

Annexure A

Basis of preparation

The financial statements have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practices (GAAP) including any interpretations of such Statements issued by the Accounting Practices Board, with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board replacing the equivalent GAAP Statement as follows:

Standard of GRAP

GRAP 1: Presentation of financial statements

GRAP 2: Cash flow statements

GRAP 3: Accounting policies, changes in accounting estimates and errors

Replaced Statement of GAAP

AC101: Presentation of financial statements

AC118: Cash flow statements

AC103: Accounting policies, changes in accounting estimates and errors

The recognition and measurement principles in the above GRAP and GAAP Statements do not differ or result in material differences in items presented and disclosed in the financial statements. The implementation of GRAP 1, 2 & 3 has resulted in the following significant changes in the presentation of the financial statements:

1. Terminology differences:

Standard of GRAP

Statement of financial performance
financial position

changes in net assets

Net assets

period

Accumulated surplus/deficit

Contributions from owners

owners

Reporting date

Replaced Statement of GAAP

Income statement Statement of

Balance sheet Statement of

Statement of changes in equity

Equity Surplus/deficit for the

Profit/loss for the period

Retained earnings

Share capital Distributions to

Dividends

Balance sheet date

2. The cash flow statement can only be prepared in accordance with the direct method.

3. Specific information such as:

(a) receivables from non-exchange transactions, including taxes and transfers;

(b) taxes and transfers payable;

(c) trade and other payables from non-exchange transactions;

must be presented separately on the statement of financial position

4. The amount and nature of any restrictions on cash balances is required to be disclosed.