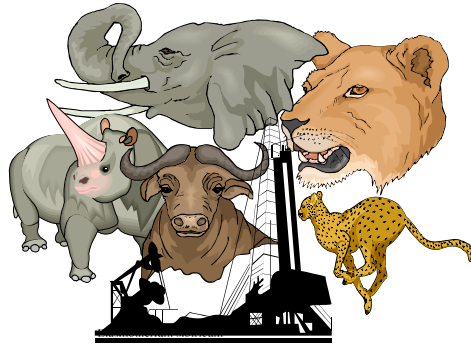


BOJANALA PLATINUM DISTRICT MUNICIPALITY



BOJANALA PLATINUM DISTRICT MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS

for the year ended

30 June 2011

BOJANALA PLATINUM DISTRICT MUNICIPALITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

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BOJANALA PLATINUM DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2011

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 27, 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. I K Sirovha
Municipal Manager
23 August 2011

**BOJANALA PLATINUM DISTRICT MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2011**

	Note	2011 R	2010 R
NET ASSETS AND LIABILITIES			
Net assets		141 371 105	193 938 083
Revaluation Reserve		1 242 394	1 242 394
Accumulated Surplus/(Deficit)		140 128 711	192 695 689
Non-current liabilities		190 319	1 057
Long-term liabilities	2	190 319	1 057
Current liabilities		31 516 083	24 833 482
Provisions	3	2 471 620	1 098 048
Creditors	4	25 218 422	20 032 968
Unspent conditional grants and receipts	5	3 714 853	3 696 728
Current portion of long-term liabilities	2	111 188	5 737
Total Net Assets and Liabilities		<u>173 077 508</u>	<u>218 772 622</u>
ASSETS			
Non-current assets		23 729 047	27 338 713
Property, plant and equipment	7	23 729 047	27 338 713
Long-term receivables	8	0	0
Current assets		149 348 461	191 433 909
Other debtors	9	1 583 317	1 293 967
Current portion of long-term debtors	8	0	0
VAT	6	10 194 710	3 915 254
Call investment deposits	10	0	0
Bank balances and cash	11	137 570 433	186 224 688
Total Assets		<u>173 077 508</u>	<u>218 772 622</u>

**BOJANALA PLATINUM DISTRICT MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	Actual	
		2011 R	2010 R
REVENUE			
Non Exchange Transactions			
Regional Services Levies - turnover		0	9 090
Regional Services Levies - remuneration		0	15 710
Government grants and subsidies	12	227 611 297	212 694 092
Public contributions and donations		0	0
Exchange Transactions			
Interest earned - external investments		12 469 910	14 431 045
Interest earned - Other debtors		0	0
Insurance claims paid-out		0	0
Other income	13	514 416	235 160
Total Revenue		240 595 622	227 385 097
EXPENDITURE			
Employee related costs	14	78 495 604	62 467 968
Remuneration of Councillors	15	8 109 336	7 381 526
Bad debts		0	0
Depreciation		6 502 653	7 055 870
Repairs and maintenance		3 474 665	1 545 047
Interest paid	16	19 371	4 195
Grants and subsidies paid	17	159 283 305	95 142 086
General expenses	18	37 246 619	34 515 711
Total Expenditure		293 131 553	208 112 403
GAINS AND LOSSES			
Gain/(Loss) on disposal of Property, Plant and Equipment	19	-31 047	-79 660
Reversal of impairment losses/(Impairment losses)		0	0
Fair value adjustments of Property, Plant and Equipment		0	0
Net Gains and losses		-31 047	-79 660
SURPLUS/(DEFICIT)		-52 566 977	19 193 034
Share of surplus/(deficit) of associate accounted for under the equity method		0	0
SURPLUS/(DEFICIT) FOR THE YEAR		-52 566 977	19 193 034

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 2011

	Revaluation Reserve	Accumulated Surplus (Deficit)	Total
	R	R	R
2010			
Balance at 1 July 2009	886 022	173 468 543	174 354 565
Correction of error (Note 19)	0		0
Restated balance	886 022	173 468 543	174 354 565
Surplus/(deficit) for the year		19 193 034	19 193 034
Adjustments	0	34 112	34 112
Land and Buildings revalued	356 372	0	356 372
Balance at 30 June 2009	1 242 394	192 695 689	193 938 083
2011			
Change in accounting policy		0	0
Correction of error (Note 19)		0	0
Restated balance	1 242 394	192 695 689	193 938 083
Surplus/(deficit) for the year		-52 566 977	-52 566 977
Adjustments		0	0
Land and Buildings Revalued		0	0
Balance at 30 JUNE 2011	1 242 394	140 128 711	141 371 105

BOJANALA PLATINUM DISTRICT MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 R	2010 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from government and other		250 384 235	230 283 151
Cash paid to suppliers and employees		-308 859 708	-215 855 558
Cash generated from/(utilised in) operations	20	-58 475 473	14 427 593
Interest received		12 469 910	14 431 045
Interest paid		-19 371	-4 195
NET CASH FROM OPERATING ACTIVITIES		-46 024 935	28 854 443
CASH FLOWS UTILISED IN INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-2 943 453	-4 498 893
(Increase)/decrease in non-current receivables		0	-
Proceeds on disposal of property, plant and equipment		19 420	222 152
NET CASH UTILISED IN INVESTING ACTIVITIES		-2 924 033	-4 276 741
CASH FLOW FROM FINANCING ACTIVITIES			
Net new leases and Lease liability repaid		294 713	-62 665
NET CASH FROM FINANCING ACTIVITIES		294 713	-62 665
NET INCREASE/(DECREASE IN CASH AND EQUIVALENT		-48 654 254	24 515 037
Cash and cash equivalents at the beginning of the year		186 224 687	161 709 650
Cash and cash equivalents at the end of the year	21	137 570 433	186 224 687

BOJANALA PLATINUM DISTRICT MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

1. SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

1.1 Basis of preparation

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost basis unless otherwise stated. Under this basis the effects of transactions and other events are recognised when they occur and are recorded in the financial statements within the period to which they relate. Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by an accounting standard.

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) prescribed by the Minister of Finance in terms of General Notices 991 of 2005 and General Notice 516 of 2008.

These standards are summarised as follows:

- GRAP 1: Presentation of financial statements.
- GRAP 2: Cash flow statements.
- GRAP 3: Accounting policies, changes in accounting estimates and errors.
- GRAP 4: The effects of changes in foreign exchange transactions.
- GRAP 5: Borrowing costs.
- GRAP 6: Consolidated and separate financial statements.
- GRAP 7: Investments in associates.
- GRAP 8: Interests in joint ventures.
- GRAP 9: Revenue from exchange transactions.
- GRAP 10: Financial reporting in hyperinflationary economies
- GRAP 11: Construction contracts.
- GRAP 12: Inventories.
- GRAP 13: Leases.
- GRAP 14: Events after reporting date.
- GRAP 16: Investment property.
- GRAP 17: Property, plant and equipment.
- GRAP 19: Provisions, contingent liabilities, and contingent assets.
- GRAP 100: Non-current assets held for sale and discontinued operations.
- GRAP 101: Agriculture.
- GRAP 102: Intangible assets.

Accounting policies for material transactions, events or conditions not covered by the above GRAP 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 accounting framework for 2010/2011

There are no general exemptions from specific standards or aspects of accounting standards and the Municipality comply fully with the accounting framework set out in Directive 5 of the Accounting Standards Board.

**BOJANALA PLATINUM DISTRICT MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

Consideration was given to Accounting Standards approved but not yet effective.

A number of new standards are not yet effective for the year ended 30 June 2011, and are presented below:

- GRAP 18 – Segment reporting
- GRAP 21 – Impairment of non-cash-generating assets
- GRAP 23 – Revenue from non-exchange transactions (taxes and transfers)
- GRAP 24 – Presentation of budget information
- GRAP 25 – Employee benefits
- GRAP 26 – Impairment of cash-generating assets
- GRAP 103 – Heritage assets
- GRAP 104 – Financial instruments

All the above standards, where applicable, will be complied with in the financial statements once the effective date has been reached. Preliminary investigations indicated that the impact of the standards on the financial statements will be minimal, except for the application of GRAP 25 'Employee benefits' and additional disclosures.

IGRAP 1 has also been considered, but since Revenue from Exchange Transactions constitutes an insignificant contribution to the revenue of the municipality, this standard will have a negligible effect on the financial statements.

A summary of the significant accounting policies, which have been consistently applied, is disclosed below.

1.2 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.

1.4 Comparative information

Budget information, in accordance with GRAP 1, has been provided in an annexure to these financial statements and forms part of the audited annual financial statements.

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

BOJANALA PLATINUM DISTRICT MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

1.5 Reserves

1.5.1 Revaluation Reserve

The surplus arising from the revaluation of land and buildings is credited to a Revaluation Reserve. On disposal, the net revaluation surplus is transferred to the accumulated surplus/(deficit) while gains or losses on disposal, based on re-valued amounts, are credited or charged to the Statement of Financial Performance.

1.6 Financial Instruments

Recognition

Financial instruments are initially recognised at fair value.

Financial assets and financial liabilities are recognised on the Municipality's balance sheet when the Municipality becomes a party to the contractual provisions of the instrument.

All regular way purchases and sales of financial assets are initially recognised using trade date accounting.

Measurement

Financial instruments are initially measured at cost, which includes transaction costs. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets

The Municipality's principal financial assets are accounts receivable and cash and cash equivalents.

Receivables

Other receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Management is of the opinion that all receivables outstanding over 90 days are not recoverable and therefore the appropriate allowances for the estimated irrecoverable amounts are provided for as doubtful receivables.

Cash and cash equivalents

Cash and cash equivalents are measured at fair value.

Equity instruments

Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

The Municipality's financial liabilities are interest bearing financial lease liabilities and accounts payable.

**BOJANALA PLATINUM DISTRICT MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

Trade payables are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost which is the initial carrying amount, less repayments, plus interest.

All financial liabilities are measured at amortised cost, comprising original debt less principal payments and amortisations, except for financial liabilities held-for-trading and derivative liabilities, which are subsequently measured at fair value.

1.7 Employee 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. In the absence of a Statement of GRAP on Employee Benefits, the municipality discloses the employee benefits as per IAS 19.

Post-retirement medical benefits

A provision is maintained in respect of the liability to employees relating to post-retirement benefits, such as medical aid contributions

Provision for Performance Bonuses

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is maintained.

1.8 Revenue recognition

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

1.8.1 Revenue from Exchange Transactions

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Interest and rentals are recognized on a time proportion basis.

Revenue received from transactions other than Government Grants and Investment Income is recognised as Other Income.

1.8.2 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

**BOJANALA PLATINUM DISTRICT MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

Revenue from non-exchange transactions (continued)

Government grants are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the economic entity;
- the amount of the revenue can be measured reliably, and
- to the extent that there has been compliance with any restrictions associated with the grant.

The municipality assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, which-ever is earlier.

When government remit grants on a re-imburement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

RSC levies were abolished from 1 July 2006. .

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 recognised when the recovery thereof is virtually certain.

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.

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.

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.

1.9 Leases

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality.

Property, plant and equipment subject to finance lease agreements are capitalised at their cash cost equivalent and the corresponding liabilities are raised. The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over the shorter of the lease term or its estimated useful life. Lease payments are allocated between the finance lease costs and the capital repayment expensed as they become due.

1.10 Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, except land and buildings which is re-valued as indicated. Land is not depreciated as it is deemed to have an infinite life.

The cost of an item of property, plant and equipment comprises of its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs

Where an item of property, plant and equipment is acquired at no cost, it is initially recognised at its fair value as at the date of acquisition. Incomplete construction work is stated at historical cost and depreciated only when the asset is ready for its intended use.

Depreciation is calculated on cost or the value after revaluation, 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:-

Buildings	30-50
<i>Other Assets:</i>	
Furniture & Fittings	6-10
Office Equipment	5-11
Security Equipment	5-8
Emergency equipment	5-11
Plant & Equipment	5-10
Vehicles	5-12

BOJANALA PLATINUM DISTRICT MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Property, Plant and Equipments (continued)

<i>Leased Assets</i>	
Office Equipment	3

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

Review of useful lives

The useful lives of assets are reviewed annually during asset verification based on the condition of each asset.

Review of depreciation method

The depreciation method is assessed annually by management of the municipality to ensure that the method of depreciation is aligned to the usage of each asset.

Impairment of non-cash generating assets

The assets in question were assessed for possible impairment.

Derecognition

Items of Property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. 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 recognised in the Statement of Financial Performance.

1.11 Intangible Assets

An intangible asset is an identifiable non-monetary asset without physical substance. Examples include computer software, licences, and development costs. The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably.

Intangible Assets are initially recognised at cost.

1.12 Grants and Subsidies Paid

The municipality provides organisational and developmental support to Local Municipalities within the District. These transfers are recognised in the Statement of Financial Performance as expenses in the period in which the events giving rise to the transfer occurs.

BOJANALA PLATINUM DISTRICT MUNICIPALITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

1.12 Provisions

Provisions are recognised 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.

1.13 Value Added Tax

The Municipality accounts for Value Added Tax on the payment basis.

BOJANALA PLATINUM DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2 011	2 010
	R	R
2 LONG-TERM LIABILITIES		
Long-term lease liability	301 507	6 794
Less : Current portion transferred to current liabilities	111 188	5 737
Total Long-term liability	<u>190 319</u>	<u>1 057</u>
3 PROVISIONS		
Provision for Medical Aid Continued Members	101 011	45 933
Provision for Performance bonuses	2 370 609	1 052 115
Total Provisions	<u>2 471 620</u>	<u>1 098 048</u>
The indications are that performance bonuses that were not paid for the previous three years will be paid in 2011/2012		
4 CREDITORS		
Trade creditors	8 650 993	10 382 267
VAT on creditors accrued	1 079 933	-
Retention money on projects	7 312 559	4 338 178
Staff leave	8 151 665	5 283 920
Rametse S P unclaimed salary	-	11 811
Technofin: Lease installments not collected	12 960	6 480
Unidentified direct deposit	10 311	10 311
Total Creditors	<u>25 218 422</u>	<u>20 032 968</u>
The fair value of creditors approximates their carrying amounts.		
5 UNSPENT CONDITIONAL GRANTS AND RECEIPTS		
5.1 Conditional Grants from other spheres of Government		
	1 845 800	2 890 124
FM Grant	0	199 176
IMMIS	8 450	8 450
Fire Support Grant	450 753	702 955
Conditional Disaster Management Grant	68 285	972 544
Expanded Public Works	1 318 312	1 007 000
5.2 Other Conditional Receipts		
	1 869 053	806 604
SETA Skills Development	809 053	773 801
National Lottery Grant	1 000 000	-
Standard Bank Disaster Management Donation	60 000	-
Miscellaneous Receipts	-	32 803
Total Conditional Grants and Receipts	<u>3 714 853</u>	<u>3 696 728</u>
See Note 10 for reconciliation of grants from other spheres of government. These amounts are invested until utilized.		
6 VAT		
VAT Receivable	<u>10 194 710</u>	<u>3 915 254</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 2010

7 PROPERTY, PLANT AND EQUIPMENT

30-Jun-11

	<u>Office</u>	<u>Land</u>	<u>Buildings</u>	<u>Other PPE</u>	<u>Total</u>
Reconciliation of Carrying Value	R	R	R	R	R
Carrying values at 1 July 2010					
Cost	24 017	1 656 372	4 098 772	21 540 844	27 320 005
Revaluation	351 970	1 300 000	4 561 238	39 571 675	45 784 883
Accumulated depreciation	-	356 372	886 022	-	1 242 394
Correction of error (note 19)	327 953	-	1 348 488	18 030 831	19 707 272
- Cost & Revaluation	327 953	-	1 348 488	18 030 831	19 707 272
Acquisitions	355 804	-	-	2 587 649	2 943 453
Capital under Construction	-	-	-	-	-
Increases/decreases in revaluation	-	-	-	-	-
Depreciation	60 322	-	306 864	6 126 672	6 493 858
- based on cost	60 322	-	283 106	6 126 672	6 470 100
- Correction of error (note 19)	-	-	-	-	-
- based on revaluation	-	-	23 758	-	23 758
Carrying value of disposals	3 012	-	-	47 454	50 466
Cost/revaluation	351 970	-	-	701 013	1 052 983
Accumulated depreciation	348 958	-	-	653 559	1 002 517
Other movements	-	-	-	-	-
Cost	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-
Carrying values at 30 June 2011	316 487	1 656 372	3 791 908	17 954 367	23 719 134
Cost	355 804	1 300 000	4 561 238	41 458 311	47 675 353
Revaluation	-	356 372	886 022	-	1 242 394
Accumulated depreciation	39 317	-	1 655 352	23 503 944	25 198 613
- Cost & Revaluation	39 317	-	1 655 352	23 503 944	25 198 613

30-Jun-10

	<u>Office</u>	<u>Land</u>	<u>Buildings</u>	<u>Other PPE</u>	<u>Total</u>
Reconciliation of Carrying Value	<u>Equipment Leased</u> R	R	R	R	R
Carrying values at 1 July 2009					
Cost	45 026	1 300 000	4 398 471	24 064 562	29 808 059
Revaluation	351 970	1 300 000	4 561 238	36 233 832	42 447 040
Accumulated depreciation	-	-	886 022	-	-
Correction of error (note 19)	306 944	-	1 048 790	12 169 270	13 525 003
- Cost & Revaluation	306 944	-	1 048 790	12 169 270	13 525 003
Acquisitions	-	-	-	4 472 510	4 472 510
Capital under Construction	-	-	-	-	-
Increases/decreases in revaluation	-	356 372	-	-	356 372
Depreciation	21 009	-	299 773	6 727 412	7 048 194
- based on cost	21 009	-	299 773	6 727 412	7 048 194
- Correction of error (note 19)	-	-	-	-	-
- based on revaluation	-	-	-	-	-
Carrying value of disposals	-	-	-	301 812	301 812
Cost/revaluation	-	-	-	1 137 648	1 137 648
Accumulated depreciation	-	-	-	835 836	835 836
Other movements	-	-	-	32 996	33 071
Cost	-	-	-	2 980	2 980
Accumulated depreciation	-	-	-75	-30 015	-30 090
Carrying values at 30 June 2010	24 017	1 656 372	4 098 772	21 540 845	27 320 006
Cost	351 970	1 300 000	4 561 238	39 571 675	45 784 883
Revaluation	-	356 372	886 022	-	1 242 394
Accumulated depreciation	327 953	-	1 348 488	18 030 831	19 707 272
- Cost & Revaluation	327 953	-	1 348 488	18 030 831	19 707 272

During June 2011 all items of PPE were physically verified and assessed for physical impairment and relevance of calculated remaining useful life spans. Where the remaining useful lifespans have been deemed inaccurate, adjustments have been made prospectively. The lifespans of certain items of PPE within the various categories have been effected as follows:

Other Assets

- Emergency Equipment	1 to 7 years
- Furniture and Fittings	1 to 7 years
- Office Equipment	1 to 7 years
- Vehicles	1 to 7 years
- Plant and Equipment	1 to 7 years
- Security Equipment	1 to 7 years

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.

BOJANALA PLATINUM DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

8 INTANGIBLE ASSETS

2 011

2 010

Reconciliation of Carrying Value	Computer Software	2 011	Computer Software	2 010
		Total		Total
	R	R	R	R
Carrying values				
Beginning of year				
Cost	18 707	18 707	-	-
Accumulated depreciation	26 383	26 383	-	-
Correction of error (note 19)	7 676	7 676	-	-
- Cost	-	-	-	-
	7 676	7 676	-	-
Acquisitions	-	-	26 383	26 383
Depreciation	8 795	8 795	7 676	7 676
- based on cost	8 795	8 795	7 676	7 676
Carrying value of disposals	-	-	-	-
Cost/revaluation	-	-	-	-
Accumulated depreciation	-	-	-	-
Other movements	-	-	-	-
Cost	-	-	-	-
Accumulated depreciation	-	-	-	-
Carrying values				
End of year				
Cost	9 913	9 913	18 707	18 707
Revaluation	26 383	26 383	26 383	26 383
Accumulated depreciation	16 470	16 470	7 676	7 676
- Cost	16 470	16 470	7 676	7 676
- Revaluation	-	-	-	-

9 OTHER DEBTORS

2 010

2009

	2 010	2009
	R	R
VAT receivable on trade creditors accrued	1 079 933	1 096 408
Expenses of staff and councillors:salary suspense	494 197	136 313
Deposits	-	48 178
Study loans to employees	-	13 068
Bursary Repayable	9 187	-
Sub Total	1 583 317	1 293 967
Less: Provision for bad debt	-	-
Total Other Debtors	1 583 317	1 293 967

Reconciliation of the Bad Debt provision:-

2 011

2010

	2 011	2010
	R	R
Balance at the beginning of the year	-	27 470
Contribution to provision	-	-
Contribution from accumulated surplus	-	-
Bad Debt written off against provision	-	-27 470
Reversal of provision and other	-	-
Balance at the end of the year	-	-

10 CALL INVESTMENT DEPOSITS

2 011

2010

	2 011	2010
	R	R
Deposits (mature within 3 months)	-	-
The allocation of investments :-		
Unspent grants	-	-
Operating account	-	-

11 BANK BALANCES AND CASH

The Municipality has the following main bank accounts: -

Current Account (Primary Bank Account)

ABSA, Rustenburg
Account Number: 11-3150-0277

Cash book balance at beginning of year / (overdrawn)	186 219 781	161 704 743
Cash book balance at end of year / (overdrawn)	137 565 539	186 219 781
Bank statement balance at beginning of year / (overdrawn)	194 776 723	168 154 784
Bank statement balance at end of year / (overdrawn)	142 761 874	194 776 723

Savings Account

ABSA, Rustenburg, Account Number 90-8451-8967

Cash book balance	2 907	2 907
Bank statement balance	2 895	2 907

Cash on hand

2 000

2 000

BOJANALA PLATINUM DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

12 GOVERNMENT GRANTS AND SUBSIDIES	2 011 R	2010 R
Equitable share	224 696 430	206 385 079
FM Grant	1 199 176	550 824
Disaster management fund	904 259	1 777 456
Expanded Public Works	403 688	-
DWAF Counter funding	-	30 693
Fire Grant	252 201	-
Disaster Management	-	592 348
Drought Relief Grant	-	217 670
Transitional and Amalgamation Grant	-	474 038
Upgrading Fire Station	-	511 754
Integrated municipal management information system	-	7 400
City of Lathi Salary Vuokko	-	412 970
Ga Motla Housing	-	850 539
Miscellaneous Receipts	155 542	883 321
Total Government Grant and Subsidies	<u>227 611 297</u>	<u>212 694 092</u>

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	199 176	-
Current year receipts	1 000 000	750 000
Conditions met - transferred to revenue	-1 199 176	-550 824
Conditions still to be met - transferred to liabilities (see note 3)	-	199 176

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

12.3 Expanded Public Works Grant

Balance unspent at beginning of year	1 007 000	-
Current year receipts	289 000	1 007 000
Conditions met - transferred to revenue	-403 688	-
Conditions still to be met - transferred to liabilities (see note 3)	892 312	1 007 000

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
Current year receipts	-	-
Conditions met - transferred to revenue	-	-474 038
Conditions still to be met - transferred to liabilities (see note 3)	-	-

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	8 450	15 850
Current year receipts	-	-
Conditions met - transferred to revenue	-	-7 400
Conditions still to be met - transferred to liabilities (see note 3)	8 450	8 450

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
Current year receipts	-	-
Conditions met - transferred to revenue	-	-217 670
Conditions still to be met - transferred to liabilities (see note 3)	-	-

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, 2011, 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 2011

13 OTHER INCOME	2011	2010
	R	R
Interest on vehicle and study loans	-	-
Retention transferred to revenue: not claimed	183 474	-
Mvhula trust recognised as own revenue (See Note 4: Creditors)	-	24 446
Sale of tender documents	312 392	194 471
Miscellaneous revenue	18 550	16 243
	<u>514 416</u>	<u>235 160</u>

The retention money was held back more than 5 years ago and never claimed. Disclosed in Statement of Financial Position as retention money under Creditors. Transferred to revenue.

14 EMPLOYEE RELATED COSTS

Employee related costs - Salaries and Wages	51 177 081	41 354 778
Employee related costs - Contributions for UIF, pensions and medical aids	10 351 641	8 435 132
Travel and other allowances	8 190 189	6 081 269
Housing subsidy	413 134	466 224
Overtime payments	4 177 320	4 350 877
Performance bonus and provision staff leave	4 186 238	1 779 688
Less: Employee costs capitalised to Property, Plant and Equipment	-	-
Less: Employee costs included in other expenses	-	-
Total Employee Related Costs	<u>78 495 604</u>	<u>62 467 968</u>

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

Remuneration of the Municipal Manager

Annual Remuneration	191 645	933 264
Performance Bonuses	-	-
Car Allowance	35 000	180 000
Medical, pension fund and other allowances	4 667	24 000
Total	<u>231 312</u>	<u>1 137 264</u>

Remuneration of the Chief Finance Officer

Annual Remuneration	805 656	765 468
Performance Bonuses	-	-
Car Allowance	108 000	108 000
Medical, pension fund and other allowances	18 000	18 000
Total	<u>931 656</u>	<u>891 468</u>

Remuneration of Individual Executive Directors

	30-Jun-11	Community Directorate	Corporate Directorate	LED Directorate	Technical Directorate
		R	R	R	R
Annual Remuneration		836 160	698 208	660 473	816 876
Performance Bonuses		-	-	-	-
Car Allowance		-	108 000	102 000	60 000
Medical, pension fund and other allowances		18 000	18 000	18 000	18 000
Total		<u>854 160</u>	<u>824 208</u>	<u>780 473</u>	<u>894 876</u>

	30-Jun-10	Community Directorate	Corporate Directorate	LED Directorate	Technical Directorate
		R	R	R	R
Annual Remuneration		799 380	662 748	656 100	799 380
Performance Bonuses		-	-	-	-
Car Allowance		-	108 000	102 000	-
Medical, pension fund and other allowances		18 000	18 000	18 000	18 000
Total		<u>817 380</u>	<u>788 748</u>	<u>776 100</u>	<u>817 380</u>

15 REMUNERATION OF COUNCILLORS

	2011	2010
	R	R
Executive Mayor	574 037	556 405
Speaker	452 583	433 020
Councillors	6 500 170	5 801 284
Councillors' pension contribution	582 546	590 817
Total Councillors' Remuneration	<u>8 109 336</u>	<u>7 381 526</u>

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 2011

	2011	2010
	R	R
16 INTEREST PAID		
Long-term liabilities: Finance Leases	19 371	4 195
Bank overdrafts	-	-
Total Interest on External Borrowings	19 371	4 195
17 GRANTS AND SUBSIDIES PAID		
Grant to Rustenburg Municipality	400 000	1 541 530
Grant to Kgetlengrivier Municipality	230 000	2 088 783
Grant to Moses Kotane Municipality	752 700	-
Grant to Madibeng Municipality	5 885 748	3 778 410
Grant to Moretele Municipality	5 581 500	153 900
Expenditure on regional facilities/special projects	146 420 288	87 579 463
Study loans converted to grants	13 069	-
Total Grants and Subsidies	159 283 305	95 142 086
The grants paid are in the form of special projects.		
18 GENERAL EXPENSES		
Incentive for volunteers	800	791 146
Advertising cost	1 511 755	101 976
Stationery	729 873	695 277
Bank charges	213 102	153 363
Printing Cost	32 445	96 290
Rental offices	3 756 027	2 207 225
Rental Office machines	1 524 982	1 429 693
Membership fees SALGA & Compensation Commission	878 302	745 593
Membership fees	23 980	25 000
Materials and stocks	483 902	301 440
Entertainment cost	1 704 673	1 246 636
Training	115 368	203 116
Audit fees	1 112 430	1 544 965
Audit Committee payments	23 742	28 186
Postage	12 331	11 576
Telephone and fax	3 230 192	2 923 105
Programming	22 249	4 500
Professional fees	91 320	111 014
Lawbooks and amendments/ professional and technical library	89 471	81 795
Legal expences	2 142 170	479 037
Contribution medical aid continued members	147 326	53 320
Publications	-	299 415
Registration Fees Workshops/seminars & Travelling & Subsis	3 777 311	2 612 392
Skills development levy	646 244	675 088
Uniforms and protective clothing	186 578	563 684
Reservists stipend	12 691	5 100
Disposable tents and salvage sheets	-	1 715 206
CBRA	189 147	21 740
Disaster awareness programmes	-	160 249
Burial of indigents	232 430	190 074
Subscriptions	13 561	13 611
Water quality monitoring	232 302	54 270
Insurance	565 921	1 362 247
Food samples	426 840	211 085
Vehicle fuel	1 379 554	1 469 755
Employee assistance	-	10 944
Support FPA	-	946 307
M H S equipment	63 677	465 895
Water electricity and services accounts	764 812	659 142
Radio and repeater lisences	31 741	66 873
Promotional material	-	237 089
Payment security guards	5 419 350	2 492 024
Airport BI annual exercise	-	28 296
All cylinders hydro testing	-	16 136
Mayor's residence	276 706	40 267
Garden maintenance	25 176	-
Computer licences	143 040	66 324
Computer utilities	1 132 809	601 458
Accommodation	686 480	126 968
Consulting fees	-	1 361 381
Radio communication	17 157	57 105
BPDM news	-	1 800
Electronic media	-	59 090
Newspaper insurts	-	118 997
BPDM website	261 786	-
Branding and corporate gifts	-	382 561
Operating Expenses from grants (See Note 12)	2 914 867	4 188 883
Total	37 246 619	34 515 711

BOJANALA PLATINUM DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

19 LOSS AT DISPOSAL OF ASSETS	2 011	2 010
Loss through disposal of assets	31 047	79 660
Loss due to scrapping of assets	-	-
	<u>31 047</u>	<u>79 660</u>

Included in loss is pay-out of an insurance claim of R19 420 for stolen laptop.

20 CASH GENERATED BY OPERATIONS	2011	2010
	R	R
Surplus/(Deficit) for the year	-52 566 977	19 193 034
Adjustment for:-		
Cash contributions from State	-	-
Depreciation	6 502 653	7 055 870
Adjustment provisions	1 373 571	-
Loss on disposal of property, plant and equipment	31 047	79 660
Fair value adjustments	-	1 039
Investment income	-12 469 910	-14 431 045
Interest paid	19 371	4 195
Operating surplus before working capital changes:	-57 110 246	11 902 753
(Increase)/decrease in other debtors	-289 350	-966 662
(Decrease)/increase in conditional grants and receipts	18 125	-4 286 336
(Decrease)/Increase in creditors	5 185 454	8 479 932
Decrease/(Increase) in VAT	-6 279 456	-702 094
Cash generated by/(utilized in) operations	-58 475 473	14 427 593

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	137 570 433	186 224 688
Call investment	-	-
Bank overdraft	-	-
Total cash and cash equivalents	<u>137 570 433</u>	<u>186 224 688</u>

22 UNAUTHORIZED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

22.1 Unauthorized expenditure

	2011	2010
	R	R
Reconciliation of unauthorized expenditure		
Opening balance	-	-
Unauthorized expenditure current year	-	-
Approved by Council or condoned	-	-
Transfer to receivables for recovery (note 16)	-	-
Unauthorized expenditure awaiting authorization	-	-
	<u>-</u>	<u>-</u>

22.2 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure		
Opening balance	-	27 470
Fruitless and wasteful expenditure current year	-	-
Condoned or written off by Council	-	-27 470
To be recovered – contingent asset (see note 40)	-	-
Fruitless and wasteful expenditure awaiting condonement	-	-
	<u>-</u>	<u>-</u>

BOJANALA PLATINUM DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

22.3 Irregular expenditure		2 011	2 010
Reconciliation of irregular expenditure			
Opening balance		7 718 255	-
Expenditure during the year	Note 1 below	-	704 543
Expenditure during the year	Note 2 below	-	2 146 012
Expenditure during the year	Note 3 below	-	5 070 320
Expenditure during the year	Note 4 below	-	501 923
Expenditure during 2010/2011.	Appendix G	1 748 604	-
Condoned by Council	Resolutions	-9 466 859	-704 543
Irregular expenditure awaiting condonement		<u>-</u>	<u>7 718 255</u>

Note 1 (Expenditure ratified by Council Resolution R212/10/11 of 31 March 2011) 704 543

Lease of Office space not acquired through competitive bidding process , total cost to be incurred over the two year lease period is R4,227,263 and has been ratified by council

Note 2 (Expenditure ratified by Council Resolution R212/10/11 of 31 March 2011) 24 146 012

The R2,146,012 is a cumulative amount of bids ranging between R30,000 - R200,00 for not adhering to the 7 days advertisement period and the 80/20 principle not documented.However , three quotations system was used,

Catering ,décor and tents during arrangements for the World Cup

752 166

Accommodation, Conference and workshop facilities
 Specific venues were used for conferences and strategic workshops

669 440

Enhancement of software
 Upgrading of existing District Information system

131 269

Training
 Councillor training

255 696

Travel
 It includes transport to the World Cup PVA as well as air tickets for both local & international assignments

337 442

22.3 Irregular expenditure (continued) **2011** **2010**

Note 3 (Expenditure ratified by Council Resolution R212/10/11 of 31 March 2011) 5 070 320

The amount indicated in the appointed letter was for the system but the actual implementation was as per the service level agreement which talks to implementation over a period of four at an agreed fee as per the bid document which forms the basis of the contract.

It is management view that the expenditure over and above the amount stated in the appointment letter is not irregular as it is covered by the SLA

Note 4 (Expenditure ratified by Council Resolution R212/10/11 of 31 March 2011) 501 923

Annual maintenance fee on site support and training of new Supply Chain Management staff. This was not covered by the original appointment.It is management view that the expenditure in excess of the amount stated in the appointment letter is not irregular as the expenditure was necessary.

2011

2010

23 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

23.1 Contributions to organized local government

Opening balance	-	-
Council subscriptions	681 515	488 315
Amount paid - current year	-681 515	-488 315
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-

23.2 Audit fees

Opening balance	-	-
Current year audit fee and Audit Committee members	1 112 430	1 573 151
Amount paid to Auditor General - current year	-1 112 430	-1 544 965
Amount paid to Audit Committee members - current year	23 742	-28 186
Amount paid - previous years	-23 742	-
Balance unpaid (included in creditors)	-	-

23.3 VAT

VAT inputs receivables and VAT outputs receivables are shown in note 8 . All returns have been submitted by the due date throughout the year.

23.4 PAYE and UIF

Opening balance	-	-
Current year payroll deductions	14 010 010	11 760 667
Amount paid - current year	-14 010 010	-11 760 667
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-

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

24.1 Pension and Medical Aid Deductions

2 011 R 2 010 R

Opening balance	-	-
Current year payroll deductions and Council Contributions	16 758 072	14 148 458
Amount paid - current year	-16 758 072	-14 148 458
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-

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

Service Provider and kind of goods or service	Motivation	Value
		R
See Irregular Expenditure in note 22.3 and Appendix G		

25 CAPITAL COMMITMENTS

2 011 R 2 010 R

Commitments in respect of capital expenditure:		
- Approved and contracted for	139 721 399	105 336 095
Infrastructure	130 248 305	105 336 095
Community	3 195 416	-
Other	6 277 678	-
- Approved but not yet contracted for	3 500 000	55 700 000
Infrastructure	3 500 000	10 500 000
Community	-	10 500 000
Other	-	34 700 000
Total	143 221 399	161 036 095

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.

2 011

2 010

26 RETIREMENT BENEFIT INFORMATION

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

27 CONTINGENT LIABILITIES

27.1) Amalgamated Services are claiming R698513 from the municipality for extra work done on a water project. The amount is contested by the Municipality. Legal cost is estimated at R100 000.00 if the claim succeeds.

28 CONTINGENT ASSETS

The municipality are claiming an amount of R500000 from Power House Utilities for a double payment in error for the purchase of a generator. The High Court case is set for 31 October 2011. Legal cost of R80000.00 may be added but no account for legal costs has been submitted.

29 EVENTS AFTER THE REPORTING DATE

The case of Amalgamated Services disclosed as Contingent Liability was resolved on 24 August 2011. Amalgamated Services withdraw claim. Each party pays its own legal costs. Legal costs to Municipality R45776.77. Invoice of lawyer dated 24 August 2011

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)

2 011

2 010

31 FINANCE LEASE OBLIGATION

Minimum Lease Payments Due		
Within One Year	142 811	6 480
In second and fifth year inclusive	209 481	1 080
	<u>352 292</u>	<u>7 560</u>
Less future finance charges	50 785	766
Present value of minimum lease payments	<u>301 507</u>	<u>6 794</u>
Present value of Lease Payments Due		
Within One Year	111 188	5 737
In second and fifth year inclusive	190 319	1 057
	<u>301 507</u>	<u>6 794</u>

Operating Leases relate to Property, Plant and Equipment with lease terms not longer than 5 years, with an option to extend for a further period. All operating lease contracts contain market review clauses in the event that the municipality exercises its option to renew. The municipality does not have an option to purchase the leased asset at the expiry of the lease period.

The Technofin lease is secured by office equipment. The effective interest rate is 17.5% and is repayable in 36 equal installments of R540 of which the first was paid on 17 September 2009. The last installment will be paid in August 2011.

32 MINIMUM LEASE PAYMENTS: OPERATING LEASE

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:

	2011 R	2010 R
Payments due within 12 months	3 183 611	1 232 952
Payments due 2 to 5 years	14 146 371	2 324 995
Total	<u>17 329 982</u>	<u>3 557 946</u>

33 AWARDS TO CLOSE FAMILY MEMBERS IN TERMS OF SECTION 45 OF

No transactions in 2009/10 and 2010/11

34 RELATED PARTY TRANSACTIONS

Spent on related suppliers during financial year

	2011 R	2010 R
Boyce Entertainment Pro	4 800	58 500
Malekgofi Trading Enterprise	-	71 940
Marole-Nameng Trading Enterprise CC	684 199	68 850
Tshepanag Ka Kutlwano	6 625	29 360
TISETSO Catering & Mult	-	12 000

Related party transactions with staff

Bursary repayment	9 187	13 068
Study Loans to employees	<u>9 187</u>	<u>-</u>
		13 068

Bursaries are given to general public and Council staff. No liability if pass. Staff that fail have to repay bursaries

35 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

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 are as follows:

	2011	2010
Fixed Deposit Investments	-	-
Long-term Receivables	-	-
Current portion of long-term debtors	-	-
Other Debtors	1 583 317	1 293 967
Short-term Investment Deposits	-	-
Bank and Cash Balances	137 570 433	186 224 688
Maximum Credit and Interest Risk Exposure	<u>139 153 750</u>	<u>187 518 655</u>

APPENDIX B
BOJANALA PLATINUM DISTRICT MUNICIPALITY : ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2011

	Cost/Revaluation				Accumulated Depreciation				Carrying Value	
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals		Closing Balance
Land and Buildings										
Land	1 300 000	-	-	-	1 300 000	-	-	-	-	1 300 000
Buildings	5 802 897	-	-	-	5 802 897	1 348 486	306 864	-	1 655 350	4 147 547
	7 102 897	-	-	-	7 102 897	1 348 486	306 864	-	1 655 350	5 447 547
Other Assets										
Furniture and Fittings	3 117 555	1 260 757	-	(92 933)	4 285 380	1 320 386	448 840	(81 984)	1 687 242	2 598 138
Office Equipment	14 247 640	1 248 892	-	(607 180)	14 889 352	7 220 288	2 963 457	(570 675)	9 613 070	5 276 282
Security Equipment	340	-	-	-	340	272	34	-	306	34
Emergency equipment	1 438 554	-	-	(900)	1 437 654	795 292	256 021	(900)	1 050 414	387 240
Plant and Equipment	18 262	78 000	-	-	96 262	3 425	17 024	-	20 449	75 813
Vehicles	20 750 058	-	-	-	20 750 058	8 691 168	2 441 296	-	11 132 465	9 617 593
	39 572 410	2 587 649	-	(701 013)	41 459 046	18 030 832	6 126 673	(653 559)	23 503 945	17 955 101
Leased Assets										
Office Equipment	351 970	355 804	-	(351 970)	355 804	327 953	60 322	(348 958)	39 317	316 487
	351 970	355 804	-	(351 970)	355 804	327 953	60 322	(348 958)	39 317	316 487
Intangible Assets										
Computer Software	26 383	-	-	-	26 383	7 676	8 794	-	16 470	9 913
	26 383	-	-	-	26 383	7 676	8 794	-	16 470	9 913
				(351 970)						
Total carried forward	47 053 660	2 943 453	-	(1 052 983)	48 944 130	19 714 946	6 502 653	(1 002 517)	25 215 083	23 729 047

No segmental analysis of Property, plant and equipment has been prepared

APPENDIX E(1)

BOJANALA PLATINUM DISTRICT MUNICIPALITY: ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2011

	2011 Actual (R)	2011 Budget (R)	2011 Variance (R)	2011 Variance (%)	Explanation of Significant Variances greater than 10% versus Budget
REVENUE					
Regional Services Levies - Turnover	0	0	0	0%	
Regional Services Levies - Remuneration	0	0	0	0%	
Interest earned - external investments	12 469 910	13 000 000	-530 090	-4%	
Interest earned - outstanding debtors	0	0	0		
Government grants and subsidies	227 611 297	225 696 000	1 915 297	1%	
Other income	514 416	550 000	-35 584	-6%	
Total Revenue	240 595 622	239 246 000	1 349 622	1%	Budget structure not fully GRAP compliant.
EXPENDITURE					
Employee related costs	78 495 604	87 117 245	-8 621 641	-10%	Not all positions filled
Remuneration of Councillors	8 109 336	8 673 209	-563 873	-7%	
Bad debts	0	0	0	0%	
Depreciation	6 502 653	7 000 000	-497 347	-7%	Budget not fully GRAP compliant
Repairs and maintenance	3 474 665	4 045 300	-570 635	-14%	All infrastructure assets transferred to municipalities
Interest paid	19 371	0	19 371	-100%	Budget not fully GRAP compliant
Grants and subsidies paid	159 283 305	253 166 092	-93 882 787	-37%	Different treatment of grants under GRAP
General expenses - other	37 246 619	38 979 037	-1 732 418	-4%	
Total Expenditure	293 131 553	391 980 883	-98 849 330	-25%	Budget not fully GRAP compliant
Net Gains and losses	-31 047	0	-31 047	-100%	Not budgeted
NET SURPLUS/(DEFICIT) FOR THE YEAR	-52 566 977	-152 734 883	100 167 906	-66%	Budget structure not fully GRAP compliant. AFS comply.

APPENDIX E(2)

BOJANALA PLATINUM DISTRICT MUNICIPALITY: ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2011

	2011 Actual	2011 Under Construction	2011 Total Additions	2011 Budget	2011 Variance	2011 Variance	Explanation of Significant Variances greater than 5% versus Budget
	R	R	R	R	R	%	
Land and Buildings							
Buildings	0	0	0	0	0	0%	
	0	0	0	0	0	0%	
Other Assets							
Security Systems	0	0	0	1 057 000	-1 057 000	-100%	
Furniture and Fittings	1 269 723	0	1 269 723	2 000 000	-730 277	-37%	
Office Equipment	1 239 926	0	1 239 926	2 536 800	-1 296 874	-51%	
Vehicles	0	0	0	2 000 000	-2 000 000	-100%	
Plant and Equipment	78 000	0	78 000	0	78 000	100%	
	2 587 649	0	2 587 649	7 593 800	-5 006 151	-66%	
Total Additions: Own Assets	0	0	2 587 649	7 593 800	-5 006 151	-66%	

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: 2010/2011

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	224 696 430	224 696 430	0	224 696 000	None	Not Applicable	None
Financial Management Grant	National Treasury	1 000 000	1 199 176	0	1 000 000	None	Yes	None
SETA Skills Development	SETA	190 794	155 542	0	0	None	Yes	None
Expanded Public Works	National Treasury	715 000	403 688	0	0	None	Yes	None
Fire Support Grant	Provincial	0	252 201	0	0	None	Yes	None
Disaster Management Grant	Provincial	0	904 259	0	0	None	Yes	None
National Lottery Grant	Lotto	1 000 000	0	0	0	None	Yes	None
Miscellaneous Receipts	Public Donation	60 000	0	0	0	None	Yes	None
		227 662 224	227 611 297	0	225 696 000			

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

APPENDIX G
BOJANALA PLATINUM DISTRICT MUNICIPALITY
DISCLOSURE OF DEVIATIONS FROM SUPPLY CHAIN MANAGEMENT POLICY IN 2010/2011

SERVICE PROVIDER	PROJECT	AMOUNT	DEPT	DATE	REASON
AKTV -Buffelspoort	Accommodation, meals, conference facilities, projector and sound system for 150 delegates attending waste management and climate seminar.	224 780	CDS	18-Oct-10	The bid was not advertised for fourteen days according to the procurement processes.
Dada Motors	Vehicle parts (Rims and tyres) for the Executive Mayor's car.	68 646	CSS	16-Nov-10	The bid was not advertised for 7 days as supposed to according to the procurement processes. The Mayoral vehicle was purchased at the same garage.
Brits Vleis (Pty) Ltd	Food bought for displaced community of Mooniooi (Mamba)	2 998	CDS	27-Jan-11	The bid was not advertised for fourteen days as supposed to according to the procurement processes
Esri, South Africa	GIS Software for the commissioning of the district GIS and absorption of interns in the planning office.	193 914	AO	18-Feb-11	More than R30 000 but not advertised for seven days. Sole provider of the software
Majwe Masweu Bed and Breakfast	Accommodation for Ms RM Mkhondo, Mr FL Mukhadi and Mr Mulaudzi (newly appointees)	89 280	CSS	18-Feb-11	One quote requested and the bid was not advertised for 7 days.
Mankwe Mess	Accommodation and meals for forty fire fighters trainees newly appointed at Mqowase Fire and Emergencies	106 200	CSS	30-Mar-11	More than R30 000 but not advertised for seven days. Only accommodation available
Yes Media	Advert for the Durban Indaba	17 100	LED	20-Apr-11	One quote issued as the supplier is the sole provider
Junxion 30	Advert for the Durban Indaba daily news	17 660	LED	20-Apr-11	One quote issued as the supplier is the sole provider
Masego Guest house	Accommodation for 6 fire fighter trainee for a month.	73 080	CSS	05-May-11	More than R30 000 but not advertised for seven days
Mankwe Mess	Catering for Fire fighters	21 600	CSS	05-May-11	More than R30 000 but not advertised for seven days
North West radio	Advertising Rustenburg show	69 540	ED	26-May-11	More than R30 000 but not advertised for seven days
Khelhiwe's rest and relax house	Accommodation for trainee fire fighters at Hammanskraal.	215 575	CSS	26-May-11	Did not go through the supply chain process (bidding for 14 days)
Molao Academy	Training of law enforcement for 20 participants for 5 days.	36 643	CSS	27-May-11	Did not advertise for 7 days and the department indicated that the service provider is the only accredited one facilitating the type of training.
Tropicana t/a Rustenburg Travel	Rental of the Executive Mayor car	54 000	CSS	01-Jun-11	Not advertised for 7 days and more than R30 000. The official vehicle had gone for service
Orion Safari	Accommodation, bed and breakfast for the Anti Corruption Forum	31 520	EXE	20-Jun-11	Not advertised for seven days and one quote attached. Only accommodation available ,request received at short notice
Road Lodge	Accommodation, bed and breakfast for the Anti Corruption Forum	12 894	EXE	20-Jun-11	.Not advertised for seven days and one quote attached. Only accommodation available ,request received at short notice
Marole Nameng	Wall paper for the office executive mayor office, Manager in the Executive Mayor, Personal Assistant to the Municipal Manager and MMC IDP, PMS and Traditional affairs	195 000	AO	23-Jun-11	More than R30 000 and not advertised for seven days and one quote attached. Extension of similar service
Kedar Lodge	Induction of Councillors	318 173	AO	24-Jun-11	More than R30 000 but not advertised for 14 days. Only accommodation available ,request received at short notice
		R 1 748 604	Expenditure ratified per Council Resolution R247/11/12 of 28 July 2011		