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BALANCE SHEET AT 30 JUNE 2004

	<i>Note</i>	2003	2004
		R	R
CAPITAL EMPLOYED			
FUNDS AND RESERVES			
		248 816 673	274 027 035
Statutory Funds	1	166 873 314	187 427 754
Reserves	2	81 943 359	86 599 281
ACCUMULATED SURPLUS			
	18	38 399 236	71 503 195
		287 215 909	345 530 230
TRUST FUNDS			
	3	24 385 595	65 643 602
LONG TERM LIABILITIES			
	4	94 237 648	94 011 337
CONSUMER DEPOSITS - SERVICES			
	5	25 388 804	26 811 026
		431 227 956	531 996 195
EMPLOYMENT OF CAPITAL			
FIXED ASSETS			
	6	251 508 155	247 653 026
INVESTMENTS			
	7	33 873 850	37 586 524
LONG TERM DEBTORS			
	8	11 241 135	11 158 374
		296 623 140	296 397 924
NET CURRENT ASSETS/(LIABILITIES)			
		134 604 816	235 598 271
CURRENT ASSETS			
		174 122 959	269 175 151
Stock	9	7 732 204	6 135 284
Debtors	10	70 007 161	84 687 182
Cash	24	1 925 690	25 960 601
Short Term Investments	7	91 100 000	150 000 000
Short Term Portion of Long Term Debtors	8	3 357 904	2 392 084
CURRENT LIABILITIES			
		39 518 143	33 576 880
Provisions	12	9 636 855	9 846 466
Creditors	13	29 683 200	23 503 933
Short Term Portion of Long Term Liabilities	4	198 088	226 481
		431 227 956	531 996 195

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2004

2003 <i>Surplus/ (Deficit)</i>		2004 <i>Actual Income</i>	2004 <i>Actual Expenditure</i>	2004 <i>Surplus/ (Deficit)</i>	2004 <i>Budget/Surplus (Deficit)</i>
R		R	R	R	R
-12 692 407	<i>RATE AND GENERAL SERVICES</i>	284 951 514	289 993 003	-5 041 489	-34 591 050
33 529 601	<i>Community Services</i>	222 470 785	168 372 333	54 098 452	44 061 265
-52 803 895	<i>Subsidised Services</i>	3 636 014	68 597 125	-64 961 111	-71 669 065
6 581 887	<i>Economic Services</i>	58 844 715	53 023 545	5 821 170	-6 983 250
100 950	<i>HOUSING SERVICE</i>	447 393	1 260 881	- 813 488	-1 327 925
33 851 797	<i>TRADING SERVICES</i>	261 155 183	218 530 800	42 624 383	35 936 975
<u>21 260 340</u>	<i>TOTAL</i>	<u>546 554 090</u>	<u>509 784 684</u>	<u>36 769 406</u>	<u>18 000</u>
<u>-4 549 751</u>	<i>Appropriations for the year (Refer to note 18)</i>			<u>-3 665 447</u>	
<u>16 710 589</u>	<i>Net (deficit) surplus for the year</i>			<u>33 103 959</u>	
<u>21 688 647</u>	<i>Accumulated surplus beginning of the year</i>			<u>38 399 236</u>	
<u><u>38 399 236</u></u>	<i>ACCUMULATED SURPLUS AT THE END OF THE YEAR</i>			<u><u>71 503 195</u></u>	

(Refer to appendix D and E for more detail)

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2004

	Note	2003	2004
		R	R
CASH RETAINED FROM OPERATING ACTIVITIES		130 951 135	158 223 244
<i>Cash generated by operations</i>	19	112 763 675	139 250 570
<i>Investments income</i>	17	15 348 766	17 161 377
<i>(Increase)/decrease in working capital</i>	20	-24 013 564	-14 418 900
		104 098 877	141 993 047
<i>Less: External interest paid</i>	17	15 310 093	14 650 559
Cash available from operations		88 788 784	127 342 488
<i>Cash contributions from the public and State</i>	C	51 233 813	30 931 208
<i>Net proceeds on disposal of stands</i>	1	-9 071 462	- 50 452
CASH UTILISED - INVESTING ACTIVITIES			
<i>Investment in fixed assets</i>	6	-99 002 767	-71 377 741
NET CASH FLOW		31 948 368	86 845 503
CASH EFFECTS - FINANCING ACTIVITIES			
<i>Increase/(decrease) in long-term loans</i>	21	-5 261 636	- 197 918
<i>(Increase)/decrease in cash investments</i>	23	-53 948 740	-62 612 674
<i>(Increase)/decrease in cash</i>	24	27 262 008	-24 034 911
Net cash (generated)/utilised		-31 948 368	-86 845 503

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2004

	2003	2004
	R	R
1. STATUTORY FUNDS		
<i>Endowment</i>	825 700	924 050
<i>Bursaries</i>	187 886	320 578
<i>Civil Protection</i>	139 198	154 935
<i>Town Planning</i>	73 013	81 267
<i>Township Development</i>	-24 191 047	-25 359 415
<i>Land Trust</i>	8 370 517	9 488 433
<i>Capital Development Fund</i>	166 615 876	186 329 486
<i>Insurance</i>	7 925 619	7 115 191
<i>Housing Development Fund</i>	6 926 552	8 373 229
(Refer to Appendix A for more detail)	<u>166 873 314</u>	<u>187 427 754</u>
2. RESERVES		
<i>Indigents</i>	3 060 078	5 361 195
<i>Capital Reserve</i>	23 628 887	26 574 022
<i>Art</i>	240 873	268 105
<i>Maintenance and Renewals</i>	21 296 844	23 993 577
<i>Elections</i>	1 420 879	1 532 961
<i>Special Projects</i>	636 004	707 907
<i>Training</i>	17 360	19 323
<i>Tariff Stabilisation</i>	4 000 000	
<i>Tariff Stabilisation - Interest</i>	27 642 434	28 142 191
(Refer to Appendix A for more detail)	<u>81 943 359</u>	<u>86 599 281</u>
3. TRUST FUNDS		
<i>Contribution Public</i>	115 635	133 950
<i>Subsidies</i>	24 269 960	65 509 652
(Refer to Appendix A for more detail)	<u>24 385 595</u>	<u>65 643 602</u>
4. LONG TERM LIABILITIES		
<i>Local Registered Stock</i>	1 004 328	1 004 328
<i>Annuity Loans</i>	93 431 408	93 233 490
	<u>94 435 736</u>	<u>94 237 818</u>
 <i>Less: Short Term Portion Transferred to Current Liabilities</i>		
<i>Annuity Loans</i>	198 088	226 481
(Refer to Appendix B for more detail)	<u>94 237 648</u>	<u>94 011 337</u>
5. CONSUMER DEPOSITS - SERVICES		
<i>Electricity & Water</i>	25 388 804	26 811 026
 <i>Guarantees in lieu of Electricity & Water deposits</i>	<u>8 056 699</u>	<u>8 585 016</u>

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2004 (Cont.)

	2003	2004
	R	R
6. FIXED ASSETS		
<i>Fixed assets at the beginning of the year</i>	528 051 908	706 175 248
<i>Capital expenditure during the year</i>	99 002 767	71 377 741
<i>Plus: Balances transferred</i>	116 812 217	
<i>Less: Assets written off/disposed</i>	37 691 644	45 025 175
Total fixed assets	<u>706 175 248</u>	<u>732 527 814</u>
 <i>Less: Loans redeemed and other capital receipts</i>	454 667 093	484 874 788
Net fixed assets	<u>251 508 155</u>	<u>247 653 026</u>
 (Refer to appendix C and paragraph 3 of the CFO's Report for more details on fixed assets)		
7. INVESTMENTS		
Unlisted		
<i>Long term deposits</i>	31 771 481	37 200 130
<i>Endowment Policy</i>	2 102 369	386 394
<i>Short term deposits</i>	91 000 000	150 000 000
<i>Collateral investment: ABSA Bank</i>	50 000	
<i>Collateral investment: Nedbank</i>	50 000	
Total Investments	<u>124 973 850</u>	<u>187 586 524</u>
 Less: Short Term Portion Transferred to Current Assets	<u>91 100 000</u>	<u>150 000 000</u>
	<u>33 873 850</u>	<u>37 586 524</u>
 <i>Managements' Valuation of Unlisted Investments</i>	<u>124 973 850</u>	<u>187 586 524</u>
 <i>Average rate of return on investments (Gross)</i>	11.42%	8.24%
 <i>Investments were made at approved financial institutions in accordance with Provincial Circular No 1 of 1994.</i>		
8. LONG TERM DEBTORS		
<i>Housing loans</i>	3 041 675	2 977 698
<i>Erf loans</i>	4 201 702	3 285 349
<i>Car loans</i>	4 811 145	5 094 332
<i>Sport loans</i>	2 140 631	2 009 228
<i>Other</i>	403 886	183 851
	<u>14 599 039</u>	<u>13 550 458</u>
 Less: Short Term Portion Transferred to Current Assets	<u>3 357 904</u>	<u>2 392 084</u>
	<u>11 241 135</u>	<u>11 158 374</u>

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2004 (Cont.)

	2003	2004
	R	R
9. STOCK		
<i>Stock represents consumable stores, raw materials work in progress and finished goods. Where necessary specific provision is made for obsolete stock.</i>	7 732 204	6 135 284

10. DEBTORS		
<i>Current consumer debtors</i>	76 661 783	87 945 185
<i>Current debtors (other)</i>	2 698 146	3 832 818
<i>Amounts paid in advance</i>	216 479	96 282
<i>Deposits Paid</i>	53 321	62 800
	<u>79 629 729</u>	<u>91 937 085</u>
 Less: Provision for Bad Debts	 9 622 568	 7 249 903
<i>(Refer to Annexure A for more detail)</i>	<u>70 007 161</u>	<u>84 687 182</u>

11. SUSPENSE ACCOUNTS		
<i>Other</i>		
<i>Other</i>		

12. PROVISIONS		
<i>Leave</i>	9 636 855	9 846 466
	<u>9 636 855</u>	<u>9 846 466</u>
 <i>(Refer to Annexure A for more detail)</i>		

13. CREDITORS		
<i>Trade Creditors</i>	22 726 045	17 497 946
<i>Other</i>	5 702 756	1 971 714
<i>Amounts Received in Advance</i>	1 254 399	4 034 273
	<u>29 683 200</u>	<u>23 503 933</u>

14. ASSESSMENT RATES

	<i>Number of Stands 2004</i>	<i>Site valua- tions as at 30 June 2004</i>	<i>Actual income 2004</i>	<i>Actual income 2003</i>
		R	R	R
<i>Residential</i>	34 338	938 517 900	46 503 024	41 675 215
<i>Commercial</i>	2 767	629 557 230	41 928 200	38 245 639
<i>State</i>	230	120 365 000	6 413 047	5 993 052
<i>Municipal</i>	7 638	296 916 427		
<i>Other</i>	3 326	304 284 535	3 213 633	3 655 449
	<u>48 299</u>	<u>2 289 641 092</u>	<u>98 057 904</u>	<u>89 569 355</u>

Valuations are performed every 3 years and the last general valuation came into effect on 1 July 2002. The basic rate was 6,66c per Rand (2003 : 6,15c) on land only. A rebate of between 20 - 40% was granted to certain house owners.

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2004 (Cont.)

	2003	2004
	R	R
15. COUNCILLORS' REMUNERATION		
<i>Executive Mayor's Allowance</i>	328 013	369 762
<i>Speakers Allowance</i>	158 061	176 497
<i>Mayoral Committee Allowances (10)</i>	1 487 310	1 544 667
<i>Councillors' Allowances (57)</i>	4 755 366	5 004 861
<i>Pension Fund /Medical Aid Contributions</i>	681 778	696 141
	<u>7 410 528</u>	<u>7 791 928</u>
16. AUDITORS' REMUNERATION		
<i>Audit fees</i>		
- Current Year	417 799	375 867
- Over Provision : Prior Year	107 094	23 159
	<u>524 893</u>	<u>399 026</u>
17. FINANCE TRANSACTIONS		
<i>Total external interest earned or paid:</i>		
<i>Interest earned</i>	15 348 766	17 161 377
- Current Account	4 159 483	4 277 679
- Investments	11 189 283	12 883 698
- Tariff Stabilisation		
<i>Interest Paid</i>	15 310 093	14 650 559
<i>Capital charges debited to operating account:</i>		
<i>Interest: External</i>		
<i>Internal</i>	20 569 261	20 679 962
<i>Redemption: External</i>		
<i>Internal</i>	36 295 628	38 357 104
	<u>56 864 889</u>	<u>59 037 066</u>
18. APPROPRIATIONS		
<i>Appropriation Account</i>		
<i>Accumulated surplus at the beginning of the year</i>	21 688 647	38 399 236
<i>Operating surplus (defecit) for the year</i>	21 260 340	36 769 406
<i>Contributions towards Funds (Ex Surplus)</i>	-3 009 827	
<i>Prior years' adjustments</i>	-1 539 924	-3 665 447
<i>Accumulated surplus at the end of the year</i>	<u>38 399 236</u>	<u>71 503 195</u>
<i>Operating Account</i>		
<i>Capital expenditure</i>	6 520 731	5 944 558
<i>Contributions to:</i>	37 564 416	82 227 445
<i>Bursaries</i>	299 500	315 800
<i>Maintenance Funds</i>	76 000	80 000
<i>Indigents</i>	3 460 000	6 735 890
<i>Capital Development Fund</i>	3 725 527	4 160 000
<i>Development Fund - Housing</i>	25 813	22 194
<i>Bad Debt</i>	1 170 000	2 021 250
<i>Trustfunds for Capital Expenditure</i>	28 635 576	68 713 611
<i>Leave Provision</i>	122 000	128 700
<i>Elections</i>	50 000	50 000
	<u>44 085 147</u>	<u>88 172 003</u>

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2004 (Cont.)

	2003	2004
	R	R
19. CASH GENERATED BY OPERATIONS		
<i>Surplus (Deficit) for the year</i>	21 260 340	36 769 406
<i>Adj. in respect of: Previous years' operating trans.</i>	-1 539 924	-3 665 447
<i>Contributions towards Funds (Ex Surplus)</i>	-3 009 827	
<i>Appropriations charged against income:</i>	44 085 147	88 172 003
* <i>Capital Development Fund</i>	3 725 527	4 160 000
* <i>Accumulated Funds</i>	325 313	337 994
* <i>Provisions</i>	1 292 000	2 149 950
* <i>Reserves</i>	3 586 000	6 865 890
* <i>Fixed Assets</i>	35 156 307	74 658 169
 <i>Capital Charges:</i>		
* <i>Interest paid:</i>	56 864 889	59 037 066
- <i>to internal funds</i>	20 569 261	20 679 962
* <i>Redemption:</i>		
- <i>of internal advances</i>	36 295 628	38 357 104
 <i>Non-operating income:</i>	41 719 259	1 258 385
* <i>Accumulated Funds</i>	722 355	655 290
* <i>Trust Funds</i>	36 740 293	5 243
* <i>Provisions</i>	3 009 827	80 911
* <i>Reserves</i>	1 246 784	516 941
 <i>Non-operating expenditure charged against:</i>	-46 616 209	-42 320 843
* <i>Accumulated Funds</i>	- 165 293	-1 919 682
* <i>Trust Funds</i>	-41 105 484	-27 473 919
* <i>Provisions</i>	- 176 770	-4 393 915
* <i>Reserves</i>	-5 168 662	-8 533 327
	<u>112 763 675</u>	<u>139 250 570</u>
 20. (INCREASE)/DECREASE IN WORKING CAPITAL		
<i>(Increase)/decrease in stock</i>	- 936 730	1 596 920
<i>(Increase)/decrease in debtors</i>	-8 124 370	-11 258 775
<i>Increase/(decrease) in creditors</i>	-14 952 464	-4 757 045
	<u>-24 013 564</u>	<u>-14 418 900</u>
 21. INCREASE/(DECREASE) IN LONG-TERM LOANS (EXTERNAL)		
<i>Loans raised</i>		
<i>Loans repaid</i>	-5 261 636	- 197 918
<i>Loans written-off</i>		
	<u>-5 261 636</u>	<u>- 197 918</u>

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2004 (Cont.)

	2003 R	2004 R
22. INCREASE/(DECREASE) IN SHORT-TERM LOANS (EXTERNAL)		
Loans raised		
Loans repaid		
23. (INCREASE)/DECREASE IN EXTERNAL CASH INVESTMENTS		
Investments made	-408 049 864	-403 712 674
Investments realised	354 101 124	341 100 000
	<u>-53 948 740</u>	<u>-62 612 674</u>
24. (INCREASE)/DECREASE IN CASH ON HAND		
Cash balance at the beginning of the year	29 187 698	1 925 690
Less: Cash balance at the end of the year	1 925 690	25 960 601
	<u>27 262 008</u>	<u>-24 034 911</u>
25. RETIREMENT BENEFITS		
The Council's employees are members of one of the following funds:		
* Joint Municipal Pension Fund		
* Municipal Employees Pension Fund		
* Municipal Gratuity Fund		
Councillors are members of the:		
* Pension Fund for Municipal Councillors		
26. CONTINGENT LIABILITIES AND CONTRACTUAL OBLIGATIONS		
Guarantees by Polokwane Municipality in respect of building society and commercial bank housing loans to officials.	<u>1 275 551</u>	<u>1 029 049</u>

Leave pay outstanding as at 30 June 2004 amounts to R 9 846 466 (2003 : R9 636 855) whereas the provision amounts to R9 846 466 (2003 : R9 636 855).

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2004 (Cont.)

	2003	2004
	R	R
27. CAPITAL COMMITMENTS		
<i>Commitments in respect of expenditure:</i>		
- approved & contracted for	28 131 390	56 800 944
- approved but not yet contracted for	-	-
	<u>28 131 390</u>	<u>56 800 944</u>
 <i>This Expenditure will be Financed from:</i>		
- Capital Development Fund	-	1 234 103
- Consolidated Loans Fund	13 786 557	19 566 595
- Capital Reserves	-	-
- Township Development	648 260	122 807
- Contribution Government(Grants/Subsidies)	11 207 142	35 877 439
- Equitable Share	2 489 431	-
	<u>28 131 390</u>	<u>56 800 944</u>
 28. CONSOLIDATED LOANS FUND		
Advances to borrowing services outstanding		
<i>External loans (see appendix B)</i>	94 435 736	94 237 818
<i>Internal investments (surplus funds)</i>	210 909 925	276 317 131
<i>Sale of Assets</i>	301 746	301 746
<i>Interest Stabilisation Fund</i>	27 642 433	28 142 191
	<u>333 289 840</u>	<u>398 998 886</u>
 <i>Less:</i>	 124 973 850	 187 586 524
<i>External investments</i>	124 973 850	187 586 524
 (Refer to appendix B for more detail)	 <u>208 315 990</u>	 <u>211 412 362</u>
 Net expenditure charged to borrowing services at an average rate of:	 9.11%	 9.09%
 <i>Interest paid on external loans</i>	15 310 093	14 650 559
<i>Interest paid on internal investments</i>	11 723 589	21 090 985
<i>Contribution to Interest Stabilisation Fund</i>	7 169 122	499 758
<i>Contribution to operating income</i>	-	-
	<u>34 202 804</u>	<u>36 241 302</u>
 <i>Less: Interest earned on external investments</i>	 15 348 766	 17 161 377
	<u>18 854 038</u>	<u>19 079 925</u>
 29. CAPITAL DEVELOPMENT FUND		
Outstanding advances to borrowing services		
<i>Accumulated fund</i>	166 615 876	186 329 486
<i>Less: Internal investments in Consolidated Loans Fund</i>	123 423 711	150 088 822
(See appendix B for more detail)	<u>43 192 165</u>	<u>36 240 664</u>

ANNEXURE - A
STATUTORY FUNDS, TRUST FUNDS, RESERVES AND PROVISIONS

	<i>Balance at 2003/06/30</i>	<i>Contributions during the year</i>	<i>Interest on investments</i>	<i>Other income</i>	<i>Operating Expen. during the year</i>	<i>Capital Expend. during the year</i>	<i>Balance at 2004/06/30</i>
	R	R	R	R	R	R	R
STATUTORY FUNDS							
<i>Endowment</i>	825,700		93,348	5,002			924,050
<i>Bursaries</i>	187,886	315,800	21,241		204,349		320,578
<i>Civil Protection</i>	139,198		15,737				154,935
<i>Town Planning</i>	73,013		8,254				81,267
<i>Township Development</i>	-24,191,047		500,071	1,202,758	380,743	2,490,454	-25,359,415
<i>Land Trust</i>	8,370,517			2,857,617		1,739,701	9,488,433
<i>Capital Developm. Fund</i>	166,615,876	4,160,000	15,553,610				186,329,486
<i>Insurance</i>	7,925,619		896,025	8,880	1,715,333		7,115,191
<i>Housing Development Fund</i>	6,926,552	22,194	783,075	641,408			8,373,229
	<u>166,873,314</u>	<u>4,497,994</u>	<u>17,871,361</u>	<u>4,715,665</u>	<u>2,300,425</u>	<u>4,230,155</u>	<u>187,427,754</u>
TRUST FUNDS							
<i>Contribution Public</i>	115,635		13,072	5,243			133,950
<i>Subsidies</i>	24,269,960	68,713,611				27,473,919	65,509,652
	<u>24,385,595</u>	<u>68,713,611</u>	<u>13,072</u>	<u>5,243</u>	<u>0</u>	<u>27,473,919</u>	<u>65,643,602</u>

ANNEXURE - A
STATUTORY FUNDS, TRUST FUNDS, RESERVES AND PROVISIONS

	<i>Balance at 2003/06/30</i>	<i>Contributions during the year</i>	<i>Interest on investments</i>	<i>Other income</i>	<i>Operating Expen. during the year</i>	<i>Capital Expend. during the year</i>	<i>Balance at 2004/06/30</i>
	R	R	R	R	R	R	R
RESERVES							
<i>Indigents</i>	3,060,078	6,735,890			4,434,773		5,361,195
<i>Capital Reserve</i>	23,628,887		2,637,230	307,905			26,574,022
<i>Art</i>	240,873		27,232				268,105
<i>Maintenance and Renewals</i>	21,296,844	80,000	2,407,696	209,037			23,993,577
<i>Elections</i>	1,420,879	50,000	160,636		98,554		1,532,961
<i>Special Projects</i>	636,004		71,903				707,907
<i>Training</i>	17,360		1,963				19,323
<i>Tariff Stabilisation</i>	4,000,000				4,000,000		0
<i>Tariff Stabilisation - Interest</i>	27,642,434			499,757			28,142,191
	81,943,359	6,865,890	5,306,660	1,016,699	8,533,327	0	86,599,281
PROVISIONS							
<i>Leave</i>	9,636,855	128,700		80,911			9,846,466
<i>Bad Debt</i>	9,622,568	2,021,250			4,393,915		7,249,903

ANNEXURE - B
EXTERNAL LOANS AND INTERNAL ADVANCES

			<i>Balance at</i>	<i>Received</i>	<i>Redeemed</i>	<i>Balance at</i>
			<i>2003/06/30</i>		<i>or written off</i>	<i>2004/06/30</i>
			R	R	R	R
EXTERNAL LOANS						
LOCAL REGISTERED STOCK						
<i>Issued</i>	<i>Loan No.</i>	<i>Redeemable</i>				
1985 @ 10,00%	501	2005	45 000	-	-	45 000
1985 @ 10,00%	502	2005	90 000	-	-	90 000
1986 @ 10,00%	503	2006	2 000	-	-	2 000
1987 @ 10,00%	504	2007	7 333	-	-	7 333
1988 @ 10,00%	505	2008	30 000	-	-	30 000
1990 @ 10,00%	506	2010	3 000	-	-	3 000
1990 @ 10,00%	507	2010	45 000	-	-	45 000
1992 @ 10,00%	508	2012	15 400	-	-	15 400
1991 @ 10,00%	509	2011	41 667	-	-	41 667
1993 @ 10,00%	510	2013	53 334	-	-	53 334
1993 @ 10,00%	511	2013	30 000	-	-	30 000
1994 @ 10,00%	512	2014	30 000	-	-	30 000
1991 @ 10,00%	513	2011	8 333	-	-	8 333
1995 @ 10,00%	514	2015	100 000	-	-	100 000
1995 @ 10,00%	515	2015	10 000	-	-	10 000
1994 @ 10,00%	516	2014	22 000	-	-	22 000
1995 @ 10,00%	517	2015	83 333	-	-	83 333
1996 @ 10,00%	518	2016	7 799	-	-	7 799
1996 @ 10,00%	519	2016	8 633	-	-	8 633
1996 @ 10,00%	520	2016	40 000	-	-	40 000
1995 @ 10,00%	522	2015	6 829	-	-	6 829
1995 @ 10,00%	523	2015	14 667	-	-	14 667

ANNEXURE - B
EXTERNAL LOANS AND INTERNAL ADVANCES

			<i>Balance at 2003/06/30</i>	<i>Received</i>	<i>Redeemed or written off</i>	<i>Balance at 2004/06/30</i>
			R	R	R	R
EXTERNAL LOANS						
LOCAL REGISTERED STOCK						
<i>Issued</i>	<i>Loan No.</i>	<i>Redeemable</i>				
1996 @ 10,00%	524	2016	90 000	-	-	90 000
1995 @ 10,00%	525	2015	200 000	-	-	200 000
1996 @ 10,00%	527	2016	20 000	-	-	20 000
			1 004 328	-	-	1 004 328
ANNUITY LOANS						
1987 @ 15,30%	401	2007	54 391	-	10,744	43,647
1987 @ 15,30%	402	2007	42 266	-	8,349	33,917
1987 @ 15,30%	403	2007	610 499	-	120,593	489,906
1997 @ 13,65%	404	2010	92 492 846	-	-	92,492,846
DBSA						
1996 @ 10%	10288	2006	231 406	-	58,232	173,174
			93 431 408	-	197,918	93,233,490
TOTAL EXTERNAL LOANS						
<i>(Refer to notes 4 and 28)</i>						
			94 435 736	-	197,918	94,237,818
INTERNAL ADVANCES TO BORROWING SERVICES						
<i>Consolidated Loans Fund</i>			208 315 990	29 903 417	26 807 045	211 412 362
<i>Capital Development Fund</i>			43 192 165	4 598 558	11 550 059	36 240 664
<i>(Refer to notes 28, 29)</i>						
			251 508 155	34 501 975	38 357 104	247 653 026

ANNEXURE - C
ANALYSIS OF FIXED ASSETS

<i>Expenditure 2003</i>	<i>SERVICE</i>	<i>Budget 2004</i>	<i>Balance at 2003/06/30</i>	<i>Expenditure 2004</i>	<i>Written off transferred or disposed of</i>	<i>Balance at 2004/06/30</i>
R		R	R	R	R	R
55 884 368	RATE & GENERAL SERVICES	90,332,789	431,747,319	34,184,318	28,646,645	437,284,992
41 595 443	Community Services	51,720,321	281,828,633	18,417,922	17,372,667	282,873,888
	<i>Council's General Services</i>		531,355		27,903	503,452
1 064 602	<i>Protection Services</i>	3,634,431	21,055,323	774,092	1,865,186	19,964,229
272 309	<i>Health Services</i>	540,810	2,834,116	269,853	694,779	2,409,190
29 676 219	<i>Roads & Streets</i>	25,254,820	236,128,104	14,858,299	11,172,001	239,814,402
3 748 320	<i>Human Resources</i>	17,616,430	12,174,511	1,928,213	1,732,779	12,369,945
304 184	<i>Security Services</i>	900,000	4,417,622	78,676	1,162,741	3,333,557
5 850 730	<i>Secretariat</i>	3,535,670	3,795,963	374,023	474,237	3,695,749
	<i>Municipal Manager</i>	238,160	3,045		920	2,125
679 079	<i>Financial Services</i>		888,594	134,766	242,121	781,239
10 334 105	Subsidised Services	26,023,668	77,641,455	12,322,458	7,609,956	82,353,957
479 274	<i>Cemeteries</i>	882,600	4,611,181	281,835	85,520	4,807,496
3 476 853	<i>Libraries</i>	1,309,235	9,486,879	1,251,930	1,758,587	8,980,222
776 593	<i>Fire Fighting</i>	3,303,180	6,906,643	372,526	1,119,273	6,159,896
513 110	<i>Bus and Taxi Terminuses</i>		2,800,672	271,091	546,022	2,525,741
177	<i>Art Museum</i>	250,650	123,297		37,087	86,210
39 893	<i>Museum</i>	113,050	2,518,546	28,161	191,431	2,355,276
4 876 142	<i>Parks, Sport and Recreation</i>	16,113,953	35,128,527	9,258,263	3,037,151	41,349,639
130 390	<i>Town Hall & Offices</i>	4,023,600	13,520,263	844,948	703,852	13,661,359
41 673	<i>Swimming Baths</i>	27,400	2,545,447	13,704	131,033	2,428,118

ANNEXURE - C
ANALYSIS OF FIXED ASSETS

<i>Expenditure</i> 2003	<i>SERVICE</i>	<i>Budget</i> 2004	<i>Balance at</i> 2003/06/30	<i>Expenditure</i> 2004	<i>Written off</i> <i>transferred or</i> <i>disposed of</i>	<i>Balance at</i> 2004/06/30
R		R	R	R	R	R
3 954 820		12,588,800	72,277,231	3,443,938	3,664,022	72,057,147
10 330	<i>Building Survey</i>	16,000	18,165	15,606	5,460	28,311
	<i>Properties</i>	1,211,130	17,287,862	1,996,792	1,930,329	17,354,325
	<i>Quarry</i>		20			20
36 232	<i>Licensing</i>	46,000	2,174,732	29,230	88,035	2,115,927
269 460	<i>Cleansing</i>	2,905,420	3,218,682	207,226	427,275	2,998,633
3 638 798	<i>Sewerage</i>	8,410,250	49,577,770	1,195,084	1,212,923	49,559,931
	HOUSING SERVICE		1,200,275		486,845	713,430
	<i>Economic Housing</i>		1,200,275		486,845	713,430
	TRADING SERVICES					
43 118 399		54,886,904	273,227,654	37,193,423	15,891,685	294,529,392
9 887 947	<i>Electricity</i>	14,245,980	171,496,757	12,049,814	7,181,642	176,364,929
	<i>Airport</i>		2,778,269		102,840	2,675,429
33 230 452	<i>Water</i>	40,640,924	98,952,628	25,143,609	8,607,203	115,489,034
99 002 767	TOTAL FIXED ASSETS	145,219,693	706,175,248	71,377,741	45,025,175	732,527,814

ANNEXURE - C
ANALYSIS OF FIXED ASSETS

SERVICE	Balance at 2003/06/30	Expenditure 2004	Written off transferred or disposed of	Balance at 2004/06/30
	R	R	R	R
LESS: LOANS REDEEMED AND OTHER CAPITAL RECEIPTS	454 667 093	75 232 870	45 025 175	484 874 788
<i>Loans redeemed & advances repaid</i>	222 644 893	38 357 104	19 300 020	241 701 977
<i>Contributions ex operating income</i>	17 894 768	5 944 558	5 371 941	18 467 385
<i>Contributions RDP</i>	1 492 570		447 780	1 044 790
<i>Contributions BCIG</i>	1 151 370		345 410	805 960
<i>Contributions CMIP</i>	13 711 361	8 357 295	2 377 627	19 691 029
<i>Contributions NER</i>	7 800 902	1 907 895	2 340 272	7 368 525
<i>Contributions Provincial Government</i>	11 583 566	5 779 632	3 052 920	14 310 278
<i>Contributions National Government (Clinic)</i>	2 143 750		643 120	1 500 630
<i>Contributions Equitable Share</i>	21 459 366	2 297 344	5 498 632	18 258 078
<i>Public Contributions</i>	1 488 398		549 978	938 420
<i>Endowment</i>	2 149 498			2 149 498
<i>Services Levy</i>	42 010		12 610	29 400
<i>Grants and Subsidies</i>	9 531 217	25 771	2 859 327	6 697 661
<i>Provisions and Reserves</i>	10 684 780		1 886 380	8 798 400
<i>Housing</i>	1 200 275		486 845	713 430
<i>Township Development/Landtrust</i>	129 688 369	4 230 154	- 147 687	134 066 210
<i>Municipal Infrastructure Grant</i>		5 912 862		5 912 862
<i>Development Bank of SA</i>		112 518		112 518
<i>Contribution DWA</i>		2 307 737		2 307 737
NET FIXED ASSETS	251 508 155	-3 855 129		247 653 026

ANNEXURE - D
ANALYSIS: OPERATING INCOME AND EXPENDITURE 30 JUNE 2004

<i>Actual 2003</i>		<i>Actual 2004</i>	<i>Budget 2004</i>
R		R	R
	INCOME		
51 131 222	<i>Grants & Subsidies</i>	106 488 605	73 259 960
47 095 947	<i>National Government</i>	80 303 897	63 679 035
1 398 227	<i>Provincial Government</i>	7 683 274	9 580 925
2 637 048	<i>Local Government</i>		
	<i>Dept of Water Affairs & Forestry</i>	18 180 000	
	<i>Development Bank of SA</i>	321 434	
401 043 759	<i>Operating Income</i>	440 065 485	452 173 615
89 569 355	<i>Assessment Rates</i>	98 057 904	98 000 000
152 079 655	<i>Sale of Electricity</i>	165 190 451	164 201 755
81 978 194	<i>Sale of Water</i>	71 808 587	96 289 650
21 529 535	<i>Cleansing</i>	25 116 728	24 650 800
17 370 425	<i>Sewerage</i>	19 988 608	20 541 930
38 516 595	<i>Other</i>	59 903 207	48 489 480
<u>452 174 981</u>		<u>546 554 090</u>	<u>525 433 575</u>

ANNEXURE - D
ANALYSIS: OPERATING INCOME AND EXPENDITURE 30 JUNE 2004

<i>Actual 2003</i>		<i>Actual 2004</i>	<i>Budget 2004</i>
R		R	R
	EXPENDITURE		
134 593 559	<i>Salaries, wages & allowances</i>	149 726 705	171 407 950
244 312 647	<i>General expenses</i>	251 041 991	276 198 905
75 020 442	- <i>Purchase of Electricity</i>	83 760 800	82 600 000
45 300 046	- <i>Purchase of Water</i>	46 164 385	55 000 000
123 992 159	- <i>Other Expences</i>	121 116 806	138 598 905
46 240 587	<i>Repairs and maintenance</i>	40 317 493	49 183 045
56 864 889	<i>Capital charges</i>	59 037 066	60 309 720
6 520 731	<i>Contributions to fixed assets</i>	5 944 558	6 989 845
<u>37 564 416</u>	<i>Contributions</i>	<u>82 472 445</u>	<u>48 936 765</u>
526 096 829	Gross expenditure	588 540 258	613 026 230
95 182 188	<i>Less: Amounts charged out</i>	78 755 574	87 574 655
<u>430 914 641</u>	Net expenditure	<u>509 784 684</u>	<u>525 451 575</u>

ANNEXURE - E
DETAILED INCOME STATEMENT 30 JUNE 2004

<i>2003</i>	<i>2003</i>	<i>2003</i>		<i>2004</i>	<i>2004</i>	<i>2004</i>	<i>2004</i>
<i>Actual</i>	<i>Actual</i>	<i>Surplus/</i>		<i>Actual</i>	<i>Actual</i>	<i>Surplus/</i>	<i>Budget</i>
<i>income</i>	<i>expenditure</i>	<i>(Deficit)</i>		<i>income</i>	<i>expenditure</i>	<i>(Deficit)</i>	<i>Surplus/</i>
<i>R</i>	<i>R</i>	<i>R</i>		<i>R</i>	<i>R</i>	<i>R</i>	<i>(Deficit)</i>
212 318 267	225 010 674	-12 692 407	RATE AND GENERAL SERVICES	284 951 514	289 993 003	-5 041 489	-34 591 050
154 047 638	120 518 037	33 529 601	Community Services	222 470 785	168 372 333	54 098 452	44 061 265
1 493 447	10 348 566	-8 855 119	<i>Council's General Expenses</i>	600 000	15 997 968	-15 397 968	-16 048 725
1 150	3 427 966	-3 426 816	<i>Protection Services</i>	1 190	3 428 221	-3 427 031	-4 977 905
89 569 355		89 569 355	<i>Assessment Rates</i>	98 830 769	4 811 474	94 019 295	93 972 570
310 775	5 493 594	-5 182 819	<i>Health Services</i>	374	6 490 271	-6 489 897	-7 835 175
	402 540	- 402 540	<i>Grants-in-aid and Donations</i>	106 592 848	75 694 500	30 898 348	31 031 370
124 946	34 032 912	-33 907 966	<i>Roads and Streets</i>	36 331	35 258 006	-35 221 675	-40 092 035
20 929	238 604	- 217 675	<i>Human Resources</i>	688 069	535 896	152 173	-2 188 625
	2 354 849	-2 354 849	<i>Municipal Manager</i>		82 532	- 82 532	- 100 335
53 650	7 968 801	-7 915 151	<i>Secretariat</i>		2 157 721	-2 157 721	-3 112 885
54 877 014	36 666 248	18 210 766	<i>Financial Services</i>	8 286 183	2 237 980	6 048 203	8 285 975
7 596 372	19 583 957	-11 987 585	<i>Traffic</i>	7 435 021	21 677 764	-14 242 743	-14 872 965

ANNEXURE - E
DETAILED INCOME STATEMENT 30 JUNE 2004

2003	2003	2003		2004	2004	2004	2004
<i>Actual income</i>	<i>Actual expenditure</i>	<i>Surplus/ (Deficit)</i>		<i>Actual income</i>	<i>Actual expenditure</i>	<i>Surplus/ (Deficit)</i>	<i>Budget Surplus/ (Deficit)</i>
R	R	R		R	R	R	R
5 866 972	58 670 867	-52 803 895	Subsidised services	3 636 014	68 597 125	-64 961 111	-71 669 065
287 115	2 790 601	-2 503 486	<i>Cemeteries</i>	354 647	2 836 878	-2 482 231	-2 962 405
202 162	6 642 026	-6 439 864	<i>Library</i>	241 879	7 483 613	-7 241 734	-7 799 430
2 930 161	9 539 932	-6 609 771	<i>Fire Fighting</i>	530 021	10 990 092	-10 460 071	-10 983 710
	274 071	- 274 071	<i>Bus and Taxi Terminuses</i>		190 691	- 190 691	- 197 660
	436 802	- 436 802	<i>Art Museum</i>		545 927	- 545 927	- 667 215
13 771	3 201 203	-3 187 432	<i>Museums</i>	12 468	3 987 025	-3 974 557	-4 699 560
2 124 833	28 649 550	-26 524 717	<i>Parks, Sport & Recreation</i>	2 270 449	32 943 582	-30 673 133	-35 621 650
131 515	4 651 281	-4 519 766	<i>Town Hall & Offices</i>	46 895	6 827 807	-6 780 912	-5 881 405
177 415	2 485 401	-2 307 986	<i>Swimming Baths</i>	179 655	2 791 510	-2 611 855	-2 856 030
52 403 657	45 821 770	6 581 887	Economic Services	58 844 715	53 023 545	5 821 170	-6 983 250
444 156	1 835 669	-1 391 513	<i>Building Survey</i>	759 335	2 626 041	-1 866 706	-3 140 555
1 052 204	4 445 900	-3 393 696	<i>Properties</i>	1 545 917	9 017 610	-7 471 693	-11 440 275
11 033 229	5 133 125	5 900 104	<i>Licences</i>	11 434 127	5 487 270	5 946 857	4 216 710
21 941 136	19 422 319	2 518 817	<i>Cleansing</i>	25 116 728	21 614 332	3 502 396	96 910
17 932 932	14 984 757	2 948 175	<i>Sewerage</i>	19 988 608	14 278 292	5 710 316	3 283 960
159 577	58 627	100 950	HOUSING SERVICE	447 393	1 260 881	- 813 488	-1 327 925
159 577	58 627	100 950	<i>Economic Housing</i>	447 393	1 260 881	- 813 488	-1 327 925

ANNEXURE - E
DETAILED INCOME STATEMENT 30 JUNE 2004

<i>2003</i>	<i>2003</i>	<i>2003</i>		<i>2004</i>	<i>2004</i>	<i>2004</i>	<i>2004</i>
<i>Actual</i>	<i>Actual</i>	<i>Surplus/</i>		<i>Actual</i>	<i>Actual</i>	<i>Surplus/</i>	<i>Budget</i>
<i>income</i>	<i>expenditure</i>	<i>(Deficit)</i>		<i>income</i>	<i>expenditure</i>	<i>(Deficit)</i>	<i>Surplus/</i>
R	R	R		R	R	R	R
239 697 137	205 845 340	33 851 797	TRADING SERVICES	261 155 183	218 530 800	42 624 383	35 936 975
155 559 683	129 657 667	25 902 016	<i>Electricity</i>	169 925 459	143 095 230	26 830 229	23 471 840
24 000	194 777	- 170 777	<i>Airport</i>	24 000	192 355	- 168 355	- 168 925
84 113 454	75 992 896	8 120 558	<i>Water</i>	91 205 724	75 243 215	15 962 509	12 634 060
<u>452 174 981</u>	<u>430 914 641</u>	<u>21 260 340</u>	TOTAL	<u>546 554 090</u>	<u>509 784 684</u>	<u>36 769 406</u>	<u>18 000</u>
		<u>-4 549 751</u>	<i>Appropriations for the year</i>			<u>-3 665 447</u>	
		<u>16 710 589</u>	<i>Net (deficit) surplus for the year</i>			<u>33 103 959</u>	
		<u>21 688 647</u>	<i>Accumulated surplus beginning of the year</i>			<u>38 399 236</u>	
		<u>38 399 236</u>	ACCUMULATED SURPLUS			<u>71 503 195</u>	
			END OF THE YEAR				

ANNEXURE - F
STATISTICAL INFORMATION

	2004	2003	2002	2001	2000
GENERAL STATISTICS					
<i>Population</i>	453 700	453 700	453 700	453 700	153 000
<i>Number of Registered Voters</i>	215 225	187 311	187 311	187 311	69 927
<i>Number Voted</i>	160 385	73 089	73 089	73 089	56 125
<i>Area (ha)</i>	323 168	323 168	323 168	323 168	19 821
Total Valuations :					
* <i>Rateable (R million)</i>	1 992	1 966	1 582	1 557	1 548
* <i>Residential (R million)</i>	938	913	743	747	736
* <i>Commercial (R million)</i>	630	622	637	613	610
* <i>Government</i>	120	122	114	116	116
* <i>Other</i>	304	309	88	81	86
* <i>Non-rateable (R million)</i>	297	293	256	260	263
Valuation Date : 1 July 2002					
Number of Stands :					
* <i>Residential</i>	34 338	33 861	24 624	24 672	24 158
* <i>Commercial</i>	2 767	2 739	2 394	2 328	2 353
* <i>Other</i>	11 194	11 307	8 832	7 409	7 761
Assessment Rate :					
* <i>Basic (per Rand)</i>	6.66	6.15	5.81	5.45	5.06
* <i>Rebate: Residential</i>	20%	20%	20%	20%	20%
* <i>Additional Rebate : Certain Pensioners</i>	40%	40%	40%	40%	40%
Number of Employees	1 540	1 440	1 400	1 388	1 374

ANNEXURE - F
STATISTICAL INFORMATION

	2004	2003	2002	2001	2000
SEWERAGE					
<i>Sewerage Purified (ML)</i>	9 893	8 998	9 947	8 968	10 338
<i>Cost per MI Purified</i>	R 1,443.27	R 1,665.34	R1 314.17	R1 382,28	R1 176,30
<i>Income per MI Purified</i>	R 2,020.48	R 1,992.99	R1 699,97	R1 770,86	R1 447,78
ELECTRICITY					
<i>Units (kWh) Purchased ('000)</i>	533 060	509 775	487 388	448 841	469 159
<i>Purchase Cost per kWh</i>	15.71c	14.72c	14,00c	14,00c	13,80c
<i>Units (kWh) Sold ('000)</i>	477 292	456 939	430 212	420 802	418 125
<i>Units (kWh) Lost in Distribution ('000)</i>	55 768	52 836	57 176	28 039	51 034
<i>Percentage Loss in Distribution</i>	10.46%	10.36%	11.73%	6,24%	10,88%
<i>Cost per Unit (kWh) Sold</i>	29.98c	28.38c	28,52c	27,63c	26,10c
<i>Income per Unit (kWh) Sold</i>	34.61c	34.04c	33,27c	33,16c	31,30c
WATER					
<i>Kl Purchased ('000)</i>	17 669	19 874	16 417	15 547	14 733
<i>Purchased Cost per Kl</i>	R 2.61	R 2.28	R2,24	R1,80	R1,29
<i>Kl Sold ('000)</i>	12 227	15 150	13 568	12 698	12 802
<i>Kl Lost in Distribution ('000)</i>	5 442	4 724	2 849	2 849	1 931
<i>Percentage Loss in Distribution</i>	30.80%	23.77%	17,35%	18,32%	13,11%
<i>Cost per Kl Sold</i>	R 6.51	R 5.02	R 4.74	R 4.39	R 3.48
<i>Income per Kl Sold</i>	R 7.46	R 5.55	R 5.37	R 4.65	R 4.53