

Steve Tshwete Local Municipality



Audited Annual Financial Statements



2008/2009

MP313

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ANNUAL FINANCIAL STATEMENTS for the year ended 30 June 2009

CERTIFICATION BY THE MUNICIPAL MANAGER

I **WILHELM DIEDERICK FOUCHÉ**, is responsible for the preparation of these annual financial statements, which are set out on pages 1 to 114 in terms of Section 126 (1) of the Municipal Finance Management Act, and which I have signed on behalf of the municipality.

W.D. FOUCHÉ
MUNICIPAL MANAGER
STEVE TSHWETE LOCAL MUNICIPALITY

DATE: 31 AUGUST 2009

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

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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



5/14/R
5/14/1

AUDITOR - GENERAL
SOUTH AFRICA

STEVE TSHWETE LOCAL MUNICIPALITY
 27/06/2009
 MUNICIPAL RATE

The Municipal Manager
Steve Tshwete Local Municipality
PO Box 14
Middelburg
1050

11 December 2009

43969

Finalize	Executive Mayor	(1)
(1)	Mun Manager	(2)
Notice	Man Tech & Fac	(1)
(2)	Man Finance	(2)
	Man Corp. Serv	(2) Admin
	Man Publ. Serv	(1)
	Speaker	
	Chief Whip	

Reference: 02304REG08/09

Dear Sir

Report of the Auditor-General on the financial statements and performance information of Steve Tshwete Local Municipality for the year ended 30 June 2009

- The above-mentioned report of the Auditor-General is submitted herewith in terms of section 21(1) of the Public Audit Act, 2004 (Act No. 25 of 2004) read in conjunction with section 188 of the Constitution of the Republic of South Africa, 1996 and section 121(3) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
- In terms of section 121(3) of the MFMA you are required to include the audit report in the municipality's annual report to be tabled.
- Until the annual report is tabled as required by section 127(2) of the MFMA the audit report is not a public document and should therefore be treated as confidential.
- Prior to printing or copying the annual report which will include the audit report you are required to do the following:
 - Submit the final printer's proof of the annual report to the relevant senior manager of the Auditor-General of South Africa for verification of the audit-related references in the audit report and for confirmation that the financial statements and other information are those documents that have been read and audited. Special care should be taken with the page references in your report, since an incorrect reference could have audit implications.
 - The signature *Auditor-General* in the handwriting of the auditor authorised to sign the audit report at the end of the hard copy of the audit report should be scanned in when preparing to print the report. This signature, as well as the place and date of signing and the Auditor-General of South Africa's logo, should appear at the end of the report, as in the hard copy that is provided to you. The official logo will be made available to you in electronic format.

5. Please notify the undersigned Business Executive / Senior Manager well in advance of the date on which the annual report containing this audit report will be tabled.¹
6. Your cooperation to ensure that all these requirements are met would be much appreciated.

Kindly acknowledge receipt of this letter.

Yours sincerely


BMM Madliwa
Business Executive: Mpumalanga

Enquiries: D Radebe
Telephone: (013) 756 0800
Fax: (013) 756 0879
Email: danielr@agsa.co.za

¹ Use for municipality

REPORT OF THE AUDITOR-GENERAL TO THE MPUMALANGA LEGISLATURE AND THE COUNCIL ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE STEVE TSHWETE LOCAL MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2009

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Steve Tshwete Local Municipality which comprise the statement of financial position as at 30 June 2009, and the statement of financial performance, the statement of changes in net assets and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages xx to xx.

The accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the Statements of Generally Recognised Accounting Practice (Statements of GRAP) and in the manner required by the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. Paragraph 11 *et seq.* of the Statement of Generally Recognised Accounting Practice, GRAP 1 *Presentation of Financial Statements* requires that financial reporting by entities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget. As the budget reporting standard is not effective for this financial year, I have determined that my audit of any disclosures made by the Steve Tshwete Local Municipality in this respect will be limited to reporting on non-compliance with this disclosure requirement.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

8. In my opinion the financial statements present fairly, in all material respects, the financial position of the Steve Tshwete Local Municipality as at 30 June 2009 and its financial performance and its cash flows for the year then ended, in accordance with the Statements of GRAP and in the manner required by the MFMA.

Other matters

Without qualifying my opinion, I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

Unaudited supplementary schedules

9. The municipality provided supplementary information in the financial statements on whether resources were obtained and used in accordance with the legally adopted budget, in accordance with GRAP 1 *Presentation of Financial Statements*. The supplementary budget information set out on pages 71 to 114 does not form part of the financial statements and is presented as additional information. Accordingly I do not express an opinion thereon.

Governance framework

10. The governance principles that impact the auditor's opinion on the financial statements are related to the responsibilities and practices exercised by the accounting officer and executive management and are reflected in the key governance responsibilities addressed below:

Key governance responsibilities

11. The MFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of key governance responsibilities, which I have assessed as follows:

No.	Matter	Y	N
Clear trail of supporting documentation that is easily available and provided in a timely manner			
1.	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.	Y	
Quality of financial statements and related management information			
2.	The financial statements were not subject to any material amendments resulting from the audit.	Y	
3.	The annual report was submitted for consideration prior to the tabling of the auditor's report.	Y	

No.	Matter	Y	N
Timeliness of financial statements and management information			
4.	The annual financial statements were submitted for auditing as per the legislated deadlines (section 126 of the MFMA).	Y	
Availability of key officials during audit			
5.	Key officials were available throughout the audit process.	Y	

No.	Matter	Y	N
Development of and compliance with risk management, effective internal control and governance practices			
6.	Audit committee		
	<ul style="list-style-type: none"> The municipality had an audit committee in operation throughout the financial year. 	Y	
	<ul style="list-style-type: none"> The audit committee operates in accordance with approved, written terms of reference. 	Y	
	<ul style="list-style-type: none"> The audit committee substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the MFMA. 	Y	
7.	Internal audit		
	<ul style="list-style-type: none"> The municipality had an internal audit function in operation throughout the financial year. 	Y	
	<ul style="list-style-type: none"> The internal audit function operates in terms of an approved internal audit plan. 	Y	
	<ul style="list-style-type: none"> The internal audit function substantially fulfilled its responsibilities for the year, as set out in section 165(2) of the MFMA. 	Y	
8.	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.	Y	
9.	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.	Y	
10.	The information systems were appropriate to facilitate the preparation of the financial statements.	Y	
11.	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in section 62(1)(c)(i) of the MFMA.		N
12.	Delegations of responsibility are in place, as set out in section 79 of the MFMA.	Y	
Follow-up of audit findings			
13.	The prior year audit findings have been substantially addressed.	Y	
14.	SCOPA resolutions have been substantially implemented.	Y	
Issues relating to the reporting of performance information			
15.	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.	Y	
16.	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.		N
17.	A strategic plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the municipality against its mandate, predetermined objectives, outputs, indicators and targets (section 68 of the MFMA).	Y	
18.	There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.	Y	

12. Management should ensure that ongoing monitoring and supervision are undertaken to enable proper control over the performance information system and procedures.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on performance information

13. I have reviewed the performance information as set out on pages xx to xx.

The accounting officer's responsibility for the performance information

14. In terms of section 121(3)(c) of the MFMA, the annual report of a municipality must include the annual performance report of the municipality, prepared by the municipality in terms of section 46 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).

The Auditor-General's responsibility

15. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008* and section 45 of the MSA.
16. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
17. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the findings reported below.

Findings on performance information

Non-compliance with regulatory requirements

Content of integrated development plan

18. In the integrated development plan of the municipality, the objectives could not be matched to the relevant key performance indicators and the targets. The objectives were documented separately from the key performance indicators and not all objectives had key performance indicators determined in terms of the municipality's performance management system, as required by sections 26(i) and 41(1)(b) of the MSA and regulation 12 of the Municipal Planning and Performance Management Regulations, 2001. For example:

- The water development priority had five objectives but only one key performance indicator.
- Electricity had seven objectives but only one key performance indicator.

Inconsistently reported performance information

19. The municipality did not report on its performance with regard to its targets as per the approved integrated development plan. For example:

Targets per integrated development plan	Reported performance
Ensuring access to a basic level of drinking water to 300 additional households in the municipality by June 2009	Access to water services for all households maintained at 100% by 30 June 2009
Spending 37,8% of the budget to ensure an improved and uninterrupted supply of electricity in the municipality by June 2009	94,42% households with access to electricity by 31 March 2009

Reported performance information not relevant

20. The following indicators with regard to the objectives did not clearly relate to targets:

- The key performance indicator for water in the integrated development plan referred to the percentage of households having access to a basic level of water and the target referred to the number of households having access to a basic level of drinking water.
- The key performance indicator for electricity referred to the percentage of households having access to a basic level of electricity and the target referred to the percentage of the budget spent to ensure an improved and uninterrupted supply of electricity.

APPRECIATION

21. The assistance rendered by the staff of the Steve Tshwete Local Municipality during the audit is sincerely appreciated.

Auditor General

Nelspruit

30 November 2009



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

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.

FINANCIAL REPORT

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.

FINANCIAL REPORT

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.

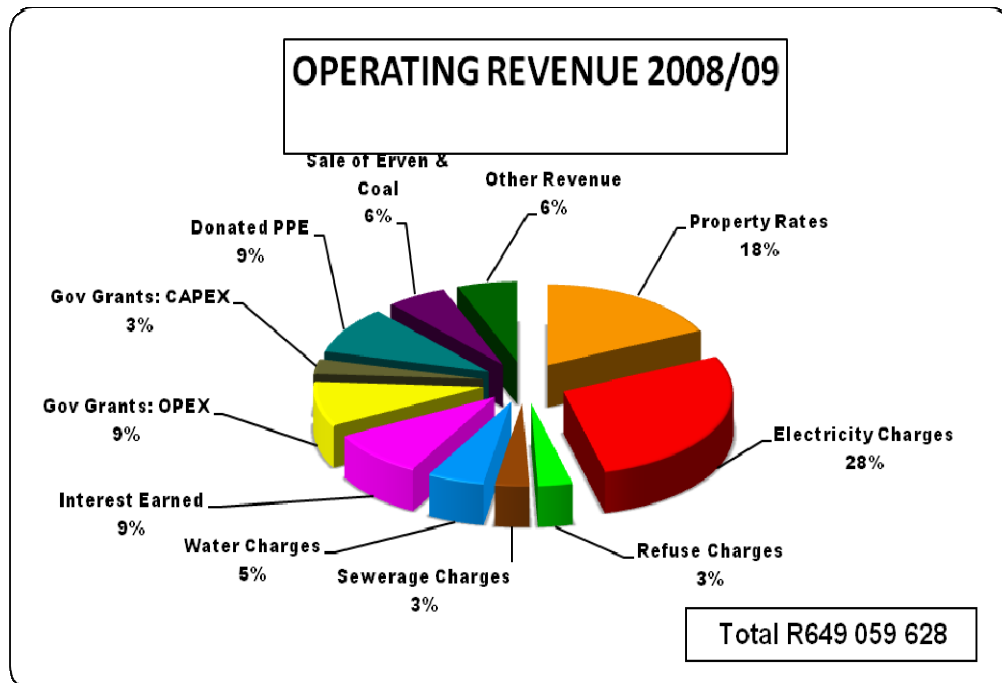
3. Operating Revenue

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:



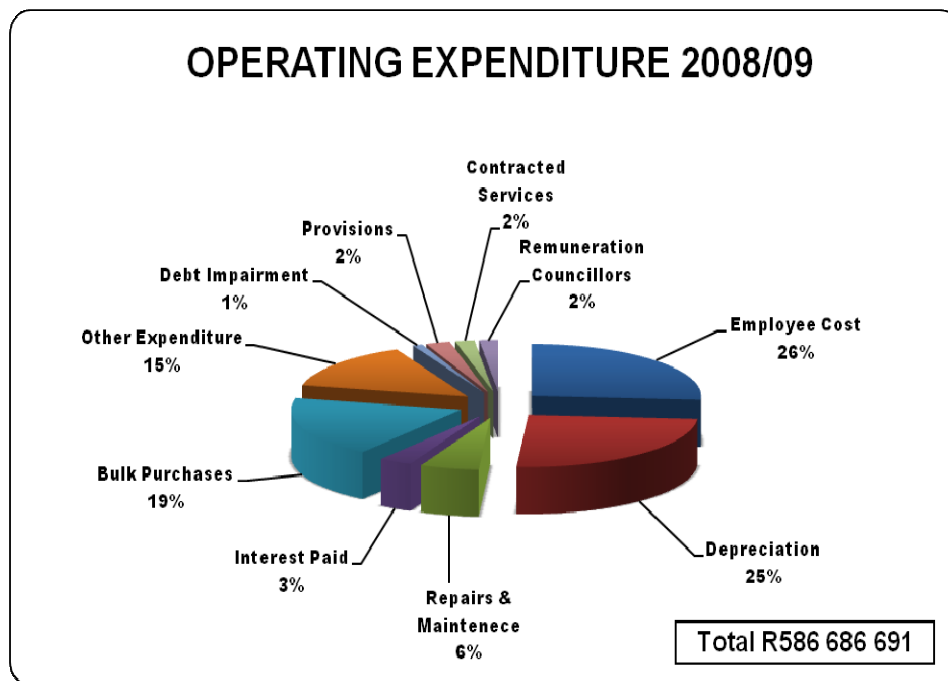
4. Operating Expenditure

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.

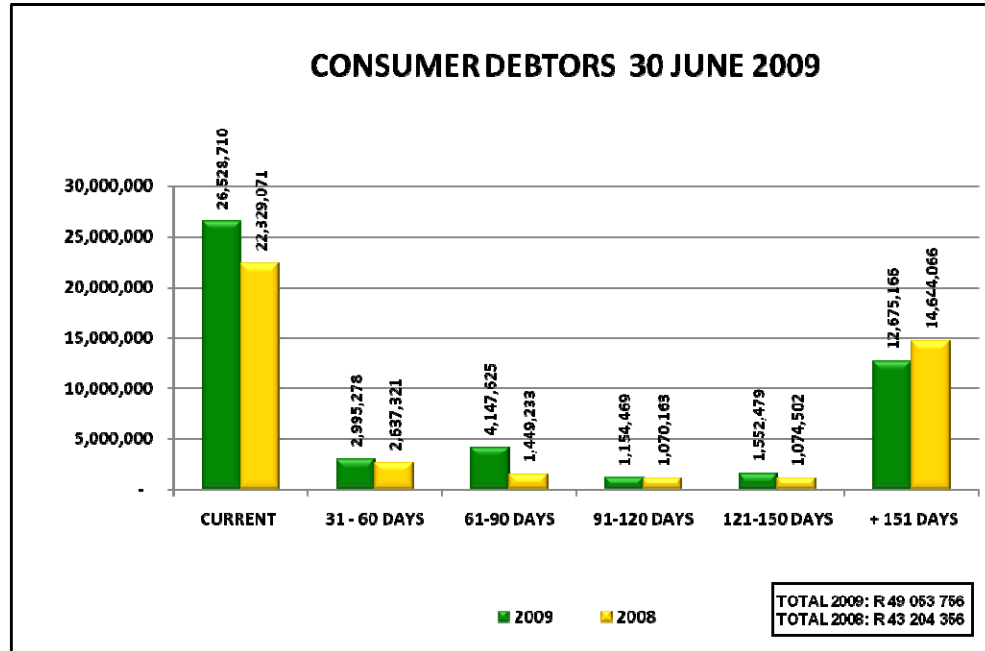
Other debtors increased in total with R77 943 to R17,3-million (2008: R17,2-million).

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.

FINANCIAL REPORT

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

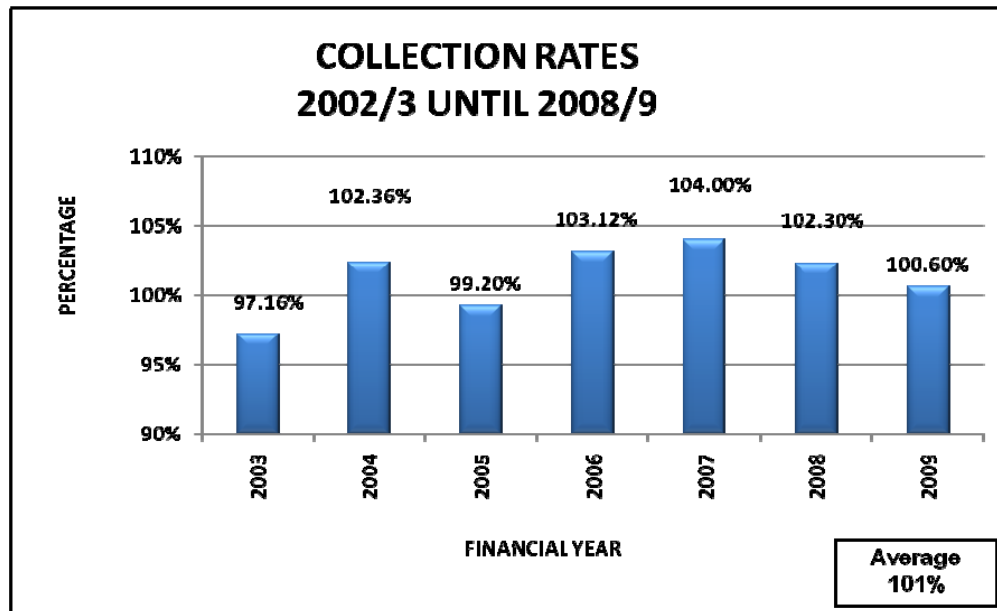
The increase in consumer debt per ageing analysis is graphically presented as follows:



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.

FINANCIAL REPORT

The collection rates are graphically presented as follows:



6. Capital Expenditure and Financing

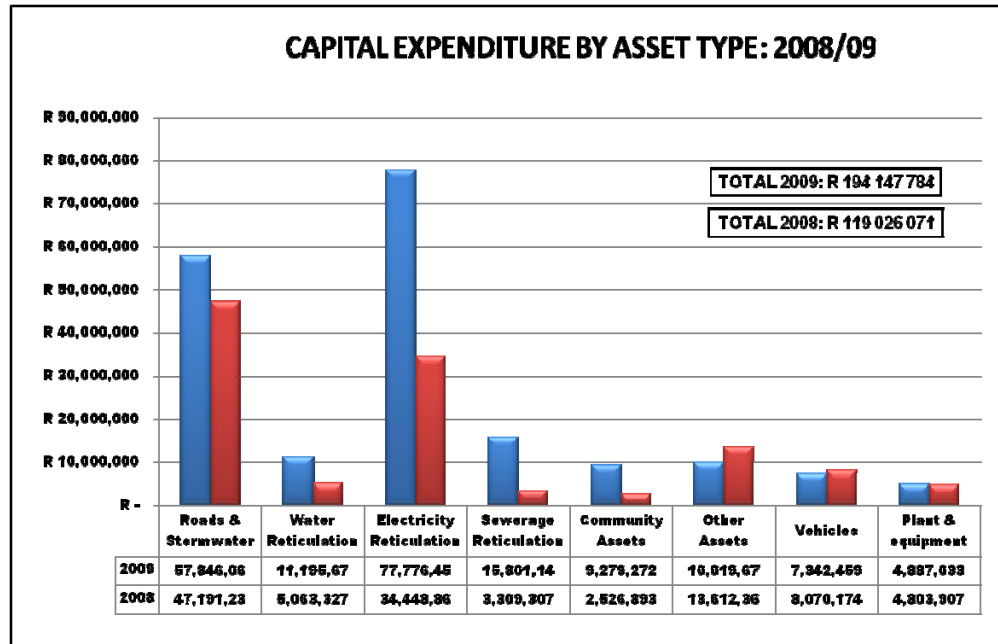
Actual capital expenditure incurred during the year in respect of property, plant and equipment amounted to R194,1-million (2008: R119-million) which reflects an increase of R38,7%.

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	

FINANCIAL REPORT

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	2009		Note	2009	2008
R	R			R	R
98 250 390	109 008 695	Property rates	21	116 654 523	99 143 999
		Service charges:			
130 903 231	171 882 052	Electricity	22	182 529 988	131 875 561
18 168 511	20 726 919	Refuse Removal	22	21 050 558	18 283 405
19 130 743	20 335 129	Sewerage	22	21 164 430	19 243 332
30 995 739	33 111 504	Water	22	34 920 310	29 988 487
1 602 617	1 616 053	Rental of facilities and equipment		1 639 111	1 705 266
29 500 000	47 000 000	Interest earned – external investments	23	57 012 025	46 261 299
2 089 399	2 275 855	Interest earned – outstanding debtors	23	2 709 464	2 112 732
2 662 304	3 799 600	Fines		4 842 970	3 638 936
3 559 200	4 366 700	Licenses and permits		5 477 018	4 240 758
4 400 000	5 800 000	Income for agency services		6 810 452	5 544 491
45 775 185	59 950 349	Government grants and subsidies received - operating	24	57 382 978	41 893 680
32 448 454	7 576 359	Government grants and subsidies received - capital	24	19 399 804	24 126 548
35 586 978	35 586 978	Public contributions, donated and contributed property, plant and equipment	25	61 431 806	9 149 384
57 520 663	58 726 337	Other revenue	26	55 998 128	78 605 059
250 000	300 000	Gain on disposal of property, plant and equipment		36 063	393 132
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			
77 906 034	110 324 200	Electricity	30	107 103 782	77 601 486
3 739 720	3 105 000	Water	30	2 620 774	2 271 056
11 196 405	12 533 656	Contracted services		10 757 142	9 774 987
1 787 000	1 703 000	Grants and subsidies paid	31	1 493 794	1 606 806
63 992 490	76 991 181	General expenses (including abnormal expenses)	32	83 750 340	54 265 066
-	-	Loss on disposal of property, plant and equipment		-	91 219
1 016 808	3 716 704	Contributions to/(from) provisions	33	13 614 727	9 548 131
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

	Note	2009	2008
		R	R
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		221 797 103	160 257 655
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		(237 198 550)	(216 526 379)
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		20 823 285	23 391 551
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

R

30 June 2008

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
<i>(see note 11)</i>		

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
<i>(see note 11)</i>		

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
<i>(see note 11)</i>		

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>
(see note 11)		

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>
(see note 19)		

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>
(see note 11)		

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)		
Vuna Awards		
Balance unspent at beginning of year	-	-
Current year receipts	-	244 312
Conditions met – transferred to revenue	-	244 312
Unspent amount transferred to liabilities	-	-
(see note 11)		

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	-
(see note 11)		

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	-
(see note 11)		

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
	<u>2 021 321 880</u>

(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	<u>4 272 426 409</u>
Intangible Assets	3 219 451
	<u>4 275 645 860</u>

(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 depreciation 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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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	-	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 Gofsig 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.

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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.

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DEVIATION FROM PROCUREMENT PROCESSES
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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.

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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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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			
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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DEVIATION FROM PROCUREMENT PROCESSES
Supply Chain Regulation 36(2)
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Department	Supplier	Amount (VAT incl.) R	Reason for deviation
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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Department	Supplier	Amount (VAT incl.) R	Reason for deviation
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	Makamanhlapo 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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Department	Supplier	Amount (VAT incl.) R	Reason for deviation
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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Department	Supplier	Amount (VAT incl.) R	Reason for deviation
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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Department	Supplier	Amount (VAT incl.) R	Reason for deviation
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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Department	Supplier	Amount (VAT incl.) R	Reason for deviation
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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Department	Supplier	Amount (VAT incl.) R	Reason for deviation
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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Department	Supplier	Amount (VAT incl.) R	Reason for deviation
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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Department	Supplier	Amount (VAT incl.) R	Reason for deviation
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.

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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.

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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.

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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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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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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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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.

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May 2009			
Civil Engineering Services	Safari Ammunisie	7 805,00	Sec 36(1)(a)(ii) - single provider.
Parks & Recreation Services	Barloworld Equipment	4 699,82	Sec 36(1)(a)(ii) - single provider.
Solid Waste Management Services	Exilite 82	4 132,50	Sec 36(1)(a)(ii) - single provider.
Legal & Administration	Optiplan	3 502,08	Sec 36(1)(a)(ii) - single provider.
Finances	Pay Day Software Systems	1 311,00	Sec 36(1)(a)(ii) - single provider.
Legal & Administration	Nyalo Corporate Functions	1 530,00	Sec 36(1)(a)(ii) - single provider.
Health Services	Hemocue South Africa	12 701,71	Sec 36(1)(a)(ii) - single provider.
Legal & Administration	Margaret Mashiane	1 320,00	Sec 36(1)(a)(ii) - single provider.
Parks & Recreation Services	Aquatronics	1 349,36	Sec 36(1)(a)(ii) - single provider.
Parks & Recreation Services	Industrial Lawn Equipment	1 094,40	Sec 36(1)(a)(ii) - single provider.
Licensing Services	Government Printing Works	4 898,50	Sec 36(1)(a)(ii) - single provider.
Fire Services	High Pressure Systems	17 414,64	Sec 36(1)(a)(ii) - single provider.
Civil Engineering Services	Werner Sa Pump & Equipment	10 000,00	Sec 36(1)(a)(ii) - single provider.
Parks & Recreation Services	Solly's Delta	846,39	Sec 36(1)(a)(ii) - single provider.
Parks & Recreation Services	Eastvaal Auto & Tractor	2 354,13	Sec 36(1)(a)(ii) - single provider.
Parks & Recreation Services	Barloworld Toyota	698,31	Sec 36(1)(a)(ii) - single provider.
Parks & Recreation Services	Barloworld Equipment	843,02	Sec 36(1)(a)(ii) - single provider.
Parks & Recreation Services	Eastvaal Auto & Tractor	471,73	Sec 36(1)(a)(ii) - single provider.
Civil Engineering Services	Manour (Pty) Ltd	7 635,12	Sec 36(1)(a)(ii) - single provider.
Civil Engineering Services	Afrilab	9 610,00	Sec 36(1)(a)(ii) - single provider.
Finances	Mid Alarms	1 435,00	Sec 36(1)(a)(ii) - single provider.

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Department	Supplier	Amount (VAT incl.) R	Reason for deviation
May 2009			
Finances	Group 4 Securicor	3 759,72	Section 36(1)(a)(ii) - single provider.
Finances	Coin Security Group	4 628,40	Section 36(1)(a)(ii) - single provider.
Finances	Nashua Mpumalanga	2 161,44	Section 36(1)(a)(v) - exceptional case.
Traffic & Security Services	Magna FS	9 165,60	Section 36(1)(a)(v) - exceptional case.
Municipal Building Services	Otis (Pty) Ltd	17 157,00	Section 36(1)(a)(v) - exceptional case.
PMU	Aurecon South Africa (Pty) Ltd	71 820,00	Section 36(1)(a)(v) - exceptional case.
Health Services	Bison Mining Supplies	7 163,70	Section 36(1)(a)(v) - exceptional case.
Property Valuation Services	Maruis Britz	6 250,00	Section 36(1)(a)(v) - exceptional case.
Parks & Recreation Services	Secunda Turf & Industrial Supplies	1 887,49	Section 36(1)(a)(v) - exceptional case.
Traffic & Security Services	Automotor Traffic Signal	12 394,00	Section 36(1)(a)(v) - exceptional case.
Finances	Cecil Nurse	23 664,22	Section 36(1)(a)(v) - exceptional case.
Licensing Services	Coin Security Group	2 320,00	Section 36(1)(a)(v) - exceptional case.
Traffic & Security Services	Sprayair And Power	3 640,02	Section 36(1)(a)(v) - exceptional case.
Civil Engineering Services	HPD Drilling	30 000,00	Section 36(1)(a)(v) - exceptional case.
Legal & Administration	Raslo Musiek	2 569,00	Section 36(1)(a)(v) - exceptional case.
Legal & Administration	O H Frewin	3 221,64	Section 36(1)(a)(v) - exceptional case.
IT Services	AOC Geomatics (Pty)Ltd	67 830,00	Section 36(1)(a)(v) - exceptional case.
Solid Waste Management Services	F Z Engineering	11 597,22	Section 36(1)(a)(v) - exceptional case.
Human Resource Management Services	Skycom (Pty) Ltd	44 745,00	Section 36(1)(a)(v) - exceptional case.
Traffic & Security Services	Blastrite	27 324,66	
Parks & Recreation Services	Bee Hive Trading CC	49 991,29	

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May 2009			
Legal & Administration	Kanonkop Spar	71 400,00	
June 2009			
Municipal Building Services	Middelburg Sleutels & Slotte	3 500,01	Section 36(1)(a)(i) - emergency case.
Parks & Recreation Services	Beehive Trading	29 512,32	Section 36(1)(a)(i) - emergency case.
Parks & Recreation Services	Impala Glas & Omheining	12 198,50	Section 36(1)(a)(i) - emergency case.
Municipal Building Services	Pro - Steel & Mining	3 798,48	Section 36(1)(a)(i) - emergency case.
Traffic Services	Traffic Signals	11 821,80	Section 36(1)(a)(i) - emergency case.
IDP / PMS	KPMG Services (Pty) Ltd	55 140,00	Section 36(1)(a)(i) - emergency case.
Parks & Recreation Services	African Lawnmower Blades	7 383,20	Section 36(1)(a)(i) - emergency case.
Parks & Recreation Services	MP B Civil	99 466,83	Section 36(1)(a)(i) - emergency case.
Legal & Administration	Government Printing Works	5 996,00	Section 36(1)(a)(ii) - single provider.
Communications	GMFM	12 950,00	Section 36(1)(a)(ii) - single provider.
Health Services	Ikebana Appliances Services	1 705,00	Section 36(1)(a)(ii) - single provider.
Civil Engineering Services	Mpumalanga Dumo	23 273,10	Section 36(1)(a)(ii) - single provider.
Electrical Engineering Services	Electra Highveld	20 577,00	Section 36(1)(a)(ii) - single provider.
Legal & Administration	Government Printing Works	328,73	Section 36(1)(a)(ii) - single provider.
Legal & Administration	Mbungiswa Transport	980,00	Section 36(1)(a)(v) - exceptional case.
MPU	TGIS	27 360,00	Section 36(1)(a)(v) - exceptional case.
Health Services	Lorent Orthopedic Medical	4 161,00	Section 36(1)(a)(v) - exceptional case.
Legal & Administration	Mbungiswa Transport	4 980,00	Section 36(1)(a)(v) exceptional case.
IT Services	PG Computer Services	9 110,88	Section 36(1)(a)(v) exceptional case.

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June 2009			
IT Services	Vizual Solutions	1 875,80	Section 36(1)(a)(v) - exceptional case.
Civil Engineering Services	Chubb Security	1 885,00	Section 36(1)(a)(v) - exceptional case.
Municipal Manager	Mbungiswa Transport	13 280,00	Section 36(1)(a)(v) - exceptional case.
Communications	Martin Mokgoatjana	7 200,00	Section 36(1)(a)(v) - exceptional case.