capital charges		
- Interest Paid (internal)	183 798	200 485
- Interest Paid (external)	354 349	163 772
- Redemption (internal)	465 461	316 417
- Redemption (external)	452 874	163 825
Non-Operating Expenditure from Funds		
- Reserves	(986 778)	0
- Provisions	1 183 832	0
- Trust Funds	(19 017 827)	0
Capital expenditure	7 417 367	0
Government Grants and Subsidies	(9 177 862)	0
19. (INCREASE)/DECREASE IN WORKING CAPITAL	26 072 444	(681 447)
- (Increase)/decrease in stock	(78 611)	(512 125)
- Decrease in debtors	17 162 421	0
- Decrease in advances	2 095 661	0
- Increase in creditors and deposits	6 892 973	(169 322)
20. INCREASE/(DECREASE) IN LONG TERM LIABILITIES (EXTERNAL):	2 102	209 670
- Loans raised	3 000 000	0
- Loans redeemed	(452 874)	163 825
- Loans transferred and written off	(2 545 024)	0
- Increase in consumer deposits	0	45 845
21. (INCREASE)/DECREASE IN INVESTMENTS	(32 253)	320 919
- Investments realised/(made)	(32 253)	320 919
22. INCREASE/(DECREASE) IN CASH:	10 801 367	(1 690 125)
- Cash book balance at the beginning of the year	(10 374 552)	9 196 159
- Cash book balance at the end of the year	426 815	10 886 284
23. RUMENERATION OF COUNCILLORS (Sec. 124 van MFMA):		
<u>Speaker/Mayor:</u>		
- Basic salary	273 379	244 215
- Travel allowance	97 136	81 405
- Cellphone	15 984	13 404
- Medical aid	18 031	0
	404 530	339 024
<u>Councillors (7):</u>		
- Basic salary	856 541	708 153
- Travel allowance	145 704	122 104
- Cellphone	69 804	58 548
- Medical aid	17 683	24 491
	1 089 732	913 296

	2008/09 R	2007/08 R
24. REMUNERATION OF KEY MANAGEMENT PERSONNEL		
<u>Municipal Manager:</u>		
- Basic salary	704 081	573 965
- Travel allowance	108 000	110 500
- Cellphone	21 252	18 480
- Medical Aid	19 519	17 014
	<u>852 852</u>	<u>719 959</u>
<u>Chief Financial Officer (Acting)</u>		
- Basic salary	176 412	180 348
- Travel allowance	78 840	78 840
- Cellphone	8 760	5 160
- Other allowances	204 609	6 996
- Bonus	14 701	15 029
- Medical Aid	16 294	22 385
- Pension	31 754	32 463
	<u>531 370</u>	<u>341 220</u>
<u>Management Corporate Services</u>		
- Basic salary	402 244	0
- Cellphone	8 760	0
- Bonus	34 456	0
- Pension	85 913	0
	<u>531 373</u>	<u>0</u>
<u>Manager Technical Services</u>		
- Basic salary	344 273	355 910
- Travel allowance	78 000	0
- Cellphone	8 760	8 760
- Bonus	27 727	29 659
	<u>458 760</u>	<u>394 329</u>
<u>Manager Community Services</u>		
- Basic salary	327 688	290 000
- Travel allowance	139 283	60 000
- Cellphone	8 760	8 760
- Other allowances	0	18 745
- Bonus	27 307	24 167
- Medical Aid	62 813	16 164
- Pension	0	52 200
	<u>565 852</u>	<u>470 036</u>

25. <u>INTERDEPARTEMENTAL- AND OTHER GRANTS (Sec. 123 MFMA):</u>	<u>Received</u>	<u>Spend</u>
Equitable Share	6 455 031	6 455 031
Finance Management Grant	500 000	631 008
J L de Bruin Dam	1 204 304	1 161 921
LG Seta	55 529	0
MIG Mzamomhle Road	7 852 000	6 722 895
Rectification 71 Low Cost Houses	2 591 581	2 591 581
Umsobomvu Youth Fund	250 000	38 734
Upgrading Electrification	2 000 000	0
Venterstad 360 Houses	7 309 038	7 195 714
Venterstad Sportfield	0	539 587
MSP	0	25 987
Grant Office	250 505	0
Evaluation Control Account	0	110 400
	<u>28 467 988</u>	<u>25 472 858</u>

All funds utilised for purpose originally granted.
No funds allocated in terms of DORA were withheld.

	2008/09 R	2007/08 R
26. <u>CONTRIBUTIONS TO LOCAL ORGANISED GOVERNMENT (Sec. 125 of MFMA):</u>		
SALGA contributions	13 700	5 600
	<u>13 700</u>	<u>5 600</u>
(i) <u>PRIVATE PUBLIC PARTNERSHIPS</u> The Municipality has as yet not entered into a public-private partnership agreement with any private party.		
(ii) <u>STATUTORY PAYMENTS</u>		
UIF contributions	273 716	74 137
SDL	249 559	0
PAYE	2 749 183	319 266
VAT: Paid to SARS	0	316 263
Received from SARS	1 222 965	2 274 058
Auditor-General (incl. Vat)	700 000	0
(iii) <u>BANK ACCOUNTS AND INVESTMENTS:</u>		
<u>Current account:</u> - ABSA Bank - 18-0022-0161		
Bank statement balance at beginning of year	(5 251 048)	(3 644 688)
Bank statement balance at end of year	<u>676 449</u>	<u>(5 251 048)</u>
Cash book balance beginning of the year	(9 862 355)	(8 783 868)
Cash book balance at end of year	<u>426 815</u>	<u>(9 862 355)</u>
27. <u>BUSINESS TRANSACTIONS WITH FORMER EMPLOYEES AND EMPLOYEES EMPLOYED BY GOVERNMENT (Sec 36(2) of the Supply Chain Management Policy)</u>		
None		
28. <u>DEVIATIONS FROM, AND RATIFICATION OF MINOR BREACHES OF, THE PROCUREMENT PROCESSES (Sec 36(2) of the Supply Chain Management Policy)</u>		
(i) Sharp (2 Year lease agreement)	<u>659 160</u>	
The municipality terminated their lease agreement with Minolta. A new agreement was entered into with Sharp that resulted in a saving of aprox R 42 535 per month. In addition the leased assets will become the property of the municipality at the end of the lease term that was not the case under the previous agreement. Advertising for competitive bids was not performed.		
29. <u>POSSIBLE FRUITLESS AND WASTEFULL EXPENDITURE (Sec 32 of the MFMA):</u>		
(i) Interest paid on bank overdraft and other late payments	317 470	0
(ii) Interest paid on SALA pension fund contributions in arrear	795 593	0
	<u>795 593</u>	<u>0</u>

	2008/09 R	2007/08 R
30 . <u>CONTINGENT LIABILITIES</u>		
(i) Johan Heunis (CCMA)	1 107 439	0

A claim was lodged at the CCMA against the municipality by the former CFO, Johan Heunis, after being dismissed for misconduct in the 2007/2008 financial year. The value of the claim lodged represents the salary package of the former CFO for a period of two years. The municipality is of opinion that the claim will not be successful.

31 . CAPITAL COMMITMENTS

(i) Commitments with regards to capital expenditure - Approved and contracted	7 223 026 <u>7 223 026</u>	4 552 399 <u>4 552 399</u>
(ii) Capital commitments will be financed as follows: - External resources Government (MIG)	7 223 026 <u>7 223 026</u>	4 552 399 <u>4 552 399</u>
	<u>7 223 026</u>	<u>4 552 399</u>

APPENDIX A

**STATUTORY FUNDS, RESERVES, TRUST FUNDS AND PROVISIONS
FOR THE YEAR ENDED 30 JUNE 2009**

	BALANCE ON 2008/07/01	CONTRIBUTION DURING 2008/2009	INTEREST DURING THE YEAR	OTHER RECEIPTS	CAPITAL EXPENDITURE 2008/2009	OTHER EXPENDITURE 2008/2009	TRANSFERRED TO/ (FROM)	BALANCE ON 2009/06/30
STATUTORY FUNDS:								
REVOLVING FUND	8 632 385	383 770	183 798	109 501	0	0	0	9 309 454
HOUSING DEVELOPMENT FUND	301 664	0	0	0	0	0	0	301 664
TOTAL	8 934 049	383 770	183 798	109 501	0	0	0	9 611 119
TRUST FUNDS :								
C I HUGHES FUND	2 107	0	0	0	0	0	0	2 107
TOTAL	2 107	0	0	0	0	0	0	2 107
PROJECT FUNDS :								
DPLG Burgersdorp Cemetary	72 600	0	0	0	0	0	0	72 600
DPLG Spacial Development Plan	152 123	0	0	0	0	0	0	152 123
Finance Management Grant	708 374	0	0	500 000	0	631 008	0	577 366
J L de Bruin Dam	868 836	0	0	1 204 304	0	1 161 921	0	911 219
LG Seta	0	0	0	55 529	0	0	0	55 529
MIG Mzamomhle Road	0	0	0	7 852 000	0	6 722 895	0	1 129 105
Premiers Trust Fund	13 545	0	4 217	0	0	0	0	17 762
Nosiswe Venterstad	5 338	0	410	0	0	0	0	5 748
Public Participation Grant	40 000	0	0	0	0	0	0	40 000
Rectification 71 Low Cost Houses	0	0	0	2 591 581	0	2 591 581	0	0
Umsobomvu Youth Fund	0	0	0	250 000	0	38 734	170 840	40 425
Upgrading Electrification	0	0	0	2 000 000	0	0	0	2 000 000
Vehicles Grant Funding	224 523	0	0	0	0	0	0	224 523
Venterstad 360 Houses	0	0	0	7 309 038	0	7 195 714	0	113 324
Venterstad Sportfield	0	0	0	0	0	539 587	(608 000)	68 413
MSP	0	0	0	0	0	25 987	(600 061)	574 074
Grant Office	0	0	0	250 505	0	0	0	250 505
Steynsburg Toilets	0	0	0	0	0	0	(1 224 669)	1 224 669
Commonage Management Plan	0	0	0	0	0	0	(225 000)	225 000
Gariep Development Centre Fund	0	0	0	0	0	0	(250 000)	250 000
Mzamomhle Waterborne Sanitation	0	0	0	0	0	0	(546 158)	546 158
Libraries Replacement Books	0	0	0	0	0	0	(407 300)	407 300
Evaluation Control Account	0	0	0	0	0	110 400	(862 051)	751 651
LED	0	0	0	0	0	0	(47 633)	47 633
Tourism Sector Plan	0	0	0	0	0	0	(100 000)	100 000
TOTAL	2 085 338	0	4 627	22 012 957	0	19 017 827	(4 700 032)	9 785 127
TOTAL FUNDS AND RESERVES	11 021 495	383 770	188 425	22 122 458	0	19 017 827	(4 700 032)	19 398 352
PROVISIONS :								
Leave	1 919 067	394 225	0	0	0	6 496	352 310	1 954 486
Town registrar	1 645	0	125	0	0	0	0	1 770
Bursary fund	80 000	0	0	0	0	0	80 000	0
Landfill sites	0	141 626	0	0	0	0	(1 572 638)	1 714 264
Audit	0	505 000	0	50 000	0	615 162	(615 162)	555 000
TOTAL: PROVISIONS	2 000 712	1 040 851	125	50 000	0	621 658	(1 755 490)	4 225 520

APPENDIX B

**EXTERNAL LOANS AND INTERNAL ADVANCES
FOR THE YEAR ENDED 30 JUNE 2009**

LOANS	BALANCE ON 2008/07/01	RECEIVED DURING THE YEAR	REDEEMED DURING THE YEAR	INTEREST PAID	PRIOR YEAR ADJUSTMENTS	BALANCE ON 2009/06/30
	<u>R</u>	<u>R</u>	<u>R</u>	<u>R</u>	<u>R</u>	<u>R</u>
EXTERNAL LOANS						
Annuity loans	1 043 073	3 000 000	325 366	282 576	(16 639)	3 701 068
Senqu loan *	690 000	0	200 000	71 773	89 131	650 904
	1 733 073	3 000 000	525 366	354 349	72 492	4 351 972
<i>(refer to note 5)</i>						
INTERNAL ADVANCES						
Revolving fund	1 682 841	0	379 345	183 798	(86 116)	1 217 380
	1 682 841	0	379 345	183 798	(86 116)	1 217 380
<i>(refer to Appendix C)</i>						
	3 415 914	3 000 000	904 711	538 147	(13 624)	5 569 352
* - Loan used to finance operating expenditure - Short-term included in Creditors						

APPENDIX C

ANALYSIS OF FIXED ASSETS FOR THE YEAR ENDED 30 JUNE 2009

Expenditure 2007/08	SERVICE R	Budget 2008/09 R	Balance on 2008/07/01 R	Expenditure 2008/09 R	Written off/ transferred R	Prior year adjustment R	Balance on 2009/06/30 R
4 225 315	RATES AND GENERAL SERVICES	6 700 000	40 245 920	7 367 054	(15 595 139)	(94 500)	31 923 335
3 349 707	COMMUNITY SERVICES	6 660 000	24 096 353	7 363 754	(728 750)	(94 500)	30 636 857
225 753	Council's general expenditure	470 000	244 614	70 712	0	0	315 327
0	Land & Buildings	50 000	14 394 270	25 250	(728 750)	(94 500)	13 596 270
0	Commonage	0	2 906 567	0	0	0	2 906 567
1 370	Town Planning	0	264 029	1 300	0	0	265 329
0	Health Services	0	435 687	0	0	0	435 687
2 613 945	Public Works	4 840 000	3 428 693	7 107 326	0	0	10 536 019
94 712	Municipal Manager	150 000	352 985	241	0	0	353 226
142 593	Finance	1 150 000	441 744	119 916	0	0	561 660
81 635	Traffic Services	0	642 340	0	0	0	642 340
5 748	Corporate Services	0	565 178	15 341	0	0	580 519
8 951	Community Services	0	48 024	6 264	0	0	54 288
175 000	Technical Services	0	370 766	17 404	0	0	388 170
0	Technical Services	0	1 455	0	0	0	1 455
0	SUBSIDISED SERVICES	40 000	543 699	3 000	0	0	546 699
0	Libraries	0	218 625	0	0	0	218 625
0	Parks & Recreation	40 000	325 074	3 000	0	0	328 074
875 608	ECONOMIC SERVICES	0	15 605 868	300	(14 866 389)	0	739 779
315 874	Cleansing	0	739 779	0	0	0	739 779
559 734	Sewerage & Sanitation	0	14 866 089	300	(14 866 389)	0	0
0	HOUSING	300 000	14 862	40 365	0	0	55 227
0	Housing services	300 000	14 862	40 365	0	0	55 227
376 183	TRADE SERVICES	1 164 000	22 559 608	9 948	(16 371 723)	0	6 197 834
180 006	Electricity	1 164 000	6 197 834	0	0	0	6 197 834
196 177	Water	0	16 361 775	9 948	(16 371 723)	0	0
4 601 498	TOTAL FIXED ASSETS	8 164 000	62 820 390	7 417 367	(31 966 862)	(94 500)	38 176 396
	LESS: LOANS REDEEMED AND OTHER CAPITAL RECEIPTS		(56 410 268)	(7 800 958)	31 966 862	(589 708)	(32 834 072)
	Loans redeemed and advances repaid		(7 233 203)	(807 466)	390 460	0	(7 650 209)
	Contributions from operating income		(6 528 734)	(270 597)	728 750	(589 708)	(6 660 289)
	Grants and subsidies		(42 648 331)	(6 722 895)	30 847 652	0	(18 523 574)
	NET FIXED ASSETS		6 410 122	(383 590)	0	(684 208)	5 342 324
	<i>(refer to note 6 and Appendix B)</i>						

APPENDIX D

ANALYSIS OF OPERATING INCOME AND EXPENDITURE

FOR THE YEAR ENDED 30 JUNE 2009

Actual 2007/2008 R		Actual 2008/2009 R	Budget 2008/2009 R
<u>INCOME</u>			
15 199 114	Grants and subsidies	9 177 862	13 234 710
9 109 132	- Central Government	5 884 820	9 179 380
6 089 982	- Provincial Government	3 293 042	2 826 464
0	- Other	0	1 228 866
34 375 577	Operating Income	30 097 637	38 796 282
4 702 055	- Rates	5 116 936	5 336 470
7 386 981	- Electricity	10 531 464	13 164 946
9 320 567	- Water	0	5 706 745
4 961 815	- Sewerage & Sanitation	0	5 570 613
5 210 076	- Refuse removal	5 688 761	4 584 474
2 794 083	- Other tariffs and services	8 760 476	4 433 034
<u>49 574 691</u>	TOTAL INCOME	<u>39 275 499</u>	<u>52 030 992</u>
<u>EXPENDITURE</u>			
20 522 094	- Salaries, wages and allowances	21 600 165	27 945 102
21 933 203	- General expenses	25 840 146	19 763 704
1 288 754	- Repairs and maintenance	1 247 482	843 651
0	- Vehicles and implements	1 183 381	677 019
870 973	- Capital charges	1 171 085	1 288 562
0	- Contributions to Capital Outlay	270 597	93 057
1 371 714	- Contributions to Funds and Reserves	1 040 851	789 696
45 986 738	GROSS EXPENDITURE	52 353 707	51 400 791
0	Less: amounts charged out	(279 989)	0
<u>45 986 738</u>	NET EXPENDITURE	<u>52 073 718</u>	<u>51 400 791</u>
<u>3 587 953</u>	SURPLUS/(DEFICIT)	<u>(12 798 219)</u>	<u>630 201</u>
* - Capital redemption and interest on the DBSA loan charged out to Ukhahlamba District Municipality			

APPENDIX E

DETAILED INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

2007/08 Actual income R	2007/08 Actual expenditure R	Surplus/ (deficit) R		2008/09 Actual income R	2008/09 Actual expenditure R	Surplus/ (deficit) R	2008/09 Budget surplus/ (deficit) R
29 116 462	31 942 560	(2 826 097)	RATES AND GENERAL SERVICES	28 744 035	41 905 906	(13 161 871)	(3 464 563)
18 724 063	20 243 079	(1 519 017)	COMMUNITY SERVICES	22 836 305	31 734 724	(8 898 419)	(2 233 535)
5 305 975	3 267 349	2 038 627	Financial Services	5 533 737	10 917 819	(5 384 082)	(720 112)
4 702 055	843 684	3 858 370	Property Tax	5 116 936	1 102 400	4 014 536	5 336 470
1 083 558	1 269 281	(185 724)	Traffic	1 059 079	1 600 609	(541 530)	(468 954)
234 314	144 314	90 000	Commonage	225 289	46 516	178 773	203 192
1 350 658	4 515 593	(3 164 935)	Council	3 347 659	4 409 385	(1 061 726)	(315 100)
1 199 959	2 356 885	(1 156 926)	Public works	1 004 636	3 545 137	(2 540 501)	(2 569 794)
883 784	2 256 034	(1 372 250)	Municipal Manager	1 610 764	3 889 436	(2 278 672)	(1 313 489)
99 146	761 748	(662 602)	Technical Services	109 979	996 600	(886 621)	(869 741)
871 842	1 421 836	(549 994)	Corporate Services	292 557	1 845 153	(1 552 596)	(1 880 366)
2 343 454	2 343 454	(00)	Health	3 371 286	2 292 384	1 078 902	473 574
649 318	1 062 901	(413 583)	Community Services	1 164 383	1 089 285	75 098	(109 215)
219 149	3 844 132	(3 624 983)	SUBSIDISED SERVICES	218 969	3 863 429	(3 644 460)	(3 562 721)
43 007	55 019	(12 013)	Cemetary	52 323	53 159	(836)	(51 010)
1 507	762 617	(761 110)	Library	5 865	1 009 618	(1 003 753)	(955 823)
119 062	1 750 376	(1 631 314)	Municipal buildings	144 994	1 245 683	(1 100 689)	(1 048 527)
55 574	1 276 120	(1 220 546)	Parks and recreation	15 787	1 554 969	(1 539 182)	(1 507 361)
10 171 891	7 332 361	2 839 530	ECONOMIC SERVICES	5 688 761	6 307 753	(618 992)	2 331 693
5 210 076	3 063 589	2 146 487	Refuse removal	5 688 761	6 307 753	(618 992)	1 766 080
4 961 815	4 268 773	693 042	Sewerage & Sanitation	0	0	0	565 613
1 359	522 987	(521 628)	HOUSING	0	484 522	(484 522)	(434 793)
1 359	522 987	(521 628)	Housing services	0	484 522	(484 522)	(434 793)
16 707 548	14 044 178	2 663 370	TRADE SERVICES	10 531 464	9 683 289	848 175	4 529 557
7 386 981	7 755 451	(368 470)	Electricity	10 531 464	9 683 289	848 175	4 523 569
9 320 567	6 288 728	3 031 839	Water	0	0	0	5 988
3 750 681	0	3 750 681	GRANTS	0	0	0	0
<u>45 822 651</u>	<u>45 463 751</u>	<u>3 587 953</u>	TOTAL	<u>39 275 499</u>	<u>52 073 717</u>	<u>(12 798 218)</u>	<u>630 201</u>
		<u>(8 893 663)</u>	APPROPRIATION FOR THE YEAR (refer to note 16)			<u>(12 058 259)</u>	
		(5 305 710)	NET SURPLUS/(DEFICIT) FOR THE YEAR			(24 856 477)	
		3 196 010	ACCUMULATED SURPLUS/(DEFICIT) AT THE BEGINNING OF THE YEAR			(2 109 700)	
		<u>(2 109 700)</u>	ACCUMULATED SURPLUS/(DEFICIT) AT THE END OF THE YEAR			<u>(26 966 176)</u>	

APPENDIX F(1)
FOR THE YEAR ENDED 30 JUNE 2008

STATISTICAL INFORMATION (30 June)

GENERAL STATISTICS:

		<u>2006/2007</u>	<u>2007/2008</u>	<u>2008/2009</u>
Population	<i>Units</i>	36 622	36 622	36 622
Valuation of taxable properties	<i>R</i>	4 557 906	4 662 223	5 265 503
Valuation date	<i>Basis date</i>	01/11/2003	01/11/2003	01/11/2003

ELECTRICITY STATISTICS:

Number of consumers	<i>Units</i>	3 270	3 270	3 270
Number of kWh purchased	<i>kWh</i>	19 265 869	12 702 691	-
Number of kWh sold	<i>kWh</i>	19 411 112	15 122 713	22 744 072

WATER STATISTICS:

Number of consumers	<i>Units</i>	8 977	8 977	8 977
Number of units sold	<i>m3</i>	-	1 684 782	1 917 298

SUNDRY STATISTICS:

Sewerage purified	<i>m3</i>	0	0	763 200
Refuse removed and processed	<i>m3</i>	0	0	3 421 440
Gravel roads	<i>Km</i>	0	0	181
Paving	<i>Km</i>	0	0	5
Tar roads	<i>Km</i>	0	0	64

APPENDIX F(2)
FOR THE YEAR ENDED 30 JUNE 2009
LIQUIDITY RATIO'S & FINANCIAL INDICATORS (30 June)

	Note	R		2009	2008	2007
1. Current ratio (norm = 2:1):				0.14 : 1	1.23 : 1	0.14 : 1
<u>Current assets</u>	B/sheet	25 833 968				
Current liabilities	B/sheet	-35 078 339				
2. ACID test/Quick ratio:				0.15 : 1	1.22 : 1	0.12 : 1
Current assets (less: Inventory)	B/sheet	25 833 968				
Current liabilities	B/sheet	-35 078 339				
Inventory	B/sheet	-435 804				
3.1 External loan debt to capital outlay:			%	11.40	2.76	2.13
<u>External loan debt x 100</u>	App. B	4 351 972				
Total capital outlay	Note 5	38 176 396				
3.2 Internal loan debt tot capital outlay:			%	3.19	2.68	4.43
<u>Internal loan debt x 100</u>	App. B	1 217 380				
Total capital outlay	Note 5	38 176 396				
4. Average period of outstanding loan debt:			Years	6.06	7.11	7.04
Total loan debt	App. B	5 569 352				
Redemption for this year	Note 15	918 335				
5. Loan debt servicing cost :			%	2.98	1.76	-
<u>Capital charges x 100</u>	App. D	1 171 085				
Total income	App. D	39 275 499				
6. External loan debt as a percentage of property rates:			%	85.05	36.86	-
<u>External loan debt x 100</u>	App. B	4 351 972				
Property rates income	App. D	5 116 936				
7. Interest paid on loan debt:			%	9.66	10.66	11.67
<u>Interest</u>	Note 15	538 147				
Total loan debt x 100	App. B	5 569 352				
8. Interest paid as a percentage of operating expenditure:			%	1.03	0.79	1.02
<u>Interest</u>	Note 15	538 147				
Operating expenditure x 100	App. D	52 073 718				
9. Total debts to total assets:			%	78.92	81.96	272.33
<u>Debtors</u>	B/sheet	24 604 119				
Total assets x 100	B/sheet	31 176 292				
10. Operating expenditure as percentage of revenue:			%	132.59	92.76	98.70
<u>Operating expenditure</u>	App. D	52 073 718				
Revenue x 100	App. D	39 275 499				
11.1 Debtors collection period:			Days	229	308	404
<u>Debtors</u>	B/sheet	24 604 119				
Income x 365	App. D	39 275 499				
11.2 Debtors collection period:(Consumer and service debtors)			Days	92	282	-
<u>Debtors</u>	B/sheet	9 929 597				
Income x 365	App. D	39 275 499				
12. Working capital requirement as a percentage of total income:			%	-23.54	17	14
<u>Nett current assets x 100</u>	B/sheet	-9 244 371				
Total income	App. D	39 275 499				
Gov. Gazette 22605 dated 24 August 2001						
13 Debt coverage:			%	2 570.06	3 946.80	-
Operating revenue received	App. D	39 275 499				
Less: Operating grants received	App. D	9 177 862				
Debt service payments (Interest & redemption)	App. D	1 171 085				
14 Outstanding service debtors to revenue:			%	20.89	18.62	-
<u>Total outstanding service debtors</u>	Note 9	11 454 492				
Annual revenue actually received for services	M/report	54 825 169				
15 Cost coverage:			%	9.84	284.07	245.01
Avialable cash	Note 22	426 815				
Plus: Investments	Note 21	0				
Operating expenditure / 12	App. D	4 339 477				

