

**Provincial Government Western Cape
Provincial Treasury**

**ANNUAL CONSOLIDATED
FINANCIAL INFORMATION
For the year ended 31 March 2008**



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To obtain additional copies of this document, please contact:

Western Cape Provincial Treasury
Accounting: Provincial Government
Private Bag X9156
4 Dorp Street
CAPE TOWN
8000

Tel: (021) 483-3023
Fax: (021) 483-6430
Email: hjdutoit@pgwc.gov.za

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WESTERN CAPE PROVINCE

ANNUAL CONSOLIDATED FINANCIAL INFORMATION

for the year ended 31 March 2008

Departments and Public and Trading Entities

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**Management Report by the Provincial Treasury
for the year ended 31 March 2008**

Introduction

The Annual Consolidated Financial Information (ACFI) for the Western Cape Province is compiled by the Provincial Treasury Western Cape (PT) for departments and entities in accordance with Generally Recognised Accounting Practice (GRAP) in terms of section 19(1) of the Public Finance Management Act, 1999 (Act 1 of 1999 as amended).

Legislative requirements

The Public Finance Management Act, 1999 (Act 1 of 1999 as amended) (PFMA) requires that the annual consolidated financial information be submitted for auditing on 30 June, hence not affording the PT the opportunity to compile annual consolidated financial information based on audited annual financial statements of departments and entities due to the provision in the PFMA. Furthermore, although the financial statements of the PRF are incorporated in the ACFI, the PFMA does not prescribe time frames for the compilation and auditing of the PRF financial statements. In view of these setbacks, an understanding with the Auditor-General has been reached whereby the ACFI submitted on 30 June may be adjusted, where necessary, with the audited figures of Departments and Entities.

Basis of consolidation

Financial reporting by provincial departments is undergoing transitional reforms from reporting on the cash basis of accounting to reporting on the accrual basis of accounting in the quest to improve transparency and public accountability in the public service. 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 entities apply different bases of accounting to prepare financial statements. Departments prepare financial statements on a "modified" cash basis of accounting, which consists mainly of the cash basis of accounting, supplemented with additional disclosure requirements. Public entities, trading entities and constitutional institutions on the other hand, prepare financial statements on the accrual basis. In view of different accounting bases used by these two groups of entities, separate consolidations are prepared to ensure a credible and meaningful presentation of consolidated financial information. The audited annual financial statements of Provincial departments and the Provincial Revenue Fund (PRF) have been consolidated in accordance with the National Treasury guidelines. Similarly, the audited annual financial statements of public entities and trading entities have been consolidated.

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The disclosed accounting policies in the consolidated financial information were not applied consistently by the individual entities, as a different accounting framework was adopted by the Western Cape Housing Development Fund in preparing its annual financial statements. The Western Cape Housing Development Fund prepared its annual financial statements on the entity specific basis of accounting which is determined to be the going concern basis of presentation using the accrual basis of accounting. The financial statements of listed public entities were prepared in accordance with the South African Statements of Generally Accepted Accounting Practices (GAAP) including any interpretations of such Statements issued by the Accounting Practices Board, with the effective Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board and the financial statements of trading entities were prepared in accordance with SA GAAP. Although the Western Cape Housing Development Fund was audited on an entity specific basis, and due to the insignificant impact on the consolidation was included for completeness.

Except for the Western Cape Housing Development Fund, the Annual Consolidated Financial Information is prepared on the going concern basis. It has been based on accounting policies, which have been applied consistently. 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 information.

Audit outcomes 2007/08

The annual consolidated financial information is based on financial information of departments and entities on which audit opinions have been expressed. These opinions are not reflected in the audit outcomes of the consolidations due to the “agreed upon” audit approach followed by the A-G in consultation with the Provincial Treasury. Due to the Auditor-General’s approach, individual audit opinions of departments and entities are not included, but presented for clarity and completeness in this Report.

The Auditor-General audits the financial statements of departments and entities and expresses an opinion based on the following categories:

- Adverse

An adverse opinion is expressed when the effect of a disagreement with management regarding departures from the financial reporting framework/basis of accounting is so material and pervasive to the financial statements that the auditor concludes that a qualification of the audit report is not adequate to disclose the misleading or incomplete nature of the financial statements.

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- Disclaimer

A disclaimer of opinion is expressed when the possible effect of a limitation on scope is so material and pervasive that the auditor has not been able to obtain sufficient appropriate audit evidence to form an opinion and accordingly is unable to express an opinion on the financial statements.

- Qualification

A qualified audit opinion is expressed when the auditor concludes that an unqualified opinion cannot be expressed due to the effect of any disagreement with management regarding departures from the applicable financial reporting framework/ basis of accounting which results in material misstatement of the financial statements or due to the limitation on scope being not so material and pervasive as to require an adverse opinion or disclaimer of opinion.

- Financially unqualified (with other matters)

An unqualified audit opinion is expressed on the financial statements when the auditor concludes that the financial statements give a true and fair reflection in accordance with the applicable financial reporting framework. Other matters include financial matters included by law or custom in the annual report.

- Financially unqualified (with no other matters)

An unqualified audit opinion is expressed on the financial statements when the auditor concludes that the financial statements give a true and fair reflection in accordance with the applicable financial reporting framework.

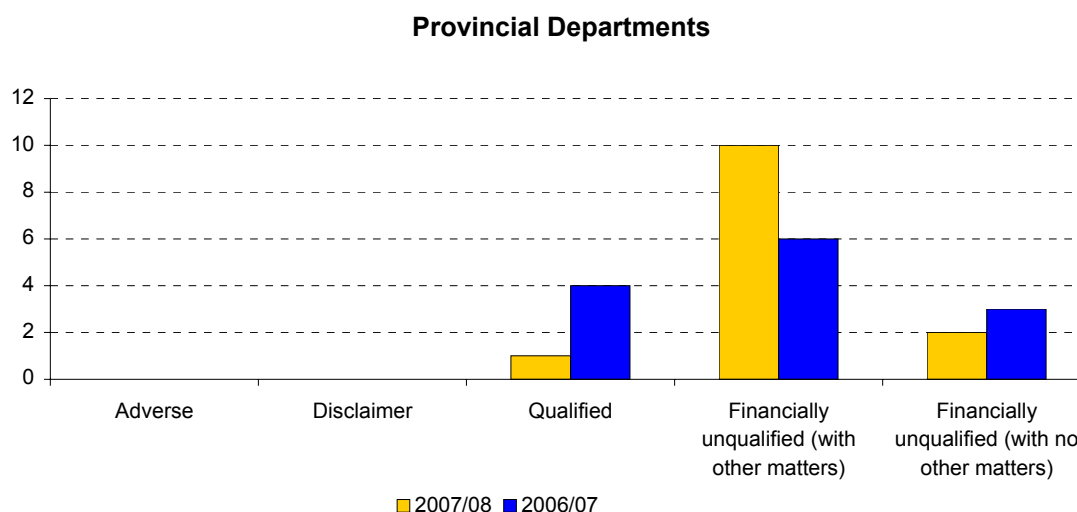
In the two sections that follow, a synopsis is provided on the state of audit opinions for the 2007/08 financial year compared to the 2006/07 financial year.

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Departments

In the graph below the audit outcomes of departments is presented for the 2006/07 and 2007/08 financial years:



There has been a decrease in the qualified opinions expressed by the Auditor-General for departments from four in 2006/07 to one in 2007/08 which can be viewed as an improvement in the financial management of departments compared to the previous year. On the other hand, departments with “other matters” have increased from six in 2006/07 to ten in 2007/08. This has stemmed mainly from compliance and governance issues and the quality of information in annual financial statements.

Public/Trading Entities

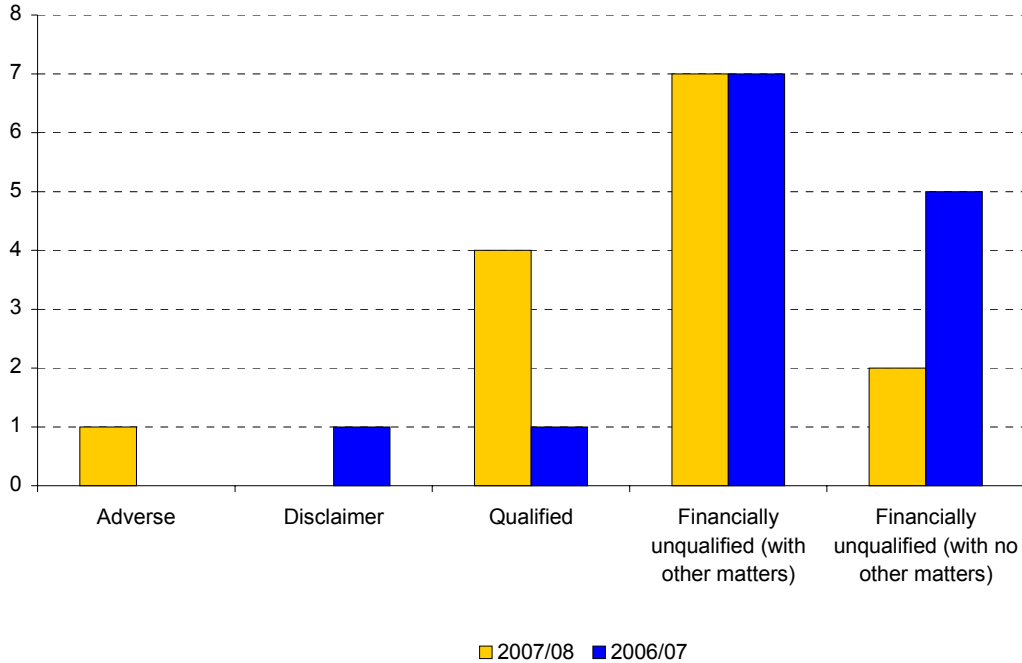
The financial statements of the public and trading entities as at 31 March 2008 were audited and the following is a summary of the qualifications raised by the Auditor-General:

Overall nine of the fourteen public/trading entities received unqualified audit reports. Seven entities have financially unqualified audit opinions (with other matters) for 2007/08. This number was the same during the prior year. Financially unqualified audit opinions (with no other matters) decreased from five to two, whilst qualified audit opinions increased from one to four. This is illustrated in the graph below:

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Public Entities and Trading Entities



One entity that previously had a disclaimer improved to a qualified audit opinion. The entity with an adverse opinion is due to an incorrect processing of transactions throughout the year emanating from incorrect parameters set on the accounting system. The errors were not detected following a lack of adequate monitoring throughout the year by senior management.

The Provincial Treasury, in fulfilling its oversight role, has put in place the following strategies as interventions to assist departments and entities in improving financial management and consequently audit outcomes. These strategies *inter alia* include the following:

- Engagements with departments and entities in various forums in order to address pressing issues.
- Roll out of a Provincial Corporate Governance Framework.
- Annual publication of financial management capability assessments of Departments and Entities in the Financial Governance Review and Outlook.
- Consultation with the Standing Committees.
- Turn around strategies of departments and entities to improve audit outcomes.

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PROVINCIAL DEPARTMENTS AND PROVINCIAL REVENUE FUND

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

The provincial departments are listed below:

- Office of the Premier
- Provincial Treasury
- Community Safety
- Education
- Health
- Social Development
- Local Government and Housing
- Environmental Affairs and Development Planning
- Transport and Public Works
- Agriculture
- Economic Development and Tourism
- Cultural Affairs and Sport

Consolidations were prepared in respect of the following:

- Statement of Accounting Policies
- Appropriation statement
- Statement of financial position
- Statement of financial performance
- Statement of Change in net assets
- Cash flow statement
- Notes to the annual financial information
- Disclosure notes to the annual financial information

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

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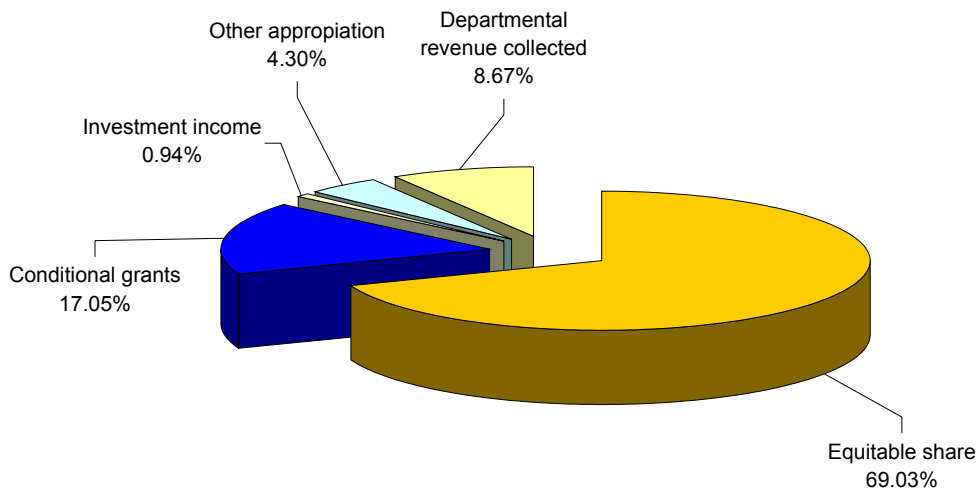
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Financial results of the Province, public and trading entities excluded

Total Provincial Revenue

Total revenue inclusive of funding from own resources received by the Province, increased by 11.91 per cent from R19,635,486 million in 2006/07 to R21,973,664 million in 2007/08.

Total Revenue 2007/08



Equitable share received

Revenue received from the National equitable share allocation increased by 12.82 per cent from R13,362,102 million in 2006/07 to R15,075,556 million in 2007/08.

Conditional grants received

Revenue received from National as conditional grants allocations increased by 5.15 per cent from R3,564,488 million in 2006/07 to R3,748,078 million in 2007/08.

Other appropriation

This revenue source increased by 5.45 per cent, from R896,543 million in 2006/07 to R945,444 million in 2007/08. This represents earmarked funding from reserves to defray mainly infrastructural expenditure.

Investment income

Interest received from investments increased by R109,684 million from R97,301 million in 2006/07 to R206,985 million in 2007/08.

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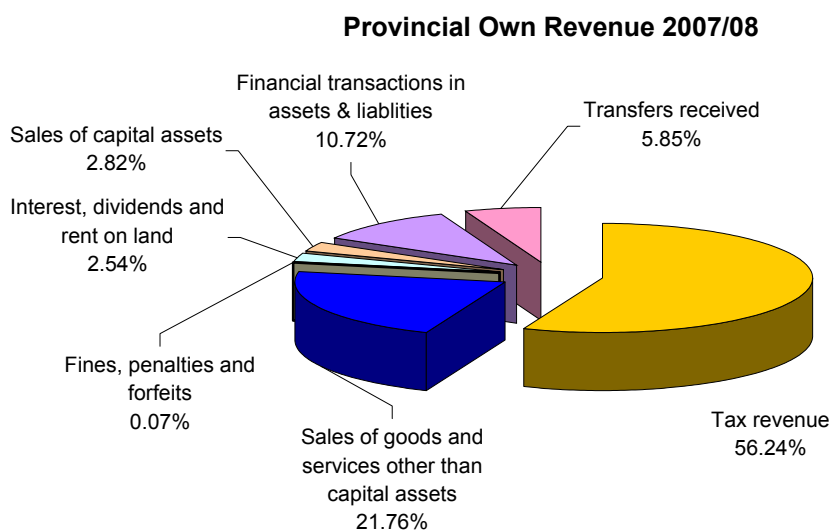
Provincial Own Revenue

Representing 9.09 and 8.73 per cent of total provincial revenue in 2007/08 and 2006/07 respectively, own revenue was collected from the following sources:

	2007/08 Actual R'000	2007/08 Adjustment Estimates R'000	2006/07 Actual R'000	2006/07 Adjustment Estimates R'000
Tax revenue	1 123 411	1 077 024	1 078 951	994 991
Sales of goods and services other than capital assets	434 673	302 598	304 184	347 396
Fines, penalties and forfeits	1 392	623	1 338	
Interest, dividends and rent on land	50 695	51 125	58 696	
Sales of capital assets	56 418	38	19 806	16 310
Financial transactions in assets and liabilities	214 195	140 040	154 573	78 877
Transfers received	116 817	135 887	97 503	99 728
Total own revenue	1 997 601	1 707 335	1 715 051	1 537 302

Sales of goods and services and Financial transactions in asset and liabilities are the main contributors to the over collection of R290,266 million in Own Revenue for 2007/08.

The graph below illustrates the portion of each item as a percentage of total Provincial Own Revenue for 2007/08.



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Provincial Expenditure

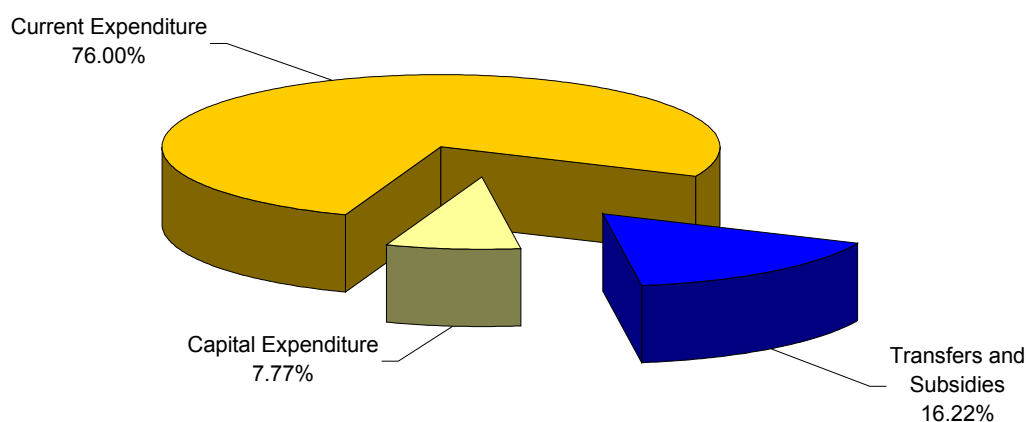
Total expenditure incurred increased by 14.06 per cent from R18,887,460 million in 2006/07 to R21,543,696 million in the 2007/08 financial year compared to the 11.4 per cent increase in the adjustment estimates from R19,443,497 million in 2006/07 to R21,667,495 million in the 2007/08 financial year. Provincial expenditure on transfers and subsidies and capital expenditure were significantly less than the adjustment estimates.

Total expenditure in 2007/08 was R123,799 million less than the adjustment estimates, partially due to the underspending on capital expenditure of R150,462 million and on transfers and subsidies of R90,832 million. Expenditure for Transfers and Subsidies amounted to 97 per cent of the adjustment estimates for 2007/08 (2006/07: 93%).

In 2007/08 and 2006/07 capital expenditure of the adjustment estimates amounted to 92 per cent and 95 per cent respectively. A year-on-year comparison of Provincial expenditure based on the economic classification is as follows:

	2007/08			2006/07		
	2007/08	2007/08	Variance	2006/07	2006/07	Variance
	Actual	Adjustment Estimates		Actual	Adjustment Estimates	
	R'000	R'000		R'000	R'000	
Current expenditure	16 374 147	16 256 652	(42 316)	14 247 413	14 533 929	196 546
Transfers and subsidies	3 494 788	3 585 620	131 332	2 933 350	3 124 513	288 111
Capital expenditure	1 674 761	1 825 223	70 272	1 706 697	1 785 055	124 148
Total expenditure	21 543 696	21 667 495	159 288	18 887 460	19 443 497	608 805

Provincial Expenditure 2007/08 - Actual



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Provincial current expenditure

Current expenditure incurred by Provincial departments increased by 14.93 per cent from R14,247,413 million in 2006/07 to R16,374,147 million in 2007/08 although the adjusted estimates only increased by 11.85 per cent over the same period. Actual expenditure in 2007/08 exceeded the adjusted estimates amount by 0.72 per cent or R117,495 million. Current expenditure on goods and services and financial transactions in assets and liabilities were the main contributors.

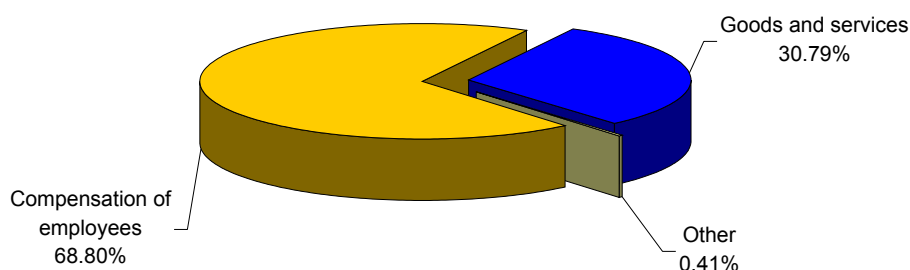
In aggregate the Province spent 99.2 per cent of the budget for compensation of employees in 2007/08 compared to 96.6 per cent in 2006/07. Although no amounts were budgeted for local and foreign aid assistance or any unauthorised expenditures, R20 000 was spent on the former.

Following is a comparison of 2007/08 and 2006/07 main current expenditure items:

	2007/08 Actual	2007/08 Adjustment Estimates	2006/07 Actual	2006/07 Adjustment Estimates
	R'000	R'000	R'000	R'000
Compensation of employees	11 267 738	11 260 977	9 726 212	10 072 862
Goods and services	5 038 988	4 965 023	4 469 421	4 456 000
Financial transactions in assets and liabilities	47 177	30 652	14 479	5 067
Local and foreign aid assistance	19 283	-	37 301	-
Unauthorised expenditure approved	961	-	-	-
Total expenditure	16 374 147	16 256 652	14 247 413	14 533 929

The graph below illustrates the portion of each item as a percentage of total current expenditure for 2007/08.

Current Expenditure 2007/08 - Actual



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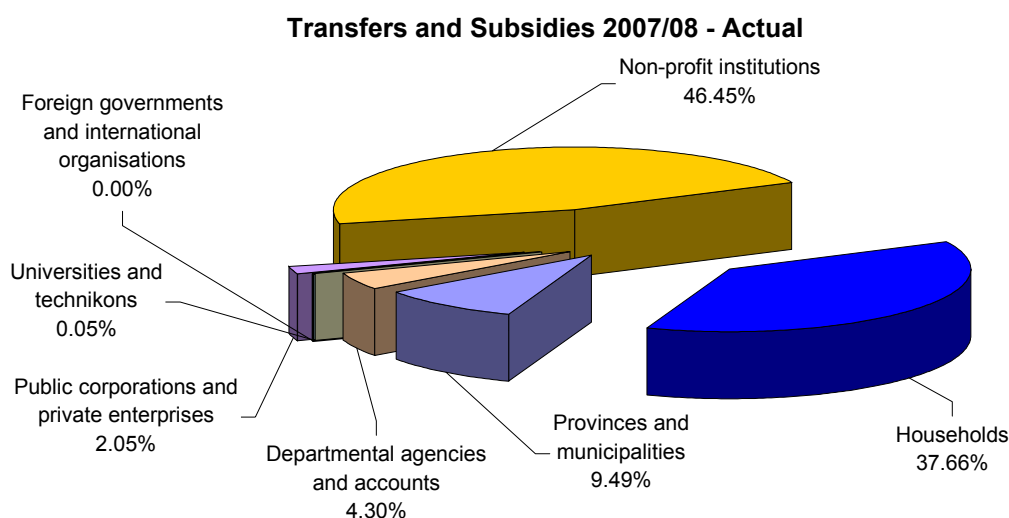
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Provincial Transfers and Subsidies

Transfers and subsidies paid by the Province increased by 19.14 per cent from R2,933,350 million in 2006/07 to R3,494,788 million in 2007/08. In aggregate the Province spent 97.47 per cent of the adjustment estimates for transfers and subsidies in 2007/08 compared to 93.88 per cent in 2006/07. The actual total expenditure on transfers and subsidies was R90,832 million less than the adjustment estimates amount. Following is the comparison of the current year (2007/08) and prior year (2006/07) based on their main item classifications:

	2007/08 Actual	2007/08 Adjustment Estimates	2006/07 Actual	2006/07 Adjustment Estimates
	R'000	R'000	R'000	R'000
Provinces and municipalities	331 529	360 066	378 275	393 029
Departmental agencies and accounts	151 327	149 250	211 746	207 573
Universities and technikons	1 726	1 704	4 325	4 529
Foreign government and international organisation	103	129	94	171
Public corporations and private enterprise	71 500	61 871	49 511	48 150
Non-profit institutions	1 622 952	1 608 564	1 368 560	1 274 136
Households	1 315 651	1 404 036	920 839	1 196 925
Total expenditure	3 494 788	3 585 620	2 933 350	3 124 513

In the graph below, transfers and subsidies paid is indicated per main recipient category as a percentage of the total expenditure incurred in 2007/08.



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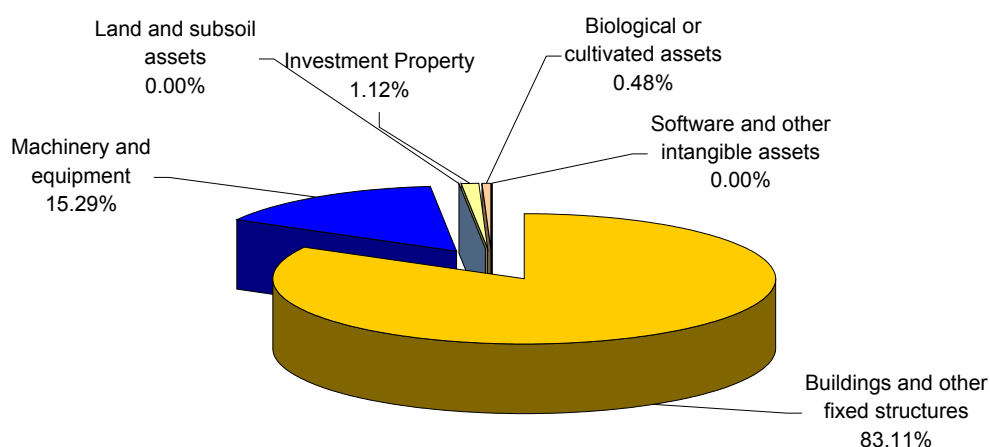
Provincial expenditure on capital assets

Capital expenditure by the Province decreased by 1.87 per cent from R1,706,697 million in 2006/07 to R1,674,761 million in 2007/08. Capital expenditure on buildings and other fixed structures, machinery and equipment and land and subsoil assets were significantly less than the adjustment estimates but expenditure on software and other intangible assets exceeded the budgeted amount. In aggregate the Province spent 91.8 per cent of the budgeted expenditure for capital assets in 2007/08 compared to 95.6 per cent in 2006/07. The actual total expenditure on capital assets was R150,462 million less than the adjustment estimates. Following is a comparison of 2007/08 and 2006/07 based on the main capital expenditure classifications:

	2007/08 Actual	2007/08 Adjustment Estimates	2006/07 Actual	2006/07 Adjustment Estimates
	R'000	R'000	R'000	R'000
Buildings and other fixed structures	1 391 931	1 540 671	1 395 071	1 460 988
Machinery and equipment	256 000	260 348	261 566	270 913
Biological or cultivated assets	57	277	75	94
Software and other intangible assets	18 702	11 396	21 076	11 376
Land and subsoil assets	8 051	12 531	27 544	41 684
Local and foreign aid assistance	20	-	1 365	-
Total expenditure	1 674 761	1 825 223	1 706 697	1 785 055

In the two graphs that follow, capital expenditure is indicated per main category as a percentage of the total capital expenditure incurred in 2007/08.

Expenditure on capital assets 2007/08 - Actual



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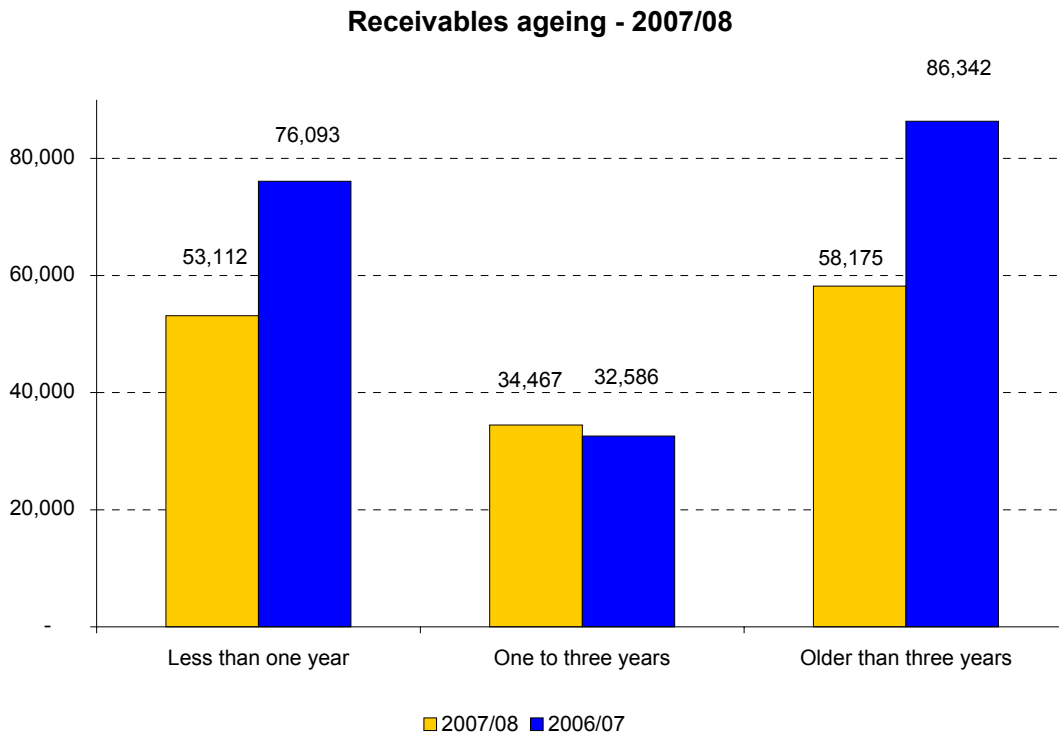
Receivables

An age analysis of consolidated receivables owing to the Province reveals a decreasing trend in the ageing of debtors as illustrated below:

	2007/08	2006/07
	R'000	R'000
Less than one year	53 112	76 093
One to three years	34 467	32 586
Older than three years	58 175	86 342
Total receivables	145 754	195 021

The consolidated receivables have decreased by 25.26 per cent from R195,021 million in 2006/07 to R145,754 million in 2007/08.

The graph below illustrates a decrease in receivables owed to the Province 'older than three years', as well as a decrease in receivables 'older than one year but not older than three years', which signifies a decrease in the amounts owing to the Province from 2006/07 to 2007/08:



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PUBLIC AND TRADING ENTITIES

Public entities, trading entities and constitutional institutions prepare financial statements on the accrual basis of accounting. The annual financial statements of such entities are therefore consolidated. The consolidation is in respect of twelve provincial public entities and two trading entities, and prepared in respect of the following:

- Statement of financial performance
- Statement of financial position
- Statement of changes in net assets
- Cash flow statement
- Notes to the annual financial statements
- Disclosure notes to the Annual Financial Statements

The provincial public entities are briefly discussed below. With the exception of Casidra, they are all listed Schedule 3C Public Entities as defined in the Public Finance Management Act (Act 1 of 1999 as amended).

Western Cape Gambling and Racing Board

The Board was established in 1977 in terms of the Western Cape Gambling and Racing Law, and is currently regulated by Law 4 of 1996, as amended. Its primary goal is to control and regulate gambling and racing and activities incidental thereto in the Western Cape.

Western Cape Nature Conservation Board (CapeNature)

CapeNature is constituted in terms of the Western Cape Nature Conservation Board Act of 1998. Its primary objectives are biodiversity conservation and delivery of socio-economic benefits.

Provincial Development Council

The Council was established in terms of the Provincial Development Council Law Amendment Act No.4 of 2004. The Act assigns the functions of co-coordinating, facilitating and initiating consensus through social dialogue amongst stakeholders on provincial growth and development matters.

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Destination Marketing Organisation (DMO) trading as Cape Town Routes Unlimited

Western Cape Tourism Act (Act 1 of 2004) provides for the establishment of the Destination Marketing Organisation (DMO) to trade as Cape Town Routes Unlimited (CTRU). The CTRU furthers sustainable growth, transformation and pride while marketing Cape Town and the Western Cape.

Western Cape Cultural Commission

The aim of the Western Cape Cultural Commission is to promote and enrich arts and culture, whilst reflecting the cultural diversity of the province and the country.

Western Cape Language Committee

Western Cape Language Committee is constituted in terms of the Constitution of RSA, 1996 (Act 108 of 1996), Constitution of Western Cape, 1998 (Act 1 of 1998) and Western Cape Provincial Language Act, 1998 (Act 13 of 1998). Its main objective is to promote multilingualism and to monitor the use of the three official languages in the Western Cape.

Western Cape Investment and Trade Promotion Agency (WESGRO)

Wesgro is the Western Cape's Official Investment and Trade Promotion Agency. Its key objectives are to attract and facilitate investment into the Western Cape, nationally and internationally.

Heritage Western Cape

Heritage Western Cape is constituted in terms of the National Heritage Resource Act, 1999 (Act 25 of 1999) and is concerned with the legal protection of heritage resources. Its main objective is to identify, conserve, transform and manage the full range of heritage resources in the Western Cape.

Cape Agency for Sustainable Development and Rural Areas (CASIDRA (Pty) (Ltd) (PGE))

Casidra provides services to enhance the quality of life of rural communities and is registered as a private company in terms of the Companies Act, 1973 (Act 61 of 1973) and listed as a Schedule 3D Provincial Government Business Enterprise in terms of the Public Management Act, 1999 (Act 1 of 1999). It is by definition also a public entity and as such included in the consolidated financial statements.

Western Cape Youth Commission

The Youth Commission's role is to help Government plan and then to monitor and evaluate the programmes of Government in terms of outcomes as they affect the youth. It is also responsible for promoting youth unity and patriotism and to serve as the connection with National, other Provincial and Local Government youth structures. The Western Cape Youth Commission (WCYC) was established and enacted in October 2004.

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Western Cape Liquor Board

The Western Cape Liquor Board activities are funded from the budget of the Department of Economic Development and Tourism within the Directorate: Business Regulation.

As soon as the Western Cape Liquor Bill is passed into law, the Board will be established as an independent juristic person (i.e. a fully independent public entity), with full responsibility for its own funding and financial management.

Western Cape Housing Development Fund

Housing delivery in the Western Cape was governed by three separate but interrelated entities since 1994, namely, the Western Cape Housing Development Board (Board), the Department of Housing (Department) and the Western Cape Housing Development Fund (Fund). The Board was established in terms of section 5 of the Western Cape Housing Development Act 1999 (Act 6 of 1999) and was a provincial public entity in terms of the PFMA. The Board was abolished with effect from 1 November 2005. The Board had no infrastructure, no separate budget and had no financial statements. Financial statements were, however, produced for the Fund, in terms of GAAP.

The Fund is legally still in existence and the Provincial Housing Act has been promulgated to disestablish the Fund. However, the National Housing Act must first be amended in order for the Provincial Housing Act to be changed, to accommodate the disestablishment of the Fund.

The two trading entities in this Province are the:

- **Government Motor Transport (GMT)**

GMT forms part of the Department of Transport and Public Works and operates as a separate Trading Entity. The trading activities of GMT focus mainly on the provision of state vehicles for use by national and provincial departments, at set tariffs.

- **Cape Medical Depot (CMD)**

CMD was established in terms of Ordinance 3 of 1962. CMD forms part of the Department of Health and operates as a separate Trading Entity. The trading activities of CMD focus mainly on the provision of medical supplies for the needs of the Department. The expenditure budget in respect of the administrative expenditure of the CMD is recovered from the levy charged for goods distributed.

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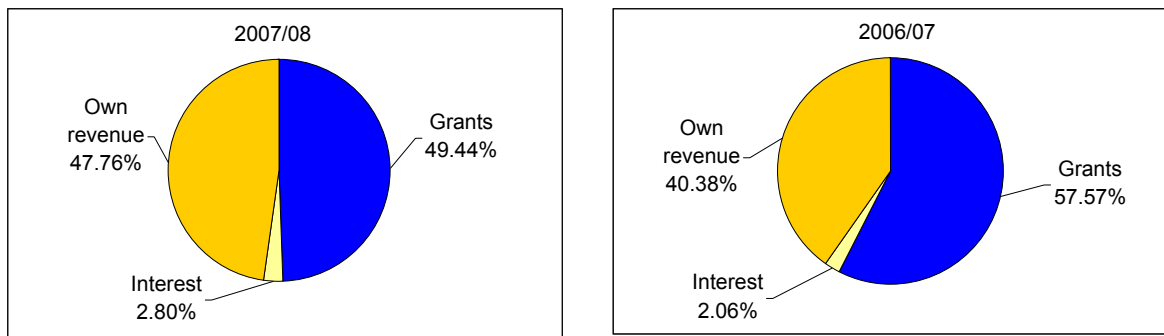
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Financial results of Public Entities

Revenue of public entities consists mainly of government grants, interest and own revenue. For 2007/08 these funding sources, calculated as a percentage of total revenue were respectively 49.44 per cent for grants, 2.80 per cent for interest and 47.76 per cent for own revenue. This compares to the equivalent 2006/07 percentages of 57.57 per cent for grants, 2.06 per cent for interest and 40.38 per cent for own revenue. The trading entities did not receive grants for the period in question.

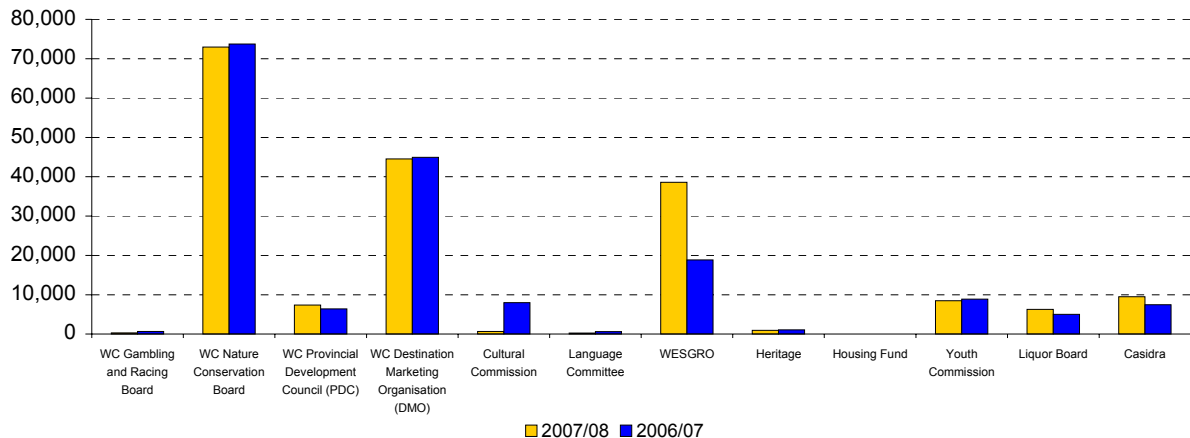
Total funding of public entities, excluding taxes and levies collected on behalf of the Provincial Revenue Fund, increased by 25.87 per cent from R305,091 million in 2006/07 to R384,012 million in 2007/08, whilst total expenditure increased by 21.30 per cent, from R283,815 million in 2006/07 to R344,255 million in 2007/08. The graph below illustrates this more clearly.

Public Entities – Funding Sources %



Public Entities are largely dependent on grants for their existence. Grants paid over to the entities increased from R175,629 million in 2006/07 to R189,848 million in 2007/08. The graph below illustrates this:

Public Entities Grants



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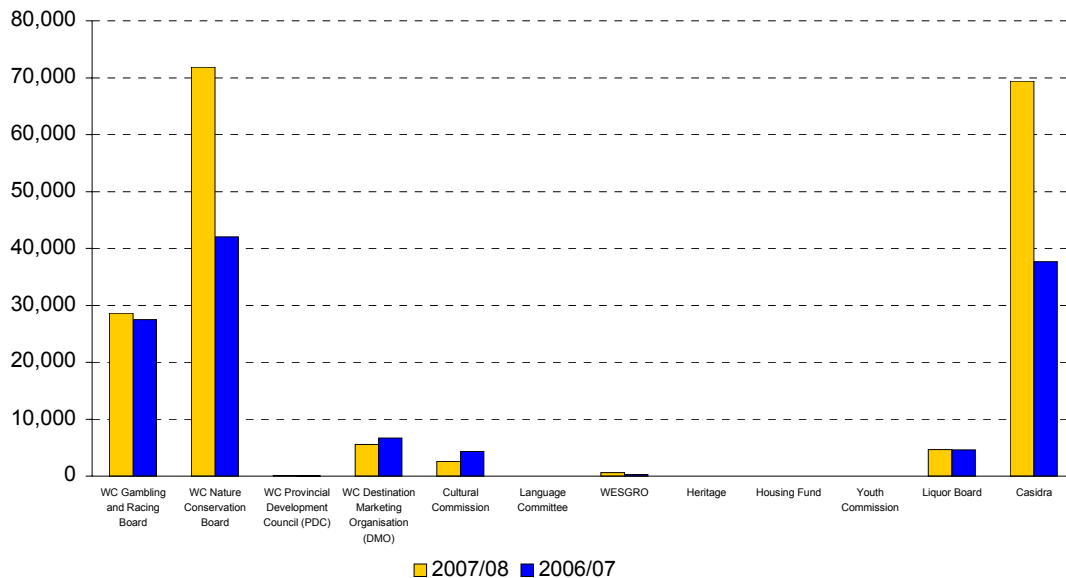
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Own revenue collected by public entities, excluding taxes and levies collected by the WC Gambling and Racing Board on behalf of the Provincial Revenue Fund, increased by 49 per cent from the 2006/07 to the 2007/08 financial year. Own revenue as a percentage of expenditure was 43 per cent for 2006/07 and 53 per cent for 2007/08.

Note:

Taxes and levies of R340,278 million (previous year R287,910 million) have been excluded from the graph below to make the comparative figures relevant.

Public Entities - Own Revenue



Accounting Officer's Approval

I hereby present the Annual Consolidated Financial Information based on the audited financial information for the year ended 31 March 2008 as required by section 19(1) of the Public Finance Management Act, (Act No. 1 of 1999) as amended.

**Accounting Officer
Provincial Treasury**

Date: 31 October 2008

REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT ON THE FACTUAL FINDINGS ON THE CONSOLIDATED FINANCIAL INFORMATION OF THE PROVINCIAL DEPARTMENTS AND THE PROVINCIAL REVENUE FUND OF THE WESTERN CAPE FOR THE YEAR ENDED 31 MARCH 2008

1. I have performed the procedures agreed with the accounting officer of Provincial Treasury and described below with regard to the consolidated financial information of provincial departments and the Provincial Revenue Fund as at 31 March 2008, set out on pages 23 to 52. My engagement was undertaken in accordance with the International Standard on Related Service Engagements applicable to agreed-upon procedures engagements. With reference to the basis of consolidation as set out in the accounting policies to the consolidated financial information, my procedures were performed solely in respect of the aggregation of financial information of the provincial departments used to compile the consolidated financial information. The procedures performed are summarised as follows:
 - (a) I obtained the consolidation template used to compile the consolidated financial information, which includes the annual financial statements of the Provincial Revenue Fund, and agreed the information therein to the information in the audited annual financial statements of the individual provincial departments.
 - (b) I conducted an audit of the Provincial Revenue Fund in accordance with the International Standards on Auditing.
 - (c) I re-performed all the castings of the consolidated financial information and agreed the notes to the consolidated financial information to the consolidated appropriation statement, statement of financial performance, statement of financial position, statement of changes in net assets and cash flow statement.
 - (d) I agreed the comparative figures with the consolidated financial information of the previous year.

FINDINGS

I report my findings below:

Procedure (a)

2. The consolidated financial information was provided to me in the format of a template, which included the information of all 13 provincial departments and the Provincial Revenue Fund. The information on the template was agreed to the audited annual financial statements of the individual departments. No differences were identified between the information on the template and the individual departments' audited annual financial statements.

Procedure (b)

3. No significant audit findings were identified during the audit of the Provincial Revenue Fund.

Procedure (c)

4. I re-performed all the castings on the consolidated financial information template and found it to be correct. The notes to the consolidated financial information agreed to the consolidated appropriation statement, statement of financial performance, statement of financial position and statement of changes in net assets. The information contained in the notes to the consolidated cash flow statement and the consolidated cash flow statement itself could not in all instances be directly related to the consolidated statement of financial position and statement of financial performance, because the consolidated cash flow statement and the notes thereto were aggregated and not recompiled from the consolidated statements of financial position and performance.

Procedure (d)

5. The comparative figures in the 2007-08 financial year's consolidated financial information agreed to the figures in the 2006-07 financial year's audited consolidated financial information.

General

6. The consolidated financial information was an aggregation of the individual audited provincial departments' financial information and not a consolidation. Consequently the consolidated financial information presented did not account or make provision for the following:
 - Inter-departmental transactions, balances and surrenders to the Provincial Revenue Fund affecting the consolidated statement of financial position and statement of financial performance were not eliminated.
 - Provincial public entities were consolidated separately from the departments.
7. Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing, I do not express any assurance on the consolidated financial information as at 31 March 2008.
8. Had I performed additional procedures or had I performed an audit or review of the consolidated financial information in accordance with the International Standards on Auditing or International Standards on Review Engagements, other matters may have come to my attention that would have been reported to you.

9. My report is solely for the purpose set out in the first paragraph of this report and is not to be used for any other purpose or to be distributed to any other parties.

APPRECIATION

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

Auditor - general

Cape Town

31 October 2008



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

WESTERN CAPE PROVINCE: DEPARTMENTS
ANNUAL CONSOLIDATED FINANCIAL INFORMATION

**Accounting Policies
for the year ended 31 March 2008**

The Consolidated Financial Information 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 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), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2007.

1. Presentation of the Financial Statements

1.1 Basis of preparation

The Consolidated Financial Information has 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.

1.2 Presentation currency

All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the province.

1.3 Rounding

Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

1.4 Comparative figures

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

1.5 Comparative figures - Appropriation Statement

A comparison between actual amounts and final appropriation per major classification of expenditure is included in the appropriation statement.

WESTERN CAPE PROVINCE: DEPARTMENTS
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**Accounting Policies
for the year ended 31 March 2008**

2. Revenue

2.1 Appropriated funds

Total appropriated funds are presented in the consolidated information of financial performance.

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund. These approved rollover funds form part of retained funds in the annual consolidated financial information. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the consolidated information of financial position.

2.2 Departmental revenue

All departmental revenue is paid into the Provincial Revenue Fund when received, unless otherwise stated. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the consolidated information of financial position.

Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual consolidated financial information.

2.2.1 Tax revenue

Tax revenue consists of all compulsory unrequited amounts collected by the department in accordance with laws and or regulations (excluding fines, penalties & forfeits).

Tax receipts are recognised in the consolidated information of financial performance when received.

2.2.2 Sales of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services is recognised in the consolidated information of financial performance when the cash is received.

2.2.3 Fines, penalties & forfeits

Fines, penalties & forfeits are compulsory unrequited amounts which were imposed by a court or quasi-judicial body and collected by the department. Revenue arising from fines, penalties and forfeits is recognised in the consolidated information financial performance when the cash is received.

2.2.4 Interest, dividends and rent on land

Interest, dividends and rent on land is recognised in the consolidated information of financial performance when the cash is received.

WESTERN CAPE PROVINCE: DEPARTMENTS
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**Accounting Policies
for the year ended 31 March 2008**

2.2.5 Sale of capital assets

The proceeds received on sale of capital assets are recognised in the consolidated information of financial performance when the cash is received.

2.2.6 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 information 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 information of financial performance when the cheque becomes stale. When the cheque is reissued the payment is made from Revenue.

Forex gains are recognised on payment of funds.

2.2.7 Transfers received (including gifts, donations and sponsorships)

All cash gifts, donations and sponsorships are paid into the Provincial Revenue Fund and recorded as revenue in the consolidated information of financial performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the Annual Consolidated Financial Information.

All in-kind gifts, donations and sponsorships are disclosed at fair value in an annexure to the annual consolidated financial information.

2.3 Direct Exchequer receipts

All direct exchequer fund receipts are recognised in the consolidated information of financial performance when the cash is received.

2.4 Local and foreign aid assistance

Local and foreign aid assistance is recognised as revenue when notification of the assistance is received from the National Treasury or when the department directly receives the cash from the donor(s).

All in-kind local and foreign aid assistance are disclosed at fair value in the annexures to the annual consolidated financial information.

The cash payments made during the year relating to local and foreign aid assistance projects are recognised as expenditure in the consolidated information of financial performance. The value of the assistance expensed prior to the receipt of the funds is recognized as a receivable in the consolidated information of financial position

Inappropriately expensed amounts using local and foreign aid assistance and any unutilised amounts are recognised as payables in the consolidated information of financial position.

**Accounting Policies
for the year ended 31 March 2008**

3. Expenditure

3.1 Compensation of employees

3.1.1 Short-term employee benefits

Salaries and wages comprise payments to employees (including leave entitlements, thirteenth cheques and performance bonuses). Salaries and wages are recognised as an expense in the consolidated information of financial performance when final authorisation for payment is effected on the system (by no later than 31 March of each year). Capitalised compensation forms part of the expenditure for capital assets in the consolidated information of financial performance¹.

All other payments are classified as current expense.

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the annual consolidated financial information. These amounts are not recognised in the consolidated information of financial performance or position.

3.1.2 Post retirement benefits

The department provides retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions.

Employer contributions (i.e. social contributions) to the fund are expensed when the final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year). No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the Provincial Revenue Fund and not in the financial statements of the employer department.

The department provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year).

3.1.3 Termination benefits

Termination benefits such as severance packages are recognised as an expense in the Consolidated Information of Financial Performance as a transfer (to households) when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

¹ This accounting policy is only relevant where the department elects to capitalise the compensation paid to employees involved on capital projects

**Accounting Policies
for the year ended 31 March 2008**

3.1.4 Other long-term employee benefits

Other long-term employee benefits (such as capped leave) are recognised as an expense in the consolidated information of financial performance as a transfer (to households) when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Long-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the annual consolidated financial information. These amounts are not recognised in the consolidated information of financial performance or position.

3.2 Goods and services

Payments made for goods and/or services are recognised as an expense in the consolidated information of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). The expense is classified as capital if the goods and services were used for a capital project or an asset of R5 000 or more is purchased. All assets costing less than R5 000 will also be reflected under goods and services.

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the consolidated information of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount should be recorded under goods and services.

3.4 Financial transactions in assets and liabilities

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but amounts are disclosed as a disclosure note. to the annual consolidated financial information.

Forex losses are recognised on payment of funds.

All **other losses** are recognised when authorisation has been granted for the recognition thereof.

3.5 Unauthorised expenditure

When discovered unauthorised expenditure is recognised as an asset in the consolidated information of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the consolidated information of financial performance.

**Accounting Policies
for the year ended 31 March 2008**

Unauthorised expenditure approved with funding is recognised in the Consolidated Information of Financial Performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding it is recognised as expenditure, subject to availability of savings, in the consolidated information of financial performance on the date of approval.

3.6 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as an asset in the Consolidated Information of Financial Position until such time as the expenditure is recovered from the responsible person or written off as irrecoverable in the consolidated information of financial performance.

3.7 Irregular expenditure

Irregular expenditure is recognised as expenditure in the consolidated information of financial performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

3.8 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.9 Expenditure for capital assets

Payments made for capital assets are recognised as an expense in the consolidated information of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

4. Assets

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the consolidated information of financial position at cost.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

4.2 Other financial assets

Other financial assets are carried in the consolidated information of financial position at cost.

**Accounting Policies
for the year ended 31 March 2008**

4.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the consolidated information of financial position when the payments are made.

Pre-payments and advances outstanding at the end of the year are carried in the consolidated information of financial position at cost.

4.4 Receivables

Receivables included in the consolidated information of financial position arise from cash payments made that are recoverable from another party.

Receivables outstanding at year-end are carried in the consolidated information of financial position at cost.

4.5 Investments

Capitalised investments are shown at cost in the consolidated information of financial position. Any cash flows such as dividends received or proceeds from the sale of the investment are recognised in the consolidated information of financial performance when the cash is received.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any loss is included in the disclosure notes to the annual consolidated information.

4.6 Loans

Loans are recognised in the consolidated information of financial position at the nominal amount when cash is paid to the beneficiary. Loan balances are reduced when cash repayments are received from the beneficiary. Amounts that are potentially irrecoverable are included in the disclosure notes to the annual consolidated financial information.

Loans that are outstanding at year-end are carried in the consolidated information of financial position at cost.

4.7 Inventory

Inventories purchased during the financial year are disclosed at cost in the notes.

WESTERN CAPE PROVINCE: DEPARTMENTS
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**Accounting Policies
for the year ended 31 March 2008**

4.8 Capital assets

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the capital asset should be stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

Projects (of construction/development) running over more than one financial year relating to assets, are only capitalised as assets on completion of the project and at the total cost incurred over the duration of the project.

Disclosure Notes 28 and 29 reflect the total movement in the asset register for the current financial year.

5. Liabilities

5.1 Voted funds to be surrendered to the Revenue Fund

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the consolidated information of financial position

5.2 Departmental revenue to be surrendered to the Revenue Fund

Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the Consolidated Information of Financial Position at cost.

5.3 Bank overdraft

The bank overdraft is carried in the consolidated information of financial position at cost.

5.4 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are recognised at historical cost in the consolidated information of financial position.

5.5 Contingent liabilities

Contingent liabilities are included in the disclosure notes to the Annual Consolidated Financial Information.

5.6 Commitments

Commitments are not recognised in the consolidated information of financial position as a liability or as expenditure in the consolidated information of financial performance but are included in the disclosure notes to the annual consolidated financial information.

WESTERN CAPE PROVINCE: DEPARTMENTS
ANNUAL CONSOLIDATED FINANCIAL INFORMATION

**Accounting Policies
for the year ended 31 March 2008**

5.7 Accruals

Accruals are not recognised in the consolidated information of financial position as a liability or as expenditure in the consolidated information of financial performance but are included in the disclosure notes to the annual consolidated financial information.

5.8 Employee benefits

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the annual consolidated financial information. These amounts are not recognised in the consolidated information of financial performance or the financial position.

5.9 Lease commitments

Lease commitments are not recognised in the consolidated information of financial position as a liability or as expenditure in the consolidated information of financial performance but are included in the disclosure notes to the annual consolidated financial information.

Operating and finance lease commitments are expensed when the payments are made. Assets acquired in terms of finance lease agreements are disclosed in the annexures and disclosure notes to the annual consolidated financial information.

6. Receivables for departmental revenue

Receivables for departmental revenue are disclosed in the disclosure notes to the annual consolidated financial information.

7. Net Assets

7.1 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the consolidated information of financial position for the first time in the current reporting period. Amounts are transferred to the Provincial Revenue Fund on disposal, repayment or recovery of such amounts.

7.2 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year.

8. Related party transactions

Specific information with regards to related party transactions is included in the disclosure notes to the Annual Consolidated Financial Information.

**Accounting Policies
for the year ended 31 March 2008**

9. Key management personnel

Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes to the Annual Consolidated Financial Information.

10. Public private partnerships

A description of the PPP arrangement, the contract fees and current and capital expenditure relating to the PPP arrangement is included in the disclosure notes to the annual consolidated financial information.

WESTERN CAPE PROVINCE: DEPARTMENTS
ANNUAL CONSOLIDATED FINANCIAL INFORMATION

**Consolidated Appropriation Statement for
the year ended 31 March 2008**

	Appropriation per Department								
	2007/08							2006/07	
	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	R'000
1. Provincial Administration									
Current payment	343,382	(13,128)	(753)	329,501	326,809	2,692	99.18%	291,839	290,998
Transfers and subsidies	22,724	4,263	345	27,332	27,325	7	99.97%	22,299	22,269
Expenditure for capital assets	7,168	8,865	408	16,441	16,404	37	99.77%	6,189	4,893
2. Provincial Parliament									
Current payment	38,537	-	(331)	38,206	33,733	4,473	88.29%	32,237	29,466
Transfers and subsidies	15,445	-	34	15,479	15,189	290	98.13%	10,793	10,712
Expenditure for capital assets	352	-	297	649	649	-	100.00%	763	601
3. Provincial Treasury									
Current payment	114,428	(693)	-	113,735	112,680	1,055	99.07%	131,080	130,860
Transfers and subsidies	643	791	-	1,434	1,414	20	98.61%	482	392
Expenditure for capital assets	1,480	(98)	-	1,382	1,030	352	74.53%	2,684	2,684
4. Dept. of Community Safety									
Current payment	176,825	-	(1,828)	174,997	174,051	946	99.46%	149,512	148,592
Transfers and subsidies	27,334	-	72	27,406	26,189	1,217	95.56%	33,721	32,722
Expenditure for capital assets	1,183	-	1,756	2,939	2,961	(22)	100.75%	891	891
5. Dept. of Education									
Current payment	6,719,118	-	(14,764)	6,704,354	6,667,613	36,741	99.45%	6,055,987	5,911,951
Transfers and subsidies	909,242	-	30,943	940,185	917,516	22,669	97.59%	779,252	773,526
Expenditure for capital assets	194,372	-	(16,179)	178,193	152,668	25,525	85.68%	280,622	234,885
6. Dept. of Health									
Current payment	6,493,898	-	6,613	6,500,511	6,612,655	(112,144)	101.73%	5,649,277	5,627,221
Transfers and subsidies	420,564	-	(7,797)	412,767	410,989	1,778	99.57%	385,020	378,356
Expenditure for capital assets	512,843	-	1,184	514,027	474,224	39,803	92.26%	442,051	413,938
7. Dept. of Social Development									
Current payment	396,679	(2,686)	-	393,993	393,809	184	99.95%	307,527	301,738
Transfers and subsidies	497,299	2,632	-	499,931	499,929	2	100.00%	414,269	412,471
Expenditure for capital assets	7,586	54	-	7,640	7,625	15	99.80%	6,175	5,307
8. Dept. of Local Government & Housing									
Current payment	212,068	5,178	2,074	219,320	214,670	4,650	97.88%	178,220	177,856
Transfers and subsidies	1,214,597	(5,178)	(2,074)	1,207,345	1,134,066	73,279	93.93%	1,084,476	855,092
Expenditure for capital assets	5,196	-	-	5,196	5,097	99	98.09%	3,413	2,763
9. Dept. of Environmental Affairs & Development Planning									
Current payment	94,429	(3,249)	(150)	91,030	89,388	1,642	98.20%	84,088	82,746
Transfers and subsidies	87,897	429	-	88,326	88,326	-	100.00%	96,009	96,009
Expenditure for capital assets	1,868	2,820	150	4,838	4,763	75	98.45%	4,572	4,572
10. Dept. of Transport & Public Works									
Current payment	1,153,275	79,325	-	1,232,600	1,217,220	15,380	98.75%	1,070,882	1,058,762
Transfers and subsidies	162,606	313	-	162,919	137,850	25,069	84.61%	188,194	178,847
Expenditure for capital assets	1,072,302	(79,638)	-	992,664	989,407	3,257	99.67%	1,062,361	1,016,422
11. Dept. of Agriculture									
Current payment	240,206	(4,063)	-	236,143	235,101	1,042	99.56%	212,486	212,422
Transfers and subsidies	73,291	6,624	-	79,915	75,328	4,587	94.26%	76,026	40,186
Expenditure for capital assets	18,063	(2,561)	-	15,502	15,194	308	98.01%	13,778	13,778
12. Dept. of Economic Development & Tourism									
Current payment	91,710	(8,021)	(1,212)	82,477	81,814	663	99.20%	68,186	67,864
Transfers and subsidies	112,719	7,192	-	119,911	118,411	1,500	98.75%	107,900	105,087
Expenditure for capital assets	957	829	1,212	2,998	2,972	26	99.13%	2,575	2,547
13. Dept. of Cultural Affairs and Sport									
Current payment	182,099	(1,028)	(1,576)	179,495	179,135	360	99.80%	156,475	155,434
Transfers and subsidies	41,259	532	1,379	43,170	42,256	914	97.88%	27,726	27,681
Expenditure for capital assets	1,851	496	197	2,544	1,747	797	68.67%	3,460	2,051
Subtotal	21,667,495	-	-	21,667,495	21,508,207	159,288	99.26%	19,443,497	18,834,592
Statutory Appropriation									
Current payments	14,942	-	-	14,942	15,225	(283)		14,241	14,202
Transfers and subsidies									
Payment for capital assets									
Total	21,682,437	-	-	21,682,437	21,523,432	159,005	-	19,457,738	18,848,794
Reconciliation with Statement of Financial Performance									
Prior year unauthorised expenditure approved with funding				961					
Departmental receipts				290,266				177,748	
Local and foreign aid assistance				22,039				39,698	
Actual amounts per Statement of Financial Performance (Total Revenue)				21,995,703				19,675,184	
Local and foreign aid assistance					19,303				38,666
Prior year unauthorised expenditure approved					961				
Prior year fruitless and wasteful expenditure condoned					-				
Actual amounts per Statement of Financial Performance					21,543,696				18,887,460

WESTERN CAPE PROVINCE: DEPARTMENTS
ANNUAL CONSOLIDATED FINANCIAL INFORMATION

**Consolidated Appropriation Statement for
the year ended 31 March 2008**

Appropriation per Economic classification									
	2007/08							2006/07	
	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
Current payments									
Compensation to employees	11,260,979	(46,100)	(32,758)	11,182,121	11,252,513	(70,392)	100.63%	9,869,564	9,711,058
Goods and services	4,965,023	97,118	4,943	5,067,084	5,038,988	28,096	99.45%	4,507,632	4,470,361
Interest and rent on land	-	-	-	-	-	-	0.00%	-	-
Financial transactions in assets and liabilities	30,652	617	15,888	47,157	47,177	(20)	100.04%	15,294	14,525
Transfers and subsidies									
Provinces & municipalities	360,066	(108)	(1,986)	357,972	331,277	26,695	92.54%	390,576	378,275
Departmental agencies & accounts	149,250	2,679	-	151,929	151,579	350	99.77%	211,618	211,521
Universities & technikons	1,704	99	-	1,803	1,726	77	95.73%	4,929	4,325
Foreign governments & international organisations	129	-	-	129	103	26	79.84%	162	94
Public corporations & private enterprises	61,871	10,787	-	72,658	71,500	1,158	98.41%	51,793	49,511
Non-profit institutions	1,608,564	4,648	32,756	1,645,968	1,622,952	23,016	98.60%	1,370,298	1,368,785
Households	1,404,036	(507)	(7,868)	1,395,661	1,315,651	80,010	94.27%	1,192,185	920,839
Payment on capital assets									
Buildings & other fixed structures	1,540,687	(65,529)	(20,768)	1,454,390	1,391,931	62,459	95.71%	1,506,635	1,395,071
Machinery & equipment	260,645	(7,325)	9,594	262,914	256,000	6,914	97.37%	272,826	261,694
Biological or cultivated assets	277	(215)	-	62	57	5	91.94%	92	75
Software & other intangible assets	11,081	7,859	199	19,139	18,702	437	97.72%	21,982	20,914
Land & subsoil assets	12,531	(4,023)	-	8,508	8,051	457	94.63%	27,911	27,544
Total	21,667,495	-	-	21,667,495	21,508,207	159,288	99.26%	19,443,497	18,834,592

Statutory Appropriation									
Direct charge against Provincial Revenue Fund	2007/08							2006/07	
	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	-	-	-	-	-	-	0.00%	-	-
President and Deputy President salaries	-	-	-	-	-	-	0.00%	-	-
Member of executive committee/parliamentary officers	14,942	-	-	14,942	15,225	(283)	101.89%	14,241	14,202
Judges salaries	-	-	-	-	-	-	0.00%	-	-
Sector education and training authorities	-	-	-	-	-	-	0.00%	-	-
SETA	-	-	-	-	-	-	0.00%	-	-
National skills fund	-	-	-	-	-	-	0.00%	-	-
Total	14,942	-	-	14,942	15,225	(283)	101.89%	14,241	14,202

WESTERN CAPE PROVINCE: DEPARTMENTS
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**Consolidated Statement of Financial Performance
for the year ended 31 March 2008**

	Notes	2007/08 R'000	2006/07 R'000
OPERATING INCOME			
REVENUE DISCLOSED BY THE REVENUE FUND			
Appropriated Funds			
- Equitable Share	1.1	15,075,556	13,362,102
- Conditional Grants	1.2	3,748,078	3,564,488
- Other Appropriation	1.3	945,444	896,543
- Investment Income	1.5	206,985	97,301
- Departmental Revenue	2	1,997,601	1,715,052
TOTAL REVENUE DISCLOSED BY THE REVENUE FUND		21,973,664	19,635,486
REVENUE DISCLOSED BY DEPARTMENTS			
Local and foreign aid assistance	3.3	22,039	39,698
TOTAL REVENUE DISCLOSED BY DEPARTMENTS		22,039	39,698
TOTAL REVENUE		21,995,703	19,675,184
EXPENDITURE DISCLOSED BY DEPARTMENTS			
Current expenditure			
Compensation of employees	4	11,267,738	9,726,212
Goods and services	5	5,038,988	4,469,421
Financial transactions in assets and liabilities	6	47,177	14,479
Local and foreign aid assistance	3.3	19,283	37,301
Unauthorised expenditure approved	8	961	-
Total current expenditure		16,374,147	14,247,413
Transfers and subsidies	7	3,494,788	2,933,350
Expenditure for capital assets			
Buildings and other fixed structures		1,391,931	1,395,071
Machinery and Equipment		256,000	261,566
Biological or cultivated assets		57	75
Software and other intangible assets		18,702	21,076
Land and subsoil assets		8,051	27,544
Local and foreign aid assistance	3.3	20	1,365
Total expenditure for capital assets		1,674,761	1,706,697
TOTAL EXPENDITURE DISCLOSED BY DEPARTMENTS		21,543,696	18,887,460
TOTAL EXPENDITURE		21,543,696	18,887,460
SURPLUS/(DEFICIT)		454,453	787,724
Add back unauthorised expenditure	8	114,228	13,529
Add back fruitless and wasteful expenditure	9	48	14
SURPLUS/(DEFICIT) FOR THE YEAR		568,729	801,267

WESTERN CAPE PROVINCE: DEPARTMENTS
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**Consolidated Statement of Financial Position
for the year ended 31 March 2008**

	Notes	2007/08 R'000	2006/07 R'000
ASSETS			
Current assets		2,796,167	2,665,197
Unauthorised expenditure	8	138,396	425,981
Fruitless and wasteful expenditure	9	164	708
Cash and cash equivalents	10	2,504,088	2,037,696
Prepayments and advances	11	7,765	5,791
Receivables	12	145,754	195,021
Non-current assets		154,008	153,010
Investments	13	153,190	152,192
Other financial assets		818	818
TOTAL ASSETS		2,950,175	2,818,207
RESERVES	17	1,536,411	1,852,092
LIABILITIES			
Current liabilities		405,019	729,917
Bank overdraft	14	67,453	51,961
Payables	15	332,384	675,510
Local and foreign aid assistance unutilised	3.3	5,182	2,446
TOTAL LIABILITIES AND LIABILITIES		1,941,430	2,582,009
NET ASSETS		1,008,745	236,198
Represented by:			
Capitalisation Reserves		944,197	152,301
Recoverable revenue		64,548	83,897
TOTAL		1,008,745	236,198

WESTERN CAPE PROVINCE: DEPARTMENTS
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**Consolidated Statement of Changes in Net Assets
for the year ended 31 March 2008**

	2007/08 R'000	2006/07 R'000
Capitalisation Reserves		
Opening balance	152,301	151,546
Transfers	791,896	755
Closing balance	<u>944,197</u>	<u>152,301</u>
Recoverable revenue		
Opening balance	83,897	82,085
Transfers	(19,349)	1,812
Irrecoverable amounts written off	(25,841)	(13,137)
Debts revised	(1)	(121)
Debts recovered (included in departmental receipts)	(2,438)	5,709
Debts raised	8,931	9,361
Closing balance	<u>64,548</u>	<u>83,897</u>
TOTAL	<u>1,008,745</u>	<u>236,198</u>

WESTERN CAPE PROVINCE: DEPARTMENTS
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**Consolidated Cash Flow Statement
for the year ended 31 March 2008**

	Notes	2007/08 R'000	2006/07 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS DISCLOSED BY THE NATIONAL REVENUE FUND			
Appropriated funds			
Equitable Share	1.1	15,075,556	13,362,102
Conditional Grants	1.2	3,748,078	3,564,488
Non-operating income		206,985	97,301
Other revenue received by the revenue fund		33,062	105,489
TOTAL RECEIPTS DISCLOSED BY THE NATIONAL REVENUE FUND		<u>19,063,681</u>	<u>17,129,380</u>
RECEIPTS DISCLOSED BY NATIONAL DEPARTMENTS			
Receipts		2,020,601	1,754,750
Appropriation for unauthorised expenditure received	8	961	-
Departmental revenue received	2	1,997,601	1,715,052
Local and foreign aid assistance received	3	22,039	39,698
Net (increase)/ decrease in working capital		662,776	(133,729)
Current payments		(16,275,041)	(14,247,413)
Unauthorised expenditure - current year		114,228	13,529
Transfers and subsidies paid		(3,494,788)	(2,933,350)
Net cash flow available from operating activities	16	<u>2,086,182</u>	<u>1,583,167</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(1,674,761)	(1,706,697)
Proceeds from sale of capital assets	2.3	56,418	19,806
(Increase)/ decrease in investments		(998)	(755)
(Increase)/ decrease in other financial assets		-	(818)
Net cash flows from investing activities		<u>(1,619,341)</u>	<u>(1,688,464)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/ (decrease) in net assets		(21,206)	4,378
Increase/ (decrease) in non-current payables		-	(26,047)
Net cash flows from financing activities		<u>(21,206)</u>	<u>(21,669)</u>
Net increase/ (decrease) in cash and cash equivalents		450,900	(106,966)
Cash and cash equivalents at beginning of period		1,985,735	2,092,701
Cash and cash equivalents at end of period	14/10	<u>2,436,635</u>	<u>1,985,735</u>

WESTERN CAPE PROVINCE: DEPARTMENTS
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**Consolidated Financial Information
for the year ended 31 March 2008**

Notes to the Consolidated Financial Information for the year ended 31 March 2008

	<i>Note</i>	2007/08 R'000	2006/07 R'000
1. Appropriated Funds			
1.1 Equitable Share			
Equitable Share / Voted funds		15,060,614	13,347,861
Equitable Share / Statutory funds		14,942	14,241
Total Equitable Share		<u>15,075,556</u>	<u>13,362,102</u>
1.2 Conditional Grants			
Conditional grants received		3,748,078	3,564,488
Total Conditional Grants		<u>3,748,078</u>	<u>3,564,488</u>
1.3 Other appropriation to departments			
Other appropriation to departments		945,444	896,543
		<u>945,444</u>	<u>896,543</u>
1.4 Appropriation for unauthorised expenditure approved			
		961	-
1.5 Investment income			
		206,985	97,301
2. Departmental revenue to be surrendered to Revenue Fund			
Tax revenue		1,123,411	1,078,951
Sales of goods and services other than capital assets	2.1	434,673	304,206
Fines, penalties and forfeits		1,392	1,338
Interest, dividends and rent on land	2.2	50,695	58,696
Sales of capital assets	2.3	56,418	19,806
Financial transactions in assets and liabilities	2.4	214,195	154,573
Transfers received	2.5	116,817	97,503
Total revenue collected		<u>1,997,601</u>	<u>1,715,052</u>
Less: Departmental revenue budgeted		<u>1,707,335</u>	<u>1,537,304</u>
Total		<u>290,266</u>	<u>177,748</u>
2.1 Sales of goods and services other than capital assets			
Sales of goods and services produced by the department		433,793	304,117
Sales by market establishment		372,771	254,736
Administrative fees		24,430	18,284
Other sales		36,592	31,097
Sales of scrap, waste and other used current goods		880	89
Total		<u>434,673</u>	<u>304,206</u>
2.2 Interest, dividends and rent on land			
Interest		50,169	57,983
Dividends		6	(7)
Rent on land		520	720
Total		<u>50,695</u>	<u>58,696</u>

WESTERN CAPE PROVINCE: DEPARTMENTS
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**Consolidated Financial Information
for the year ended 31 March 2008**

Notes to the Consolidated Financial Information for the year ended 31 March 2008

<i>Note</i>	2007/08 R'000	2006/07 R'000
2.3 Sales of capital assets		
Land and subsoil assets	56,356	19,723
Other capital assets	62	83
Total	<u>56,418</u>	<u>19,806</u>
2.4 Financial transactions in assets and liabilities		
Nature of loss recovered		
Receivables	13,896	4,271
Other receipts including recoverable revenue	177,529	124,714
Total	<u>214,195</u>	<u>154,573</u>
2.5 Transfers received		
Other governmental units	-	11,314
Universities and Technikons	11,140	11,050
International Organisations	104,863	74,202
Public Corporations and Private enterprises	814	937
Total	<u>116,817</u>	<u>97,503</u>
3. Local and foreign aid assistance		
Assistance received in cash		
3.1 Local		
Opening Balance	(1,205)	1,300
Revenue	(934)	(1,205)
Expenditure	-	1,300
Current	-	-
Capital	-	1,300
Closing Balance	<u>(2,139)</u>	<u>(1,205)</u>
3.2 Foreign		
Opening Balance	3,651	114
Revenue	22,973	40,903
Expenditure	19,303	37,366
Current	19,283	37,301
Capital	20	65
Closing Balance	<u>7,321</u>	<u>3,651</u>
3.3 Total		
Opening Balance	2,446	1,414
Revenue	22,039	39,698
Expenditure	19,303	38,666
Current	19,283	37,301
Capital	20	1,365
Closing Balance	<u>5,182</u>	<u>2,446</u>

WESTERN CAPE PROVINCE: DEPARTMENTS
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**Consolidated Financial Information
for the year ended 31 March 2008**

Notes to the Consolidated Financial Information for the year ended 31 March 2008

	<i>Note</i>	2007/08 R'000	2006/07 R'000
4. Compensation of employees			
4.1 Salaries and wages			
Basic salary		7,995,357	7,133,618
Performance award		62,366	54,392
Service Based		22,972	20,659
Compensative/circumstantial		499,883	425,678
Periodic payments		26,636	25,141
Other non-pensionable allowances		1,243,604	850,580
Total		9,850,818	8,510,068
4.2 Social contributions			
4.2.1 Employer contributions			
Pension		918,697	811,801
Medical		494,200	401,625
UIF		626	415
Bargaining council		1,522	1,385
Official unions and associations		1,420	543
Insurance		237	152
Total		1,416,702	1,215,921
4.2.2 Post retirement benefits			
Medical		104	116
Pension		112	104
Insurance		2	3
Total		218	223
Total compensation of employees		11,267,738	9,726,212
Average number of employees		72,233	69,345

WESTERN CAPE PROVINCE: DEPARTMENTS
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**Consolidated Financial Information
for the year ended 31 March 2008**

Notes to the Consolidated Financial Information for the year ended 31 March 2008

	<i>Note</i>	2007/08 R'000	2006/07 R'000
5. Goods and services			
Advertising		80,173	60,481
Attendance fees (including registration fees)		2,137	1,752
Bank charges and card fees		1,753	2,856
Bore waterhole drilling		889	-
Bursaries (employees)		16,834	7,125
Catering		16,092	10,909
Communication		110,631	101,174
Computer services		179,555	164,248
Consultants, contractors and special services		808,301	609,895
Courier and delivery services		7,239	5,747
Tracing agents & debt collections		994	5,911
Drivers licences and permits		50	142
Entertainment		8,141	10,673
External audit fees	5.1	35,500	30,784
Equipment less than R5 000		76,951	67,416
Freight service		58	63
Government motor transport		595	550
Honoraria (Voluntary workers)		696	920
Inventory	5.2	1,563,332	1,409,549
Legal fees		20,762	14,566
Licence agency fees		151,871	161,312
Maintenance, repair and running costs		612,493	590,594
Medical services		310,133	319,639
Municipal Services		7,264	4,577
Operating leases		179,090	165,386
Mint of decorations/medals		927	-
Personnel agency fees		203	424
Photographic services		144	297
Plant flowers and other decorations		1,486	1,183
Printing and publications		22,844	18,820
Professional bodies and membership fees		2,120	8,819
Resettlement costs		6,869	5,554
Road laboratories		37	19
Road worthy tests		1	1
Subscriptions		2,685	2,319
Storage of furniture		150	107
System access fees		11	1
Owned and leasehold property expenditure		240,651	208,832
Translations and transcriptions		3,180	3,162
Transport provided as part of the departmental activities		114,487	103,800
Travel and subsistence	5.3	312,130	259,548
Venues and facilities		43,015	38,410
Protective, special clothing & uniforms		21,061	20,438
Training & staff development		75,451	51,968
Witness and related fees		2	-
Total		5,038,988	4,469,421

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**Consolidated Financial Information
for the year ended 31 March 2008**

Notes to the Consolidated Financial Information for the year ended 31 March 2008

	<i>Note</i>	2007/08 R'000	2006/07 R'000
5.1 External audit fees			
Regulatory audits		31,810	27,373
Performance audits		2,141	2,802
Other audits		1,549	609
Total external audit fees		<u>35,500</u>	<u>30,784</u>
5.2 Inventory			
Strategic stock		401	896
Domestic consumables		60,805	56,430
Agricultural consumables		11,165	13,783
Learning and teaching support material		273,848	247,079
Food and Food supplies		110,075	89,365
Fuel, oil and gas		5,388	5,269
Laboratory consumables		16,318	12,055
Other consumables		5,850	12,089
Parts and other maintenance		32,470	37,684
Sport and recreation		1,273	459
Stationery and Printing		77,548	77,129
Veterinary supplies		644	696
Restoration and fittings		197	198
Road construction and supplies		1,106	899
Medical Supplies		966,244	855,518
Total Inventory		<u>1,563,332</u>	<u>1,409,549</u>
5.3 Travel and subsistence			
Local		296,933	247,816
Foreign		15,197	11,732
Total travel and subsistence		<u>312,130</u>	<u>259,548</u>
6. Financial transactions in assets and liabilities			
Material losses through criminal conduct	6.1	1,098	902
Other material losses written off	6.2	2,619	1,886
Debts written off	6.3	43,460	11,691
Total		<u>47,177</u>	<u>14,479</u>
6.1 Material losses through criminal conduct			
Stolen Equipment		-	58
Theft		669	-
Mala fide		38	30
Other		391	814
Total		<u>1,098</u>	<u>902</u>

WESTERN CAPE PROVINCE: DEPARTMENTS
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**Consolidated Financial Information
for the year ended 31 March 2008**

Notes to the Consolidated Financial Information for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
6.2 Other material losses			
Government Motor Vehicles		1,507	885
Theft		1	218
Vehicle Damages		299	-
Fruitless and Wasteful Expenditure		83	-
Other		729	783
Total		<u>2,619</u>	<u>1,886</u>
6.3 Debts written off			
Staff Debts		11,862	10,217
Government Vehicles		-	83
Other		31,598	1,391
Total		<u>43,460</u>	<u>11,691</u>
7. Transfers and subsidies			
Provinces and municipalities		331,529	378,275
Departmental agencies and accounts		151,327	211,746
Universities and technikons		1,726	4,325
Foreign governments and international organisations		103	94
Public corporations and private enterprises		71,500	49,511
Non-profit institutions		1,622,952	1,368,560
Households		1,315,651	920,839
Total		<u>3,494,788</u>	<u>2,933,350</u>
8. Unauthorised expenditure			
Reconciliation of unauthorised expenditure			
Opening balance		425,981	465,779
Unauthorised expenditure – current year		114,228	13,529
Less: Amounts approved by Parliament/Legislature (with funding)		(961)	-
Current Expenditure		(961)	-
Less: Amounts approved by Parliament/Legislature (without funding)		(209,466)	-
Current Expenditure		(220,105)	-
Transfers and subsidies		10,639	-
Transfer to receivables for recovery (not approved)		(191,386)	(53,327)
Unauthorised expenditure awaiting authorisation		<u>138,396</u>	<u>425,981</u>
9. Fruitless and wasteful expenditure			
Reconciliation of fruitless and wasteful expenditure			
Opening balance		708	694
Fruitless and wasteful expenditure – current year		48	14
Current expenditure		48	14
Amounts condoned		(673)	-
Current expenditure		(673)	-
Transfer to receivables for recovery (not condoned)		81	-
Fruitless and wasteful expenditure awaiting condonement		<u>164</u>	<u>708</u>

WESTERN CAPE PROVINCE: DEPARTMENTS
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**Consolidated Financial Information
for the year ended 31 March 2008**

Notes to the Consolidated Financial Information for the year ended 31 March 2008

10. Cash and cash equivalents	Note	2007/08 R'000	2006/07 R'000
Consolidated Paymaster General Account		(62,716)	(10,166)
Cash receipts		-	25
Disbursements		1,944	(8,975)
Cash on hand		182	153
Cash with commercial banks (Local)		700,678	586,659
Short term investments		1,864,000	1,470,000
Total		<u><u>2,504,088</u></u>	<u><u>2,037,696</u></u>

11. Prepayments and advances

Description

Staff advances	23	17
Travel and subsistence	1,900	1,441
Advances paid to other entities	5,842	4,333
Total	<u><u>7,765</u></u>	<u><u>5,791</u></u>

12. Receivables

		Less than one year R'000	One to three years R'000	Older than three years R'000	Total R'000	Total R'000
Households and non profit institutions	12.1	2,748	5,731	611	9,090	13,006
Private enterprises	12.2	15	-	-	15	19
Staff debtors	12.3	13,922	12,633	17,738	44,293	41,677
Other debtors	12.4	19,022	15,498	43,659	78,179	90,980
Intergovernmental Receivables		17,405	605	(3,833)	14,177	49,339
Total		<u><u>53,112</u></u>	<u><u>34,467</u></u>	<u><u>58,175</u></u>	<u><u>145,754</u></u>	<u><u>195,021</u></u>

12.1 Households and non profit institutions

Staff debt	8,929	6,038
Other	161	6,968
Total	<u><u>9,090</u></u>	<u><u>13,006</u></u>

12.2 Private enterprises

Staff debt	15	19
Total	<u><u>15</u></u>	<u><u>19</u></u>

12.3 Staff debtors

Employee Debt	43,671	25,142
Damage to GG Vehicles	511	426
Other	111	16,109
Total	<u><u>44,293</u></u>	<u><u>41,677</u></u>

WESTERN CAPE PROVINCE: DEPARTMENTS
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**Consolidated Financial Information
for the year ended 31 March 2008**

Notes to the Consolidated Financial Information for the year ended 31 March 2008

	<i>Note</i>	2007/08 R'000	2006/07 R'000
12.4 Other Debtors			
Staff Debt		77,341	60,437
Claims Recoverable		521	592
Other		317	29,951
Total		<u>78,179</u>	<u>90,980</u>

13. Investments

Non-current

Shares and other equity

Convenco		142,000	142,000
School Building Fund		10,766	9,792
JL Bisset Fund		341	313
Royal Reception Fund		34	34
Graham Civil Service Busary Fund		43	42
Sir David Harries Trust		6	9
Isaac Chames Trust		-	2
Total non-current		<u>153,190</u>	<u>152,192</u>

Analysis of non-current investments

Opening balance		152,192	151,437
Additions in cash		998	755
Closing balance		<u>153,190</u>	<u>152,192</u>

The PGWC acquired a third of the shareholding in CONVENCO in the 2003/04 financial year. This strategic investment was made by the Department of Economic Development & Tourism with the long term view of promoting tourism.

14. Bank overdraft

Consolidated Paymaster General Account		75,340	51,961
Cash with commercial banks (Local)		(7,887)	-
Total		<u>67,453</u>	<u>51,961</u>

15. Payables – current

Description	30 Days R'000	30+ Days R'000	2007/08 Total R'000	2006/07 Total R'000
Amounts owing to other entities	-	11,206	11,206	16,843
Advances received	15.1	-	-	3
Clearing accounts	15.2	76,749	87,257	497,859
Other payables	15.3	1,426	233,921	160,805
Total		<u>11,934</u>	<u>332,384</u>	<u>675,510</u>

WESTERN CAPE PROVINCE: DEPARTMENTS
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**Consolidated Financial Information
for the year ended 31 March 2008**

Notes to the Consolidated Financial Information for the year ended 31 March 2008

	<i>Note</i>	2007/08 R'000	2006/07 R'000
15.1 Advances received			
Other		-	3
Total		<u>-</u>	<u>3</u>
15.2 Clearing accounts			
Salary		13,657	3,599
Advances		68,396	490,430
Other		5,204	3,830
Total		<u>87,257</u>	<u>497,859</u>
15.3 Other payables			
Various Projects		3,618	6,436
Inter departmental		49,692	81,009
Other		180,611	73,360
Total		<u>233,921</u>	<u>160,805</u>
16. Net cash flow available from operating activities			
Net surplus/(deficit) as per Statement of Financial Performance		568,729	801,267
Add back non cash/cash movements not deemed operating activities		758,721	(812,575)
(Increase)/decrease in receivables – current		52,599	(31,352)
(Increase)/decrease in prepayments and advances		(1,974)	304,812
(Increase)/decrease in other current assets		288,671	39,090
Increase/(decrease) in payables – current		(343,126)	1,573
Proceeds from sale of capital assets		(56,408)	(380,476)
Proceeds from sale of investments		-	(26,047)
Expenditure on capital assets		1,674,761	1,706,697
Proceeds on sale of equipment		-	(19,806)
Non cash items		1,322,645	-
Fruitless and Wasteful expenditure		384,690	14
Surrenders to the revenue fund		(2,563,126)	-
Voted funds not requested/not received		-	(30)
Net cash flow generated by operating activities		<u>2,086,182</u>	<u>1,583,167</u>
17. Reserves			
Opening balance		1,852,092	1,867,112
Surplus		568,729	801,267
Adjustments		(1,352,450)	(816,287)
Closing balance		<u>1,536,411</u>	<u>1,852,092</u>

WESTERN CAPE PROVINCE: DEPARTMENTS
ANNUAL CONSOLIDATED FINANCIAL INFORMATION

**Disclosure notes to the Consolidated Financial Information
for the year ended 31 March 2008**

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

	Note	2007/08 R'000	2006/07 R'000	
18. Contingent liabilities				
Liable to				
Motor vehicle guarantees		31	206	
Housing loan guarantees		18,032	90,719	
Claims against the department		266,588	214,132	
Other departments (interdepartmental unconfirmed balances)		16,629	27,509	
Other		1,359	(16)	
Total		<u>302,639</u>	<u>332,550</u>	
19. Commitments				
Current expenditure				
Approved and contracted		548,075	460,427	
Approved but not yet contracted		98,513	45,251	
		<u>646,588</u>	<u>505,678</u>	
Non-current expenditure				
Approved and contracted		562,762	940,267	
Approved but not yet contracted		137,047	85,613	
		<u>699,809</u>	<u>1,025,880</u>	
Total Commitments		<u>1,346,397</u>	<u>1,531,558</u>	
20. Accruals				
	30 Days R'000	30+ Days R'000	Total R'000	Total R'000
By economic classification				
Compensation of employees	5,608	41,613	47,221	6,137
Goods and services	166,495	69,435	235,930	183,178
Transfers and subsidies	6,394	3,065	9,459	39,056
Buildings and other fixed structures	40,576	3,514	44,090	100,759
Machinery and equipment	4,393	827	5,220	2,293
Software and other intangible assets	591	69	660	171
Land and subsoil assets	-	-	-	63
Total	<u>224,057</u>	<u>118,523</u>	<u>342,580</u>	<u>325,677</u>

WESTERN CAPE PROVINCE: DEPARTMENTS
ANNUAL CONSOLIDATED FINANCIAL INFORMATION

**Disclosure notes to the Consolidated Financial Information
for the year ended 31 March 2008**

	Note	2007/08 R'000	2006/07 R'000		
21. Employee benefit provisions					
Leave entitlement		217,342	121,868		
Thirteenth cheque		318,050	291,886		
Performance awards		70,605	45,964		
Capped leave commitments		1,122,298	1,085,009		
Total		<u>1,728,295</u>	<u>1,544,727</u>		
22. Lease Commitments					
22.1 Operating leases					
	Land R'000	Buildings & other fixed structures R'000	Machinery and equipment R'000	Total R'000	Total R'000
Not later than 1 year	-	78,081	9,968	88,049	90,640
Later than 1 year and not	-	134,610	19,171	153,781	189,582
Later than five years	-	232,189	-	232,189	4,513
Total present value of	-	<u>444,880</u>	<u>29,139</u>	<u>474,019</u>	<u>284,735</u>
22.2 Finance leases					
	Land	Buildings & other fixed structures	Machinery and equipment	Total	Total
Not later than 1 year	-	-	4,982	4,982	2,607
Later than 1 year and not	-	-	8,713	8,713	8,109
Later than five years	-	-	-	-	561
Total present value of	-	-	<u>13,695</u>	<u>13,695</u>	<u>11,277</u>
23. Receivables for departmental revenue					
Tax revenue (a)		238,039	491,020		
Sales of goods and services other than capital assets (b)		422,571	519,023		
Fines, penalties and forfeits		1	215		
Interest, dividends and rent on land		3	54,125		
Financial transactions in assets and liabilities		7,081	9,802		
Total		<u>667,695</u>	<u>1,074,185</u>		
Note: (a) The Department of Transport and Public Works: R192 million included above may not be recoverable that has not been written off consisting of:					
• Outstanding licence fees on eNatis amounting to R182 million that might be irrecoverable.					
• Outstanding licence fees collected by Kannaland Municipality amounting to R2 million.					
Note: (b) The Department of Health: Included in this amount which relates to hospital fees an R26 million that should have been deleted from the system because it is older than 3 years.					
Outstanding property rentals amounting to R9 million that might be irrecoverable, that relates to the Department of Transport and Public Works.					
24. Irregular expenditure					
24.1 Reconciliation of irregular expenditure					
Opening Balance		17,850	1,834		
Irregular expenditure – current year		49,793	16,428		
Less: Amounts condoned		35,450	(412)		
Current expenditure		<u>35,450</u>	<u>(412)</u>		
Less: Not condoned		-	-		
Irregular expenditure awaiting condonement		<u>32,193</u>	<u>17,850</u>		
Analysis					
Current		18,527	16,016		
Prior years		13,666	1,834		
Total		<u>32,193</u>	<u>17,850</u>		

WESTERN CAPE PROVINCE: DEPARTMENTS
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**Disclosure notes to the Consolidated Financial Information
for the year ended 31 March 2008**

25. Key management personnel	Note	2007/08 R'000	2006/07 R'000
Description	No of Individuals	Total R'000	Total R'000
Political Office Bearers Officials	13	11,653	10,774
Level 15 to 16	29	21,278	19,330
Level 14 (incl CFO if at lower level)	83	44,609	37,649
Family members of key management	15	2,802	1,514
Total	140	80,342	69,267

26. Public Private Partnership		2007/08 R'000	2006/07 R'000
Chapmans Peak Drive			
A concession agreement was concluded with Entlini Concession (Pty) Ltd for the design, construction, financing, operation and maintaining of Chapmans 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.			
Western Cape Rehabilitation Centre			
The 2007/08 year was the first year of the 12 year concession period of the Agreement concluded between the Department and the Mplisweni Consortium. The services provided by the Consortium are hard and soft facilities management, the refreshment, maintenance and replacement of medical equipment on the site for an annual unitary fee. Assets to the value of R1,4 million were transferred to the Mplisweni Consortium from the Department, in accordance with the PPP agreement, for the concession period. At the end of the period, assets to the same value (escalated by CPIX) will be returned to the Provincial Government of the Western Cape.			
Other			
Payments relating to designated events that were processed during the financial year		48,161	8,747
Total		48,161	8,747

27. Provisions		2007/08 R'000	2006/07 R'000
Potential irrecoverable debts			
Households and non profit institutions		270	993
Private enterprises		2,464	2,063
Staff debtors		4,383	1,090
Other debtors		32,741	30,540
Claims recoverable		-	3,244
		39,858	37,930
Provisions			
Impairment of investments		77,000	77,000
		77,000	77,000
Total		116,858	114,930

WESTERN CAPE PROVINCE: DEPARTMENTS
ANNUAL CONSOLIDATED FINANCIAL INFORMATION

**Disclosure notes to the Consolidated Financial Information
for the year ended 31 March 2008**

28. Tangible Capital Assets

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	5,414	1,035	230,155	228,209	8,395
Dwellings	2,885	-	173	131	2,927
Non-residential buildings	207	(16)	228,464	227,966	689
Other fixed structures	767	1,051	1,518	112	3,224
Heritage assets	1,555	-	-	-	1,555
MACHINERY AND EQUIPMENT	1,303,973	19,656	273,388	85,207	1,511,810
Transport assets	6,795	(2,823)	27,869	27,447	4,394
Computer equipment	216,668	21,481	71,703	11,301	298,551
Furniture and Office equipment	181,953	(47,255)	11,138	2,616	143,220
Other machinery and equipment	898,557	48,238	162,678	43,843	1,065,630
Heritage Assets	-	15	-	-	15
BIOLOGICAL AND CULTIVATED ASSETS	5,487	(9)	308	62	5,724
Biological and cultivated assets	5,487	(9)	308	62	5,724
TOTAL TANGIBLE ASSETS	1,314,874	20,682	503,851	313,478	1,525,929

The National Treasury, in May 2008, granted exemptions to all Provincial Departments of Public Works condoning the non-completion of immovable property disclosure note, due to the uncertainties with regard to the ownership of immovable assets between national and provincial spheres of Government. Certain assets were not recognised due to the Government Immovable Asset Management Act, 2007 processes. The attached unaudited, schedule 1, detailing the nature of these assets, is attached for ease of reference.

29. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
CAPITALISED DEVELOPMENT COSTS	26,116	13,796	16,531	-	56,443
COMPUTER SOFTWARE	6,393	(4,008)	1,522	121	3,786
TOTAL INTANGIBLE ASSETS	32,509	9,788	18,053	121	60,229

WESTERN CAPE PROVINCE: DEPARTMENTS
ANNUAL CONSOLIDATED FINANCIAL INFORMATION

SCHEDULE OF UNAUDITED IMMOVABLE ASSETS AS AT 31 MARCH 2008 IN TERMS OF NATIONAL TREASURY EXEMPTION 1

LETTER DATED 18 July 2008: DEPARTMENT OF TRANSPORT AND PUBLIC WORKS

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	Opening balance	Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	58,068,568	(11,138,547)	332,781	-	47,262,802
Dwellings	312	-	-	-	312
Non-residential buildings	26,557,534	(9,262,394)	332,781	-	17,627,921
Other fixed structures	31,510,722	(1,876,153)	-	-	29,634,569
	3,020,048	17,289,910	8,051	56,356	20,261,653
Land	3,020,048	17,289,910	8,051	56,356	20,261,653
TOTAL TANGIBLE ASSETS	61,088,616	6,151,363	340,832	56,356	67,524,455

REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT ON THE FACTUAL FINDINGS ON THE CONSOLIDATED FINANCIAL INFORMATION OF THE SCHEDULE 3C AND 3D PUBLIC ENTITIES AND TRADING ENTITIES FOR THE YEAR ENDED 31 MARCH 2008

1. I have performed the procedures agreed with the accounting officer of Provincial Treasury and described below with regard to the consolidated financial information of schedule 3C and 3D public entities and trading entities as at 31 March 2008, set out on pages 57 to 87. My engagement was undertaken in accordance with the International Standard on Related Service Engagements applicable to agreed-upon procedures engagements. With reference to the basis of consolidation as set out in the accounting policies to the consolidated financial information, my procedures were performed solely in respect of the aggregation of financial information of the public and trading entities used to compile the consolidated financial information. The procedures performed are summarised as follows:
 - (a) I obtained the consolidation template used to compile the consolidated financial information and agreed the information therein to the information in the audited annual financial statements of the individual public and trading entities.
 - (b) I compared the list of public and trading entities consolidated with the template submitted, as well as schedules 3C and 3D of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA).
 - (c) I re-performed all the castings of the consolidated financial information and agreed the notes to the consolidated financial information to the consolidated statement of financial performance, statement of financial position, statement of changes in net assets and cash flow statement.
 - (d) I agreed the comparative figures with the consolidated financial information of the previous year.

FINDINGS

I report my findings below:

Procedure (a)

2. The consolidated financial information was provided to me in the format of a template, which included the information of 12 public entities and two trading entities. The information on the template was agreed to the audited annual financial statements of the individual entities. No differences were identified between the information on the template and the individual entities' audited annual financial statements.

Procedure (b)

3. I confirmed the completeness of the individual entities included in the consolidated financial information with the template and the PFMA. The consolidated financial information includes two public entities which are not listed in schedule 3C of the PFMA, namely Heritage Western Cape and the Western Cape Housing Development Fund. The inclusion of these entities is discussed on pages 15 and 16, respectively, of the accounting officer's report.

Procedure (c)

4. I re-performed all the castings on the consolidated financial information template and found it to be correct. The notes to the consolidated financial information agreed to the consolidated statement of financial position, statement of financial performance and statement of changes in net assets. The information contained in the notes to the consolidated cash flow statement and the cash flow statement itself could not in all instances be directly related to the consolidated statement of financial position and statement of financial performance, because this statement and notes were aggregated and not recompiled from the consolidated statements of financial position and performance.

Procedure (d)

5. The comparative figures in the 2007-08 financial year's consolidated financial information did not agree to the figures in the 2006-07 financial year's consolidated financial information, because five public entities and two trading entities had restated their comparative figures for the reasons indicated in the entities' individual financial statements.

General

6. The consolidated financial information was an aggregation of the individual entities' financial information and not a consolidation. Consequently the consolidated financial information presented did not account for or make provision for the following:
 - Share capital was not set off against the cost of the investment, as the aggregation only related to the Western Cape entities and did not include the financial information of the parent department.
 - Inter-entity transactions and balances affecting the consolidated statement of financial position and statement of financial performance were not in all instances eliminated.
 - The disclosed accounting policies in the consolidated financial information were not applied consistently by the individual entities, as a different accounting framework was adopted by the Western Cape Housing Development Fund in preparing its annual financial statements, as discussed on page 16 of the accounting officer's report.

7. Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing, I do not express any assurance on the consolidated financial information as at 31 March 2008.
8. Had I performed additional procedures or had I performed an audit or review of the consolidated financial information in accordance with the International Standards on Auditing or International Standards on Review Engagements, other matters may have come to my attention that would have been reported to you.
9. My report is solely for the purpose set out in the first paragraph of this report and is not to be used for any other purpose or to be distributed to any other parties.

APPRECIATION

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

Auditor - General

Cape Town

30 October 2008



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

WESTERN CAPE PROVINCE: PUBLIC AND TRADING ENTITIES
ANNUAL CONSOLIDATED FINANCIAL INFORMATION

**Accounting Policies
for the year ended 31 March 2008**

1. Accounting Policies and related matters

The Annual Consolidated Financial Information 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 Information 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 Basis of consolidation

The Annual Consolidated Financial Information 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.

1.3 Currency

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

1.4 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.

WESTERN CAPE PROVINCE: PUBLIC AND TRADING ENTITIES
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**Accounting Policies
for the year ended 31 March 2008**

Revenue arising from license 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.

1.5 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.

1.6 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 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.

1.7 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.

WESTERN CAPE PROVINCE: PUBLIC AND TRADING ENTITIES
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**Accounting Policies
for the year ended 31 March 2008**

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.

1.8 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.

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.

WESTERN CAPE PROVINCE: PUBLIC AND TRADING ENTITIES
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**Accounting Policies
for the year ended 31 March 2008**

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 instruments (continued)

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.

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.

WESTERN CAPE PROVINCE: PUBLIC AND TRADING ENTITIES
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**Accounting Policies
for the year ended 31 March 2008**

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 (PPPs)

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 recognised 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. Unrealised 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 recognised as profit or loss from investment securities. Dividends are recognised when the entity becomes entitled to it.

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

WESTERN CAPE PROVINCE: PUBLIC AND TRADING ENTITIES
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**Consolidated Statement of Financial Performance
for the year ended 31 March 2008**

	Notes	2007/08 R'000	2006/07 R'000
REVENUE			
Sale of goods	1	363,213	319,650
Rendering of services	2	322,078	295,328
Rental income	3	2,266	1,496
Transfers and subsidies	4	189,848	175,629
Fines, penalties and forfeits	5	97	126
Local and foreign aid assistance received	6	33,723	6,396
Gains on disposal of assets	7	48	23
Gifts, sponsorships and donations	8	81	1,574
Other income	9	94,906	92,597
TOTAL REVENUE		1,006,260	892,819
EXPENDITURE			
Cost of Sales		(312,263)	(273,932)
Administrative expenses	10	(60,245)	(57,746)
Staff costs	11	(141,482)	(129,656)
Marketing costs	12	(36,159)	(25,299)
Audit fees	13	(5,076)	(3,759)
Project expenses	14	(72,650)	(38,566)
Transfers and subsidies	15	(4,477)	(17,042)
Gifts, sponsorships and donations	16	-	(219)
Other operating expenses	17	(237,438)	(220,863)
Losses on disposal of assets	7	(123)	(119)
TOTAL EXPENDITURE		(869,913)	(767,201)
SURPLUS/(DEFICIT) FROM OPERATIONS		136,347	125,618
Finance income	18	10,704	6,230
Finance cost	19	(4)	(3,061)
Income from investments	20	64	50
SURPLUS/(DEFICIT) BEFORE TAX		147,111	128,837
SURPLUS/(DEFICIT) AFTER TAX FROM CONTINUING OPERATIONS		147,111	128,837
GAINS/(LOSSES) ON DISCONTINUED OPERATIONS	21	-	(91)
SURPLUS/(DEFICIT) AFTER TAX ATTRIBUTABLE TO:			
Net asset holders of the controlling entity		147,111	128,746
Minority interest		-	-
Surplus/(Deficit) for the year		147,111	128,746

WESTERN CAPE PROVINCE: PUBLIC AND TRADING ENTITIES
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**Consolidated Statement of Financial Position
for the year ended 31 March 2008**

	Notes	2007/08 R'000	2006/07 R'000
ASSETS			
Non-current assets		3,995,011	561,460
Property, plant and equipment	22	3,966,813	551,504
Investment property	23	1,009	1,009
Intangible assets	24	10,243	6,755
Financial assets available-for-sale	25	16,921	2,143
Loans and receivables	26	25	49
Current assets		758,325	717,984
Inventory	27	59,200	56,307
Loans and receivables	26	502,781	455,346
Cash and cash equivalents	28	196,344	206,331
Non-current assets held for sale	43	642	919
TOTAL ASSETS		4,753,978	1,280,363
LIABILITIES			
Non-current liabilities		16,535	16,050
Finance lease obligations	30	15	349
Retirement benefit obligation	31	7,576	6,956
Provisions	35	8,944	8,745
Current liabilities		344,406	360,872
Trade and other payables	33	132,051	125,699
Income received in advance	34	183,003	185,750
Finance lease obligations	30	109	31
Provisions	35	2,317	2,581
Government grants	32	17,639	32,901
Bank overdraft	29	9,287	13,910
TOTAL LIABILITIES		360,941	376,922
NET ASSETS			
CAPITAL AND RESERVES			
Share Capital (Contributions from owners)	47	25,000	25,000
Accumulated surplus/(deficit)	48	557,150	478,346
Financial instrument reserve	49	1,590	1,825
Revaluation reserve	50	3,430,240	18,257
Other reserves	51	379,057	380,013
TOTAL NET ASSETS		4,393,037	903,441
TOTAL NET ASSETS AND LIABILITIES		4,753,978	1,280,363

WESTERN CAPE PROVINCE: PUBLIC AND TRADING ENTITIES
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**Consolidated Statement of Changes in Net Assets
for the year ended 31 March 2008**

	Share Capital (Cont. from Owners)	Accumulated Surplus/ (Deficit)	Financial instrument reserve	Revaluation reserve	Foreign currency translation reserve	Minority Interest	Other reserves	Total Equity (ENTITY)
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
Notes	47	48	49	50			51	
Balance at 1 April 2006 as originally stated	25,000	795,181	1,572	12,046	-	-	45,153	878,952
- correction of prior period error	37	29,530	-	-	-	-	-	29,530
- change in accounting policy	36	(45)	-	-	-	-	-	(45)
As restated	25,000	824,666	1,572	12,046	-	-	45,153	908,437
Surplus/(Deficit) for the year	-	128,746	-	-	-	-	-	128,746
Transfers to/ (from) reserves	-	(13,722)	-	-	-	-	-	(13,722)
Revaluation increase/(decrease) on investments	-	-	253	6,211	-	-	-	6,464
investments	-	1	-	-	-	-	-	1
Net gains/(losses) not recognised in the statement of financial performance	-	(129,895)	-	-	-	-	-	(129,895)
Other (Refer note 92)	-	(331,450)	-	-	-	-	-	(331,450)
	-	1	-	-	-	-	-	1
Other (Refer note 93)	-	-	-	-	-	-	334,860	334,860
Balance as at 31 March 2007	25,000	478,347	1,825	18,257	-	-	380,013	903,442
- correction of prior period error	37	(2)	-	-	-	-	-	(2)
- change in accounting policy	36	-	-	-	-	-	-	-
As restated	25,000	478,345	1,825	18,257	-	-	380,013	903,440
Surplus/(Deficit) for the year	-	147,111	-	-	-	-	-	147,111
Transfers to/ (from) reserves	-	(11,519)	-	-	-	-	(2,087)	(13,606)
Revaluation increase/(decrease) on investments	-	-	(235)	(148)	-	-	-	(383)
Revaluation increase/ (decrease) on property, plant and equipment	-	-	-	3,412,131	-	-	-	3,412,131
Net gains/(losses) not recognised in the statement of financial performance	-	(54,051)	-	-	-	-	-	(54,051)
Other (Refer note 92)	-	(12,297)	-	-	-	-	-	(12,297)
	-	2,480	-	-	-	-	-	2,480
Other (Refer note 93)	-	-	-	-	-	-	1,131	1,131
Balance as at 31 March 2008	25,000	550,069	1,590	3,430,240	-	-	379,057	4,385,956

WESTERN CAPE PROVINCE: PUBLIC AND TRADING ENTITIES
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**Consolidated Cash Flow Statement
for the year ended 31 March 2008**

	Notes	2007/08 R'000	2006/07 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		902,538	772,831
Cash paid to suppliers and employees		(839,022)	(675,253)
Cash generated from/(utilised in) operations	38	63,516	97,578
Interest received / (paid)		12,353	4,195
Dividends received / (paid)		(4,582)	(4,006)
Net cash inflows/ outflows from operating activities	44	71,287	97,767
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on disposal of:			
Property, plant and equipment		11,805	9,176
Revaluation adjustment - lease improvements		9	-
Property, plant and equipment		(91,231)	(83,405)
Intangible assets		(3,972)	(2,940)
Associates and joint ventures		(15,000)	-
Available for sale financial assets		(14)	(9)
Net cash flows from investing activities	45	(98,403)	(77,178)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of :			
Other (Refer note 46)		(19,951)	3,793
Increase/(decrease) in non-current financial instruments		(8,960)	(9,666)
Other (Refer note 46)		52,671	48,559
		9	-
Interest paid		-	3,017
Increase in amounts owing to controlled entities		(2,017)	4,044
Net cash flow financing activities	46	21,752	49,747
Net increase/(decrease) in cash and cash equivalents		(5,364)	70,336
Cash and cash equivalents at the beginning of the year	28	192,421	122,085
Cash and cash equivalents at end of the year	28	187,057	192,421

WESTERN CAPE PROVINCE: PUBLIC AND TRADING ENTITIES
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**Consolidated Financial Information
for the year ended 31 March 2008**

Notes to the Consolidated Financial Information for the year ended 31 March 2008

	2007/08 R'000	2006/07 R'000
1. Sale of goods		
Other (Refer note 52)	339,195	296,458
	9,118	8,110
	13,566	13,572
	1,334	1,510
Total	363,213	319,650
2. Rendering of services		
National Departments	54,547	58,000
Provincial Departments	267,531	237,328
Total	322,078	295,328
3. Rental income		
Buildings	1,456	747
Other (Refer note 53)	452	406
	358	343
Total	2,266	1,496
4. Transfers and subsidies received		
Provincial Departments	138,549	144,562
Local Governments	30,994	28,960
Other (Refer note 54)	1,194	1,465
	697	642
	3,414	-
	15,000	-
Total	189,848	175,629
5. Fines, penalties and forfeits		
Fines	97	126
Total	97	126

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**Consolidated Financial Information
for the year ended 31 March 2008**

Notes to the Consolidated Financial Information for the year ended 31 March 2008

	2007/08 R'000	2006/07 R'000
6. Local and foreign aid assistance received		
Local and foreign aid assistance received	33,723	6,396
- In Cash	33,723	6,396
7. Gains / losses on disposal of assets		
Gains on disposal of assets	48	23
Other (Refer note 56)	7	23
	41	-
Losses on disposal of assets	123	119
Other (Refer note 56)	123	34
	-	85
8. Gifts, sponsorships and donations received	81	1,574
9. Other income		
Income from insurance claims	21	-
Other (Refer note 55)	7,263	20,500
	64,146	59,056
	10,206	3
	13,270	13,038
Total	94,906	92,597
10. Administrative expenses		
General administrative expenses	22,336	21,137
Other (Refer note 57)	8,423	11,824
	335	344
	640	228
	16,288	16,088
- Board members	1,091	1,290
	-	1
	24	82
Internal audit fees	705	503
Legal fees	2,788	280
Entertainment	574	187
Stationery and printing	1,023	1,006
Venues and facilities	510	852
Bad debt written off	(95)	573
Bank charges	234	238
Training and staff development	5,190	2,959
Net foreign exchange (gains) / losses	179	154
Total	60,245	57,746

WESTERN CAPE PROVINCE: PUBLIC AND TRADING ENTITIES
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**Consolidated Financial Information
for the year ended 31 March 2008**

Notes to the Consolidated Financial Information for the year ended 31 March 2008

	2007/08	2006/07
	R'000	R'000
11. Staff costs		
Wages and salaries	126,515	114,870
- Basic salaries	109,486	98,184
- Performance awards	2,110	2,073
- Periodic payments	2,499	2,757
- Other non-pensionable allowance	4,352	3,505
- Temporary staff	555	923
- Leave payments	905	649
- Overtime pay	2,691	2,959
- Severance packages	105	122
Executive director's emoluments	3,812	3,698
Social contributions (Employer's contributions)	13,356	12,303
- Medical	4,943	4,437
- UIF	663	613
- Official unions and associations	3	4
- Insurance	450	-
- Pension	6,531	6,067
- Other salary related costs	766	1,182
Defined benefit plan expense	1,611	2,483
- current service cost	1,450	1,349
- interest cost	271	271
- expected return on plan assets	(110)	(110)
- past service cost	-	973
Total	141,482	129,656
12. Marketing costs		
Other (Refer note 58)	14,793	5,491
	8,117	7,356
	2,450	2,125
	5,573	4,413
	-	785
	5,226	5,129
Total	36,159	25,299
13. Audit fees	5,076	3,759
Statutory Audit	3,756	2,917
Prior year under / (over) provision	1,320	842
14. Project expenses	72,650	38,566
Other (Refer note 59)	68,902	34,766
	868	1,167
	50	200
	400	461
	1,547	473
	883	1,499

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**Consolidated Financial Information
for the year ended 31 March 2008**

Notes to the Consolidated Financial Information for the year ended 31 March 2008

	2007/08	2006/07
	R'000	R'000
15. Transfers and subsidies paid	4,477	17,042
Other (Refer note 60)	4,414	7,988
	63	9,054
16. Gifts, donations and sponsorships paid	-	219
17. Other operating expenses		
Consultants, contractors and special services	41,805	38,459
Equipment items expensed as per entity policy	14	125
Other (Refer note 61)	7,032	3,069
	463	644
	100	190
	1,583	1,843
	3,457	1,944
Maintenance, repairs and running costs	100,451	100,851
- Property and buildings	2,019	2,120
- Machinery and Equipment	97,794	96,951
- Other maintenance, repairs and running costs	638	1,780
Impairment recognised / (reversed)	(1,224)	(2,226)
Depreciation	47,028	42,167
- Assets carried at cost	47,028	42,167
Amortisation	788	599
Stores/consumables	6,562	5,486
Municipal services	1,040	962
Travel and subsistence	3,970	4,032
Courier and delivery charges	61	76
Communication costs	16,510	17,214
Rentals in respect of operating leases (minimum lease payments)	7,798	5,428
- Buildings	2,922	2,479
- Plant, machinery and equipment	2,378	1,568
- Vehicles	58	-
Other (Refer note 61)	2,440	1,381
Total	237,438	220,863
18. Finance income		
- Cash and bank deposits	3,966	2,332
- Short-term investments	397	499
Other (Refer note 62)	6,341	3,399
Total	10,704	6,230
19. Finance costs		
Other	4	3,061
Total	4	3,061

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**Consolidated Financial Information
for the year ended 31 March 2008**

Notes to the Consolidated Financial Information for the year ended 31 March 2008

	2007/08 R'000	2006/07 R'000
20. Income from investments		
Dividend income	64	50
- Listed investments	64	50
Total	64	50
The charge for the year can be reconciled to the surplus per the statement of financial performance as follows:		
<u>Surplus/ (Deficit) before taxation</u>	-	-
Non-taxable/non-deductible differences	141	-
Tax expense	141	-
Total assessable deficit	(10,901)	(10,901)
	(10,901)	(10,901)
21. Discontinued operations		
Current assets	-	(6,544)
Total assets	-	(6,544)
Net assets	-	(6,544)
The loss on disposal determined as follows:		
Net assets sold	-	(6,544)
Reclassifications from net assets:		
Other	-	(21)
Proceeds from sale	-	6,474
Surplus/deficit on disposal	-	(91)
Surplus/deficit on disposal after tax	-	(91)
22. Property, plant and equipment		
Buildings		
Opening net carrying amount	244,564	236,592
Gross carrying amount	244,612	236,633
Accumulated depreciation	(48)	(41)
Revaluation adjustments	3,412,349	6,211
Additions	99	139
Transfer (to)/from asset held for sale or disposal group classified as held for sale	(11,463)	20,635
Disposals	(14,110)	(19,016)
Depreciation charge	(52)	(7)
Impairment deficit (recognised)/reversed	(366)	-
Other	-	10
Closing net carrying amount 31 March	3,631,021	244,564
Gross carrying amount	3,631,121	244,612
Accumulated depreciation	(100)	(48)

WESTERN CAPE PROVINCE: PUBLIC AND TRADING ENTITIES
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**Consolidated Financial Information
for the year ended 31 March 2008**

Notes to the Consolidated Financial Information for the year ended 31 March 2008

	2007/08	2006/07
	R'000	R'000
Plant and equipment		
Opening net carrying amount	1,733	2,004
Gross carrying amount	4,242	3,919
Accumulated depreciation	(2,472)	(1,894)
Accumulated impairment	(37)	(21)
Additions	738	484
Transfer (to)/from asset held for sale or disposal group classified as held for sale	(2)	-
Disposals	(9)	-
Depreciation charge	(1,029)	(718)
Impairment deficit (recognised)/reversed	(7)	(16)
Other	-	(21)
Closing net carrying amount 31 March	1,424	1,733
Gross carrying amount	4,862	4,242
Accumulated depreciation	(3,396)	(2,472)
Accumulated impairment deficit	(42)	(37)
Vehicles		
Opening net carrying amount	294,449	269,763
Gross carrying amount	421,457	369,648
Accumulated depreciation	(124,804)	(99,885)
Accumulated impairment	(2,204)	-
Additions	82,398	78,097
Transfer (to)/from asset held for sale or disposal group classified as held for sale	(641)	(1,607)
Disposals	(14,969)	(10,884)
Depreciation charge	(41,648)	(37,385)
Impairment deficit (recognised)/reversed	(865)	(2,204)
Other	(1,094)	(1,331)
Closing net carrying amount 31 March	317,630	294,449
Gross carrying amount	462,102	421,457
Accumulated depreciation	(141,403)	(124,804)
Accumulated impairment deficit	(3,069)	(2,204)
Computer equipment		
Opening net carrying amount	3,143	3,345
Gross carrying amount	14,332	13,139
Accumulated depreciation	(11,189)	(9,794)
Additions	4,544	2,052
Disposals	(61)	(147)
Depreciation charge	(2,238)	(2,069)
Impairment deficit (recognised)/reversed	(10)	(6)
Other	349	(32)
Closing net carrying amount 31 March	5,727	3,143
Gross carrying amount	18,523	14,332
Accumulated depreciation	(12,796)	(11,189)

WESTERN CAPE PROVINCE: PUBLIC AND TRADING ENTITIES
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**Consolidated Financial Information
for the year ended 31 March 2008**

Notes to the Consolidated Financial Information for the year ended 31 March 2008

	2007/08 R'000	2006/07 R'000
Office furniture and fittings		
Opening net carrying amount	5,434	5,935
Gross carrying amount	11,136	9,981
Accumulated depreciation	(5,702)	(4,046)
Additions	2,379	1,420
Disposals	(6)	(16)
Depreciation charge	(1,963)	(1,905)
Other	2,135	-
Closing net carrying amount 31 March	7,979	5,434
Gross carrying amount	15,947	11,136
Accumulated depreciation	(7,968)	(5,702)
Construction WIP		
Opening balance	2,012	456
Additions	745	1,556
Closing balance	2,757	2,012
Computer Software/Leasehold Improvements		
Opening net carrying amount	169	119
Gross carrying amount	466	333
Accumulated depreciation	(297)	(214)
Additions	150	122
Borrowing costs capitalised	61	11
Disposals	(9)	-
Depreciation charge	(98)	(83)
Closing net carrying amount 31 March	273	169
Gross carrying amount	636	466
Accumulated depreciation	(363)	(297)
Total Property, plant and equipment		
Opening net carrying amount	551,504	518,214
Gross carrying amount	698,257	634,109
Accumulated depreciation	(144,512)	(115,874)
Accumulated impairment	(2,241)	(21)
Revaluation adjustments	3,412,349	6,211
Additions	91,053	83,870
Borrowing costs capitalised	61	11
Transfer (to)/from asset held for sale or disposal group classified as held for sale	(12,106)	19,028
Disposals	(29,164)	(30,063)
Depreciation charge	(47,028)	(42,167)
Impairment deficit (recognised)/reversed	(1,248)	(2,226)
Buildings - Other	-	10
Plant & equipment - Other	-	(21)
Vehicles - Other	(1,092)	(1,331)
Computer equipment - Other	349	(32)
Office furniture & fittings - Other	2,135	-
Closing net carrying amount 31 March	3,966,813	551,504
Gross carrying amount	4,135,948	698,257
Accumulated depreciation	(166,026)	(144,512)
Accumulated impairment deficit	(3,111)	(2,241)

WESTERN CAPE PROVINCE: PUBLIC AND TRADING ENTITIES
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**Consolidated Financial Information
for the year ended 31 March 2008**

Notes to the Consolidated Financial Information for the year ended 31 March 2008

	2007/08	2006/07
	R'000	R'000
23. Investment property		
Opening net carrying amount	1,009	1,009
Gross carrying amount/Opening balance	1,009	1,009
Closing net carrying amount 31 March	1,009	1,009
Gross carrying amount/Closing balance	1,009	1,009
24. Intangible assets		
Computer software		
Opening net carrying amount	6,755	4,412
Gross carrying amount	8,428	6,238
Accumulated amortisation	(1,673)	(1,826)
Additions	324	23
Amortisation	(788)	(599)
Other	3,702	2,919
Closing net carrying amount 31 March	9,993	6,755
Gross carrying amount	12,454	8,428
Accumulated amortisation	(2,461)	(1,673)
Other		
Opening net carrying amount	-	-
Additions	250	-
Closing net carrying amount 31 March	250	-
Gross carrying amount	250	-
Total Intangible Assets		
Opening net carrying amount	6,755	4,412
Gross carrying amount	8,428	6,238
Accumulated amortisation	(1,673)	(1,826)
Additions	574	23
Amortisation	(788)	(599)
Computer Software - Other	3,702	2,919
Closing net carrying amount 31 March	10,243	6,755
Gross carrying amount	12,704	8,428
Accumulated amortisation	(2,461)	(1,673)
25. Financial assets		
Financial assets available-for-sale		
Opening balance as originally stated		
Revaluation/(impairment)	2,143	1,882
As restated	2,143	1,882
Additions during the year	15,014	9
Revaluation/(impairment)	(236)	252
Closing balance	16,921	2,143
Cost	15,000	-
Revaluation/(impairment)	1,921	2,143
Non-current financial assets available-for-sale	16,921	2,143

WESTERN CAPE PROVINCE: PUBLIC AND TRADING ENTITIES
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**Consolidated Financial Information
for the year ended 31 March 2008**

Notes to the Consolidated Financial Information for the year ended 31 March 2008

	2007/08	2006/07
	R'000	R'000
26. Loans and receivables		
Non-current		
Trade receivables	25	49
Less : Impairment of debtors (<i>provision for doubtful debts</i>)	-	-
Total non-current	25	49
Current		
Trade receivables	673,598	656,112
Less : Impairment of debtors (<i>provision for doubtful debts</i>)	(336,914)	(301,240)
	336,684	354,872
VAT	178	46
Operating lease - "smoothing of lease"	128	-
Other (Refer note 63)	163,860	98,670
	608	579
	118	62
Prepayments and Advances	1,205	1,117
- Staff Advances	4	-
- Travel and Subsistence	3	6
- Prepayments	1,198	1,111
Total current	502,781	455,346
27. Inventory		
Work in progress		
- other	4,290	4,018
Finished goods	53,554	50,488
Consumable	1,356	1,801
Other (Refer note 64)	1,935	769
	(1,935)	(769)
Total	59,200	56,307
28. Cash and cash equivalents		
Cash and balances with banks	89,457	102,245
Short-term deposit/investments	33,035	46,368
Cash shown as current assets	4	6
Administered funds	71,473	56,753
Other (Refer note 65)	2,374	959
Other (Refer note 65)	1	-
	196,344	206,331
For the purposes of the cash flow statement:	187,057	192,421
Cash & cash equivalents	196,344	206,331
Bank overdraft	(9,287)	(13,910)
Cash & cash equivalents at 1 April 2006		122,085

WESTERN CAPE PROVINCE: PUBLIC AND TRADING ENTITIES
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**Consolidated Financial Information
for the year ended 31 March 2008**

Notes to the Consolidated Financial Information for the year ended 31 March 2008

	2007/08	2006/07
	R'000	R'000
29. Interest-bearing borrowings	-	-
Current		
Bank overdrafts	9,287	13,910
Total current	-	-
30. Finance lease obligations		
Reconciliation between the total of the minimum lease payments and the present value:		
Minimum lease payments		
- No later than 1 year	109	31
- Later than 1 year and no later than 5 years	15	349
	124	380
Present value of finance lease liabilities	124	380
	124	380
Non-current portion of finance lease obligation	15	349
Current portion of finance lease obligation	109	31
31. Retirement benefit obligations		
Grand total net liability / assets	7,576	6,956
Defined benefit plan		
Present value of funded and unfunded obligations	7,576	6,956
	7,576	6,956
Unrecognised past service cost	-	(973)
Unrecognised actuarial gains / (losses)	-	973
Net liability / (asset)	7,576	6,956
Reconciliation of present value of fund obligation:		
Present value of fund obligation at the beginning of the year	6,956	6,274
Current service costs	459	459
Benefits paid	(110)	(110)
Interest cost	271	271
Past service costs	-	973
Actuarial (gains) / losses	-	(911)
Present value of fund obligation at the end of the year	7,576	6,956
Reconciliation of fair value of plan assets:		
Analysis for financial reporting purposes:		
Non-current liabilities (recoverable after 12 months)	7,576	6,956
	7,576	6,956

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	2007/08	2006/07
	R'000	R'000
32. Government grants		
Property, plant and equipment (non-monetary government grants)		
Opening balance	32,901	30,350
Add: current year receipts	3,592	2,978
Less: amounts transferred to the statement of financial performance (conditions met)	(18,854)	(427)
Closing balance	17,639	32,901
Total Government Grants	17,639	32,901
Analysis for financial reporting purposes:	17,639	32,901
Current portion	17,639	32,901
33. Trade and other payables		
Trade creditors	27,732	33,806
Accruals	13,766	13,280
Deposits	61	10
Administered funds	71,474	56,752
Other (Refer note 66)	18,308	21,164
	710	687
Total	132,051	125,699
34. Income Received in Advance		
Prepayments and advances		
Opening Balance	185,750	169,867
Transfer of income received in advance to the statement of financial performance	(43,643)	(3,963)
Advances	40,871	19,846
	25	-
Closing balance	183,003	185,750
35. Provisions		
Restructuring provision		
Opening balance	6,572	7,099
Utilisation of provisions during the year	(414)	(6,174)
Provisions made during the year	286	5,647
Closing balance	6,444	6,572
Salary and related expense provision		
Opening balance	4,482	4,658
Utilisation of provisions during the year	(676)	(639)
Unused amounts reversed during the year	(213)	(429)
Provisions made during the year	896	892
Closing balance	4,489	4,482
Provision other expenses		
Opening balance	40	25
Utilisation of provisions during the year	(34)	(25)
Provisions made during the year	28	40
Closing balance	34	40

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	R'000	R'000
Deferred Income		
Opening balance	232	-
Provisions made during the year	62	232
Closing balance	294	232
Total Provisions		
Opening balance	11,326	11,782
Utilisation of provisions during the year	(1,124)	(6,838)
Unused amounts reversed during the year	(213)	(429)
Provisions made during the year	1,272	6,811
Closing balance	11,261	11,326
Analysis for reporting purposes:	11,261	11,326
Non-current provisions	8,944	8,745
Current provisions	2,317	2,581
36. Change in accounting policy		
DMO - Other operating expenses	-	45
DMO - Capital and Reserves	-	(45)
	-	-
37. Prior period error		
Other (Refer note 67)	(23)	29,914
	-	26,154
	(2)	(25,359)
<i>Specify the item effected in Statement of Financial Position</i>		
Other (Refer note 67)	23	(831)
	-	445
	-	(244)
Increase/(decrease) in net assets	-	(549)
	(2)	29,530

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	2007/08	2006/07
	R'000	R'000
38. Cash generated from/(utilised in) operations		
Surplus/(deficit) before tax	147,111	128,837
(Interest received)	(12,399)	(7,377)
Interest paid	13	44
(Dividend received)	(64)	(50)
Non-cash movements/working capital changes	(71,145)	(23,876)
Depreciation	47,028	42,296
Impairment	1,248	2,226
Amortisation	788	599
Increase/(Decrease) in impairment of debtors (provision for doubtful debts)	(386)	214
Increase/(Decrease) in payables	(38,486)	194
Increase/(Decrease) in provisions	427	(392)
Increase/(Decrease) in borrowings	620	682
(Gains)/Losses on sale of property, plant and equipment	3,168	1,797
(Gains)/Loss on disposal of discontinued operations	-	(91)
(Increase)/Decrease in other current assets	17	(38)
(Gains)/Losses on sale of investment	-	7
(Increase)/Decrease in receivables	(75,215)	(100,144)
(Increase)/Decrease in inventories	(2,892)	3,760
Other (Refer note 68)	(6,454)	2,504
	(711)	22,588
	(297)	(78)
Net cash flows from operating activities	63,516	97,578
39. Contingent liabilities		
(Nature of Contingent liability, financial effect, uncertainties relating to it, timing, and possibility of re-imburement)		
WCNCB	360	7,605
WCNCB	854	-
CMD	102	133
	1,316	7,738

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	2007/08	2006/07
	R'000	R'000
40. Operating lease arrangements		
Lessee		
Per major category of asset leased		
At the reporting date the entity had outstanding commitments under non-cancellable operating leases, which fall due as follows:		
Up to 1 year	13,548	13,913
1 to 5 years	26,592	33,403
	40,140	47,316
Per major category of asset leased		
At the reporting date the entity had outstanding commitments under non-cancellable operating leases, which fall due as follows:		
Up to 1 year	460	314
1 to 5 years	1,819	2,098
	2,279	2,412
Total		
At the reporting date the entity had outstanding commitments under non-cancellable operating leases, which fall due as follows:		
Up to 1 year	14,008	14,227
1 to 5 years	28,411	35,501
	42,419	49,728
Lessor		
Per major category of asset leased		
At the reporting date the group had contracted with tenants for the following future minimum lease payments:		
Up to 1 year	1,181	1,193
1 to 5 years	1,611	2,792
	2,792	3,985
Total		
At the reporting date the group had contracted with tenants for the following future minimum lease payments:		
Up to 1 year	1,181	1,193
1 to 5 years	1,611	2,792
	2,792	3,985
41. Capital commitments		
Commitments for the acquisition of property, plant and equipment		
- Contracted for but not provided in the financial statements	13,910	2,425
Total future capital commitments	13,910	2,425
42. Events after reporting date		
WCGRB - Legal Fees	2,000	-
	2,000	-

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	2007/08	2006/07
	R'000	R'000
43. Non-current assets held for sale		
Other (Refer note 69)	1,042	1,607
	2	-
Less impairment loss	(403)	(688)
	1	-
Total	642	919
44. Net cash inflows/ outflows from operating activities		
Cash receipts from customers	902,538	772,831
Cash payments to suppliers and employees	(839,022)	(675,253)
Cash generated from/(utilised in) operations	63,516	97,578
Interest received/(paid)	12,353	4,194
Dividends received/(paid)	(4,582)	(4,006)
Net cash inflows/ outflows from operating activities	71,287	97,766
45. For net cash flows from investing activities		
Proceeds on disposal of:		
Property, plant and equipment	11,805	9,176
Revaluation adjustment - lease improvements	9	-
Acquisition of:		
Property, plant and equipment	(91,231)	(83,405)
Intangible assets	(3,972)	(2,940)
Associates and joint ventures	(15,000)	-
Available for sale financial assets	(14)	(9)
Net cash flows from investing activities	(98,403)	(77,178)
46. For net cash flows from financing activities		
Repayments of :		
Other (Refer note 70)	(19,951)	3,793
Increase/(decrease) in non-current financial instruments	(8,960)	(9,666)
Proceeds from:		
Other (Refer note 70)	52,671	48,559
	9	-
Interest paid	-	3,017
Increase in amounts owing to controlled entities	(2,017)	4,044
Net cash flow financing activities	21,752	49,747

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	2007/08	2006/07
	R'000	R'000
47. Share capital (Contributions from owners)		
Balance at the beginning of the year	25,000	25,000
As restated	25,000	25,000
Balance at the end of the year	25,000	25,000
48. Accumulated surplus/(deficit)		
Balance at the beginning of the year	478,346	795,181
- correction of prior period error	(2)	29,530
- change in accounting policy	-	(45)
As restated	478,344	824,666
Surplus/(Deficit) for the year	147,111	128,746
Transfers to/ (from) reserves	(11,519)	(13,722)
Revaluation increase/(decrease) on investments	1	-
Net gains/(losses) not recognised in the statement of financial performance	(54,051)	(129,895)
Other (Refer note 71)	(5,216)	(331,450)
	2,480	1
Balance at the end of the year	557,150	478,346
49. Financial Instrument Reserve		
Balance at the beginning of the year	1,825	1,572
As restated	1,825	1,572
Revaluation increase/(decrease) on investments	(235)	253
Balance at the end of the year	1,590	1,825
50. Revaluation Reserve		
Balance at the beginning of the year	18,257	12,046
As restated	18,257	12,046
Revaluation increase/(decrease) on investments	(148)	6,211
Revaluation increase/(decrease) on property, plant and equipment	3,412,131	-
Balance at the end of the year	3,430,240	18,257
51. Other reserves		
Balance at the beginning of the year	380,013	45,153
As restated	380,013	45,153
Transfers to/ (from) reserves	(2,087)	-
Other (Refer note 72)	1,131	334,860
Balance at the end of the year	379,057	380,013
52. Sale of goods (Other refer note 1)		
CMD Hospitals, NGO's, Prov aided hospitals and Local Authorities	334,708	292,304
WCRGB Board charge outs	4,487	4,154
WCRGB Exclusivity fees	9,118	8,110
WCRGB Investigation fees	13,566	13,572
WCRGB Application fees	1,334	1,510
Total	363,213	319,650

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	R'000	R'000
53. Rental income (Other refer note 3)		
Casidra Investment properties	210	147
WCNCB House rent private	358	343
WCNCB Staff accommodation	242	259
Total	810	749
54. Transfers and subsidies received (Other refer note 4)		
WCGRB - Capital fund reserve	280	634
Wesgro - Office Rental Income from Provincial Department	914	831
Wesgro - Project Funding	697	542
Wesgro - Cape Town Film Studios - Interest	3,414	-
Wesgro - Cape Town Film Studio Investment	15,000	-
WC Heritage - National Heritage Agency	-	100
Total	20,305	2,107
55. Other income (Other refer note 9)		
LB - Liquor Licence Income	4,665	4,623
DMO - Special Project Income	1,100	5,878
GMT Bad debts recovered	-	7,888
PDC - Interest other	64	53
PDC - Replacement Stolen server	-	9
WCGRB - profit ITC searches	80	111
Cultural Commission - rental income	1,215	1,857
Liquor Board	17	21
Wesgro - membership	122	69
WCNCB - Grant received	37,317	34,720
GMT - Grant received	25,131	22,990
Cultural Commission - interest received	1,370	1,069
DMO - Sundry income	49	53
Wesgro - Sundry income	279	215
Provision doubtful debts GMT	7,013	3
DMO - Programme Income	2,948	-
Wesgro - Interest received	245	-
GMT - Income earned external investments	13,270	13,038
Total	94,885	92,597
56. Gains/losses on disposal of assets (Other refer note 7)		
Gains on disposal of assets	48	23
Gambling & Racing Board	7	23
Casidra	41	-
Losses on disposal of assets	123	119
Casidra	91	-
DMO	-	92
WCNCB	18	14
Wesgro	9	-
PDC	5	6
Youth Commission	-	7

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57. Administrative expenses (Other refer note 10)		
DMO - Rent paid	1,042	947
GMT Travel & subsistence	5,738	10,038
Youth Commission - General expenses	64	85
PDC - Travel expenses	1,181	536
Cultural Commission - Travel & subsistence	6	19
Language Committee - Travel & subsistence	12	46
Wesgro - Subscriptions	268	86
WCNCB - Subscriptions	112	66
LB - Travel & subsistence	335	344
Wesgro - strat planning	71	68
PDC - Rent paid	569	161
WCYC Status Report	637	599
WCNCB - Transport & Travel costs	15,651	15,489
Total	25,686	28,484
58. Marketing costs (Other refer note 12)		
DMO - Tourism and marketing	11,812	3,772
Wesgro - Adverts	474	624
WCNCB - Annual Report	2,233	66
Youth Commission - Advertising & promotions	227	988
Casidra - Advertisement	47	41
DMO - Convention and events bureau/Wesgro - Publishing costs	8,117	7,356
DMO - e-Business	2,450	2,125
DMO - Visitor and membership services	5,573	4,413
WCNCB - Advertisements	-	785
DMO - Joint and strategic projects	5,226	5,129
Total	36,159	25,299
59. Project expenses (Other refer note 14)	70,001	38,310
Casidra - project expenses	64,962	32,976
DMO - Victim support	554	624
Wesgro - Workshops	549	639
Liquor Board - Workshops and seminars	73	-
PDC - rural development	115	271
DMO - Theta Training; Assessor Program; Showcase	211	774
Wesgro - Exporter program	257	393
PDC - Fishing aquaculture	400	-
DMO - China Market; Access to the Cape	50	200
DMO - ADW/Kaufhoff	400	161
Wesgro - ikapa	-	300
DMO - Soccerrex/Schools competition	1,209	288
Wesgro - Plek plan	338	185
Wesgro - Cape Town Film	359	57
DMO - ITESP/Indaba	524	1,442

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	R'000	R'000
60. Transfers and subsidies paid (Other refer note 15)	4,477	17,042
WCCC - Households	63	9,068
Wesgro - Transfer to Treasury - Repayment of	3,414	6,474
LB - Non profit organizations	1,000	1,500
61. Other operating expenses (Other refer note 17)		
YC - Transport costs & other costs	802	1,249
Casidra - expenses	5,725	1,729
Cultural Commission entertainment	2	56
Language Committee - entertainment	129	278
Heritage - entertainment	149	136
DMO - Sundry	401	-
Wesgro - transport and recruitment costs	398	631
LB - transport and recruitment costs	419	350
GMT - Tracking costs & loss on sale of vehicle	6,659	4,576
CMD - Impairment	23	55
WCNCB - Impairment furniture & equipment	368	-
PDC - Sundry	-	11
Total	15,075	9,071
62. Finance Income (Other refer note 18)		
WCNCB interest received from Investments	6,341	3,399
Total	6,341	3,399
63. Loans and receivables (Other refer note 26)		
GMT - Trade Acc TPW	164,028	98,218
DMO -Interest receivable	179	234
WCNCB - Unallocated deposits	(277)	(441)
CMD - Disallowances	18	679
PDC - Grant transfer	638	621
Total	164,586	99,311
64. Inventory (Other refer note 27)		
CMD - Stock losses awaiting write-off approval	1,935	769
CMD - Provision for stock losses	(1,935)	(769)
Total	-	-
65. Cash and cash equivalents (Other refer note 28)		
GMT - Cash held by the WC Dept of TPW	2,374	959
Rounding	1	-
Total	2,375	959

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66. Trade and other payables (Other refer note 33)		
HDF - Dr's with Cr balances	17,456	20,202
WCNCB - Third party pmts	501	634
CMD - Staff creditors	331	295
GMT - operating lease	706	686
DMO - creditors	24	34
	-	-
Total	19,018	21,851
67. Prior period error (Other refer note 37)		
GMT - Bad debts	-	30,834
Housing Development Fund	-	(1,085)
CMD - Net Loss for the Year	-	26,439
CMD - Expenditure	-	(26,122)
DMO - Income	-	33
Wesgro	(2)	-
WCNCB	-	(59)
CMD - Trade and other payables	-	(162)
CMD - Capital and reserves	-	445
CMD - PPE	-	(244)
Increase/(decrease) in net assets - CMD	-	(549)
	(2)	29,530
68. Cash generated from/(utilised in) operations (Other refer note 38)		
Non-cash movements/working capital changes	(7,462)	25,014
DMO - Repayment surplus PT	(1,822)	-
CMD income received in advance & accruals	874	(8,228)
GMT income received in advance & accruals	(3,068)	6,141
WCNCB - income received in advance & increase finance lease liability	(5,104)	20,453
Wesgro Reversal disposal of discontinue operations	-	6,564
Youth Commission - Decrease loans	38	10
WCGRB - impairment deficit	1,591	70
Casidra	25	4
PDC - loss on disposal of assets	4	-
69. Non-current assets held for sale (Other refer note 43)		
GMT - Vehicles at carrying value	1,042	1,607
GMT - PPE at carry value	2	-
Less: Impairment loss	(403)	(688)
GMT - PPE at carrying value	1	-
Total	642	919

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	R'000	R'000
70. For net cash flows from financing activities (Other refer note 46)		
GMT - income received in advance	(19,951)	3,793
GMT grants received	37,949	27,263
Casidra - Projects cash	14,209	19,766
Total	32,207	50,822
71. Accumulated surplus/(deficit) (Other refer note 48)		
GMT - Other reserves	-	(332,954)
DMO - Surplus repay PT	(1,791)	1
CMD - Transfer from / (to) Health	(945)	1,504
Total	(2,736)	(331,449)
72. Other reserves (Other refer note 51)		
CMD -Transfers Health	1,411	2,540
GRB depreciation expense	(279)	(634)
GMT - other reserves	(1)	332,954
Total	1,131	334,860