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| General Information |
|----------------------------|

MEMBERS OF THE MAYORAL COMMITTEE & THEIR PORTFOLIOS

Councillor

I.M.T. Mahlangu : Executive Mayor
 R.T. Mabanola : MMC Health, Social Services, Culture, Sport & Recreation
 N.E. Masemola : MMC Housing & Agriculture
 E.F. Mathebula : MMC Infrastructure Development & Service Delivery
 J.B. Mayaba : MMC Traffic, Emergency, Transport, Safety & Security
 H. Pilodia : MMC Economic Development, Finance & Audit
 A.B. Xulu : MMC Administration, Human Resource & Audit

Speaker : Cllr. T.R. Mpye

Chief Whip : Cllr. M.A. Masina

WARD COUNCILLORS

Councillor

| | |
|------------------------|---------------------------|
| N. Monareng : Ward 1 | J.P. Pretorius : Ward 13 |
| J. Nkambule : Ward 2 | D. Botes : Ward 14 |
| L. Mahlangu : Ward 3 | H.F. Niemann : Ward 15 |
| N.J. Mahlangu : Ward 4 | H. Pilodia : Ward 16 |
| T.P. Motau : Ward 5 | R. Xaba : Ward 17 |
| B. Simelane : Ward 6 | T.R. Mpye : Ward 18 |
| M.F. Mahlangu : Ward 7 | M.T.E. Mnguni : Ward 19 |
| M.T. Masango : Ward 8 | E.F. Mathebula : Ward 20 |
| A.B. Xulu : Ward 9 | P.R. Sibanyoni : Ward 21 |
| M.A. Masina : Ward 10 | T.J. Morotobolo : Ward 22 |
| L. Zweni : Ward 11 | A.S. Grobler : Ward 23 |
| E.A. Swarts : Ward 12 | G.C. Mbalane : Ward 24 |

COUNCILLORS, PROPORTIONAL

Councillor

| | | |
|-------------|----------------|---------------|
| E.S. Bassed | A.M. Mabena | R. Perumall |
| D. Botha | L.I. Manzini | R.E. Redman |
| G. Amoraal | K.E. Masilela | T.D. Skhosana |
| E. du Toit | C.A. McFarlane | A.G. Stroud |
| H. Knoesen | J.N. Mgedeza | C.T. Tonga |
| R. Kunene | B.H. Mokoena | K.P.J. Uys |
| | | R.M.D. Zulu |

General Information

GRADING OF LOCAL AUTHORITY : Grade 9

AUDITORS : Auditor-General

BANKERS : ABSA Bank

LEGAL ADVISORS Messrs : Johan Alberts
Ntuli Noble
Van Deventer & Campher

REGISTERED OFFICE : Civic Centre
Wanderers Avenue
P.O. Box 14
MIDDELBURG
1050

TELEPHONE : (013) 249 7000

FACSIMILE : (013) 243 2550

MUNICIPAL MANAGER

W.D. Fouché

Telephone : (013) 249 7264

E-Mail Address : wfouche@stevetshwetelm.gov.za

EXECUTIVE MANAGER FINANCE

F.J. Naudé

Telephone : (013) 249 7108

E-Mail Address : fnaude@stevetshwetelm.gov.za

EXECUTIVE MANAGER CORPORATE SERVICES

T. Mekuto

Telephone : (013) 249 7242

E-Mail Address : tmekuto@stevetshwetelm.gov.za

EXECUTIVE MANAGER PUBLIC SERVICES

P.F. Phiri

Telephone : (013) 249 7202

E-Mail Address : fphiri@stevetshwetelm.gov.za

EXECUTIVE MANAGER TECHNICAL & FACILITIES

E. Warambwa

Telephone : (013) 249 7208

E-Mail Address : ewarambwa@stevetshwetelm.gov.za

General Information

ENQUIRIES

| | | | |
|------------------|---|-------|-------------|
| Building Plans | : | (013) | 249 7179 |
| Electricity | : | (013) | 249 7223/31 |
| Water & Sewerage | : | (013) | 249 7168 |
| Consumers | : | (013) | 249 7156 |

PAYPOINTS

| | | | | |
|---------------|-----------|---|-------|----------|
| Chromeville | Telephone | : | (013) | 241 2928 |
| Hendrina | Telephone | : | (013) | 293 0000 |
| | Facsimile | : | (013) | 293 0388 |
| Komati | Telephone | : | (013) | 295 3102 |
| Kwazamokuhle | Telephone | : | (013) | 294 1212 |
| Mhluzi | Telephone | : | (013) | 242 1030 |
| Mhluzi Ext. 5 | Telephone | : | (013) | 241 7222 |
| Nasaret | Telephone | : | (013) | 246 1177 |
| Pullenshope | Telephone | : | (013) | 296 1630 |
| Rietkuil | Telephone | : | (013) | 297 1075 |
| Van Calder | Telephone | : | (013) | 243 2400 |

1. **Introduction**

The Annual Financial Statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) as prescribed by the Minister of Finance in terms of General Notices 991 of 2005 and 516 of 2008.

Accounting policies for material transaction errors or conditions not covered by the GRAP standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3. These accounting policies are based on the South African Standards of Generally Accepted Accounting Practices (SA GAAP).

Transitional provisions and arrangements for high capacity municipalities are contained in directive 3 issued by the Accounting Standards Board in terms of Section 89 (1)(b) of the PFMA.

Some of these accounting policies are not consistent with all the accounting policies of the previous financial year, due to the implementation of the new GRAP standards.

The financial year under review has again been very successful and the strong Statement of Financial Position together with sustained financial performance has provided a solid foundation for sustainable growth.

The new accounting standards implemented together with the new budget reporting regulation reforms will fundamentally challenge the municipality in terms of its financial planning for future financial years.

The need for an integrated approach when appropriating resources has become essential for sustainable outcomes, especially taking into account the extent and diversity of challenges the municipality faces.

It is therefore critical that the results of the past financial year derived from the firm partnership with our communities to achieve the high level of service delivery. This means that all honoured their part of the social responsibility by paying for services which ensure that the municipality remains viable and sustainable.

2. **Operating Results**

The net operating results achieved for the past financial year close off with a surplus R62,3-million.

Various transactions previously accounted for under appropriations and suspense accounts are now either recognised as revenue or as an expenditure which affected the net operating surplus.

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In addition to comply with GRAP 17 the componentisation of infrastructural assets was completed during the 2008/2009 financial year.

This not only resulted in an increase in Property, Plant and Equipment on the face of the Statement of Financial Position, but the annual depreciation charges also increased from R52-million to R145,9-million.

In addition revenue for developer contributed assets to the amount of R60,3-million were recognised under public contributions and donated Property, Plant and Equipment.

It should be noted that none of these additions as a result of the change in accounting standards were included in the annual budget for 2008/2009 resulting in comparisons with budgeted figures deviating largely.

The appropriation of the surplus is accounted for in the Statement of Changes in Net Assets. Should these transactions be taken into consideration the net operating surplus changes into a net deficit of R108,7-million for the year.

The following is a reconciliation of the surplus for the year to the actual deficit:

| | | |
|---|----------|----------------------|
| ▪ Surplus/(deficit) for the year | R | 62 372 937 |
| ▪ Other appropriations as recognised in the Statement of Changes in Net Assets: | | |
| - Less Contributions : Capital Replacement Reserve | R | (89 390 211) |
| - Plus Capitalisation Reserve | R | 108 240 |
| - Less Contribution to Insurance Reserve | R | (1 027 490) |
| Sub-Total | R | (27 936 524) |
| - Less Donated contributions equivalent to PPE | R | (61 354 542) |
| - Less Government grants utilized for PPE | R | (19 399 804) |
| Actual operating deficit | R | (108 690 870) |
| Budgeted operating surplus originally | R | 2 535 580 |
| Unfavourable deviation | R | (111 226 480) |

The unfavourable deviation mainly relates to depreciation charges expensed according to the new infrastructural assets register. A further contributing factor was the depreciation offsetting which had fallen away as a result of the new accounting treatment.

In future the higher depreciation charges will be offset against the increased accumulated surplus. In addition assets to the amount of R4,9-million was expensed through implementation of GRAP 17.

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Additional contributions to the amount of R9,9-million were made to provisions and liabilities which include R8,4-million for employee stated benefits and R1,2-million for accrued leave.

Furthermore an amount of R13,7-million was expensed for the Eskom electrical connection to upgrade the notification maximum demand which was originally included in the capital budget, but does not constitute on infrastructural assets in terms of GRAP 17.

Appendix E is a summary of all budgeted variances with explanations where variances are more than 10% while the detailed operating results per internal departments are shown in Appendix D.

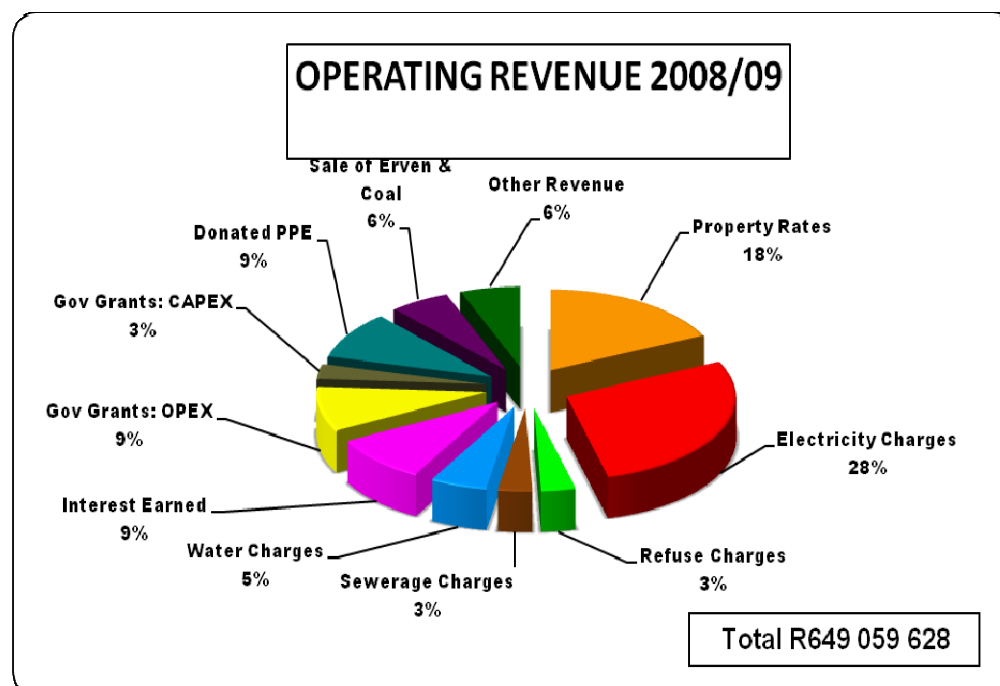
3. Operating Revenue

Operating revenue for the year is R649-million (2008: R516,2-million) which reflects an increase of 20,5%. Included in operating revenue is operating government grants to the amount of R57,4-million and capital grants and donated PPE to the amount of R80,7-million.

Service charges jointly comprise 40% of total revenue and property rates 18%. The sale of electricity remains the largest source of income and contributes 28% to total revenue.

Interest earned has increased with 18,8% from R46,3-million to R57-million which can mainly be attributed to surplus cash invested.

The following graph indicates a break down of the largest categories of revenue:



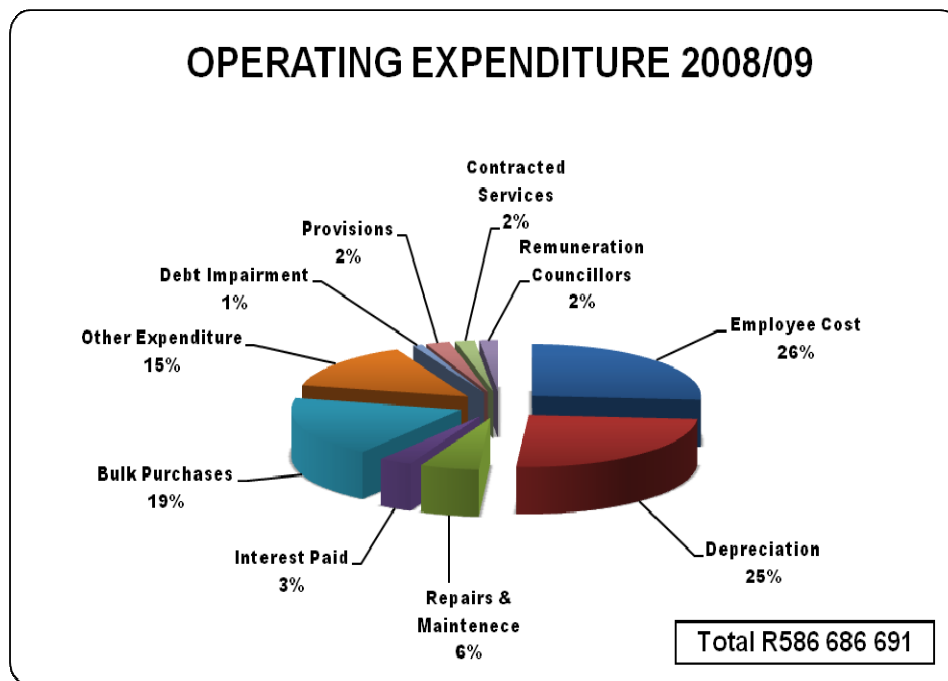
4. Operating Expenditure

The operating expenditure for the year is R586,7-million (2008: R401,3-million) which is 31,6% higher than the 2007/2008 financial year.

The main contributing expenditures are depreciation at 25%, bulk purchases at 19% and employee related costs at 26%.

Repair and maintenance increase by 16,6% to R32,7-million (2008: R27,2-million) and comprise 6% of total expenditure.

The graph below indicates the break down per main expenditure group:



5. Debtors

The long term receivables showed a decrease of R12-million to R13,6-million (2008: R25,6-million). This decrease can mainly be ascribed to the phasing out of previous estate accounts.

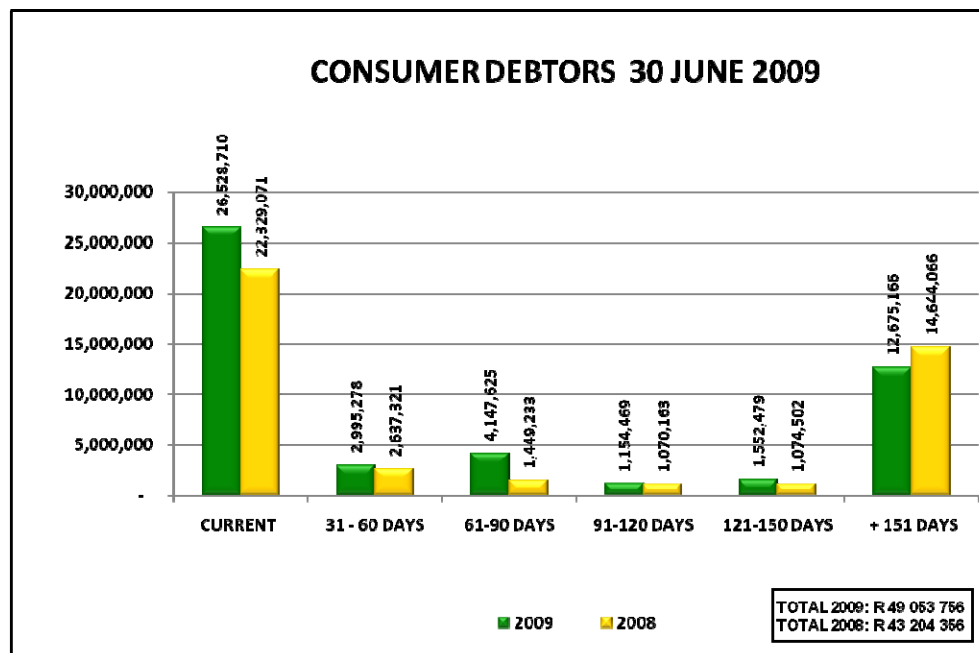
Other debtors increased in total with R77 943 to R17,3-million (2008: R17,2-million).

Consumer debtors increased in total with R5,9-million to R49,1-million (2008: R43,2-million), whilst the provision for bad debt increased to R18,4-million (2008: R16,4-million) as a result of provisions made during the financial year. The main increase according to the age analysis grouping is current debtors with R4,2-million. The bulk of outstanding consumer debt pertains to property rates totaling 42,5% in 2009.

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During the year bad debts to the amount of R4,7-million (2008: R0,7-million) were written off.

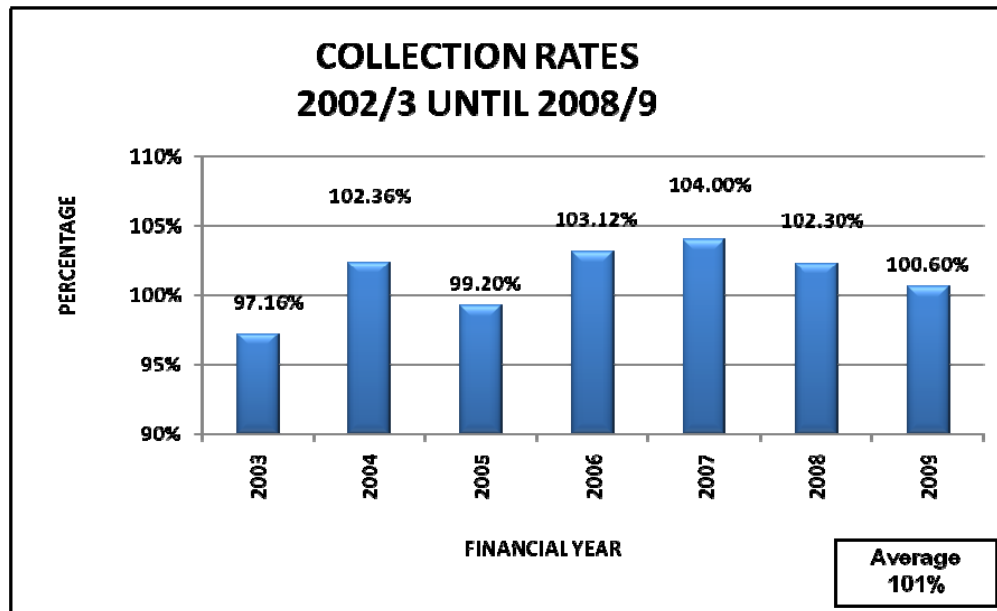
The increase in consumer debt per ageing analysis is graphically presented as follows:



A collection rate calculated on the total levies for a period compared to the total payments received during the same period is used to measure revenue recovery. The implementation of the credit control policy and continuous strict actions taken in terms of this policy resulting in a collection rate of 100,6% (2008: 102,3%) for the 2008/2009 financial year. The collection period amounted to a very healthy 29 days (2008: 32 days) with a debtors turnover rate of 8,7% (2008: 8,86%) which remain within acceptable norms.

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The collection rates are graphically presented as follows:



6. Capital Expenditure and Financing

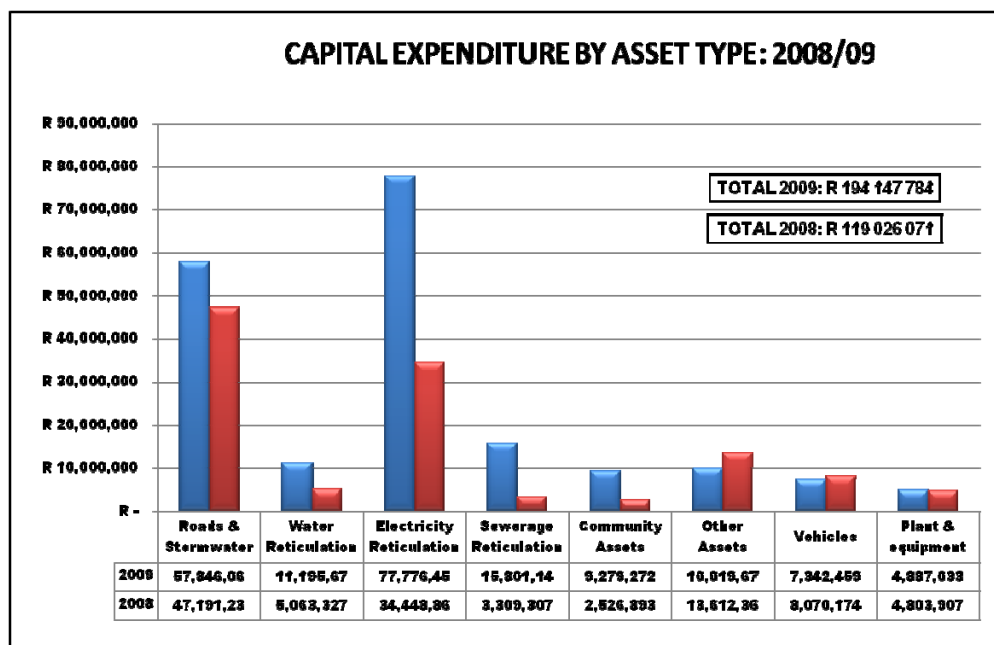
Actual capital expenditure incurred during the year in respect of property, plant and equipment amounted to R194,1-million (2008: R119-million) which reflects an increase of R38,7%.

The capital expenditure is summarised in the following table:

| Finance Source | Adjustment Budget 2008/2009 | Actual Capital Expenditure | Actual % of Adjusted Budget |
|---|--------------------------------|----------------------------|-----------------------------|
| | R | R | % |
| Capital Replacement Reserve | 222 461 615 | 83 515 382 | 37,5 |
| External Funding | 50 831 334 | 28 965 763 | 56,9 |
| Municipal Infrastructure Grant | 18 562 270 | 17 314 731 | 93,2 |
| Integrated National Electricity Programme | 1 097 557 | 1 020 398 | 93,9 |
| Nkangala District Municipality | 21 113 510 | 909 955 | 4,3 |
| Other Grants | 2 390 000 | 1 064 674 | 44,5 |
| Sub-Total: | 316 456 286 | 131 880 948 | 41,7 |
| Assets Capitalised not included in Capital Budget | | | |
| Public Contributions | | 143 991 | |
| Insurance Claims | | 103 935 | |
| Finance Leased Assets | | 808 359 | |
| Developer Contributed Assets | | 60 300 596 | |
| Total Capital Expenditure: | | 194 147 784 | |

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The following is a graphical presentation of actual capital expenditure according to asset type:



7. Debt Management

For the financial year under review a new external loan facility of R35-million was taken up to supplement the financing of property, plant and equipment resulting in borrowings increasing with 12% to R152,4-million (2008: R134,4-million).

Long term loans consist of annuity loans and bear interest at rates between 9,3% and 14,40% per annum. During the year under review loans totaling R17-million were redeemed whilst total long term debt only constitutes 23,7% (2008: 26,5%) of total revenue. Capital cost on external loans amounts to R35,8-million and is 5,5% of operating revenue.

Cash and short term investments increase by an 12% to R504,6-million (2008: R444,1-million) over the past financial year. The cash investments reflects the cash backing of reserves and unspent conditional grants.

8. **Other Important Accounting Ratios**

The operating capital ratio is a useful indicator when determining the ability to find operating expenditure. The ratio measures the extent to which the current liabilities are covered by the current assets. A larger coverage means a lower risk since short term debt can be paid out of short term assets. The following table shows the calculation of the operating capital ratio:

| | 2007/2008 | 2008/2009 |
|-------------------------|-------------|-------------|
| Current assets | 534 776 563 | 587 142 355 |
| Current liabilities | 92 420 481 | 104 677 790 |
| Net operating capital | 442 356 082 | 482 464 565 |
| Operating capital ratio | 4,78 : 1 | 4,60 : 1 |

The solvability ratio is total assets to total liabilities and it shows the municipality's ability to meet its obligations in the long term. A ratio of less than one is an indication of insolvency. The following table shows the calculation of the solvency ratio:

| | 2007/2008 | 2008/2009 |
|-------------------|---------------|---------------|
| Total assets | 4 824 453 561 | 4 920 516 113 |
| Total liabilities | 260 539 734 | 296 715 133 |
| Solvability ratio | 8,02 : 1 | 7,38 : 1 |

9. **Credit Rating**

The credit rating was based on the annual financial statements for the year ending 30 June 2007 and the following rating was awarded:

| | | |
|------------|-----|---|
| Short term | A1- | High certainty of timely payment liquidity factors are strong and supported by good fundamental protection factors. |
| Long term | A- | High credit quality protection factors are good. However, risk factors are more variable and greater in periods of economic stress. |

Acknowledgement

During the year under review my department and I received valuable support and guidance from the Executive Mayor and Members of her Committee, Municipal Manager, the other Executive Managers and Heads of Departments. Their invaluable co-operation is dearly appreciated.

All the officials in my department who provided me with loyal assistance and expressed exceptional competency without which I would not have been able to produce this report.

To all I wish to express my sincere appreciation.

F.J. NAUDÉ (Dipl. IAC; F.I.M.F.O.)
EXECUTIVE MANAGER FINANCE

STATEMENT OF FINANCIAL POSITION

AS AT
30 JUNE 2009

| | | 2009 | 2008 |
|--|----|----------------------|----------------------|
| | | R | R |
| NET ASSETS & LIABILITIES | | | |
| Net assets | | 4,623,800,981 | 4,563,913,828 |
| Housing Development Fund | 2 | 7,138,124 | 7,069,400 |
| Accumulated Surplus/(Deficit) | 3 | 4,616,662,857 | 4,556,844,428 |
| Non-Current liabilities | | 192,037,343 | 168,119,253 |
| Long Term Liabilities | 4 | 133,656,213 | 118,850,678 |
| Finance Lease Obligations | 5 | 700,618 | 360,311 |
| Post Employment Benefits | 6 | 55,572,000 | 47,177,000 |
| Non Current Provisions | 7 | 2,108,512 | 1,731,264 |
| Current liabilities | | 104,677,790 | 92,420,480 |
| Consumer Deposits | 8 | 22,223,982 | 19,797,804 |
| Provisions | 9 | 2,801,632 | 1,008,848 |
| Creditors | 10 | 55,981,189 | 44,600,747 |
| Unspent conditional grants and receipts | 11 | 4,519,410 | 11,112,769 |
| Current portion of long-term liabilities | 4 | 18,740,538 | 15,578,263 |
| Current portion of Finance Lease Obligations | 5 | 411,039 | 322,049 |
| Total Net Assets and Liabilities | | 4,920,516,114 | 4,824,453,561 |
| ASSETS | | | |
| Non-current assets | | 4,333,373,759 | 4,289,676,998 |
| Property, Plant & Equipment | 12 | 4,315,783,733 | 4,272,426,409 |
| Intangible Assets | 13 | 3,164,604 | 3,219,451 |
| Investments | 14 | 13,870,826 | 12,741,653 |
| Long-term receivables | 15 | 554,596 | 1,289,485 |
| Current Assets | | 587,142,355 | 534,776,563 |
| Investments | 14 | 450,000,000 | 396,000,000 |
| Deferred Leases | 16 | 132,234 | 180,058 |
| Inventory | 17 | 35,258,889 | 34,866,965 |
| Consumer Debtors | 18 | 30,608,343 | 26,778,978 |
| Other debtors | 19 | 17,330,341 | 17,252,398 |
| Current portion of long-term loans | 15 | 13,016,745 | 24,324,199 |
| Bank balances and cash | 20 | 40,795,803 | 35,373,965 |
| Total Assets | | 4,920,516,114 | 4,824,453,561 |

F.J. NAUDÉ (Dipl. IAC; F.I.M.F.O.)
EXECUTIVE MANAGER FINANCE

W.D. FOUCHÉ (B.A.; I.T.C.)
MUNICIPAL MANAGER

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended
30 June 2009

| BUDGET | | REVENUE | | ACTUAL | |
|--------------------|--------------------|---|------|--------------------|--------------------|
| 2008 R | 2009 R | | Note | 2009 R | 2008 R |
| 98 250 390 | 109 008 695 | Property rates | 21 | 116 654 523 | 99 143 999 |
| | | Service charges: | | | |
| | | Electricity | 22 | 182 529 988 | 131 875 561 |
| 130 903 231 | 171 882 052 | Refuse Removal | 22 | 21 050 558 | 18 283 405 |
| 18 168 511 | 20 726 919 | Sewerage | 22 | 21 164 430 | 19 243 332 |
| 19 130 743 | 20 335 129 | Water | 22 | 34 920 310 | 29 988 487 |
| 30 995 739 | 33 111 504 | Rental of facilities and equipment | | 1 639 111 | 1 705 266 |
| 1 602 617 | 1 616 053 | Interest earned – external investments | 23 | 57 012 025 | 46 261 299 |
| 29 500 000 | 47 000 000 | Interest earned – outstanding debtors | 23 | 2 709 464 | 2 112 732 |
| 2 089 399 | 2 275 855 | Fines | | 4 842 970 | 3 638 936 |
| 2 662 304 | 3 799 600 | Licenses and permits | | 5 477 018 | 4 240 758 |
| 3 559 200 | 4 366 700 | Income for agency services | | 6 810 452 | 5 544 491 |
| 4 400 000 | 5 800 000 | Government grants and subsidies received - operating | 24 | 57 382 978 | 41 893 680 |
| 45 775 185 | 59 950 349 | Government grants and subsidies received - capital | 24 | 19 399 804 | 24 126 548 |
| 32 448 454 | 7 576 359 | Public contributions, donated and contributed property, plant and equipment | 25 | 61 431 806 | 9 149 384 |
| 35 586 978 | 35 586 978 | Other revenue | 26 | 55 998 128 | 78 605 059 |
| 57 520 663 | 58 726 337 | Gain on disposal of property, plant and equipment | | 36 063 | 393 132 |
| 250 000 | 300 000 | | | | |
| 512 843 414 | 582 062 530 | Total Revenue | | 649 059 628 | 516 206 069 |
| | | EXPENDITURE | | | |
| | | | Note | | |
| 143 698 055 | 160 103 031 | Employee related costs | 27 | 153 828 085 | 137 386 709 |
| 9 838 320 | 10 825 912 | Remuneration of councillors | 28 | 10 501 226 | 9 415 656 |
| 2 904 330 | 4 793 081 | Bad debts | | 5 455 502 | 2 904 330 |
| 130 000 | 200 000 | Collection costs | | 433 222 | 49 263 |
| 53 259 526 | 67 796 012 | Depreciation | | 145 952 037 | 52 021 327 |
| 28 858 353 | 34 947 448 | Repairs and maintenance | | 32 673 374 | 27 244 763 |
| 16 709 085 | 18 312 310 | Interest paid | 29 | 18 502 686 | 17 160 253 |
| | | Bulk purchases | | | |
| | | Electricity | 30 | 107 103 782 | 77 601 486 |
| 77 906 034 | 110 324 200 | Water | 30 | 2 620 774 | 2 271 056 |
| 3 739 720 | 3 105 000 | Contracted services | | 10 757 142 | 9 774 987 |
| 11 196 405 | 12 533 656 | Grants and subsidies paid | 31 | 1 493 794 | 1 606 806 |
| 1 787 000 | 1 703 000 | General expenses (including abnormal expenses) | 32 | 83 750 340 | 54 265 066 |
| 63 992 490 | 76 991 181 | Loss on disposal of property, plant and equipment | | - | 91 219 |
| - | - | Contributions to/(from) provisions | 33 | 13 614 727 | 9 548 131 |
| 1 016 808 | 3 716 704 | | | | |
| 415 036 126 | 505 351 535 | Total Expenditure | | 586 686 691 | 401 341 052 |
| 97 807 288 | 76 710 995 | Surplus/(deficit) for the year | | 62 372 937 | 114 865 017 |
| - | - | Appropriations for the year | | - | - |
| 97 807 288 | 76 710 995 | NET SURPLUS/(DEFICIT) FOR THE YEAR | | 62 372 937 | 114 865 017 |

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 30 June 2009

| | | Housing Development Fund R | Capital Replacement Reserve R | Capitalisation Reserve R | Government Grant Reserve R | Donation & Public Contribution Reserve R | Self Insurance Reserve R | Revaluation Reserve R | Accumulated Surplus/ (Deficit) R | Total R |
|---|------|-------------------------------------|--|--------------------------------|-------------------------------------|--|-----------------------------------|-----------------------------|---|----------------------|
| | Note | 2 | 34 | 35 | 36 | 37 | 38 | | 39 | |
| 2008 | | | | | | | | | | |
| Opening balance | | 6 291 568 | 290 250 176 | 99 897 900 | 57 367 266 | 105 700 394 | 1 936 502 | - | 229 241 100 | 790 684 906 |
| Correction of error | | - | - | - | - | - | - | - | (1 614 268) | (1 614 268) |
| Changes on accounting policy | | - | - | - | - | - | - | - | 98 076 | 98 076 |
| Changes in accounting estimates | | - | - | - | - | - | - | - | 11 412 950 | 11 412 950 |
| Restated balance | | 6 291 568 | 290 250 176 | 99 897 900 | 57 367 266 | 105 700 394 | 1 936 502 | - | 239 137 857 | 800 581 665 |
| Net surplus for the year | | - | - | - | - | - | - | - | 114 865 017 | 114 865 017 |
| Appropriations | | - | - | - | - | - | - | - | 133 015 | 133 015 |
| Other income/expenditure | | 761 033 | (8 809 160) | - | - | - | (19 167) | - | (730 285) | (8 797 579) |
| Transfer to CRR | | - | 98 118 857 | - | - | - | - | - | (98 118 857) | - |
| Property, plant and equipment purchased | | - | (67 625 337) | - | 24 135 409 | - | (233 416) | - | 67 858 753 | - |
| Capital grants used to purchase PPE | | - | - | - | - | 9 096 514 | - | - | (24 135 409) | - |
| Donated/contributed PPE | | - | - | - | - | - | - | - | (9 096 514) | - |
| Contributions to insurance reserve | | - | - | - | - | - | 1 300 362 | - | (1 300 362) | - |
| Insurance claims processed | | - | - | - | - | - | (110 746) | - | - | (110 746) |
| Transfer to Housing Development Fund | | 16 799 | - | - | - | - | - | - | - | 16 799 |
| Asset disposals | | - | - | (154 476) | (35) | (2 315) | - | - | 156 826 | - |
| Offsetting of depreciation | | - | - | (13 202 229) | (4 306 934) | (8 528 512) | - | - | 26 037 675 | - |
| Balance at 30 June 2008 | | 7 069 400 | 311 934 535 | 86 541 195 | 77 195 706 | 106 266 081 | 2 873 535 | - | 314 807 716 | 906 688 168 |
| 2009 | | | | | | | | | | |
| Correction of error (note 29) | 40 | - | - | - | - | - | - | - | (322 269) | (322 269) |
| Changes in accounting policy | 41 | - | - | (86 541 195) | (77 195 706) | (106 266 081) | - | - | 270 002 982 | - |
| Changes in accounting policy | 41 | - | - | - | - | - | - | - | 3 633 509 590 | 3 633 509 590 |
| Changes in accounting estimates | 42 | - | - | - | - | - | - | - | 24 038 339 | 24 038 339 |
| Restated balance | | 7 069 400 | 311 934 535 | - | - | - | 2 873 535 | - | 4 242 036 358 | 4 563 913 828 |
| Net surplus for the year | | - | - | - | - | - | - | - | 62 372 937 | 62 379 055 |
| Fair value adjustment | | - | - | - | - | - | - | - | 212 489 | 212 489 |
| Other income/expenditure | | 100 766 | (1 488 617) | - | - | - | (875 397) | - | - | (2 263 248) |
| Other income/expenditure | | (48 440) | - | - | - | - | - | - | 48 440 | - |
| Transfer to CRR | | - | 89 330 211 | - | - | - | - | - | (89 330 211) | - |
| Property, plant and equipment purchased | | - | (83 515 382) | - | - | - | (103 935) | - | 83 619 317 | - |
| Capital grants used to purchase PPE | | - | - | - | - | - | - | - | - | - |
| Donated/contributed PPE | | - | - | - | - | - | - | - | - | - |
| Contributions to insurance reserve | | - | - | - | - | - | 1 027 490 | - | (1 027 490) | - |
| Insurance claims processed | | - | - | - | - | - | (451 423) | - | - | (451 423) |
| Transfer to Housing Development Fund | | 16 399 | - | - | - | - | - | - | - | 16 399 |
| Asset disposals | | - | - | - | - | - | - | - | - | - |
| Offsetting of depreciation | | - | - | - | - | - | - | - | - | - |
| Balance at 30 June 2009 | | 7 138 124 | 316 260 747 | - | - | - | 2 470 270 | - | 4 297 931 840 | 4 623 800 981 |

CASH FLOW STATEMENT
for the year ended
30 JUNE 2009

| | | 2009 | 2008 |
|---|-------------|-----------------------------|-----------------------------|
| | | R | R |
| | Note | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Cash received from ratepayers, government and others | | 601 230 548 | 466 354 688 |
| Cash paid to suppliers and employees | | (420 652 248) | (337 310 811) |
| Cash generated from / (utilised in) operations | 43 | 180 578 300 | 129 043 877 |
| Interest received | | 59 721 489 | 48 374 031 |
| Interest paid | | (18 502 686) | (17 160 253) |
| Net cash from operating activities | | <u>221 797 103</u> | <u>160 257 655</u> |
| CASH FLOW FROM INVESTMENT ACTIVITIES | | | |
| Purchase of property, plant and equipment | | (194 147 784) | (119 026 072) |
| Proceeds on disposal of property, plant and equipment | | 36 063 | 393 132 |
| (Increase)/decrease in non-current loans | | 12 042 344 | 5 235 735 |
| (Increase)/decrease in investments | | (55 129 173) | (103 129 174) |
| Net cash from investment activities | | <u>(237 198 550)</u> | <u>(216 526 379)</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Increase/(decrease) in long term loans | | 18 397 107 | 21 057 491 |
| Increase/(decrease) in deposits | | 2 426 178 | 2 334 060 |
| Net cash from financing activities | | <u>20 823 285</u> | <u>23 391 551</u> |
| Increase/(decrease) in cash and cash equivalents | 44 | 5 421 838 | (32 877 173) |
| Cash and cash equivalents at beginning of the year | | 35 373 965 | 68 251 138 |
| Cash and cash equivalents at end of the year | | 40 795 803 | 35 373 965 |

NOTES

to the Financial Statements for the year ended 30 June 2009

1. ACCOUNTING POLICY

BASIS OF PRESENTATION

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) as prescribed by the Minister of Finance in terms of General Notices 991 of 2005 and 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 Rates. |
| GRAP 5 | Borrowing Costs. |
| GRAP 6 | Consolidated and Separate Financial Statements. |
| GRAP 7 | Investments in Associates. |
| GRAP 8 | Investments 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 the Reporting Date. |
| GRAP 16 | Investment Policy. |
| 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 standards 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 Standards Board.

The Minister of Finance has in terms of Government Gazette 31021 dated 9 May 2008, promulgated the implementation of the new GRAP standards with effect from 1 July 2008. These GRAP standards replace the current GAMAP Standards. The Financial Statements is compiled according to the new GRAP standards.

In terms of Section 89 (1)(b) of the PFMA, the Accounting Standards Board issued directive 3 to set the transitional provisions and arrangement for high capacity municipalities to comply with the standards of GRAP. This directive is read in conjunction with the relevant standard(s) of GRAP and are applied on or after the effective date of the applicable standard(s) of GRAP.

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

A summary of the significant accounting policies adopted in the preparation of these Annual Financial Statements are disclosed below except where transitional arrangements exist as allowed in directive 3.

In the process of applying the municipalities accounting policy the following significant accounting adjustments were made:

- *Property, Plant and Equipment*

The adoption of GRAP 17 resulted in the restatement of the opening balances of Property, Plant and Equipment as well as accumulated depreciation and depreciation replacement cost (DRC). This resulted in a net increase to the value of R3 633 509 590 (Refer Note 11, 12 and 41).

Subsequently the useful lives of Property, Plant and Equipment were reviewed and fair value adjustments to the value of R24 038 339 were made.

- *Reserves*

With the componentisation of Property, Plant and Equipment in terms of GRAP 17 the previously used funding sources of assets could not reliably be linked to the new restated infrastructure assets. As a result thereof the opening balances of all the depreciation reserves were written back to accumulated surplus to the value of R270 002 982 (Refer Note 35, 36, 37 and 41).

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand and are rounded to the nearest Rand.

GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going concern basis.

COMPARATIVES INFORMATION

Current year comparatives

Budgeted amounts have been included in the Annual Financial Statements for the Annual Financial Year only (See Appendix E and F).

Prior year comparatives

When the presentation or classification of items in the Annual Financial Statements are amended, prior period comparative amounts are reclassified either on the face of the financial statements or in the notes. The nature and reason for reclassification is disclosed.

OFFSETTING

Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by a standard of GRAP.

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

HOUSING DEVELOPMENT FUND

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from National and Provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund.

Monies standing to the credit of the Housing Development Fund are used to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

Proceeds from housing development fund schemes which include rental income and sale of houses are recognised as revenue in the Statement of Financial Performance and a corresponding transfer is made to the Housing Development Fund and is reflected in the Statement of Changes in Net Assets.

Expenditure allowed in terms of the Housing Act is expensed in the Statement of Financial Performance and a corresponding transfer is made to and from the Housing Development Fund. This transfer is reflected in the Statement of Changes of Net Assets.

RESERVES

The municipality creates and maintain reserves in terms of specific requirements.

Capital Replacement Reserve (CRR)

The purpose of the CRR is to set aside cash to provide infrastructure and other items of property, plant and equipment from internal sources. All cash received from the Council's coal reserves is being transferred to the CRR account. All surplus cash on the sale of erven are also transferred to the CRR to set aside cash for future property developments. All finance income received on external investments are allocated to the CRR.

The cash is transferred to a designated CRR account and can only be used to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus/(deficit) is credited by a corresponding amount when the amounts in the CRR are utilised. The amount transferred to the CRR is based on the municipality's need to finance future capital projects included in the Integrated Development Plan.

Capitalisation Reserve

This reserve has been written off as a result of change in the accounting policy.

Donations and Public Contributions Reserve

This reserve has been written off as a result of a change in accounting policy.

Self-Insurance Reserve

A Self-Insurance Reserve has been established and, subject to external insurance where, deemed necessary, covers claims that may occur.

Premiums are charged to the respective services taking into account claims history and replacement value of the insured assets.

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

The balance of the Self-Insurance Reserve is determined based on surpluses accumulated since inception. These surpluses arose from the differences between premiums charged against claims paid and various administrative expenditure incurred.

The Self-Insurance Reserve is maintained to provide for non-claimable losses as well as for motor vehicle claims until aggregated excess payment to the amount of R200 000 per annum is reached.

The Self-Insurance Reserve for electricity is mainly used for theft of distribution networks and cables, which are uncovered items in terms of the insurance contract of Council.

Contributions to and from the reserve are transferred via the Statement of Changes in Net Assets. The total amount of insurance premiums paid to external insurers is regarded as expense and is shown in the Statement of Financial Performance. Repair and replacement costs not covered by external insurance are financed from the insurance reserve. This cost is regarded as an expense and is reflected in the Insurance Reserve.

The balance of the Self-Insurance Reserve is fully cash backed and invested in fixed and negotiable deposits.

PROPERTY, PLANT & EQUIPMENT

An item of property, plant and equipment which qualifies for recognition as an asset shall initially be measured at cost. Property, plant and equipment is stated at current replacement cost, less accumulated depreciation and impairment losses. Such assets are financed either by external loans, capital replacement reserve, government grants, or contributions and donations.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets was measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.

Where an item of property, plant and equipment is acquired at no cost, (grant of donation) it is initially recognised at its fair value as at the date of inception.

Assets under construction are stated at cost and only depreciated when the asset is commissioned into its intended use.

Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset is met. If expenditure only restores the originally best estimate of the expected useful life of the asset, then it is regarded as repairs and maintenance and is expensed.

Residual value

The residual value of an asset is determined as the estimate amount that could currently be obtained from the disposal of the asset. The residual values of assets are reviewed at each financial year end.

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

Depreciation

Depreciation is calculated at cost, using the straight-line method over the estimated useful lives of the asset. Property, plant and equipment that have significant residual values are subtracted from the cost of these property, plant and equipment items to determine the depreciable amounts of these items. Assets will be depreciated according to their annual depreciation rates based on the following estimated useful lives:

| Infrastructure Assets | <u>Years</u> |
|---------------------------------|---------------------|
| Water | |
| Dam structures | 100-200 |
| Reservoirs and Reticulation | 10-80 |
| Meters | 5-10 |
| Sewerage | |
| Civil structure | 50-80 |
| Purification and Reticulation | 10-100 |
| Toilets | 5-10 |
| Roads | |
| Bridges | 60-100 |
| Roads and storm water | 5-100 |
| Pavements, sidewalks and kerbs | 15-50 |
| Gravel Roads | 3-20 |
| Street names, signs and parking | 5-30 |
| Electrical | |
| Reticulation | 10-50 |
| Meters | 10-20 |
| Street lightning | 45 |
| Refuse | |
| Landfill Sites | 50 |
| Civil Structure | 50-80 |
| Community Assets | |
| Parks and gardens | 10-50 |
| Sport fields | 15-60 |
| Community halls | 30-100 |
| Libraries | 30-100 |
| Recreation facilities | 15-30 |
| Clinics | 30-100 |
| Fire services | 30-100 |
| Cemeteries | 30-80 |

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

| Other Assets | <u>Years</u> |
|----------------------|---------------------|
| Motor vehicles | 4-7 |
| Plant and equipment | 2-15 |
| Security measures | 3-30 |
| Buildings | 30-100 |
| IT equipment | 3-7 |
| Office equipment | 3-15 |
| Specialised vehicles | 15-20 |

Land is not depreciated as it is regarded as having an infinite life.

The useful life or depreciation method for items of property, plant and equipment are reviewed at each reporting date. A review in the useful life is accounted for as a change in accounting estimate.

Impairment

Property, Plant and Equipment are reviewed at each reporting date for any indication of impairment. If such impairment exists, the carrying value is adjusted by the impairment loss which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

Heritage assets

These assets are defined as culturally significant resources and are not depreciated as they are regarded as having an infinite life and are shown at cost.

Financial leases

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or where shorter, over the term of the agreement.

Disposal of property, plant and equipment

Assets are written off on disposal. The difference between the net book value of assets (cost less accumulated depreciation) and the sale proceeds is reflected as a gain or loss in the Statement of Financial Performance.

INTANGIBLE ASSETS

After initial recognition, an intangible asset is carried at its cost less any accumulated impairment losses and amortisation. Amortisation is charged on a straight-line basis over their useful life which is estimated to be between 3 and 5 years. The useful life of an intangible asset is the period over which that asset is expected to be available for use of by the municipality. Where intangible assets are deemed to have an indefinite useful life, such intangible assets are not amortised, but are tested for impairment annually and impaired if necessary.

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

Where items of intangible assets have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified except where the impairment reverses a previous revaluation.

The estimated useful life and amortisation methods are reviewed annually at the end of the financial year. Any adjustments arising from the annual review are applied prospectively.

Intangible assets are recognised at cost. Cost is defined as the amount of cash or cash equivalents paid or the fair value of the other considerations given to acquire the asset at the time of its acquisition or construction. Only cost incurred on computer software and websites that meet the definition of an intangible asset are recognised.

INVESTMENT PROPERTY

Investment property is property (land or a building or part of a building or both) held to earn rentals or capital appreciation is stated at cost less accumulated depreciation. Where an investment property is acquired at no cost, or for a nominal cost, its cost is recognised at its fair value as at the date of acquisition. Investment properties are written down for impairment where considered necessary.

Depreciation is calculated on cost, using the straight-line method over the useful life of the property.

FINANCIAL INSTRUMENTS

Financial instruments are recognised when the municipality becomes a party to the contractual provision of the instrument.

Financial assets are derecognised when the rights to receive cash from the assets have expired or have been transferred, and the municipality has transferred substantially all risks and rewards of ownership or when it loses control of contractual rights that compromise the asset.

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired.

Financial instruments are measured at cost in the current and prior financial years.

The municipality has various types of financial instruments and these can be categorized as either financial assets or liabilities.

Financial Assets

A financial asset is any asset that is cash or a contractual right to receive cash and are classified into the following categories depending on the purpose for which the financial asset is acquired:

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

- Investments held to maturity

Investments held to maturity are financial assets with fixed or determinable payments and fixed maturity, where the municipality has the positive intent and ability to hold the investment to maturity. This include fixed deposits and short term deposits invested at registered banks and are stated at cost. Where investments have been impaired, the carrying value is adjusted by the impairment loss and is recognised as an expense in the period that the impairment is identified.

- Loans and receivables

Loans and receivables are financial assets that are created by providing money, goods or services directly to a debtor with fixed or determinable payments. They are included in current assets, except for maturities in excess of 12 months which are classified as non-current assets.

Loans and receivables are classified as "long term receivables" in the Statement of Financial Position. Loans and receivables are recognised at cost which represents the fair value. After initial recognition financial assets are measured at amortised cost using the effective interest rate.

- Available for sale

Available-for-sale financial asset are financial assets that are designated as available for sale and are subsequently measured at fair value except for those which the fair value cannot be reliably measured of which shall then be measured at cost.

Financial Liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity. Financial liabilities including trade and other payables, long term liabilities and other non-current liabilities. Financial liabilities are measured at fair value.

Accounts Receivable

Accounts receivable are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Bad debts are written off during the year in which they are identified.

Provision for bad debts is made on an annual basis. The amount to be provided will be determine by analysing the payment level trends and expensing an amount for non-payment as contribution to the bad debt provision though the Statement of Financial Performance.

Significant financial difficulties of the debtor and default or delinquency in payments or all debt outstanding for more than 150 days are considered indicators that the accounts receivable are impaired. When an under recovery occurs during the financial year an additional contribution for impairment is made at year-end.

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

LEASES

Property, plant and equipment subjected to finance lease agreements are capitalised at their 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 its estimated useful life.

Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease payments or receipts are recognised as an expense or revenue on a straight-line basis over the lease period.

INVENTORY

Inventory consist of raw materials, work in progress, consumables and finished goods which are valued at the lower of costs determined on the weighted average basis or lower net realisable value.

The cost of inventories comprises of all costs of purchase, costs of development, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Redundant, damaged and slow-moving inventories are identified and written down with regard to their estimated net realisable values and are sold by public auction. Consumables are written down with regard to their age, condition and utility.

Unsold properties are valued at the lower of cost or net realisable value on a specific identification basis. Direct costs are accumulated for each separately identifiable development.

Water and purified effluent are valued at purified cost insofar it is controlled in reservoirs and distribution networks at year end.

TRADE CREDITORS

Trade creditors are recognise at cost price.

REVENUE RECOGNITION

Revenue is the gross inflows of economic benefits or service potential during the reporting period when those inflows result in increase in net assets. Revenue for the current and prior financial year was initially recognised at cost.

When the outcome of a transaction can be estimated reliably relating to the rendering of a service, revenue associated with the transaction shall be recognised by reference to the stage of completion of the transaction at the reporting date.

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

The outcome of the transaction can be measured reliably when all of the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits or services potential associated with the transaction will flow to the entity;
- The stage of completion of the transaction at the reporting date can be measured reliably; and
- The cost incurred for the transaction and the cost to complete the transaction can be measured reliably.

This principle also applies to tariffs or charges and is recognised when the relevant service is rendered by applying the relevant gazetted tariff.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses that are recoverable.

Revenue from the sale of goods shall be recognised when all the following conditions have been satisfied:

- The municipality has transferred to the purchaser the significant risks and rewards of ownership of goods;
- The municipality retains neither continuing managerial involvement to the degree associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The cost incurred or to be incurred in respect of the transaction can be measured reliably.

Finance income from housing sold by way of instalment sales agreements is recognised on a time proportion basis.

Revenue from the sale of erven is recognised when all conditions associated with the deed of sale have been met.

Revenue in respect of housing, rental and instalments is accrued in terms of the agreement.

Rates, including collection charges and penalty interest

Revenue from rates including collection charges and penalty interest, is recognised when the legal entitlement to the revenue arises. Collection charges are recognised when such amounts are legally enforceable.

The Steve Tshwete Local Municipality uses a differentiated site value assessment rate system. According to this assessment rates are levied on the land value of properties and rebates are granted according to the usage of a particular property.

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

Rebates are respectively granted, to owners of land on which not more than two dwelling units are erected provided that such dwelling units are solely used for residential purposes. Additional relief is granted to needy, aged and/or disabled owners, based on income. Adjustments or interim rates are recognised once the municipal valuer has valued the change to properties.

Service charges

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumptions are made monthly when meter readings have not been performed and are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read.

Revenue from the sale of electricity prepaid meter credit is recognised at the point of sale.

Service charges relating to refuse removal are recognised on a monthly basis by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage and are levied monthly based on the number of refuse containers on each property, regardless of whether or not containers are emptied during the month.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

Fines

Revenue from fines is recognised when payment is received and the revenue from the issuing of summonses is recognised when collected by the courts.

Conditional grants and receipts

Government Grants can be in the form of grants to acquire or construct fixed assets, grants for the furtherance of national and provincial government policy objectives and general grants to subsidise the cost incurred by municipalities rendering services.

Capital grants and general grants for the furtherance of government policy objectives are usually restricted revenue in that stipulations are imposed in their use.

Revenue from government grants are recognised on a cash receipt basis to the extent the conditions of the grants are met. Where government grants have been received but the conditions were not met, a liability is recognized.

Other grants and donations received

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment and are brought into use.

Revenue from public contributions is recognised when all conditions have been met or where the contribution to property, plant and equipment is recognised when such items of property, plant and equipment are brought into use.

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

Where public contributions have been received but the conditions were not met, a liability is recognised.

Interest, royalties and other

Interest on investments is recognised on a time proportionate basis that takes into account the effective yield on the asset;

Royalties is recognised as they are earned in accordance with the substance of the relevant agreement;

Revenue for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The revenue recognised is in terms of the agency agreement.

Collection charges are recognised when such amounts are incurred.

Revenue from the recovery of unauthorised, 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 from the responsible councillors or officials is virtually certain. Revenue from the recovery of unauthorised irregular, fruitless and wasteful expenditure is based on legislated procedures.

PROVISIONS

Provisions are recognised when the municipality has a present or constructive obligation, as a result of past events, that is probable to cause an outflow of resources embodying economic benefits required to settle the obligation and a reliable estimate of the provision can be made.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Those estimated to be settled within the next twelve months are treated as current liabilities.

The landfill Rehabilitation Provision is created for the rehabilitation of the current operational sites at the future estimated time of closure.

Liabilities for annual leave are recognised as they accrue for employees. The liability is raised according to the total accrued leave at year-end regardless how the obligation will be settled at the future date.

Provision for long service awards is raised according to employee's years in service at year-end.

CONTINGENT ASSETS

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality. Contingent assets are not recognised as assets.

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

CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognised as liabilities.

CASH AND CASH EQUIVALENTS

Cash includes cash on hand and cash with banks. Cash equivalents are short-term investments that are held with registered banking institutions with maturities of 32 days or daily calls.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts. Bank overdrafts are recorded on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

UNAUTHORISED EXPENDITURE

Unauthorised 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 56 of 2003).

Unauthorised 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 Act (Act 56 of 2003), the Municipal Systems Act (Act 32 of 2000), the Public Office Bearers Act (Act 20 of 1998) or is in contravention of the municipality's supply chain management policy. Irregular expenditure excludes unauthorised 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.

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

EMPLOYEE BENEFITS

The municipality contributes towards retirement benefits of its employees and councillors to the under-mentioned pension funds:

- Joint Municipal Pension Fund
- Municipal Employees Pension Fund
- Municipal Gratuity Fund
- SALA Pension Fund

Councillors are members of the Municipal Councillor's Pension Fund that was established in terms of the Remuneration of Public Office Bearers Act 1998 (Act 20 of 1998).

Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as an expense in the income statement as incurred.

Contributions to the defined contribution pension plan in respect of service in a particular period are included in the employees' total cost of employment and are charged to the statement of financial performance in the year to which they relate as part of cost of employment.

Post employment medical care benefits

The municipality provides post employment medical care benefits to its employees and their legitimate spouses. The entitlement to post-retirement medical benefits is based on employees remaining in service up to retirement age and the completion of a minimum service period. The expected cost, of these benefits is accrued over the period of employment.

Post employment medical care benefits are accounted for in accordance with the exemptions in terms of Gazette 30013 of 29 June 2007.

BORROWING COSTS

Borrowing costs are recognised as an expense in the Statement of Financial Performance.

Borrowing costs are only capitalised against qualifying assets as part of property, plant and equipment when the net costs constitutes an expense. Such borrowing costs are capitalised over the period during which the asset is being acquired or constructed and borrowing have incurred capitalisation leases when construction of the asset is completed.

CONSUMER DEPOSITS

Consumer deposits are a partial security for a future payment of an account. All consumers are therefore required to pay a deposit equal to two months consumption of electricity and water services. Deposits are considered a liability as the deposit is only refunded once the service is terminated. No interest is paid on deposits.

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

GRANTS-IN-AID

The municipality transfers money to individual organisations and other sectors of government when making these transfers. The entity does not:

- receive any goods or services directly in return as would be expected in a purchase or sale transaction.
- expect to be paid in future; or
- expect a financial return as would be expected from an investment.

These transfers are recognised in the Statement of Financial Performance as expenses in the period in which the events giving rise to the transfer occur.

EVENTS AFTER BALANCE SHEET DATE

Recognised amounts in the financial statements are adjusted to reflect events arising after the balance sheet date that provide evidence of conditions that existed at the balance sheet date. Events after the balance sheet date that are indicative of conditions that arose after the balance sheet date are dealt with by way of a note to the financial statements.

VALUE ADDED TAX

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

TAXATION

The Steve Tshwete Local Municipality is exempted from tax in terms of Section 10(1)cB(i)(ff) of the Income Tax Act.

| | 30 June 2009 | 30 June 2008 |
|------------------------------------|------------------|------------------|
| | R | R |
| 2. HOUSING DEVELOPMENT FUND | 7 138 124 | 7 069 400 |
| Balance at beginning of the year | 7 069 400 | 6 291 569 |
| Contributions | 16 398 | 16 799 |
| Income | 166 106 | 947 015 |
| Operating expenditure | (113 780) | (185 982) |

| | 30 June 2009 | 30 June 2008 |
|--|----------------------|----------------------|
| | R | R |
| 3. ACCUMULATED SURPLUS/(DEFICIT) | | |
| Accumulated surplus/(deficit) | 4 297 931 840 | 4 242 036 358 |
| Capital replacement reserve | 316 260 747 | 311 934 535 |
| Self-insurance reserve | 2 470 270 | 2 873 535 |
| Total accumulated surplus/(deficit) | 4 616 662 857 | 4 556 844 428 |

Refer to note 38, 39, 40 and 41 for more detail.

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

| | 30 June 2009 | 30 June 2008 |
|--|---------------------|---------------------|
| | R | R |
| 4. NON-CURRENT LIABILITIES | | |
| LONG TERM LIABILITIES | | |
| Annuity loans | 152 396 751 | 134 428 941 |
| Sub-Total | 152 396 751 | 134 428 941 |
| Less: Current portion transferred to current liabilities | (18 740 538) | (15 578 263) |
| Annuity loans | (18 740 538) | (15 578 263) |
| Total External Loans | 133 656 213 | 118 850 678 |

Refer to Appendix A for more detail on long term liabilities.

R13 870 826 (2008: R12 741 653) has been invested specifically as **security** for the repayment of long term liabilities.

See note 14 for more detail.

| | 30 June 2009 | 30 June 2008 |
|--|---------------------|---------------------|
| | R | R |
| 5. FINANCE LEASE OBLIGATIONS | | |
| Minimum lease payments due | | |
| - within one year | 534 777 | 404 752 |
| - in second to fifth year inclusive | 841 210 | 425 127 |
| | 1 375 987 | 829 879 |
| Less: future finance charges | (264 330) | (147 520) |
| Present value of minimum lease payments | 1 111 657 | 682 360 |
| Present value of minimum lease payments due | | |
| - within one year | 411 039 | 322 049 |
| - in second to fifth year inclusive | 700 618 | 360 311 |
| | 1 111 657 | 682 360 |
| Non-current liabilities | 700 618 | 360 311 |
| Current liabilities | 411 039 | 322 049 |
| | 1 111 657 | 682 360 |

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

| | 30 June 2009 | 30 June 2008 |
|---|---------------------|---------------------|
| | R | R |
| 6. POST EMPLOYMENT BENEFITS | | |
| Accrued liability beginning of year | 47 177 000 | 41 103 000 |
| Services cost | 2 123 000 | 2 015 000 |
| Interest cost | 4 755 000 | 3 230 000 |
| Contribution payments | (1 600 000) | (1 472 000) |
| Actuarial (gain)/loss | 3 117 000 | 2 301 000 |
| Accrued liability at end of year | 55 572 000 | 47 177 000 |
| PAST SERVICE (ACCRUED) LIABILITY | | |
| Main assumptions | | |
| Discount rate | 9,25% | 10,25% |
| Health care cost inflation | 8,25% | 9,25% |
| Accrued liability | | |
| Active members | 26 345 000 | 20 774 000 |
| CAWMS liability | 29 227 000 | 26 403 000 |
| Accrued liability at end of year | 55 572 000 | 47 177 000 |
| FUTURE SERVICE LIABILITY | | |
| Main assumptions | | |
| Discount rate | 9,25% | 10,25% |
| Health care cost inflation | 8,25% | 9,25% |
| Accrued liability | | |
| Active members | 35 775 000 | 28 243 000 |
| CAWMS liability | | |
| Accrued liability at end of year | 35 775 000 | 28 243 000 |

| | 30 June 2009 | 30 June 2008 |
|------------------------------------|---------------------|---------------------|
| | R | R |
| 7. NON-CURRENT PROVISIONS | | |
| Provision for long services | | |
| Balance at beginning of year | 1 529 019 | 1 482 281 |
| Contribution to provision | 1 362 199 | 1 188 686 |
| Expenditure incurred | (572 512) | (572 781) |
| Transfer to current provisions | (536 128) | (569 167) |
| Balance at end of year | 1 782 578 | 1 529 019 |

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

| | 30 June 2009 | 30 June 2008 |
|--|---------------------|---------------------|
| | R | R |
| 7. NON-CURRENT PROVISIONS | | |
| (Continue) | | |
| Provision for landfill rehabilitation | | |
| Balance at beginning of year | - | - |
| Contributions to provision | 123 690 | - |
| Expenditure incurred | - | - |
| Transfer to current provisions | - | - |
| Balance at end of year | 123 690 | - |
| Provision for church erven | | |
| Balance at beginning of year | 202 244 | - |
| Contributions to provision | - | 202 244 |
| Expenditure incurred | - | - |
| Transfer to current provisions | - | - |
| Balance at end of year | 202 244 | 202 244 |
| TOTAL PROVISIONS | 2 108 512 | 1 731 263 |

| | 30 June 2009 | 30 June 2008 |
|---|---------------------|---------------------|
| | R | R |
| 8. CONSUMER DEPOSITS | | |
| Electricity | 13 179 978 | 11 665 483 |
| Water | 4 781 145 | 4 501 077 |
| Other | 4 262 859 | 3 631 244 |
| Total consumer deposits | 22 223 982 | 19 797 804 |
| No interest is paid on deposits. | | |
| Guarantees held in lieu of electricity and water deposits | 4 249 572 | 4 351 357 |

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

| | 30 June 2009 | 30 June 2008 |
|--------------------------------|---------------------|---------------------|
| | R | R |
| 9. PROVISIONS | | |
| Performance Bonus | | |
| Balance at beginning of year | 439 681 | 468 564 |
| Contribution to provision | 1 256 655 | 357 857 |
| Expenditure incurred | - | (386 740) |
| Balance at end of year | 1 696 336 | 439 681 |
| Current portion: long services | 1 105 296 | 569 167 |
| Total provisions | 2 801 632 | 1 008 848 |

Performance bonuses are paid one year in arrears. The assessment of eligible employees had not taken place at the reporting date, subject to certain conditions. The provision is an estimate of the amount according to the performance agreements at the reporting date.

See note 7 for more detail on long service provision.

| | 30 June 2009 | 30 June 2008 |
|------------------------------|---------------------|---------------------|
| | R | R |
| 10. CREDITORS | | |
| Trade Creditors | 32 853 874 | 21 607 041 |
| Amounts received in advance: | | |
| Consumer debtors | 3 140 811 | 4 491 552 |
| Sundry debtors | 197 087 | 131 077 |
| Sale of erven | 242 509 | - |
| Other | 457 655 | 1 810 495 |
| VAT | 3 095 303 | 2 811 515 |
| RDP development | 3 756 092 | 3 884 190 |
| Other government grants | 533 753 | 361 016 |
| Staff leave | 7 990 843 | 6 420 293 |
| Retention money | 3 638 249 | 3 083 568 |
| Retail pre-paid sales | 75 013 | - |
| Total creditors | 55 981 189 | 44 600 747 |

See note 40 for restatement of 30 June 2008 figures.

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

| | 30 June 2009 | 30 June 2008 |
|--|---------------------|---------------------|
| | R | R |
| 11. UNSPENT CONDITIONAL GRANTS & RECEIPTS | | |
| Finance management grant | 2 381 735 | 2 739 972 |
| Municipal systems improvement grant | 142 545 | 490 776 |
| Municipal support grant | 11 652 | 11 652 |
| Local government transitional grant | 344 389 | 344 389 |
| Cleanest town competition | 1 550 809 | 900 000 |
| Municipal infrastructure grant | - | 5 528 423 |
| Arts and Culture | 11 121 | - |
| Integrated national electricity programme | 77 159 | 1 097 557 |
| Total conditional grants and receipts | 4 519 410 | 11 112 769 |

See note 24 for reconciliation of grants. These amounts are invested until utilised.

12. PROPERTY, PLANT & EQUIPMENT

Owned Assets

| | Land and Buildings | Infrastructure | Community Assets | Other Assets | Housing Development Fund | Total |
|--|---------------------------|-----------------------|-------------------------|---------------------|---------------------------------|----------------------|
| | R | R | R | R | R | R |
| Reconciliation of Carrying Value | | | | | | |
| Carrying values at 1 July 2007 | 1 488 331 139 | 2 268 377 455 | 444 091 459 | 71 104 347 | 522 009 | 4 272 426 409 |
| Cost | 1 517 314 583 | 4 077 688 707 | 568 932 198 | 118 614 048 | 783 098 | 6 283 332 634 |
| Cost – finance leases | - | - | - | 2 690 200 | - | 2 690 200 |
| Accumulated depreciation – cost | (28 983 444) | (1 809 311 252) | (124 840 739) | (49 125 161) | (261 089) | (2 012 521 685) |
| Accumulated depreciation – cost finance leases | - | - | - | (1 074 740) | - | (1 074 740) |
| Acquisitions | 4 020 198 | 126 553 705 | 8 030 408 | 15 114 998 | - | 153 719 309 |
| Acquisitions – finance leases | - | - | - | 808 359 | - | 808 359 |
| Capital under construction | - | 37 462 497 | 1 248 864 | 20 024 | - | 38 731 385 |
| Depreciation – based on cost | (5 245 867) | (112 343 935) | (12 811 851) | (14 231 924) | (26 104) | (144 659 681) |
| Depreciation – based on cost – finance leases | - | - | - | (348 778) | - | (348 778) |
| Carrying value of disposals | (181 071) | (4 462 558) | (50 491) | (199 151) | - | (4 893 271) |
| Cost | (234 269) | (9 141 658) | (177 796) | (409 537) | - | (9 963 260) |
| Accumulated depreciation | 53 198 | 4 679 100 | 127 305 | 210 386 | - | 5 069 989 |
| Carrying values at 30 June 2008 | 1 486 924 399 | 2 315 587 164 | 440 508 389 | 72 267 875 | 495 905 | 4 315 783 733 |
| Cost | 1 521 100 511 | 4 232 563 250 | 578 033 675 | 133 339 534 | 783 098 | 6 465 820 068 |
| Cost – finance leases | - | - | - | 3 498 559 | - | 3 498 559 |
| Accumulated depreciation – cost | (34 176 113) | (1 916 976 087) | (137 525 284) | (63 146 699) | (287 193) | (2 152 111 376) |
| Accumulated depreciation – cost – finance leases | - | - | - | (1 423 518) | - | (1 423 518) |
| | 1 486 924 398 | 2 315 587 163 | 440 508 391 | 72 267 876 | 495 905 | 4 315 783 733 |

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

12. PROPERTY, PLANT & EQUIPMENT (continue)

Owned Assets

| | Land and Buildings | Infrastructure | Community Assets | Other Assets | Housing Development Fund | Total |
|--|---------------------------|-----------------------|-------------------------|---------------------|---------------------------------|----------------------|
| | R | R | R | R | R | R |
| Reconciliation of Carrying Value | | | | | | |
| Carrying values at 1 July 2007 | 87 365 207 | 385 232 784 | 27 085 353 | 49 426 131 | 548 305 | 549 657 780 |
| Cost | 105 695 201 | 663 662 848 | 36 755 652 | 112 408 625 | 1 312 550 | 919 834 876 |
| Cost – Finance Leases | - | - | - | 1 159 603 | - | 1 159 603 |
| Accumulated depreciation – cost | (18 329 994) | (278 430 064) | (9 670 225) | (63 519 225) | (764 245) | (370 713 827) |
| Accumulated depreciation – Cost Finance Leases | - | - | - | (622 872) | - | (622 872) |
| Acquisitions | 2 385 368 | 74 579 034 | 1 266 787 | 16 198 901 | - | 94 430 090 |
| Acquisitions – Finance Leases | - | - | - | 393 064 | - | 393 064 |
| Capital under construction | 81 697 | 17 448 863 | 4 193 358 | 1 708 925 | - | 23 432 843 |
| Depreciation – based on cost | (1 926 560) | (36 642 948) | (1 157 002) | (10 855 352) | (26 101) | (50 637 963) |
| Depreciation – based on cost – Finance Leases | - | - | - | (294 554) | - | (294 554) |
| Carrying value of disposals | - | - | - | (239 048) | - | (239 048) |
| Cost | - | - | - | (2 260 251) | - | (2 260 251) |
| Accumulated depreciation | - | - | - | 2 021 203 | - | 2 021 203 |
| Componentisation adjustments | 1 400 425 427 | 1 827 759 722 | 412 702 963 | 14 796 280 | (195) | 3 655 684 197 |
| Carrying values at 30 June 2008 | 1 488 331 139 | 2 268 377 455 | 444 091 459 | 71 104 347 | 522 009 | 4 272 426 409 |
| Cost | 1 517 314 583 | 4 077 688 707 | 568 932 198 | 118 614 048 | 783 098 | 6 283 332 634 |
| Cost – finance lease | - | - | - | 2 690 200 | - | 2 690 200 |
| Accumulated depreciation – cost | (28 983 444) | (1 809 311 252) | (124 840 739) | (49 125 161) | (261 089) | (2 012 521 685) |
| Accumulated depreciation – cost – finance leases | - | - | - | (1 074 740) | - | (1 074 740) |

Refer to Appendices B and C for more detail.

The componentisation of infrastructural and community assets were finalized during the financial year resulted in the restatement of the Property, Plant and Equipment figures.

See note 41 for more detail.

30 June 2009

R

30 June 2008

R

13. INTANGIBLE ASSETS

Computer Software

Opening Carrying values

3 219 451

1 674 454

Cost

10 944 906

10 173 834

Accumulated Impairment

-

-

Accumulated Depreciation – Cost

(7 725 455)

(8 499 380)

Acquisitions

888 731

770 075

Amortisation

(943 578)

(1 088 810)

Impairment loss – recognised/reversed

-

-

Borrowing costs capitalized

-

-

Disposals

-

-

Componentisation adjustments

-

1 863 732

Carrying values at year end

3 164 604

3 219 451

Cost

11 833 637

10 944 906

Accumulated Depreciation – Cost

(8 669 033)

(7 725 455)

Refer to Appendix B for more detail.

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

| | 30 June 2009 | 30 June 2008 |
|------------------------------------|---------------------|---------------------|
| | R | R |
| 14. FINANCIAL INSTRUMENTS | | |
| Short Term Fixed Deposits | 450 000 000 | 396 000 000 |
| ABSA Bank | 90 000 000 | 90 000 000 |
| First National Bank | 90 000 000 | 54 000 000 |
| Investec Bank | 90 000 000 | 72 000 000 |
| Nedbank | 72 000 000 | 90 000 000 |
| Standard Bank | 108 000 000 | 90 000 000 |
| Long Term Fixed Deposits | 13 870 826 | 12 741 653 |
| ABSA Bank | 13 870 826 | 12 741 653 |
| Total Investments | 463 870 826 | 408 741 653 |
| | | |
| Average rate of return | 10,27% | 9,72% |
| Council's valuation of investments | 463 870 826 | 408 741 653 |

No investments have been written off during the year.

The Absa zero bond serves as security for the Absa Annuity Loan.

Refer to Appendix A for more detail on external loans.

| | 30 June 2009 | 30 June 2008 |
|--|---------------------|---------------------|
| | R | R |
| 15. LONG TERM RECEIVABLES | | |
| Motor car loans | - | 16 418 |
| Housing selling scheme loans | - | 5 530 |
| Sale of erven loans | 13 362 284 | 25 258 573 |
| Engineering services | 209 056 | 333 164 |
| Sub-total | 13 571 340 | 25 613 684 |
| Less: current portion transferred to current receivables | 13 016 745 | 24 324 199 |
| Motor car loans | - | 16 418 |
| Housing selling scheme loans | - | 5 530 |
| Sale of erven loans | 12 803 875 | 23 969 088 |
| Engineering services | 212 870 | 333 164 |
| Total non-current loans | 554 595 | 1 289 485 |

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

15. LONG TERM RECEIVABLES (continue)

Motor car loans

Senior personnel were previously entitled to car loans which attract interest at 8,5% per annum and which are repayable over a maximum period of five (5) years. In terms of the MFMA no new loans are granted and the existing loans will be repaid by the year 2009.

Engineering services

To encourage property owners to develop Council grants them an incentive for the payment of engineering services at prime and repayable over a maximum period of one (1) year.

Housing selling scheme loans

Housing loans are granted to qualifying individuals in terms of the Housing Act. These loans attract differentiated interest rates and are repayable over twenty (20) years. No new loans are granted and existing loans will continue until repaid.

Sale of erven

Loans were given at a low interest rate of 7,5% per annum repayable over four (4) years to encourage development through the sale of vacant erven. In terms of the MFMA no new loans are granted.

| | 30 June 2009 | 30 June 2008 |
|---------------------------------|-------------------------|-------------------------|
| | R | R |
| 16. DEFERRED LEASES | | |
| Opening balance | 180 058 | 168 431 |
| Change in accounting policy | - | (5 683) |
| Movement for the year | <u>(47 824)</u> | <u>17 310</u> |
| Closing balance | <u>132 234</u> | <u>180 058</u> |
| Minimum lease income due | | |
| - within one year | 294 937 | 403 691 |
| - second to fifth year | 706 169 | 1 001 105 |
| - after five years | <u>294 715</u> | <u>294 715</u> |
| Total deferred leases | <u>1 295 821</u> | <u>1 699 511</u> |

Included in the operating lease revenue are the following significant contracts:

1. Pole Add SA – rental of street poles for the purpose of displaying of advertisements.
The contract expires on 30 September 2016.
Actual income levied 2008/2009 R75 298
Expected levy income 2009/2010 R79 062
Annual straight lining R86 768

2. Department of Public Works – rental of building to be used as a Police Station.
The contract expires on 30 November 2009.
Actual income levied 2008/2009 R86 670
Expected levy income 2009/2010 R30 029
Annual straight lining R30 035

3. Optimum Collieries – rental of land for parking purposes.
The contract expires on 30 April 2010.
Actual income levied 2008/2009 R69 922
Expected levy income 2009/2010 R60 307
Annual straight lining R34 375

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

| | 30 June 2009 | 30 June 2008 |
|---|---------------------|---------------------|
| | R | R |
| 17. INVENTORY | | |
| Consumable stock | 9 661 246 | 8 814 501 |
| Unsold properties | 25 497 176 | 25 987 471 |
| Water at cost | 100 467 | 64 993 |
| Total inventory | 35 258 889 | 34 866 965 |
| Stock shortages written off during the year | 424 397 | 450 698 |
| Stock surpluses for the year | (193 479) | (100 480) |
| Net stock result | 230 918 | 350 218 |

18. CONSUMER DEBTORS

| | Gross Balance | Provision for Bad Debt | Net Balance |
|---|----------------------|-------------------------------|--------------------|
| | R | R | R |
| 30 June 2009 | | | |
| Service debtors: | 42 131 192 | 14 278 915 | 27 852 278 |
| Property rates | 20 871 306 | 10 041 830 | 10 829 477 |
| Electricity | 11 595 904 | 809 539 | 10 786 365 |
| Water | 4 284 718 | 1 816 423 | 2 468 295 |
| Sewerage | 2 974 483 | 1 003 336 | 1 971 147 |
| Refuse | 2 404 781 | 607 788 | 1 796 993 |
| Estates | 385 859 | - | 385 859 |
| Other | 6 536 704 | 4 166 498 | 2 370 206 |
| Total consumer debtors | 49 053 756 | 18 445 413 | 30 608 343 |
| Contribution to bad debt provision | | | 4 793 081 |
| Debt written off for the year | | | 2 773 045 |
| Property rates | | | 1 401 602 |
| Electricity | | | 53 027 |
| Water | | | 93 027 |
| Sewerage | | | 73 693 |
| Refuse | | | 7 247 |
| Other | | | 1 144 449 |

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

18. CONSUMER DEBTORS (continue)

| | Gross Balance | Provision for Bad Debt | Net Balance |
|---|--------------------------|-----------------------------------|------------------------|
| | R | R | R |
| 30 June 2008 | | | |
| Service debtors: | 36 036 081 | 12 195 267 | 23 840 813 |
| Property rates | 17 087 115 | 8 516 219 | 8 570 896 |
| Electricity | 9 582 947 | 705 187 | 8 877 760 |
| Water | 4 465 330 | 1 604 494 | 2 860 836 |
| Sewerage | 2 862 262 | 924 689 | 1 937 572 |
| Refuse | 2 038 427 | 444 678 | 1 593 749 |
| Estates | 450 275 | - | 450 275 |
| Other | 6 718 000 | 4 230 110 | 2 487 890 |
| Total consumer debtors | 43 204 356 | 16 425 377 | 26 778 978 |
| Contribution to bad debt provision | | | 2 904 330 |
| Debt written off for the year | | | 699 069 |
| Property rates | | | 258 903 |
| Electricity | | | 20 458 |
| Water | | | 54 286 |
| Sewerage | | | 26 980 |
| Refuse | | | 9 758 |
| Other | | | 328 684 |

30 June 2009

30 June 2008

R

R

AGEING OF CONSUMER DEBTORS

Property Rates

Current (0-30 days)

31-60 days

61-90 days

91-120 days

121-150 days

151+ days

Sub-total

8 462 558

1 839 152

2 344 957

661 750

662 428

6 900 461

20 871 306

6 807 168

1 128 400

671 959

504 781

382 161

7 592 646

17 087 115

Services

Current (0-30 days)

31-60 days

61-90 days

91-120 days

121-150 days

151+ days

Sub-total

15 561 498

871 723

1 255 847

323 412

335 801

2 911 605

21 259 886

13 517 158

1 089 411

529 375

305 927

227 035

3 280 060

18 948 966

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

| | 30 June 2009 | 30 June 2008 |
|--|---------------------|---------------------|
| | R | R |
| AGEING OF CONSUMER DEBTORS (continue) | | |
| Estates | | |
| Current (0-30 days) | - | - |
| 31-60 days | 34 314 | 69 906 |
| 61-90 days | 24 888 | 17 821 |
| 91-120 days | 13 950 | 57 957 |
| 121-150 days | 312 707 | 304 590 |
| 151+ days | - | - |
| Sub-total | 385 859 | 450 275 |
| Other | | |
| Current (0-30 days) | 2 504 683 | 2 004 745 |
| 31-60 days | 250 089 | 349 604 |
| 61-90 days | 521 933 | 230 077 |
| 91-120 days | 155 357 | 201 497 |
| 121-150 days | 241 543 | 160 717 |
| 151+ days | 2 863 100 | 3 771 360 |
| Sub-total | 6 536 704 | 6 718 000 |
| Total consumer debtors | 49 053 756 | 43 204 356 |
| Made up as follows: | | |
| Current (0-30 days) | 26 528 740 | 22 329 071 |
| 31-60 days | 2 995 278 | 2 637 321 |
| 61-90 days | 4 147 625 | 1 449 233 |
| 91-120 days | 1 154 469 | 1 070 163 |
| 121-150 days | 1 552 479 | 1 074 502 |
| 151+ days | 12 675 166 | 14 644 066 |
| Total consumer debtors | 49 053 756 | 43 204 356 |

| | 30 June 2009 | 30 June 2008 |
|---|---------------------|---------------------|
| | R | R |
| 19. OTHER DEBTORS | | |
| Other debtors | 8 324 351 | 7 835 309 |
| Government capital grants | 1 774 626 | 262 629 |
| Sundry debtors | 4 311 659 | 5 274 936 |
| Deposits | 230 220 | 221 680 |
| Insurance | 1 715 203 | 1 877 543 |
| Health subsidy | - | 4 443 000 |
| SARS (VAT) – claimed | 1 619 496 | - |
| NDM Projects | 2 208 851 | - |
| SUB-TOTAL | 20 184 406 | 19 915 097 |
| Provision for other debt | (2 854 065) | (2 662 699) |
| Total Other Debtors | 17 330 341 | 17 252 398 |
| Contribution to Bad Debt provision | (662 421) | (1 536 739) |
| Debt written off for the year | 471 054 | 293 759 |

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

| | 30 June 2009 | 30 June 2008 |
|--|---------------------|---------------------|
| | R | R |
| 20. BANK BALANCES & CASH | | |
| Cash book balance at beginning of year | 35 341 284 | 68 218 457 |
| Increase/(decrease) in cash book balance | 5 419 838 | (32 877 173) |
| Cash book balance at end of year | 40 761 122 | 35 341 284 |
| Petty cash | | |
| Balance at beginning of year | 32 681 | 32 681 |
| Increase/(decrease) of petty cash | 2 000 | 2 000 |
| Balance at end of year | 34 681 | 32 681 |
| Total cash resources | 40 795 803 | 35 373 965 |

21. PROPERTY RATES

| | Site Valuations | 30 June 2009 | 30 June 2008 |
|-------------------|------------------------|---------------------|---------------------|
| | R | R | R |
| Middelburg | | | |
| Residential | 312 554 745 | 93 671 537 | 84 416 654 |
| Pensioners | 5 938 300 | 1 487 301 | 1 444 044 |
| Commercial | 240 290 668 | 51 371 508 | 39 396 125 |
| Exempted | 37 275 783 | 8 990 919 | 13 752 840 |
| Sub-total | 596 059 497 | 155 521 265 | 139 009 664 |
| Government | | | |
| Middelburg | 26 901 095 | 6 488 545 | 6 004 326 |
| Hendrina | 351 194 | 158 459 | 146 659 |
| Pullenshope | 18 750 | 14 198 | 13 140 |
| Sub-total | 27 271 039 | 6 661 202 | 6 164 124 |
| Hendrina | | | |
| Residential | 13 428 922 | 6 210 049 | 5 513 881 |
| Pensioners | 216 900 | 92 052 | 95 648 |
| Commercial | 1 958 352 | 902 098 | 751 896 |
| Exempted | 118 046 | 50 805 | 49 296 |
| Sub-total | 15 722 220 | 7 255 005 | 6 410 721 |

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

21. PROPERTY RATES (continue)

| | Site Valuations | 30 June 2009 | 30 June 2008 |
|----------------------|----------------------------|---------------------|---------------------|
| | R | R | R |
| Blinkpan | | | |
| Residential | 1 526 100 | 366 652 | 342 028 |
| Commercial | 171 350 | 43 175 | 36 125 |
| Sub-total | 1 697 450 | 409 827 | 378 153 |
| Komati | | | |
| Residential | 659 329 | 839 057 | 778 257 |
| Pensioners | 33 350 | 54 395 | 39 506 |
| Commercial | 162 066 | 208 262 | 191 367 |
| Exempted | 8 520 | - | 10 060 |
| Sub-total | 854 745 | 1 101 715 | 1 019 191 |
| Rietkuil | | | |
| Residential | 1 690 266 | 915 042 | 846 058 |
| Pensioners | 12 950 | 8 075 | 6 195 |
| Commercial | 551 786 | 301 233 | 276 776 |
| Sub-total | 2 255 002 | 1 224 350 | 1 129 028 |
| Pullenshope | | | |
| Residential | 1 609 129 | 1 218 051 | 1 128 134 |
| Pensioners | 50 667 | 39 321 | 34 276 |
| Commercial | 470 372 | 356 166 | 329 637 |
| Sub-total | 2 130 168 | 1 613 537 | 1 492 046 |
| Presidentsrus | | | |
| Residential | 2 066 580 | 47 742 | 43 903 |
| Commercial | 324 250 | 7 490 | 6 887 |
| Sub-total | 2 390 830 | 55 232 | 50 790 |
| Kranspoort | | | |
| Residential | 11 279 215 | 145 824 | 135 354 |
| Commercial | 27 346 | 354 | 328 |
| Sub-total | 11 306 561 | 146 179 | 135 682 |

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

21. PROPERTY RATES (continue)

| | | 30 June 2009 | 30 June 2008 |
|-----------------------------------|------------------|--------------------------|---------------------|
| | | R | R |
| Rural Areas | | | |
| Commercial: | Site valuations | 13 977 055 | 1 173 762 |
| | Improvements | 141 840 820 | |
| Sub-total | | 155 817 875 | 1 080 811 |
| Total | | 175 162 073 | 156 870 210 |
| Less: | | (44 164 137) | (45 975 395) |
| Income forgone: | Middelburg | Residential (42 399 442) | (44 338 948) |
| | | Government (1 501 968) | (1 388 913) |
| | Hendrina | Residential (69 025) | (68 261) |
| | | Government (29 547) | (27 365) |
| | Blinkpan | Residential (132 250) | (123 209) |
| | Komati | Residential (19 575) | (17 970) |
| | Pullenshope | Residential (7 883) | (6 867) |
| | | Government (2 846) | (2 633) |
| | Rietkuil | Residential (1 601) | (1 230) |
| Less: | | (14 343 411) | (11 750 816) |
| | Indigent Support | (14 027 540) | (11 750 816) |
| | Discounting | (315 871) | - |
| Grand-total property rates | | 116 654 525 | 99 143 999 |

VALUATIONS

| | | 30 June 2009 | 30 June 2008 |
|-------------------------|-----------------------|---------------------|---------------------|
| Residential | Site valuation | 351 066 453 | 423 396 844 |
| Government | Site valuation | 27 271 039 | 27 271 039 |
| Commercial | Site valuation | 257 933 245 | 188 015 643 |
| Rural Commercial | Improvement valuation | 141 840 820 | 141 840 820 |
| Exempted | | 37 042 349 | 61 734 713 |
| Total valuations | | 815 513 907 | 842 259 059 |

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

| | 30 June 2009 | 30 June 2008 |
|---------------------------------|---------------------|---------------------|
| | R | R |
| 22. SERVICE CHARGES | | |
| Sale of electricity | 182 529 988 | 131 875 561 |
| Sale of water | 34 920 310 | 29 988 487 |
| Refuse removal | 21 050 558 | 18 283 405 |
| Sewerage and sanitation charges | 21 164 430 | 19 243 332 |
| Total services charges | 259 665 286 | 199 390 785 |

| | 30 June 2009 | 30 June 2008 |
|------------------------------|---------------------|---------------------|
| | R | R |
| 23. INTEREST EARNED | | |
| EXTERNAL INVESTMENTS | 57 012 025 | 46 261 299 |
| Current account | 12 216 993 | 11 560 716 |
| External investments | 44 795 032 | 34 700 583 |
| OUTSTANDING DEBTORS | 2 709 464 | 2 112 732 |
| Sundry loans | 291 | 6 976 |
| Sundry debtors | 235 732 | 285 905 |
| Sale of erven | 6 437 | 30 136 |
| Services: | 978 125 | 667 035 |
| Electricity | 384 610 | 196 250 |
| Sewerage | 183 789 | 154 692 |
| Refuse Removal | 120 937 | 77 595 |
| Water | 288 789 | 238 498 |
| Property rates | 1 488 879 | 1 122 680 |
| Total interest earned | 59 721 489 | 48 374 031 |

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

| | 30 June 2009 | 30 June 2008 |
|--|---------------------|---------------------|
| | R | R |
| 24. GOVERNMENT GRANTS & SUBSIDIES | | |
| <i>Operating Grants</i> | 57 382 978 | 41 893 680 |
| Equitable share | 47 393 732 | 36 445 367 |
| Provincial health subsidies | 4 443 000 | 4 443 000 |
| Finance management grant (FMG) | 858 238 | 403 600 |
| Local government transition grant (LGTF) | - | 288 252 |
| Department of Environmental Affairs and Tourism | 43 396 | - |
| Municipal systems improvement grant (MSIG) | 633 232 | 3 084 |
| Municipal infrastructural grant (MIG) | 4 011 380 | 310 377 |
| <i>Capital Grants</i> | 19 399 804 | 24 126 548 |
| Municipal systems improvement grant (MSIG) | 450 000 | 725 286 |
| Municipal infrastructural grant (MIG) | 17 314 732 | 12 717 500 |
| Integrated national electrification grant (INEP) | 1 020 398 | 10 439 450 |
| Vuna awards | - | 244 312 |
| Department of Arts and Cultural | 308 879 | - |
| Department of Environmental Affairs and Tourism | 305 795 | - |
| Total Government Grants & Subsidies | 76 782 782 | 66 020 227 |
| <i>Equitable Share</i> | | |
| <i>This grant is an unconditionally grant and is partially utilised for the provision of indigent support through free basic services. Registered indigents receive a rebate of 100% on discounted assessment rates and a monthly subsidy of R137 (2008: R124) on the cost of other services which are funded from this grant.</i> | | |
| <i>Provincial Health Subsidy</i> | | |
| Current year receipts | 4 443 000 | 4 443 000 |
| Conditions met – transferred to revenue | (4 443 000) | (4 443 000) |
| Unspent amount transferred to liabilities | - | - |
| (see note 11) | | |

The municipality renders health services on behalf of the provincial government and is refunded approximately 35% of total expenditure incurred. This grant has been used exclusively to fund clinical services. The conditions of this grant have been met and there was no delay or withholding of the subsidy.

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

| | 30 June 2009 | 30 June 2008 |
|---|------------------|------------------|
| | R | R |
| 24. GOVERNMENT GRANTS & SUBSIDIES (continue) | | |
| <i>Finance Management Grant</i> | | |
| Balance unspent at beginning of year | 2 739 972 | 2 643 571 |
| Current year receipts | 500 000 | 500 000 |
| Conditions met – transferred to revenue | (858 238) | (403 600) |
| Unspent amount transferred to liabilities | 2 381 734 | 2 739 971 |
| (see note 11) | | |

This grant was used to promote and support reforms to municipal financial management and the implementation of the MFMA, 2003. Other than the unspent amount, the conditions of the grant were met and no funds have been withheld.

Local Government Transition Grant (LGTF)

| | | |
|--|----------------|----------------|
| Balance unspent at beginning of year | 344 389 | 632 641 |
| Conditions met – transferred to revenue | - | (288 252) |
| Unspent amount transferred to liabilities | 344 389 | 344 389 |
| (see note 11) | | |

This grant was used to implement new systems as provided in the Municipal Systems Act, 2000. Other than the unspent amount, the conditions of the grant were met.

Local Government Capacity Building Grant

| | | |
|--|---------------|---------------|
| Balance unspent at beginning of year | 11 653 | 11 653 |
| Conditions met – transferred to revenue | - | - |
| Unspent amount transferred to liabilities | 11 653 | 11 653 |
| (see note 11) | | |

This grant was used to build in-house capacity to perform their functions and improve governance systems. Other than the unspent amount, the conditions of the grant were met and no funds have been withheld.

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

| | 30 June 2009 | 30 June 2008 |
|--|-----------------------|-----------------------|
| | R | R |
| 24. GOVERNMENT GRANTS & SUBSIDIES (continue) | | |
| <i>Municipal Systems Improvement Grant (MSIG)</i> | | |
| Balance unspent at beginning of year | 490 776 | 485 146 |
| Current year receipts | 735 000 | 734 000 |
| Conditions met – transferred to revenue | <u>(1 083 232)</u> | <u>(728 370)</u> |
| Unspent amount transferred to liabilities | <u>142 544</u> | <u>490 776</u> |
| <i>(see note 11)</i> | | |

This grant was used to build in-house capacity to perform their functions and stabilise institutional and governance systems. Other than the unspent amount, the conditions of the grant were met and no funds have been withheld.

Municipal Infrastructure Grant (MIG)

| | | |
|--|---------------------------|-------------------------|
| Balance unspent at beginning of year | 5 528 423 | 9 818 |
| Current year receipts | 14 277 194 | 18 546 481 |
| Conditions met – transferred to revenue | <u>(21 335 930)</u> | <u>(13 027 876)</u> |
| Unspent amount transferred to liabilities | <u>(1 530 313)</u> | <u>5 528 423</u> |
| <i>(see note 19)</i> | | |

This grant was used to construct basic municipal infrastructure to provide basic services for the benefit of poor households. Other than the unspent amount, the conditions of the grant were met and no funds have been withheld.

Integrated National Electrification Grant (INEP)

| | | |
|--|----------------------|-------------------------|
| Balance unspent at beginning of year | 1 097 557 | 631 765 |
| Current year receipts | - | 10 905 247 |
| Conditions met – transferred to revenue | <u>(1 020 398)</u> | <u>(10 439 455)</u> |
| Unspent amount transferred to liabilities | <u>77 159</u> | <u>1 097 557</u> |
| <i>(see note 11)</i> | | |

This grant was used to address the electrification backlog of permanently occupied residential dwellings. The conditions of the grant were met and no funds have been withheld.

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

| | 30 June 2009 | 30 June 2008 |
|---|--------------|--------------|
| | R | R |
| 24. GOVERNMENT GRANTS & SUBSIDIES (continue) | | |
| <i>Vuna Awards</i> | | |
| Balance unspent at beginning of year | - | - |
| Current year receipts | - | 244 312 |
| Conditions met – transferred to revenue | - | 244 312 |
| Unspent amount transferred to liabilities | - | - |
| <i>(see note 11)</i> | | |

This grant is observed as a contribution to the construction of a Multi-Purpose Community Centre.

Department of Arts and Cultural

| | | |
|--|---------------|----------|
| Balance unspent at beginning of year | - | - |
| Current year receipts | 320 000 | - |
| Conditions met – transferred to revenue | (308 879) | - |
| Unspent amount transferred to liabilities | 11 121 | - |
| <i>(see note 11)</i> | | |

This grant is used to upgrade library facilities to improve services and address the needs of the community. The conditions per the business plan were met and no funds have been withheld.

Department of Environmental Affairs and Tourism

| | | |
|--|------------------|----------|
| Balance unspent at beginning of year | 900 000 | - |
| Current year receipts | 1 000 000 | - |
| Conditions met – transferred to revenue | (349 191) | - |
| Unspent amount transferred to liabilities | 1 550 809 | - |
| <i>(see note 11)</i> | | |

This programme is created to promote a healthy and clean environment through public awareness, greening and waste management. The conditions per business plan were met and no funds have been withheld.

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

| | 30 June 2009 | 30 June 2008 |
|--|---------------------|---------------------|
| | R | R |
| 25. PUBLIC CONTRIBUTIONS, DONATED & CONTRIBUTED PROPERTY, PLANT & EQUIPMENT | | |
| Nkangala District Municipality | 909 955 | 8 951 086 |
| Developer Donation | 60 300 596 | - |
| Other grants | 221 255 | 198 298 |
| Total donated property, plant & equipment | 61 431 806 | 9 149 384 |

| | 30 June 2009 | 30 June 2008 |
|----------------------------------|---------------------|---------------------|
| | R | R |
| 26. OTHER REVENUE | | |
| Building plan fees | 795 769 | 1 330 162 |
| Connection fees | 6 847 004 | 5 784 140 |
| Entrance fees | 17 780 | 12 793 |
| Insurance claims | 2 732 882 | 3 641 810 |
| Community service fees | 779 028 | 982 826 |
| Sale of coal (coal rights) | 30 138 016 | 22 967 214 |
| Refund skills development (SETA) | 624 142 | 490 106 |
| Sundry income | 2 300 742 | 1 738 548 |
| Dumping site fees | 675 028 | 651 543 |
| Admin fees | 1 766 673 | 1 611 497 |
| Sale of erven | 7 071 419 | 31 851 016 |
| Main services contributions | 1 444 540 | 7 543 404 |
| Fair value adjustment | 805 105 | - |
| Total other revenue | 55 998 128 | 78 605 059 |

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

| | 30 June 2009 | 30 June 2008 |
|------------------------------------|---------------------|---------------------|
| | R | R |
| 27. EMPLOYEE RELATED COSTS | | |
| Salaries and wages | 125 674 474 | 110 920 638 |
| Social contributions: | 30 080 723 | 28 219 677 |
| Pension deductions | 18 505 712 | 17 581 614 |
| Medical aid funds | 6 615 986 | 5 883 273 |
| Group insurance | 790 620 | 787 808 |
| Housing subsidy | 1 739 226 | 1 681 331 |
| Unemployment Insurance Fund | 1 053 055 | 979 909 |
| Workmen's compensation | 1 376 124 | 1 305 742 |
| Less: employee cost capitalised | (986 836) | (1 025 506) |
| Less: employee cost to operating | (940 276) | (728 100) |
| Total employee related cost | 153 828 085 | 137 386 709 |

| | 30 June 2009 | 30 June 2008 |
|--|---------------------|---------------------|
| | R | R |
| 28. REMUNERATION OF COUNCILLORS | | |
| Councillor's remuneration | 6 254 207 | 5 595 209 |
| Pension fund | 907 145 | 806 564 |
| Medical aid | 267 801 | 230 986 |
| Travelling allowance | 2 479 348 | 2 238 603 |
| Cellphone allowance | 525 925 | 482 635 |
| UIF | 66 800 | 61 659 |
| Total councillor's remuneration | 10 501 226 | 9 415 656 |

| | 30 June 2009 | 30 June 2008 |
|---|---------------------|---------------------|
| | R | R |
| 29. INTEREST PAID ON EXTERNAL BORROWINGS | | |
| Annuity loan | 18 380 767 | 17 023 610 |
| Lease liability | 121 919 | 136 643 |
| Total interest paid | 18 502 686 | 17 160 253 |

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

| | 30 June 2009 | 30 June 2008 |
|-----------------------------|---------------------|---------------------|
| | R | R |
| 30. BULK PURCHASES | | |
| Electricity | 107 103 782 | 77 601 486 |
| Water | 2 620 774 | 2 271 056 |
| Total bulk purchases | 109 724 556 | 79 872 542 |
| Electricity losses | | 10,46% |
| Water losses | 17,72% | 19,95% |

| | 30 June 2009 | 30 June 2008 |
|--|---------------------|---------------------|
| | R | R |
| 31. GRANTS & SUBSIDIES PAID | | |
| Tourist Information Centre | 100 000 | 95 000 |
| Various organisations: Rates | 341 483 | 316 000 |
| Municipal Sports Games | 110 000 | 106 204 |
| Animal care : SPCA | 145 000 | 138 000 |
| Forever Loskop Marathon | 18 000 | 15 000 |
| Welfare organisation | 12 607 | 11 652 |
| Arts & culture organisation | - | 3 000 |
| Local Economic Development | 6 704 | 105 000 |
| Education | 10 000 | 16 950 |
| Botshabelo | 600 000 | 800 000 |
| Business Linkage | 150 000 | - |
| Total grants & subsidies | 1 493 794 | 1 606 806 |

Disclosure in terms of MFMA, 2003 Section 123(b)

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

| | 30 June 2009 | 30 June 2008 |
|----------------------------------|---------------------|---------------------|
| | R | R |
| 32. GENERAL EXPENDITURE | | |
| Advertising | 2 719 893 | 1 825 057 |
| Audit fees | 1 840 749 | 1 443 377 |
| Bank charges | 759 984 | 611 187 |
| Communications | 2 969 607 | 2 458 257 |
| Insurance | 6 694 177 | 6 823 863 |
| Legal fees | 1 637 509 | 800 957 |
| Travel & accommodation | 8 264 783 | 7 561 969 |
| Materials & supplies | 17 165 893 | 13 703 661 |
| Skills development & training | 2 428 531 | 2 393 174 |
| Transportation | 3 063 998 | 1 967 100 |
| Licensing | 1 135 741 | 717 962 |
| Rental fees | 323 472 | 315 657 |
| Consulting fees | 5 614 899 | 3 418 358 |
| Postage | 1 014 147 | 868 456 |
| Other | 12 844 915 | 6 317 857 |
| Inventory | 1 550 250 | 3 038 176 |
| Connection fess | 13 721 802 | - |
| Total general expenditure | 83 750 340 | 54 265 066 |

| | 30 June 2009 | 30 June 2008 |
|---|---------------------|---------------------|
| | R | R |
| 33. CONTRIBUTIONS TO/(FROM) PROVISIONS | | |
| Employee stated benefit | 8 395 000 | 6 074 000 |
| Long service awards | 789 687 | 615 905 |
| Staff leave | 4 289 951 | 2 841 427 |
| Landfill rehabilitation | 123 690 | - |
| Housing development fund | 16 399 | 16 799 |
| Total contributions | 13 614 727 | 9 548 131 |

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

| | 30 June 2009 | 30 June 2008 |
|--|---------------------|---------------------|
| | R | R |
| 34. CAPITAL REPLACEMENT RESERVE | 316 260 747 | 311 934 535 |
| Capital Replacement Reserve | 136 886 519 | 125 166 100 |
| Balance at beginning of the year | 125 166 100 | 99 843 249 |
| Contributions | 84 833 384 | 76 719 300 |
| Expenditure | (273 535) | (493 670) |
| Property, plant & equipment | (72 839 429) | (50 902 779) |
| CRR: Land Trust Fund | 65 560 868 | 65 865 398 |
| Balance at beginning of the year | 65 865 398 | 65 859 994 |
| Contributions | 1 159 947 | 2 972 754 |
| Expenditure | - | (17 000) |
| Revenue | - | 41 538 |
| Property, plant & equipment | (1 464 477) | (2 991 888) |
| CRR: Property Development | 113 813 360 | 120 903 037 |
| Balance at beginning of the year | 120 903 037 | 124 546 933 |
| Contributions | 3 336 880 | 20 214 568 |
| Expenditure | (2 394 594) | (10 128 272) |
| Revenue | - | 478 |
| Property, plant & equipment | (8 031 964) | (13 730 670) |

| | 30 June 2009 | 30 June 2008 |
|-----------------------------------|---------------------|---------------------|
| | R | R |
| 35. CAPITALISATION RESERVE | - | - |
| Balance at beginning of the year | - | 99 897 900 |
| PPE purchased | - | - |
| Offsetting of depreciation | - | (13 202 229) |
| Disposal | - | (154 476) |
| Change in Accounting Policy | - | (86 541 195) |

| | 30 June 2009 | 30 June 2008 |
|-------------------------------------|---------------------|---------------------|
| | R | R |
| 36. GOVERNMENT GRANT RESERVE | - | - |
| Balance at beginning of the year | - | 57 367 266 |
| PPE purchased | - | 24 135 409 |
| Offsetting of depreciation | - | (4 306 934) |
| Disposal | - | (35) |
| Change in Accounting Policy | - | (77 195 706) |

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

| | 30 June 2009 | 30 June 2008 |
|--|---------------------|---------------------|
| | R | R |
| 37. DONATIONS & PUBLIC CONTRIBUTION RESERVE | - | - |
| Balance at beginning of the year | - | 105 700 394 |
| Donated/contributed PPE | - | 9 096 514 |
| Offsetting of depreciation | - | (8 528 512) |
| Disposal | - | (2 315) |
| Change in Accounting Policy | - | (106 266 081) |

| | 30 June 2009 | 30 June 2008 |
|--------------------------------------|---------------------|---------------------|
| | R | R |
| 38. SELF-INSURANCE RESERVE | 2 470 270 | 2 873 535 |
| Insurance Reserve Electricity | 962 699 | 964 122 |
| Balance at beginning of the year | 964 122 | 894 868 |
| Contributions | 450 000 | 180 000 |
| Other income | - | - |
| Insurance claims processed | (451 423) | (110 746) |
| Insurance Reserve General | 1 507 571 | 1 909 413 |
| Balance at beginning of the year | 1 909 413 | 1 041 634 |
| Other income | 577 490 | 1 120 362 |
| Other expenditure | (875 397) | (19 167) |
| Purchase PPE | (103 935) | (233 416) |
| Insurance claims processed | - | - |

| | 30 June 2009 | 30 June 2008 |
|---|----------------------|----------------------|
| | R | R |
| 39. ACCUMULATED SURPLUS/(DEFICIT) | | |
| Accumulated surplus: beginning of the year | 4 242 036 358 | 239 137 857 |
| Net surplus of the year | 62 372 937 | 114 865 017 |
| Changes in net assets | (6 477 455) | (39 195 158) |
| Correction of error | - | (322 269) |
| Change in accounting policy | - | 3 903 512 572 |
| Change in accounting estimates | - | 24 038 339 |
| Accumulated surplus: end of year | 4 297 931 840 | 4 242 036 358 |
| Refer to note 39 and 41 for more detail. | | |

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

40. CORRECTION OF ERROR

Creditors and other debtors

In the previous set of financial statements for the year ending 30 June 2008, the figures indicated under Creditors, and Other Debtors were incorrectly stated as a result of the stipulations of a contract done in good faith. The operating balance for the current financial year has been adjusted as follows:

| Statement of Financial Position | 30 June 2008 |
|--|---------------------|
| Current liabilities | |
| Creditors | |
| Closing balance | (44 786 406) |
| Correction | 185 658 |
| Restated balance | (44 600 748) |
| (Refer to note 10) | |
| Current assets | |
| Other debtors | |
| Closing balance | 17 552 398 |
| Correction | (300 000) |
| Restated balance | 17 252 398 |
| (Refer to note 18) | |

This correction has a net effect of R114 342, with which the Accumulated Surplus in the Statement of Changes in Net Assets has been decreased.

Provisions

In the previous set of financial statements, for the year ending 30 June 2008, the figures indicated under Non-Current Provisions were incorrectly stated as a result of the condition in contracts on the sale of church erven where the municipality has the obligation to repay 25% of the purchase price on completion of development. The opening balance for the current financial year has been adjusted as follows:

| Statement of Financial Position | 30 June 2008 |
|--|---------------------|
| Non-Current Liabilities | |
| Non-Current Provisions | |
| Closing balance | (1 529 020) |
| Correction | (202 244) |
| Restated balance | (1 731 264) |
| (Refer to note 7) | |

This correction has a net effect of R202 244, with which the Accumulated Surplus in the Statement of Changes in Net Assets has been decreased.

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

40. CORRECTION ERROR (continue)

Leases

In the previous set of financial statements for the year ending 30 June 2008, the figures indicated under current assets were incorrectly stated as a result of a calculation error on leases. The operating balance for the current financial year has been adjusted as follows:

| Statement of Financial Position | 30 June 2008 |
|--|---------------------|
| Current liabilities | |
| Creditors | |
| Closing balance | 185 740 |
| Correction | (5 683) |
| Restated balance | 180 057 |
| (Refer to note 7) | |
| This correction has a net effect of R5 683, with which the Accumulated Surplus in the Statement of Changes in Net Assets has been decreased. | |
| Total | (322 269) |

41. CHANGES IN ACCOUNTING POLICY

Reserves

Property, Plant and Equipment was componentised in terms of GRAP 17, and therefore previously stated historical costs have been written back and restated at Current Replacement Cost (CRC). As a result hereof the funding sources of the assets could not be linked reliably, and hence the depreciation reserves were written back. This resulted in a change in accounting policy, and the following adjustments were made:

| Statement of Changes in Net Assets | 30 June 2008 |
|---|---------------------|
| Current assets | |
| Opening balance | 86 551 195 |
| Written back | (86 541 195) |
| Restated Opening balance | - |
| (Refer note 35) | |
| Government Grant Reserve | |
| Opening balance | 77 195 706 |
| Written back | (77 195 706) |
| Restated Opening Balance | - |
| (Refer note 36) | |
| Donations & Public Contributions Reserve | |
| Opening balance | 106 266 081 |
| Written back | (106 266 081) |
| Restated Opening Balance | - |
| (Refer note 37) | |

This change in Accounting Policy has a net effect of R270 002 982, with which the Accumulated Surplus in the Statement of Changes in Net Assets has been increased.

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

41. CHANGES IN ACCOUNTING POLICY (continue)

Property, Plant and Equipment

Property, Plant and Equipment was componentised in terms of GRAP 17, and therefore previously stated historical costs have been written back and restated at Current Replacement Cost (CRC). Subsequently the accumulated depreciation has also been restated. This resulted in a change in accounting policy and the following adjustments were made:

| Statement of Changes in Net Assets | 30 June 2008 |
|--|----------------------|
| Non-current assets | |
| Historical Cost: Property Plant & Equipment | |
| Opening historical cost: PPE | 1 036 597 1691 |
| Opening historical cost: Leased Assets | 393 064 |
| Opening historical cost: Intangible Assets | 10 943 910 |
| PPE written back | (866 639 307) |
| Uptake new infrastructural assets @ CRC | 6 100 556 013 |
| Fair value adjustment | 15 116 899 |
| Restated Current Replacement Cost (CRC) | 6 296 967 740 |

The restated Current Replacement Cost values are made up as follows:

| | |
|-------------------------------|----------------------|
| Property, Plant and Equipment | 6 283 332 634 |
| Leased Assets | 2 690 200 |
| Intangible Assets | 10 944 906 |
| | 6 296 967 740 |

(Refer note 42)

Accumulated Depreciation

| | |
|---|----------------------|
| Opening accumulated depreciation: PPE | 419 330 587 |
| Opening accumulated depreciation: Leased Assets | 917 426 |
| Opening accumulated depreciation: Intangible Assets | 9 588 190 |
| Accumulated depreciation written back | (356 200 505) |
| Accumulated depreciation written back – review useful lives | (8 921 440) |
| Uptake new accumulated depreciation | 1 956 607 622 |
| Restated Accumulated Depreciation | 2 021 321 880 |

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

41. CHANGES IN ACCOUNTING POLICY (continue)

| | |
|---|----------------------|
| | 30 June 2008 |
| The restated Accumulated Depreciation are made up as follows: | |
| Property, Plant and Equipment | 2 012 521 685 |
| Leased Assets | 1 074 740 |
| Intangible Assets | 7 725 455 |
| | 2 021 321 880 |

(Refer note 42)

| | |
|--|----------------------|
| The restated Depreciation Replacement Cost are made up as follows: | |
| Property, Plant and Equipment | 4 270 810 949 |
| Leased Assets | 1 615 460 |
| Total Property, Plant and Equipment | 4 272 426 409 |
| Intangible Assets | 3 219 451 |
| | 4 275 645 860 |

(Refer notes 12 & 13)

This change in Accounting Policy has a net effect of R3 633 509 590, with which the Accumulated Surplus in the Statement of Changes in Net Assets has been increased.

42. CHANGES IN ACCOUNTING ESTIMATE

Property, Plant and Equipment

As a result of the implementation of GRAP17, the useful lives of Property, Plant and Equipment were reviewed, and fair value adjustments were done as follows:

| | |
|---|---------------------|
| Statement of Changes in Net Assets | 30 June 2008 |
|---|---------------------|

| | |
|--|------------|
| Accumulated deprecation written back – review useful lives | 8 921 440 |
| Fair value adjustment | 15 116 899 |

(Refer note 41)

This change in Accounting Estimate has a net effect of R24 038 339, with which the Accumulated Surplus in the Statement of Changes in Net Assets has been increased. The full detail can be seen in the Fixed Asset Register.

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

| | 30 June 2009 | 30 June 2008 |
|---|---------------------|---------------------|
| | R | R |
| 43. CASH GENERATED FROM/(UTILISED IN) OPERATIONS | | |
| Net surplus for the year | 62 372 937 | 114 865 017 |
| Adjustment for: | | |
| Depreciation | 145 952 037 | 52 260 375 |
| Gain on disposal of property, plant and equipment | (36 063) | (393 132) |
| Contributions to bad debt | 5 455 502 | 1 911 502 |
| Interest received | (59 721 489) | (48 374 031) |
| Interest paid | 18 502 686 | 17 160 253 |
| Non-operating income | 15 835 779 | 6 841 583 |
| Non-operating expenditure | (2 815 438) | (8 956 383) |
| Operating surplus before working capital changes | 185 545 951 | 135 315 184 |
| (Increase)/decrease in inventories | (391 924) | (401 659) |
| (Increase)/decrease in debtors | (8 622 446) | (2 562 076) |
| (Increase)/decrease in other debtors | (740 363) | (7 275 227) |
| Increase/(decrease) in creditors | 4 787 082 | 3 967 655 |
| Cash generated by operations | 180 578 300 | 129 043 877 |

| | 30 June 2009 | 30 June 2008 |
|---|---------------------|---------------------|
| | R | R |
| 44. INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | | |
| Balance at the end of the year | 35 373 965 | 68 251 138 |
| Balance at the beginning of the year | 40 795 803 | 35 373 965 |
| Net increase/(decrease) in cash and cash equivalents | 5 421 838 | (32 877 173) |

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

| | 30 June 2009 | 30 June 2008 |
|---|--------------------|-------------------|
| | R | R |
| 45. UTILISATION OF LONG TERM LIABILITIES RECONCILIATION | | |
| Long term liabilities (see note 4) | (152 396 751) | (134 428 941) |
| Used to finance property, plant and equipment at cost | 149 458 598 | 133 586 457 |
| Sub-Total | (2 938 153) | (842 484) |
| Cash set aside for the repayment of long term liabilities (see note 11) | 13 870 826 | 12 741 654 |
| Cash set aside for the acquiring of property, plant & equipment | 2 938 153 | 842 484 |
| Cash invested for the repayment of long term liabilities | 13 870 826 | 12 741 654 |

| | 30 June 2009 | 30 June 2008 |
|--|--------------------|-------------------|
| | R | R |
| 46. CAPITAL COMMITMENTS | | |
| Commitments in respect of capital expenditure: | | |
| Approved and contracted for | 33 065 250 | 32 069 575 |
| Land and buildings | - | - |
| Infrastructure | 23 494 950 | 24 136 270 |
| Community assets | 735 300 | 1 630 400 |
| Other assets | 8 835 000 | 3 502 905 |
| Specialised vehicles | - | 2 800 000 |
| Approved but not yet contracted for | 100 324 077 | 28 068 000 |
| Land and buildings | - | - |
| Infrastructure | 73 378 931 | 23 195 000 |
| Community assets | 25 402 208 | 728 000 |
| Other assets | 1 542 938 | 4 145 000 |
| Specialised vehicles | - | - |
| Total capital commitments | 133 389 327 | 60 137 575 |
| This expenditure will be financed from | | |
| External loans | 20 609 407 | 18 894 400 |
| Capital replacement reserve | 111 559 920 | 39 721 405 |
| Government grants | 1 000 000 | 1 521 770 |
| Other grants | 220 000 | - |
| Total financing | 133 389 327 | 60 137 575 |

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

| | 30 June 2009 | 30 June 2008 |
|---|---------------------|---------------------|
| | R | R |
| 47. CONTINGENT ASSETS | | |
| Nkangala District Municipality executes capital projects which will be donated to Council on completion. At balance sheet date, the following uncompleted capital projects were identified for the following asset classes: | | |
| Water | 736 027 | 2 782 134 |
| Sewerage | 5 505 895 | 4 036 811 |
| Roads & Stormwater | 2 729 527 | 6 700 110 |
| Town Planning & Urban Development | 282 413 | 1 133 504 |
| | <u>9 253 862</u> | <u>14 652 559</u> |

48. CERTIFICATION BY MUNICIPAL MANAGER ON COUNCILLORS' REMUNERATION

I, **WILHELM DIEDERICK FOUCHÉ**, municipal manager, certify that the remuneration of councillors are in accordance with the Public Office Bearers Act, Act 20 of 1998 and the Minister of Provincial and Local Government's determination of the upper limits of the salaries, allowances and benefits as promulgated by Government Notice no. R1319, dated 8 December 2008.

W.D. FOUCHÉ
MUNICIPAL MANAGER

Disclosure in terms of MFMA, 2003, Section 124(1)(a).

| | 30 June 2009 | 30 June 2008 |
|--|---------------------|---------------------|
| | R | R |
| 49. DISCLOSURE ON COUNCILLORS' REMUNERATION | | |
| Executive Mayor | 571 956 | 515 314 |
| Speaker | 446 844 | 412 230 |
| Chief Whip | 420 762 | 380 482 |
| Mayoral Committee Members | 2 538 299 | 2 326 011 |
| Councillors | 6 459 565 | 5 719 960 |
| UIF | 66 800 | 61 659 |
| Total councillor's remuneration | <u>10 501 226</u> | <u>9 415 656</u> |

The Executive Mayor, Speaker, Chief Whip and Mayoral Committee Members are full time. Each is provided with an office and secretarial support at the cost of Council. The Executive Mayor has use of a Council owned vehicle and driver for official duties. The Executive Mayor has a personal assistant to assist her in her duties. Disclosure in terms of the MFMA, 2003, Section 124(1)(a).

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

| | 30 June 2009 | 30 June 2008 |
|---|---------------------|---------------------|
| | R | R |
| 50. DISCLOSURE ON ARREARS BY COUNCILLORS' | | |
| The following councillors had arrear accounts outstanding for more than 90 days as at 30 June 2008 | | |
| Councillor BB Simelane | - | 4 297 |
| Account 13-2354-0X | - | 2 519 |
| Account 15-9960-6X | - | 1 778 |
| Councillor RM Xaba | 2 130 | 2 130 |
| Account 80-3048-9X | 1 129 | 1 129 |
| Account 80-3053-8X | 1 001 | 1 001 |
| Councillor TM Masango | - | 1 333 |
| Account 86-0748-0X | - | 1 333 |
| Total arrears | 2 130 | 7 760 |

During the year the following councillors had arrear accounts outstanding for more than 90 days

| | | |
|------------------------|----------|----------|
| Councillor RM Xaba | 360 days | 270 days |
| Account 80-3048-9X | 1 129 | 1 129 |
| Account 80-3053-8X | 1 001 | 1 001 |
| Councillor TM Masango | 240 days | 360 days |
| Account 86-0748-0X | 2 455 | 1 333 |
| Councillor BB Simelane | - | 150 days |
| Account 13-2354-0X | - | 2 519 |
| Account 15-9960-6X | - | 1 778 |
| Councillor L Mahlangu | - | 120 days |
| Account 80-3048-9X | - | 169 |

Disclosure in terms of the MFMA, 2003, Section 124(1)(b)

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

| | 30 June 2009 | 30 June 2008 |
|---|------------------|------------------|
| | R | R |
| 51. REMUNERATION OF MANAGERS | | |
| Municipal Manager | 878 412 | 798 556 |
| Annual remuneration | 878 412 | 798 556 |
| Performance bonus | - | - |
| Executive Manager Finance | 682 000 | 691 701 |
| Annual remuneration | 682 000 | 620 000 |
| Performance bonus | - | 71 701 |
| Executive Manager Corporate Services | 682 000 | 748 839 |
| Annual remuneration | 682 000 | 620 000 |
| Performance bonus | - | 128 839 |
| Executive Manager Public Services | 682 000 | 748 839 |
| Annual remuneration | 682 000 | 620 000 |
| Performance bonus | - | 128 839 |
| Executive Manager Technical & Facilities | 682 000 | 677 361 |
| Annual remuneration | 682 000 | 620 000 |
| Performance bonus | - | 57 361 |
| Total remuneration | 3 606 412 | 3 665 296 |

Performance bonuses are paid out in terms of Section 57 of the Municipal Systems Act.

Disclosure in terms of the MFMA, 2003, Section 124(1)(c).

| | 30 June 2009 | 30 June 2008 |
|---|--------------|--------------|
| | R | R |
| 52. ADDITIONAL MFMA DISCLOSURES | | |
| <u>Section 125(1)(b)</u> | | |
| Contribution to SALGA | | |
| Membership fees payable | 651 902 | 533 044 |
| Amount paid current year | (651 902) | (533 044) |
| Balance unpaid (included in creditors) | - | - |
| <u>Section 125(1)(c)</u> | | |
| Audit Fees | | |
| Current year audit fees | 690 489 | 764 929 |
| Amount paid current year | (690 489) | (764 929) |
| Balance unpaid (included in creditors) | - | - |

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

| | 30 June 2009 | 30 June 2008 |
|---|------------------|--------------|
| | R | R |
| 52. ADDITIONAL MFMA DISCLOSURES | | |
| <u>Section 125(1)(c)</u> | | |
| VAT | | |
| Output Tax | | |
| Opening balance | (2 811 515) | (2 966 381) |
| Closing balance | (3 095 303) | (2 811 515) |
| Input Tax | | |
| Amount claimed from SARS | 3 525 074 | 1 069 395 |
| Amount received from SARS | (1 905 578) | (1 069 395) |
| Amount payable to SARS | 8 208 937 | 7 044 378 |
| Amount paid current year | (8 208 937) | (7 044 378) |
| Balance outstanding (to)/from SARS | 1 619 496 | - |
| Pay As You Earn (PAYE) | | |
| Current year payroll deductions | 16 972 108 | 14 831 695 |
| Amount paid current year | (16 972 108) | (14 831 695) |
| Balance unpaid (included in creditors) | - | - |
| Unemployment Insurance Fund (UIF) | | |
| Current year payroll deductions | 2 277 500 | 1 959 819 |
| Amount paid current year | (2 277 500) | (1 959 819) |
| Balance unpaid (included in creditors) | - | - |
| Medical Aid | | |
| Current year payroll deductions | 11 522 017 | 10 303 441 |
| Amount paid current year | (11 522 017) | (10 303 441) |
| Balance unpaid (included in creditors) | - | - |
| Pension Fund | | |
| Current year payroll deductions | 27 694 389 | 25 655 134 |
| Amount paid current year | (27 694 389) | (25 655 134) |
| Balance unpaid (included in creditors) | - | - |

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

30 June 2009

30 June 2008

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R

53. BANKING DETAILS

The municipality has the following bank accounts:

**Current account
(primary bank account)**

Absa Bank : Nelspruit
Account number : 1040 000 077
Type : cheque account

| | | |
|---|------------|------------|
| Bank statement balance at beginning of year | 47 578 278 | 82 564 423 |
| Bank statement balance at end of year | 48 453 508 | 47 578 278 |

Other accounts

Absa Bank : Nelspruit
Account number : 4053570755
Type : cheque account

| | | |
|---|---|---|
| Bank statement balance at beginning of year | - | - |
| Bank statement balance at end of year | - | - |

Disclosure in terms of the MFMA, 2003, Section 125(2)(a).

30 June 2009

30 June 2008

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54. SUMMARY OF INVESTMENTS

The municipality has the following investments:

Short term fixed deposits

Absa Bank

| | | |
|----------------------------------|---------------|---------------|
| Balance at beginning of the year | 90 000 000 | 63 000 000 |
| Investments made | 198 000 000 | 198 000 000 |
| Investments matured | (198 000 000) | (171 000 000) |
| Balance at end of the year | 90 000 000 | 90 000 000 |

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

| | 30 June 2009 | 30 June 2008 |
|--|--------------------|--------------------|
| | R | R |
| 54. SUMMARY OF INVESTMENTS (continue) | | |
| <u>Short term fixed deposits</u> | | |
| First National Bank | | |
| Balance at beginning of the year | 54 000 000 | 45 000 000 |
| Investments made | 216 000 000 | 189 000 000 |
| Investments matured | (180 000 000) | (180 000 000) |
| Balance at end of the year | 90 000 000 | 54 000 000 |
| Investec | | |
| Balance at beginning of the year | 72 000 000 | 60 000 000 |
| Investments made | 180 000 000 | 152 000 000 |
| Investments matured | (162 000 000) | (140 000 000) |
| Balance at end of the year | 90 000 000 | 72 000 000 |
| Nedbank | | |
| Balance at beginning of the year | 90 000 000 | 63 000 000 |
| Investments made | 180 000 000 | 189 000 000 |
| Investments matured | (180 000 000) | (162 000 000) |
| Balance at end of the year | 90 000 000 | 90 000 000 |
| Standard Bank | | |
| Balance at beginning of the year | 90 000 000 | 63 000 000 |
| Investments made | 180 000 000 | 189 000 000 |
| Investments matured | (180 000 000) | (162 000 000) |
| Balance at end of the year | 90 000 000 | 90 000 000 |
| Sub-Total | 450 000 000 | 396 000 000 |
| <u>Long term fixed deposits</u> | | |
| Absa Bank | | |
| Balance at beginning of the year | 12 741 653 | 11 612 479 |
| Interest made | 1 129 174 | 1 129 174 |
| Balance at end of the year | 13 870 827 | 12 741 653 |
| Sub-Total | 13 870 827 | 12 741 653 |
| Total investments | 463 870 827 | 408 741 653 |

Disclosure in terms of the MFMA, 2003, Section 125(2)(b).

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

55. CONTINGENT LIABILITIES

Forthwith is a list of possible liability claims where the outcome was unknown at year end:

1. **M.M. Selala** on behalf of Phillip Selala – this is a claim for damages in the amount of **R175 000,00** against the municipality for the injury to his child as result of loose paving.
2. **N.J. & R.D. Mahlaba** – this is a claim for damages in the amount of **R100 000,00** whereby a nurse in the employment of the municipality incorrectly diagnosed a patient as being HIV positive.
3. **T.A.C. Wesson** – this is a claim for the amount of **R100 000,00** for unlawful arrest in a traffic related incident.
4. **ABSA Technology Finance Solutions (Pty) Ltd** - this is a claim of **R22 000,00** as the sum owing at the date of termination of the Master Rental Agreement.
5. **Steven Mahlangu** – this is a claim for the amount of **R100 000,00** for unlawful arrest in a traffic related incident.
6. **H.E. Scheepers** – this is a claim for the amount of **R300 000,00** for unlawful arrest in a traffic related incident. Mr. Scheeper's attorney is awaiting outcome of criminal appeal before deciding whether to pursue with the civil claim against the municipality or not.
7. **J.B. Mahlangu** – this is a claim for the amount of **R50 000,00** wherein the fire department vehicle negligently collided with a minibus taxi.
8. **MIDMALANGA** – this is a civil claim in the High Court for an approximate amount of **R1-million** or retransfer of property to the municipality. The condition of contract of sale was breached as the municipality's permission was not obtained prior to selling the property.
9. **D.F. Dibiloane** – a court order was obtained against the municipality for infringing the right of privacy. An unknown amount of costs is outstanding and will only be known once the bill of costs has been taxed by the court.
10. **Midway Mall (Pty) Ltd** – this is a High Court case for the claim of **R5-million** for the cancellation of a deed of sale. Property was subsequently alienated to La Roca (Pty) Ltd.
11. **Lurco Investment (Pty) Ltd** – an appeal hearing against the municipality's decision not to approve the rezoning application. Mpumalanga Township Board made recommendation to uphold the appeal and to grant a high court costs order against the municipality. Should the MEC for Mpumalanga Provincial Government Department of Agriculture and Land Administration agree with the recommendation, costs to the amount of **±R500 000** will be payable.
12. **Weaving Combined** – this is a High Court application for a declaratory order declaring the entire legal process followed by the municipality against the company to attach and sell Erf 2, Nasaret to be null and void. The municipality is defending the matter. Should the High Court grant the declaratory order, the municipality will have to pay the costs of **±R50 000,00**.
13. **South African Local Authority Pension Fund** – this is a claim for an amount of **R76 268,00** being the amount paid to the beneficiary by the fund as a result of the failure by municipality to timesously submit the claim forms.
14. **Kleinhans C. J. M.** – this is a claim for an amount of **R24 274,26** wherein one of the municipality vehicle (BJH515MP) collided with a vehicle of the applicant.

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

55. CONTINGENT LIABILITIES

- 15. **S.van Zyl** – this is a claim for an amount of **R200 000,00** for unlawful arrest in a traffic related incident.
- 16. **P. W. Botha & Others** – this is a claim for an amount of **R352 500,00** for unlawful arrest in a traffic related incident.
- 17. **S. van Vreden** – this is a claim for an amount of R1 343 102,93 for damages, pain and suffering, loss of income, etc due to alleged negligence by the municipality.

| | 30 June 2009 | 30 June 2008 |
|--|---------------------|---------------------|
| | R | R |
| 56. DISCLOSURE ON ARREARS BY GOVERNMENT | | |
| Department of Education | 84 256 | 706 652 |
| Current | 14 516 | 169 825 |
| Arrear | 69 740 | 536 827 |
| Department of Public Works (Roads) | 412 900 | 221 369 |
| Current | 71 129 | 71 289 |
| Arrear | 341 771 | 150 080 |
| Department of Public Works (Other) | 226 096 | 101 912 |
| Current | 130 481 | 86 994 |
| Arrear | 95 614 | 14 918 |
| Other government institutions | 345 770 | 284 369 |
| Current | 178 408 | 194 899 |
| Arrear | 167 362 | 89 470 |
| Total arrears | 1 069 021 | 1 314 302 |
| Current | 394 534 | 523 007 |
| Arrear | 674 488 | 791 295 |

APPENDIX A
SCHEDULE OF EXTERNAL LOANS
as at 30 June 2009

| External Loans | Loan No. | Redeemable | Balance at 30 June 2008 | Interest paid during the period | Received during the period | Redeemed or written off during the period | Balance at 30 June 2009 | Carrying value of Property, Plant & Equipment | Other costs in accordance with the MFMA |
|-----------------------------|--------------|------------|-------------------------|---------------------------------|----------------------------|---|-------------------------|---|---|
| | | | R | R | R | R | R | R | R |
| ANNUITY LOANS | | | | | | | | | |
| DBSA @ 11,25% | LALF 11902 | 30-06-2009 | 33 608 | 2 870 | | 33 608 | - | 238 286 | - |
| DBSA @ 13,41% | LALF 15309 | 31-12-2009 | 1 237 674 | 140 332 | | 798 147 | 439 527 | 417 347 | - |
| INCA @ 12,80% | MIDD-00-0003 | 31-12-2012 | 18 285 626 | 2 241 769 | | 3 230 829 | 15 054 797 | 14 455 815 | - |
| ABSA @ 14,40% | 40-5934-1607 | 24-11-2011 | 28 157 955 | 3 247 977 | | 6 810 024 | 21 347 931 | 32 399 013 | - |
| INCA @ 12,50% | MIDD-00-0004 | 30-06-2019 | 26 268 925 | 3 821 131 | | 1 212 505 | 25 056 420 | 25 642 200 | - |
| SCMB @ 9,62% | 87016-348242 | 01-09-2015 | 26 572 265 | 1 489 172 | | 2 564 931 | 24 007 334 | 38 191 588 | - |
| INCA @ 9,59% | DEAL 9234 | 30-06-2022 | 33 872 888 | 3 220 519 | | 1 227 579 | 32 645 309 | 32 866 032 | - |
| INCA @ 9,29% | DEAL 14446 | 30-06-2023 | - | 3 216 997 | 35 000 000 | 1 154 567 | 33 845 433 | 35 163 150 | - |
| Total Annuity Loans | | | 134 428 941 | 18 380 767 | 35 000 000 | 17 032 190 | 152 396 751 | 179 373 431 | - |
| Total External Loans | | | 134 428 941 | 18 380 767 | 35 000 000 | 17 032 190 | 152 396 751 | 179 373 431 | - |

APPENDIX B
ANALYSIS OF PROPERTY, PLANT & EQUIPMENT
as at 30 June 2009

| | HISTORICAL COST | | | | | ACCUMULATED DEPRECIATION | | | | Carrying Value | Budget Additions 2008 |
|-------------------------------------|--------------------------|---------------------|--------------------|------------------|----------------------|--------------------------|---------------------|------------------|----------------------|----------------------|-----------------------|
| | Restated Opening Balance | Additions/Transfers | Under Construction | Disposals | Closing Balance | Opening Balance | Additions/Transfers | Disposals | Closing Balance | | |
| | R | R | R | R | R | R | R | R | R | | |
| INFRASTRUCTURE | 4 078 471 805 | 126 553 705 | 37 553 705 | 9 141 658 | 4 233 346 348 | 1 809 572 341 | 112 370 039 | 4 679 100 | 1 917 263 280 | 2 316 083 068 | 246 476 259 |
| Roads, pavements, bridges | 1 062 868 344 | 35 817 007 | 2 515 237 | - | 1 101 200 588 | 492 106 762 | 47 175 291 | 97 466 | 539 184 587 | 562 016 001 | 37 458 691 |
| Storm water | 429 725 720 | 19 371 729 | 7 874 | - | 449 105 324 | 191 893 900 | 10 117 449 | 39 130 | 201 972 219 | 247 133 105 | 8 740 000 |
| Dams & Reservoirs | 497 269 591 | 134 222 | - | - | 497 403 813 | 179 448 447 | 6 144 888 | - | 185 593 335 | 311 810 478 | 7 713 510 |
| Water purification | 43 684 898 | 470 860 | 102 757 | 5 363 | 44 253 152 | 22 145 268 | 2 029 967 | 33 727 | 24 141 508 | 20 111 644 | 340 000 |
| Water reticulation | 433 833 515 | 9 005 481 | 1 616 576 | 578 550 | 443 877 022 | 233 617 643 | 9 940 175 | 230 804 | 243 327 014 | 200 550 008 | 13 905 500 |
| Transportation | 10 449 654 | - | - | - | 10 449 654 | 2 252 056 | 322 213 | - | 2 574 269 | 7 875 385 | 250 000 |
| Electricity reticulation | 774 131 471 | 44 849 248 | 28 269 617 | 5 041 621 | 842 208 714 | 298 396 715 | 20 404 432 | 1 164 729 | 317 636 418 | 524 572 296 | 128 987 139 |
| Sewerage reticulation | 609 965 268 | 6 817 783 | 4 950 436 | 153 173 | 621 580 314 | 302 137 454 | 7 355 248 | 78 118 | 309 414 584 | 312 165 730 | 18 820 239 |
| Sewerage purification | 97 907 181 | 4 032 928 | - | 3 362 951 | 98 577 157 | 48 064 144 | 3 868 001 | 3 035 124 | 48 897 021 | 49 680 136 | 24 060 000 |
| Housing | 5 491 175 | - | - | - | 5 491 175 | 2 085 777 | 183 039 | - | 2 268 816 | 3 222 359 | - |
| Street lighting | 69 165 558 | 4 657 586 | - | - | 73 823 144 | 18 260 791 | 1 578 448 | - | 19 839 239 | 53 983 905 | 2 521 180 |
| Waste Management | 36 810 602 | 415 070 | - | - | 37 225 672 | 16 968 098 | 2 022 792 | - | 18 990 890 | 18 234 782 | 400 000 |
| Other (town planning & development) | 7 168 828 | 981 791 | - | - | 8 150 619 | 2 195 286 | 1 228 095 | - | 3 423 381 | 4 727 238 | 3 550 000 |
| COMMUNITY ASSETS | 568 932 198 | 8 030 408 | 1 248 864 | 177 796 | 578 033 675 | 124 840 739 | 12 811 851 | 127 305 | 137 525 284 | 440 508 391 | 35 178 689 |
| Parks & Gardens | 211 175 420 | 1 002 923 | - | - | 212 178 343 | 21 307 023 | 2 571 966 | - | 23 878 989 | 188 299 354 | 1 660 700 |
| Sports fields & Stadiums | 149 548 687 | 1 973 990 | - | 60 000 | 151 462 677 | 52 574 737 | 3 361 090 | 32 000 | 56 203 827 | 95 258 850 | 2 056 064 |
| Swimming Pools | 4 934 952 | 158 797 | - | - | 5 093 749 | 2 756 916 | 250 808 | - | 3 007 724 | 2 086 025 | 160 000 |
| Community halls | 20 879 948 | 223 343 | 1 241 134 | - | 22 344 425 | 3 707 124 | 892 781 | - | 4 599 905 | 17 744 520 | 26 005 688 |
| Libraries | 12 869 192 | - | - | - | 12 869 192 | 2 313 959 | 436 979 | - | 2 750 938 | 10 118 254 | 200 000 |
| Recreational facilities | 3 596 066 | 68 810 | - | - | 3 659 876 | 1 660 748 | 134 827 | - | 1 765 575 | 1 864 301 | 134 700 |
| Fire, Safety & Emergency | 12 742 574 | 18 503 | - | 18 504 | 12 742 574 | 3 172 886 | 421 329 | 9 252 | 3 584 963 | 9 157 611 | - |
| Security & Policing | 30 745 854 | 4 101 982 | - | 99 292 | 34 748 544 | 13 709 461 | 2 096 252 | 86 053 | 15 719 660 | 19 028 884 | 3 681 800 |
| Clinics | 24 705 775 | 46 470 | 7 730 | - | 24 759 975 | 3 970 058 | 1 202 304 | - | 5 172 362 | 19 587 613 | 851 737 |
| Museums & art galleries | - | - | - | - | - | - | - | - | - | - | - |
| Cemeteries | 97 733 730 | 440 590 | - | - | 98 174 320 | 19 367 827 | 1 443 514 | - | 20 811 341 | 77 362 979 | 428 000 |
| Other | - | - | - | - | - | - | - | - | - | - | - |
| HERITAGE ASSETS | 97 741 | - | - | - | 97 741 | 88 899 | - | - | 88 899 | 8 842 | - |
| Other | 97 741 | - | - | - | 97 741 | 88 899 | - | - | 88 899 | 8 842 | - |
| OTHER ASSETS | 1 614 407 259 | 16 297 220 | 20 024 | 643 806 | 1 630 080 697 | 7 791 908 | 18 226 315 | 263 584 | 89 754 639 | 1 540 326 058 | 30 546 338 |
| General vehicles | 28 721 497 | 4 504 483 | - | 407 950 | 32 818 031 | 12 111 788 | 3 100 279 | 32 962 | 15 002 105 | 17 815 926 | 5 799 000 |
| Plant & equipment | 39 177 194 | 4 887 033 | 20 024 | - | 44 084 251 | 18 988 677 | 5 101 170 | - | 24 089 847 | 19 994 404 | 16 217 699 |
| Computers – Hardware / Equipment | - | - | - | - | - | - | - | - | - | - | 4 066 588 |
| Office equipment | 12 289 402 | 1 055 669 | - | - | 13 345 071 | 3 610 404 | 2 436 252 | - | 6 046 656 | 7 298 415 | 629 748 |
| Abattoirs | 67 153 | - | - | - | 67 153 | 53 728 | 2 238 | - | 55 966 | 11 187 | - |
| Civic land & buildings | 180 048 572 | 2 612 797 | - | 234 269 | 182 427 099 | 24 949 507 | 4 903 422 | 53 198 | 29 799 731 | 152 627 368 | 3 346 293 |
| Other buildings | 54 290 660 | 493 677 | - | - | 54 784 337 | 4 033 937 | 342 445 | - | 4 376 382 | 50 407 955 | 487 010 |
| Other land | 1 282 975 351 | 913 724 | - | - | 1 283 889 075 | - | - | - | - | 1 283 889 075 | - |
| Other | 16 837 430 | 1 829 837 | - | 1 587 | 18 665 680 | 8 043 867 | 2 340 509 | 424 | 10 383 952 | 8 281 728 | - |

APPENDIX B
ANALYSIS OF PROPERTY, PLANT & EQUIPMENT
as at 30 June 2009

| | HISTORICAL COST | | | | | ACCUMULATED DEPRECIATION | | | | Carrying Value | Budget Additions 2008 |
|-----------------------------|--------------------------|---------------------|--------------------|------------------|----------------------|--------------------------|---------------------|------------------|----------------------|----------------------|-----------------------|
| | Restated Opening Balance | Additions/Transfers | Under Construction | Disposals | Closing Balance | Opening Balance | Additions/Transfers | Disposals | Closing Balance | | |
| | R | R | | R | R | R | R | R | R | R | R |
| SPECIALISED VEHICLES | 21 423 631 | 2 837 976 | - | - | 24 261 607 | 6 227 798 | 1 251 476 | - | 7 479 274 | 16 782 333 | 1 990 000 |
| Refuse | 11 611 160 | 1 249 420 | - | - | 12 860 580 | 4 164 557 | 764 232 | - | 4 928 789 | 7 931 791 | 400 000 |
| Fire | 9 812 471 | 1 588 556 | - | - | 11 401 027 | 2 063 241 | 487 244 | - | 2 550 485 | 8 850 542 | 1 590 000 |
| LEASED ASSETS | 2 690 200 | 808 359 | - | - | 3 498 559 | 1 074 740 | 348 778 | - | 1 423 518 | 2 075 041 | - |
| Plant & equipment | 100 554 | 269 851 | - | - | 370 405 | 68 712 | 19 328 | - | 88 040 | 282 365 | - |
| Office equipment | 1 430 220 | 538 508 | - | - | 1 968 728 | 826 821 | 297 134 | - | 1 123 955 | 844 773 | - |
| Other buildings | 1 159 426 | - | - | - | 1 159 426 | 179 207 | 32 316 | - | 211 523 | 947 903 | - |
| TOTAL | 6 286 022 834 | 154 527 668 | 38 731 385 | 9 963 260 | 6 469 318 627 | 2 013 596 425 | 145 008 459 | 5 069 989 | 2 153 534 894 | 4 315 783 733 | 314 191 286 |
| INTANGIBLE ASSETS | 10 944 906 | 888 731 | - | - | 11 833 637 | 7 725 455 | 943 578 | - | 8 669 033 | 3 164 604 | 2 265 000 |
| Software | 10 944 906 | 888 731 | - | - | 11 833 637 | 7 725 455 | 943 578 | - | 8 669 033 | 3 164 604 | 2 265 000 |
| Servitudes | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL | 6 296 967 740 | 155 416 399 | 38 731 385 | 9 963 260 | 6 481 152 264 | 2 021 321 880 | 145 952 037 | 5 069 989 | 2 162 203 927 | 4 318 948 337 | 316 456 286 |

APPENDIX C
SEGMENTAL ANALYSIS OF PROPERTY, PLANT & EQUIPMENT
as at 30 June 2009

| | HISTORICAL COST | | | | | ACCUMULATED DEPRECIATION | | | | Carrying Value | Budget Additions 2007 |
|--|----------------------|---------------------|--------------------|---------------------|----------------------|--------------------------|---------------------|---------------------|----------------------|----------------------|-----------------------|
| | Opening Balance | Additions/Transfers | Under Construction | Disposals/Transfers | Closing Balance | Opening Balance | Additions/Transfers | Disposals/Transfers | Closing Balance | | |
| | R | R | | R | R | R | R | R | R | | |
| EXECUTIVE COUNCIL | 7 406 283 | 1 399 772 | - | 407 949 | 8 398 106 | 3 001 712 | 1 259 770 | 209 962 | 4 051 520 | 4 346 586 | 1 800 000 |
| Executive Council | 7 406 283 | 1 399 772 | - | 407 949 | 8 398 106 | 3 001 712 | 1 259 770 | 209 962 | 4 051 520 | 4 346 586 | 1 800 000 |
| FINANCE & ADMINISTRATION | 266 509 447 | 8 313 507 | 24 024 | 235 856 | 274 607 121 | 48 567 676 | 10 184 174 | 53 623 | 58 698 227 | 215 908 894 | 18 307 223 |
| Finance | 9 512 887 | 518 622 | - | 1 587 | 10 029 922 | 3 940 356 | 1 155 036 | 424 | 5 094 969 | 4 934 953 | 2 429 985 |
| Information technology | 13 890 672 | 2 174 285 | 20 024 | - | 16 084 981 | 8 911 519 | 1 397 237 | - | 10 308 756 | 5 776 225 | 6 650 000 |
| Human resources | 723 956 | 144 967 | - | - | 868 923 | 185 340 | 131 026 | - | 316 366 | 552 557 | 180 000 |
| Property services | 231 704 725 | 4 749 605 | - | 234 269 | 236 220 061 | 30 594 406 | 6 334 654 | 53 199 | 36 875 860 | 199 344 201 | 8 016 038 |
| Other & admin | 10 677 207 | 726 028 | - | - | 11 403 234 | 4 936 055 | 1 166 221 | - | 6 102 276 | 5 300 958 | 1 031 200 |
| PLANNING & DEVELOPMENT | 7 525 789 | 1 046 943 | - | - | 8 572 731 | 1 987 290 | 980 585 | - | 2 967 875 | 5 604 856 | 3 354 000 |
| Integrated Development Plan | 39 370 | 8 107 | - | - | 47 477 | 19 297 | 6 527 | - | 25 824 | 21 653 | - |
| Local Economic Development | 2 407 077 | 6 373 | - | - | 2 413 450 | 282 863 | 105 438 | - | 388 301 | 2 025 149 | - |
| Planning & development | 5 079 342 | 1 032 463 | - | - | 6 111 804 | 1 685 130 | 868 620 | - | 2 553 750 | 3 558 054 | 3 354 000 |
| ROAD TRANSPORT | 2 639 685 285 | 56 522 807 | 1 999 155 | - | 2 698 207 248 | 688 211 641 | 58 101 226 | 136 597 | 746 176 270 | 1 952 030 978 | 43 447 191 |
| Vehicle licensing & testing | 8 335 239 | 322 107 | - | - | 8 657 346 | 1 591 619 | 502 954 | - | 2 094 573 | 6 562 773 | 598 000 |
| Roads & stormwater | 2 619 879 132 | 56 200 700 | 1 999 155 | - | 2 678 078 988 | 684 504 456 | 57 356 856 | 136 597 | 741 724 715 | 1 936 354 273 | 42 849 191 |
| Roads other | 11 470 914 | - | - | - | 11 470 914 | 2 115 566 | 241 416 | - | 2 356 982 | 9 113 932 | - |
| HEALTH | 32 717 146 | 809 997 | 7 730 | - | 33 534 873 | 5 469 144 | 1 849 830 | - | 7 318 974 | 26 215 899 | 1 625 432 |
| Clinics | 32 238 637 | 650 183 | 7 730 | - | 32 896 550 | 5 283 107 | 1 759 041 | - | 7 042 148 | 25 854 402 | 1 288 857 |
| Health other | 478 509 | 159 814 | - | - | 638 323 | 186 037 | 90 789 | - | 276 826 | 361 497 | 336 575 |
| COMMUNITY & SOCIAL SERVICES | 140 952 807 | 2 242 742 | 1 241 134 | - | 144 436 683 | 27 389 709 | 3 678 606 | - | 31 068 316 | 113 368 367 | 26 978 000 |
| Libraries & archives | 15 938 495 | 1 133 889 | - | - | 17 072 384 | 3 222 066 | 1 113 174 | - | 4 335 240 | 12 737 144 | 900 000 |
| Community halls & facilities | 24 873 648 | 341 268 | 1 241 134 | - | 26 456 050 | 3 972 655 | 985 479 | - | 4 958 134 | 21 497 916 | 25 145 000 |
| Cemeteries & crematoriums | 100 140 664 | 767 585 | - | - | 100 908 249 | 20 194 988 | 1 579 954 | - | 21 774 942 | 79 133 307 | 933 000 |
| PUBLIC SAFETY | 37 590 535 | 3 465 195 | 523 956 | 18 504 | 41 561 183 | 11 408 321 | 2 681 945 | 9 252 | 14 081 013 | 27 480 170 | 7 327 800 |
| Fire | 29 970 106 | 2 672 392 | - | 18 504 | 32 623 994 | 7 714 477 | 1 822 281 | 9 252 | 9 527 505 | 23 096 489 | 3 055 000 |
| Traffic | 7 620 430 | 792 803 | 523 956 | - | 8 937 189 | 3 693 844 | 859 664 | - | 4 553 508 | 4 383 681 | 4 272 800 |
| SPORT & RECREATION | 402 055 033 | 5 443 903 | - | 60 000 | 407 438 935 | 88 700 603 | 8 246 638 | 32 000 | 96 915 241 | 310 523 694 | 6 263 849 |
| Sport & recreation | 402 055 033 | 5 443 903 | - | 60 000 | 407 438 935 | 88 700 603 | 8 246 638 | 32 000 | 96 915 241 | 310 523 694 | 6 263 849 |
| WASTE WATER MANAGEMENT | 735 862 350 | 11 918 529 | 4 950 436 | 3 516 125 | 749 215 190 | 351 498 499 | 11 581 555 | 3 113 242 | 359 966 811 | 389 248 379 | 45 232 694 |
| Sewerage | 735 047 349 | 10 888 360 | 4 950 436 | 3 516 125 | 747 370 019 | 351 357 682 | 11 533 694 | 3 113 242 | 359 778 133 | 387 591 886 | 45 232 694 |
| Public toilets | 815 002 | 1 030 169 | - | - | 1 845 171 | 140 817 | 47 861 | - | 188 678 | 1 656 493 | - |
| WASTE MANAGEMENT | 58 463 562 | 2 428 116 | - | - | 60 891 678 | 24 895 412 | 4 139 545 | - | 29 034 957 | 31 856 721 | 3 280 000 |
| Solid waste | 58 463 562 | 2 428 116 | - | - | 60 891 678 | 24 895 412 | 4 139 545 | - | 29 034 957 | 31 856 721 | 3 280 000 |
| HOUSING | 11 025 689 | 283 904 | - | - | 11 309 593 | 5 285 155 | 593 185 | - | 5 878 340 | 5 431 253 | 269 700 |
| Housing | 11 025 689 | 283 904 | - | - | 11 309 593 | 5 285 155 | 593 185 | - | 5 878 340 | 5 431 253 | 269 700 |
| WATER | 1 096 754 325 | 9 841 217 | 1 719 333 | 683 205 | 1 107 631 670 | 441 545 667 | 18 919 275 | 350 584 | 460 114 358 | 647 517 312 | 23 260 110 |
| Water distribution | 422 770 903 | 9 077 682 | 1 616 576 | 578 550 | 432 886 611 | 226 712 160 | 9 274 493 | 230 803 | 235 755 850 | 197 130 323 | 21 549 510 |
| Water storage | 673 983 422 | 763 535 | 102 757 | 104 655 | 674 745 059 | 214 833 507 | 9 644 782 | 119 781 | 224 358 508 | 53 983 905 | 1 710 600 |
| ELECTRICITY | 860 419 489 | 51 699 767 | 28 269 617 | 5 041 621 | 935 347 253 | 323 361 051 | 23 735 703 | 1 164 729 | 345 932 025 | 589 415 228 | 135 310 287 |
| Electricity distribution | 791 253 931 | 47 042 181 | 28 269 617 | 5 041 621 | 861 524 109 | 305 100 261 | 22 157 255 | 1 164 729 | 326 092 786 | 535 431 323 | 132 879 107 |
| Street lighting | 69 165 558 | 4 657 586 | - | - | 73 823 144 | 18 260 790 | 1 578 448 | - | 19 839 239 | 53 983 905 | 2 431 180 |
| TOTAL | 6 296 967 740 | 155 416 399 | 38 731 385 | 9 963 260 | 6 481 152 264 | 2 021 321 880 | 145 952 037 | 5 069 989 | 2 162 203 927 | 4 318 948 337 | 316 456 286 |

APPENDIX D
DETAILED SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 30 June 2009

| 2008 Actual Income | 2008 Actual Expenditure | 2008 Actual Surplus/ (Deficit) | | 2009 Actual Income | 2009 Actual Expenditure | 2009 Actual Surplus/ (Deficit) |
|--------------------------|-------------------------------|---|--|--------------------------|-------------------------------|---|
| R | R | R | | R | R | R |
| 22 321 488 | 38 408 505 | (16 087 017) | <u>Executive & Council</u> | 29 653 521 | 47 527 817 | (17 874 296) |
| 22 321 488 | 38 408 505 | (16 087 017) | Executive & Council | 29 653 521 | 47 527 817 | (17 874 296) |
| 265 190 327 | 86 967 409 | 178 222 918 | <u>Finance & Admin</u> | 290 644 380 | 103 703 355 | 186 941 025 |
| 203 708 293 | 38 943 761 | 164 764 532 | Finance | 244 068 009 | 44 383 247 | 199 684 762 |
| 4 003 425 | 3 980 990 | 22 435 | Human Resources | 4 664 244 | 4 794 842 | (130 598) |
| 2 040 512 | 4 367 359 | (2 326 847) | Information Technology | 2 175 068 | 5 507 299 | (3 332 231) |
| 40 663 860 | 16 900 059 | 23 763 801 | Property Services | 20 147 993 | 19 140 487 | 1 007 506 |
| 14 774 237 | 22 775 240 | (8 001 003) | Other Admin | 19 589 066 | 29 877 480 | (10 288 414) |
| 2 938 330 | 6 374 783 | (3 436 453) | <u>Planning & Development</u> | 794 678 | 7 681 114 | (6 886 436) |
| - | 548 887 | (548 887) | Integrated Development Plan | - | 860 454 | (860 454) |
| 1 197 341 | 621 223 | 576 118 | Local Economic Development | - | 977 500 | (977 500) |
| 1 740 989 | 5 204 673 | (3 463 684) | Town Planning | 794 678 | 5 843 160 | (5 048 482) |
| 4 530 876 | 13 123 302 | (8 592 426) | <u>Health</u> | 4 516 615 | 15 910 603 | (11 393 988) |
| 4 443 000 | 10 668 589 | (6 225 589) | Clinics | 4 443 000 | 12 847 666 | (8 404 666) |
| 87 876 | 2 454 713 | (2 366 837) | Health Other | 73 615 | 3 062 937 | (2 989 322) |
| 1 010 779 | 8 486 419 | (7 475 640) | <u>Community Services</u> | 1 014 146 | 13 026 078 | (12 011 932) |
| 70 782 | 4 358 127 | (4 287 345) | Libraries | 565 778 | 6 416 506 | (5 850 728) |
| 325 609 | 1 228 485 | (902 876) | Community Halls & Facilities | 100 517 | 2 313 561 | (2 213 044) |
| 614 388 | 2 899 807 | (2 285 419) | Cemeteries | 347 851 | 4 296 011 | (3 948 160) |
| 718 107 | 5 009 117 | (4 291 010) | <u>Housing</u> | 619 383 | 5 686 892 | (5 067 509) |
| 718 107 | 5 009 117 | (4 291 010) | Housing | 619 383 | 5 686 892 | (5 067 509) |
| 3 826 879 | 29 112 597 | (25 285 718) | <u>Public Safety</u> | 4 981 974 | 34 283 961 | (29 301 987) |
| 231 849 | 13 607 276 | (13 375 427) | Fire Services | 253 844 | 16 487 067 | (16 233 223) |
| 3 595 030 | 15 505 321 | (11 910 291) | Traffic | 4 728 130 | 17 796 894 | (13 068 764) |

APPENDIX D
DETAILED SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 30 June 2009

| 2008 Actual Income | 2008 Actual Expenditure | 2008 Actual Surplus/ (Deficit) | | 2009 Actual Income | 2009 Actual Expenditure | 2009 Actual Surplus/ (Deficit) |
|--------------------------|-------------------------------|---|--------------------------------------|--------------------------|-------------------------------|---|
| R | R | R | | R | R | R |
| 5 439 572 | 29 839 198 | (24 399 626) | <u>Parks & Recreation</u> | 7 143 685 | 38 664 737 | (31 521 052) |
| 5 439 572 | 29 839 198 | (24 399 626) | Parks & Recreation | 7 143 685 | 38 664 737 | (31 521 052) |
| 51 715 130 | 49 620 531 | 2 094 599 | <u>Waste Management</u> | 67 507 568 | 68 598 074 | (1 090 506) |
| 25 373 524 | 21 821 695 | 3 551 829 | Sewerage | 34 626 807 | 32 731 951 | 1 894 856) |
| - | 930 893 | (930 893) | Public Toilets | - | 1 071 332 | (1 071 332) |
| 26 341 606 | 26 867 943 | (526 337) | Refuse Removal | 32 880 761 | 34 794 791 | (1 914 030) |
| 28 440 299 | 44 586 294 | (16 145 995) | <u>Roads Transport</u> | 45 700 276 | 88 253 608 | (42 553 332) |
| 18 506 624 | 35 701 910 | (17 195 286) | Roads | 33 254 993 | 78 003 210 | (44 782 217) |
| 9 897 069 | 7 951 765 | 1 945 304 | Vehicle Licenses & Traffic | 12 408 677 | 8 958 861 | 3 449 816 |
| 36 606 | 932 619 | (896 013) | Transport Other | 36 606 | 1 291 537 | (1 254 931) |
| 35 042 961 | 29 161 844 | 5 881 117 | <u>Water</u> | 44 172 155 | 45 344 152 | (1 171 997) |
| 35 040 272 | 18 640 574 | 16 399 698 | Water Distribution | 44 136 681 | 24 502 132 | 19 634 549 |
| 2 689 | 10 521 270 | (10 518 581) | Water Purification | 35 474 | 20 842 020 | (20 806 546) |
| 164 181 889 | 129 801 621 | 34 380 268 | <u>Electricity</u> | 238 366 533 | 204 061 586 | 34 304 947 |
| 163 500 267 | 124 361 654 | 39 138 613 | Electricity Distribution | 235 454 406 | 193 095 584 | 42 358 822 |
| 681 622 | 5 439 967 | (4 758 345) | Street Lighting | 2 912 127 | 10 966 002 | (8 053 875) |
| 585 356 637 | 470 491 620 | 114 865 018 | Sub-Total | 735 114 914 | 672 741 977 | 62 372 937 |
| (69 150 567) | (69 150 567) | - | Less: Inter-Departmental Charges | (86 055 286) | (86 055 286) | - |
| 516 206 070 | 401 341 053 | 114 865 018 | Total | 649 059 628 | 586 686 691 | 62 372 937 |

APPENDIX E
ACTUAL OPERATING VERSUS BUDGET
for the year ended 30 June 2009

| | 2009 Actual R | 2009 Budget R | 2009 Variance R | 2009 Variance % | Explanations of significant variances greater than 10% versus budget |
|---|---------------------|---------------------|-----------------------|-----------------------|--|
| REVENUE | | | | | |
| Property rates | 116 654 523 | 109 008 695 | 7 645 828 | 7,01 | |
| Service charges : Electricity | 182 529 988 | 171 882 052 | 10 647 936 | 6,19 | |
| Refuse removal | 21 050 558 | 20 726 919 | 323 639 | 1,56 | |
| Sewerage | 21 164 430 | 20 335 129 | 829 301 | 4,08 | |
| Water | 34 920 310 | 33 111 504 | 1 808 806 | 5,46 | |
| Rental of facilities and equipment | 1 639 111 | 1 616 053 | 23 058 | 1,43 | |
| Interest earned – external investments | 57 012 025 | 47 000 000 | 10 012 025 | 21,30 | Loans taken up during the year invested as interim measure. Higher than expected interest rates on investments realised. |
| Interest earned – outstanding debtors | 2 709 464 | 2 275 855 | 433 609 | 19,05 | Discounting of debtors has led to higher interest levied as well as increase in outstanding debtors. |
| Fines | 4 842 970 | 3 799 600 | 1 043 370 | 27,46 | More summonses issued/effective procedures introduced at court to streamline. |
| Licensing & permits | 5 477 018 | 4 366 700 | 1 110 318 | 25,43 | Increase licensing fees resulted in more revenue. |
| Revenue for agency services | 6 810 452 | 5 800 000 | 1 010 452 | 17,42 | Increase licensing fees resulted in more revenue, which realised as commission. |
| Government grants & subsidies – operating | 57 460 242 | 59 950 349 | (2 490 107) | (4,15) | |
| Government grants & subsidies – capital | 20 000 880 | 7 576 359 | 12 424 521 | 163,99 | INEP and MIG grants unspent due to rolled over projects. |
| Public contributions, donated and contributed property, plant and equipment | 60 753 466 | 35 586 978 | 25 166 488 | 70,72 | Developer donations have been received which was not budgeted for. |
| Other revenue | 55 998 128 | 58 726 337 | (2 728 209) | (4,65) | |
| Gains on disposal of property, plant & equipment | 36 063 | 300 000 | (263 937) | (87,98) | Less redundant items were sold than expected. |
| Total Revenue | 649 059 628 | 582 062 530 | 66 997 098 | 11,51 | |

APPENDIX E
ACTUAL OPERATING VERSUS BUDGET
for the year ended 30 June 2009

| | 2009 Actual R | 2009 Budget R | 2009 Variance R | 2009 Variance % | Explanations of significant variances greater than 10% versus budget |
|---|---------------------|---------------------|-----------------------|-----------------------|--|
| EXPENDITURE | | | | | |
| Employee related costs | 153 828 085 | 160 103 031 | (6 274 946) | (3,92) | |
| Remuneration of councillors | 10 501 226 | 10 825 912 | (324 686) | (3,00) | |
| Bad debts | 5 455 502 | 4 793 081 | 662 421 | 13,82 | A correction of provision for bad debts for other debtors has been made. |
| Collection costs | 433 222 | 200 000 | 233 222 | 116,61 | Legal costs are recovered from defaulters handed over for legal action or collection of arrears. |
| Depreciation | 145 952 037 | 67 796 012 | 78 156 025 | 115,28 | Infrastructure assets have been componentised and the historical cost has been restated to current replacement cost, which led to increase in depreciation charges. |
| Repairs & maintenance | 32 673 374 | 34 947 448 | (2 274 074) | (6,51) | |
| Interest of external borrowings | 18 502 686 | 18 312 310 | 190 376 | 1,04 | |
| Bulk purchases : Electricity | 107 103 782 | 110 324 200 | (3 220 418) | (2,92) | |
| Water | 2 620 774 | 3 105 000 | (484 226) | (15,60) | Limited water consumption at Hendrina/Kwaza as result of good rainfall. Thus saving of expenditure. |
| Contracted services | 10 757 142 | 12 533 656 | (1 776 514) | (14,17) | A saving realised due to less private contractors being utilised. |
| Grants & subsidies paid | 1 493 794 | 1 703 000 | (209 206) | (12,28) | In terms of Council's policy, grants can only be paid to registered umbrella organizations. Not all the organizations which were budgeted for, managed to register. This resulted in less grants and subsidies paid. |
| General expenses | 83 750 340 | 76 991 181 | 6 759 159 | 8,78 | |
| Loss on disposal of property, plant & equipment | - | - | - | - | |
| Contributions to/(transfers from) provisions | 13 614 727 | 3 716 704 | 9 898 023 | 266,31 | Additional contribution for post employment, medical and benefits made in accordance with actuarial assessment. Provision for long term services has been made and additional contribution was made towards leave provision. |
| Total Expenditure | 586 686 691 | 505 351 535 | 81 335 156 | 16,09 | |
| NET SURPLUS/(DEFICIT) FOR THE YEAR | 62 372 937 | 76 710 995 | (14 338 058) | (18,69) | |

APPENDIX F
ACTUAL CAPITAL VERSUS BUDGET
Acquisition of Property, Plant and Equipment
for the year ended 30 June 2009

| | 2009 Actual R | 2009 Budget R | 2009 Variance R | 2009 Variance % | Explanations of significant variances greater than 5% versus budget |
|-------------------------------------|---------------------|---------------------|-----------------------|-----------------------|---|
| EXECUTIVE & COUNCIL | 888 738 | 2 803 200 | (1 194 462) | (57,37) | |
| Executive & Council | 888 738 | | | (57,37) | Projects to be rolled over 2009/10: Town entrance boards & document management system |
| FINANCE & ADMINISTRATION | 9 798 266 | 18 024 023 | (8 225 757) | (45,64) | |
| Finance | 627 725 | 2 429 985 | (1 802 260) | (74,17) | Alarm system hawkers not realised. Project rolled over 2009/10: Sever & software handheld terminals, self -service terminals, asset management software & stores yard lightning facilities. |
| Information Technology | 3 051 649 | 6 650 000 | (3 598 351) | (54,11) | Upgrading of network, PABX telephone system & wireless data Doornkop projects rolled over 2009/10. |
| Human Resources | 172 056 | 180 000 | (7 944) | (4,41) | |
| Property Services | 5 287 200 | 8 016 038 | (2 728 838) | (34,04) | Projects to be rolled over 2009/10: Doornkop 2 nd phase MPCC & Standby Generator. Saving on Arial photos, pounding stores, roof of lapa & aircons for Rates Hall. |
| Other & Admin | 659 636 | 748 000 | (88 364) | (11,81) | Saving on Tipper Truck & upgrading of vehicle fleet. |
| PLANNING & DEVELOPMENT | 941 607 | 3 354 000 | (2 412 393) | (71,93) | |
| Integrated Development Plan | - | - | - | - | |
| Local Economic Development | - | - | - | - | |
| Town Planning | 941 607 | 3 354 000 | (2 412 393) | (71,93) | Savings on Townships establishment project. Township development east of Kannonkop and Township East around Midway Mall not realised – pending legal case. |
| ROAD TRANSPORT | 34 444 784 | 43 447 191 | (9 002 407) | (20,72) | |
| Vehicle Licensing & Testing | 262 446 | 598 000 | (335 554) | (56,11) | Wheel alignment testing equipment project rolled over to 2009/10. |
| Roads & Stormwater | 34 182 338 | 42 849 191 | (8 666 853) | (20,23) | Projects to be rolled over 2009/10: Subsurface drains Mhluzi & Middelburg, Rebuild of OT Tambo road & Bridges for Presidentsrus. |
| Roads Other | - | - | - | - | |

APPENDIX F
ACTUAL CAPITAL VERSUS BUDGET
Acquisition of Property, Plant and Equipment
for the year ended 30 June 2009

| | 2009 | 2009 | 2009 | 2009 | |
|--|-------------------|-------------------|---------------------|----------------|--|
| | Actual R | Budget R | Variance R | Variance % | Explanations of significant variances greater than 5% versus budget |
| HEALTH | 565 357 | 1 625 432 | (1 060 075) | (65,22) | |
| Clinics | 414 105 | 1 288 857 | (874 752) | (67,87) | Building of Clinic in Tokologo rolled over 2009/10. |
| Health Other | 151 252 | 336 575 | (185 323) | (55,06) | Air pollution monitoring equipment not realised. Saving on air monitoring system & Nitrogen oxide ozone and particulate analyzer. |
| COMMUNITY & SOCIAL SERVICES | 3 003 910 | 26 978 000 | (23 974 090) | (88,87) | |
| Libraries & Archives | 645 802 | 900 000 | (254 198) | (28,24) | Upgrading of garage for Pullenshope library rolled over to 2009/10. Saving on book project. |
| Community Halls & Facilities | 1 590 523 | 25 145 000 | (23 554 477) | (93,67) | Roll over of new Banquet Hall to 2009/10. |
| Cemeteries & Crematoriums | 767 585 | 933 000 | (165 415) | (17,73) | Savings on development of cemeteries & roads fontein street projects. |
| PUBLIC SAFETY | 5 129 997 | 7 327 800 | (2 197 803) | (29,99) | |
| Fire | 2 653 587 | 3 055 000 | (401 413) | (13,14) | Saving of 4 x 4 field fire vehicles. |
| Traffic | 2 476 410 | 4 272 800 | (1 796 390) | (42,04) | Projects to be rolled over 2009/10: Upgrading traffic signals, Traffic calming, New robots & traffic lights & speed equipment. |
| SPORT & RECREATION | 5 249 522 | 6 263 849 | (1 014 327) | (16,19) | |
| Sport & Recreation | 5 249 522 | 6 263 849 | (1 014 327) | (16,19) | Projects to be rolled over 2009/10: Renovations for greenhouse, Soccerfields lights, upgrading sport facilities & planting of trees. |
| WASTE WATER MANAGEMENT | 11 468 325 | 45 232 694 | (33 764 369) | (74,65) | |
| Sewerage | 11 468 325 | 45 232 694 | (33 764 369) | (74,65) | Projects to be rolled over 2009/10: Sanitation Bankfontein, New Networks, Servicing of stands, Boskrans sewerplant & outfall sewer lines. Projects not realised. Biological toilets Newtown, Upgrade of outfall sewer lines & Mhluzi pump station. |
| Public Toilets | - | - | - | - | |

APPENDIX F
ACTUAL CAPITAL VERSUS BUDGET
Acquisition of Property, Plant and Equipment
for the year ended 30 June 2009

| | 2009 Actual R | 2009 Budget R | 2009 Variance R | 2009 Variance % | Explanations of significant variances greater than 5% versus budget |
|---------------------------------------|---------------------|---------------------|-----------------------|-----------------------|---|
| WASTE MANAGEMENT | 2 585 757 | 3 280 000 | (694 243) | (21,17) | |
| Solid Waste | 2 585 757 | 3 280 000 | (694 243) | (21,17) | Savings on new vehicles & refuse compactor. Project on scow bins not realised. |
| HOUSING | 257 844 | 269 700 | (11 856) | (4,40) | |
| Housing | 257 844 | 269 700 | (11 856) | (4,40) | |
| WATER | 7 311 999 | 23 260 110 | (15 948 111) | (68,56) | |
| Water Distribution | 6 312 253 | 21 549 510 | (15 237 257) | (70,71) | Projects to be rolled over 2009/10: New bulkwater Industrial Area: Servicing of stands, New Networks Mafube & Aerorand, Replacement of water pipes. Projects not realised: Bulkwater service & Water connection Business Park. |
| Water Storage | 999 746 | 1 710 600 | (710 854) | (41,56) | Savings on Furniture & Equipment, Pumps & valves, WTP Equipment & Replacement of pumps Vaalbank projects. |
| ELECTRICITY | 51 144 797 | 135 310 287 | (84 165 490) | (62,20) | |
| Electricity Distribution | 49 554 828 | 132 879 107 | (83 324 279) | (62,71) | Projects to be rolled over 2009/10: Electrification Doornkop, Kwaza & Ext. 7, Toilet facilities, Replacement Overhead lines & upgrade Golfsig supply area, New Substations Aerorand & Nasaret, Mini Sub Mhluzi, Ext. of office & Cherry Picker. |
| Street Lighting | 1 589 969 | 2 431 180 | (841 211) | (34,60) | Projects to be rolled over 2009/10: Streetlights main entrance & Upgrade Hihgmast. Savings on Streetlights projects. |
| SUB TOTAL | 132 790 903 | 316 456 286 | (183 665 383) | (58,04) | |
| CAPITAL NOT INCLUDED IN BUDGET | | | | | |
| Public Contributions / Donations | 143 991 | | | | Assets capitalised as a result of accounting treatment |
| Assets from Insurance Claims | 103 935 | | | | |
| Finance Leased Assets | 808 359 | | | | |
| Developer Contributed Assets | 60 300 596 | | | | |
| GRAND TOTAL | 194 147 784 | | | | |

APPENDIX G
DISCLOSURE OF GRANTS & SUBSIDIES
as at 30 June 2009

| QUARTERLY RECEIPTS | | | | | | | | QUARTERLY EXPENDITURE | | | | | | | | |
|---|---------------------|-----------|----------|-----------|-----------|-----------|------------|-----------------------|-----------|-----------|-----------|-----------|------------|-------------|------------|---|
| FUNDER | Gazetted Allocation | Jun 2008 | Sep 2008 | Dec 2008 | Mar 2009 | June 2009 | Total | Jun 2008 | Sep 2008 | Dec 2008 | Mar 2009 | Jun 2009 | Total | Total | Compliance | Comments |
| | R | R | R | R | R | R | R | R | R | R | R | R | R | R | | |
| Municipal Infrastructure Grant 2008/2009 | 17 070 000 | 6 480 000 | | 7 955 000 | 1 862 000 | 733 000 | 17 070 000 | 966 201 | 4 472 713 | 4 617 700 | 7 013 386 | | 17 070 000 | | Yes | Gazetted grant 100% utilized April 2009 until March 2009. |
| Municipal Infrastructure Grant 2009/2010 | | | | | | 3 692 000 | 3 692 000 | | | | | 5 222 313 | 5 222 313 | (1 530 313) | Yes | |
| Finance Management Grant | 500 000 | | 500 000 | | | | 500 000 | | 113 600 | 320 494 | 189 677 | 234 468 | 858 238 | (358 238) | Yes | |
| Municipal Systems Improvement Grant | 735 000 | | 735 000 | | | | 735 000 | | 3 885 | 80 047 | 433 659 | 74 864 | 592 455 | 142 545 | Yes | |
| Integrated National Electrification Grant | 3 092 000 | | | | | | - | | - | - | - | - | - | - | No | Grant re-allocated by Dept Minerals & Energy due to unavailability of RDP houses for electrification. |
| Department of Art and Culture | 320 000 | | 320 000 | | | | 320 000 | | - | 130 950 | 100 568 | 77 361 | 308 879 | 11 121 | Yes | |

APPENDIX H
DEVIATION FROM PROCUREMENT PROCESSES
Supply Chain Regulation 36(2)
for the year ended 30 June 2009

| Department | Supplier | Amount (VAT incl.) R | Reason for deviation |
|---------------------------------|------------------------|-------------------------------------|---|
| July 2008 | | | |
| Events & Facilities | PR Communications | 912,00 | Section 36(1)(a)(v) - exceptional case. |
| Electrical Engineering Services | S. A. M. E. Water | 9 750,00 | Section 36(1)(a)(ii) - single provider. |
| Traffic & Security Services | Zanezi Electronics | 20 520,00 | Section 36(1)(a)(v) - exceptional case. |
| Legal & Administration | The Herald | 3 200,00 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | UGESI Training | 43 776,00 | Section 36(1)(a)(v) - exceptional case. |
| Civil Engineering Services | Directional Drilling | 16 379,00 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Directional Drilling | 24 956,00 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Directional Drilling | 9 662,00 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Directional Drilling | 10 646,00 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Directional Drilling | 11 600,00 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Directional Drilling | 17 490,00 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Directional Drilling | 17 392,00 | Section 36(1)(a)(i) - emergency case. |
| Fire Services | Van Wettens | 3 135,00 | Section 36(1)(a)(v) - exceptional case. |
| Electrical Engineering Services | McCarthy Kunene | 4 929,10 | Section 36(1)(a)(v) - exceptional case. |
| Electrical Engineering Services | Powerpump Engineering | 22 575,00 | Section 36(1)(a)(i) - emergency case. |
| IT Services | Open Spatial Solution | 12 864,90 | Section 36(1)(a)(v) - exceptional case. |
| Finances | Nashua Mpumalanga | 1 755,60 | Section 36(1)(a)(ii) - single provider. |
| Fire Services | McCarthy Kunene | 2 600,30 | Section 36(1)(a)(v) - exceptional case. |
| Events & Facilities | The Herald | 2 500,00 | Section 36(1)(a)(v) - exceptional case. |
| Electrical Engineering Services | Pridi Security Service | 2 052,00 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Solly's Middelburg | 2 120,00 | Section 36(1)(a)(v) - exceptional case. |
| Electrical Engineering Services | Solly's Middelburg | 1 996,00 | Section 36(1)(a)(v) - exceptional case. |

APPENDIX H
DEVIATION FROM PROCUREMENT PROCESSES
Supply Chain Regulation 36(2)
for the year ended 30 June 2009

| Department | Supplier | Amount (VAT incl.) R | Reason for deviation |
|------------------------------------|-----------------------------|-------------------------------------|---|
| July 2008 | | | |
| Legal & Administration | Zintombi Zimele Security | 4 054,44 | Section 36(1)(a)(v) - exceptional case. |
| Events & Facilities | Portfolio Business Publicat | 27 377,50 | Section 36(1)(a)(v) - exceptional case. |
| Library Services | Dream Team Trading | 5 960,00 | Section 36(1)(a)(ii) - single provider. |
| Electrical Engineering Services | Nsueweni Trading | 51 660,00 | Section 36(1)(a)(i) - emergency case. |
| Municipal Building Services | Nu-Mid Glasswork | 1 272,24 | Section 36(1)(a)(i) - emergency case. |
| Electrical Engineering Services | Nsueweni Trading | 51 660,00 | Section 36(1)(a)(i) - emergency case. |
| Solid Waste Management Services | Vital Engineering | 7 461,30 | Section 36(1)(a)(i) - emergency case. |
| Legal & Administration | Blue Link Advertising | 1 995,00 | Section 36(1)(a)(v) - exceptional case. |
| Events & Facilities | O H Frewin | 39 450,84 | Section 36(1)(a)(i) - emergency case. |
| Traffic & Security Services | Automotor Signals | 15 537,06 | Section 36(1)(a)(v) - exceptional case. |
| Traffic & Security Services | Automotor Signals | 23 517,06 | Section 36(1)(a)(v) - exceptional case. |
| Human Resource Management Services | Gijima Ast | 13 200,00 | Section 36(1)(a)(v) - exceptional case. |
| IT Services | Sita (Pty) Ltd | 42 384,95 | Section 36(1)(a)(ii) - single provider. |
| Civil Engineering Services | Solly's Middelburg | 1 935,00 | Section 36(1)(a)(v) - exceptional case. |
| Traffic & Security Services | Solly's Middelburg | 2 160,30 | Section 36(1)(a)(v) - exceptional case. |
| Electrical Engineering Services | Open Spatial Solution | 95 298,30 | Section 36(1)(a)(ii) - single provider. |
| Health Services | Hemocue SA (Pty) Ltd | 5 698,86 | Section 36(1)(a)(ii) - single provider. |
| Traffic & Security Services | Automotor Signals | 13 010,82 | Section 36(1)(a)(v) - exceptional case. |
| Civil Engineering Services | S. A. M. E. Water | 5 496,00 | Section 36(1)(a)(ii) - single provider. |
| Parks & Recreation Services | Aquatronics | 17 161,56 | Section 36(1)(a)(v) - exceptional case. |
| Licensing Services | Bernhard Agencies | 6 822,90 | Section 36(1)(a)(ii) - single provider. |
| Licensing Services | Prodiba | 8 233,89 | Section 36(1)(a)(ii) - single provider. |
| Health Services | Hemocue SA (Pty) Ltd | 23 335,23 | Section 36(1)(a)(ii) - single provider. |

APPENDIX H
DEVIATION FROM PROCUREMENT PROCESSES
Supply Chain Regulation 36(2)
for the year ended 30 June 2009

| Department | Supplier | Amount (VAT incl.) R | Reason for deviation |
|---------------------------------|-------------------------|-------------------------------------|---|
| July 2008 | | | |
| Health Services | Hemocue SA (Pty) Ltd | 11 192,39 | Section 36(1)(a)(ii) - single provider. |
| Solid Waste Management Services | Vital Engineering | 2 217,30 | Section 36(1)(a)(i) - emergency case. |
| Solid Waste Management Services | Vital Engineering | 3 271,80 | Section 36(1)(a)(i) - emergency case. |
| Parks & Recreation Services | Vital Engineering | 2 160,30 | Section 36(1)(a)(i) - emergency case. |
| Solid Waste Management Services | Vital Engineering | 3 836,00 | Section 36(1)(a)(i) - emergency case. |
| Finances | DIGIX Computer Services | 2 850,00 | Section 36(1)(a)(ii) - single provider. |
| Finances | Contour Technology | 6 925,50 | Section 36(1)(a)(ii) - single provider. |
| Fire Services | Middelburg Air Brakes | 3 807,60 | Section 36(1)(a)(i) - emergency case. |
| Supply Chain Unit | Conlog | 24 000,00 | Section 36(1)(a)(ii) - single provider. |
| Supply Chain Unit | Conlog | 24 000,00 | Section 36(1)(a)(ii) - single provider. |
| Supply Chain Unit | Peak Power Trading | 97 470,00 | Section 36(1)(a)(v) - exceptional case. |
| Supply Chain Unit | Peak Power Trading | 56 430,00 | Section 36(1)(a)(v) - exceptional case. |
| August 2008 | | | |
| Electrical Engineering Services | Ukwazi Engineering | 8 592,00 | Section 36(1)(a)(i) - emergency case. |
| Legal & Administration | The Herald News Paper | 1 300,00 | Section 36(1)(a)(v) - exceptional case. |
| Electrical Engineering Services | Middelburg Nissan | 3 090,00 | Section 36(1)(a)(v) - exceptional case. |
| Traffic & Security Services | Solly's Middelburg | 1 860,62 | Section 36(1)(a)(ii) - single provider. |
| IT Services | Cyber Detectives | 4 332,00 | Section 36(1)(a)(v) - exceptional case. |
| IT Services | Skhosana Networks | 7 430,00 | Section 36(1)(a)(v) - exceptional case. |

APPENDIX H
DEVIATION FROM PROCUREMENT PROCESSES
Supply Chain Regulation 36(2)
for the year ended 30 June 2009

| Department | Supplier | Amount (VAT incl.) R | Reason for deviation |
|---------------------------------|--------------------------------|-------------------------------------|---|
| August 2008 | | | |
| Traffic & Security Services | Middelburg Nissan | 3 377,47 | Section 36(1)(a)(ii) - single provider. |
| Traffic & Security Services | Middelburg Nissan | 10 772,59 | Section 36(1)(a)(ii) - single provider. |
| Fire Services | Rathines Hydraulics | 1 736,01 | Section 36(1)(a)(i) - emergency case. |
| Fire Services | South African First Aid League | 3 452,80 | Section 36(1)(a)(ii) - single provider. |
| Municipal Building Services | Airex (Pty) Ltd | 2 337,00 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Sizane Supply Construction | 2 700,00 | Section 36(1)(a)(i) - emergency case. |
| Traffic & Security Services | Zanezi Electronics | 20 520,00 | Section 36(1)(a)(v) - exceptional case. |
| Solid Waste Management Services | Hassens Motor Spares | 11 645,10 | Section 36(1)(a)(i) - emergency case. |
| IT Services | TGIS | 28 244,64 | Section 36(1)(a)(ii) - single provider. |
| IT Services | LSS Sumsung | 8 379,00 | Section 36(1)(a)(ii) - single provider. |
| Municipal Building Services | Leos Staalwerke | 3 582,28 | Section 36(1)(a)(i) - emergency case. |
| Traffic & Security Services | Traffic Signals & Accessories | 18 627,60 | Section 36(1)(a)(v) - exceptional case. |
| Electrical Engineering Services | ABB | 11 137,00 | Section 36(1)(a)(ii) - single provider. |
| Parks & Recreation Services | Eastvaal Auto | 13 016,95 | Section 36(1)(a)(ii) - single provider. |
| Fire Services | Barloworld Toyota | 2 564,81 | Section 36(1)(a)(i) - emergency case. |
| Solid Waste Management Services | Vital Engineering | 2 770,20 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Nsueweni Trading | 24 506,00 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Nsueweni Trading | 23 778,00 | Section 36(1)(a)(i) - emergency case. |
| Solid Waste Management Services | Midbrake | 3 438,41 | Section 36(1)(a)(i) - emergency case. |
| Electrical Engineering Services | Electronic Assemblies | 2 210,00 | Section 36(1)(a)(ii) - single provider. |
| IT Services | Meissner UPS | 4 560,00 | Section 36(1)(a)(v) - exceptional case. |

APPENDIX H
DEVIATION FROM PROCUREMENT PROCESSES
Supply Chain Regulation 36(2)
for the year ended 30 June 2009

| Department | Supplier | Amount (VAT incl.) R | Reason for deviation |
|---------------------------------|---------------------------|-------------------------------------|---|
| August 2008 | | | |
| Traffic & Security Services | Thebe Medical | 9 451,51 | Section 36(1)(a)(ii) - single provider. |
| Municipal Building Services | Zicalele Trading | 51 340,00 | Section 36(1)(a)(i) - emergency case. |
| Municipal Building Services | Nyalo Corporate Functions | 45 800,00 | Section 36(1)(a)(i) - emergency case. |
| Traffic & Security Services | Thebe Medical | 9 451,51 | Section 36(1)(a)(ii) - single provider. |
| Traffic & Security Services | Thebe Medical | 9 451,51 | Section 36(1)(a)(ii) - single provider. |
| Parks & Recreation Services | MP B Civil | 38 786,35 | Section 36(1)(a)(v) - exceptional case. |
| Civil Engineering Services | Manair (Pty) Ltd | 2 964,00 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Middelburg International | 25 000,00 | Section 36(1)(a)(ii) - single provider. |
| Civil Engineering Services | Manair (Pty) Ltd | 7 527,36 | Section 36(1)(a)(ii) - single provider. |
| Civil Engineering Services | Afrilab | 5 790,00 | Section 36(1)(a)(ii) - single provider. |
| Civil Engineering Services | Nsueweni Trading | 25 762,31 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Nsueweni Trading | 32 150,74 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Dick King Lab Supplies | 25 762,31 | Section 36(1)(a)(ii) - single provider. |
| Parks & Recreation Services | Middelburg Landscapers | 15 458,00 | Section 36(1)(a)(iii) - acquisition of art. |
| Solid Waste Management Services | Middelburg Nissan | 360,92 | Section 36(1)(a)(ii) - single provider. |
| Solid Waste Management Services | Vital Engineering | 789,45 | Section 36(1)(a)(i) - emergency case. |
| Municipal Building Services | Airex (Pty) Ltd | 78 552,84 | Section 36(1)(a)(i) - emergency case. |
| Electrical Engineering Services | Success Maintenance | 64 680,00 | Section 36(1)(a)(v) - exceptional case. |
| IT Services | Micromation Communication | 29 206,80 | Section 36(1)(a)(ii) - single provider. |
| Civil Engineering Services | Grungfos | 4 521,76 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Rescue Rod (Pty) Ltd | 9 500,00 | Section 36(1)(a)(i) - emergency case. |

APPENDIX H
DEVIATION FROM PROCUREMENT PROCESSES
Supply Chain Regulation 36(2)
for the year ended 30 June 2009

| Department | Supplier | Amount (VAT incl.) R | Reason for deviation |
|---------------------------------|---------------------------|-------------------------------------|---|
| August 2008 | | | |
| Legal & Administration | Thabang Lebatho Transport | 4 500,00 | Section 36(1)(a)(i) - emergency case. |
| Legal & Administration | Mbungiswa Transport | 1 960,00 | Section 36(1)(a)(i) - emergency case. |
| Legal & Administration | The Citizen | 1 504,80 | Section 36(1)(a)(v) - exceptional case. |
| Supply Chain Unit | MPS Power Lines | 79 230,00 | Section 36(1)(a)(i) - emergency case. |
| September 2008 | | | |
| Electrical Engineering Services | LSS Sumsung | 8 379,00 | Section 36(1)(a)(ii) - single provider. |
| Legal & Administration | The Citizen | 4 514,40 | Section 36(1)(a)(v) - exceptional case. |
| Legal & Administration | Sowetan | 2 504,58 | Section 36(1)(a)(v) - exceptional case. |
| Legal & Administration | Sowetan | 2 474,94 | Section 36(1)(a)(v) - exceptional case. |
| Parks & Recreation Services | Aquatronics | 8 247,90 | Section 36(1)(a)(v) - exceptional case. |
| Fire Services | Middelburg Airbrakes | 13 752,12 | Section 36(1)(a)(i) - emergency case. |
| Electrical Engineering Services | DA Ncongwane Attorneys | 19 668,00 | Section 36(1)(a)(i) - emergency case. |
| Solid Waste Management Services | Vital Engineering | 2 422,50 | Section 36(1)(a)(i) - emergency case. |
| Solid Waste Management Services | McCarthy Kunene | 3 341,60 | Section 36(1)(a)(ii) - single provider. |
| Solid Waste Management Services | Vital Engineering | 1 311,00 | Section 36(1)(a)(i) - emergency case. |
| Parks & Recreation Services | Vital Engineering | 789,45 | Section 36(1)(a)(i) - emergency case. |
| Library Services | World Books | 17 179,00 | Section 36(1)(a)(ii) - single provider. |
| Civil Engineering Services | Afrilab | 10 800,00 | Section 36(1)(a)(ii) - single provider. |
| Civil Engineering Services | Afrilab | 6 650,00 | Section 36(1)(a)(ii) - single provider. |
| Civil Engineering Services | Kwena Water Management | 975,00 | Section 36(1)(a)(i) - emergency case. |
| Municipal Building Services | Alstom | 2 510,00 | Section 36(1)(a)(ii) - single provider. |

APPENDIX H
DEVIATION FROM PROCUREMENT PROCESSES
Supply Chain Regulation 36(2)
for the year ended 30 June 2009

| Department | Supplier | Amount (VAT incl.) R | Reason for deviation |
|------------------------------------|---------------------------|-------------------------------------|--|
| September 2008 | | | |
| Fire Services | Digicore Fleet Management | 27 616,00 | Section 36(1)(a)(v) - single provider. |
| Fire Services | Middelburg Airbrakes | 631,56 | Section 36(1)(a)(i) - emergency case. |
| Fire Services | Barloworld Toyota | 4 747,64 | Section 36(1)(a)(ii) - single provider. |
| Solid Waste Management Services | Vital Engineering | 2 422,50 | Section 36(1)(a)(v) - emergency case. |
| Property Valuation Services | Marius Brits | 20 000,00 | Section 36(1)(a)(ii) - exceptional case. |
| Legal & Administration | Highveld Refrigeration | 400,00 | Section 36(1)(a)(v) - single provider. |
| Legal & Administration | The Herald News Paper | 21 713,00 | Section 36(1)(a)(ii) - exceptional case. |
| Civil Engineering Services | Sud-Chemie | 183 875,00 | Section 36(1)(a)(i) - single provider. |
| Solid Waste Management Services | Solly's Middelburg | 514,61 | Section 36(1)(a)(v) - emergency case. |
| Traffic & Security Services | Automotor Traffic Signal | 22 651,00 | Section 36(1)(a)(v) - exceptional case. |
| Electrical Engineering Services | Crane-Fly Trading | 2 500,00 | Section 36(1)(a)(v) - exceptional case. |
| Traffic & Security Services | Middelburg Nissan | 1 994,00 | Section 36(1)(a)(ii) - exceptional case. |
| Electrical Engineering Services | Alstom | 187 500,00 | Section 36(1)(a)(ii) - single provider. |
| Legal & Administration | Mr. L.J Kok | 150,00 | Section 36(1)(a)(ii) - single provider. |
| Finances | Pay Day Software | 1 312,87 | Section 36(1)(a)(ii) - single provider. |
| Human Resource Management Services | Gijima Ast (Pty) Ltd | 6 600,00 | Section 36(1)(a)(v) - exceptional case. |
| Traffic & Security Services | Motomid | 598,50 | Section 36(1)(a)(v) - exceptional case. |
| Civil Engineering Services | ITT Water And Wastewater | 175 665,00 | Section 36(1)(a)(ii) - single provider. |
| Civil Engineering Services | ITT Water And Wastewater | 107 346,00 | Section 36(1)(a)(ii) - single provider. |
| Parks & Recreation Services | JB Pro Tacho's | 399,00 | Section 36(1)(a)(ii) - single provider. |
| Parks & Recreation Services | JB Pro Tacho's | 399,00 | Section 36(1)(a)(ii) - single provider. |

APPENDIX H
DEVIATION FROM PROCUREMENT PROCESSES
Supply Chain Regulation 36(2)
for the year ended 30 June 2009

| Department | Supplier | Amount (VAT incl.) R | Reason for deviation |
|------------------------------------|----------------------|-------------------------------------|---|
| September 2008 | | | |
| Communications | O H Frewin (Pty) Ltd | 5 043,36 | Section 36(1)(a)(i) - emergency case. |
| Parks & Recreation Services | JB Pro Tacho's | 1 214,10 | Section 36(1)(a)(ii) - single provider. |
| Parks & Recreation Services | JB Pro Tacho's | 399,00 | Section 36(1)(a)(ii) - single provider. |
| Parks & Recreation Services | JB Pro Tacho's | 399,00 | Section 36(1)(a)(ii) - single provider. |
| Parks & Recreation Services | JB Pro Tacho's | 929,10 | Section 36(1)(a)(ii) - single provider. |
| Solid Waste Management Services | Middelburg Airbrakes | 1 569,78 | Section 36(1)(a)(i) - emergency case. |
| Solid Waste Management Services | JB Pro Tacho's | 1 179,00 | Section 36(1)(a)(ii) - single provider. |
| Solid Waste Management Services | JB Pro Tacho's | 1 419,30 | Section 36(1)(a)(ii) - single provider. |
| Solid Waste Management Services | JB Pro Tacho's | 621,30 | Section 36(1)(a)(ii) - single provider. |
| Solid Waste Management Services | Verotest | 36 501,00 | Section 36(1)(a)(ii) - single provider. |
| Traffic & Security Services | Middelburg Nissan | 5 742,59 | Section 36(1)(a)(v) - exceptional case. |
| Electrical Engineering Services | McCarthy Kunene | 1 581,65 | Section 36(1)(a)(ii) - single provider. |
| Electrical Engineering Services | Midtest CC | 3 952,00 | Section 36(1)(a)(v) - exceptional case. |
| Fire Services | PG Glass | 417,24 | Section 36(1)(a)(i) - emergency case. |
| Fire Services | Barloworld Toyota | 5 892,83 | Section 36(1)(a)(i) - emergency case. |
| Fire Services | Bohlabela Middelburg | 319,20 | Section 36(1)(a)(i) - emergency case. |
| Fire Services | Hassens Motors | 15 722,88 | Section 36(1)(a)(i) - emergency case. |
| Fire Services | Hassens Motors | 10 739,94 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Procol Engineering | 1 571,00 | Section 36(1)(a)(ii) - single provider. |
| Parks & Recreation Services | Bell Equipment | 3 039,70 | Section 36(1)(a)(ii) - single provider. |
| Human Resource Management Services | Hlakanang Transport | 900,00 | Section 36(1)(a)(v) - exceptional case. |

APPENDIX H
DEVIATION FROM PROCUREMENT PROCESSES
Supply Chain Regulation 36(2)
for the year ended 30 June 2009

| Department | Supplier | Amount (VAT incl.) R | Reason for deviation |
|---------------------------------|-----------------------------|-------------------------------------|---|
| September 2008 | | | |
| Traffic & Security Services | Automotor Traffic Signal | 14 799,48 | Section 36(1)(a)(v) - exceptional case. |
| Electrical Engineering Services | Setec CC | 6 566,40 | Section 36(1)(a)(i) - emergency case. |
| Traffic & Security Services | Middelburg Nissan | 14 370,00 | Section 36(1)(a)(ii) - single provider. |
| Civil Engineering Services | Manair (Pty) Ltd | 4 780,00 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Instru Serve CC | 7 645,00 | Section 36(1)(a)(ii) - single provider. |
| Civil Engineering Services | New Holland Construction | 99 125,76 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Kuffrath (Pty) Ltd | 12 251,00 | Section 36(1)(a)(i) - emergency case. |
| Electrical Engineering Services | Schneider Electric Services | 394 342,86 | Section 36(1)(a)(ii) - single provider. |
| Solid Waste Management Services | Hoeveld Radiators | 1 995,00 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Rand Air | 3 491,18 | Section 36(1)(a)(i) - emergency case. |
| Communications | The Rainbow | 6 840,00 | Section 36(1)(a)(v) - exceptional case. |
| Solid Waste Management Services | Distinctive Choice | 6 270,00 | Section 36(1)(a)(i) - emergency case. |
| Traffic & Security Services | Zanezi Electronics | 41 040,00 | Section 36(1)(a)(v) - exceptional case. |
| Supply Chain Unit | Peak Power Trading | 74 385,00 | Section 36(1)(a)(i) - emergency case. |
| October 2008 | | | |
| Traffic & Security Services | Solly's Middelburg | 1 417,58 | Section 36(1)(a)(v) - exceptional case. |
| Civil Engineering Services | Aquatronics | 3 316,60 | Section 36(1)(a)(v) - exceptional case. |
| Data Section | Contour Technology | 1 865,26 | Section 36(1)(a)(ii) - single provider. |
| Mayor's Office | United Motors | 2 377,30 | Section 36(1)(a)(v) - exceptional case. |
| Communications | Government Communications | 256,00 | Section 36(1)(a)(ii) - single provider. |

APPENDIX H
DEVIATION FROM PROCUREMENT PROCESSES
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for the year ended 30 June 2009

| Department | Supplier | Amount (VAT incl.) R | Reason for deviation |
|---------------------------------|------------------------------|-------------------------------------|---|
| October 2008 | | | |
| Civil Engineering Services | Fire Disaster & Training | 395,00 | Section 36(1)(a)(v) - exceptional case. |
| Civil Engineering Services | Nsueweni Trading | 27 170,36 | Section 36(1)(a)(i) - emergency case. |
| Electrical Engineering Services | Strike Technologies | 3 600,00 | Section 36(1)(a)(v) - exceptional case. |
| IT Services | Micromation Communication | 6 601,91 | Section 36(1)(a)(v) - exceptional case. |
| Traffic & Security Services | Middelburg Nissan | 2 744,66 | Section 36(1)(a)(v) - exceptional case. |
| Electrical Engineering Services | Van Wettens Breakdowns | 712,50 | Section 36(1)(a)(i) - emergency case. |
| Traffic & Security Services | Traffic Signal & Accessories | 18 627,60 | Section 36(1)(a)(v) - exceptional case. |
| Traffic & Security Services | Traffic Signal & Accessories | 13 873,80 | Section 36(1)(a)(v) - exceptional case. |
| Parks & Recreation Services | Bell Equipment | 3 459,67 | Section 36(1)(a)(ii) - single provider. |
| Solid Waste Management Services | Solly's Middelburg | 14 657,57 | Section 36(1)(a)(ii) - single provider. |
| Communications | Zicalele Trading CC | 3 600,00 | Section 36(1)(a)(i) - emergency case. |
| Parks & Recreation Services | Barloworld Equipment | 10 962,65 | Section 36(1)(a)(i) - emergency case. |
| Communications | OH Frewin | 14 637,00 | Section 36(1)(a)(v) - exceptional case. |
| Communications | OH Frewin | 6 908,40 | Section 36(1)(a)(i) - emergency case. |
| IT Services | LSS Sumsung | 1 140,00 | Section 36(1)(a)(ii) - single provider. |
| IT Services | Tele Data Communication | 1 618,80 | Section 36(1)(a)(ii) - single provider. |
| Communications | F-Tech Services | 17 761,20 | Section 36(1)(a)(v) - exceptional case. |
| Solid Waste Management Services | Distinctive Choice | 49 049,70 | Section 36(1)(a)(i) - emergency case. |
| Solid Waste Management Services | Distinctive Choice | 39 185,22 | Section 36(1)(A)(l) - emergency case. |
| Traffic & Security Services | Middelburg Nissan | 1 140,07 | Section 36(1)(a)(v) - exceptional case. |
| Traffic & Security Services | Middelburg Nissan | 5 760,36 | Section 36(1)(a)(v) - exceptional case. |

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|------------------------------------|------------------------------|-------------------------------------|---|
| October 2008 | | | |
| Human Resource Management Services | Green Fields | 2 430,00 | Section 36(1)(a)(v) - exceptional case. |
| Civil Engineering Services | Nsueweni Trading | 19 678,06 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Middelburg Sleutels & Slotte | 880,00 | Section 36(1)(a)(i) - emergency case. |
| Legal & Administration | Afri-Infra Group | 85 000,00 | Section 36(1)(a)(v) - exceptional case. |
| Solid Waste Management Services | Glass Tech SG | 1 914,00 | Section 36(1)(a)(ii) - single provider. |
| Solid Waste Management Services | Mhayise General Trading | 12 015,00 | Section 36(1)(a)(v) - exceptional case. |
| Solid Waste Management Services | Solly's Middelburg | 1 243,69 | Section 36(1)(a)(ii) - single provider. |
| Finances | Hoeveld Radiators | 399,00 | Section 36(1)(a)(i) - emergency case. |
| Traffic & Security Services | Rathiens Hydraulics | 1 863,63 | Section 36(1)(a)(i) - emergency case |
| IT Services | Mc Carthy Middelburg | 2 918,64 | Section 36(1)(a)(v) - exceptional case. |
| Health Services | Solly's Middelburg | 2 423,53 | Section 36(1)(a)(v) - exceptional case. |
| Parks & Recreation Services | M.M Anderson | 1 521,00 | Section 36(1)(a)(i) - exceptional case. |
| Civil Engineering Services | Lorent Orthopaedic | 1 015,00 | Section 36(1)(a)(v) - single provider. |
| Licensing Services | Motolek Middelburg | 2 014,86 | Section 36(1)(a)(ii) - emergency case. |
| Civil Engineering Services | Manair (Pty) Ltd | 102 000,00 | Section 36(1)(a)(v) - single provider. |
| Traffic & Security Services | Government Printing Works | 7 143,50 | Section 36(1)(a)(ii) - single provider. |
| Civil Engineering Services | Aquatronics | 1 212,60 | Section 36(1)(a)(i) - emergency case |
| IT Services | Automotor Traffic Signal | 33 666,48 | Section 36(1)(a)(i) - exceptional case |
| Municipal Manager | Procol Engineering | 3 096,27 | Section 36(1)(a)(v) - single provider. |
| Human Resource Management Services | Mainsail Trading 10 | 9 897,48 | Section 36(1)(a)(v) - single provider. |
| Human Resource Management Services | Sowetan | 1 808,04 | Section 36(1)(a)(i) - exceptional case. |

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| October 2008 | | | |
| Parks & Recreation Services | Alusani Skills & Training | 22 795,44 | Section 36(1)(a)(v) - exceptional case. |
| Legal & Administration | Molao Academy | 26 116,50 | Section 36(1)(a)(ii) - exceptional case. |
| Legal & Administration | Barloworld Equipment | 2 872,08 | Section 36(1)(a)(ii) - single provider. |
| Electrical Engineering Services | J.T Sound Record Bar | 2 500,00 | Section 36(1)(a)(i) - emergency case. |
| Legal & Administration | Mbungiswa Transport | 4 880,00 | Section 36(1)(a)(i) - emergency case. |
| Legal & Administration | Digi Core Fleet Management | 1 500,00 | Section 36(1)(a)(ii) - single provider. |
| Traffic & Security Services | Canon | 990,00 | Section 36(1)(a)(v) - exceptional case. |
| Traffic & Security Services | Early Worxs Creating Mail | 1 907,00 | Section 36(1)(a)(ii) - single provider. |
| Traffic & Security Services | Zanezi Electronics | 11 154,90 | Section 36(1)(a)(v) - exceptional case. |
| IT Services | Zanezi Electronics | 13 048,44 | Section 36(1)(a)(v) - exceptional case. |
| Finances | Zanezi Electronics | 8 661,26 | Section 36(1)(a)(v) - exceptional case. |
| Civil Engineering Services | Teledata Communications | 1 265,40 | Section 36(1)(a)(ii) - single provider. |
| Civil Engineering Services | Middelburg Sleutels & Slotte | 4 499,99 | Section 36(1)(a)(v) - exceptional case. |
| Civil Engineering Services | Middelburg Betonwerke | 6 600,00 | Section 36(1)(a)(i) - emergency case. |
| Traffic & Security Services | Kufferath (Pty) Ltd | 20 700,00 | Section 36(1)(a)(ii) - single provider. |
| Traffic & Security Services | Sterling Plastics | 117 430,00 | Section 36(1)(a)(v) - exceptional case. |
| Civil Engineering Services | Middelburg Nissan | 2 079,44 | Section 36(1)(a)(ii) - single provider. |
| Parks & Recreation Services | Traffic Signal & Accessories | 11 769,36 | Section 36(1)(a)(v) - exceptional case. |
| Civil Engineering Services | Kwena Water Management | 5 850,00 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Central Gas | 1 619,75 | Section 36(1)(a)(v) - exceptional case. |
| Fire Services | Sud Chemie | 182 680,00 | Section 36(1)(a)(v) - exceptional case. |

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| November 2008 | | | |
| Fire Services | Manaco Towing | 1 881,00 | Section 36(1)(a)(i) - emergency case. |
| Fire Services | Lowrisk Disaster Management | 147 402,00 | Section 36(1)(a)(ii) - single provider. |
| Civil Engineering Services | Aquatronics | 907,00 | Section 36(1)(a)(i) - emergency case. |
| Legal & Administration | The Communication Academy | 4 557,72 | Section 36(1)(a)(v) - exceptional case. |
| Electrical Engineering Services | Makamanhlapho Building | 7 453,65 | Section 36(1)(a)(i) - emergency case. |
| Parks & Recreation Services | Evriteck | 3 319,68 | Section 36(1)(a)(ii) - single provider. |
| Solid Waste Management Services | Rathiens Hydraulics | 683,00 | Section 36(1)(a)(i) - emergency case. |
| Parks & Recreation Services | Eastvaal Auto | 6 590,00 | Section 36(1)(a)(ii) - single provider. |
| Civil Engineering Services | CBI Electric | 282 997,12 | Section 36(1)(a)(v) - exceptional case. |
| Parks & Recreation Services | Hoefeld Radiators | 3 083,70 | Section 36(1)(a)(i) - emergency case. |
| Parks & Recreation Services | Eastvaal Auto | 6 590,52 | Section 36(1)(a)(ii) - single provider. |
| Civil Engineering Services | UWP Consulting | 55 887,36 | Section 36(1)(a)(i) - emergency case. |
| Parks & Recreation Services | JB Pro Tacho's | 873,50 | Section 36(1)(a)(ii) - single provider. |
| Solid Waste Management Services | Hoefeld Radiators | 16 315,68 | Section 36(1)(a)(i) - emergency case. |
| Parks & Recreation Services | TB Hydraulics | 23 516,83 | Section 36(1)(a)(i) - emergency case. |
| Electrical Engineering Services | Success Maintenance | 64 680,00 | Section 36(1)(a)(v) - exceptional case. |
| Traffic & Security Services | Zanezi Electronics | 61 560,00 | Section 36(1)(a)(v) - exceptional case. |
| Traffic & Security Services | Automotor Traffic Signal | 37 398,84 | Section 36(1)(a)(v) - exceptional case. |
| Traffic & Security Services | Barloworld Toyota | 2 226,42 | Section 36(1)(a)(v) - exceptional case. |
| Human Resource Management Services | Vizual Solution SA | 1 995,00 | Section 36(1)(a)(ii) - single provider. |
| Human Resource Management Services | Vizual Solution SA | 8 208,00 | Section 36(1)(a)(ii) - single provider. |

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| November 2008 | | | |
| IT Services | Micromation Communications | 4 081,20 | Section 36(1)(a)(i) - emergency case. |
| IT Services | Africa SD | 8 171,52 | Section 36(1)(a)(ii) - single provider. |
| Finances | RS Van Rensburg | 600,00 | Section 36(1)(a)(ii) - single provider. |
| Civil Engineering Services | Procol Engineering | 1 554,00 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Classic Radiators | 19 400,00 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Manair (Pty) Ltd | 81 913,00 | Section 36(1)(a)(i) - emergency case. |
| Fire Services | Rathiens Hydraulics | 3 308,32 | Section 36(1)(a)(i) - emergency case. |
| Fire Services | Midvaal Motor Engineering | 2 473,80 | Section 36(1)(a)(i) - emergency case. |
| Fire Services | Hassens Motors | 10 633,35 | Section 36(1)(a)(i) - emergency case. |
| Electrical Engineering Services | McCarthy Kunene | 17 423,74 | Section 36(1)(a)(ii) - single provider. |
| Traffic & Security Services | Solly's Middelburg | 4 560,00 | Section 36(1)(a)(ii) - single provider. |
| Legal & Administration | De Wit Motors | 15 500,00 | Section 36(1)(a)(ii) - single provider. |
| Legal & Administration | The Citizen | 1 504,80 | Section 36 (1)(a)(v) - exceptional case. |
| Civil Engineering Services | Electra Highveld | 6 891,00 | Section 36(1)(a)(i) - emergency case. |
| Solid Waste Management Services | Motolek Middelburg | 444,60 | Section 36(1)(a)(i) - emergency case. |
| Parks & Recreation Services | Eastvaal Auto | 8 987,02 | Section 36 (1)(a)(v) - exceptional case. |
| Health Services | Hemocue South Africa | 3 629,06 | Section 36(1)(a)(i) - emergency case. |
| Communications | O H Frewin | 4 987,50 | Section 36(1)(a)(i) - emergency case. |
| Health Services | Carmica Medical Distributors | 4 816,50 | Section 36(1)(a)(ii) - single provider. |
| Civil Engineering Services | Rand Air | 5 212,30 | Section 36 (1)(a)(v) - exceptional case. |
| Civil Engineering Services | Schneider Electric Services | 181 700,00 | Section 36 (1)(a)(v) - exceptional case. |

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| November 2008 | | | |
| Finances | Nashua Mpumalanga | 396,00 | Section 36(1)(a)(ii) - single provider. |
| Parks & Recreation Services | Middelburg Airbrakes | 13 285,67 | Section 36(1)(a)(v) - exceptional case. |
| Solid Waste Management Services | Rathiens Hydraulics | 1 580,11 | Section 36(1)(a)(v) - exceptional case. |
| Parks & Recreation Services | Motolek Middelburg | 1 243,52 | Section 36(1)(a)(v) - exceptional case. |
| Solid Waste Management Services | TB Hydraulics | 7 432,80 | Section 36(1)(a)(i) - emergency case. |
| Solid Waste Management Services | TB Hydraulics | 11 377,20 | Section 36(1)(a)(i) - emergency case. |
| Solid Waste Management Services | Hassens Motors | 40 395,33 | Section 36(1)(a)(i) - emergency case. |
| Solid Waste Management Services | Vital Engineering | 9 900,00 | Section 36(1)(a)(v) - exceptional case. |
| Legal & Administration | Planact | 4 400,00 | Section 36(1)(a)(i) - emergency case. |
| Communications | Electra Highveld | 12 289,20 | Section 36(1)(a)(v) - exceptional case. |
| Fire Services | Weber Hydraulic | 17 157,00 | Section 36(1)(a)(i) - emergency case. |
| Parks & Recreation Services | Middelburg Nissan | 2 276,30 | Section 36(1)(a)(v) - exceptional case. |
| Municipal Building Services | Airex (Pty) Ltd | 10 607,00 | Section 36(1)(a)(v) - exceptional case. |
| Finances | Advanced Fire Suppression Tech | 1 612,76 | Section 36(1)(a)(v) - exceptional case. |
| Civil Engineering Services | Print Rite | 1 992,72 | Section 36(1)(a)(v) - exceptional case. |
| Human Resource Management Services | The Careways Group | 3 192,00 | Section 36(1)(a)(v) - exceptional case. |
| Legal & Administration | The Citizen | 6 019,20 | Section 36(1)(a)(v) - exceptional case. |
| Civil Engineering Services | Aquatronics | 714,00 | Section 36(1)(a)(i) - emergency case. |
| Human Resource Management Services | Middelburg Fruit & Veg | 7 500,00 | Section 36(1)(a)(ii) - single provider. |
| Civil Engineering Services | M. J. Mosombuka | 22 800,00 | Section 36(1)(a)(v) - exceptional case. |
| Fire Services | Midvaal Motor Engineering | 2 919,08 | Section 36(1)(a)(i) - emergency case |

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| November 2008 | | | |
| Fire Services | Electra Highveld | 12 289,20 | Section 36(1)(a)(ii) - single provider. |
| Civil Engineering Services | Nkhabela Civils CC | 109 683,96 | Section 36(1)(a)(ii) - single provider. |
| Civil Engineering Services | Sterling Plastics | 56 260,00 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Ukwazi Engineering | 2 110,00 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Sterling Plastics | 15 048,00 | Section 36(1)(a)(ii) - single provider. |
| Health Services | Hemocue South Africa | 3 629,06 | Section 36(1)(a)(ii) - single provider. |
| Fire Services | Mc Carthy Kunene | 15 119,70 | Section 36(1)(a)(ii) - single provider. |
| Fire Services | Van Wettens Breakdown | 1 205,55 | Section 36 (1)(a)(v) - exceptional case. |
| Legal & Administration | The Citizen | 5 643,00 | Section 36(1)(a)(ii) - single provider. |
| Traffic & Security Services | Automotor Traffic Signal | 13 666,32 | Section 36(1)(a)(ii) - single provider. |
| IT Services | Networks Unlimited | 13 338,00 | Section 36(1)(a)(ii) - single provider. |
| December 2008 | | | |
| Electrical Engineering Services | Middelburg Nissan | 999,90 | Section 36(1)(a)(i) - emergency case. |
| Electrical Engineering Services | TV Electric | 2 554,26 | Section 36(1)(a)(i) - emergency case. |
| Property Valuation Services | Yeltech Witbank | 4 246,50 | Section 36(1)(a)(ii) - single provider. |
| Municipal Building Services | OTIS | 29 070,00 | Section 36(1)(a)(i) - emergency case. |
| Finances | GPT Global Payment Technologies | 82 992,60 | Section 36(1)(a)(ii) - single provider. |
| Traffic & Security Services | Automotor Traffic Signal | 3 389,22 | Section 36(1)(a)(v) - exceptional case. |
| Traffic & Security Services | Zanezi Electronics | 12 292,49 | Section 36(1)(a)(i) - emergency case. |
| Solid Waste Management Services | Isazi Engineering | 8 550,00 | Section 36(1)(a)(i) - emergency case. |
| Solid Waste Management Services | Precision Automotive | 58 661,21 | Section 36(1)(a)(i) - emergency case. |

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| December 2008 | | | |
| Solid waste Management Services | TB Hydraulics | 3 157,80 | Section 36(1)(a)(i) - emergency case. |
| Parks and Recreation Services | Middelburg Bolt and Nuts | 545,51 | Section 36(1)(a)(i) - emergency case. |
| Parks and Recreation Services | Central Gas | 2 789,39 | Section 36(1)(a)(i) - emergency case. |
| Legal & Administration | Highveld Refrigeration | 3 550,00 | Section 36(1)(a)(v) - exceptional case. |
| Licensing Services | Middelburg Sleutels & Slott | 5 803,88 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Nsueweni Trading | 30 826,83 | Section 36(1)(a)(i) - emergency case. |
| Solid Waste Management Services | JB Pro Tacho's | 897,75 | Section 36(1)(a)(ii) - single provider. |
| Finances | Nashua Mpumalanga | 1 080,72 | Section 36(1)(a)(ii) - single provider. |
| Finances | Chubb Security Services | 2 325,60 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Chem-Tec Chemicals | 31 950,00 | Section 36(1)(a)(i) - emergency case. |
| Human Resource Management Services | Limpopo Traffic TR College | 26 570,00 | Section 36 (1)(a)(v) - exceptional case. |
| Licensing Services | Government Printing Works | 11 468,19 | Section 36(1)(a)(ii) - single provider. |
| Finances | Contour Technologies | 102 600,00 | Section 36(1)(a)(ii) - single provider. |
| Finances | Contour Technologies | 3 073,55 | Section 36(1)(a)(ii) - single provider. |
| Finances | Contour Technologies | 1 459,31 | Section 36(1)(a)(ii) - single provider. |
| Civil Engineering Services | Nsueweni Trading | 28 195,92 | Section 36(1)(a)(i) - emergency case. |
| Traffic & Security Services | A.J Broom Road Products | 11 365,80 | Section 36(1)(a)(ii) - single provider. |
| Civil Engineering Services | Kwena Water Management | 5 720,00 | Section 36(1)(a)(i) - emergency case. |
| Finances | Nashua Mpumalanga | 3 773,40 | Section 36(1)(a)(v) - exceptional case. |
| Parks and Recreation Services | Eastvaal Auto | 342,00 | Section 36(1)(a)(ii) - single provider. |
| Electrical Engineering Services | Fhulu and Fhumu | 5 000,00 | Section 36(1)(a)(i) - emergency case. |

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| December 2008 | | | |
| Electrical Engineering Services | Success Maintenance | 194 040,00 | Section 36(1)(a)(i) - emergency case. |
| IT Services | Tele-Data Communications | 4 320,60 | Section 36(1)(a)(ii) - single provider. |
| Traffic & Security Services | F.G Uniforms | 28 338,00 | Section 36(1)(a)(i) - emergency case. |
| Traffic & Security Services | Automotor Traffic Signal | 30 311,00 | Section 36 (1)(a)(v) - exceptional case. |
| Traffic & Security Services | Zanezi Electronics | 10 530,00 | Section 36 (1)(a)(v) - exceptional case. |
| Traffic & Security Services | Government Printing Works | 4 486,86 | Section 36(1)(a)(ii) - single provider. |
| Property Valuation Services | Rode & Associates | 3 534,00 | Section 36 (1)(a)(v) - exceptional case. |
| Civil Engineering Services | Nkhabela Civils CC | 34 366,00 | Section 36 (1)(a)(v) - exceptional case. |
| Health Services | Steinmed Waste Management | 5 303,82 | Section 36(1)(a)(ii) - single provider. |
| Electrical Engineering Services | TV Electrical | 24 396,00 | Section 36(1)(a)(i) - emergency case. |
| Electrical Engineering Services | Schneider Electric Services | 216 500,00 | Section 36(1)(a)(i) - emergency case. |
| Electrical Engineering Services | Schneider Electric Services | 4 595,00 | Section 36(1)(a)(i) - emergency case. |
| IT Services | Onsoft | 23 164,80 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Sud-Chemie | 47 150,00 | Section 36(1)(a)(ii) - single provider. |
| Civil Engineering Services | Sud-Chemie | 141 450,00 | Section 36(1)(a)(ii) - single provider. |
| Parks & Recreation Services | JB Pro Tacho's | 3 531,28 | Section 36(1)(a)(ii) - single provider. |
| Legal & Administration | Mbungiswa Transport | 1 500,00 | Section 36(1)(a)(i) - emergency case. |
| Parks & Recreation Services | Richtech | 24 231,47 | Section 36(1)(a)(ii) - single provider. |
| Solid Waste Management Services | Hoefeld Radiators | 1 288,20 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Huber Technology | 23 600,00 | Section 36(1)(a)(ii) - single provider. |
| Civil Engineering Services | Retrospective Trading | 1 250,00 | Section 36(1)(a)(i) - emergency case. |

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| January 2009 | | | |
| Municipal Manager | Lexis Nexis | 380,71 | Section 36(1)(a)(ii) - single provider. |
| Parks & Recreation Services | Beehive Trading | 4 275,00 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Sterling Plastic | 7 980,00 | Section 36(1)(a)(i) - emergency case. |
| Mayor's Office | Wonder Stationers | 11 348,19 | Section 36 (1)(a)(v) - exceptional case. |
| Civil Engineering Services | Chem-Tec Chemicals | 31 950,00 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Werner Sa Pumps | 31 237,00 | Section 36(1)(a)(ii) - single provider. |
| Municipal Manager | Sowetan | 4 350,25 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Nsueweni Trading | 24 961,10 | Section 36(1)(a)(i) - emergency case. |
| Human Resource Management Services | Limpopo Traffic TR College | 26 570,00 | Section 36(1)(a)(v) - exceptional case. |
| Licensing services | Government Printing Works | 11 468,19 | Section 36(1)(a)(ii) - single provider. |
| Licensing services | Prodiba | 9 742,46 | Section 36(1)(a)(ii) - single provider. |
| Finances | Chubb Security Services | 2 325,60 | Section 36(1)(a)(i) - emergency case. |
| Finances | Nashua Mpumalanga | 1 080,72 | Section 36(1)(a)(ii) - single provider. |
| Solid Waste Management Services | JB Pro Tacho's | 897,75 | Section 36(1)(a)(ii) - single provider. |
| Civil Engineering Services | Nsueweni Trading | 30 826,83 | Section 36(1)(a)(i) - emergency case. |
| Licensing services | Middelburg Sleutels & Slott | 5 803,88 | Section 36(1)(a)(i) - emergency case. |
| Legal & Administration | Highveld Refrigeration | 3 550,00 | Section 36(1)(a)(v) - exceptional case. |
| Parks & Recreation Services | Central Gas | 2 789,39 | Section 36(1)(a)(i) - emergency case. |
| Parks & Recreation Services | Middelburg Bolt And Nuts | 545,51 | Section 36(1)(a)(i) - emergency case. |
| Solid Waste Management Services | Isazi Engineering | 8 550,00 | Section 36(1)(a)(i) - emergency case. |
| Solid Waste Management Services | Precision Automotive | 58 661,21 | Section 36(1)(a)(i) - emergency case. |

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| January 2009 | | | |
| Solid Waste Management Services | Tb Hydraulics | 3 157,80 | Section 36(1)(a)(i) - emergency case. |
| Municipal Building Services | OTIS | 29 070,00 | Section 36(1)(a)(i) - emergency case. |
| Finances | GPT Global Payment Technologies | 82 992,60 | Section 36(1)(a)(ii) - single provider. |
| Electrical Engineering Services | TV Electric | 2 554,26 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Middelburg Nissan | 999,90 | Section 36(1)(a)(i) - emergency case. |
| Traffic & Security Services | Zanezi Electronics | 12 292,49 | Section 36(1)(a)(i) - emergency case. |
| Traffic & Security Services | Automotor Traffic Signal | 3 389,22 | Section 36 (1)(a)(v) - exceptional case. |
| Legal & Administration | Touch Of Gold Jewelers | 4 143,00 | Section 36 (1)(a)(v) - exceptional case. |
| Property Valuation Services | Yeltech Witbank | 4 246,50 | Section 36(1)(a)(ii) - single provider. |
| February 2009 | | | |
| Health Services | Hemocue | 1 814,63 | Section 36(1)(a)(ii) - single provider. |
| Traffic & Security Services | Zanezi Electronics | 12 667,55 | Section 36(1)(a)(i) - emergency case. |
| IT Services | Open Spatial Solution | 11 126,40 | Section 36(1)(a)(ii) - single provider. |
| IT Services | Open Spatial Solution | 21 614,40 | Section 36(1)(a)(ii) - single provider. |
| IT Services | Mainsail Trading 10 | 3 185,16 | Section 36(1)(a)(ii) - single provider. |
| Municipal Manager | Max'it Catering | 2 955,00 | Section 36(1)(a)(i) - emergency case. |
| Human Resource Management Services | TGIS | 9 850,00 | Section 36(1)(a)(ii) - single provider. |
| Legal & Administration | Protea Frames | 759,85 | Section 36(1)(a)(v) - exceptional case. |
| Fire & Rescue Services | Motomid | 13 810,20 | Section 36(1)(a)(ii) - single provider. |
| Health Services | Hemocue | 1 814,53 | Section 36(1)(a)(ii) - single provider. |
| Health Services | Hemocue | 1 814,23 | Section 36(1)(a)(ii) - single provider. |

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| Department | Supplier | Amount (VAT incl.) R | Reason for deviation |
|---------------------------------|----------------------------|-------------------------------------|---|
| February 2009 | | | |
| Health Services | Hemocue | 3 629,00 | Section 36(1)(a)(ii) - single provider. |
| Finances | Mid Alarms | 1 532,00 | Section 36(1)(a)(i) - emergency case. |
| Solid Waste Management Services | Destingtive Choice | 5 095,23 | Section 36(1)(a)(i) - emergency case. |
| Solid Waste Management Services | Middelburg Nissan | 2 871,90 | Section 36(1)(a)(ii) - single provider. |
| Parks & Recreation Services | Eastvaal Auto | 8 250,66 | Section 36(1)(a)(ii) - single provider. |
| Parks & Recreation Services | Hi-Speed | 1 250,00 | Section 36(1)(a)(ii) - single provider. |
| Parks & Recreation Services | Middelburg Nissan | 2 736,82 | Section 36(1)(a)(ii) - single provider. |
| Parks & Recreation Services | Middelburg Nissan | 2 584,15 | Section 36(1)(a)(ii) - single provider. |
| Parks & Recreation Services | Sollys Delta | 1 092,90 | Section 36(1)(a)(ii) - single provider. |
| Finances | Focus Outsourcing Solution | 22 680,00 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | New Holland Construction | 8 251,22 | Section 36(1)(a)(ii) - single provider. |
| Municipal Building Services | Airex | 3 665,10 | Section 36(1)(a)(ii) - single provider. |
| Legal & Administration | Government Printing Works | 1 499,00 | Section 36(1)(a)(ii) - single provider. |
| Legal & Administration | Government Printing Works | 1 499,00 | Section 36(1)(a)(ii) - single provider. |
| Parks & Recreation Services | Secunda Kwekery | 1 675,00 | Section 36(1)(a)(iii) - artistic work. |
| Fire & Rescue Services | Middelburg Airbrakes | 1 745,19 | Section 36(1)(a)(i) - emergency case. |
| Fire & Rescue Services | Van Wettens | 1 068,75 | Section 36(1)(a)(ii) - single provider. |
| Traffic & Security Services | Zanezi Electronics | 11 697,41 | Section 36(1)(a)(i) - emergency case. |
| Legal & Administration | Government Printing Works | 749,50 | Section 36(1)(a)(ii) - single provider. |
| Communications | Ikwekwezi FM | 15 236,10 | Section 36(1)(a)(ii) - single provider. |
| Communications | Greater Middelburg FM | 12 950,00 | Section 36(1)(a)(ii) - single provider. |

APPENDIX H
DEVIATION FROM PROCUREMENT PROCESSES
Supply Chain Regulation 36(2)
for the year ended 30 June 2009

| Department | Supplier | Amount (VAT incl.) R | Reason for deviation |
|---------------------------------|-----------------------------|-------------------------------------|--|
| February 2009 | | | |
| Traffic & Security Services | Automotor Traffic Signal | 20 474,40 | Section 36(1)(a)(v) - exceptional case. |
| Civil Engineering Services | Sud-Chemie | 33 153,00 | Section 36(1)(a)(ii) - single provider. |
| Civil Engineering Services | Sud-Chemie | 46 521,00 | Section 36(1)(a)(ii) - single provider. |
| Civil Engineering Services | Sud-Chemie | 15 525,98 | Section 36(1)(a)(ii) - single provider. |
| Finances | Chubb Security | 1 485,00 | Section 36(1)(a)(ii) - single provider. |
| Finances | Mid Alarms | 3 800,00 | Section 36(1)(a)(ii) - single provider. |
| IT Services | Focus Outsourcing Solution | 18 468,00 | Section 36(1)(a)(i) - emergency case. |
| Parks & Recreation Services | Teledata | 1 425,00 | Section 36(1)(a)(ii) - single provider. |
| Legal & Administration | Beehive Trading | 5 280,48 | Section 36(1)(a)(v) - exceptional case. |
| Communications | City Press | 5 472,00 | Section 36(1)(a)(i) - emergency case. |
| Traffic & Security Services | Pro-Video | 1 875,00 | Section 36(1)(a)(i) - emergency case. |
| Supply Chain Unit | Automotor Traffic Signal | 31 760,40 | Section 36(1)(a)(ii) - single provider. |
| Solid Waste Management Services | Middelburg Sleutels & Slott | 2 445,30 | Section 36(1)(b) - ractify minor breaches. |
| Parks & Recreation Services | Highveld Radiators | 1 356,60 | Section 36(1)(a)(i) - emergency case. |
| Communications | Middelburg Bolt And Nuts | 832,77 | Section 36(1)(a)(ii) - single provider. |
| Traffic & Security Services | Protea Frames | 6 422,08 | Section 36(1)(a)(ii) - single provider. |
| Finances | Zanezi Electronics | 16 393,20 | Section 36(1)(a)(i) - emergency case. |
| Finances | Contour Technology | 1 299,71 | Section 36(1)(a)(ii) - single provider. |
| Legal & Administration | Contour Technology | 7 125,00 | Section 36(1)(a)(ii) - single provider. |
| Licensing Services | The Citizen | 3 744,90 | Section 36(1)(a)(v) - exceptional case. |
| Legal & Administration | Government Printing Works | 9 702,16 | Section 36(1)(a)(ii) - single provider. |

APPENDIX H
DEVIATION FROM PROCUREMENT PROCESSES
Supply Chain Regulation 36(2)
for the year ended 30 June 2009

| Department | Supplier | Amount (VAT incl.) R | Reason for deviation |
|---------------------------------|------------------------------|-------------------------------------|--|
| February 2009 | | | |
| Legal & Administration | Pro-Video | 1 524,77 | Section 36 (1)(a)(v) - exceptional case. |
| IT Services | TGIS | 44 688,00 | Section 36(1)(a)(ii) - single provider. |
| IT Services | TGIS | 67 032,00 | Section 36(1)(a)(ii) - single provider. |
| March 2009 | | | |
| Civil Engineering Services | Rescue Rod | 25 360,00 | Section 36(1)(a)(i) - emergency case. |
| Electrical Engineering Services | Mayivuthe Contractors | 20 475,00 | Section 36(1)(a)(i) - emergency case. |
| Parks & Recreation Services | Precision Automotive | 34 139,65 | Section 36(1)(a)(i) - emergency case. |
| Municipal Manager | Sellinah Catering | 5 800,00 | Section 36(1)(a)(i) - emergency case. |
| Electrical Engineering Services | Vero Test | 26 310,98 | Section 36(1)(a)(i) - emergency case. |
| Parks & Recreation Services | Propshaft & Gearbox Centre | 2 085,06 | Section 36(1)(a)(i) - emergency case. |
| Legal & Administration | Socrates Supa Quick | 1 365,00 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Rolfes Silica | 29 959,20 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Sud Chemie | 54 262,50 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Sud Chemie | 54 262,50 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Nsueweni Trading | 28 373,46 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Sud Chemie | 38 080,00 | Section 36(1)(a)(i) - emergency case. |
| Electrical Engineering Services | Ukwazi Engineering | 18 378,51 | Section 36(1)(a)(i) - emergency case. |
| Parks & Recreation Services | Highveld Radiators | 2 447,72 | Section 36(1)(a)(i) - emergency case. |
| Traffic & Security Services | Warrior Security & Transport | 9 683,04 | Section 36(1)(a)(i) - emergency case. |
| Parks & Recreation Services | Rathines Hydraulics | 28 101,00 | Section 36(1)(a)(i) - emergency case. |
| Electrical Engineering Services | Kwena | 6 913,52 | Section 36(1)(a)(i) - emergency case. |

APPENDIX H
DEVIATION FROM PROCUREMENT PROCESSES
Supply Chain Regulation 36(2)
for the year ended 30 June 2009

| Department | Supplier | Amount (VAT incl.) R | Reason for deviation |
|---------------------------------|---------------------------------|-------------------------------------|---|
| March 2009 | | | |
| Electrical Engineering Services | GLPS Project Management & Eng | 8 918,00 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Procol | 1 384,00 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Landelatina | 25 010,10 | Section 36(1)(a)(i) - emergency case. |
| Parks & Recreation Services | Central Gas | 621,82 | Section 36(1)(a)(i) - emergency case. |
| Finances | Contour Technologies | 44 688,00 | Section 36(1)(a)(ii) - single provider. |
| Licensing Services | Government Printing Works | 6 512,93 | Section 36(1)(a)(ii) - single provider. |
| Civil Engineering Services | Afrilab | 17 860,00 | Section 36(1)(a)(ii) - single provider. |
| IT Services | Meissner UPS | 13 463,40 | Section 36(1)(a)(ii) - single provider. |
| Health Services | Medunsa - University of Limpopo | 8 930,00 | Section 36(1)(a)(ii) - single provider. |
| Municipal Building Services | Johan Meiring | 9 319,50 | Section 36(1)(a)(ii) - single provider. |
| Municipal Building Services | O' Grady Coatings | 3 250,82 | Section 36(1)(a)(ii) - single provider. |
| Electrical Engineering Services | Sectional Poles | 29 000,00 | Section 36(1)(a)(ii) - single provider. |
| Electrical Engineering Services | Electro Power Systems | 3 730,60 | Section 36(1)(a)(ii) - single provider. |
| Licensing Services | Middelburg Power Supply | 1 569,20 | Section 36(1)(a)(ii) - single provider. |
| Solid Waste Management Services | Steinmed | 5 771,62 | Section 36(1)(a)(ii) - single provider. |
| Electrical Engineering Services | Open Spatial Solutions | 21 842,40 | Section 36(1)(a)(ii) - single provider. |
| Legal & Administration | Planact | 95 629,00 | Section 36(1)(a)(ii) - single provider. |
| Electrical Engineering Services | Vero Test | 69 650,51 | Section 36(1)(a)(ii) - single provider. |
| Electrical Engineering Services | Alstom | 78 618,00 | Section 36(1)(a)(ii) - single provider. |
| Civil Engineering Services | Procol | 950,00 | Section 36(1)(a)(ii) - single provider. |
| Municipal Building Services | O'Grady | 7 066,97 | Section 36(1)(a)(ii) - single provider. |

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Supply Chain Regulation 36(2)
for the year ended 30 June 2009

| Department | Supplier | Amount (VAT incl.) R | Reason for deviation |
|-----------------------------|----------------------------------|-------------------------------------|--|
| March 2009 | | | |
| Civil Engineering Services | Net Elek | 18 411,00 | Section 36(1)(a)(ii) - single provider. |
| Finances | Contour Technology | 1 118,31 | Section 36(1)(a)(ii) - single provider. |
| Parks & Recreation Services | Eastvaal Auto & Tractors | 3 666,56 | Section 36(1)(a)(ii) - single provider. |
| Parks & Recreation Services | Eastvaal Auto & Tractors | 2 296,13 | Section 36(1)(a)(ii) - single provider. |
| Parks & Recreation Services | Middelburg Nissan | 5 631,60 | Section 36(1)(a)(ii) - single provider. |
| IT Services | Total Geo-Spatial Info Solutions | 2 761,46 | Section 36(1)(a)(ii) - single provider. |
| Parks & Recreation Services | Eastvaal Auto & Tractors | 6 790,98 | Section 36(1)(a)(ii) - single provider. |
| Traffic & Security Services | Automotor Traffic Signal | 27 160,50 | Section 36(1)(a)(ii) - single provider. |
| Traffic & Security Services | Malao Academy | 4 794,93 | Section 36(1)(a)(ii) - single provider. |
| Parks & Recreation Services | Middelburg Nissan | 450,00 | Section 36(1)(a)(iii) - single provider. |
| Communications | Ekasi News | 21 384,47 | Section 36(1)(a)(v) - single provider. |
| Finances | Mashiteng Meter Readings | 18 411,00 | Section 36(1)(a)(v) - single provider. |
| April 2009 | | | |
| Legal & Administration | Barloworld Toyota | 1 533,48 | Section 36(1)(a)(i) - emergency case. |
| Fire Services | Middelburg Airbrakes | 2 188,80 | Section 36(1)(a)(i) - emergency case. |
| Parks & Recreation Services | Central Gas | 1 143,33 | Section 36(1)(a)(i) - emergency case. |
| Fire Services | Hassens Motor Spares | 12 762,30 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Sensus Metering System | 26 730,00 | Section 36(1)(a)(i) - emergency case. |
| Traffic & Security Services | Warrier Security & Transport | 11 405,52 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Sterling Plastics | 31 369,00 | Section 36(1)(a)(i) - emergency case. |
| Public Services | Ajek Investment 30 CC | 900,00 | Section 36(1)(a)(i) - emergency case. |

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| Department | Supplier | Amount (VAT incl.) R | Reason for deviation |
|---------------------------------|---------------------------------|-------------------------------------|--|
| April 2009 | | | |
| Parks & Recreation Services | MP B-Civil CC | 27 578,88 | Section 36(1)(a)(i) - emergency case. |
| Parks & Recreation Services | AAA Electric | 3 116,77 | Section 36(1)(a)(i) - emergency case. |
| Parks & Recreation Services | Isazi Engineering And Mining | 6 270,00 | Section 36(1)(a)(i) - emergency case. |
| Solid Waste Management Services | Hassens Motor Spares | 6 858,24 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Aquatronics | 792,00 | Section 36(1)(a)(i) - emergency case. |
| Fire Services | Hassens Motor Spares | 2 337,52 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Procol Engineering | 3 636,00 | Section 36(1)(a)(i) - emergency case. |
| Fire Services | Mccarthy Kunene | 4 178,60 | Section 36(1)(a)(ii) - single provider. |
| Legal & Administration | Optiplan | 9 735,60 | Section 36(1)(a)(ii) - single provider. |
| Finances | Mid Alarms | 1 200,00 | Section 36(1)(a)(ii) - single provider. |
| Fire Services | Barloworld Toyota | 2 556,76 | Section 36(1)(a)(ii) - single provider. |
| Traffic & Security Services | Automotor Traffic Signal | 7 396,32 | Section 36(1)(a)(ii) - single provider. |
| Licensing Services | Prodiba | 9 518,21 | Section 36(1)(a)(ii) - single provider. |
| Civil Engineering Services | HPD Drilling | 26 400,00 | Section 36(1)(a)(v) - exceptional cases. |
| Human Resource Management | Mpumalanga Mirror | 31 780,19 | Section 36(1)(a)(v) - exceptional cases. |
| Parks & Recreation Services | Precision Automotive Industrial | 23 236,91 | Section 36(1)(a)(v) - exceptional cases. |
| Traffic & Security Services | Zanezi Electronics | 2 649,36 | Section 36(1)(a)(v) - exceptional cases. |
| Traffic & Security Services | Zanezi Electronics | 5 127,72 | Section 36(1)(a)(v) - exceptional cases. |
| Traffic & Security Services | Zanezi Electronics | 4 727,58 | Section 36(1)(a)(i) - emergency case. |
| Traffic & Security Services | Zanezi Electronics | 11 974,56 | Section 36(1)(a)(i) - emergency case. |
| Traffic & Security Services | Zanezi Electronics | 3 841,80 | Section 36(1)(a)(i) - emergency case. |

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for the year ended 30 June 2009

| Department | Supplier | Amount (VAT incl.) R | Reason for deviation |
|---------------------------------|------------------------------|-------------------------------------|---|
| April 2009 | | | |
| Traffic & Security Services | Zanezi Electronics | 14 576,04 | Section 36(1)(a)(v) - exceptional case. |
| Legal & Administration | Thabang Lebatho | 4 500,00 | Section 36(1)(a)(v) - exceptional case. |
| Legal & Administration | Thabang Lebatho | 4 500,00 | Section 36(1)(a)(v) - exceptional case. |
| Legal & Administration | Mbungiswa Transport Services | 3 260,00 | Section 36(1)(a)(v) - exceptional case. |
| Legal & Administration | Mbungiswa Transport Services | 9 760,00 | Section 36(1)(a)(v) - exceptional case. |
| Legal & Administration | Mbungiswa Transport Services | 7 360,00 | Section 36(1)(a)(v) - exceptional case. |
| Legal & Administration | Mbungiswa Transport Services | 1 160,00 | Section 36(1)(a)(v) - exceptional case. |
| Legal & Administration | Mbungiswa Transport Services | 1 960,00 | Section 36(1)(a)(v) - exceptional case. |
| Civil Engineering Services | Nsueni Trading | 37 512,22 | Section 36(1)(a)(v) - exceptional case. |
| Civil Engineering Services | Macsteel Fluid Control | 31 570,00 | Section 36(1)(a)(v) - exceptional case. |
| Town Planning Services | The Discounter Witbank | 4 398,00 | Section 36(1)(a)(v) - exceptional case. |
| Parks & Recreation Services | Central Gas | 716,84 | Section 36(1)(a)(v) - exceptional case. |
| May 2009 | | | |
| Solid Waste Management Services | Solly's Delta | 9 653,54 | Section 36(1)(a)(i) - emergency case. |
| Municipal Building Services | MBG Mica | 2 319,94 | Section 36(1)(a)(i) - emergency case. |
| Civil Engineering Services | Rescue Rod (Pty) Ltd | 63 429,60 | Section 36(1)(a)(i) - emergency case. |
| Parks & Recreation Services | TNT Exhaust | 750,00 | Section 36(1)(a)(i) - emergency case. |
| Solid Waste Management Services | MBG Nissan | 7 380,95 | Section 36(1)(a)(i) - emergency case. |
| Town Planning Services | PW Saaymen | 1 396,50 | Section 36(1)(a)(i) - emergency case. |
| Electrical Engineering Services | Electro Power System | 3 395,00 | Section 36(1)(a)(i) - emergency case. |
| Electrical Engineering Services | Electro Power System | 14 768,55 | Section 36(1)(a)(i) - emergency case. |

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for the year ended 30 June 2009

| Department | Supplier | Amount (VAT incl.) R | Reason for deviation |
|--------------------------------------|----------------------------|-------------------------------------|---------------------------------------|
| May 2009 | | | |
| Solid Waste Management Services | Highveld Radiators | 991,80 | Section 36(1)(a)(i) - emergency case. |
| Solid Waste Management Services | Propshaft & Gearbox Centre | 3 227,34 | Section 36(1)(a)(i) - emergency case. |
| Traffic & Security Services | Zanezi Electronics CC | 10 590,60 | Section 36(1)(a)(i) - emergency case. |
| Solid Waste Management Services | Highveld Radiators | 969,00 | Section 36(1)(a)(i) - emergency case. |
| Traffic & Security Services | Zanezi Electronics CC | 8 537,46 | Section 36(1)(a)(i) - emergency case. |
| Traffic & Security Services | Zanezi Electronics CC | 4 060,68 | Section 36(1)(a)(i) - emergency case. |
| Traffic & Security Services | Zanezi Electronics CC | 6 436,44 | Section 36(1)(a)(i) - emergency case. |
| Municipal Building Services | Nette & Seile | 5 029,00 | Section 36(1)(a)(i) - emergency case. |
| Solid Waste Management Services | Exilite 82 | 11 270,34 | Section 36(1)(a)(i) - emergency case. |
| Solid Waste Management Services | Exilite 82 | 6 716,86 | Section 36(1)(a)(i) - emergency case. |
| Parks & Recreation Services | Exilite 82 | 1 958,52 | Section 36(1)(a)(i) - emergency case. |
| Electrical Engineering Services | Electro Power System | 793,00 | Section 36(1)(a)(i) - emergency case. |
| Electrical Engineering Services | P J Technologies | 8 675,00 | Section 36(1)(a)(i) - emergency case. |
| Parks & Recreation Services | Bee Hive Trading CC | 11 970,00 | Section 36(1)(a)(i) - emergency case. |
| Electrical Engineering Services | Vero Test | 18 520,00 | Section 36(1)(a)(i) - emergency case. |
| Legal & Administration | Lion Kelders | 9 993,00 | Section 36(1)(a)(i) - emergency case. |
| Solid Waste Management Services | TNT Exhaust | 1 200,00 | Section 36(1)(a)(i) - emergency case. |
| Municipal Building Services | Builders Market | 1 960,80 | Section 36(1)(a)(i) - emergency case. |
| Solid Waste Management Services | Highveld Radiators | 4 133,39 | Section 36(1)(a)(i) - emergency case. |
| Parks & Recreation Services | Bee Hive Trading CC | 9 600,40 | Section 36(1)(a)(i) - emergency case. |
| Manager: Municipal Building Services | L Nel T/A Leo's Staalwerke | 9 090,40 | Section 36(1)(a)(i) - emergency case. |

