

STATEMENT OF FINANCIAL POSITION**30 JUNE 2005**

	<i>Note</i>	2005	2004
		R	R
CAPITAL EMPLOYED			
FUNDS AND RESERVES			
		332 362 224	274 027 035
Statutory Funds	1	219 947 453	187 427 754
Reserves	2	112 414 771	86 599 281
ACCUMULATED SURPLUS			
	18	121 310 170	71 503 195
		453 672 394	345 530 230
TRUST FUNDS	3	48 144 160	65 643 602
LONG TERM LIABILITIES	4	93 615 594	94 011 337
CONSUMER DEPOSITS - SERVICES	5	27 854 067	26 811 026
		623 286 215	531 996 195
EMPLOYMENT OF CAPITAL			
FIXED ASSETS	6	254 571 242	247 653 026
INVESTMENTS	7	43 957 552	37 586 524
LONG TERM DEBTORS	8	7 044 824	11 158 374
		305 573 618	296 397 924
NET CURRENT ASSETS/(LIABILITIES)			
		317 712 597	235 598 271
CURRENT ASSETS			
		353 507 246	269 175 151
Stock	9	11 752 058	6 135 284
Debtors	10	101 377 064	84 687 182
Cash	24	33 970 862	25 960 601
Short Term Investments	7	201 588 721	150 000 000
Short Term Portion of Long Term Debtors	8	4 818 541	2 392 084
CURRENT LIABILITIES			
		35 794 649	33 576 880
Provisions	12	7 409 504	9 846 466
Creditors	13	28 124 321	23 503 933
Short Term Portion of Long Term Liabilities	4	260 824	226 481
		623 286 215	531 996 195

STATEMENT OF FINANCIAL PERFORMANCE
30 JUNE 2005

2004 <i>Surplus/ (Deficit)</i>		2005 <i>Actual Income</i>	2005 <i>Actual Expenditure</i>	2005 <i>Surplus/ (Deficit)</i>	2005 <i>Budget/Surplus (Deficit)</i>
R		R	R	R	R
-5 041 489	RATE AND GENERAL SERVICES	335 545 774	329 368 304	6 177 470	-27 629 225
54 098 452	<i>Community Services</i>	270 197 927	201 108 916	69 089 011	57 181 000
-64 961 111	<i>Subsidised Services</i>	3 704 748	69 817 017	-66 112 269	-78 521 265
5 821 170	<i>Economic Services</i>	61 643 099	58 442 371	3 200 728	-6 288 960
- 813 488	HOUSING SERVICE	217 941	2 482 806	-2 264 865	-2 274 920
42 624 383	TRADING SERVICES	262 085 672	218 799 055	43 286 617	29 908 145
<u>36 769 406</u>	TOTAL	<u>597 849 387</u>	<u>550 650 165</u>	<u>47 199 222</u>	<u>4 000</u>
<u>38 399 236</u>	<i>Accumulated surplus beginning of the year (Refer to note 18)</i>			<u>71 503 195</u>	
<u>-3 665 447</u>	<i>Prior year adjustments</i>			<u>2 607 753</u>	
<u>71 503 195</u>	ACCUMULATED SURPLUS AT THE END OF THE YEAR			<u>121 310 170</u>	

(Refer to appendix D and E for more detail)

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2005

	Note	2005	2004
		R	R
CASH RETAINED FROM OPERATING ACTIVITIES		205 777 043	158 223 244
<i>Cash generated by operations</i>	19	107 991 837	139 250 570
<i>Investments income</i>	17	21 934 203	17 161 377
<i>(Increase)/decrease in working capital</i>	20	-9 903 808	-14 418 900
		120 022 232	141 993 047
<i>Less: External interest paid</i>	17	14 513 111	14 650 559
<i>Cash available from operations</i>		105 509 121	127 342 488
<i>Cash contributions from the public and State</i>	C	90 605 493	30 931 208
<i>Net proceeds on disposal of stands</i>	1	9 662 429	- 50 452
CASH UTILISED - INVESTING ACTIVITIES			
<i>Investment in fixed assets</i>	6	-139 445 633	-71 377 741
NET CASH FLOW		66 331 410	86 845 503
CASH EFFECTS - FINANCING ACTIVITIES			
<i>Increase/(decrease) in long-term loans</i>	21	- 361 400	- 197 918
<i>(Increase)/decrease in cash investments</i>	23	-57 959 749	-62 612 674
<i>(Increase)/decrease in cash</i>	24	-8 010 261	-24 034 911
<i>Net cash (generated)/utilised</i>		-66 331 410	-86 845 503

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005

	2005	2004
	R	R
1. STATUTORY FUNDS		
<i>Endowment</i>	1 011 100	924 050
<i>Bursaries</i>	542 850	320 578
<i>Civil Protection</i>	169 531	154 935
<i>Town Planning</i>	88 923	81 267
<i>Township Development</i>	-16 017 902	-25 359 415
<i>Land Trust</i>	9 809 349	9 488 433
<i>Capital Development Fund</i>	206 391 047	186 329 486
<i>Insurance</i>	8 437 997	7 115 191
<i>Housing Development Fund</i>	9 514 558	8 373 229
(Refer to Appendix A for more detail)	<u>219 947 453</u>	<u>187 427 754</u>
2. RESERVES		
<i>Indigents</i>	22 030 424	5 361 195
<i>Capital Reserve</i>	29 800 462	26 574 022
<i>Art</i>	293 362	268 105
<i>Maintenance and Renewals</i>	26 527 578	23 993 577
<i>Elections</i>	1 677 374	1 532 961
<i>Special Projects</i>	774 595	707 907
<i>Training</i>	21 143	19 323
<i>Tariff Stabilisation</i>		
<i>Tariff Stabilisation - Interest</i>	31 289 833	28 142 191
(Refer to Appendix A for more detail)	<u>112 414 771</u>	<u>86 599 281</u>
3. TRUST FUNDS		
<i>Contribution Public</i>	149 804	133 950
<i>Subsidies</i>	47 994 356	65 509 652
(Refer to Appendix A for more detail)	<u>48 144 160</u>	<u>65 643 602</u>
4. LONG TERM LIABILITIES		
<i>Local Registered Stock</i>	869 328	1 004 328
<i>Annuity Loans</i>	93 007 090	93 233 490
	<u>93 876 418</u>	<u>94 237 818</u>
 <i>Less: Short Term Portion Transferred to Current Liabilities</i>		
<i>Annuity Loans</i>	260 824	226 481
(Refer to Appendix B for more detail)	<u>93 615 594</u>	<u>94 011 337</u>
5. CONSUMER DEPOSITS - SERVICES		
<i>Electricity & Water</i>	27 854 067	26 811 026
 <i>Guarantees in lieu of Electricity & Water deposits</i>	8 731 921	8 585 016

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005 (Cont.)

	2005	2004
	R	R
6. FIXED ASSETS		
<i>Fixed assets at the beginning of the year</i>	732 527 814	706 175 248
<i>Capital expenditure during the year</i>	139 445 633	71 377 741
<i>Plus: Balances transferred</i>
<i>Less: Assets written off/disposed</i>	53 633 652	45 025 175
Total fixed assets	<u>818 339 795</u>	<u>732 527 814</u>
 <i>Less: Loans redeemed and other capital receipts</i>	563 768 553	484 874 788
Net fixed assets	<u>254 571 242</u>	<u>247 653 026</u>
<i>(Refer to appendix C and paragraph 3 of the CFO's Report for more details on fixed assets)</i>		
7. INVESTMENTS		
Unlisted		
<i>Long term deposits</i>	43 537 687	37 200 130
<i>Endowment Policy</i>	419 865	386 394
<i>Short term deposits</i>	201 588 721	150 000 000
Total Investments	<u>245 546 273</u>	<u>187 586 524</u>
 Less: Short Term Portion Transferred to Current Assets	<u>201 588 721</u>	<u>150 000 000</u>
	<u>43 957 552</u>	<u>37 586 524</u>
 <i>Managements' Valuation of Unlisted Investments</i>	<u>245 546 721</u>	<u>187 586 524</u>
 <i>Average rate of return on investments (Gross)</i>	9.61%	8.24%
 <i>Investments were made in accordance with Council/s Investment Policy</i>		
8. LONG TERM DEBTORS		
<i>Housing loans</i>	3 010 040	2 977 698
<i>Erf loans</i>	4 609 762	3 285 349
<i>Car loans</i>	2 431 744	5 094 332
<i>Sport loans</i>	1 773 395	2 009 228
<i>Other</i>	38 424	183 851
	<u>11 863 365</u>	<u>13 550 458</u>
 Less: Short Term Portion Transferred to Current Assets	<u>4 818 541</u>	<u>2 392 084</u>
	<u>7 044 824</u>	<u>11 158 374</u>

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005 (Cont.)

	2005	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>	11 752 058	6 135 284

10. DEBTORS		
<i>Current consumer debtors</i>	97 955 749	87 945 185
<i>Current debtors (other)</i>	5 518 232	3 832 818
<i>Amounts paid in advance</i>	16 520	96 282
<i>Deposits Paid</i>	84 140	62 800
	<u>103 574 641</u>	<u>91 937 085</u>
 Less: Provision for Bad Debts	 2 197 577	 7 249 903
<i>(Refer to Annexure A for more detail)</i>	<u>101 377 064</u>	<u>84 687 182</u>

11. SUSPENSE ACCOUNTS		
<i>Other</i>	0	0
	<u>0</u>	<u>0</u>

12. PROVISIONS		
<i>Leave</i>	7 409 504	9 846 466
	<u>7 409 504</u>	<u>9 846 466</u>
 <i>(Refer to Annexure A for more detail)</i>		

13. CREDITORS		
<i>Trade Creditors</i>	16 559 824	17 497 946
<i>Other</i>	5 824 635	1 971 714
<i>Amounts Received in Advance</i>	5 739 862	4 034 273
	<u>28 124 321</u>	<u>23 503 933</u>

14. ASSESSMENT RATES

	<i>Number of Stands 2005</i>	<i>Site valua- tions as at 30 June 2005</i>	<i>Actual income 2005</i>	<i>Actual income 2004</i>
		R	R	R
<i>Residential</i>	33 613	967 379 400	51 592 429	46 503 024
<i>Commercial</i>	2 822	635 419 350	45 305 081	41 928 200
<i>State</i>	231	126 978 000	7 242 826	6 413 047
<i>Municipal</i>	7 973	304 144 557		
<i>Other</i>	4 308	310 601 135	2 784 157	3 213 633
	<u>48 947</u>	<u>2 344 522 442</u>	<u>106 924 493</u>	<u>98 057 904</u>

Valuations are performed every 3 years and the last general valuation came into effect on 1 July 2002. The basic rate was 7,13c per Rand (2004 : 6,66c) on land only. A rebate of between 20 - 40% was granted to certain house owners.

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005 (Cont.)

	2005	2004
	R	R
15. COUNCILLORS' REMUNERATION		
<i>Executive Mayor's Allowance</i>	387 515	369 762
<i>Speakers Allowance</i>	182 912	176 497
<i>Mayoral Committee Allowances (10)</i>	1 721 320	1 544 667
<i>Councillors' Allowances (57)</i>	5 510 874	5 004 861
<i>Pension Fund /Medical Aid Contributions</i>	1 684 813	1 636 993
	<u>9 487 434</u>	<u>8 732 780</u>
16. AUDITORS' REMUNERATION		
<i>Audit fees</i>		
- Current Year	430 626	375 867
- Over/Under Provision : Prior Year	151 746	23 159
	<u>278 880</u>	<u>399 026</u>
17. FINANCE TRANSACTIONS		
<i>Total external interest earned or paid:</i>		
<i>Interest earned</i>	21 934 203	17 161 377
- Current Account	1 117 714	4 277 679
- Investments	20 816 489	12 883 698
- Tariff Stabilisation		
<i>Interest Paid</i>	14 513 111	14 650 559
<i>Capital charges debited to operating account:</i>		
<i>Interest: External</i>		
<i>Internal</i>	17 592 788	20 679 962
<i>Redemption: External</i>		
<i>Internal</i>	35 098 517	38 357 104
	<u>52 691 305</u>	<u>59 037 066</u>
18. APPROPRIATIONS		
<i>Appropriation Account</i>		
<i>Accumulated surplus at the beginning of the year</i>	71 503 195	38 399 236
<i>Operating surplus (defecit) for the year</i>	47 199 222	36 769 406
<i>Contributions towards Funds (Ex Surplus)</i>		
<i>Prior years' adjustments</i>	2 607 753	-3 665 447
<i>Accumulated surplus at the end of the year</i>	<u>121 310 170</u>	<u>71 503 195</u>
<i>Operating Account</i>		
<i>Capital expenditure</i>	6 823 405	5 944 558
<i>Contributions to:</i>	108 827 661	82 227 445
<i>Bursaries</i>	332 500	315 800
<i>Maintenance Funds</i>		80 000
<i>Indigents</i>	22 260 000	6 735 890
<i>Capital Development Fund</i>	4 780 000	4 160 000
<i>Development Fund - Housing</i>	9 224	22 194
<i>Bad Debt</i>	2 100 000	2 021 250
<i>Trustfunds for Capital Expenditure</i>	79 215 937	68 713 611
<i>Leave Provision</i>	130 000	128 700
<i>Elections</i>		50 000
	<u>115 651 066</u>	<u>88 172 003</u>

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005 (Cont.)

	2005	2004
	R	R
19. CASH GENERATED BY OPERATIONS		
<i>Surplus (Deficit) for the year</i>	47 199 222	36 769 406
<i>Adj. in respect of: Previous years' operating trans.</i>	2 607 753	-3 665 447
<i>Contributions towards Funds (Ex Surplus)</i>		
<i>Appropriations charged against income:</i>	115 651 066	88 172 003
* <i>Capital Development Fund</i>	4 780 000	4 160 000
* <i>Accumulated Funds</i>	341 724	337 994
* <i>Provisions</i>	2 230 000	2 149 950
* <i>Reserves</i>	22 260 000	6 865 890
* <i>Fixed Assets</i>	86 039 342	74 658 169
<i>Capital Charges:</i>		
* <i>Interest paid:</i>	52 691 305	59 037 066
- <i>to internal funds</i>	17 592 788	20 679 962
* <i>Redemption:</i>		
- <i>of internal advances</i>	35 098 517	38 357 104
<i>Non-operating income:</i>	3 492 169	1 258 385
* <i>Accumulated Funds</i>	1 410 753	655 290
* <i>Trust Funds</i>	3 235	5 243
* <i>Provisions</i>	1 053 033	80 911
* <i>Reserves</i>	1 025 148	516 941
<i>Non-operating expenditure charged against:</i>	-113 649 678	-42 320 843
* <i>Accumulated Funds</i>	- 555 354	-1 919 682
* <i>Trust Funds</i>	-96 731 233	-27 473 919
* <i>Provisions</i>	-10 772 321	-4 393 915
* <i>Reserves</i>	-5 590 770	-8 533 327
	<u>107 991 837</u>	<u>139 250 570</u>
20. (INCREASE)/DECREASE IN WORKING CAPITAL		
<i>(Increase)/decrease in stock</i>	-5 616 774	1 596 920
<i>(Increase)/decrease in debtors</i>	-9 950 463	-11 258 775
<i>Increase/(decrease) in creditors</i>	5 663 429	-4 757 045
	<u>-9 903 808</u>	<u>-14 418 900</u>
21. INCREASE/(DECREASE) IN LONG-TERM LOANS (EXTERNAL)		
<i>Loans raised</i>		
<i>Loans repaid</i>	-361 400	- 197 918
<i>Loans written-off</i>		
	<u>- 361 400</u>	<u>- 197 918</u>

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005 (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	-465 459 749	-403 712 674
Investments realised	407 500 000	341 100 000
	<u>-57 959 749</u>	<u>-62 612 674</u>
24. (INCREASE)/DECREASE IN CASH ON HAND		
Cash balance at the beginning of the year	25 960 601	1 925 690
Less: Cash balance at the end of the year	33 970 862	25 960 601
	<u>-8 010 261</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>

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005 (Cont.)

	2005	2004
	R	R
27. CAPITAL COMMITMENTS		
<i>Commitments in respect of expenditure:</i>		
- approved & contracted for	26 995 452	56 800 944
- approved but not yet contracted for	-	-
	<u>26 995 452</u>	<u>56 800 944</u>
 <i>This Expenditure will be Financed from:</i>		
- Capital Development Fund	11 464 303	1 234 103
- Consolidated Loans Fund	2 430 007	19 566 595
- Township Development	-	122 807
- Contribution Government(Grants/Subsidies)	13 101 142	35 877 439
	<u>26 995 452</u>	<u>56 800 944</u>
 28. CONSOLIDATED LOANS FUND		
<i>Advances to borrowing services outstanding</i>		
<i>External loans (see appendix B)</i>	93 876 418	94 237 818
<i>Internal investments (surplus funds)</i>	319 978 299	276 317 131
<i>Sale of Assets</i>	301 746	301 746
<i>Interest Stabilisation Fund</i>	31 289 833	28 142 191
	<u>445 446 296</u>	<u>398 998 886</u>
 <i>Less:</i>	245 546 274	187 586 524
<i>External investments</i>	<u>245 546 274</u>	<u>187 586 524</u>
 (Refer to appendix B for more detail)	<u>199 900 022</u>	<u>211 412 362</u>
 <i>Net expenditure charged to borrowing services at an average rate of:</i>	8.00%	9.09%
 <i>Interest paid on external loans</i>	14 513 111	14 650 559
<i>Interest paid on internal investments</i>	20 723 786	21 090 985
<i>Contribution to Interest Stabilisation Fund</i>	3 147 642	499 758
<i>Contribution to operating income</i>	-	-
	<u>38 384 539</u>	<u>36 241 302</u>
 <i>Less: Interest earned on external investments</i>	21 934 203	17 161 377
	<u>16 450 336</u>	<u>19 079 925</u>
 29. CAPITAL DEVELOPMENT FUND		
<i>Outstanding advances to borrowing services</i>		
<i>Accumulated fund</i>	206 391 047	186 329 486
<i>Less: Internal investments in Consolidated Loans Fund</i>	151 719 828	150 088 822
(See appendix B for more detail)	<u>54 671 219</u>	<u>36 240 664</u>

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

	<i>Balance at 2004/06/30</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 2005/06/30</i>
	R	R	R	R	R	R	R
STATUTORY FUNDS							
<i>Endowment</i>	924,050		87,050				1,011,100
<i>Bursaries</i>	320,578	332,500	30,200		140,428		542,850
<i>Civil Protection</i>	154,935		14,596				169,531
<i>Town Planning</i>	81,267		7,656				88,923
<i>Township Development</i>	-25,359,415		329,828	12,647,900	1,881,239	1,754,976	-16,017,902
<i>Land Trust</i>	9,488,433			379,895	58,979		9,809,349
<i>Capital Developm. Fund</i>	186,329,486	4,780,000	15,281,561				206,391,047
<i>Insurance</i>	7,115,191		670,286	1,067,446	414,926		8,437,997
<i>Housing Development Fund</i>	8,373,229	9,224	788,798	343,307			9,514,558
	<u>187,427,754</u>	<u>5,121,724</u>	<u>17,209,975</u>	<u>14,438,548</u>	<u>2,495,572</u>	<u>1,754,976</u>	<u>219,947,453</u>
TRUST FUNDS							
<i>Contribution Public</i>	133,950		12,619	3,235			149,804
<i>Subsidies</i>	65,509,652	79,215,937			7,880,716	88,850,517	47,994,356
	<u>65,643,602</u>	<u>79,215,937</u>	<u>12,619</u>	<u>3,235</u>	<u>7,880,716</u>	<u>88,850,517</u>	<u>48,144,160</u>

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

	<i>Balance at 2004/06/30</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 2005/06/30</i>
	R	R	R	R	R	R	R
RESERVES							
<i>Indigents</i>	5,361,195	22,260,000			5,590,770		22,030,425
<i>Capital Reserve</i>	26,574,022		2,474,980	751,460			29,800,462
<i>Art</i>	268,105		25,257				293,362
<i>Maintenance and Renewals</i>	23,993,577		2,260,314	273,687			26,527,578
<i>Elections</i>	1,532,961		144,413				1,677,374
<i>Special Projects</i>	707,907		66,688				774,595
<i>Training</i>	19,323		1,820				21,143
<i>Tariff Stabilisation</i>	0						0
<i>Tariff Stabilisation - Interest</i>	28,142,191			3,147,642			31,289,833
	86,599,281	22,260,000	4,973,472	4,172,789	5,590,770	0	112,414,772
PROVISIONS							
<i>Leave</i>	9,846,466	130,000		1,053,033	3,619,995		7,409,504
<i>Bad Debt</i>	7,249,903	2,100,000			7,152,326		2,197,577

ANNEXURE - B
EXTERNAL LOANS AND INTERNAL ADVANCES

			<i>Balance at</i>	<i>Received</i>	<i>Redeemed</i>	<i>Balance at</i>
			<i>2004/06/30</i>		<i>or written off</i>	<i>2005/06/30</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 2004/06/30</i>	<i>Received</i>	<i>Redeemed or written off</i>	<i>Balance at 2005/06/30</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	-	135 000	869 328
ANNUITY LOANS						
1987 @ 15,30%	401	2007	43,647	-	12,471	31,176
1987 @ 15,30%	402	2007	33,917	-	9,692	24,225
1987 @ 15,30%	403	2007	489,906	-	139,981	349,925
1997 @ 13,65%	404	2010	92 492 846	-	-	92,492,846
DBSA						
1996 @ 10%	10288	2006	173,174	-	64,256	108,918
			93,233,490	-	226,400	93,007,090
TOTAL EXTERNAL LOANS			94,237,818	-	361,400	93,876,418
<i>(Refer to notes 4 and 28)</i>						
INTERNAL ADVANCES TO BORROWING SERVICES						
<i>Consolidated Loans Fund</i>			211 412 362	14 735 554	26 247 894	199 900 022
<i>Capital Development Fund</i>			36 240 664	27 281 178	8 850 623	54 671 219
<i>(Refer to notes 28, 29)</i>			247 653 026	42 016 732	35 098 517	254 571 241

ANNEXURE - C
ANALYSIS OF FIXED ASSETS

<i>Expenditure 2004</i>	<i>SERVICE</i>	<i>Budget 2005</i>	<i>Balance at 2004/06/30</i>	<i>Expenditure 2005</i>	<i>Written off transferred or disposed of</i>	<i>Balance at 2005/06/30</i>
R		R	R	R	R	R
55 884 368	RATE & GENERAL SERVICES	127,232,106	437,284,992	63,939,306	35,127,172	466,097,126
41 595 443	Community Services	61,055,101	282,873,888	32,360,941	21,550,638	293,684,191
	<i>Council's General Services</i>		503,452		64,920	438,532
1 064 602	<i>Protection Services</i>	4,327,300	19,964,229	1,351,285	1,721,172	19,594,342
272 309	<i>Health Services</i>	561,000	2,409,190	237	538,376	1,871,051
29 676 219	<i>Roads & Streets</i>	29,389,837	239,814,402	17,680,193	11,678,610	245,815,985
3 748 320	<i>Human Resources</i>	22,398,664	12,369,945	11,008,829	5,220,597	18,158,177
304 184	<i>Security Services</i>	1,312,900	3,333,557	482,001	1,049,866	2,765,692
5 850 730	<i>Secretariat</i>	2,855,400	3,695,749	1,671,759	747,271	4,620,237
	<i>Municipal Manager</i>	10,000	2,125	12,998	15,123	0
679 079	<i>Financial Services</i>	200,000	781,239	153,639	514,703	420,175
10 334 105	Subsidised Services	38,600,800	82,353,957	23,770,578	9,904,696	96,219,839
479 274	<i>Cemeteries</i>	944,100	4,807,496	521,495	84,627	5,244,364
3 476 853	<i>Libraries</i>	1,731,530	8,980,222	736,328	2,392,842	7,323,708
776 593	<i>Fire Fighting</i>	3,004,600	6,159,896	715,195	1,057,826	5,817,265
513 110	<i>Bus and Taxi Terminuses</i>		2,525,741	1,412,175	410,520	3,527,396
177	<i>Art Museum</i>	495,000	86,210	80,661	56,030	110,841
39 893	<i>Museum</i>	492,000	2,355,276	149,355	316,611	2,188,020
4 876 142	<i>Parks, Sport and Recreation</i>	17,878,370	41,349,639	14,866,647	2,759,657	53,456,629
130 390	<i>Town Hall & Offices</i>	13,905,200	13,661,359	5,288,722	2,623,986	16,326,095
41 673	<i>Swimming Baths</i>	150,000	2,428,118		202,597	2,225,521

ANNEXURE - C
ANALYSIS OF FIXED ASSETS

<i>Expenditure 2004</i>	<i>SERVICE</i>	<i>Budget 2005</i>	<i>Balance at 2004/06/30</i>	<i>Expenditure 2005</i>	<i>Written off transferred or disposed of</i>	<i>Balance at 2005/06/30</i>
R		R	R	R	R	R
3 954 820		27,576,205	72,057,147	7,807,787	3,671,838	76,193,096
10 330	<i>Building Survey</i>	5,000	28,311	4,257	25,378	7,190
	<i>Properties</i>	5,939,600	17,354,325	1,622,002	1,667,768	17,308,559
	<i>Quarry</i>		20		20	0
36 232	<i>Licensing</i>	8,000	2,115,927	7,031	212,575	1,910,383
269 460	<i>Cleansing</i>	6,295,700	2,998,633	1,272,779	293,489	3,977,923
3 638 798	<i>Sewerage</i>	15,327,905	49,559,931	4,901,718	1,472,608	52,989,041
	HOUSING SERVICE		713,430		199,330	514,100
	<i>Economic Housing</i>		713,430		199,330	514,100
	TRADING SERVICES					
43 118 399		126,105,371	294,529,392	75,506,327	18,307,150	351,728,569
9 887 947	<i>Electricity</i>	29,822,800	176,364,929	10,336,272	7,386,243	179,314,958
	<i>Airport</i>		2,675,429		232,426	2,443,003
33 230 452	<i>Water</i>	96,282,571	115,489,034	65,170,055	10,688,481	169,970,608
<u>99 002 767</u>	TOTAL FIXED ASSETS	<u>253,337,477</u>	<u>732,527,814</u>	<u>139,445,633</u>	<u>53,633,652</u>	<u>818,339,795</u>

ANNEXURE - C
ANALYSIS OF FIXED ASSETS

SERVICE	<i>Balance at 2004/06/30</i>	<i>Expenditure 2005</i>	<i>Written off transferred or disposed of</i>	<i>Balance at 2005/06/30</i>
	R	R	R	R
LESS: LOANS REDEEMED AND OTHER CAPITAL RECEIPTS	484 874 788	132 527 417	53 633 652	563 768 553
Loans redeemed & advances repaid	241 701 977	35 098 517	27 022 302	249 778 192
Loans redeemed & advances repaid T		133 918 524		133 918 524
Township Development/Landtrust		1 754 976		1 754 976
Contributions ex operating income	18 467 385	6 823 405	8 137 132	17 153 658
Contributions RDP	1 044 790		313 430	731 360
Contributions BCIG	805 960		243 010	562 950
Contributions CMIP	19 691 029	3 734 166	4 337 232	19 087 963
Contributions NER	7 368 525		1 638 190	5 730 335
Contributions Provincial Government	14 310 278	1 326 450	2 403 298	13 233 430
Contributions National Government (Clinic)	1 500 630		450 190	1 050 440
Contributions Equitable Share	18 258 078	266 653	5 081 928	13 442 803
Contributions Equitable Share T		147 688		147 688
Public Contributions	938 420	153 522	299 870	792 072
Endowment	2 149 498			2 149 498
Services Levy	29 400		8 820	20 580
Grants and Subsidies	6 697 661	17 980 175	2 092 580	22 585 256
Provisions and Reserves	8 798 400		1 371 430	7 426 970
Housing	713 430		199 330	514 100
Township Development/Landtrust T	134 066 210	-134 066 210		
Municipal Infrastructure Grant	5 912 862	44 720 518	34 910	50 598 470
Development Bank of SA	112 518	294 708		407 226
Contribution DWAf	2 307 737	20 374 325		22 682 062
NET FIXED ASSETS	247 653 026	6 918 216		254 571 242

ANNEXURE - D
ANALYSIS: OPERATING INCOME AND EXPENDITURE 30 JUNE 2005

<i>Actual 2004</i>		<i>Actual 2005</i>	<i>Budget 2005</i>
R		R	R
	INCOME		
106 488 605	<i>Grants & Subsidies</i>	143 461 062	134 733 335
80 303 897	<i>National Government</i>	138 104 091	134 407 000
7 683 274	<i>Provincial Government</i>		326 335
18 180 000	<i>Local Government</i>	2 908 471	
321 434	<i>Dept of Water Affairs & Forestry</i>	250 000	
	<i>Development Bank of SA</i>	2 198 500	
	<i>Public donations</i>		
440 065 485	<i>Operating Income</i>	454 388 325	464 747 665
98 057 904	<i>Assessment Rates</i>	106 924 493	106 036 000
165 190 451	<i>Sale of Electricity</i>	173 791 654	165 884 160
71 808 587	<i>Sale of Water</i>	74 179 042	84 736 230
25 116 728	<i>Cleansing</i>	25 697 377	25 355 665
19 988 608	<i>Sewerage</i>	18 391 831	17 855 230
59 903 207	<i>Other</i>	55 403 928	64 880 380
<u>546 554 090</u>		<u>597 849 387</u>	<u>599 481 000</u>

ANNEXURE - D
ANALYSIS: OPERATING INCOME AND EXPENDITURE 30 JUNE 2005

<i>Actual 2004</i>		<i>Actual 2005</i>	<i>Budget 2005</i>
R		R	R
	EXPENDITURE		
149 726 705	<i>Salaries, wages & allowances</i>	158 609 119	189 668 990
251 041 991	<i>General expenses</i>	280 754 053	309 500 150
83 760 800	- <i>Purchase of Electricity</i>	88 381 233	80 000 000
46 164 385	- <i>Purchase of Water</i>	40 906 868	50 000 000
121 116 806	- <i>Other Expenses</i>	151 465 952	179 500 150
40 317 493	<i>Repairs and maintenance</i>	42 343 341	45 188 200
59 037 066	<i>Capital charges</i>	52 691 305	62 167 815
5 944 558	<i>Contributions to fixed assets</i>	6 823 406	6 729 000
82 472 445	<i>Contributions</i>	108 827 661	97 363 820
588 540 258	Gross expenditure	650 048 885	710 617 975
78 755 574	<i>Less: Amounts charged out</i>	99 398 720	111 140 975
509 784 684	Net expenditure	550 650 165	599 477 000

ANNEXURE - E
DETAILED INCOME STATEMENT 30 JUNE 2005

<i>2004</i>	<i>2004</i>	<i>2004</i>		<i>2005</i>	<i>2005</i>	<i>2005</i>	<i>2005</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>(Deficit)</i>
R	R	R		R	R	R	R
284 951 514	289 993 003	-5 041 489	RATE AND GENERAL SERVICES	335 545 774	329 368 304	6 177 470	-27 629 225
222 470 785	168 372 333	54 098 452	Community Services	270 197 927	201 108 916	69 089 011	57 181 000
600 000	15 997 968	-15 397 968	<i>Council's General Expenses</i>		117 478 900	-117 478 900	-107 937 220
1 190	3 428 221	-3 427 031	<i>Protection Services</i>	5 100	3 646 765	-3 641 665	-5 363 130
98 830 769	4 811 474	94 019 295	<i>Assessment Rates</i>	107 697 358	5 118 938	102 578 420	101 154 780
374	6 490 271	-6 489 897	<i>Health Services</i>		5 692 391	-5 692 391	-6 548 150
106 592 848	75 694 500	30 898 348	<i>Grants-in-aid and Donations</i>	143 461 062		143 461 062	134 733 335
36 331	35 258 006	-35 221 675	<i>Roads and Streets</i>	9 975	39 065 466	-39 055 491	-42 069 640
688 069	535 896	152 173	<i>Human Resources</i>	893 097	2 786 919	-1 893 822	-4 347 035
	82 532	- 82 532	<i>Municipal Manager</i>		87 257	- 87 257	- 112 880
	2 157 721	-2 157 721	<i>Secretariat</i>		3 111 567	-3 111 567	-3 763 465
8 286 183	2 237 980	6 048 203	<i>Financial Services</i>	12 174 827	2 449 380	9 725 447	8 288 765
7 435 021	21 677 764	-14 242 743	<i>Traffic</i>	5 956 508	21 671 333	-15 714 825	-16 854 360

ANNEXURE - E
DETAILED INCOME STATEMENT 30 JUNE 2005

2004	2004	2004		2005	2005	2005	2005
<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
3 636 014	68 597 125	-64 961 111	Subsidised services	3 704 748	69 817 017	-66 112 269	-78 521 265
354 647	2 836 878	-2 482 231	<i>Cemeteries</i>	368 480	2 581 090	-2 212 610	-2 747 470
241 879	7 483 613	-7 241 734	<i>Library</i>	305 290	7 121 932	-6 816 642	-7 868 815
530 021	10 990 092	-10 460 071	<i>Fire Fighting</i>	392 640	12 801 215	-12 408 575	-13 299 745
	190 691	- 190 691	<i>Bus and Taxi Terminuses</i>				
	545 927	- 545 927	<i>Art Museum</i>		605 483	- 605 483	- 640 845
12 468	3 987 025	-3 974 557	<i>Museums</i>	12 057	3 406 572	-3 394 515	-4 739 590
2 270 449	32 943 582	-30 673 133	<i>Parks, Sport & Recreation</i>	2 450 133	34 241 206	-31 791 073	-36 894 150
46 895	6 827 807	-6 780 912	<i>Town Hall & Offices</i>	38 000	6 082 314	-6 044 314	-9 014 960
179 655	2 791 510	-2 611 855	<i>Swimming Baths</i>	138 148	2 977 205	-2 839 057	-3 315 690
58 844 715	53 023 545	5 821 170	Economic Services	61 643 099	58 442 371	3 200 728	-6 288 960
759 335	2 626 041	-1 866 706	<i>Building Survey</i>	867 671	2 653 938	-1 786 267	-2 299 070
1 545 917	9 017 610	-7 471 693	<i>Properties</i>	1 737 985	11 348 354	-9 610 369	-13 713 245
11 434 127	5 487 270	5 946 857	<i>Licences</i>	10 943 187	4 591 788	6 351 399	6 327 575
25 116 728	21 614 332	3 502 396	<i>Cleansing</i>	26 270 755	26 356 591	- 85 836	-1 042 120
19 988 608	14 278 292	5 710 316	<i>Sewerage</i>	21 823 501	13 491 700	8 331 801	4 437 900
447 393	1 260 881	- 813 488	HOUSING SERVICE	217 941	2 482 806	-2 264 865	-2 274 920
447 393	1 260 881	- 813 488	<i>Economic Housing</i>	217 941	2 482 806	-2 264 865	-2 274 920

ANNEXURE - E
DETAILED INCOME STATEMENT 30 JUNE 2005

<i>2004</i>	<i>2004</i>	<i>2004</i>		<i>2005</i>	<i>2005</i>	<i>2005</i>	<i>2005</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
261 155 183	218 530 800	42 624 383	TRADING SERVICES	262 085 672	218 799 055	43 286 617	29 908 145
169 925 459	143 095 230	26 830 229	<i>Electricity</i>	178 834 951	146 785 485	32 049 466	26 948 540
24 000	192 355	- 168 355	<i>Airport</i>	24 000	179 746	- 155 746	- 165 390
91 205 724	75 243 215	15 962 509	<i>Water</i>	83 226 721	71 833 824	11 392 897	3 124 995
<u>546 554 090</u>	<u>509 784 684</u>	<u>36 769 406</u>	TOTAL	<u>597 849 387</u>	<u>550 650 165</u>	<u>47 199 222</u>	<u>4 000</u>
		<u>38 399 236</u>	<i>Accumulated surplus</i>			<u>71 503 195</u>	
		<u>-3 665 447</u>	<i>beginning of the year</i>			<u>2 607 753</u>	
			<i>Prior year adjustments</i>				
		<u>71 503 195</u>	ACCUMULATED SURPLUS			<u>121 310 170</u>	
		<u>71 503 195</u>	END OF THE YEAR			<u>121 310 170</u>	

ANNEXURE - F
STATISTICAL INFORMATION

	2005	2004	2003	2002	2001
GENERAL STATISTICS					
<i>Population</i>	453 700	453 700	453 700	453 700	453 700
<i>Number of Registered Voters</i>	215 225	215 225	187 311	187 311	187 311
<i>Number Voted</i>	160 385	160 385	73 089	73 089	73 089
<i>Area (ha)</i>	323 168	323 168	323 168	323 168	323 168
Total Valuations :					
* <i>Rateable (R million)</i>	2 345	1 992	1 966	1 582	1 557
* <i>Residential (R million)</i>	967	938	913	743	747
* <i>Commercial (R million)</i>	635	630	622	637	613
* <i>Government</i>	127	120	122	114	116
* <i>Other</i>	311	304	309	88	81
* <i>Non-rateable (R million)</i>	304	297	293	256	260
Valuation Date : 1 July 2002					
Number of Stands :					
* <i>Residential</i>	33 613	34 338	33 861	24 624	24 672
* <i>Commercial</i>	2 822	2 767	2 739	2 394	2 328
* <i>Other</i>	12 512	11 194	11 307	8 832	7 409
Assessment Rate :					
* <i>Basic (per Rand)</i>	7.13	6.66	6.15	5.81	5.45
* <i>Rebate: Residential</i>	20%	20%	20%	20%	20%
* <i>Additional Rebate : Certain Pensioners</i>	40%	40%	40%	40%	40%
Number of Employees	1 553	1 540	1 440	1 400	1 388

ANNEXURE - F
STATISTICAL INFORMATION

	2005	2004	2003	2002	2001
SEWERAGE					
<i>Sewerage Purified (ML)</i>	10 008	9 893	8 998	9 947	8 968
<i>Cost per MI Purified</i>	R 1,348.09	R 1,443.27	R 1,665.34	R1 314,17	R1 382,28
<i>Income per MI Purified</i>	R 2,180.61	R 2,020.48	R 1,992.99	R1 699,97	R1 770,86
ELECTRICITY					
<i>Units (kWh) Purchased ('000)</i>	552 321	533 060	509 775	487 388	448 841
<i>Purchase Cost per kWh</i>	16.00c	15.71c	14.72c	14,00c	14,00c
<i>Units (kWh) Sold ('000)</i>	505 426	477 292	456 939	430 212	420 802
<i>Units (kWh) Lost in Distribution ('000)</i>	46 895	55 768	52 836	57 176	28 039
<i>Percentage Loss in Distribution</i>	8.49%	10.46%	10.36%	11,73%	6,24%
<i>Cost per Unit (kWh) Sold</i>	29.00c	29.98c	28.38c	28,52c	27,63c
<i>Income per Unit (kWh) Sold</i>	35.40c	34.61c	34.04c	33,27c	33,16c
WATER					
<i>Kl Purchased ('000)</i>	16 547	17 669	19 874	16 417	15 547
<i>Purchased Cost per Kl</i>	R 2.47	R 2.61	R 2.28	R2,24	R1,80
<i>Kl Sold ('000)</i>	12 007	12 227	15 150	13 568	12 698
<i>Kl Lost in Distribution ('000)</i>	4 540	5 442	4 724	2 849	2 849
<i>Percentage Loss in Distribution</i>	27.44%	30.80%	23.77%	17,35%	18,32%
<i>Cost per Kl Sold</i>	R 5.98	R 6.51	R 5.02	R 4.74	R 4.39
<i>Income per Kl Sold</i>	R 6.93	R 7.46	R 5.55	R 5.37	R 4.65