

# Provincial Government Western Cape Provincial Treasury

## ANNUAL CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2005



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**WESTEN CAPE PROVINCE**

DEPARTMENTS  
PUBLIC ENTITIES AND TRADING ENTITIES

**Annual consolidated financial statements**

**For the year ended 31 March 2005**

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WESTERN CAPE PROVINCE

ANNUAL CONSOLIDATED FINANCIAL STATEMENTS  
for the year ended 31 MARCH 2005

MANAGEMENT REPORT BY THE PROVINCIAL TREASURY

**WESTERN CAPE PROVINCE**

DEPARTMENTS,

PUBLIC ENTITIES AND TRADING ENTITIES

**ANNUAL CONSOLIDATED FINANCIAL STATEMENTS**

**for the year ended 31 MARCH 2005**

Management Report prepared by the Provincial Treasury

## WESTERN CAPE PROVINCE

### ANNUAL CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 MARCH 2005

#### MANAGEMENT REPORT BY THE PROVINCIAL TREASURY

##### **Preamble**

The previous financial year, i.e. 2003/04, saw the first annual consolidated financial statements (ACFS) being compiled in accordance with Generally Recognised Accounting Practice (GRAP) for the Province in terms of section 19(1) of the Public Finance Management Act, 1999 (Act 1 of 1999 as amended) (PFMA). It has been a demanding period for all involved, with complex challenges faced along the way. The lessons learned have helped to pave a much smoother path for the 2004/05 financial year consolidation process. The consolidation for the last financial year was based on the audited financial statements of departments and public entities, due to the extended timelines afforded by the National Treasury. A consolidation for this year, 2004/05, based on pre-audited statements of departments and entities was submitted to the Auditor-General on 30 June 2005, in compliance with prescribed timelines of the PFMA. Consolidations based on audited figures would more accurately reflect the business of this province and improve accountability. The consolidations have therefore been adjusted to reflect the audited figures of departments and public entities, even though these are not prescribed by the PFMA. One must not lose sight of the fact that this would not have been achievable, had it not been for the sturdy support and cooperation of both National Treasury and the Office of the Auditor-General. The approach to the consolidation process can be referenced to the background paragraph below.

##### **Background**

In the drive to improve public accountability, there is a transition in progress from reporting on the cash basis of accounting to reporting on the 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.

Currently, the various government sectors apply different bases of accounting to prepare financial statements. Departments prepare financial statements on a "modified" cash basis of accounting, which consists of the cash basis of accounting, supplemented with additional disclosure items. Public entities, trading entities and constitutional institutions prepare financial statements on the accrual basis. In view of different accounting bases used by these two groups of entities, the groups were consolidated separately to ensure credible and meaningful presentation of financial information. The annual financial statements of departments and the Provincial Revenue Fund (PRF) have been consolidated in accordance with the National Treasury guidelines issued for the previous year, as both

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these statements were prepared in terms of GRAP. Similarly, the annual financial statements of public entities and trading entities have been consolidated, as these are prepared in terms of Generally Accepted Accounting Practice (GAAP).

The PFMA provides for these statements to be submitted for auditing on 30 June, thus not affording the Province the opportunity to compile consolidated annual financial statements based on audited annual financial statements of departments and public entities. The Auditor-General has until 31 July to complete the audit. Furthermore, although the PRF statements are incorporated in the ACFS, the PFMA does not prescribe time frames for the compilation and auditing of the PRF statements.

The Annual Consolidated Financial Statements are prepared on the going concern basis. It has been based upon accounting policies, which have been consistently applied. Where uniform accounting policies were not adopted in the preparation of the annual financial statements, these items have been separately disclosed in the relevant annual consolidated financial statements.

#### **Provincial departments and Provincial Revenue Fund (GRAP)**

The annual financial statements (AFS) of thirteen provincial departments, the Provincial Parliament and the Provincial Revenue Fund were consolidated.

The provincial departments are listed below:

- Provincial Administration
- Provincial Treasury
- Community Safety
- Education
- Health
- Social Services and Poverty Alleviation
- Housing
- Environmental Affairs and Development Planning
- Transport and Public Works
- Agriculture
- Local Government
- Economic Development and Tourism

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- Cultural Affairs and Sport

Consolidations were prepared in respect of the following:

- Statement of Accounting Policies and related matters
- Appropriation statement
- Statement of financial position
- Statement of financial performance
- Statement of Change in net assets
- Cash flow statement (2004/05)
- Notes to the annual financial statements
- Disclosure notes to the annual financial statements

Notes to the appropriation statement and other annexures were not consolidated since such information as contained in the AFS of departments, is not transversal and would merely result in a duplication of information contained in such AFS. The annual consolidated financial statements in respect of provincial departments have been prepared in terms of the “modified” cash basis of accounting.

**Public Entities and Trading Entities**

Public Entities and other GAAP based statements were consolidated. The consolidation is in respect of nine provincial public entities, inclusive of one provincial government enterprise (PGE), two trading entities as well as the Western Cape Housing Development Fund.

Public Entities:

- Western Cape Gambling and Racing Board
- Western Cape Nature Conservation Board
- Provincial Development Council
- Destination Marketing Organisation (DMO)
- Western Cape Cultural Commission
- Western Cape Language Committee
- Western Cape Investment and Trade Promotion Agency (WESGRO)
- Western Cape Heritage Foundation
- Cape Agency for Sustainable Development and Rural Areas (CASIDRA (Pty) Ltd) (PGE)

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Trading entities:

- Government Motor Transport
- Cape Medical Depot

The AFS of the above trading entities were previously compiled on a “modified” cash basis of accounting. In order to comply with the provisions of Treasury Regulation 18.2, the AFS for 2004/05 have been prepared in terms of GAAP, as a result the comparative figures have been restated.

Consolidations were prepared in respect of the following:

- Balance sheet
- Income statement
- Statement of Changes in Equity
- Cash flow statement
- Notes to the annual financial statements
- Disclosure notes to the Annual Financial Statements

The Western Cape Province has one provincial government business enterprise, which is listed under the name Casidra (Pty) Ltd in Schedule 3, part D of the PFMA. Its annual financial statements have been prepared in terms of GAAP, since it is by definition also a public entity and as such included in the consolidated financial statements.

The annual financial statements for the Western Cape Housing Development Fund were consolidated into the annual consolidated financial statements for public entities, since it is prepared in terms of GAAP. It was de-listed as a public entity with effect from 1 August 2002, but the Board has yet to be abolished.

#### **Financial results**

Total income received by the Province for 2004/05 is R18 978,653 million. This represents an increase of 13,3% from the R16 747,144 million received in the 2003/04 financial year. Total expenditure for the same period is R18 261,855 million, up 11,6% from the R16 366,880 million for 2003/04. The consolidated surplus for 2004/05 amounted to 3,9% of total income, compared to 2,5% for 2003/04. Surplus funds are available for re-appropriation during subsequent financial years.



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Public and trading entities realized a net loss of R0,601 million for 2004/05, down from a net loss of R164,917 million during the 2003/04 financial year.

**Accounting Officer's Approval**

I hereby present the Annual Consolidated Financial Statements for the year ended 31 March 2005 as required by section 19(1) of the Public Finance Management Act, (Act No. 1 of 1999) as amended.

A handwritten signature in black ink, appearing to read 'M. J. ...', followed by a horizontal line.

**HEAD OFFICIAL: PROVINCIAL TREASURY**

**DATE: 4 October 2005**

**REPORT OF THE AUDITOR-GENERAL TO THE PROVINCIAL PARLIAMENT  
OF THE WESTERN CAPE ON THE CONSOLIDATED FINANCIAL  
INFORMATION OF THE PROVINCIAL DEPARTMENTS OF THE WESTERN  
CAPE PROVINCE FOR THE YEAR ENDED 31 MARCH 2005**

**1. AUDIT ASSIGNMENT**

The consolidated financial information as set out on pages 15 to 43, for the year ended 31 March 2005, has been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004) and section 19(2) of the Public Finance Management Act, 1999 (Act No. 1 of 1999). The consolidated financial information, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the Provincial Treasury. My responsibility is to express an opinion on the consolidated financial information, based on the audit.

**2. NATURE AND SCOPE**

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial information is free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial information,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial information presentation.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to my attention and are applicable to financial matters.

However, due to the unique nature of the consolidation process followed, the scope of the audit was limited to the consolidation format as prescribed by the National Treasury.

The audit was completed in accordance with Auditor-General Directive No. 1 of 2005.

I believe that the audit provides a reasonable basis for my opinion.

### **3. QUALIFICATION**

#### **3.1 Capped leave commitment**

Uncertainty exists with regard to the validity and accuracy of R782 million (72%) of the capped leave commitment disclosed in note 23 of the disclosure notes to the consolidated annual financial information totalling R1 083 million, as a result of the matters detailed below.

##### **(a) *Department of Education***

Errors relating to the number of days used to calculate the capped leave commitment of R773 million for this department were identified. These errors included leave days on the PERSAL system that did not agree to the leave days documented in personnel files and in certain cases documentation relating to capped leave was not available on personnel files.

##### **(b) *Department of Community Safety***

The value of the capped leave commitment of R9 million disclosed in the financial statements of this department was based on a PERSAL report. Due to the fact that independent checks were not performed on the data, this report included capped leave of employees who were re-appointed and had on resignation lost their right to be paid out the balance of this leave.

#### **3.2 Inter-departmental transactions**

National Treasury guidelines stipulate that only balance sheet items should be eliminated on consolidation. Due to this requirement the inter-departmental transactions have not been eliminated, as these transactions were not disclosed by the departments. The effect of the above on the consolidated financial information could not be determined.

Inter-departmental receivables could not in all instances be eliminated as these are not normally recognised under the modified cash basis of accounting. Included in the balance of the amount receivable by other entities amounting to R48,3 million, as reflected in note 15 to the consolidated financial information, is an amount of R20,3 million that could not be eliminated, due to disagreements between departments and/or claims against departments still being investigated/confirmed.

Furthermore, payables as disclosed in note 18.5 to the consolidated financial information include an amount of R21,1 million, resulting from differences between the Provincial Revenue Fund and departments, that could also not be eliminated on consolidation due to disagreements between departments and the Provincial Revenue Fund.

#### **4. QUALIFIED AUDIT OPINION**

In my opinion, except for the effect on the consolidated financial information of the matters referred to in paragraph 3, the consolidated financial information fairly presents, in all material respects, the financial position of the Western Cape Provincial Departments at 31 March 2005 and the results of its operations and cash flows for the year then ended, in accordance with prescribed accounting practice and in the manner required by the Public Finance Management Act, 1999.

#### **5. EMPHASIS OF MATTER**

Without further qualifying the audit opinion expressed above, attention is drawn to the following matters:

##### **5.1 Significant matters in individual audit reports**

###### **5.1.1 Transversal matters**

Detailed below are audit findings relevant to transversal matters identified across the various departments. I refer you to the annexure to this report for a complete description of the departments represented by the vote numbers referred to after each matter. For more detail on each of the matters, I refer you to my audit reports to the Provincial Parliament of the Western Cape on the financial statements of the individual departments for the year ended 31 March 2005.

- (a) No internal audits were performed at six departments for the financial year under review due to capacity constraints at the shared services directorate (votes 3, 4, 8, 9, 11 and 12).
- (b) The LOGIS asset register, which is the official register for asset management purposes, was not populated with sufficient information regarding assets to facilitate an audit verification process. Consequently, nine departments were unable to present a proper asset register for audit purposes (votes 1, 3, 4, 5, 6, 7, 8, 12 and 14).
- (c) Unreconciled differences existed between the LOGIS asset register and the financial accounting system (BAS) at three departments (votes 1, 3 and 11).
- (d) Various shortcomings with regard to proper control measures regarding transfer payments and/or non-compliance with laws and regulations in this regard were revealed at five departments (votes 4, 5, 6, 7 and 14).
- (e) Internal control shortcomings covering various areas of financial, personnel, asset and inventory management were identified at six departments and reported to the accounting officers (votes 4, 5, 6, 7, 8 and 14).

- (f) Value-added audits relating to human resource management, HIV/AIDS and project management were performed at three separate departments (votes 5, 6 and 10). Findings relating to these reviews are detailed in the audit reports of the indicated departments.

### **5.1.2 Specific matters**

Detailed below are audit findings relevant to specific matters identified at individual departments. For more detail on each of the matters, I refer you to my audit reports to the Provincial Parliament of the Western Cape on the financial statements of the individual departments for the year ended 31 March 2005.

#### **(a) Department of Education**

- (i) The department had not performed an exercise to quantify the lease obligations in terms of the lease contracts that existed at year-end. The department applied an escalation percentage of 18% against the actual lease expenditure incurred for the 2004-05 financial year to calculate the lease liability. Uncertainty exists regarding the accuracy and completeness of this department's lease liability of R43 million.
- (ii) Included in the total balance of accounts receivable amounting to R94 million for this department are debtors of approximately R57,6 million that are doubtful in terms of their existence and recoverability. The department has, however, implemented measures to write off these irrecoverable debts against future surpluses to be realised.
- (iii) The department did not have a formal and approved debt policy that included bursary administration for the financial year under review. Numerous cases were found where there was inadequate follow-up of debt relating to both the bursary administration and debtors sections. A list of bursary defaulters was compiled and 538 cases were identified by the bursary section. These cases had a value of at least R6 million, which was not yet taken on as debt at year-end.
- (iv) Suspense accounts were not cleared in a timely manner and as a result several suspense accounts reflected balances at year-end, including the salary reversal control account with a balance of R6 million.

#### **(b) Department of Health**

- (i) Financial information extracted from the Hospital Information System (HIS) indicated that the approximate value of hospital fee debtors aged over 366 days amounted to R160 million, which represented 47 per cent of the total hospital fee debtors recorded on HIS (R338 million as at 31 March 2005 at this department).
- (ii) The debtors system was unable to generate a debtors age analysis report, which impeded the follow-up and recovery of staff debt. Staff debt has increased from R11,1 million in the prior year to R14 million in the current

financial year, representing an increase of 26 per cent at this department. Furthermore, staff debt amounting to R11,2 million was older than one year. The lack of debtors age reports and the consequent lack of follow up of debtors balances contributed to the increase of staff debt.

- (iii) Various shortcomings were identified relating to the conditional grant requirements of the Division of Revenue Act, 2003 (Act No. 7 of 2003) in respect of the Hospital Revitalisation Grant and the HIV/AIDS Grant.
- (iv) Unauthorised expenditure amounting to R19,1 million was incurred due to overspending on programmes 2 and 3 by R16,9 million and R2,2 million, respectively, after applying virement rules as defined by section 43 of the Public Finance Management Act, 1999.

**(c) Department of Social Services and Poverty Alleviation**

The debtors age analysis as at 31 March 2005 for this department totalled R37 million, which included social security debts outstanding for longer than three years amounting to R27,8 million (75% of the above total). This amount comprised R19 million, which was debt relating to pensioners paid in Namibia on behalf of the National Department of Social Development. The liability for reimbursement of this debt could not be confirmed by the National Department of Social Development, even though the matter was constantly followed up by the Western Cape department. The debtors balance also included R8 million that related to amounts outstanding from the recipients of social security grants.

**(d) Department of Housing**

As disclosed in the contingent liabilities disclosure note to the financial statements, the department had a contingent liability in respect of arrear municipal rates. Due to the fact that the department was still in the process of reconciling and reviewing these accounts, the total effect of the liability could not be quantified.

**(e) Department of Transport and Public Works**

- (i) The department maintained full and accurate records of rentals due on properties and other trade debtors on the MDA system. The total balance in this regard was disclosed in the financial statements as a disclosure note and was not included in the balance sheet as at 31 March 2005. An amount of R204,9 million was reflected as receivables (off balance sheet) for services rendered, R151,5 million of which was regarded by the department as possibly irrecoverable.
- (ii) Various outstanding municipal charges for services rendered by municipalities, such as refuse and water, amounting to R1,4 million, as owed by the Department of Education, were paid by the department on behalf of the Department of Education in order to expedite the registration of the schools purchased by the Department of Transport and Public Works. At the date of finalising the department's audit report, these payments had not been claimed from the Department of Education. No

service level agreement was entered into with the Department of Education to facilitate the re-imburement prior to the settling of the debt.

- (iii) Certain lease agreements entered into with tenants stipulated that the department would pay the service charges due to local authorities and then recover these amounts from the tenant on a monthly basis. To date these payments have not yet been claimed from the relevant tenants. The total amount to be recovered can only be quantified by conducting an investigation into the applicable lease agreements and payments to local authorities.
- (iv) In the previous audit report of this department, it was indicated that the department paid R7,7 million for arrear rates and other services in respect of 29 schools acquired by the department during the 2002-03 financial year. The transfer of the properties to the department was dependent on obtaining rates clearance certificates from the municipalities, resulting in the department paying all arrear rates on face value. During the follow-up of this matter for the year under review, it was identified that the legal interpretation surrounding the validity of the payment of arrear rates and taxes in respect of the purchasing of schools by the department, had not yet been resolved. This matter was being investigated by the department. According to feedback received from management, the purchase price of the schools and the arrear payments for municipal services cumulatively were below the market value of the properties. Furthermore, management indicated that the department had use of the properties free of rental charges for the past years of occupation.

**(f) *Department of Economic Development and Tourism***

During the audit it was identified that the department was unable to reconcile the income due in respect of registered liquor licence holders with income collected by the South African Revenue Service (SARS) on behalf of the department, as SARS only paid the money over in a lump sum and did not supply the department with a complete and detailed breakdown of the income recovered. In addition to the above, the department did not have a database of all liquor licence holders.

**5.2 Annexures to the consolidated financial information**

Annexures providing additional information to the figures and balances included in the financial statements and the notes thereto have not been included in the consolidated financial information. This method of work was agreed to by the National Treasury.

**5.3 Delay in finalisation of the audit report**

In terms of section 19(2) of the Public Finance Management Act, 1999, the Auditor-General must audit the consolidated financial information and submit an audit report on that information to the Provincial Treasury within three months of the receipt of the information (30 September).

The consolidated financial information submitted for auditing on 30 June 2005 in terms of section 19(1)(b) of the Public Finance Management Act, 1999, was based on the unaudited financial statements of the individual departments. An agreement was reached between the Provincial Treasury and the Auditor-General that the consolidated financial information could be reconsolidated after the finalisation of the audit reports of the individual departments and submitted to the Auditor-General within seven days of the date of the last audit report. Due to the delay in finalising the audit report of the Department of Education and the changes to the financial statements of the Provincial Revenue Fund as a result of the retraction of the financial statements of the Department of Health, the consolidated financial information for provincial departments could only be reconsolidated on 4 October 2005 and consequently the audit report could not be finalised by 30 September 2005, as required above.

## 6. APPRECIATION

The assistance rendered by the staff of the Provincial Treasury during the audit is sincerely appreciated.



I Jeewa *for* Auditor-General

Cape Town

31 October 2005



A U D I T O R - G E N E R A L



**ANNEXURE TO THE REPORT OF THE AUDITOR-GENERAL TO THE  
PROVINCIAL PARLIAMENT OF THE WESTERN CAPE ON THE  
CONSOLIDATED FINANCIAL INFORMATION OF THE PROVINCIAL  
DEPARTMENTS OF THE WESTERN CAPE PROVINCE FOR THE YEAR  
ENDED 31 MARCH 2005**

Western Cape provincial departments:

- Vote 1 : Provincial Administration
- Vote 2 : Provincial Parliament
- Vote 3 : Provincial Treasury
- Vote 4 : Community Safety
- Vote 5 : Education
- Vote 6 : Health
- Vote 7 : Social Services and Poverty Alleviation
- Vote 8 : Housing
- Vote 9 : Environmental Affairs and Development Planning
- Vote 10 : Transport and Public Works
- Vote 11 : Agriculture
- Vote 12 : Local Government
- Vote 13 : Economic Development and Tourism
- Vote 14 : Cultural Affairs and Sport

**ANNUAL CONSOLIDATED FINANCIAL  
STATEMENTS OF THE WESTERN CAPE  
PROVINCIAL DEPARTMENTS**

**for the year ended 31 March 2005**

**CONSOLIDATED FINANCIAL INFORMATION OF THE WESTERN CAPE PROVINCIAL  
DEPARTMENTS**

**ACCOUNTING POLICIES  
for the year ended 31 March 2005**

The Annual Consolidated Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Annual Consolidated 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 2004. The following issued, but not yet effective Standards of Generally Recognised Accounting Practice have not been fully complied with in the Annual Financial Statements: GRAP 1, 2 and 3.

**1. Basis of preparation**

The Annual Consolidated 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 disclosure items. 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.

The Annual Consolidated Financial Information was compiled from the annual financial statements of departments and the provincial revenue fund with inter-departmental balances and balances between the provincial revenue fund and departments being eliminated upon consolidation.

**2. Revenue**

**Appropriated funds**

Voted funds are the amounts appropriated to a department in accordance with the final budget known as the Adjusted Estimates of Provincial Expenditure. Unexpended voted funds are surrendered to the Provincial Revenue Fund, unless otherwise stated.

**Departmental revenue**

***Tax revenue***

A tax receipt is defined as compulsory, irrecoverable revenue collected by entities. Tax receipts are recognised as revenue in the Consolidated Statement of Financial Performance on receipt of the funds.

***Sale of goods and services other than capital assets***

This comprises the proceeds from the sale of goods and/or services produced by the entity. Revenue is recognised in the Consolidated Statement of Financial Performance on receipt of the funds.

**CONSOLIDATED FINANCIAL INFORMATION OF THE WESTERN CAPE PROVINCIAL  
DEPARTMENTS**

**ACCOUNTING POLICIES  
for the year ended 31 March 2005**

***Fines, penalties and forfeits***

Fines, penalties and forfeits are compulsory receipts imposed by court or quasi-judicial body. Revenue is recognised in the Consolidated Statement of Financial Performance on receipt of the funds.

***Interest, dividends and rent on land***

Interest and dividends received are recognised upon receipt of the funds, and no provision 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 Consolidated Statement of Financial Performance of the department and then transferred to the Provincial Revenue Fund.

Revenue received from the rent of land is recognised in the Consolidated Statement of Financial Performance on receipt of the funds.

***Sale of capital assets***

The proceeds from the sale of capital assets is recognised as revenue in the Consolidated Statement of Financial Performance on receipt of the funds.

***Financial transactions in assets and liabilities***

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the Consolidated Statement of Financial Performance on receipt of the funds.

Cheques issued in previous accounting periods that expire before being banked are recognised as revenue in the Consolidated Statement of Financial Performance when the cheque becomes stale. When the cheque is reissued the payment is made from Revenue.

***Local and foreign aid assistance***

Local and foreign aid assistance is recognised in the Consolidated Statement of Financial Performance on receipt of funds. Where amounts are expensed before funds are received, a receivable is raised. Where amounts have been inappropriately expensed using Local and Foreign aid assistance, a payable is raised. In the situation where the department is allowed to retain surplus funds, these funds are shown as a reserve.

**3. Expenditure**

***Compensation of employees***

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the Consolidated Statement of Financial Performance when the final authorisation for payment is effected on the system. The expenditure is classified as capital where the employees were involved, on a full time basis, on capital projects during the financial year. All other payments are classified as current expense.

**CONSOLIDATED FINANCIAL INFORMATION OF THE WESTERN CAPE PROVINCIAL  
DEPARTMENTS**

**ACCOUNTING POLICIES  
for the year ended 31 March 2005**

Social contributions include the entities' contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the Consolidated Statement of Financial Performance when the final authorisation for payment is effected on the system.

*Short-term employee benefits*

The cost of short-term employee benefits is expensed in the Consolidated Statement of Financial Performance in the reporting period when the final authorisation for payment is effected on the system. Short-term employee benefits, that give rise to a present legal or constructive obligation are disclosed as a disclosure note to the Consolidated Financial Statements and are not recognised in the Consolidated Statement of Financial Performance.

*Long-term employee benefits and other post employment benefits*

*Termination benefits*

Termination benefits are recognised and expensed only when the final authorisation for payment is effected on the system.

*Medical benefits*

The department provides medical benefits for its employees through defined benefit plans. Employer contributions to the fund are incurred when the final authorisation for payment is effected on the system. No provision is made for medical benefits in the Annual Consolidated Financial Statements.

*Post employment retirement benefits*

The departments provide retirement benefits for certain of their 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 the final authorisation for payment to the fund is effected on the system. No provision is made for retirement benefits in the Annual Consolidated Financial Statements of the departments.

*Other employee benefits*

Obligations arising from leave entitlement, thirteenth cheque and performance bonus that are reflected in the disclosure notes have not been paid for at year-end.

**Goods and services**

Payments made for goods and/or services are recognised as an expense in the Consolidated Statement of Financial Performance when the final authorisation for payment is effected on the system. The expense is classified as capital if the goods and services was used on a capital project.

**CONSOLIDATED FINANCIAL INFORMATION OF THE WESTERN CAPE PROVINCIAL  
DEPARTMENTS**

**ACCOUNTING POLICIES  
for the year ended 31 March 2005**

***Interest and rent on land***

Interest and rental payments resulting from the use of land, are recognised as an expense in the Consolidated Statement of Financial Performance when the final authorisation for payment is effected on the system. This item excludes rental on the use of buildings or other fixed structures.

***Financial transactions in assets and liabilities***

Financial transactions in assets and liabilities include bad debts written off. Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending available to the department. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts.

***Unauthorised expenditure***

Unauthorised expenditure, is defined as:

- 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.

Such expenditure is treated as a current asset in the Consolidated Statement of Financial Position until such expenditure is approved by the relevant authority, recovered or written off as irrecoverable.

***Irregular expenditure***

Irregular expenditure, is defined as :

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

- the Public Finance Management Act
- 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.

It is treated as expenditure in the Consolidated Statement of Financial Performance. If such expenditure is not condoned and it is possibly recoverable it is disclosed as receivable in the Consolidated Statement of Financial Position at year-end.

***Fruitless and wasteful expenditure***

Fruitless and wasteful expenditure, is defined as:

expenditure that was made in vain and would have been avoided had reasonable care been exercised, therefore

**CONSOLIDATED FINANCIAL INFORMATION OF THE WESTERN CAPE PROVINCIAL  
DEPARTMENTS**

**ACCOUNTING POLICIES  
for the year ended 31 March 2005**

- it must be recovered from a responsible official (a debtor account should be raised), or
- the vote. (If responsibility cannot be determined.)

Such expenditure is treated as a current asset in the Consolidated Statement of Financial Position until such expenditure is recovered from the responsible official or written off as irrecoverable.

**4. Transfers and subsidies**

Transfers and subsidies include all irrecoverable payments made by the entity. Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system.

**5. Expenditure for capital assets**

Capital assets are assets that can be used repeatedly and continuously in production for more than one year and cost R5000 or more for stand alone items. Payments made for capital assets are recognised as an expense in the Consolidated Statement of Financial Performance when the final authorisation for payment is effected on the system.

**6. Investments**

Investments include; Investments in Associates; Joint ventures; Investments in controlled entities and Other investments.

Investments are shown at cost. On disposal of an investment, the surplus/(deficit) is recognised as revenue in the Consolidated Statement of Financial Performance.

**7. Receivables**

Receivables are not normally recognised under the modified cash basis of accounting. However, receivables included in the Statement of Financial Position arise from cash payments that are recoverable from another party, when the payments are made.

Receivables for services delivered are not recognised in the Statement of Financial Position as a current asset or as income in the Statement of Financial Performance, as the Annual Financial Statements are prepared on a modified cash basis of accounting, but are disclosed separately as part of the disclosure notes to enhance the usefulness of the Annual Financial Statements.

**8. Cash and cash equivalents**

Cash and cash equivalents consists of cash on hand and balances with banks, short term investments in money market instruments and demand deposits. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**CONSOLIDATED FINANCIAL INFORMATION OF THE WESTERN CAPE PROVINCIAL  
DEPARTMENTS**

**ACCOUNTING POLICIES  
for the year ended 31 March 2005**

**9. Payables**

Payables are not normally recognised under the modified cash basis of accounting. However, payables included in the Consolidated Statement of Financial Position arise from advances received that are due to another party.

**10. 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 Annual Consolidated Financial Statements. These commitments are not recognised in the Consolidated Statement of Financial Position as a liability or as expenditure in the Consolidated Statement of Financial Performance as the Annual Consolidated Financial Statements are prepared on the cash basis of accounting.

Operating lease expenditure is expensed when the payment is made.

Finance lease expenditure is expensed when the payment is made, but results in the acquisition of the asset under the lease agreement. A finance lease is not allowed in terms of the Public Finance Management Act.

**11. Accruals**

This amount represents goods/services that have been received, but no invoice has been received from the supplier at the reporting date, OR an invoice has been received but final authorisation for payment has not been effected on the system. These amounts are not recognised in the Consolidated Statement of Financial Position as a liability or as expenditure in the Consolidated Statement of Financial Performance as the Annual Consolidated Financial Statements are prepared on a modified cash basis of accounting, but are however disclosed as part of the disclosure notes.

**12. Contingent liability**

This 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 department; 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 or service potential will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability

Contingent liabilities are not recognised in the Consolidated Statement of Financial position, but the information is disclosed as part of the disclosure notes.

**13. Commitments**

This amount represents goods/services that have been approved and/or contracted, but no delivery has taken place at the reporting date. These amounts are not recognised in the Consolidated Statement of Financial Position as a liability or as expenditure in the



**CONSOLIDATED FINANCIAL INFORMATION OF THE WESTERN CAPE PROVINCIAL  
DEPARTMENTS**

**ACCOUNTING POLICIES  
for the year ended 31 March 2005**

Consolidated Statement of Financial Performance as the Annual Consolidated Financial Statements are prepared on a modified cash basis of accounting, but are however disclosed as part of the disclosure notes.

**14. Capitalisation reserve**

The capitalisation reserve represents an amount equal to the value of the investment and/or loans capitalised. On disposal, repayment or recovery, such amounts are transferred to the Revenue Fund.

**15. Recoverable revenue**

Recoverable revenue represents payments made and recognised in the Consolidated Statement of Financial Performance 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.

**16. 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 Annual Consolidated Financial Statements are limited to the figures shown in the previous year's audited Annual Consolidated Financial Statements and such other comparative figures that the department may reasonably have available for reporting. Reclassification of expenditure has occurred due to the implementation of the Standard Chart of Accounts. It is not practical to present comparative amounts in the Cash Flow Statements as this would involve reclassification of amounts dating back to the 2002/03 year-end.

**17. Provincial Revenue Fund**

The consolidation is based on the elimination of balances between the Provincial Revenue Fund and departments.

**Annual Consolidated Financial Statements of the Western Cape provincial departments**

**Appropriation Statement  
for the year ended 31 March 2005**

Appropriation per Department									
	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>1. Provincial Administration</b>									
Current payment	251,969	-2,080	-128	249,761	248,869	892	99.6%	260,288	247,764
Transfers and subsidies	4,880	48	128	5,056	4,859	197	96.1%	9,066	8,951
Expenditure for capital assets	40,392	2,032	-	42,424	41,211	1,213	97.1%	51,138	49,907
<b>2. Provincial Parliament</b>									
Current payment	23,295	-	-259	23,036	21,850	1,186	94.9%	21,312	21,379
Transfers and subsidies	8,495	-	254	8,749	8,503	246	97.2%	7,075	6,769
Expenditure for capital assets	1,510	-	5	1,515	354	1,161	23.4%	1,047	691
<b>3. Provincial Treasury</b>									
Current payment	102,744	-	-1,039	101,705	99,614	2,091	97.9%	86,081	53,521
Transfers and subsidies	320	-	535	855	723	132	84.6%	5,473	4,772
Expenditure for capital assets	5,916	-	504	6,420	1,996	4,424	31.1%	11,097	6,342
<b>4. Dept. of Community Safety</b>									
Current payment	127,069	-	-249	126,820	123,935	2,885	97.7%	104,562	104,230
Transfers and subsidies	31,513	-	249	31,762	31,762	-	100.0%	28,936	29,130
Expenditure for capital assets	3,045	-	-	3,045	2,282	763	74.9%	7,832	7,827
<b>5. Dept. of Education</b>									
Current payment	5,065,560	-	-43,696	5,021,864	4,959,412	62,452	98.8%	4,640,604	4,663,059
Transfers and subsidies	420,785	-	47,833	468,618	466,210	2,408	99.5%	409,557	411,669
Expenditure for capital assets	30,039	-	-4,137	25,902	25,750	152	99.4%	42,011	40,157
<b>6. Dept. of Health</b>									
Current payment	4,314,542	-	-6,925	4,307,617	4,308,000	-383	100.0%	3,777,150	3,791,188
Transfers and subsidies	458,641	-	5,075	463,716	467,149	-3,433	100.7%	507,180	499,720
Expenditure for capital assets	105,160	-	1,850	107,010	105,586	1,424	98.7%	102,262	90,714
<b>7. Dept. of Social Services &amp; Poverty Alleviation</b>									
Current payment	422,694	-	-4,883	417,811	389,676	28,135	93.3%	351,131	331,961
Transfers and subsidies	3,884,623	-	4,586	3,889,209	3,853,772	35,437	99.1%	3,531,214	3,434,756
Expenditure for capital assets	19,187	-	297	19,484	18,164	1,320	93.2%	5,439	3,910
<b>8. Dept. of Housing</b>									
Current payment	80,543	-9,713	-403	70,427	55,691	14,736	79.1%	81,292	75,766
Transfers and subsidies	630,388	9,713	386	640,487	543,199	97,288	84.8%	457,997	294,342
Expenditure for capital assets	1,950	-	17	1,967	1,563	404	79.5%	1,323	511
<b>9. Dept. of Environmental Affairs &amp; Development Planning</b>									
Current payment	63,526	-1,968	-211	61,347	61,105	242	99.6%	47,769	44,805
Transfers and subsidies	72,515	47	-	72,562	70,860	1,702	97.7%	70,551	70,511
Expenditure for capital assets	1,376	1,921	211	3,508	3,503	5	99.9%	5,341	5,306
<b>10. Dept. of Transport &amp; Public Works</b>									
Current payment	951,556	-18,366	-3,805	929,585	901,272	28,313	97.0%	781,767	770,258
Transfers and subsidies	73,828	593	-	74,421	54,135	20,286	72.7%	113,111	106,747
Expenditure for capital assets	856,932	17,773	3,805	878,310	831,022	47,288	94.6%	699,335	694,806
<b>11. Dept. of Agriculture</b>									
Current payment	142,557	-753	-	141,804	145,342	-3,538	102.5%	132,822	126,731
Transfers and subsidies	40,956	753	-	41,709	31,424	10,285	75.3%	13,943	17,225
Expenditure for capital assets	47,131	-	-	47,131	20,127	27,004	42.7%	24,934	16,635
<b>12. Dept. of Local Government</b>									
Current payment	53,661	-	-250	53,411	45,695	7,716	85.6%	40,115	32,835
Transfers and subsidies	29,003	-	-150	28,853	18,268	10,585	63.3%	34,957	22,247
Expenditure for capital assets	6,358	-	400	6,758	1,456	5,302	21.5%	3,690	991
<b>13. Dept. of Economic Development &amp; Tourism</b>									
Current payment	49,050	-	-3,545	45,505	45,417	88	99.8%	38,463	38,537
Transfers and subsidies	77,081	-	2,418	79,499	79,495	4	100.0%	86,924	86,623
Expenditure for capital assets	405	-	1,127	1,532	1,527	5	99.7%	3,713	2,696
<b>14. Dept. of Cultural Affairs and Sport</b>									
Current payment	122,834	-	-2,077	120,757	116,258	4,499	96.3%	103,216	100,902
Transfers and subsidies	31,315	-	176	31,491	29,451	2,040	93.5%	29,130	28,755
Expenditure for capital assets	2,090	-	1,901	3,991	3,223	768	80.8%	5,808	4,820
<b>Subtotal</b>	<b>18,657,434</b>	<b>-</b>	<b>-</b>	<b>18,657,434</b>	<b>18,239,710</b>	<b>417,724</b>	<b>97.8%</b>	<b>16,738,656</b>	<b>16,352,466</b>
<b>Statutory Appropriation</b>									
Current payments	13,561	-	-	13,561	12,892	669	95.1%	13,826	12,164
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>18,670,995</b>	<b>-</b>	<b>-</b>	<b>18,670,995</b>	<b>18,252,602</b>	<b>418,393</b>	<b>97.8%</b>	<b>16,752,482</b>	<b>16,364,630</b>
<b>Reconciliation with Statement of Financial Performance</b>									
Prior year unauthorised expenditure approved with funding				-				2,250	
Departmental receipts				293,805				221,018	
Local and foreign aid assistance				13,853				-	
<b>Actual amounts per Statement of Financial Performance (Total Revenue)</b>				<b>18,978,653</b>				<b>16,975,750</b>	
Investments acquired and capitalised during the current financial year, but expensed for appropriation purposes					-				-
Other payments in Appropriation Statement, not accounted for in the Statement of Financial Performance					-				-
Local and foreign aid assistance					9,253				-
Prior year unauthorised expenditure approved					-				2,250
Prior year fruitless and wasteful expenditure condoned					-				-
<b>Actual amounts per Statement of Financial Performance</b>					<b>18,261,855</b>				<b>16,366,880</b>

Note: The Final Appropriation for 2003/04 does not correspond to the Statement of Financial Performance resulting from a restatement of information.

**Annual Consolidated Financial Statements of the Western Cape provincial departments**

**APPROPRIATION STATEMENT  
for the year ended 31 March 2005**

Appropriation per Economic classification									
	2004/05						2003/04		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
<b>Current payments</b>									
Compensation to employees	8,455,948	-21,063	-123,471	8,311,414	8,206,787	104,627	98.7%	7,523,346	7,449,254
Goods and services	3,311,563	-12,614	48,509	3,347,458	3,302,782	44,676	98.7%	2,921,999	2,928,663
Interest and rent on land	2,495	-11	-2,394	90	-	90	0.0%	12	12
Financial transactions in assets and liabilities	2,210	397	9,941	12,548	12,414	134	98.9%	13,062	15,588
<b>Transfers &amp; subsidies</b>									
Provinces & municipalities	376,760	9,198	1,648	387,606	355,890	31,716	91.8%	387,775	373,914
Departmental agencies & accounts	160,543	-20,115	-3	140,425	136,226	4,199	97.0%	107,245	104,648
Universities & technikons	54,040	-	200	54,240	57,899	-3,659	106.7%	44,481	42,435
Foreign governments & international organisations	100	-	-30	70	70	-	100.0%	67	67
Public corporations & private enterprises	10,620	25,056	7,007	42,683	37,924	4,759	88.9%	21,126	20,763
Non-profit institutions	829,311	407	61,565	891,283	893,127	-1,844	100.2%	912,394	892,972
Households	4,332,128	-3,024	-8,981	4,320,123	4,178,358	141,765	96.7%	3,841,597	3,598,619
Gifts and donations	250	33	204	487	447	40	91.8%	1,016	218
<b>Payment on capital assets</b>									
Buildings & other fixed structures	843,714	16,366	5,078	865,158	811,229	53,929	93.8%	691,157	686,486
Machinery & equipment	258,391	-1,038	150	257,503	220,612	36,891	85.7%	243,624	209,059
Biological or cultivated assets	-	112	-	112	112	-	100.0%	-	-
Software & other intangible assets	8,597	13,027	577	22,201	21,948	253	98.9%	27,522	27,535
Land & subsoil assets	10,764	-6,731	-	4,033	3,885	148	96.3%	2,233	2,233
<b>Total</b>	<b>18,657,434</b>	<b>-</b>	<b>-</b>	<b>18,657,434</b>	<b>18,239,710</b>	<b>417,724</b>	<b>97.8%</b>	<b>16,738,656</b>	<b>16,352,466</b>

Statutory Appropriation									
Direct charge against Provincial Revenue Fund	2004/05						2003/04		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
List all direct charges against the Revenue Fund									
President and Deputy President salaries				-	-	-	0.0%		
Minister and deputy ministers salaries				-	-	-	0.0%		
Member of executive committee/parliamentary officers	13,561	-	-	13,561	12,892	669	95.1%	13,826	12,164
Judges salaries				-	-	-	0.0%		
Sector education and training authorities SETA				-	-	-	0.0%		
National skills fund				-	-	-	0.0%		
<b>Total</b>	<b>13,561</b>	<b>-</b>	<b>-</b>	<b>13,561</b>	<b>12,892</b>	<b>669</b>	<b>95.1%</b>	<b>13,826</b>	<b>12,164</b>

Note: Information on 'current payments' and 'transfers and subsidies' in the appropriation per economic classification differs from that disclosed in the appropriation statement based on appropriation statements submitted by departments.

**ANNUAL CONSOLIDATED FINANCIAL STATEMENTS  
OF THE WESTERN CAPE PROVINCIAL DEPARTMENTS**

**Consolidated Statement of Financial Performance  
for the year ended 31 March 2005**

	<i>Note</i>	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
<b>REVENUE</b>			
<b>Operating income</b>		<b>18,964,800</b>	<b>16,745,886</b>
Equitable Share	1.1	14,694,066	12,903,816
Conditional Grants	1.2	2,573,453	2,314,642
Other Appropriation	2.	222,585	-
Departmental revenue collected	4.	1,470,765	1,527,428
Surrenders and Other Operating Income	3.	3,931	-
<b>Appropriation to departments</b>		<b>-</b>	<b>1,258</b>
Statutory appropriation		-	1,258
<b>Local and foreign aid assistance</b>	5.1	<b>13,853</b>	<b>-</b>
<b>TOTAL REVENUE</b>		<b>18,978,653</b>	<b>16,747,144</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	6.	8,219,679	7,461,418
Goods and services	7.	3,302,782	2,928,663
Interest and rent on land	8.	-	12
Financial transactions in assets and liabilities	9.	12,570	15,588
Local and foreign aid assistance	5.1	9,253	-
Unauthorised expenditure approved	10.	-	2,250
<b>Total current expenditure</b>		<b>11,544,284</b>	<b>10,407,931</b>
<b>Transfers and subsidies</b>	11.	<b>5,659,785</b>	<b>5,033,636</b>
<b>Expenditure for capital assets</b>			
Buildings and other fixed structures		811,229	686,486
Machinery and Equipment		220,612	209,059
Biological or cultivated assets		112	-
Software and other intangible assets		21,948	27,535
Land and subsoil assets		3,885	2,233
<b>Total expenditure for capital assets</b>	12.	<b>1,057,786</b>	<b>925,313</b>
<b>TOTAL EXPENDITURE</b>		<b>18,261,855</b>	<b>16,366,880</b>
<b>NET SURPLUS</b>		<b>716,798</b>	<b>380,264</b>
Add back unauthorised expenditure	10.	19,199	43,296
<b>NET SURPLUS FOR THE YEAR</b>		<b>735,997</b>	<b>423,560</b>
<b>Reconciliation of Net Surplus for the year</b>			
Surplus on Voted Funds		731,397	423,560
Local and foreign aid assistance		4,600	-
<b>NET SURPLUS FOR THE YEAR</b>		<b>735,997</b>	<b>423,560</b>

**ANNUAL CONSOLIDATED FINANCIAL STATEMENTS  
OF THE WESTERN CAPE PROVINCIAL DEPARTMENTS**

**Consolidated Statement of Financial Position  
at 31 March 2005**

	<i>Note</i>	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
<b>ASSETS</b>			
<b>Current assets</b>		<b>3,197,242</b>	<b>2,887,436</b>
Unauthorised expenditure	10.	533,907	551,285
Cash and cash equivalents	13.	2,410,932	1,812,725
Prepayments and advances	14.	58,150	252,875
Receivables	15.	194,253	270,551
<b>Non-current assets</b>		<b>8,853</b>	<b>8,470</b>
Investments	16.	8,853	8,470
<b>TOTAL ASSETS</b>		<b>3,206,095</b>	<b>2,895,906</b>
<b>RESERVES AND LIABILITIES</b>			
<b>RESERVES</b>	22.	<b>2,312,667</b>	<b>1,573,563</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>758,193</b>	<b>1,057,736</b>
Bank overdraft	17.	42,679	171,490
Payables	18.	710,914	886,246
Local and foreign aid assistance unutilised	5.1	4,600	-
<b>Non-current liabilities</b>		<b>27,522</b>	<b>156,906</b>
Payables	19.	27,522	156,906
<b>TOTAL RESERVES AND LIABILITIES</b>		<b>3,098,382</b>	<b>2,788,205</b>
<b>NET ASSETS</b>		<b>107,713</b>	<b>107,701</b>
<b>Represented by:</b>			
Capitalisation reserve		8,962	8,719
Recoverable revenue		98,751	98,982
<b>TOTAL</b>		<b>107,713</b>	<b>107,701</b>

**ANNUAL CONSOLIDATED FINANCIAL STATEMENTS  
OF THE WESTERN CAPE PROVINCIAL DEPARTMENTS**

**Consolidated Statement of Changes in Net Assets  
for the year ended 31 March 2005**

	<i>Note</i>	<b>2004/05</b>	<b>2003/04</b>
		<b>R'000</b>	<b>R'000</b>
<b>Capitalisation reserve</b>			
Opening balance		8,719	7,833
Transfers		243	886
Closing balance		<u>8,962</u>	<u>8,719</u>
<b>Recoverable revenue</b>			
Opening balance		98,982	88,399
Debts written off		(12,464)	(9,833)
Debts recovered (included in departmental receipts)		(15,072)	(2,941)
Debts raised		27,305	314
Prior year adjustment		-	23,043
Closing balance		<u>98,751</u>	<u>98,982</u>
<b>TOTAL</b>		<u><b>107,713</b></u>	<u><b>107,701</b></u>

**ANNUAL CONSOLIDATED FINANCIAL STATEMENTS  
OF THE WESTERN CAPE PROVINCIAL DEPARTMENTS**

**Consolidated Cash Flow Statement  
for the year ended 31 March 2005**

	<i>Note</i>	<b>2004/05 R'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>RECEIPTS DISCLOSED BY THE REVENUE FUND</b>		
		<b>17,490,104</b>
Equitable Share		14,694,066
Conditional Grants		2,573,453
Funding from Reserves		222,585
<b>RECEIPTS DISCLOSED BY DEPARTMENTS</b>		
		<b>1,580,321</b>
Departmental revenue received		1,470,765
Local and foreign aid assistance received		13,853
Net decrease in working capital		95,703
<b>PAYMENTS DISCLOSED BY DEPARTMENTS</b>		
Current payments		(11,640,227)
Transfers and subsidies paid		(5,659,785)
<b>Net cash flow available from operating activities</b>	20.	<b>1,770,413</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for capital assets		(1,057,786)
Proceeds from sale of capital assets		14,391
<b>Net cash flows from investing activities</b>		<b>(1,043,395)</b>
<b>Net increase in cash and cash equivalents</b>		<b>727,018</b>
Cash and cash equivalents at beginning of period	13/17	1,641,235
<b>Cash and cash equivalents at end of period</b>	13/17	<b>2,368,253</b>

**ANNUAL CONSOLIDATED FINANCIAL STATEMENTS OF THE  
WESTERN CAPE PROVINCIAL DEPARTMENTS**

**Notes to the Annual Consolidated Financial Statements for the year ended 31 March 2005**

	<i>Note</i>	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
<b>1. Annual Appropriation</b>			
<b>1.1 Equitable Share</b>			
Voted Funds		14,680,505	12,891,248
Statutory Funds		13,561	12,568
		<u>14,694,066</u>	<u>12,903,816</u>
<b>1.2 Conditional Grants</b>			
Grants received		<u>2,573,453</u>	<u>2,314,642</u>
<b>2. Other Appropriation</b>			
Provincial Reserves		222,585	-
		<u>222,585</u>	<u>-</u>
<b>3. Surrenders and Other Operating Income</b>			
<b>3.1 Other revenue received by the Revenue Fund</b>			
Under recovery of own revenue: Department of Transport		453	
Under recovery of own revenue: Department of Education		3,478	
		<u>3,931</u>	<u>-</u>
<b>4. Departmental revenue collected</b>			
<b>Description</b>			
Tax revenue		872,647	
Sales of goods and services other than capital assets		273,056	
Fines, penalties and forfeits		1,121	
Interest, dividends and rent on land		218,868	
Sales of capital assets		14,391	
Recoverable revenue received		41,239	
Financial transactions in assets and liabilities	4.1	47,630	
Transfers received consist of:		1,813	
Gifts, donations and sponsorships received		1,809	
Other transfers		4	
		<u>1,470,765</u>	<u>1,527,428</u>
<b>Revenue per item for the 2003/04 financial year could not be provided due to the reclassification of items</b>			
<b>4.1 Financial transactions in assets and liabilities</b>			
<b>Nature of loss recovered</b>			
Cheques written back		580	
Material losses to be recovered		1,852	
Other		45,198	
		<u>47,630</u>	



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WESTERN CAPE PROVINCIAL DEPARTMENTS**

**Notes to the Annual Consolidated Financial Statements for the year ended 31 March 2005**

	<i>Note</i>	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
<b>5. Local and foreign aid assistance</b>			
<b>5.1 Assistance received in cash</b>			
<b>Name of donor and purpose</b>	<b>Revenue</b>	<b>Expenditure</b>	<b>Closing balance</b>
<b>Foreign</b>			
Belguim Fund		744	(744)
European Union Fund	13,328	8,260	5,068
World Population Fund	525	249	276
	<b>13,853</b>	<b>9,253</b>	<b>4,600</b>
<b>Analysis of balance</b>			
Local and foreign aid unutilised		4,600	-
Closing balance		<b>4,600</b>	<b>-</b>
<b>5.2 Assistance received in kind</b>			
<b>Name of donor and purpose</b>			
<b>Local</b>			
Gifts, donations and sponsorships received by various health institutions		13,844	5,322
		<b>13,844</b>	<b>5,322</b>
<b>Foreign</b>			
European Union Parliamentary Support Programme		18	-
Canadian Parliamentary Centre - Legislative Accountability Programme		38	103
		56	103
<b>Total local and foreign aid assistance received in kind</b>		<b>13,900</b>	<b>5,425</b>
<b>5.3 Assistance received via appropriated funding</b>			
<p>The Department of Health received donor funding from the Global Fund of R28, 304 million which was appropriated in terms of an Appropriation Act as part of the equitable share allocation. An amount of R25, 112 million was spent on current payments (R9, 288 million), transfers and subsidies (R13, 089 million) and capital expenditure (R2, 735 million, leaving a balance of R3, 192 million.</p>			
<b>6. Compensation of employees</b>			
<b>6.1 Salaries and wages</b>			
Basic salary		5,954,649	5,714,534
Performance award		25,657	19,843
Service Based		19,652	32,571
Compensative/circumstantial		391,055	27,829
Periodic payments		29,831	23,143
Other non-pensionable allowances		644,827	561,516
		<b>7,065,671</b>	<b>6,379,436</b>

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**Notes to the Annual Consolidated Financial Statements for the year ended 31 March 2005**

	<i>Note</i>	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
<b>6.2 Social contributions</b>			
<b>6.2.1 Short term employee benefits</b>			
Pension		780,264	722,296
Medical		371,566	357,842
UIF		3	34
Bargain council		1,418	1,518
Official unions and associations		542	3
Insurance		21	48
		<b><u>1,153,814</u></b>	<b><u>1,081,741</u></b>
<b>6.2.2 Post employment retirement benefits</b>			
Pensions		194	239
Insurances		-	2
		<b><u>194</u></b>	<b><u>241</u></b>
<b>Total compensation of employees</b>		<b><u>8,219,679</u></b>	<b><u>7,461,418</u></b>
Average number of employees		<u>67,356</u>	<u>65,617</u>

**ANNUAL CONSOLIDATED FINANCIAL STATEMENTS OF THE  
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**Notes to the Annual Consolidated Financial Statements for the year ended 31 March 2005**

	<i>Note</i>	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
<b>7. Goods and services</b>			
Advertising		42,303	24,838
Attendance fees (including registration fees)		1,314	2,145
Bank charges and card fees		3,748	3,333
Bursaries (employees)		2,810	3,025
Communication		76,135	66,337
Computer services		157,816	131,380
Commission		-	2
Consultants, contractors and special services		411,258	341,410
Courier and delivery services		2,611	3,790
Tracing agents & debt collections		1,212	330
Drivers licences and permits		100	149
Entertainment		7,008	5,201
External audit fees	7.1	24,321	22,163
Equipment less than R5 000		45,039	17,266
Freight service		115	11
Government motor transport		502	-
Honoraria (Voluntary workers)		494	191
Inventory	7.2	993,357	1,010,380
Legal fees		8,469	36,805
Licence agency fees		129,028	109,363
Maintenance, repair and running costs		449,383	411,673
Medical services		309,423	182,401
Operating leases		121,653	92,166
Mint of decorations/medals		7	-
Personnel agency fees		83	-
Photographic services		440	329
Plant flowers and other decorations		373	49
Printing and publications		10,262	3,301
Professional bodies and membership fees		1,751	1,465
Resettlement costs		4,502	3,995
Road laboratories		26	20
Subscriptions		948	718
System access fees		148	-
Taking over of contractual obligations		-	408
Owned and leasehold property expenditure		170,163	171,997
Translations and transcriptions		2,440	803
Transport provided as part of the departmental activities		120,666	108,222
Travel and subsistence	7.3	145,116	126,667
Venues and facilities		24,781	21,036
Protective, special clothing & uniforms		15,341	8,674
Training & staff development		17,636	10,578
Witness and related fees		-	1
Previous years unallocated items		-	6,041
		<b>3,302,782</b>	<b>2,928,663</b>
<b>7.1 External audit fees</b>			
Regulatory audits		22,600	20,473
Performance audits		978	1,564
Other audits		743	126
<b>Total external audit fees</b>		<b>24,321</b>	<b>22,163</b>

**ANNUAL CONSOLIDATED FINANCIAL STATEMENTS OF THE  
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**Notes to the Annual Consolidated Financial Statements for the year ended 31 March 2005**

	<i>Note</i>	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
<b>7.2 Inventory</b>			
Other inventory		61	1,644
Strategic stock		792	8
Domestic Consumables		48,625	31,703
Agricultural		4,689	3,531
Learning and teaching support material		158,710	178,552
Food and Food supplies		41,634	39,203
Fuel, oil and gas		3,396	3,403
Laboratory consumables		9,874	9,684
Other consumables		9,223	5,672
Parts and other maint mat		25,936	10,670
Sport and recreation		171	-
Stationery and Printing		53,131	49,122
Veterinary supplies		924	-
Restoration and fittings		217	-
Road construction and supplies		2,045	1,137
Medical Supplies		633,929	676,050
Weapons and armaments		-	1
<b>Total Inventory</b>		<b>993,357</b>	<b>1,010,380</b>
<b>7.3 Travel and subsistence</b>			
Local		140,173	121,892
Foreign		4,943	4,775
<b>Total travel and subsistence</b>		<b>145,116</b>	<b>126,667</b>
<b>8. Interest and rent on land</b>			
Interest expense		-	12
<b>Total interest and rent on land</b>		<b>-</b>	<b>12</b>
<b>9. Financial transactions in assets and liabilities</b>			
Material losses through criminal conduct	9.1	652	571
Other material losses written off	9.2	1,374	2,554
Debts written off	9.3	10,544	12,463
		<b>12,570</b>	<b>15,588</b>
<b>9.1 Material losses through criminal conduct</b>			
Nature of losses (Group major categories, but list material items)			
Theft		576	244
Fraud		9	22
Mala fide - damage to government vehicles		67	305
		<b>652</b>	<b>571</b>

**ANNUAL CONSOLIDATED FINANCIAL STATEMENTS OF THE  
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**Notes to the Annual Consolidated Financial Statements for the year ended 31 March 2005**

	<i>Note</i>	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
<b>9.2 Other material losses written off in Statement of Financial Performance</b>			
<b>Nature of losses</b>			
Government motor vehicle accidents		942	1,044
Thefts and losses		127	
Vis major and unavoidable causes		24	69
Switchboard expenditure		172	-
Interest paid		-	302
Road reconstruction		-	395
Re-imburement of pensionable service loss		-	324
Other losses		109	420
		<b><u>1,374</u></b>	<b><u>2,554</u></b>
<b>9.3 Bad debts written off</b>			
<b>Nature of debts written off</b>			
State guarantees		1,122	353
Social Pension debt		8,182	8,863
Employee tax		50	1,047
Salary overpayments		666	846
Other		524	1,354
		<b><u>10,544</u></b>	<b><u>12,463</u></b>
<b>10. Unauthorised expenditure</b>			
<b>10.1 Reconciliation of unauthorised expenditure</b>			
Opening balance		551,285	510,239
Unauthorised expenditure – current year		19,199	43,296
Unauthorised expenditure approved by Parliament/Legislature – current expenditure		-	(2,250)
Transfer to receivables for recovery		(36,577)	-
Unauthorised expenditure awaiting authorisation		<b><u>533,907</u></b>	<b><u>551,285</u></b>
<b>11. Transfers and subsidies</b>			
Provinces and municipalities		355,968	373,914
Departmental agencies and accounts		136,092	104,648
Universities and technikons		57,799	42,435
Foreign governments and international organisations		70	67
Public corporations and private enterprises		37,924	20,763
Non-profit institutions		893,127	892,972
Households		4,178,358	3,598,619
Gifts and donations		447	218
		<b><u>5,659,785</u></b>	<b><u>5,033,636</u></b>

**ANNUAL CONSOLIDATED FINANCIAL STATEMENTS OF THE  
WESTERN CAPE PROVINCIAL DEPARTMENTS**

**Notes to the Annual Consolidated Financial Statements for the year ended 31 March 2005**

	<i>Note</i>	2004/05 R'000	2003/04 R'000
<b>12. Expenditure for capital assets</b>			
Buildings and other fixed structures		811,229	686,486
Machinery and equipment		220,612	209,059
Biological or cultivated assets		112	-
Land and subsoil assets		3,885	2,233
Software and other intangible assets		21,948	27,535
<b>Total</b>		<b>1,057,786</b>	<b>925,313</b>

The following amount for Compensation of employees has been included in Expenditure for capital assets

	-	428
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<b>13. Cash and cash equivalents</b>			
Exchequer account		192,585	184,003
Consolidated Paymaster General Account		(67,654)	(17,895)
Fund requisition account		-	(779)
Cash receipts		238	(2,183)
Disbursements		(349)	(4,498)
Cash on hand		112	97
Cash with commercial banks		-	(20)
Short term investments		2,286,000	1,654,000
		<b>2,410,932</b>	<b>1,812,725</b>

<b>14. Prepayments and advances</b>			
<b>Description</b>			
Staff advances		23	17
Travel and subsistence		1,613	981
Prepayments		52,009	247,923
Advances paid to other entities		2,424	3,929
Claims recoverable		2,081	25
		<b>58,150</b>	<b>252,875</b>

<b>15. Receivables</b>					
		<b>Less than</b>	<b>One to three</b>	<b>Older than</b>	
		<b>one year</b>	<b>years</b>	<b>three years</b>	<b>Total</b>
					<b>Total</b>
Amounts owing by other entities		6,380	26,337	15,553	48,270
Staff debtors	15.1	16,223	7,185	5,597	29,005
Clearing accounts	15.2	4,947	5,288	451	10,686
Other debtors	15.3	12,352	7,253	86,687	106,292
		<b>39,902</b>	<b>46,063</b>	<b>108,288</b>	<b>194,253</b>
					<b>270,551</b>

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**Notes to the Annual Consolidated Financial Statements for the year ended 31 March 2005**

	<i>Note</i>	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
<b>15.1 Staff debtors</b>			
Departmental staff debt		28,679	14,510
Other		326	12,575
		<b>29,005</b>	<b>27,085</b>
<b>15.2 Clearing accounts</b>			
Salary deductions-income tax		3,947	4,051
Disallowance Miscellaneous		3,199	1,176
Claims Payable GG Transport		-	1,883
Suspense accounts		2,020	113
Claims payable		-	1,672
Other		1,520	789
		<b>10,686</b>	<b>9,684</b>
<b>15.3 Other debtors</b>			
Ex-employees		7,182	8
Debt account		32,881	14,385
Ex Departments Mopping up		-	95,219
Breach of Contract		47,902	-
Claims Recoverable: Households		689	829
Claims Recoverable: Local Government		651	1,208
Claims Recoverable: Public Entities		21	85
Damages and Losses		1,271	1,302
State guarantees		1,893	-
Criminal acts		1,713	-
Trade debtors		-	2,871
Outstanding debtors		-	71,371
Other		12,084	5,277
Other revenue to be surrendered to the Revenue Fund - difference between PRF and departments		5	-
		<b>106,292</b>	<b>192,555</b>
<b>16. Investments</b>			
<b>Investee</b>	<b>Nature of investment</b>		
(Reflected at cost)			
School Building Fund	Government Stocks	8,492	7,928
JL Bisset Fund:	Government Stocks	274	256
Royal Reception Fund	Government Stocks	35	36
De waal Education Trust	Government Stocks	-	203
Graham Civil Service	Government Stocks	39	35
Sir David Harris Trust	Government Stocks	11	10
Isaac Chames	Trust	2	2
		<b>8,853</b>	<b>8,470</b>

**ANNUAL CONSOLIDATED FINANCIAL STATEMENTS OF THE  
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**Notes to the Annual Consolidated Financial Statements for the year ended 31 March 2005**

	<i>Note</i>	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
<b>17. Bank overdraft</b>			
Paymaster General Account		42,679	171,490
		<b>42,679</b>	<b>171,490</b>

**18. Payables – current**

<b>Description</b>		<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>	<b>Total</b>
Amounts owing to other departments		-	-	-	340
Advances received	<i>18.1</i>	52,000	61,270	113,270	47,925
Clearing accounts	<i>18.2</i>	5,635	482,104	487,739	499,083
Other payables	<i>18.3</i>	13	88,781	88,794	102,318
Voted funds to be transferred from the Revenue Fund	<i>18.4</i>			-	2,445
Other - Provincial Revenue Fund	<i>18.5</i>	21,111		21,111	234,135
		<b>78,759</b>	<b>632,155</b>	<b>710,914</b>	<b>886,246</b>

**18.1 Advances received**

Social assistance		52,000	-
Integrated Services Land Project		11,817	18,522
Provincial Transport Fund		47,396	24,303
Masekhane Project		311	311
Community Development Workers Fund		1,746	-
Implementation of Logis		-	4,730
Other		-	59
		<b>113,270</b>	<b>47,925</b>

**18.2 Clearing accounts**

Salary Deduction: Pension Fund		3,345	3,395
Salary Deduction: Housing		1,067	2
Advances from Western Cape		468,939	458,791
Recoverable revenue		1,011	242
Patient fee deposit		654	-
Ex Department mopping up		-	36,780
Disallowance Miscellaneous		4,920	5,007
Other		7,803	2,004
Interdepartmental payables			(7,138)
		<b>487,739</b>	<b>499,083</b>



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**Notes to the Annual Consolidated Financial Statements for the year ended 31 March 2005**

	<i>Note</i>	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>			
<b>18.3 Other payables</b>						
Trading Entity: Government Motor Transport		19,147	15,391			
Guarantees for Rehabilitation		3,153	2,466			
Provide Project		4,168	3,700			
Flood		1,614	5,850			
Drought		-	14,649			
World population Fund: Reproductive Health		-	525			
European union Funding:HBC Project		-	4,825			
Western Cape Housing Development Fund		55,972	52,116			
Other		4,740	2,796			
		<b>88,794</b>	<b>102,318</b>			
<b>18.4 Voted funds to be transferred from the Provincial Revenue Fund</b>						
Opening Balance		2,445	<b>2,445</b>			
Outstanding late request previous year		-	-			
Paid during the year		(2,445)	-			
<b>Closing balance</b>		<b>-</b>	<b>2,445</b>			
<b>18.5 Other - Provincial Revenue Fund</b>						
Opening Balance		234,135	649,545			
Temporary investments - difference between PRF and departments		1,254	183,805			
Outstanding Voted Funding - difference between PRF and departments		19,354	-			
Global fund interest to be transferred		503	-			
Amount paid during the year		(234,135)	(599,215)			
<b>Closing balance</b>		<b>21,111</b>	<b>234,135</b>			
<b>19. Payables – Non-current</b>						
<b>Description</b>		<b>One to two years</b>	<b>Two to three years</b>	<b>More than three years</b>	<b>Total</b>	<b>Total</b>
Other payables	19.1	21	1,466	26,035	27,522	156,906
		<b>21</b>	<b>1,466</b>	<b>26,035</b>	<b>27,522</b>	<b>156,906</b>
<b>19.1 Other payables</b>						
Ex departments mopping up/voted funds to be surrendered				613		112,725
Ex departments mopping up/CPRS Trading Account				25,422		11,530
Enrichment Centre Project				1,466		3,272
Community Builder				21		13
Recoverable Revenue: Capital				-		7,401
Recoverable Revenue: Interest				-		827
Disallowance: Previous Years				-		21,138
					<b>27,522</b>	<b>156,906</b>

**ANNUAL CONSOLIDATED FINANCIAL STATEMENTS OF THE  
WESTERN CAPE PROVINCIAL DEPARTMENTS**

**Notes to the Annual Consolidated Financial Statements for the year ended 31 March 2005**

	<i>Note</i>	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
<b>20. Reconciliation of net cash flow from operating activities to surplus/(deficit)</b>			
Net surplus as per Statement of Financial Performance		735,997	
Non-cash movements		3,107	
Decrease in receivables – current		76,310	
Decrease in prepayments and advances		194,725	
Decrease in other current assets		17,378	
Increase in other non-current assets		(383)	
Decrease in payables – current		(170,732)	
Decrease in non-current liabilities		(129,384)	
Proceeds from sale of equipment		(324)	
Proceeds from sale of land and buildings		(14,067)	
Capital expenditure		1,057,786	
<b>Net cash flow generated by operating activities</b>		<b><u>1,770,413</u></b>	
<b>21. Appropriated funds and departmental revenue surrendered</b>			
Appropriated funds surrendered		431,148	311,644
Departmental revenue surrendered		1,433,260	1,219,865
		<b><u>1,864,408</u></b>	<b><u>1,531,509</u></b>
<b>22. Reserves</b>			
Opening balance		1,573,563	1,569,342
Surplus/(deficit) for the year		731,397	(228,606)
Adjustments and Other		7,707	232,827
Balance at the end of the year		<b><u>2,312,667</u></b>	<b><u>1,573,563</u></b>

The surplus of the 2003/04 financial year in note 22 does not correspond with that disclosed in the Statement of Financial Performance as a result of different disclosure requirements applied in the previous year.
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**ANNUAL CONSOLIDATED FINANCIAL STATEMENTS OF THE  
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Disclosure notes to the Annual Consolidated Financial Statements for the year ended 31 March 2005

These amounts are not recognised in the financial statements and are disclosed to enhance the usefulness of the financial statements.

	<i>Note</i>	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>	
<b>23. Contingent liabilities</b>				
Nature				
Motor vehicle guarantees		272	90	
Housing loan guarantees		100,728	115,128	
Claims		115,655	108,361	
Other departments (unconfirmed balances)		3,648	420	
Capped Leave Commitments		1,083,035	1,065,699	
Other		10,100	98	
		<u>1,313,438</u>	<u>1,289,796</u>	
<b>24. Commitments</b>				
<b>Current expenditure</b>				
Approved and contracted		359,581	222,256	
Approved but not yet contracted		21,849	6,478	
		<u>381,430</u>	<u>228,734</u>	
<b>Capital expenditure</b>				
Approved and contracted		345,483	386,284	
Approved but not yet contracted		30,144	196	
		<u>375,627</u>	<u>386,480</u>	
<b>Total Commitments</b>		<u>757,057</u>	<u>615,214</u>	
<b>25. Accruals</b>				
<b>By economic classification</b>	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>	<b>Total</b>
Compensation of employees	1,100	66	1,166	11
Goods and services	39,880	14,540	54,420	62,329
Transfers and subsidies	28,529	8,797	37,326	10,795
Buildings and other fixed structures	5,157	1,167	6,324	26,527
Machinery and Equipment	11,255	115	11,370	7,268
Software and other intangible assets	-	9	9	38
Land and subsoil assets	7	-	7	-
	<u>85,928</u>	<u>24,694</u>	<u>110,622</u>	<u>106,968</u>
<b>Confirmed balances with other departments</b>			<u>1,786</u>	<u>2,437</u>

**ANNUAL CONSOLIDATED FINANCIAL STATEMENTS OF THE  
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**Disclosure notes to the Annual Consolidated Financial Statements for the year ended 31 March 2005**

	<i>Note</i>	2004/05	2003/04
		R'000	R'000
<b>26. Employee benefits</b>			
Leave entitlement		94,764	62,735
Thirteenth cheque		225,695	229,352
Performance awards		24,543	8,896
		<u>345,002</u>	<u>300,983</u>
<b>27. Leases</b>			
		<b>Buildings &amp; other fixed structures</b>	<b>Machinery and equipment</b>
<b>27.1 Operating leases</b>		<b>Total</b>	<b>Total</b>
Not later than 1 year		74,663	27,999
Later than 1 year and not later than 3 years		98,466	21,647
Later than three years		142,293	29,642
Total present value of lease liabilities		<u>315,422</u>	<u>79,288</u>
		102,662	79,392
		120,113	93,275
		171,935	130,372
		394,710	303,039
<b>28. Receivables for service delivered</b>			
<b>Nature of service</b>			
Escorting Services		-	28
Health care provided (1)		454,540	82,588
Motor Vehicle License Fees (2)		43,799	45,936
Motor Vehicle License Fees: arrears (2)		55,528	63,074
Motor Vehicle License Fees: penalties (2)		70,108	78,354
Motor Vehicle License Fees: registration fees (2)		2,320	1,994
Motor Vehicle License Fees: registration penalties		2,036	1,720
Outstanding property rentals		31,206	16,739
House rent		342	262
Student debt (Bursaries)		482	328
Contributions outstanding		479	177
		<u>660,840</u>	<u>291,200</u>

(1) An amount of R338,127 million which could not be provided during the 2003/04 financial year as a result of the HIS system not being able to provide the information has now been included.

(2) Motor vehicle license fees of R151,549 million included in the above may not be recoverable and has not been written off.

**ANNUAL CONSOLIDATED FINANCIAL STATEMENTS OF THE  
WESTERN CAPE PROVINCIAL DEPARTMENTS**

**Disclosure notes to the Annual Consolidated Financial Statements for the year ended 31 March 2005**

	<i>Note</i>	<b>2004/05</b>	<b>2003/04</b>
		<b>R'000</b>	<b>R'000</b>
<b>29. Irregular expenditure</b>			
<b>29.1 Reconciliation of irregular expenditure</b>			
Opening Balance		796	253
Irregular expenditure – current year		3,142	543
Transferred to Statement of Financial Performance - authorised losses (Condoned)		(6)	-
Irregular expenditure awaiting condonement		<u>3,932</u>	<u>796</u>
<b>Analysis</b>			
Current		3,142	549
Prior years		790	247
		<u>3,932</u>	<u>796</u>

**30 Senior management personnel**

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

	Number	<b>2004/05</b>	<b>2003/04</b>
Premier	1	835	848
MEC	11	7,866	7,573
Director-General	1	927	877
Superintendent-General	4	3,559	3,147
Deputy DDG	19	13,525	12,212
Chief Director	35	17,921	16,022
Chief Financial Officer	13	6,248	4,802
		<u>50,881</u>	<u>45,481</u>

**ANNUAL CONSOLIDATED FINANCIAL STATEMENTS OF THE  
WESTERN CAPE PROVINCIAL DEPARTMENTS**

**Disclosure notes to the Annual Consolidated Financial Statements for the year ended 31 March 2005**

**31. Public Private Partnership**

*Chapman's Peak Drive*

A concession agreement was concluded with Entilini Concession (Pty) Ltd for the design, construction, financing, operation and maintaining of Chapman's Peak Drive as a toll road for 30 years. At the end of the concession period the road is returned to the Provincial Government of the Western Cape in a clearly defined condition. The agreement which provides for both renewal and termination options was signed on 20 May 2003. The partnership has been operational since 21 December 2003.

**REPORT OF THE AUDITOR-GENERAL TO THE PROVINCIAL PARLIAMENT  
OF THE WESTERN CAPE ON THE CONSOLIDATED FINANCIAL  
INFORMATION OF THE PUBLIC AND TRADING ENTITIES OF THE WESTERN  
CAPE PROVINCE FOR THE YEAR ENDED 31 MARCH 2005**

**1. AUDIT ASSIGNMENT**

The consolidated financial information as set out on pages 50 to 68, for the year ended 31 March 2005, has been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004) and section 19(2) of the Public Finance Management Act, 1999 (Act No. 1 of 1999). The consolidated financial information, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the Provincial Treasury. My responsibility is to express an opinion on the consolidated financial information, based on the audit.

**2. NATURE AND SCOPE**

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial information is free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial information,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial information presentation.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to my attention and are applicable to financial matters.

However, due to the unique nature of the consolidation process followed, the scope of the audit was limited to the consolidation format as prescribed by the National Treasury.

The audit was completed in accordance with Auditor-General Directive No. 1 of 2005.

I believe that the audit provides a reasonable basis for my opinion.

### **3. QUALIFICATION**

#### **3.1 Western Cape Housing Development Fund**

##### **3.1.1 Non-current assets: Property**

- (a) A title deed search performed on a sample of properties included in the property listing, indicated that 17 properties with a total value of approximately R17 million were not registered in the name of the Western Cape Housing Development Fund. Due to the inaccuracies of the property listing the property balance was overstated by approximately R17 million.
- (b) In terms of the accounting policy adopted by the Western Cape Housing Development Fund, properties were carried at historical cost or municipal valuation which indicated that all properties should have recorded values. However, during the audit it was found that a total of 2 804 properties included on the property listing were reflected at nil value. The effect of the understatement on the property balance has not been quantified.

##### **3.1.2 Current assets: Gross trade and other receivables**

- (a) Included in the balance of accounts receivable were credit balances amounting to R21,1 million. An amount of approximately R18 million of the credit balance related to various unallocated receipts for which the necessary information and explanations to verify the existence and accuracy of could not be obtained during the audit. The records maintained by the department in respect of the Western Cape Housing Development Fund did not allow for the performance of alternative audit procedures. As a result of the limitation of scope, the accuracy, existence and completeness of the credit balances amounting to approximately R21 million could not be verified.
- (b) Information and explanations that were necessary to verify the existence and accuracy of loan debtors of approximately R13 million, sales debtors of approximately R7 million and rental debtors of approximately R16 million (credit) could not be submitted for audit purposes.
- (c) The debtors listing included debtor accounts amounting to R6,1 million (debit balance) and R0,7 million (credit balance) that did not belong to the Western Cape Housing Development Fund, resulting in the overstatement of receivables by R5,4 million (net effect).
- (d) Supporting documentation in respect of a suspense account amounting to R5 million could not be submitted for audit purposes. As a result, the completeness, existence and accuracy of the debtor suspense account could not be confirmed.
- (e) It was also found that 727 debtors amounting to R4,8 million were not removed from the system on time, resulting in the misstatement of receivables by the above amount.



- (f) One rental debtor with a credit balance of R1,2 million was included in the debtor listing. Audit procedures performed in respect of this debtor, as well as other debtors amounting to R101 757 (debit) revealed non-existing addresses and/or identity numbers. As a result, the net credit balance of R1,1 million could not be confirmed for existence and accuracy.

### **3.1.3 Revaluation reserve**

A revaluation reserve amounting to R11,9 million was disclosed on the financial statements of this entity. The information and explanations considered necessary to verify the completeness, existence and accuracy of the list detailing the properties could not be submitted for audit purposes.

### **3.2 Public entity listed in the Public Finance Management Act not included in the consolidated financial information**

The Western Cape Liquor Board, a listed schedule 3C Provincial Public Entity, did not keep full and proper records of its financial affairs and did not prepare and submit financial statements on its activities in accordance with the requirements of section 55 of the Public Finance Management Act, 1999. The Liquor Board could not adhere to these requirements due to the implications of the provisions of the Liquor Act, 1989 (Act No. 27 of 1989) that did not enable the Liquor Board to have an allocated budget and an independent staffing component separate from the department. Adherence to the provisions of the Public Finance Management Act, 1999, by the Liquor Board, as far as accountability and reporting is concerned, is currently still the responsibility of the accounting officer of the department.

This resulted in the understatement of income and expenditure in the consolidated financial information for public and trading entities by an undetermined amount due to the fact that the operating expenditure and income of the Western Cape Liquor Board could not be separated from the operating expenditure of the Department of Economic Development and Tourism.

## **4. DISCLAIMER OF AUDIT OPINION**

Because of the significance of the matters referred to in paragraph 3, I do not express an opinion on the consolidated financial information of the Public and Trading Entities of the Western Cape Province for the year ended 31 March 2005.

## **5. EMPHASIS OF MATTER**

Without further qualifying the audit opinion expressed above, attention is drawn to the following matters:

### **5.1 Late submission of consolidated financial information**

Section 19(1)(b) of the Public Finance Management Act, 1999, requires that consolidated financial statements be submitted to the Auditor-General for auditing within three months after the end of the financial year (30 June). Although consolidated financial information was submitted on 30 June 2005, the consolidated financial information was based on the unaudited financial statements submitted by the individual public and trading entities. Consolidated financial information which was based on the audited financial statements of the individual entities could therefore only be prepared once the audits of the individual entities had been finalised. An agreement was reached between the Provincial Treasury and the Auditor-General that the consolidated financial information could be reconsolidated after the finalisation of the audit reports of the individual public and trading entities and submitted to the Auditor-General within seven days of the date of the last audit report. In terms of this arrangement the consolidated financial information for provincial public and trading entities had to be submitted to the Auditor-General by 6 September 2005. The final consolidated financial information was, however, only submitted on 4 October 2005.

### **5.2 Significant matters in individual audit reports**

#### **5.2.1 Transversal matters**

Detailed below are audit findings relevant to transversal matters identified across the various entities. For more detail on each of the matters, I refer you to my audit reports to the Provincial Parliament of the Western Cape on the financial statements of the individual public and trading entities for the year ended 31 March 2005.

- (a) No internal audit work upon which reliance could be placed had been performed at four entities during the financial year under review (Western Cape Nature Conservation Board, Destination Marketing Organisation, Cape Medical Depot and Western Cape Housing Development Fund).
- (b) At two entities (Western Cape Cultural Commission and Western Cape Language Committee) only a generic fraud prevention plan was prepared and as a result thereof the fraud prevention plans at these entities were not tailored to their specific needs. At the Destination Marketing Organisation a fraud prevention plan was not developed.
- (c) Internal control shortcomings covering various areas of debtors, inventory, creditors and cellphone management were identified at three entities and reported to the accounting authorities/officers (Western Cape Housing Development Fund, Cape Medical Depot and Destination Marketing Organisation).

## **5.2.2 Specific matters**

Detailed below are audit findings relevant to specific matters identified at individual entities. For more detail on each of the matters, I refer you to my audit reports to the Provincial Parliament of the Western Cape on the financial statements of the individual public and trading entities for the year ended 31 March 2005.

### **(a) Western Cape Tourism Board**

The commencement of the Western Cape Tourism Act, 2004 (Act No. 1 of 2004) lead to the dissolution of the former Western Cape Tourism Board on 31 March 2004. On 1 April 2004 all assets, liabilities and records of the board, as well as staff employed by the board, were transferred to the newly established Destination Marketing Organisation.

### **(b) Western Cape Nature Conservation Board**

- (i) During the evaluation of the leave pay provision amounting to R5,6 million at year-end, non-compliance with the system of controls over the maintenance of accurate leave day records used in the calculation of the provision was identified. No satisfactory audit procedures could be performed to obtain reasonable assurance that the leave days were properly recorded. Consequently, the completeness, validity and accuracy of the accounting records relating to the leave provision could not be determined. It was also not possible to quantify the misstatement and the effects thereof on the financial statements of this entity.
- (ii) The board incurred a net loss of R6,3 million during the year ended 31 March 2005 and, as at that date, the board's total liabilities exceeded its total assets by R12,9 million. These conditions, along with other matters as set forth in the financial statements of this entity, indicated the existence of a material uncertainty which may cast significant doubt over the board's ability to continue as a going concern.

### **(c) Destination Marketing Organisation**

- (i) Although the entity adopted and applied the City of Cape Town's procurement policy during the year under review and had also established its own tender committee, the prescribed supply chain management system was in draft format and had not yet been approved at year-end.
- (ii) During the verification of fixed assets it was found that the fixed asset register was incomplete in that not all items of fixed assets relating to property, plant and equipment were marked with unique identification codes. Furthermore, the entity applied a draft asset management policy with regard to the additions and disposals of fixed assets during the year under review.

**(d) Western Cape Investment and Trade Promotion Agency (Wesgro)**

Wesgro did not consolidate the financial statements of its wholly owned subsidiary, Novel Garment SA (Pty) Ltd. The individual financial statements disclosed the reasons for and the nature of the departure from the statements of generally accepted accounting practice.

**5.3 Entities not audited by the Auditor-General**

Certain entities which have been included in the consolidated financial information have not been audited by me. I have, however, placed reliance on the audited financial statements of these entities, which are the Western Cape Investment and Trade Promotion Agency (Wesgro) and Casidra (Pty) Ltd.

**6. APPRECIATION**

The assistance rendered by the staff of the Provincial Treasury during the audit is sincerely appreciated.



I Jeewa for Auditor-General

Cape Town

31 October 2005



A U D I T O R - G E N E R A L

**ANNUAL CONSOLIDATED FINANCIAL  
STATEMENTS OF THE WESTERN CAPE  
PROVINCIAL TRADING AND  
PUBLIC ENTITIES**

**for the year ended 31 March 2005**

**Western Cape Province Trading and Public Entities**  
**Consolidated Income Statement**  
**for the year ended 31 March 2005**

Western Cape Province

	Notes	31/03/2005 R'000	31/03/2004 R'000
Revenue	<u>2</u>	476,968	492,672
Cost of sales	<u>6</u>	(296,194)	(306,267)
Gross profit		<u>180,774</u>	<u>186,405</u>
Grants and transfers	<u>3</u>	148,149	160,566
Fines, penalties and forfeits	<u>4</u>	684	586
Other income	<u>5</u>	96,731	63,762
		<u>426,338</u>	<u>411,319</u>
Administrative expenses	<u>7</u>	(54,061)	(58,054)
Staff costs	<u>8</u>	(97,338)	(139,846)
Financial transactions in assets and liabilities	<u>9</u>	(2,806)	(30,930)
Interest and rent on land	<u>10</u>	(491)	(1,362)
Transfers and subsidies	<u>11</u>	(11,552)	(11,410)
Gifts, sponsorships and donations	<u>12</u>	(2)	0
Other operating expenses	<u>13</u>	(192,636)	(269,161)
Depreciation	<u>14</u>	(70,917)	(68,428)
		<u>(3,465)</u>	<u>(167,872)</u>
Finance costs	<u>15</u>	(208)	(194)
Income from investments	<u>16</u>	3,072	3,149
Loss for the year		<u>(601)</u>	<u>(164,917)</u>
Net loss for the year		<u>(601)</u>	<u>(164,917)</u>

**Western Cape Province Trading and Public Entities**  
**Consolidated Balance Sheet**  
**at 31 March 2005**

		Western Cape Province	
		31/03/2005	31/03/2004
		R'000	R'000
ASSETS	Notes		
<b>Non-current assets</b>		422,564	567,866
Property, plant and equipment	<u>17</u>	412,351	565,258
Investments in subsidiaries	<u>18</u>	7,563	0
Investments in securities	<u>19</u>	2,650	2,608
		422,564	567,866
<b>Current assets</b>		501,244	300,037
Inventories	<u>21</u>	47,129	33,862
Current portion of loans	<u>20</u>	103	207
Trade and other receivables	<u>22</u>	352,980	194,979
Prepayments and advances	<u>23</u>	470	949
Cash and cash equivalents	<u>24</u>	100,562	70,040
		501,244	300,037
<b>Total assets</b>		<u>923,808</u>	<u>867,903</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>	<u>25</u>	802,255	787,805
<b>Non-current liabilities</b>		12,512	8,220
Retirement benefit obligations	<u>26</u>	4,360	2,667
Deferred income	<u>27</u>	8,152	5,553
		12,512	8,220
<b>Current liabilities</b>		109,041	71,878
Trade and other payables	<u>28</u>	61,320	36,600
Current portion of local and foreign aid assistance payable	<u>29</u>	912	3,461
Income received in advance	<u>30</u>	16,264	17,916
Provisions	<u>31</u>	13,553	13,901
Current portion of deferred income	<u>27</u>	16,992	0
		109,041	71,878
<b>Total equity and liabilities</b>		<u>923,808</u>	<u>867,903</u>

**Western Cape Province Trading and Public Entities**  
**Consolidated Statement of Changes in Equity**  
**for the year ended 31 March 2005**

	Share Capital	Accumulated profit/(loss)	Revaluation reserve	Other reserves	Total Equity
Notes	R'000	R'000	R'000	R'000	R'000
Balance at 1 April 2003 as originally stated	25,000	602,421	11,732	195,112	834,265
- change in accounting policy		55,340			55,340
As restated	25,000	657,761	11,732	195,112	889,605
Net loss for the year		(164,917)			(164,917)
Transfers		57,264		(2,716)	54,548
Dividends		(1,710)			(1,710)
Revaluation increase on property, plant and equipment	17		29		29
Revaluation increase on investments			497		497
Other				13,130	13,130
Vat Claims against SARS				373	373
Change in accounting policy				(4,021)	(4,021)
Depreciation expensed for the year				(548)	(548)
Genadendal Restoration Project & RDP				295	295
Government grants and own funds				524	524
<b>Balance at 31 March 2004</b>	<b>25,000</b>	<b>548,398</b>	<b>12,258</b>	<b>202,149</b>	<b>787,805</b>
Net loss for the year		(601)			(601)
Transfers		(24,514)		(64)	(24,578)
Dividends		(5,675)			(5,675)
Revaluation increase on property, plant and equipment			181		181
Revaluation increase on investments			344		344
Released on disposal of investments			(186)		(186)
Other				7,267	7,267
Capital fund: Net gains not recognised in income statement				37,170	37,170
Change in accounting policy		(4,124)		4,054	(70)
Depreciation expensed for the year				(564)	(564)
Genadendal Restoration Project & RDP				71	71
Government grants and own funds				1,091	1,091
<b>Balance at 31 March 2005</b>	<b>25,000</b>	<b>513,484</b>	<b>12,597</b>	<b>251,174</b>	<b>802,255</b>



<b>Western Cape Province Trading and Public Entities</b> <b>Consolidated Cash Flow Statement</b> <b>for the year ended 31 March 2005</b>
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		Western Cape Province	
		31/03/2005	31/03/2004
	Notes	R'000	R'000
<b>Operating activities</b>			
Cash generated from operations	<u>32</u>	49,466	55,904
Interest paid		(108)	(1)
<b>Net cash from operating activities</b>		<u>49,358</u>	<u>55,903</u>
<b>Net cash used in investing activities</b>	<u>33</u>	<u>(69,699)</u>	<u>(64,944)</u>
<b>Net cash from financing activities</b>	<u>34</u>	<u>50,863</u>	<u>17,668</u>
<b>Net increase in cash and cash equivalents</b>		30,522	8,627
Cash and cash equivalents at the beginning of the year	<u>24</u>	70,040	61,413
Cash and cash equivalents at end of the year		<u>100,562</u>	<u>70,040</u>

<p style="text-align: center;"><b>Western Cape Province Trading and Public Entities</b> <b>Notes to the Annual Consolidated Financial Statements</b> <b>for the year ended 31 March 2005</b></p>
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**1 Accounting Policies and related matters**

The Annual Consolidated Financial Statements have been prepared in accordance with Generally Accepted Accounting Practice and the Public Finance Management Act, Act 1 of 1999 as amended.

The following are the principle accounting policies of the entity/group which are, in all material respects, consistent with those applied in the previous year, except as otherwise indicated:

**1.1 Basis of preparation**

The Annual Consolidated Financial Statements have been prepared on the historical cost basis, except as modified for the revaluation of land and buildings, plant and equipment, investment properties and marketable securities.

**1.2 Currency**

These Annual Consolidated Financial Statements are presented in South African Rands since that is the currency in which the majority of the entity/group's transactions are denominated.

**1.3 Revenue recognition**

Income is recognised on the accrual basis, except for donations and voluntary receipts that are recognised in the year of receipt.

Revenue is recognised when it is probable that future economic benefits will flow to the enterprise and these benefits can be measured reliably.

Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods have been transferred to the buyer.

Revenue arising from the rendering of services is based on the stage of completion determined by reference to the physical amount of work performed in relation to the total project.

Revenue arising from licence fees is recognised on an accrual basis in accordance with the substance of the relevant agreements.

Interest income is accrued on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity.

Dividend income from investments is recognised when the right to receive payment has been established.

**1.4 Irregular and fruitless and wasteful expenditure**

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

- The PFMA, or
- Any provincial legislation providing for procurement procedures in that provincial government.

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised.

All irregular and fruitless and wasteful expenditure is charged against income in the period in which they are incurred.

**1.5 Retirement benefit costs**

The entity/group operates both defined contribution and defined benefit plans, the assets of which are generally held in separate trustee-administered funds. The plans are generally funded by payments from the

<p><b>Western Cape Province Trading and Public Entities</b>  <b>Notes to the Annual Consolidated Financial Statements</b>  <b>for the year ended 31 March 2005</b></p>
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entity/group and employees, taking account of the recommendations of independent qualified actuaries. For defined benefit plans the defined benefit obligation, the related current service cost, and where applicable, the past service cost are determined by using the projected unit credit method.

Payments to defined contribution retirement benefit plans are charged to the income statement in the year to which they relate.

**1.6 Property, plant and equipment**

***Land and buildings***

Land and buildings, and plant and equipment are stated in the balance sheet at their revalued amounts, being their fair value on the basis of their existing use at the date of revaluation, less any subsequent accumulated depreciation. Revaluations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined by using fair values at the balance sheet date.

Any revaluation increase arising from the revaluation of land and buildings or plant and equipment is credited to the properties revaluation reserve, except where it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to the income statement to the extent of the decrease previously charged. A decrease in carrying amount arising from the revaluation of land and buildings or plant and equipment is charged as an expense where it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation is calculated on a straight-line method to write off the historical cost amount of the assets over their expected useful lives as follows:

Boats	4 to 6 years
Plant, Machinery and Tools	2 to 6 years
Office Furniture and Equipment	3 to 6 years
Computer Equipment	2 to 3 years
Buildings	50 years
Vehicles	3 to 7 years

Land is not depreciated as it is deemed to have an indefinite life.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in operating profit.

**1.7 Impairment**

At each balance sheet date, the entity/group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount for an individual asset, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are immediately recognised as an expense, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under the standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that other standard.

<p style="text-align: center;"><b>Western Cape Province Trading and Public Entities</b> <b>Notes to the Annual Consolidated Financial Statements</b> <b>for the year ended 31 March 2005</b></p>
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**1.8 Basis of consolidation**

The Annual Consolidated Financial Statements incorporate the financial statements of the entities up to 31 March each year. Entities are considered controlled as per the Public Finance Management Act definition of "ownership control".

On acquisition, the assets and liabilities of the relevant subsidiaries are measured at their fair values at the date of acquisition. The interest of minority shareholders is stated at the minority's proportion of the fair value of the assets and liabilities recognised.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the entity/group.

All inter-entity transactions and balances between group enterprises are eliminated on consolidation.

**1.9 Leasing**

Finance leases as per the Treasury Regulations refers to a contract that transfers the risks, rewards, rights and obligations incident to ownership to the lessee and is recorded as a purchase of equipment by means of long-term borrowing; All other leases are classified as operating leases.

**1.10 Inventories**

Inventories are stated at the lower of cost and net realisable value.

**1.11 Financial instruments**

***Recognition***

Financial assets and financial liabilities are recognised on the organisation's balance sheet when the organisation becomes a party to the contractual provisions of the instrument.

***Financial assets***

The organisation's principal financial assets are bank balances and cash, trade and other receivables. Trade and other receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts, based on estimated future cash flows.

Cash and cash equivalents are measured at fair value, based on the relevant exchange rates at balance sheet date.

The net profit and loss emanating from adjustments made with regard to securities held for short-term trade, is recognised as income. The non-trade portion is recognised as equity till the financial asset is sold, at which time the realised profit or loss is recognised as income or expenditure.

***Financial liabilities***

The entity/group's principle financial liabilities are interest bearing borrowings, accounts payable and bank overdraft.

- Trade and other payables are stated at their nominal value.

**1.12 Provisions**

Provisions are recognised when the entity/group has a present obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits that can be estimated reliably.

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Provisions for restructuring costs are recognised when the entity/group has a detailed formal plan for the restructuring and the entity/group has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it. Restructuring provisions only include those direct expenditure that are necessarily entailed by the restructuring and not associated with the ongoing activities of the enterprise.

Provision was made for the entity/group's estimated liability on all products still under warranty at balance sheet date. This is based on service histories.

The entity/group is exposed to environmental liabilities relating to its operations. Provision for the cost of environmental and other remedial work such as reclamation costs, close down and restoration costs and pollution control is made when such expenditure is probable and the cost can be estimated with a reasonable range of possible outcomes.

**1.13 Government grants**

Government grants are recognised when it is probable that future economic benefits will flow to the public entity/constitutional institution/trading entity and these benefits can be measured reliably. The grant is recognised to the extent that there are no further obligations arising from the receipt of the grant.

**1.14 Comparative figures**

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

**1.15 Public Private Partnerships (PPP)**

A PPP is a contractual arrangement whereby the entity and other parties undertake an economic activity that is subject to joint control. Investments in Public Private Partnerships are accounted for by the equity method from their most recently audited financial statements or unaudited management accounts as at financial year-end.

**1.16 Cash and cash equivalent**

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and deposits held on call with banks.

**1.17 Changes in accounting estimates and errors**

When an entity has not applied a new Standard or Interpretation that has been issued but is not yet effective, the entity shall disclose:

- (a) this fact; and
- (b) known or reasonably estimable information relevant to assessing the possible impact that application of the new Standard or Interpretation will have on the entity's financial statements in the period of initial application.

**1.18 Investments**

Management determines the classification of investments on acquisition, based on the reason for the acquisition. Investments that are going to be held for an undetermined period of time, and that may be sold for liquidity purposes, are classified as available-for-sale.

Purchases and sales are recognized at the date of trade, which is the date at which the investment was acquired or disposed. Purchase cost includes transaction costs. Available-for-sale investments are carried at fair value. Unrealized profit and loss, which results from changes in the fair value, is acknowledged in the equity. The fair value of investments is determined by using quoted selling prices. When available-for-sale securities are sold or weakened, the accumulated value in the income statement is recognized as profit or loss from investment securities. Dividends are recognised when the entity becomes entitled to it.

Investments were previously recognized at the lower of cost price or market value.

**Western Cape Province Trading and Public Entities**  
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An analysis of the entity's/group's revenue is as follows:

	Notes	R'000	R'000
<b>2 Revenue</b>		R'000	R'000
Sales of goods		313,086	323,935
Provincial Departments		313,086	323,935
Rendering of services		163,882	168,737
National Departments		49,495	62,489
Provincial Departments		94,245	86,229
Financial Public Enterprises		20,142	13,625
Households		0	6,394
Total		476,968	492,672
<b>3 Grants and transfers</b>		R'000	R'000
Provincial Departments		118,596	150,322
Extra Budgetary Institutions		80	120
Local Governments		22,250	0
Private Enterprises		30	0
Households		258	408
International Institutions		1,039	2,165
Capital fund reserves		(462)	4,738
Refunds received		18	4
City of Cape Town		6,340	2,809
Total		148,149	160,566
<b>4 Fines, penalties and forfeits</b>		R'000	R'000
Fines		684	586
Total		684	586
<b>5 Other income</b>		R'000	R'000
Gifts, donations and sponsorships received		76	1,556
Buildings rental income		2,356	2,076
Profit on disposal of assets		17,285	13,543
Material losses recovered		8	142
Interest received		1,124	1,431
Profit on recovery of expenses		106	99
Project management		38,186	25,109
Private Sector Membership		478	440
Accidents, profit on sale of vehicles, etc.		2,406	902
Project Grants		19,258	4,378
Property rights & licenses		1,473	1,316
Tourism income		13,975	12,770
Total		96,731	63,762
<b>6 Cost of sales</b>		R'000	R'000
Working for water contracts		14,514	23,570
Packaging		779	1,084
Purchases		277,286	278,108
Freight Services		3,615	3,505
Total		296,194	306,267
<b>7 Administrative expenses</b>		R'000	R'000
General and administrative expenses		22,704	29,881
<u>Directors' emoluments</u>	38	11,080	10,409
Auditor's Remuneration		1,153	1,151
- Audit fees		1,152	971
- Administrative		1	180
Travel and subsistence		17,958	15,524
Rentals in respect of operating leases (minimum lease payments)		1,166	1,089
- Buildings		689	738
- Plant, machinery and equipment		477	351
Total		54,061	58,054

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<b>8 Staff costs</b>	Notes	R'000	R'000
Wages and salaries		84,054	124,913
Basic salaries		72,761	114,087
Performance awards		1,215	746
Periodic payments		1,263	1,211
Other non-pensionable allowance		5,448	5,484
Temporary staff		781	110
Leave payments		783	1,863
Overtime pay		1,803	1,412
Defined Pension contribution plan expense		1,921	1,788
Social contributions (Employer's contributions)		7,753	6,974
Medical		4,383	3,873
UIF		500	255
Official unions and associations		6	4
Insurance		1,066	655
Other salary related costs		1,798	2,187
Defined Pension benefit plan expense		2,384	2,295
- current service cost		2,384	2,295
Other long-term employee benefits including long-service leave, profit sharing, deferred compensation		1,226	3,876
<b>Total</b>		<b>97,338</b>	<b>139,846</b>
<b>9 Financial transactions in assets and liabilities</b>		R'000	R'000
Material losses through criminal conduct		92	22
Other material losses		2,721	924
Debts written off		105	28,853
Loss/(Profit) on disposal of assets		(112)	1,131
- disposals		(112)	1,131
<b>Total</b>		<b>2,806</b>	<b>30,930</b>
<b>10 Interest and rent on land</b>		R'000	R'000
Rent on land and non-produced assets		491	1,362
<b>Total</b>		<b>491</b>	<b>1,362</b>
<b>11 Transfers and subsidies</b>		R'000	R'000
Transfers		11,522	11,385
Local Governments		49	43
Households		11,473	11,342
Subsidies		30	25
Bursaries to Households		30	25
<b>Total</b>		<b>11,552</b>	<b>11,410</b>
<b>12 Gifts, sponsorships and donations</b>		2	0
<b>13 Other operating expenses</b>		R'000	R'000
Staff training and development		1,228	408
Project expenses		29,307	13,691
Consultants, contractors and special services		16,736	23,672
Equipment items expensed as per entity policy		224	745
Legal fees		438	600
Maintenance, repairs and running costs		74,836	76,856
- Property and buildings		2,002	978
- Machinery and Equipment		70,106	73,705
- Other maintenance, repairs and running costs		2,728	2,173
Impairment losses (recognised)/reversed	17	394	25,137
Entertainment expense		310	162
Other		69,163	127,890
<b>Total</b>		<b>192,636</b>	<b>269,161</b>

**Western Cape Province Trading and Public Entities**  
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		Western Cape Province	
		31/03/2005	31/03/2004
<b>14 Depreciation</b>	Notes		
	<u>17</u>	R'000	R'000
- Land and buildings		94	92
- Plant, machinery and equipment		702	398
- Vehicles		67,122	65,544
- Computer equipment and peripherals		2,348	1,864
- Office furniture and fittings		629	510
Computer Software, library and project assets		22	20
<b>Total</b>		70,917	68,428
<b>15 Finance costs</b>		R'000	R'000
Interest expense:		208	194
- Borrowings		208	194
		208	194
<b>16 Income from investments</b>		R'000	R'000
Dividend income		27	23
- Unlisted investments		27	23
Interest income		3,045	3,126
- Investments		1,162	99
- Loans		1	73
- Bank deposits		1,882	2,954
		3,072	3,149



**Western Cape Province Trading and Public Entities**  
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**17 Property, plant and equipment**

	Land and buildings	Plant and equipment	Vehicles	Computer equipment and peripherals	Office furniture and fittings	Computer Software, library and project assets	Total Property, plant and equipment
Notes	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Year ended 31/03/2005</b>							
Opening net carrying amount	412,597	1,479	145,517	3,431	2,231	2	565,257
Gross carrying amount	413,091	2,716	377,587	9,130	5,200	287	808,011
Accumulated depreciation	(494)	(1,237)	(206,933)	(5,699)	(2,969)	(285)	(217,617)
Accumulated impairment losses			(25,137)				(25,137)
Revaluation adjustments	(149,819)		220				(149,599)
Additions	336	1,523	75,521	3,205	1,184	91	81,860
Disposals	(10,602)	(245)	(2,909)	(46)	(54)		(13,856)
Depreciation charge	14 (94)	(702)	(67,122)	(2,348)	(629)	(22)	(70,917)
Impairment losses recognised	13	(82)	(309)	(1)	(2)		(394)
<b>Net carrying amount 31 March 2005</b>	<b>252,418</b>	<b>1,973</b>	<b>150,918</b>	<b>4,241</b>	<b>2,730</b>	<b>71</b>	<b>412,351</b>
<b>Year ended 31/03/2004</b>							
Opening net carrying amount	422,408	776	157,085	2,582	1,123	22	583,996
Gross carrying amount	422,810	1,579	323,162	6,678	3,721	286	758,236
Accumulated depreciation	(402)	(803)	(166,077)	(4,096)	(2,598)	(264)	(174,240)
Revaluation adjustments	29						29
Additions	0	1,115	81,561	2,787	1,690		87,153
Disposals	(9,748)	(13)	(2,448)	(74)	(72)		(12,355)
Depreciation charge	14 (92)	(398)	(65,544)	(1,864)	(510)	(20)	(68,428)
Impairment losses recognised	13		(25,137)				(25,137)
<b>Net carrying amount 31 March 2004</b>	<b>412,597</b>	<b>1,480</b>	<b>145,517</b>	<b>3,431</b>	<b>2,231</b>	<b>2</b>	<b>565,258</b>

**Western Cape Province Trading and Public Entities**  
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		Western Cape Province	
		31/03/2005	31/03/2004
		R'000	R'000
<b>18 Investments in subsidiaries</b>	Notes	7,563	0
<b>19 Investments in securities</b>			
<b>Available-for-sale investments</b>		R'000	R'000
Opening balance		2,608	2,117
As restated		2,608	2,117
Revaluation increase		42	491
Closing balance		2,650	2,608
Non-current Investments in securities		2,650	2,608
Included in available-for-sale and trading investments are the following:			
	Number of shares held	R'000	R'000
Listed			
Sanlam	8 148	99	73
		99	73
Unlisted			
Unit trusts	7 805	53	36
Unit trusts	2 182	240	174
Cooperate (WPK Investments Limited)	16 671	21	207
Cash and cash equivalents		1,694	1,803
Cooperate (Pioneer Food Group Limited)	41 741	543	315
		2,551	2,535
Total		2,650	2,608
<b>20 Loans</b>		R'000	R'000
Current Loans		103	207
		103	207
<b>21 Inventories</b>		R'000	R'000
Work in progress		6,457	3,735
Finished goods		40,000	28,619
Consumable stores		672	1,508
Total		47,129	33,862
<b>22 Trade and other receivables</b>		R'000	R'000
Trade receivables		671,641	904,858
Less: Provision for doubtful debts		(323,447)	(714,715)
		348,194	190,143
VAT		2,846	1,536
Other receivables		1,940	3,300
Total		352,980	194,979
<b>23 Prepayments and Advances</b>		R'000	R'000
Staff Advances		2	0
Travel and Subsistence		7	0
Other		461	949
Closing balance		470	949
<b>24 Cash and cash equivalents</b>		R'000	R'000
Cash at bank		58,831	88,601
Cash on hand		(29,926)	(59,687)
Project cash & cash equivalents		23,696	11,874
Short term investments / instruments		25,398	17,331
Administered funds		22,563	11,921
		100,562	70,040
For the purposes of the cash flow statement:			
Cash and cash equivalents at the beginning of the year		70,040	61,413

<b>Western Cape Province Trading and Public Entities</b> <b>Notes to the Annual Consolidated Financial Statements</b> <b>for the year ended 31 March 2005</b>
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Western Cape Province  
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	Notes	R'000	R'000
<b>25 Capital and reserves</b>			
<b>Share Capital</b>		R'000	R'000
Balance at 1 April as originally stated		25,000	25,000
Balance at 31 March	<u>25.1</u>	25,000	25,000
<b>Accumulated profit/(loss)</b>		R'000	R'000
Balance at 1 April as originally stated		548,398	602,421
- change in accounting policy		(4,124)	55,340
As restated		544,274	657,761
Net loss for the year		(601)	(164,917)
Transfers		(24,514)	57,264
Dividends		(5,675)	(1,710)
Balance at 31 March		513,484	548,398
<b>Revaluation reserve</b>		R'000	R'000
Balance at 1 April as originally stated		12,258	11,732
Revaluation increase on property, plant and equipment		181	29
Revaluation increase on investments		344	497
Released on disposal of investments		(186)	0
Balance at 31 March		12,597	12,258
<b>Other reserves</b>			
Balance at 1 April as originally stated		202,149	195,112
Transfers		(64)	(2,716)
Depreciation expensed for the year		2,600	(548)
Genadendal Restoration Project & RDP		71	295
Change in accounting policy		4,054	(4,021)
VAT claims against SARS		0	373
Other		4,103	13,130
Capital Fund: Net gains not recognised in Income Statement		37,170	0
Government grants and own funds		1,091	524
Balance at 31 March		251,174	202,149
<b>Total Equity</b>		R'000	R'000
Balance at 1 April as originally stated		787,805	834,265
- change in accounting policy		(4,124)	55,340
As restated		783,681	889,605
Revaluation increase on property, plant and equipment		181	29
Revaluation increase on investments		344	497
Released on disposal of investments		(186)	0
Net loss for the year		(601)	(164,917)
Transfers		(24,578)	54,548
Dividends		(5,675)	(1,710)
Other		49,089	9,753
Balance at 31 March		802,255	787,805
<b>25.1 Share capital</b>			
Authorised: 25 000 000 ordinary shares of R1 each			
Issued and fully paid: 25 000 000 ordinary shares of R1 each		25,000	25,000

**Western Cape Province Trading and Public Entities**  
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	Western Cape Province	
Notes	31/03/2005	31/03/2004
<b>26 Retirement Benefit Obligations</b>		
The amount included in the balance sheet arising from the group's obligation in respect of the defined retirement benefit plan is as follows:		
	R'000	R'000
Present value of fund obligations	6,306	5,585
Unrecognised actuarial losses	(1,946)	(2,918)
	4,360	2,667
Movements in the net liability in the current year were as follows:	R'000	R'000
Opening balance	2,667	973
Amounts charged to income	1,693	1,743
Contributions	0	(49)
Closing balance	4,360	2,667
Analysis for financial reporting purposes:		
Non-current liabilities (recoverable after 12 months)	4,360	2,667
	4,360	2,667
<b>27 Deferred income</b>		
<b>Government grants</b>		
Government grants received to be recognised in future accounting		
	R'000	R'000
Plant and equipment	491	1,078
	491	1,078
Closing balance	491	1,078
<b>Other deferred income</b>	R'000	R'000
Other	22,661	4,475
- Please specify	1,992	0
Closing balance	24,653	4,475
<b>Total Deferred income</b>	25,144	5,553
Analysis for financial reporting purposes:		
Non-current portion	8,152	5,553
Current portion	16,992	0
	25,144	5,553
<b>28 Trade and other payables</b>	R'000	R'000
Trade creditors	30,349	16,901
VAT	627	524
Deposits	3,548	3,248
Project creditors	23,696	11,874
Special projects	127	699
Commitments	440	2,785
Administered funds	2,533	569
	61,320	36,600
<b>29 Local and foreign aid</b>	R'000	R'000
Current - Local and foreign aid assistance payable	912	3,461
	912	3,461
<b>30 Income Received in Advance</b>		
Opening Balance	207	0
Advances	16,264	17,916
Repayments	(207)	0
Closing balance	16,264	17,916
<b>31 Provisions</b>		
<b>Audit fees provision</b>		
Provisions made during the year	220	0
Closing balance	220	0
<b>Salary and related expense provision</b>		
Opening balance	12,368	9,030
Utilisation of provisions during the year	(5,849)	(1,861)
Unused amounts reversed during the year	(11)	0
Provisions made during the year	3,962	5,261
Closing balance	10,470	12,430

**Western Cape Province Trading and Public Entities**  
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	Western Cape Province	
	31/03/2005	31/03/2004
	Notes	
<b>Leave due to staff provisions</b>	R'000	R'000
Opening balance	937	943
Utilisation of provisions during the year	(54)	(378)
Provisions made during the year	1,502	372
Closing balance	2,219	937
<b>Other</b>		
Opening balance	534	353
Utilisation of provisions during the year	(512)	(198)
Provisions made during the year	456	379
Closing balance	478	534
<b>Total Provisions</b>		
Opening balance	13,839	10,326
Utilisation of provisions during the year	(6,415)	(2,437)
Unused amounts reversed during the year	(11)	0
Provisions made during the year	6,140	6,012
Closing balance	13,553	13,901
<b>32 Reconciliation of profit/(loss) to cash generated from/(utilised in) operations</b>		
	R'000	R'000
Loss before taxation	(601)	(164,917)
Adjusted for:		
- Depreciation on property, plant and equipment	70,917	68,429
- Impairment loss on property, plant and equipment	395	25,137
Revaluation gains/(losses) released from equity on disposal of available-for-sale investments	(102)	207
Recognised gains/(losses) on changes in fair value of financial assets and liabilities	709	(1,395)
- Loss on disposal of property, plant and equipment	(17,139)	(14,600)
- Investment income	(3,072)	(3,149)
- Interest expense	98	(21)
- Increase in provisions	2,813	34,963
- Deferred income	4,096	(539)
Operating cash flows before working capital changes	58,114	(55,885)
Working capital changes	(8,648)	111,789
- Increase in inventories	(13,265)	(6,158)
- Decrease/(increase) in receivables	(22,473)	115,461
- Increase in payables	27,090	2,486
<b>Cash generated from operations</b>	49,466	55,904
For the purpose of the cash flow statement		
Actual interest paid	108	1
<b>33 Net cash used in investing activities</b>	R'000	R'000
Interest received	3,059	3,148
Dividends received	27	23
Proceeds on disposal of property, plant and equipment	20,184	14,985
Acquisition of property, plant and equipment	(81,159)	(83,098)
Acquisition of subsidiary	(11,810)	0
Acquisition of investment in securities	0	(1)
<b>Cash used in investing activities</b>	(69,699)	(64,944)

**Western Cape Province Trading and Public Entities**  
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		Western Cape Province	
		31/03/2005	31/03/2004
34	Notes	R'000	R'000
<b>Net cash from/(used in) financing activities</b>			
	Dividend paid	(5,676)	(6,160)
	Repayments of borrowings	53,521	(1,176)
	Repayments of finance lease obligations	(18,312)	11,130
	New loans raised	4,103	2,000
	Bank account of Karl Bremer taken over by Dept.Health	2,241	
	Cash and cash equivalents Tourism Board taken over by DMO	3,164	
	Project funds available at year-end with Casidra	23,696	
	Project funds available at beginning of year with Casidra	(11,874)	11,874
	<b>Net cash from financing activities</b>	<b>50,863</b>	<b>17,668</b>
		<hr/>	<hr/>
<b>35 Contingent liabilities</b>		<b>272,550</b>	<b>169,865</b>
		<hr/>	<hr/>
<b>Western Cape Nature Conservation Board:</b> R8,117 million (R14,057 million - 2004) of these liabilities are a result of various claims lodged in respect of damage caused by fires on properties adjacent to those currently managed, in the period up to 31 March 2000. They arise from actions, or lack thereof, by management predating 1 April 2000. On that date, the Board became de facto successor in the title to the Provincial Department of Environmental and Culture Affairs and Sport. Due to the nature of this and the principle of perpetual succession, these liabilities continue to exist within the Board. Resolution of the financial implications of these liabilities is not certain.			
<b>Government Motor Transport:</b> The balance is with regards to claims instituted against GMT, by third parties, who are party to a motor vehicle accident involving a government vehicle.			
<b>36 Operating lease arrangements</b>			
<b>The group as lessee</b>		R'000	R'000
At the balance sheet date the group had outstanding commitments under non-cancelable operating leases, which fall due as follows:			
	Up to 1 year	40,620	158,619
	1 to 5 years	11,544	51,373
		<hr/>	<hr/>
		52,164	209,992
<b>The group as lessor</b>		R'000	R'000
At the balance sheet date the group had contracted with tenants for the following future minimum lease payments:			
	Up to 1 year	120	0
		<hr/>	<hr/>
		120	0
		<hr/>	<hr/>
		52,284	209,992
<b>37 Capital commitments</b>			
		R'000	R'000
	Commitments for the acquisition of property, plant and equipment	10,578	4,901
	- Contracted for but not provided in the financial statements	<hr/>	<hr/>
		10,578	4,901
	Total future capital commitments	<hr/>	<hr/>
		10,578	4,901

**Western Cape Province Trading and Public Entities**  
**Notes to the Annual Consolidated Financial Statements**  
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		Western Cape Province	
		31/03/2005	31/03/2004
<b>38 Director's emoluments</b>	Notes		
Executive directors		R'000	R'000
Number of executive directors is 33 (2003/2004 - 37)		8,875	8,421
- Fees for services		3,764	4,390
- Salary		4,682	3,569
- Bonuses and performance payments		75	90
- Expense allowances		181	173
- Pension contributions		107	130
- Other benefits		66	69
Non-executive directors		R'000	R'000
Number of non-executive directors is 36 (2003/2004 - 21)		1,149	988
- Fees for services		956	987
- Salary		188	0
- Expense allowances		5	1
Executive members		R'000	R'000
Number of executive members is 5 (2003/2004 - 5)		1,056	1,000
- Fees for services		47	0
- Salary		565	555
- Bonuses and performance payments		47	69
- Expense allowances		170	151
- Pension contributions		125	120
- Other benefits		102	105
Executive directors		8,875	8,421
Non-executive directors		1,149	988
Executive members		1,056	1,000
Total Director's emoluments	7	11,080	10,409