



## MANAGEMENT REPORT FOR THE YEAR ENDED 31 MARCH 2004

Report by the Accounting Officer to the Executive Authority and the Members of the Western Cape Provincial Parliament.

### 1. General review of the state of affairs

The Department was faced with numerous policy decisions and strategic issues during the period under review, which includes inter alia, the following:

The passing of the Western Cape Tourism Act 2004 that was the result of four years of consultation, policy making and development. The Act establishes a Destination Marketing Organisation (DMO) for Cape Town and the Western Cape and pools all the marketing efforts of both the City of Cape Town and the provincial government of the Western Cape to ensure maximum benefits from limited resources.

Our 10 year Tourism Development Strategy, the Integrated Tourism Development Framework (ITDF) was widely used by other government departments (at local, provincial and national levels) during the financial year to inform developments in their areas of expertise. As a result of the ITDF, the Cape Agulhas Tourism Development Framework was developed by the Department. This framework was used as a basis by the Western Cape Department of Transport and Public Works to invest in the Cape Agulhas Road linking the towns of Gansbaai in the east to Elim, Bredasdorp and the southern most tip of Africa in the West. Work on the road is expected to start in the current MTEF period.

By far the most important policy decisions impacting on the Directorate were the agreements reached at the Provincial Growth and Development Summit (PGDS) and implications for



**Head of Department:**  
It is our business to create opportunities and provide support to entrepreneurs

sectoral targets. One hundred thousand (100,000) jobs have been set as sectoral job targets, which will start orienting all the work of the directorate. This was supported by iKapa Elihlumayo, with the bulk of the projects emanating from the directorate.

The other policy impacting on the Directorate was the adoption at a national level of the Advanced Manufacturing and Technology Strategy, and expectation that this would be rolled out at a provincial level.

A further area was the development of the framework for the Human Resources Development Strategy, which was co-ordinated by the Directorate. This will have broad implications not only for the Department of Education, but for the wider economy.

In July 2003, the newly completed Cape Town International Convention Centre was opened by President Mbeki. A recent study by the UCT GSB has estimated that the centre will leverage expenditure of R25 billion in the province over the next 10 years.

In March/April 2003, the Cricket World Cup opening was hosted in this province. The event



beamed images of Cape Town and the Western Cape to all corners of the Commonwealth.

In November 2003, the Presidents Cup was hosted in George. The event had an estimated viewing audience of 140 million. The key intervention was the securing of ten 30 second slots per day shown during broadcast time which showcase the best tourism gems the province has to offer.

In November 2003, a highly successful international conference on Tourism Safety and Security was held at the CTICC. Speakers from the US, UK and other parts of Africa added to the value of a conference which identified safety and security as the new driver of tourism economies.

The BEE and SMME development divisions focused on the drawing in of all significant role-players. The province's first BEE conference was an overwhelming success being attended by more than 600 delegates. The outcomes of this conference in turn served as valuable input to another watershed event, the Provincial Growth and Development Summit. The PGDS ensured a workable social contract between all stakeholders and also provided clear milestones and achievements required to realise the objectives of growth and development.

The Learning Cape Festival (LCF) was an important event for the province with more than 500 different events over a 3 month period. The project management of the festival was done from the Directorate.

The Western Cape Tourism Showcase resulted in 140 emerging entrepreneurs being trained to show off their products at the trade show. The show was held in partnership with SATSA, TEP and the WCTB and assisted many entrepreneurs with market access.

The conceptualisation and management of the bidding process regarding the Film Studio Project was carried out by the Directorate. Out of an initial 12 expressions of interest, 3 were approached to form a consortium. This was not realised and the "preferred partner" emerged as the Dreamworld Consortium, who have a concession at Vergenoeg on the N2.

The final major project was the support provided to the Bandwidth Barn, a focused IT incubator housing some 60 small companies. The project is managed by the Cape IT Initiative, a special purpose vehicle dedicated to developing opportunities in ICT.



**Cape Town International Convention Centre (CTICC):**  
Building in progress during 2003



The Local Economic Development component of the Directorate strategically positioned itself to support local government in their economic development responsibilities through the establishment of the first Economic Development Units (EDUs) and the ongoing capacity building of local authorities. The projects supported by this unit had an extreme bias towards job creation and poverty alleviation, but underpinned by principles of sustainability. A noteworthy example of this has been the establishment of the first hydroponics herb farm. This commercial enterprise realised a job creation potential of 95 people of which 90% are women and ex-state maintenance grant beneficiaries. This was in line with the social contract objective as highlighted in the Provincial Growth and Development Summit.

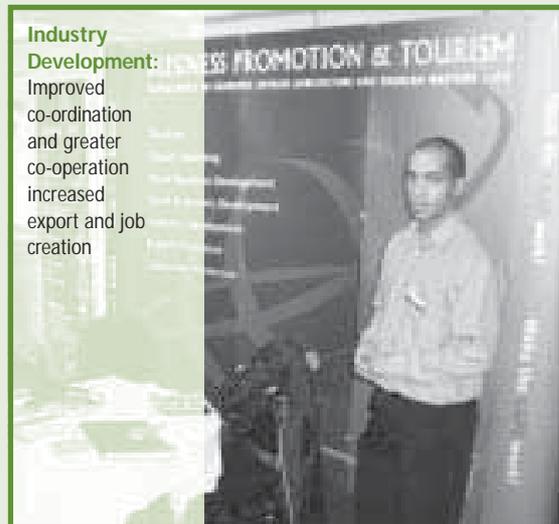
The Cape Gateway Contact Centre, providing one contact channel for government information was launched in June 2003. This project is an important marketing tool for the Western Cape Provincial government as it will form the basis of an effective and efficient communication strategy with external clients.

### Expenditure

The department's original budget allocation for the 2003/04 financial year amounted to R80,724 million. This was divided into four programmes, namely Administration (R10,016 million), Enterprise Development (R23,512 million), Tourism (R40,722 million) and Knowledge Economy and E-Government (R6,474 million).

The main sources of income to capitalise this budget were from the equitable share (R77,074 million) and the departments' own revenue (R3,650 million).

During the Adjustment Estimate process for 2003, the Department was granted an additional amount



#### Industry

**Development:**  
Improved co-ordination and greater co-operation increased export and job creation

of R50,376 million. This was primarily for the establishment of a Ministry in the Department (R2,353 million) and the capitalisation of the iKapa Elihlumayo Programme (R 45,154 million).

The Department effected an overall saving of R1,244 million for the 2003/04 financial year. This was primarily due to a saving on personnel costs as the department was compelled to start its recruitment processes late due to resolution 7 of 2002.

### Revenue:

The Department budgeted an amount of R3,650 for departmental revenue in the 2003/04 financial year. This was to be collected from the following revenue sources namely:

- Liquor licenses; and
- Tourist Guide Registration

The 2003/04 financial year has seen an over collection of revenue originally budgeted, by an amount of R0,390 million. This was primarily due to an improved tourist guide registration system that was put in place and to efficiencies in the collection abilities of the South African Revenue Services (SARS), the collection agency as stipulated in the Liquor Act of 1989, with regard to liquor licenses.



## 2. Services rendered by the Department

The services rendered by this Department include the following:

- the registration of tourist guides; and
- the issuing of liquor licences.

All tariffs are reflected in the tariff register, which was implemented on 1 August 2002. Tariffs are charged at rates approved by the Provincial Treasury. The rates are revised and approved on an annual basis.

## 3. Capacity Constraints

The Department's Corporate Service component, incorporating staff of Human Resources Management, Financial Accounting, Financial Management and Supply Chain Management was only established during December 2003 and is still in the process of personnel recruitment and selection. An Internal Control component must still be established in the department to enhance financial control. Most of the Corporate Service functions were per-

formed by the Department of Transport and Public Works on an agency basis, which meant that financial reports were not readily available to management. With the appointment of key personnel at a latter stage within the financial year, an effective and efficient support service could be rendered to the rest of the Department as well as our service providers. Due to the commitment and dedication of the current personnel, the Department was in a position to meet the requirements of the PFMA in general and render effective and efficient financial administration and management services.

## 4. Public Entities

### WESTERN CAPE INVESTMENT PROMOTION AGENCY (WESGRO)

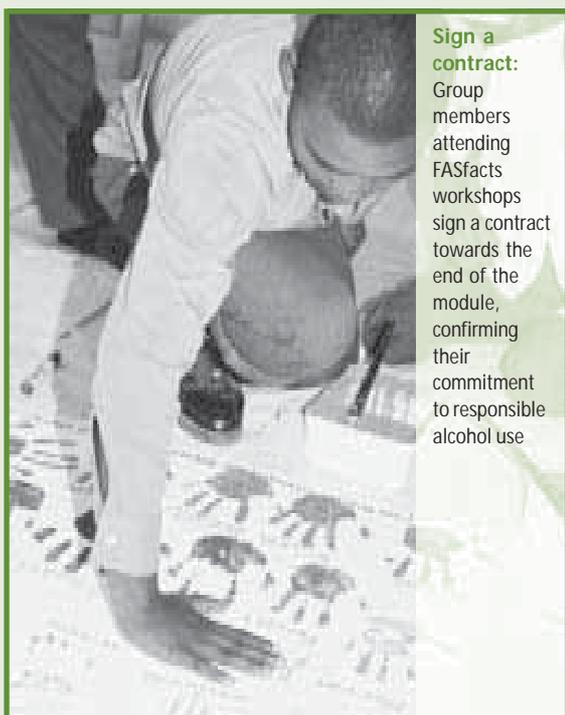
WESGRO was established in terms of the Western Cape Promotion Agency law, of 1996, (Act 3 of 1996). In terms of section 47 (1) of the PFMA, 1999 (act 1 of 1999), the Minister of Finance listed the agency as a Schedule 3, part C provincial public entity with effect from 1 April 2001. The objective of the agency is to promote investment in and trade with the Western Cape.

In the 2003/04 financial year Wesgro underwent significant restructuring that allowed it for the first time to deliver on its full mandate in terms of agreements reached between them and the Provincial and local Government.

A transfer payment to an amount of R1 million was appropriated in the 2003/04 financial year. This was later revised, and increased to R7,461 million after the adjustments estimate for 2003.

### WESTERN CAPE TOURISM BOARD (WCTB)

An amount of R7,291 million was allocated to the Western Cape Tourism Board for the 2003/04 financial year. The purpose was for the operational costs including salaries in order to support the marketing and promotion of tourism in the province.



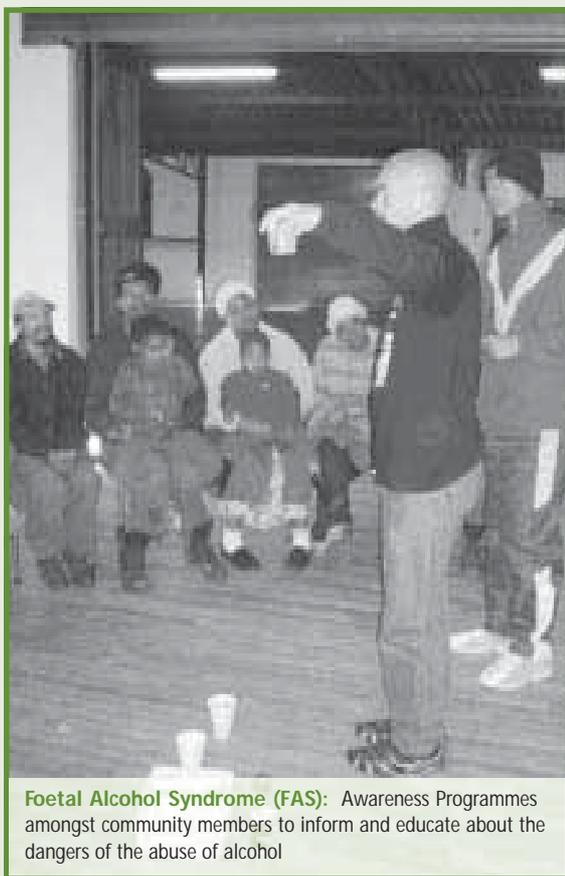
**Sign a contract:** Group members attending FASfacts workshops sign a contract towards the end of the module, confirming their commitment to responsible alcohol use



The Western Cape Tourism Act of 2004 established a Destination Marketing Organisation (DMO) for Cape Town and the Western Cape and pools all the marketing efforts of both the City of Cape Town and the Provincial Government of the Western Cape to ensure maximum benefits from limited resources. This therefore rendered the WCTB defunct as from 31 March 2004 as it was incorporated into the new Destination Marketing Organisation (DMO) that was constituted as of 01 April 2004.

#### 5. Other organisations to which transfer payments have been made

The list of transfers made to other organisations is included in Annexure 1B of the annual financial statements.



**Foetal Alcohol Syndrome (FAS):** Awareness Programmes amongst community members to inform and educate about the dangers of the abuse of alcohol

Most notable of these, are the transfers to municipalities to an amount of R4,705 million. These payments were for the projects stemming from the Integrated Tourism Development Framework (ITDF) (R1,330 million), the Tourism Entrepreneurship Projects (R0,320 million), the direct marketing of the Province (R1,9 million) and for economic development projects on local authorities (R1, 2 million).

#### 6. Corporate governance arrangements

With reference to the fraud prevention policy, the code of conduct and internal control systems, the Department was partially reliant on the agency department for compliance to prescripts.

The Department currently shares the centralised Audit Committee and Internal Audit unit of the Province. A detailed risk assessment is currently being compiled in conjunction with the Internal Audit unit for the Department. During the year under review an adequacy audit of the Liquor licenses process was performed by the Internal Audit unit to ensure effective control.

As a contribution to sound financial practice, all senior management members disclosed their financial interests as required in terms of Chapter 3, regulation C.1 of the Public Service Regulations, 2001.

#### 7. Discontinued activities/activities to be discontinued

The Branch, Knowledge Economy and E Government, established in 2001 in order to facilitate e-government processes in the province has been transferred with all its functions to the Provincial Administration Western Cape (Vote 1) with effect from 1 April 2004.

#### 8. New/Proposed Activities

As from November 2003, the Department was tasked to become the driving force behind the provincial strategic objective of iKapa Elihlumayo.



**Marketing and Community Outreach:** Consumer Rights Education is taken across the province and to festivals, like the KKNK



This was realised by the Capitalisation of the iKapa programme to an amount of R45,154 million shifted from Vote 3: Provincial Treasury during the adjustment estimate appropriation budget.

This programme was tasked with the role of growing the Western Cape into a growing economy, thereby reducing the number of people dependent on social grants.

The strategy to be followed was to develop a Micro Economic Strategy Developments (MEDS) and to develop an economic stimulation programme, which would ensure that key interventions identified in the MEDS are implemented.

The MEDS will provide certainty on the 10-year economic development view of Government. It will provide a firm platform for launching co-ordinated, meaningful and cost-efficient interventions in the economy by all social partners. In addition, the MEDS will be the authoritative reference point for all important views by Provincial Government on economic matters for planners, analysts and investors.

### 9. Events after the reporting date

No material facts or circumstances have occurred between the reporting date and the date of authorisation of issue of this report.

### 10. Progress with Financial Management Improvement

The establishing of the newly created CFO support structure brought about significant improvement to the financial management within the Department. Most of the financial functions done by the agency Department could be devolved to the new components. The department reported regularly through the normative measures framework for financial management, to the Executive Authority and the Provincial Treasury on the progress made with the implementation and compliances of the Public Finance Management Act. The Financial Delegations have been updated to include the Provincial Treasury Instructions in order to enhance the practical execution of the financial prescripts. All relevant staff in the Directorate: Financial Management received training on the Basic Accounting System (BAS), which replaced the Financial Management System (FMS)



### 11. Performance information

Performance agreements have been prepared between the Executive Authority and the Accounting Officer and between the Accounting Officer and the Chief Financial Officer. Performance evaluation is completed on a quarterly basis and is in line with the objectives of the strategic plan.

An approved Strategic Plan for the period 2004/05 to 2006/07, which contains measurable objectives, was tabled timeously in the Provincial Legislature by the Executive Authority.

### 12. Other

The financial statements of the Western Cape Tourism Board and Wesgro do not form part of the Department's financial statements as the Accounting Authorities of the public entities will be compiling separate annual reports that will be tabled by the responsible Executive Authority.

The STATEMENT OF CHANGES IN NET ASSETS is not included in the ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2004, as this department did not have recoverable revenue as at 31 March 2004.

#### Approval

The Annual Financial Statements set out on pages 93 to 123 have been approved by the Accounting Officer.

**Brendon Roberts**  
ACCOUNTING OFFICER  
31 MAY 2004



#### Economic Support:

The Department provides support to SMMEs to assist them towards sustainable economic development



## STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS FOR THE YEAR ENDED 31 MARCH 2004

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material respects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been 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 7 of 2003.

### 1. BASIS OF PREPARATION

The financial statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosures. The reporting entity is in transition from reporting on a cash basis of accounting to reporting on an accrual basis of accounting. Under the cash basis of accounting, transactions and other events are recognised when cash is received or paid. Under the accrual basis of accounting transactions and other events are recognised when incurred and not when cash is received or paid.

### 2. REVENUE

Voted funds are the amounts appropriated to a department in accordance with the final budget known as the Adjusted Estimates of National / Provincial Expenditure. Unexpended voted funds are annually surrendered to the National / Provincial Revenue Fund.

Interest and dividends received are recognised upon receipt of the funds, and no accrual is made for interest or dividends receivable from the last receipt date to the end of the reporting period. They

are recognised as revenue in the financial statements of the Department and then transferred to the National / Provincial Revenue Fund.

### 3. DONOR AID

Donor aid is recognised in the income statement in accordance with the cash basis of accounting.

### 4. CURRENT EXPENDITURE

Current expenditure is recognised in the income statement when the payment is made.

### 5. UNAUTHORISED, IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE

Unauthorised expenditure means:

- the overspending of a vote or a main division within a vote; or
- expenditure that was not made in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Unauthorised expenditure is treated as a current asset in the balance sheet until such expenditure is recovered from a third party or funded from future voted funds.

Irregular expenditure means expenditure, other than unauthorised expenditure, incurred in contravention of or not in accordance with a requirement of any applicable legislation, including:

- the Public Finance Management Act (PFMA),
- the State Tender Board Act, or any regulations made in terms of this act, or
- any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure is treated as expenditure in the Income Statement.





Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful must be recovered from a responsible official (a debtor account should be raised), or the vote if responsibility cannot be determined. It is treated as a current asset in the balance sheet until such expenditure is recovered from the responsible official or funded from future voted funds.

#### 6. DEBTS WRITTEN OFF

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of surplus funds available to the department. No provision is made for irrecoverable amounts.

#### 7. CAPITAL EXPENDITURE

Expenditure for physical items on hand on 31 March 2004, to be consumed in the following financial year, is written off in full when they are received and are accounted for as expenditure in the income statement.

#### 8. INVESTMENTS

Non-current investments excluding marketable securities are shown at cost and adjustments are made only where in the opinion of the accounting officer, the investment is impaired. Where an investment has been impaired, it is recognised as an expense in the period in which the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement.

#### 9. INVESTMENTS IN CONTROLLED ENTITIES

Investments in controlled entities are those entities where the reporting entity has the ability to exercise any of the following powers to govern the financial and operating policies of the entity in order to obtain benefits from its activities:

- to appoint or remove all, or the majority of, the members of that entity's board of directors or equivalent governing body;
- to appoint or remove the entity's chief executive officer;
- to cast all, or the majority of, the votes at meetings of that board of directors or equivalent governing body; or
- to control all, or the majority of, the voting rights at a general meeting of that entity.

Investments in controlled entities are shown at cost.

#### 10. RECEIVABLES

Receivables are not normally recognised under the cash basis of accounting. However, receivables included in the balance sheet arise from cash payments that are recoverable from another party.

Receivables for services delivered are not recognised in the balance sheet as a current asset or as income in the income statement, as the financial statements are prepared on a cash basis of accounting, but are disclosed separately as part of the disclosure notes to enhance the usefulness of the financial statements.

#### 11. PAYABLES

Payables are not normally recognised under the cash basis of accounting. However, payables included in the balance sheet arise from cash receipts that are due to the Provincial / National Revenue Fund or another party.

#### 12. PROVISIONS

A provision is a liability of uncertain timing or amount. Provisions are not normally recognised under the cash basis of accounting, but are disclosed separately as part of the disclosure notes to enhance the usefulness of the financial statements.

#### 13. LEASE COMMITMENTS

Lease commitments for the period remaining from the reporting date until the end of the lease contract are



disclosed as part of the disclosure notes to the financial statements. These commitments are not recognised in the balance sheet as a liability or as expenditure in the income statement as the financial statements are prepared on the cash basis of accounting.

#### 14. ACCRUALS

This amount represents goods / services that have been delivered, but no invoice has been received from the supplier at the year end, OR an invoice has been received but remains unpaid at the reporting date. These amounts are not recognised in the balance sheet as a liability or as expenditure in the income statement as the financial statements are prepared on a cash basis of accounting, but are however disclosed as part of the disclosure notes.

#### 15. EMPLOYEE BENEFITS

##### Short-term employee benefits

The cost of short-term employee benefits is expensed in the income statement in the reporting period when the payment is made. Short-term employee benefits, that give rise to a present legal or constructive obligation, are deferred until they can be reliably measured and then expensed. Details of these benefits and the potential liabilities are disclosed as a disclosure note to the financial statements and are not recognised in the income statement.

##### Termination benefits

Termination benefits are recognised and expensed only when the payment is made.

##### Retirement benefits

The department provides retirement benefits for its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed

in the financial statements of the National / Provincial Revenue Fund and not in the financial statements of the employer department.

##### Medical benefits

The Department provides medical benefits for (certain/all) its employees through defined benefit plans. These benefits are funded by employer and / or employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. No provision is made for medical benefits in the financial statements of the department.

Retirement medical benefits for retired members are expensed when the payment is made to the fund.

#### 16. CAPITALISATION RESERVE

The capitalisation reserve represents an amount equal to the value of the investments and / or loans capitalised for the first time in the previous financial year. On disposal, repayment or recovery, such amounts are transferable to the Revenue Fund.

#### 17. RECOVERABLE REVENUE

Recoverable revenue represents payments made and recognised in the income statement as an expense in previous years due to non-performance in accordance with an agreement, which have now become recoverable from a debtor. Repayments are transferred to the Revenue Fund as and when the repayment is received.

#### 18. COMPARATIVE FIGURES

Where necessary, comparative figures have been restated to conform to the changes in the presentation in the current year. The comparative figures shown in these financial statements are limited to the figures shown in the previous year's audited financial statements and such other comparative figures that the department may reasonably have available for reporting. However, the figures represent only eight months of the financial year as the Department was only established on the 01 August 2002.



## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2004

Programme per sub programme	2003/04						2002/03	
	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings / Under spent (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
1. Administration								
Current	10,970	-1,427	9,543	9,538	5	0%	2,589	2,450
Capital	999	697	1,696	1,459	237	14%	30	-
2. Enterprise Development								
Current	25,962	-122	25,840	25,893	-53	0%	15,588	11,591
Capital	434	774	1,208	793	415	34%	65	13
3. Tourism								
Current	18,665	-738	17,927	17,590	337	2%	16,677	16,048
Capital	22,392	291	22,683	22,444	239	1%	78,081	78,015
4. Knowledge Economy and E Government								
Current	6,461	577	7,038	7,101	-63	-1%	3,907	3,338
Capital	63	63	126	-	126	100%	106	-
5. Ikapa Elihlumayo								
Current	45,154	-115	45,039	45,038	1	0%	-	-
Capital	-	-	-	-	-	0%	-	-
<b>Total</b>	<b>131,100</b>	<b>-</b>	<b>131,100</b>	<b>129,856</b>	<b>1,244</b>	<b>1%</b>	<b>117,043</b>	<b>111,455</b>



## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2004



Direct charge against the Provincial Revenue Fund	2003/04						2002/03	
	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings / Under spent (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Province equitable share	131,100	-	131,100	129,856	1,244	1%	117,043	111,455
<b>Total</b>	<b>131,100</b>	<b>-</b>	<b>131,100</b>	<b>129,856</b>	<b>1,244</b>	<b>1%</b>	<b>117,043</b>	<b>111,455</b>

Economic Classification	2003/04						2002/03	
	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings / Under spent (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
<b>Current</b>								
Personnel	23,825	-7,054	16,771	16,565	206	1%	8,917	8,369
Transfer payments	64,134	950	65,084	64,784	300	0%	21,923	18,954
Other	19,253	4,279	23,532	23,812	-280	-1%	7,921	6,104
<b>Capital</b>								
Transfer payments	22,000	-	22,000	22,000	-	0%	78,000	78,000
Acquisition of capital assets	1,888	1,825	3,713	2,695	1,018	27%	282	28
<b>Total</b>	<b>131,100</b>	<b>-</b>	<b>131,100</b>	<b>129,856</b>	<b>1,244</b>	<b>1%</b>	<b>117,043</b>	<b>111,455</b>

Standard item Classification	2003/04						2002/03	
	Adjusted Appropriation	Virement	Revised Allocation	Actual Expenditure	Savings / Under spent (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Personnel	23,825	-7,054	16,771	16,565	206	1%	8,917	8,369
Administrative	4,528	1560	6,088	6,023	65	1%	2,466	2,330
Inventories	1,817	625	2,442	2,289	153	6%	1,236	1,192
Equipment	3,146	1,468	4,614	4,392	222	5%	607	338
Land and buildings	-	-	-	-	-	0%	-	-
Professional and special services	11,646	2,436	14,082	13,753	329	2%	3,887	2,265
Transfer payments	86,134	950	87,084	86,784	300	0%	99,923	96,954
Miscellaneous	4	15	19	18	1	5%	2	2
Special functions	-	-	-	32	-32	0%	5	5
<b>Total</b>	<b>131,100</b>	<b>-</b>	<b>131,100</b>	<b>129,856</b>	<b>1,244</b>	<b>1%</b>	<b>117,043</b>	<b>111,455</b>



## DETAIL PER PROGRAMME 1 FOR THE YEAR ENDED 31 MARCH 2004

Programme per Sub programme	2003/04						2002/03	
	Adjusted Appropriation	Virement	Final Allocation	Actual Expenditure	Savings / Under spent (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
1.1 Sub programme 1								
Current	1,914	-	1,914	1,785	129	7%	-	-
Capital	39	400	439	415	24	5%	-	-
1.2 Sub programme 2								
Current	9,056	-1,427	7,629	7,753	-124	-2%	2,589	2,450
Capital	960	297	1,257	1,044	213	17%	30	-
<b>Total</b>	<b>11,969</b>	<b>-730</b>	<b>11,239</b>	<b>10,997</b>	<b>242</b>	<b>2%</b>	<b>2,619</b>	<b>2,450</b>

Economic Classification	2003/04						2002/03	
	Adjusted Appropriation	Virement	Final Allocation	Actual Expenditure	Savings / Under spent (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current								
Personnel	7,355	-2,225	5,130	5,017	113	2%	1,949	1,825
Transfer payments	-	-	-	-	-	0%	-	-
Other	3,615	798	4,413	4,521	-108	-2%	640	625
Capital								
Transfer payments	-	-	-	-	-	0%	-	-
Acquisition of capital assets	999	697	1,696	1,459	237	14%	30	-
<b>Total</b>	<b>11,969</b>	<b>-730</b>	<b>11,239</b>	<b>10,997</b>	<b>242</b>	<b>2%</b>	<b>2,619</b>	<b>2,450</b>

Standard item Classification	2003/04						2002/03	
	Adjusted Appropriation	Virement	Final Allocation	Actual Expenditure	Savings / Under spent (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Personnel	7,355	-2,225	5,130	5,017	113	2%	1,949	1,825
Administrative	1,493	10	1,503	1,627	-124	-8%	471	469
Inventories	503	519	1,022	903	119	12%	55	55
Equipment	1,756	331	2,087	2,056	31	1%	94	54
Land and buildings	-	-	-	-	-	0%	-	-
Professional and special services	862	620	1,482	1,347	135	9%	44	41
Transfer payments	-	-	-	-	-	0%	-	-
Miscellaneous	-	15	15	15	-	0%	2	2
Special functions	-	-	-	32	-32	0%	4	4
<b>Total</b>	<b>11,969</b>	<b>-730</b>	<b>11,239</b>	<b>10,997</b>	<b>242</b>	<b>2%</b>	<b>2,619</b>	<b>2,450</b>



## DETAIL PER PROGRAMME 2 FOR THE YEAR ENDED 31 MARCH 2004

Programme per Sub programme	2003/04						2002/03	
	Adjusted Appropriation	Virement	Final Allocation	Actual Expenditure	Savings / Under spent (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
1.1 Sub programme 1								
Current	10,812	-180	10,632	10,632	-	0%	6,607	3,809
Capital	62	114	176	68	108	61%	10	-
1.2 Sub programme 2								
Current	6,791	176	6,967	7,099	-132	-2%	3,757	3,299
Capital	155	287	442	303	139	31%	28	13
1.3 Sub programme 3								
Current	8,359	-118	8,241	8,162	79	1%	5,224	4,483
Capital	217	373	590	422	168	28%	27	-
<b>Total</b>	<b>26,396</b>	<b>652</b>	<b>27,048</b>	<b>26,686</b>	<b>362</b>	<b>1%</b>	<b>15,653</b>	<b>11,604</b>

Economic Classification	2003/04						2002/03	
	Adjusted Appropriation	Virement	Final Allocation	Actual Expenditure	Savings / Under spent (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current								
Personnel	10,617	-2,808	7,809	7,795	14	0%	4,423	4,102
Transfer payments	8,644	400	9,044	8,844	200	2%	7,681	4,759
Other	6,701	2,286	8,987	9,254	-267	-3%	3,484	2,718
Capital								
Transfer payments	-	-	-	-	-	0%	-	-
Acquisition of capital assets	434	774	1,208	793	415	34%	65	25
<b>Total</b>	<b>26,396</b>	<b>652</b>	<b>27,048</b>	<b>26,686</b>	<b>362</b>	<b>1%</b>	<b>15,653</b>	<b>11,604</b>

Standard item Classification	2003/04						2002/03	
	Adjusted Appropriation	Virement	Final Allocation	Actual Expenditure	Savings / Under spent (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Personnel	10,617	-2,808	7,809	7,795	14	0%	4,423	4,102
Administrative	1,619	1,403	3,022	3,033	-11	0%	1,371	1,282
Inventories	523	428	951	946	5	1%	549	507
Equipment	750	726	1,476	1,454	22	1%	215	118
Land and buildings	-	-	-	-	-	0%	-	-
Professional and special services	4,243	503	4,746	4,612	134	3%	1,413	835
Transfer payments	8,644	400	9,044	8,844	200	2%	7,681	4,759
Miscellaneous	-	-	-	2	-2	0%	-	-
Special functions	-	-	-	-	-	0%	1	1
<b>Total</b>	<b>26,396</b>	<b>652</b>	<b>27,048</b>	<b>26,686</b>	<b>362</b>	<b>1%</b>	<b>15,653</b>	<b>11,604</b>





## DETAIL PROGRAMME 3 FOR THE YEAR ENDED MARCH 2004

Programme per Sub programme	2003/04						2002/03	
	Adjusted Appropriation	Virement	Final Allocation	Actual Expenditure	Savings / Under spent (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
1.1 Sub programme 1								
Current	14,213	-846	13,367	13,278	89	1%	8,896	9,931
Capital	22,250	286	22,536	22,408	128	1%	78,030	78,012
1.2 Sub programme 2								
Current	4,452	108	4,560	4,312	248	5%	7,781	6,117
Capital	142	5	147	36	111	76%	51	3
<b>Total</b>	<b>41,057</b>	<b>-447</b>	<b>40,610</b>	<b>40,034</b>	<b>576</b>	<b>1%</b>	<b>94,758</b>	<b>94,063</b>

Economic Classification	2003/04						2002/03	
	Adjusted Appropriation	Virement	Final Allocation	Actual Expenditure	Savings / Under spent (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current								
Personnel	3,540	-1,690	1,850	1,787	63	3%	1,111	1,073
Transfer payments	12,291	550	12,841	12,741	100	1%	13,432	13,435
Other	2,834	402	3,236	3,062	174	5%	2,134	1,552
Capital								
Transfer payments	22,000	-	22,000	22,000	-	0%	78,000	78,000
Acquisition of capital assets	392	291	683	444	239	35%	81	3
<b>Total</b>	<b>41,057</b>	<b>-447</b>	<b>40,610</b>	<b>40,034</b>	<b>576</b>	<b>1%</b>	<b>94,758</b>	<b>94,063</b>

Standard item Classification	2003/04						2002/03	
	Adjusted Appropriation	Virement	Final Allocation	Actual Expenditure	Savings / Under spent (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Personnel	3,540	-1,690	1,850	1,787	63	3%	1,111	1,073
Administrative	874	279	1,153	954	199	17%	396	395
Inventories	582	-279	303	278	25	8%	584	583
Equipment	472	352	824	681	143	17%	128	66
Land and buildings	-	-	-	-	-	0%	-	-
Professional and special services	1,294	341	1,635	1,593	42	3%	1,107	511
Transfer payments	34,291	550	34,841	34,741	100	0%	91,432	91,435
Miscellaneous	4	-	4	-	4	100%	-	-
Special functions	-	-	-	-	-	0%	-	-
<b>Total</b>	<b>41,057</b>	<b>-447</b>	<b>40,610</b>	<b>40,034</b>	<b>576</b>	<b>1%</b>	<b>94,758</b>	<b>94,063</b>



## DETAIL PER PROGRAMME 4 FOR THE YEAR ENDED 31 MARCH 2004

Programme per Sub programme	2003/04						2002/03	
	Adjusted Appropriation	Virement	Final Allocation	Actual Expenditure	Savings / Under spent (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
1.1 Sub programme 1								
Current	3,297	-647	2,650	2,680	-30	-1%	1,526	1,297
Capital	8	63	71	-	71	100%	86	-
1.2 Sub programme 2								
Current	3,164	1,224	4,388	4,421	-33	-1%	2,381	2,041
Capital	55	-	55	-	55	100%	20	-
<b>Total</b>	<b>6,524</b>	<b>640</b>	<b>7,164</b>	<b>7,101</b>	<b>63</b>	<b>1%</b>	<b>4,013</b>	<b>3,338</b>

Economic Classification	2003/04						2002/03	
	Adjusted Appropriation	Virement	Final Allocation	Actual Expenditure	Savings / Under spent (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current								
Personnel	2,313	-331	1,982	1,967	15	1%	1,434	1,369
Transfer payments	245	-	245	245	-	0%	810	760
Other	3,903	908	4,811	4,889	-78	-2%	1,663	1,209
Capital								
Transfer payments	-	-	-	-	-	0%	-	-
Acquisition of capital assets	63	63	126	-	126	100%	106	-
<b>Total</b>	<b>6,524</b>	<b>640</b>	<b>7,164</b>	<b>7,101</b>	<b>63</b>	<b>1%</b>	<b>4,013</b>	<b>3,338</b>

Standard item Classification	2003/04						2002/03	
	Adjusted Appropriation	Virement	Final Allocation	Actual Expenditure	Savings / Under spent (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Personnel	2,313	-331	1,982	1,967	15	1%	1,434	1,369
Administrative	542	-140	402	398	4	1%	228	184
Inventories	209	-43	166	163	3	2%	48	47
Equipment	168	59	227	202	25	11%	170	100
Land and buildings	-	-	-	-	-	0%	-	-
Professional and special services	3,047	1,095	4,142	4,126	16	0%	1,323	878
Transfer payments	245	-	245	245	-	0%	810	760
Miscellaneous	-	-	-	-	-	0%	-	-
Special functions	-	-	-	-	-	0%	-	-
<b>Total</b>	<b>6,524</b>	<b>640</b>	<b>7,164</b>	<b>7,101</b>	<b>63</b>	<b>1%</b>	<b>4,013</b>	<b>3,338</b>





## DETAIL PER PROGRAMME 5 FOR THE YEAR ENDED 31 MARCH 2004

Programme per Sub programme	2003/04						2002/03	
	Adjusted Appropriation	Virement	Final Allocation	Actual Expenditure	Savings / Under spent (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
1.1 Sub programme 1								
Current	45,154	-115	45,039	45,038	1	0%	-	-
Capital	-	-	-	-	-	0%	-	-
<b>Total</b>	<b>45,154</b>	<b>-115</b>	<b>45,039</b>	<b>45,038</b>	<b>1</b>	<b>0%</b>	<b>-</b>	<b>-</b>

Economic Classification	2003/04						2002/03	
	Adjusted Appropriation	Virement	Final Allocation	Actual Expenditure	Savings / Under spent (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current								
Personnel	-	-	-	-	-	0%	-	-
Transfer payments	42,954	-	42,954	42,954	-	0%	-	-
Other	2,200	-115	2,085	2,084	1	0%	-	-
Capital								
Transfer payments	-	-	-	-	-	0%	-	-
Acquisition of capital assets	-	-	-	-	-	0%	-	-
<b>Total</b>	<b>45,154</b>	<b>-115</b>	<b>45,039</b>	<b>45,038</b>	<b>1</b>	<b>0%</b>	<b>-</b>	<b>-</b>

Standard item Classification	2003/04						2002/03	
	Adjusted Appropriation	Virement	Final Allocation	Actual Expenditure	Savings / Under spent (Excess)	Expenditure as % of revised allocation	Revised Allocation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Personnel	-	-	-	-	-	0%	-	-
Administrative	-	8	8	8	-	0%	-	-
Inventories	-	-	-	-	-	0%	-	-
Equipment	-	-	-	-	-	0%	-	-
Land and buildings	-	-	-	-	-	0%	-	-
Professional and special services	2,200	-123	2,077	2,076	1	0%	-	-
Transfer payments	42,954	-	42,954	42,954	-	0%	-	-
Miscellaneous	-	-	-	-	-	0%	-	-
Special functions	-	-	-	-	-	0%	-	-
<b>Total</b>	<b>45,154</b>	<b>-115</b>	<b>45,039</b>	<b>45,038</b>	<b>1</b>	<b>0%</b>	<b>-</b>	<b>-</b>



# NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2004

## 1. DETAIL OF CURRENT AND CAPITAL TRANSFERS AS PER APPROPRIATION ACT (AFTER VIREMENT):

Detail of these transactions can be viewed in note 7 (Transfer payments) and Annexure 1A and 1B to the annual financial statements.

## 2. DETAIL OF SPECIFICALLY AND EXCLUSIVELY APPROPRIATED AMOUNTS VOTED (AFTER VIREMENT):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the annual financial statements.

## 3. DETAIL OF SPECIAL FUNCTIONS (THEFT AND LOSSES)

Detail of these transactions per programme can be viewed in note 9.2 (Details of special functions (theft and losses)) to the annual financial statements.

## 4. EXPLANATIONS OF MATERIAL VARIANCES FROM AMOUNTS VOTED (AFTER VIREMENT):

### 4.1 PER PROGRAMME:

Programme 1: Administration R 242 000

Saving due to the late filling of posts

Programme 2: Enterprise Development R 362 000

Saving due to the late filling of posts

Programme 3: Tourism R 576 000

Saving due to the late filling of posts

Programme 4: Knowledge Economy and E Government R 63 000

Saving due to the late filling of posts

Programme 5: iKapa Elihlumayo R 1000

### 4.2 PER STANDARD ITEM:

Personnel: R 206 000

Saving due to the late filling of posts

Administrative: R 366 000

Saving due to the late filling of posts

Inventories: R 153 000

Saving due to the late filling of posts

Equipment: R 222 000

Saving due to the late filling of posts

Professional and Specialised Services: R 328 000

Saving due to the late filling of posts

Transfer Payments: R 300 000

Saving due to the non-payment of transfer to organisations not providing written assurance in terms of section 38(1j) of the PFMA, Act 1 of 1999





## INCOME STATEMENT (STATEMENT OF FINANCIAL PERFORMANCE) FOR THE YEAR ENDED 31 MARCH 2004

	Note	2003/04 R'000	2002/03 R'000
<b>REVENUE</b>			
Voted funds		<b>131,100</b>	<b>117,043</b>
Annual Appropriation	1	131,100	117,043
Other revenue to be surrendered to the revenue fund	2	390	(38)
<b>TOTAL REVENUE</b>		<b>131,490</b>	<b>117,005</b>
<b>EXPENDITURE</b>			
<b>Current</b>			
Personnel	3	16,565	8,370
Administrative		6,023	2,330
Inventories	4	2,289	1,192
Machinery and Equipment	5	1,697	278
Professional and special services	6	13,753	2,264
Transfer payments	7	64,784	18,954
Miscellaneous	8	18	2
Special functions: authorised losses	9	32	5
<b>Total Current Expenditure</b>	<b>A</b>	<b>105,161</b>	<b>33,395</b>
<b>Capital</b>			
Machinery and Equipment	5	2,695	60
Transfer payments	7	22,000	78,000
<b>Total Capital Expenditure</b>	<b>B</b>	<b>24,695</b>	<b>78,060</b>
<b>TOTAL EXPENDITURE</b>	<b>A+B</b>	<b>129,856</b>	<b>111,455</b>
<b>NET SURPLUS / (DEFICIT) FOR THE YEAR</b>		<b>1,634</b>	<b>5,550</b>
<b>Reconciliation of Net Surplus / (Deficit) for the year</b>			
Voted Funds to be surrendered to the Revenue Fund	12	1,244	5,588
Other Revenue to be surrendered to the Revenue Fund	2	390	(38)
<b>NET SURPLUS / (DEFICIT) FOR THE YEAR</b>		<b>1,634</b>	<b>5,550</b>



**BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS AT 31 MARCH 2004**

	Note	2003/04 R'000	2002/03 R'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	10	-	5,971
Receivables	11	1,603	140
<b>TOTAL ASSETS</b>	<b>A</b>	<b>1,603</b>	<b>6,111</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Voted funds to be surrendered to the Revenue Fund	12	1,244	5,588
Other revenue funds to be surrendered to the Revenue Fund	13	173	220
Bank overdraft	14	133	-
Payables	15	53	303
<b>TOTAL LIABILITIES</b>	<b>B</b>	<b>1,603</b>	<b>6,111</b>
<b>NET ASSETS/LIABILITIES</b>	<b>A-B</b>	<b>-</b>	<b>-</b>



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2004

		2003/04 R'000	2002/03 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash flow generated by operating activities	16	29,979	86,922
Cash generated / (utilised) to (increase) / decrease working capital	17	(1,713)	163
Voted funds and Revenue Funds surrendered	18	(9,675)	(3,054)
<b>Net cash flow available from operating activities</b>		<b>18,591</b>	<b>84,031</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure		24,695	78,060
<b>Net cash flows from operating and investing activities</b>		<b>(6,104)</b>	<b>5,971</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(6104)</b>	<b>5,971</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>5,971</b>	<b>-</b>
<b>Cash and cash equivalents at end of period</b>	<b>14</b>	<b>(133)</b>	<b>5,971</b>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

### 1. Annual Appropriation

1.1 Included are funds appropriated in terms of the Appropriation Act for Provincial Departments (Equitable Share):

Programmes	Total Appropriation 2003/04 R'000	Actual Appropriation Received R'000	Variance over/(under) R'000	Total Appropriation 2002/03 R'000
Programme 1: Administration	11,239	11,239	-	2,619
Programme 2:Enterprise Development	27,048	27,048	-	15,653
Programme 3:Tourism	40,610	40,610	-	94,758
Programme 4:Knowledge Economy and E Government	7,164	7,164	-	4,013
Programme 5:iKapa Elihlumayo	45,039	45,039	-	-
<b>Total</b>	<b>131,100</b>	<b>131,100</b>	<b>-</b>	<b>117,043</b>

Included in the Total appropriation and Actual is the own revenue budget amounting to R 3 650 000

2. Other revenue to be surrendered to revenue fund	Note R'000	2003/04 R'000	2002/03
<b>Description</b>			
Liquor Licences		3,681	3,154
Registration Fees		264	89
Other		95	31
<b>Total revenue collected</b>	<b>13</b>	<b>4,040</b>	<b>3,274</b>
Less: Own revenue budgeted		(3,650)	(3,312)
<b>Total other revenue collected</b>		<b>390</b>	<b>(38)</b>

### 3. Personnel

#### 3.1 Current expenditure

Appropriation to Executive and Legislature	539	-
Basic salary costs	11,670	6,268
Pension contributions	1,424	646
Medical aid contributions	508	250
Other salary related costs	2,424	1,206
	<b>16,565</b>	<b>8,370</b>
<b>Total Personnel Costs</b>	<b>16,565</b>	<b>8,370</b>
Average number of employees	89	66



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

	Note	2003/04 R'000	2003/04 R'000
<b>4. Inventories</b>			
<b>4.1 Current expenditure</b>			
<b>Inventories purchased during the year</b>			
Publications and Subscriptions		227	181
Stationery/printing/binding		865	380
Promotional material		708	479
Audiovisual requisites		314	-
Other		175	152
		<u>2,289</u>	<u>1,192</u>
<b>Total cost of inventories</b>		<b>2,289</b>	<b>1,192</b>
<b>4.2 Inventories at hand at year end</b>			
The department did not have any inventories on hand at year end			
<b>5. Machinery and equipment</b>			
Current (rentals, maintenance and sundry)		1,697	278
Capital	5.1	2,695	60
<b>Total capital and current expenditure</b>		<b>4,392</b>	<b>338</b>
<b>5.1 Capital machinery and equipment expenditure analysed as follows:</b>			
Computer equipment		1,260	37
Furniture and office equipment		411	23
Other machinery and equipment		16	-
Transport		1,008	-
		<u>2,695</u>	<u>60</u>
<b>6. Professional and special services</b>			
<b>6.1 Current expenditure</b>			
Auditors' remuneration		387	4
Contractors		4,640	1,096
Consultants and advisory services		7,388	528
Commissions and committees		347	170
Computer services		-	2
Other		991	464
		<u>13,753</u>	<u>2,264</u>
<b>Total professional and special services</b>		<b>13,753</b>	<b>2,264</b>



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004**

	Note	2003/04 R'000	2003/04 R'000
<b>7. Transfer payments</b>			
Transfers to public entities and institutions	Annexure 1A	15,302	3,950
Other transfers	Annexure 1B	71,482	93,004
		<b>86,784</b>	<b>96,954</b>
<b>Analysis of transfer payments</b>			
Capital		22,000	78,000
Current		64,784	18,954
		<b>86,784</b>	<b>96,954</b>
<b>8. Miscellaneous</b>			
<b>8.1 Current expenditure</b>			
Gifts, donations and sponsorships	8.2	-	2
Other		18	-
Total miscellaneous expenditure		<b>18</b>	<b>2</b>
<b>8.2 Gifts, donations and sponsorships paid in cash by the department (items expensed during the current year)</b>			
Nature of gifts, donations and sponsorships			
Gifts: African dolls, frames, flags			
Chief Director: Tourism: Sweden		-	2
<b>9. Special functions: Authorised losses</b>			
Material losses through criminal conduct	9.1	32	5
		<b>32</b>	<b>5</b>
<b>9.1 Material losses through criminal conduct</b>			
Nature of losses			
Theft of equipment		32	5
		<b>32</b>	<b>5</b>
<b>9.2 Details of special functions (theft and losses)</b>			
Per programme			
Programme 1			
Equipment		32	4
Programme 2			
Equipment		-	1
		<b>32</b>	<b>5</b>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

	Note	2003/04 R'000	2003/04 R'000
<b>10. Cash and cash equivalents</b>			
Paymaster General Account		-	104
Cheques Payable		-	(1170)
ACB Control: EFT Payments		-	(646)
Cash on hand		-	2
Short term investments		-	6,628
		-	<b>5,971</b>
<b>11. Receivables – current</b>			
Amounts owing by other departments	Annexure 4	1,354	10
Staff debtors	11.3	33	25
Other debtors	11.4	127	35
Advances	11.5	89	70
		<b>1,603</b>	<b>140</b>
<b>11.1 Amounts of R 7,000 (2003: R 35,000) included above may not be recoverable, but has not been written off in the income statement.</b>			
<b>11.2 Age analysis – receivables current</b>			
Less than one year		1,599	140
One to two years		4	-
More than two years		-	-
		<b>1,603</b>	<b>140</b>
<b>11.3 Staff debtors</b>			
Private telephone calls		9	11
Departmental debt		7	12
Disallowances control		16	-
Other		1	2
		<b>33</b>	<b>25</b>
<b>11.4 Other debtors</b>			
Theft and losses		4	35
Disallowances		123	-
		<b>127</b>	<b>35</b>
<b>11.5 Advances</b>			
<b>Nature of advances</b>			
S & T Advances		89	70
		<b>89</b>	<b>70</b>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

Note	2003/04 R'000	2003/04 R'000
<b>12. Voted funds to be surrendered to the Revenue Fund</b>		
Opening balance	5,588	-
Transfer from income statement	1,244	5,588
Voted funds not requested / not received	(5,588)	-
<b>Closing balance</b>	<b>1,244</b>	<b>5,588</b>
<b>13. Other revenue funds to be surrendered to the Revenue Fund</b>		
Opening balance	220	-
Transfer from income statement	4,040	3,274
Paid during the year	(4,087)	(3,054)
<b>Closing balance</b>	<b>173</b>	<b>220</b>
<b>14. Bank overdraft</b>		
Paymaster General Account (Exchequer account)	133	-
<b>15. Payables – current</b>		
Description		
Other payables	15.1      53	303
	<b>53</b>	<b>303</b>
<b>15.1 Other payables</b>		
Deduction Account	10	-
ACB Recalls: Persal	10	-
Disallowances : Overpayments	1	-
Disallowances : Previous year	32	-
Funding : Special Projects	-	270
Other	-	33
	<b>53</b>	<b>303</b>
<b>16. Net cash flow generated by operating activities</b>		
Net surplus as per Income Statement	1,634	5,550
Adjusted for items separately disclosed	<b>28,345</b>	<b>81,372</b>
Capital expenditure	24,695	78,060
Own Revenue Budget	3,650	3,312
<b>Net cash flow generated by operating activities</b>	<b>29,979</b>	<b>86,922</b>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

	Note	2003/04 R'000	2003/04 R'000
<b>17. Cash generated (utilised) to (increase)/decrease working capital</b>			
(Increase) / decrease in receivables – current		(1,463)	(140)
Increase / (decrease) in payables – current		(250)	303
		<b>(1,713)</b>	<b>163</b>
<b>18. Voted funds and revenue funds surrendered</b>			
Voted funds surrendered	12	5,588	-
Revenue funds surrendered	13	4,087	3,054
		<b>9,675</b>	<b>3,054</b>



## DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

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 7 OF 2003.

<b>19. Contingent liabilities</b>				
<b>Liable to</b>	<b>Nature</b>	<b>Note</b>	<b>2003/04</b>	<b>2002/03</b>
			<b>R'000</b>	<b>R'000</b>
Motor vehicle guarantees	Employees	Annexure 2	90	85
Housing loan guarantees	Employees	Annexure 2	196	141
			<b>286</b>	<b>226</b>
<b>20. Accruals</b>				
<b>Listed by standard Item</b>				
Administrative			30	20
Inventories			64	47
Equipment			99	5
Professional & Special Services			168	72
			<b>361</b>	<b>144</b>
<b>Listed by programme level</b>				
Programme 1			92	30
Programme 2			212	95
Programme 3			17	-
Programme 4			40	19
			<b>361</b>	<b>144</b>
<b>20.1 The sum of Programme 2 and 3 of the current year will reflect the comparative figure for Programme 2 of the prior year.</b>				
<b>21. Employee benefits</b>				
Leave entitlement			1,795	594
Thirteenth cheque			450	244
Performance bonus			-	83
			<b>2,245</b>	<b>921</b>
<b>21.1 No liability existed for the department with regard to performance bonuses as at 31 March 2004</b>				



## DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

		2003/04 R'000	2002/03 R'000
<b>22. Leases</b>			
<b>22.1 Operating leases</b>	<b>Equipment</b>	<b>Total</b>	<b>Total</b>
Panasonic			
Not later than 1 year	122	122	48
Later than 1 year and not later than 3 years	118	118	48
Later than 3 years	219	219	56
	<b>459</b>	<b>459</b>	<b>152</b>
Minolco			
Not later than 1 year	100	100	117
Later than 1 year and not later than 3 years	10	10	100
Later than 3 years	-	-	10
	<b>110</b>	<b>110</b>	<b>227</b>
Nashua			
Not later than 1 year	42	42	73
Later than 1 year and not later than 3 years	8	8	46
Later than 3 years	-	-	11
	<b>50</b>	<b>50</b>	<b>130</b>
Minolta			
Not later than 1 year	7	7	17
Later than 1 year and not later than 3 years	3	3	7
Later than 3 years	-	-	3
	<b>10</b>	<b>10</b>	<b>27</b>
Olivetti			
Not later than 1 year	195	195	-
Later than 1 year and not later than 3 years	195	195	-
Later than 3 years	162	162	-
	<b>552</b>	<b>552</b>	<b>-</b>
<b>Total Operating leases</b>	<b>1,181</b>	<b>1,181</b>	<b>536</b>
Future finance charges	-	-	78
Present value of lease liabilities	1,181	1,181	458
<b>Total present value of lease liabilities</b>	<b>1,181</b>	<b>1,181</b>	<b>458</b>



**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004**



**23.1 Remuneration**

The aggregate remuneration of the key management of the department and the number of individuals determined on a full time equivalent basis receiving remuneration within this category, showing separately major classes of key management personnel and including a description of each class.

Rank	Number of officials	Aggregate salary	2003/04 R'000	2002/03 R'000
Minister	1	421	421	-
Chief Financial Officer	1	271	271	-
Deputy Director General	2	677	677	325
Chief Director	2	582	582	536
<b>Total</b>		<b>1,951</b>	<b>1,951</b>	<b>861</b>

**23.2 The total amount of all other remuneration and compensation provided to key management during the reporting period showing separately the aggregate amounts provided to:**

Rank	Number of officials	Aggregate salary	2003/04 R'000	2002/03 R'000
Minister	1	127	127	-
Chief Financial Officer	1	106	106	-
Deputy Director General	2	387	387	219
Chief Director	2	335	335	358
<b>Total</b>		<b>955</b>	<b>955</b>	<b>577</b>



## ANNEXURE 1A

### STATEMENT OF TRANSFERS TO PUBLIC ENTITIES AND INSTITUTIONS BY NATIONAL/PROVINCIAL DEPARTMENTS AS AT 31 MARCH 2004

(LIST EACH TRANSFER BY PUBLIC ENTITY / INSTITUTION) TRANSFER	ALLOCATION				EXPENDITURE			
	Appropriation Act	Adjustments Estimate	Roll Overs	Total Available	Actual Transfer (1)	Amount not Transferred	% of Available Transferred	Current
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Wesgro	1,000	6,461	-	7,461	7,461	-	100%	7,461
Western Cape Tourism Board	7,291	550	-	7,841	7,841	-	100%	7,841
	<b>8,291</b>	<b>7,011</b>	<b>-</b>	<b>15,302</b>	<b>15,302</b>	<b>-</b>		<b>15,302</b>



## ANNEXURE 1B

### STATEMENT OF OTHER TRANSFERS BY PROVINCIAL DEPARTMENTS AS AT 31 MARCH 2004

(LIST EACH TRANSFER BY PUBLIC ENTITY / INSTITUTION)	TRANSFER ALLOCATION				EXPENDITURE				
	Appropriation Act	Adjustments Estimate	Roll Overs	Total Available	Actual Transfer (1)	Amount not Transferred	% of Available Transferred	Capital	Current
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Cape Chamber of Commerce	200	-	-	200	200	-	100%	-	200
NAMAC	800	-	-	800	800	-	100%	-	800
Section 21 industry initiative	125	-	-	125	25	100	20%	-	25
Casidra	1,000	-	-	1,000	1,000	-	100%	-	1,000
Library Business Corners	100	-	-	100	100	-	100%	-	100
University of Stellenbosch	100	69	-	169	169	-	100%	-	169
Cape College	100	-	-	100	100	-	100%	-	100
UCT Business School	100	-	-	100	100	-	100%	-	100
Peninsula Technicon	100	-	-	100	100	-	100%	-	100
West Coast Business Centre	100	-	-	100	100	-	100%	-	100
Business Opportunities	100	-	-	100	100	-	100%	-	100
South Cape Small Business	100	-	-	100	-	100	0%	-	-
Non- Profit Institutions	700	-	-	700	700	-	100%	-	700
CTICC	22,000	-	-	22,000	22,000	-	100%	22,000	-
Tourism Promotion Agency	100	-	-	100	100	-	100%	-	100
Cape Craft and Design Institute	250	1,600	-	1,850	1,850	-	100%	-	1,850
Tourism Promotion Agency	150	-	-	150	150	-	100%	-	150





## ANNEXURE 1B

### STATEMENT OF OTHER TRANSFERS BY PROVINCIAL DEPARTMENTS AS AT 31 MARCH 2004

(LIST EACH TRANSFER BY PUBLIC ENTITY / INSTITUTION)	TRANSFER ALLOCATION				EXPENDITURE				
	Appropriation Act	Adjustments Estimate	Roll Overs	Total Available	Actual Transfer (1)	Amount not Transferred	% of Available Transferred	Capital	Current
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
ESP Africa	100	-	-	100	100	-	100%	-	100
SATSA	280	-	-	280	280	-	100%	-	280
Cape Technikon	100	-	-	100	100	-	100%	-	100
Iziko Cooking School	50	-	-	50	50	-	100%	-	50
Institute for the Deaf	50	-	-	50	50	-	100%	-	50
West Coast Business	100	-	-	100	100	-	100%	-	100
South Cape Small Business	100	-	-	100	-	100	0%	-	-
Tourism Promotion Agency	75	-	-	75	75	-	100%	-	75
Entrepreneur and Project	140	-	-	140	140	-	100%	-	140
Casidra	-	4,250	-	4,250	4,250	-	100%	-	4,250
Library Business									
Corners	-	1,050	-	1,050	1,050	-	100%	-	1,050
University of Stellenbosch	-	200	-	200	200	-	100%	-	200
Cape Film Commission	-	3,420	-	3,420	3,420	-	100%	-	3,420
Cape Town Tourism and Events	-	6,900	-	6,900	6,900	-	100%	-	6,900
Sitengi	-	400	-	400	400	-	100%	-	400
CITI	195	2,050	-	2,245	2,245	-	100%	-	2,245
Calling the Cape	-	200	-	200	200	-	100%	-	200



## ANNEXURE 1B

### STATEMENT OF OTHER TRANSFERS BY PROVINCIAL DEPARTMENTS AS AT 31 MARCH 2004

(LIST EACH TRANSFER BY PUBLIC ENTITY / INSTITUTION)	TRANSFER ALLOCATION				EXPENDITURE				
	Appropriation Act	Adjustments Estimate	Roll Overs	Total Available	Actual Transfer (1)	Amount not Transferred	% of Available Transferred	Capital	Current
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Interactive Africa	-	600	-	600	600	-	100%	-	600
IIZ/DVV – Adult Learners Forum	-	1,200	-	1,200	1,200	-	100%	-	1,200
Learning Cape Initiative	-	750	-	750	750	-	100%	-	750
Cape Technicon	-	100	-	100	100	-	100%	-	100
National Access Forum	-	750	-	750	750	-	100%	-	750
Capricorn Foundation	-	250	-	250	250	-	100%	-	250
CSIR	-	7,250	-	7,250	7,250	-	100%	-	7,250
ASNAPP	-	400	-	400	400	-	100%	-	400
SAPEX	-	143	-	143	143	-	100%	-	143
SA Mariculture Institute	-	100	-	100	100	-	100%	-	100
Cape Town Boat Building	-	1,000	-	1,000	1,000	-	100%	-	1,000
CLOTEX	-	2,500	-	2,500	2,500	-	100%	-	2,500
SACTWU	-	500	-	500	500	-	100%	-	500
Link Africa	-	300	-	300	300	-	100%	-	300
Furniture Industry Training	-	200	-	200	200	-	100%	-	200
Cape Oil and Gas Supply	-	2,750	-	2,750	2,750	-	100%	-	2,750
ACORN	-	130	-	130	130	-	100%	-	130





## ANNEXURE 1B

### STATEMENT OF OTHER TRANSFERS BY PROVINCIAL DEPARTMENTS AS AT 31 MARCH 2004

(LIST EACH TRANSFER BY PUBLIC ENTITY / INSTITUTION)	TRANSFER ALLOCATION				EXPENDITURE				
	Appropriation Act	Adjustments Estimate	Roll Overs	Total Available	Actual Transfer (1)	Amount not Transferred	% of Available Transferred	Capital	Current
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Kleinmond Development Forum	-	300	-	300	300	-	100%	-	300
District Six Museum	-	400	-	400	400	-	100%	-	400
City of Cape Town	2,200	-	-	2,200	2,200	-	100%	-	2,200
Overberg District Municipality	600	-	-	600	600	-	100%	-	600
West Coast District Municipality	410	-	-	410	410	-	100%	-	410
Boland District Municipality	495	-	-	495	495	-	100%	-	495
Eden District Municipality	550	-	-	550	550	-	100%	-	550
Karoo Municipality	450	-	-	450	450	-	100%	-	450
	<b>32,020</b>	<b>39,762</b>	-	<b>71,782</b>	<b>71,482</b>	<b>300</b>	-	<b>22,000</b>	<b>49,482</b>

Saving due to the non-payment of transfer to South Cape Business Centre due to investigations into administrative processes. Roll over for the South Cape Business Centre has been requested.



## ANNEXURE 2

### STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2004 DOMESTIC

Guaran- teed institution	Guarantee in respect of	Original Guaran- teed capital amount	Opening Balance 01/04/2003	Guaran- tees issued during the year	Guaran- tees Released during the year	Guaran- teed interest outstand- ing as at	31/03/2004 Closing Balance 31/03/2004	Realised losses i.r.o. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
Stannic	Motor Vehicles	85	85	90	85	-	90	-
ABSA	Housing	87	87	-	-	-	87	-
Permanent Bank	Housing	38	38	-	38	-	-	-
Old Mutual	Housing	-	-	58	19	-	39	-
Nedbank	Housing	16	16	81	27	-	70	-
		<b>226</b>	<b>226</b>	<b>229</b>	<b>169</b>	<b>-</b>	<b>286</b>	<b>-</b>



## ANNEXURE 3

### PHYSICAL ASSET MOVEMENT SCHEDULE (NOT INCLUDING INVENTORIES)

PHYSICAL ASSETS ACQUIRED DURING FINANCIAL YEAR 2003/04	Opening Balance R'000	Additions R'000	Disposals R'000	Transfers In R'000	Transfers Out R'000	Closing Balance R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>262</b>	<b>2,695</b>	-	<b>1,373</b>	-	<b>4,330</b>
Computer equipment	235	1,260	-	830	-	2,325
Furniture and office equipment	26	411	-	543	-	980
Other machinery and equipment	1	16	-	-	-	17
Specialised military assets	-	-	-	-	-	-
Transport assets	-	1,008	-	-	-	1,008
	<b>262</b>	<b>2,695</b>	-	<b>1,373</b>	-	<b>4,330</b>

Includes an amount of R 1 008 519 in respect of the purchase of government motor vehicles as set out in note 5.1.

PHYSICAL ASSETS ACQUIRED DURING FINANCIAL YEAR 2002/03	Opening Balance R'000	Additions R'000	Disposals R'000	Transfers In R'000	Transfers Out R'000	Closing Balance R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>202</b>	<b>60</b>	-	-	-	<b>262</b>
Computer equipment	198	37	-	-	-	235
Furniture and office equipment	3	23	-	-	-	26
Other machinery and equipment	1	-	-	-	-	1
Specialised military assets	-	-	-	-	-	-
Transport assets	-	-	-	-	-	-
	<b>202</b>	<b>60</b>	-	-	-	<b>262</b>



## ANNEXURE 4 : INTER-DEPARTMENTAL RECEIVABLES – CURRENT

Department	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2004	31/03/2003	31/03/2004	31/03/2003
	R'000	R'000	R'000	R'000
SOCIAL SERVICE	154	-	-	-
TREASURY FINANCE	22	-	-	-
EDUCATION	-	-	1	-
TRADE AND INVESTMENT	1,177	-	-	-
DEPARTMENT OF PROVINCIAL ADMINISTRATION-WESTERN CAPE	-	10	-	-
<b>TOTAL</b>	<b>1,353</b>	<b>10</b>	<b>1</b>	<b>-</b>



## ANNEXURE 5: INTER-DEPARTMENTAL PAYABLES – CURRENT

Department	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2004	31/03/2003	31/03/2004	31/03/2003
	R'000	R'000	R'000	R'000
TRANSPORT & PUBLIC WORKS	57	-	-	-
DEPARTMENT OF PROVINCIAL ADMINISTRATION	4	-	-	-
DEPARTMENT OF TRADE AND INDUSTRY	17	-	-	-
GOVERNMENT MOTOR TRANSPORT	-	-	-	-
SOUTH AFRICAN MANAGEMENT DEVELOPMENT INSTITUTE (SAMDI)	-	-	2	-
DEPARTMENT OF JUSTICE & CONSTITUTIONAL	36	-	347	-
<b>TOTAL</b>	<b>114</b>	<b>-</b>	<b>349</b>	<b>-</b>