

**STATEMENTOFCHANGESINNETASSETS/EQUITY
fortheyearended31March2003**

	2002/03 R'000	2001/02 R'000
Recoverablerevenue		
Openingbalance	27	
TransfertoRevenueFund	(14)	
Debtsraised	170	27
Closingbalance	183	27
TOTALEQUITY	183	27

**CASHFLOWSTATEMENT
fortheyearended31March2003**

	Note	2002/03 R'000	2001/02 R'000
CASHFLOWSFROMOPERATINGACTIVITIES			
Netcashflowgeneratedbyoperatingactivities	16	412,067	384,169
Cashgenerated(utilised)to(increase)/decreaseworkingcapital	17	3,746	(26,261)
VotedfundsandRevenuefundssurrendered	18	(54,704)	(401)
Netcashflowavailablefromoperatingactivities		361,109	357,507
CASHFLOWSFROMINVESTINGACTIVITIES			
Purchaseofequipment	5	(299)	(1,439)
Transferpayments(Capital)	7	(384,666)	(329,021)
Netcashflowsfromoperatingandinvestingactivities		(23,856)	27,047
Netincrease/(decrease)incashandcashequivalents		(23,856)	27,047
Cashandcashequivalentsatbeginningofperiod		27,047	
Cashandcashequivalentsatendofperiod	10	3,191	27,047

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2003**

1 Charge to Provincial Revenue Fund

1.1 Included in the above are funds specifically and exclusively appropriated for the Department (Equitable share):

Programmes	Total Appropriation 2002/03 R'000	Actual R'000	Variance over/(under) R'000	Total Appropriation 2001/02 R'000
1. Administration	18,698	18,698		21,036
2. Housing	441,297	441,297		384,406
3. Development planning	4,674	4,674		20,698
4. Local government services	8,880	8,880		51,195
5. Restructuring	10,332	10,332		11,741
Special functions				30
TOTAL	483,881	483,881		489,106

Own revenue in respect of the 2002/03 financial year consists of voted down revenue of R217 000 and an over-collection on own revenue of R118 2000.

1.2 Conditional grants	Note	2002/03 R'000	2001/02 R'000
Total grants received	Annexure 1A	409,479	373,860

1.3 The reasons for the underspending on the Human settlement redevelopment programme are restated in Annexure 1B. Application was made to the Provincial Treasury for the roll-over of all unspent funds.

	2002/03 R'000	2001/02 R'000
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2 Other revenue to be surrendered to the revenue fund

Description		
Recovery of loans and advances	128	185
Subsidised motor transport	114	185
Contract debt	14	
Monies prescribed by law/ordinances		
Access to information	1	1
Monies not prescribed by law/ordinances	89	67
Miscellaneous capital receipts	17	20
Administration fees	50	44
Other	22	3
Miscellaneous		
Refunds previous years	1,181	147
	1,399	400
Less own revenue budget	(217)	(267)
	1,182	133

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		2002/03 R'000	2001/02 R'000
3	Personnel		
3.1	Current expenditure		
	Appropriation to Executive and Legislature	835	1,198
	Basic salary costs	35,903	41,858
	Pension contributions	5,105	6,158
	Medical aid contributions	2,661	3,144
	Other salary related costs	7,182	8,113
	Total Personnel Costs	51,686	60,471
	Average number of employees	470	623
4	Inventories	2002/03 R'000	2001/02 R'000
4.1	Current expenditure		
	Inventories purchased during the year		
	Publications, printing and binding	145	409
	Stationery	312	345
	Photocopy paper	196	123
	Protective clothing	84	69
	Computer requisites	392	197
	Other	54	87
	Total cost of inventories	1,183	1,230
4.2	Inventories on hand at year end (for disclosure purposes only)		
			Costing method used
	Photocopy paper	24	FIFO
	Envelopes	30	
	Printer cartridges and toners	37	
	Filing/binding accessories	36	
	Forms	46	
	Other	46	
	Total inventories on hand	219	
	The value of inventory on hand disclosed is for main store		
5	Machinery and Equipment	2002/03 R'000	2001/02 R'000
	Current (Rentals, maintenance and sundry net of cash discounts)	414	471
	Capital	299	1,439
	Total current and capital expenditure	713	1,910
5.1	Capital machinery and equipment analysed as follows:		
	Computer equipment	36	770
	Furniture and office equipment	241	659
	Other machinery and equipment	22	10
	Total capital machinery and equipment	299	1,439

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6	Professional and special services		2002/03 R'000	2001/02 R'000
6.1	Current expenditure			
	Auditors' remuneration		1,802	1,736
	Legal fees (State Attorney and private)		359	1,716
	Contractors		46	66
	Consultants and advisory services		1,551	5,219
	Board members		345	396
	Human Resource Development		1,556	1,437
	Other		126	102
	Total Professional and special services		5,785	10,672
7	Transfer payments		2002/03 R'000	2001/02 R'000
	Total transfer payments made	Note Annexure 1B, 1C&1D	392,713	352,375
7.1	Analysis of payments			
	Capital		384,666	329,021
	Current		8,047	23,354
			392,713	352,375
8	Miscellaneous		2002/03 R'000	2001/02 R'000
8.1	Current Expenditure	Note		
	Remissions, refunds and payments made as an act of grace			1
	Gifts, donations and sponsorships made	8.2	35	26
	Thefts and losses			30
	Ex Gratiapayments			1
	Other			
	Pensions surplus staff		202	56
	Local Authorities Medical Aid Fund (LAMA F)		65	106
	Group insurance		37	2
	Claims against the State			1,505
	Total miscellaneous expenditure		339	1,727
8.2	Gifts, donations and sponsorships paid in cash by the department (item expensed during the current year)			
	Nature of gifts, donations and sponsorships			
	Provincial corporate gifts		35	7
	Sponsorships			19
	Total		35	26
9	Analysis of surplus		2002/03 R'000	2001/02 R'000
	Voted funds (including spendable revenue) to be surrendered to the Provincial Revenue Fund		25,703	53,309
	Nonvoted funds			
	Other revenue to be surrendered to the Revenue Fund		1,182	133
	Total		26,885	53,442

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10	Cash and cash equivalents	Note	2002/03 R'000	2001/02 R'000
	Paymaster General Account		1,151	5,331
	Temporary investment	12	2,040	21,716
			3,191	27,047
11	Receivables-current	Note	2002/03 R'000	2001/02 R'000
	Amounts owing by other departments		101,743	101,434
	Consolidated Municipal Infrastructure Programme (CMIP)			353
	Staff debtors	11.3	26	46
	Other debtors	11.4	1,508	386
	Advances	11.5	97	16
	Journal line errors suspense		14	
	Suspense: Miscellaneous		27	
	Interresponsibility clearance control		25,518	
			128,933	102,235
11.1	Amounts of R389 000 (2002: R308 000) included above may not be recoverable, but has not been written off in the income statement.			
11.2	Age analysis – receivables current			
	Less than one year		26,803	101,927
	One to two years (List material amounts)		101,523	12
	More than two years (List material amounts)		607	296
			128,933	102,235
11.3	Staff debtors			
	Personnel debt		26	46
			26	46
11.4	Other debtors			
	Debtors: Provincial		436	211
	Loss control account		162	163
	Warrant vouchers: Fraud external		9	9
	Miscellaneous debt		214	
	Miscellaneous disallowances		671	
	Other		16	3
			1,508	386
11.5	Advances			
	Nature of advances			
	Subsistence and travel advances		97	16
			97	16
12	Investments		2002/03 R'000	2001/02 R'000
	Investee	Nature of investment		
	Provincial Treasury	Temporary investment	2,040	21,716
			2,040	21,716

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13 Voted fundstobesurrendered		2002/03 R'000	2001/02 R'000
	Note		
Openingbalance		53,309	
Transferfromincomestatementlessexcessonownrevenuebudget		25,703	53,309
Paidduringtheyear	18	53,309	
Closingbalance		<u>25,703</u>	<u>53,309</u>
14 Revenuefundstobesurrendered		2002/03 R'000	2001/02 R'000
	Note		
Openingbalance		(1)	
Totalrevenuecollected	2	1,399	400
Paidduringtheyear	18	1,395	401
Closingbalance		<u>3</u>	<u>(1)</u>
15 Payables-current		2002/03 R'000	2001/02 R'000
	Note		
Description			
Amountsowingtootherdepartments			
IntegratedServicedLandProject		28,756	50,870
MasakhaneProject			311
WesternCapeHousingDevelopmentFund	Annex2	52,161	18,840
Otherpayables	15.1	25,318	5,926
		<u>106,235</u>	<u>75,947</u>
15.1 Otherpayables			
Fleetmaninterfacingcontrolaccount			151
Warrantvoucherscancelledandre-issued		3	118
Receiptsuspenseaccount		25,314	24
Suspense:Miscellaneous			5,613
Persalcontrolaccounts(SARS,Medicalfunds,etc.)		1	20
		<u>25,318</u>	<u>5,926</u>
16 Nettcashflowgeneratedbyoperatingactivities		2002/03 R'000	2001/02 R'000
	Note		
NetsurplusasperIncomeStatement		26,885	53,442
Adjustedforitemsseparatelydisclosed		385,182	330,727
Capitalexpenditureincludedintransferpayments	7	384,666	329,021
Capitalexpenditure	5	299	1,439
Ownrevenuebudget		217	267
Nettcashflowgeneratedbyoperatingactivities		<u>412,067</u>	<u>384,169</u>
17 Cashgenerated(utilised)to(increase)/decreaseworkingcapital		2002/03 R'000	2001/02 R'000
(Increase)/decreaseinreceivables–current		(26,542)	(101,950)
Increase/(decrease)inpayables		30,288	75,689
		<u>3,746</u>	<u>(26,261)</u>
18 VotedfundsandRevenuefundssurrendered			
	Note		
Votedfundssurrendered	13	53,309	
Revenuefundssurrenderedinexcessofownrevenue budget	14	1,395	401
		<u>54,704</u>	<u>401</u>

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2003**

These amounts are not recognised in the financial statements, and are disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 5 of 2002.

19 Contingent liabilities

Liability	Nature	Note	2002/03 R'000	2001/02 R'000
Motor vehicle guarantees	Employees	Annexure 3		53
Housing loan guarantees	Employees	Annexure 3	671	953
Claims			75	5,000
			746	6,006

20 Commitments

	2002/03 R'000	2001/02 R'000
Current expenditure		
Approved and contracted/ordered	755	22,485
	755	22,485
Capital expenditure		
Approved and contracted/ordered	18,472	12,869
	18,472	12,869
Total Commitments	19,227	35,354

The comparative figures for commitments in respect of 2001/02 were adjusted to include contractual commitments in respect of transfer payments and to rectify the economic classification of disaster management software commitment.

21 Accruals

	2002/03 R'000	2001/02 R'000
Listed by standard item		
Administrative expenditure	85	26
Stores and livestock	17	23
Equipment	1	33
Professional and special services	33	
	136	82
Listed by programme		
Programme 1: Administration	82	33
Programme 2: Housing	54	25
Programme 3: Development planning		11
Programme 4: Local government		13
	136	82

22 Employee benefits

	2002/03 R'000	2001/02 R'000
Leave entitlement	5,686	10,163
Thirteenth cheque	1,103	1,077
Performance bonus	161	135
	6,950	11,375

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23 Leases

23.1 Operating leases (Rentals of photostat and fax machines)

	2002/03 R'000	2001/02 R'000
(Nashua, Minolco, Canon, Pansolutions, Technofin)		
Not later than 1 year	389	
Later than 1 year and not later than 3 years	268	
Later than 3 years	327	
	<hr/> 984	
Future finance charges		
Present value of lease liabilities	<hr/> 984 <hr/>	

24 Irregular expenditure

	2002/03 R'000	2001/02 R'000
24.1 Reconciliation of irregular expenditure		
Irregular expenditure – current year (awaiting condonement)	247	
	<hr/> 247 <hr/>	

Note

25 Key management personnel

25.1 Remuneration

The Provincial Minister(s), the Accounting Officer (AO) and all other members of the Senior Management Service (SMS) are classified as key management personnel. The AO's total remuneration for the financial year was R0,568m, while R0,835m was paid to the respective Provincial Ministers. The total remuneration for the other key management personnel was R2,931m. Included in the above are cash bonuses amounting to R0,189m paid to the qualifying SMS personnel during the year.