

**Provincial Government Western Cape  
Provincial Treasury**

**ANNUAL CONSOLIDATED  
FINANCIAL INFORMATION  
For the year ended 31 March 2009**



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# WESTERN CAPE PROVINCE

## ANNUAL CONSOLIDATED FINANCIAL INFORMATION for the year ended 31 March 2009

**Departments**  
**Public and Trading Entities**  
**Provincial Revenue Fund**

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**Introduction**

The Annual Consolidated Financial Information (ACFI) for the Western Cape Province is compiled by the Provincial Treasury Western Cape (PT) for Provincial Parliament, 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 the ACFI to be compiled and submitted for auditing by 30 June annually, thus not affording the PT the opportunity to compile the ACFI based on audited AFS of departments and entities which is only concluded by Auditor-General of South Africa (AGSA) at the earliest by 31 July. Furthermore the PFMA is silent on the requirements for the compiling and auditing of the PRF which is integral to the ACFI. These legislative constraints are discussed with the AGSA and in most instances processes are put in place to enable the tabling of the ACFI by the prescribed date of 31 October.

**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. Provincial Parliament and 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 Parliament, 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 Audited 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.

The financial statements of public and trading entities are 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, as well as the effective Standards of Generally Recognised Accounting Practices (GRAP) as issued by the Accounting Standards Board. However, the Western Cape Housing Development Fund prepared its annual financial statements on the entity specific basis of accounting as it is in the process of being wound up. Given the insignificant impact of the Western Cape Housing Development Fund on the consolidation it was included for completeness.

**Audit outcomes 2008/09**

The annual consolidated financial information is based on financial information of the Provincial Parliament, 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 AGSA in consultation with the Provincial Treasury. A summary of the audit outcomes is provided below for completeness.

The AGSA audits the financial statements of Provincial Parliament, 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.

- **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

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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)**

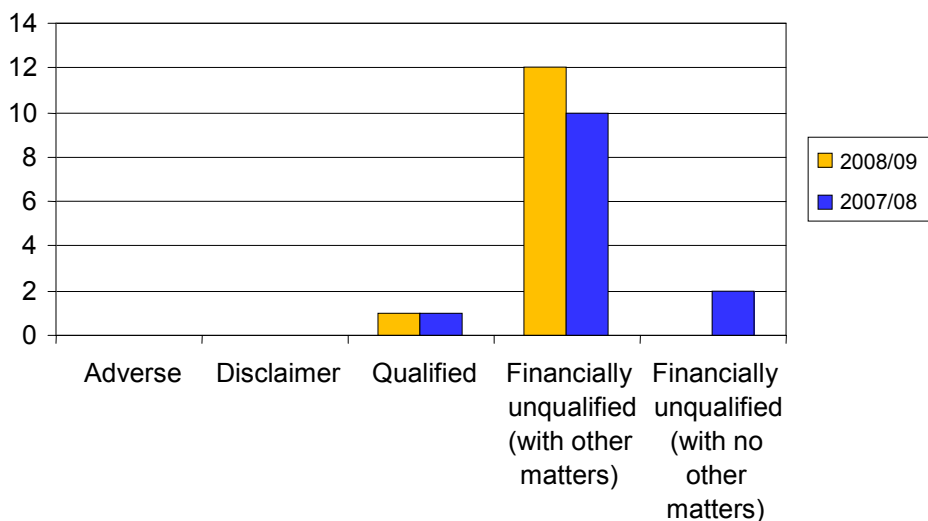
An unqualified audit opinion is expressed on the financial statements when the auditor concludes that the financial statements give a true and fair reflection in accordance with the applicable financial reporting framework.

In the two sections that follow, a synopsis is provided on the state of audit opinions for the 2008/09 financial year compared to the 2007/08 financial year.

**Departments**

In the figure below the audit outcomes of Provincial Parliament and Departments are presented for the 2008/09 and 2007/08 financial years:

**Figure 1: Provincial Parliament and Departments**



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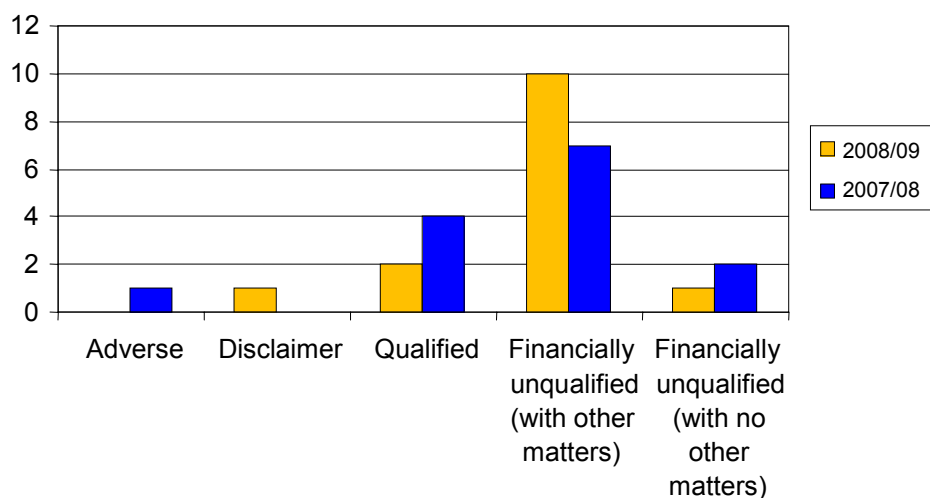
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The Department of Transport and Public Works was the only department that received qualified audit opinions for the 2007/08 and 2008/09 financial years. Ten of the thirteen departments received financially unqualified (with other matters) audit opinions in 2007/08 and this increased to twelve in 2008/09. In 2008/09, when compared to 2007/08, two departments did not receive financially unqualified audit reports (with no other matters). This stemmed mainly from compliance and governance issues, as well as the quality of information presented in annual financial statements.

### Public/Trading Entities

In the figure below the audit outcomes of public and trading entities are presented for the 2008/09 and 2007/08 financial years:

**Figure 2: Public Entities and Trading Entities**



The Cultural Commission improved its audit outcomes from an adverse audit opinion in the 2007/08 financial year to a financially unqualified audit opinion whilst the Housing Fund's audit outcome deteriorated from a qualified opinion in 2007/08 to a disclaimer in 2008/09. Two entities received qualified audit opinions for 2008/09 compared to four in 2007/08. For 2008/09 eleven of the fourteen public/trading entities received financially unqualified audit opinions, compared to nine in 2007/08. In 2008/09 only one entity received a financial unqualified audit opinion with no other matters compared to two in the previous financial year.



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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. In this report, where reference is made to Departments, Provincial Parliament is included.

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:

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

Notes to the appropriation statement and other annexures are not consolidated because it is contained in the AFS of Departments 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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The audited financial statements of the Provincial Revenue Fund and the Audit Report of AGSA are included for information purposes only. The AFS of the PRF was compiled on the modified cash basis of accounting in terms of an accounting framework issued by the National Treasury.

**Analysis of the of the Consolidated Appropriation Statement of provincial departments, (public and trading entities excluded)**

**Appropriation Statement**

The following table is a summary of the variance between the Final Appropriation 2008/09 and the Actual Expenditure 2008/09.

**Table 1: Final Appropriation and Actual Expenditure**

Department	Final Appropriation 2008/09 R'000	Actual Expenditure 2008/09 R'000	Variance R'000	% of Actual Expenditure/ Final Appropriation
Office of the Premier	450,004	429,493	20,511	95.4%
Parliament	86,395	85,999	396	99.5%
Provincial Treasury	121,895	120,950	945	99.2%
Community Safety	242,703	242,329	374	99.8%
Education	9,206,088	9,192,478	13,610	99.9%
Health	8,870,805	8,655,845	214,960	97.6%
Social Development	1,233,796	1,215,245	18,551	98.5%
Local Government and Housing	1,615,814	1,615,635	179	99.9%
Environmental Affairs and Development Planning	205,131	204,584	547	99.7%
Transport and Public Works	3,080,161	2,766,228	313,933	89.8%
Agriculture	376,644	355,699	20,945	94.4%
Economic Development and Tourism	231,532	229,921	1,611	99.3%
Cultural Affairs and Sport	502,203	499,970	2,233	99.6%
<b>TOTAL</b>	<b>26,223,171</b>	<b>25,614,376</b>	<b>608,795</b>	<b>97.7%</b>

*NB: Aid assistance funding excluded from table.*

In terms of a nationally accepted norm actual expenditure against the final appropriated expenditure may not be less than 98 per cent. From the consolidated appropriation information provided in Table 1 above, 97.7 per cent (R25,614 billion) of the final appropriation for 2008/09 was spent compared to 99.26 per cent (R21,523 billion) for 2007/08. In 2008/09 the Department of the Premier spent 95.4 per cent of the final appropriation due to unfilled posts and costs related to the preparation of the Philippi soccer stadium to be rolled over to 2010. The Department of Transport and Public Works only spent 89.8 per cent of their final appropriation

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mainly due to under spending on the Transport Disaster Management grant. The Department of Health only spent 97.6 per cent of their final appropriation mainly as a result of the late commencement of construction on the Khayelitsha and Mitchells Plain hospitals. The Department of Agriculture under spent on their final appropriation as a result of flood relief funding in respect of Eden and the West Coast not being spent.

### Total Provincial Revenue

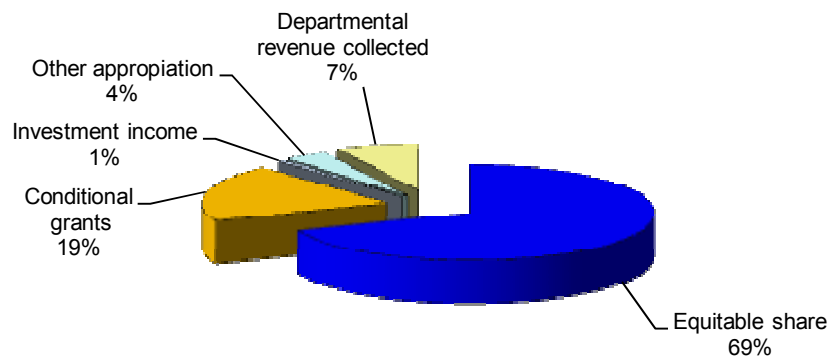
Total revenue, inclusive of funding from own resources, increased by 20.4 per cent from R21,996,055 million in 2007/08 to R26,471,182 million in 2008/09 as reflected in Table 2 below:

**Table 2: Main revenue items**

Total Revenue	2008/09 R'000	% of Total Revenue	2007/08 R'000	% of Total Revenue	Increased/ (Decreased) %
Equitable share	18,241,996	68.9%	15,074,595	68.5%	21.0
Conditional grants	5,113,546	19.3%	3,748,078	17.1%	36.4
Investment income	162,897	0.6%	206,985	0.9%	(21.3)
Other appropriation	993,759	3.8%	945,444	4.3%	5.1
Departmental revenue collected	1,935,003	7.3%	1,997,601	9.1%	(3.1)
Local and Foreign Aid assistance	23,981	0.1%	23,352	0.1%	2.7
<b>TOTAL</b>	<b>26,471,182</b>	<b>100</b>	<b>21,996,055</b>	<b>100</b>	<b>20.4</b>

The figures below and overleaf illustrate the portion of each revenue source as a percentage of total Provincial Revenue for 2008/09 and 2007/08 respectively:

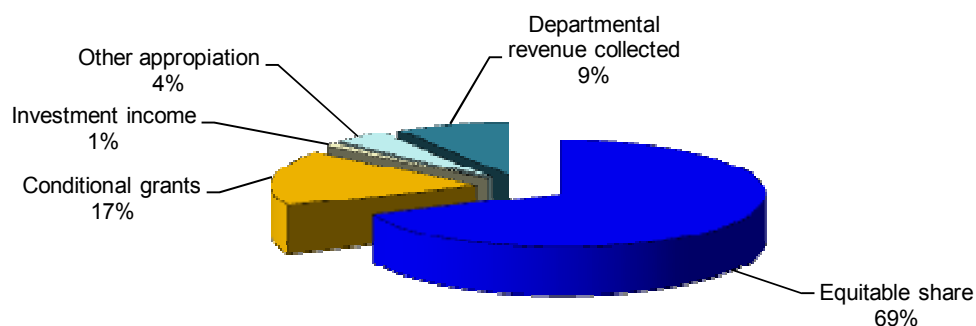
**Figure 3: Total Revenue 2008/09**



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**Figure 4: Total Revenue 2007/08**



#### **Equitable share received**

Revenue received from the National equitable share allocation increased by 21 per cent (2007/08: 11.4 per cent) from R15,074,595 million in 2007/08 to R18,241,996 million in 2008/09.

#### **Conditional grants received**

Revenue received as conditional grants allocations increased by 36.4 per cent (2007/08: 4.9 per cent) from R3,748,078 million in 2007/08 to R5,113,546 million in 2008/09.

#### **Other appropriation**

This revenue source increased by 5.1 per cent (2007/08: 4.9 per cent) from R945,444 million in 2007/08 to R993,759 million in 2008/09. This represents earmarked funding from reserves to defray mainly infrastructural expenditure.

#### **Investment income**

This revenue source decreased by 21.3 per cent (2007/08: increased by 4.9 per cent), from R206,985 million in 2007/08 to R162,897 million in 2008/09.

#### **Local and Foreign Aid Assistance**

This revenue source increased by 2.7 per cent (2007/08: decreased by 44.5 per cent) from R23,352 million in 2007/08 to R23,981 million in 2008/09.

#### **Provincial Own Revenue**

Table 3 overleaf provides an analysis of actual provincial own revenue against adjustment estimates per revenue source for 2008/09 and 2007/08 respectively:

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**Table 3: Total Provincial Own Revenue**

	2008/09 Actual R'000	% of Total own revenue	2008/09 Adjustment Estimates R'000	2007/08 Actual R'000	% of Total own revenue	2007/08 Adjustment Estimates R'000	Variance Actual 2008/09 vs. 2007/08
Tax revenue	1,193,734	61.7%	1,114,690	1,123,411	56.3%	1,077,024	6.3%
Sales of goods and services other than capital assets	413,751	21.4%	378,133	434,603	21.8%	302,598	(4.8)%
Fines, penalties and forfeits	2,596	0.1%	617	1,392	0.1%	623	86.5%
Interest, dividends and rent on land	59,833	3.1%	57,101	50,695	2.5%	51,125	18.0%
Sales of capital assets	17,375	0.9%	2,851	56,418	2.8%	38	(69.2)%
Financial transactions in assets and liabilities	104,809	5.4%	90,514	214,264	10.7%	140,040	(51.1)%
Transfers received	142,905	7.4%	139,653	116,817	5.8%	135,887	22.3%
<b>Total own revenue</b>	<b>1,935,003</b>	<b>100%</b>	<b>1,783,559</b>	<b>1,997,600</b>	<b>100%</b>	<b>1,707,335</b>	<b>(3.1)%</b>

Provincial Own Revenue represented 7.3 per cent and 9.1 per cent of total provincial revenue in 2008/09 and 2007/08 respectively.

Total own revenue collected in 2008/09 decreased by 3.1 per cent compared to 2007/08 with revenue from sales of goods and services, sales of capital assets and financial transactions in assets and liabilities decreasing by 4.8, 69.2 and 51.1 per cent respectively.

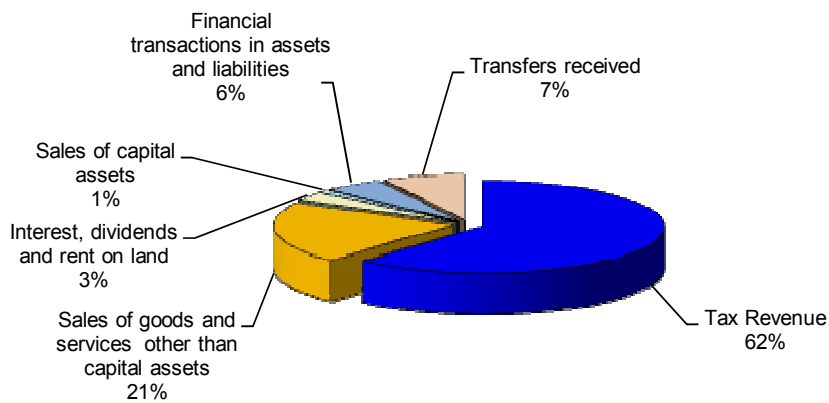
Notable increases were found in tax revenue of 6.3 per cent (R70,323 million); fines, penalties and forfeits by 86.5 per cent (R1,204 million), interest, dividends and rent on land by 18.0 per cent (R9,138 million) and transfers received by 22.3 per cent being the main contributors to the over collection of R151,444 million (R1,935,003 million less R1,783,559 million) above the Adjustment Estimates in Own Revenue for 2008/09.

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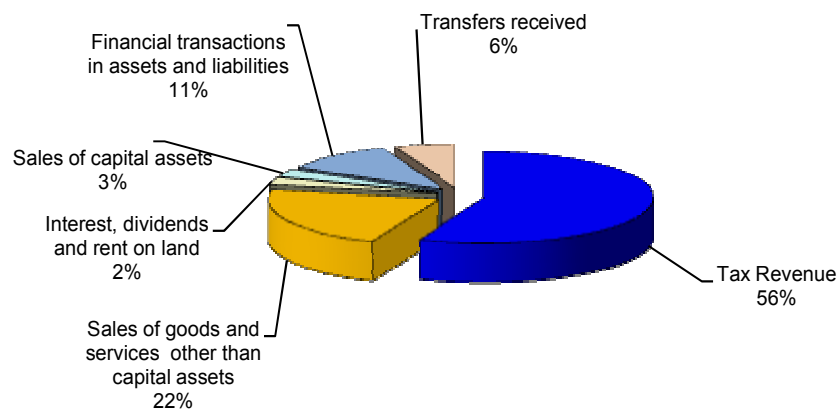
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The figures below illustrate the portion of each item as a percentage of total Provincial Own Revenue for 2008/09 and 2007/08 respectively.

**Figure 5: Provincial Own revenue 2008/09**



**Figure 6: Provincial Own revenue 2007/08**



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**Provincial Expenditure per economic classification**

The table below provides an analysis of actual expenditure against the final appropriation per economic classification for 2008/09 and 2007/08 respectively:

**Table 4: Provincial expenditure per economic classification**

	2008/09 Actual R'000	% of Total own expen- diture	2008/09 Final Appropri- ation R'000	2007/08 Actual R'000	% of Total own expen- diture	2007/08 Adjustment Estimates R'000	Variance Actual 2008/09 vs. 2007/08
Current expenditure	19,287,587	75.2%	19,259,216	16,372,920	76.0%	16,311,304	17.8%
Transfers and Subsidies	4,432,539	17.3%	4,469,177	3,495,006	16.2%	3,626,120	26.8%
Capital Expenditure	1,915,124	7.5%	2,494,778	1,674,761	7.8%	1,745,013	14.3%
<b>Subtotal expenditure</b>	<b>25,635,250</b>	<b>100%</b>	<b>26,223,171</b>	<b>21,542,687</b>	<b>100%</b>	<b>21,682,437</b>	<b>19%</b>
Add Aid assistance	0	0	23,981	0	0	23,352	2.7
<b>Total expenditure</b>	<b>25,635,250</b>	<b>100%</b>	<b>26,247,152</b>	<b>21,542,687</b>	<b>100%</b>	<b>21,705,789</b>	<b>19%</b>

Total actual expenditure increased by 19 per cent from R21,542,687 million in 2007/08 to R25,635,250 million in 2008/09 compared to the 20.9 per cent increase in the final appropriation from R21,705,789 million in 2007/08 to R26,247,152 million in 2008/09. Total actual expenditure for 2008/09 was 2.3 per cent less than the final appropriation mainly due to the under spending on capital expenditure of R579,654 million and on transfers and subsidies of R36,638 million.

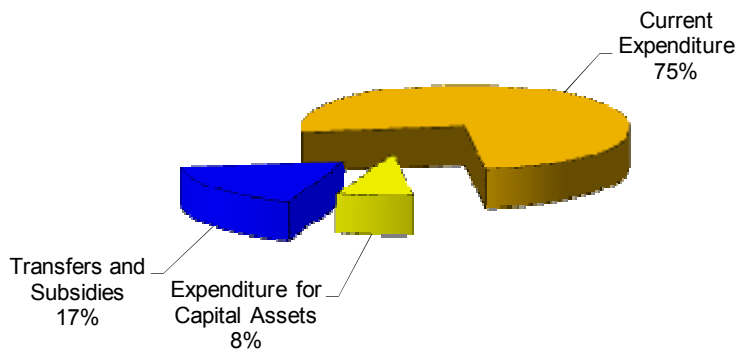
Percentage level of actual expenditure per economic classification as part of total expenditure showed little variance year-on-year.

The figures below illustrate the portion of each economic classification's percentage of total actual expenditure for 2008/09 and 2007/08.

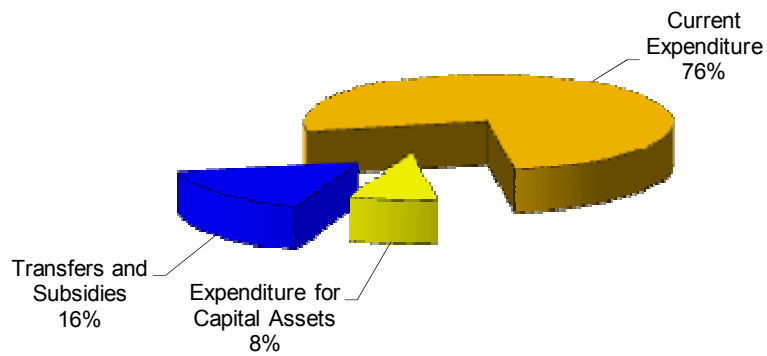
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**Figure 7: Provincial Expenditure 2008/09 – Actual**



**Figure 8: Provincial Expenditure 2007/08 – Actual**





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**Provincial current expenditure**

The table below is a comparison of the main current expenditure items for 2008/09 and 2007/08 respectively.

**Table 5: Main current expenditure items**

	2008/09 Actual R'000	% of Total own expen- diture	2008/09 Final Appro- piation R'000	2007/08 Actual R'000	% of Total own expen- diture	2007/08 Final Appro- piation '000	Variance Actual 2008/09 vs. 2007/08
Compensation of employees	13,444,516	69.7%	13,404,766	11,267,520	68.8%	11,182,121	19.3%
Goods and Services	5,824,346	30.2%	5,825,743	5,038,940	30.8%	5,067,084	15.6%
Financial transactions in assets and liabilities	10,153	0.1%	10,612	47,177	0.3%	47,157	(78.5%)
Interest and Rent on Land	1,320	0.0%	882	0	0.0%	0	100%
Local and foreign aid assistance	7,252	0.0%	0	19,283	0.1%	0	(62.4%)
<b>Total expenditure</b>	<b>19,287,587</b>	<b>100%</b>	<b>19,242,003</b>	<b>16,372,920</b>	<b>100%</b>	<b>16,296,362</b>	<b>17.8%</b>

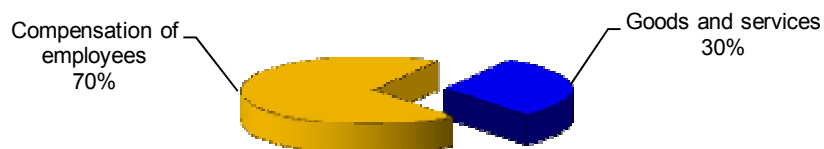
The actual current expenditure increased by 17.8 per cent from R16,372,920 million in 2007/08 to R19,287,587 million in 2008/09 against the final appropriation that increased by 18.4 per cent from R16,296,362 million in 2007/08 to R19,242,003 million in 2008/09. It is evident that the total current expenditure increased proportionately year on year to the final appropriation including the main current expenditure items.

The figures below illustrate the portion of each main item as a percentage of total current expenditure for 2008/09 and 2007/08.

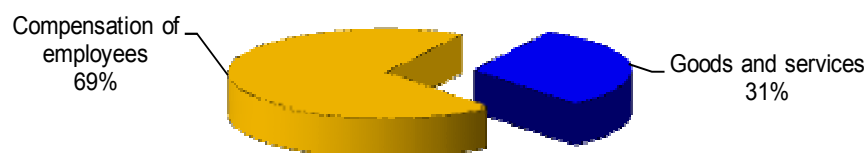
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**Figure 9: Current Expenditure 2008/09 – Actual**



**Figure 10: Current Expenditure 2007/08 – Actual**



### Current expenditure commitments

The following table provides the current expenditure commitments per department for 2008/09 and 2007/08:

**Table 6: Current expenditure commitments**

Department	2008/09 R'000	% of Total commitments	2007/08 R'000	% of Total commitments	Variance 2008/09 vs. 2007/08
Premier	0	0%	1,126	0.1%	(100%)
Provincial Parliament	794	0.1%	1,813	0.3%	(56.2)
Provincial Treasury	2,951	0.4%	1,649	0.3%	78.9%
Community Safety	1,678	0.2%	1,295	0.2%	29.5%
Education	220,166	31.8%	323,442	50.0%	(31.9%)
Health	212,355	30.5%	170,281	26.5%	24.7%
Social Development	117	0%	212	0%	(44.8%)
Local Government and Housing	13,651	2%	7,260	1.1%	88.0%
Environmental Affairs and Development Planning	8,488	1.2%	6,671	1.0%	27.2%
Transport and Public Works	225,885	32.5%	121,069	18.7%	86.6%
Agriculture	3,646	0.5%	2,339	0.4%	55.9%
Economic Development and Tourism	3,413	0.5%	6,405	1.0%	(46.7%)
Cultural Affairs and Sport	2,356	0.3%	3,026	0.5%	(22.1%)
<b>TOTAL</b>	<b>695,500</b>	<b>100%</b>	<b>646,588</b>	<b>100%</b>	<b>7.6</b>

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In terms of accrual accounting principles expenditure will be disclosed when economic benefits are received by the department. In terms of the modified cash basis of accounting, transactions are only recorded when the cash transaction has taken place. As departments are currently operating on the modified cash basis of accounting, commitments are not recognised as a liability on the statement of financial position or as expenditure in the statement of financial performance, but provided as additional information in the disclosure notes.

Current expenditure commitments represent goods and services that have been approved and/or contracted, but where no delivery has taken place at the reporting date (31 March 2009). Generally speaking it relates to goods and services ordered but not received by the end of the financial year, and will therefore be defrayed from future expenditure budgets.

From the table above, total current commitments increased by 7.6 per cent from R646,588 million in 2007/08 to R695,500 million in 2008/09. The main sources of commitments emanates from the Departments of Health, Education and Transport and Public Works.

**Trend analysis on goods and services - 2008/09**

The table below illustrates the comparative expenditure on goods and services for 2008/09 and 2007/08:

**Table 7: Goods and services expenditure per department**

Department	2008/09 R'000	% of Total Goods and services	2007/08 R'000	% of Total Goods and services	Increase/ (Decrease)
Office of the Premier	208,168	3.6%	182,248	3.6%	14.2%
Parliament	21,526	0.4%	16,221	0.3%	32.7%
Provincial Treasury	46,623	0.8%	52,428	1.0%	(11.1)%
Community Safety	75,050	1.3%	60,002	1.2%	25.1%
Education	813,020	14.0%	748,261	14.9%	8.7%
Health	2,879,999	49.4%	2,470,797	49.0%	16.6%
Social Development	260,818	4.8%	124,272	2.5%	109.9%
Local Government and Housing	125,086	2.5%	103,821	2.1%	20.5%
Environmental Affairs and Development Planning	36,611	0.6%	33,162	0.6%	10.4%
Transport and Public Works	1,090,817	18.0%	1,006,051	20.0%	8.4%
Agriculture	96,466	1.7%	104,824	2.1%	(8.0)%
Economic Development and Tourism	43,274	0.7%	45,309	0.9%	(4.5)%
Cultural Affairs and Sport	126,888	2.2%	91,544	1.8%	38.6%
<b>TOTAL</b>	<b>5,824,346</b>	<b>100%</b>	<b>5,038,940</b>	<b>100%</b>	<b>15.6%</b>

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Total spending on goods and services increased by 15.6 per cent from R5,038,940 million in 2007/08 to R5,824,346 million in 2008/09. A number of smaller departments showed significant percentage increases on goods and services whilst Health, Education and Transport and Public Works were the main contributors in monetary terms.

The table below provides further analysis on selected items of goods and services:

**Table 8: Goods and Services: Selected items**

Expenditure item	2008/09 R'000	% of Total	2007/08 R'000	% of Total	Increase/ (Decrease)
Computer Services	215,940	4.6%	179,700	4.9%	20.2%
Consultants, contractors and special services	1,754,246	37.0%	1,221,324	33.6%	43.6%
Inventory	1,796,234	37.9%	1,578,928	43.5%	13.8%
Owned and leasehold property expenditure	586,165	12.4%	342,931	9.4%	70.9%
Travel and subsistence	385,215	8.1%	311,331	8.6%	23.7%
<b>TOTAL</b>	<b>4,737,800</b>	<b>100%</b>	<b>3,634,214</b>	<b>100%</b>	<b>30.4%</b>

The selected items included in the table above represent 81.3 per cent of the total goods and services expenditure of R5,824,346 million for 2008/09 and 72.1 per cent of the total goods and services expenditure of R5,038,940 million for 2007/08. From the above it is evident that expenditure on Consultants, contractors and special services increased significantly by 43.6 per cent. Although inventory increased by 13.8 per cent it represents a year on year increase of R217,125 million in monetary terms. Owned and leasehold property expenditure increased year on year by 70.9 per cent.

The table below provides further analysis of spending on Consultants, contractors and special services per department.

**Table 9: Spending on Consultants, contractors and special services**

Department	2008/09 R'000	% of Total	2007/08 R'000	% of Total	Increase/ (Decrease)
Office of the Premier	40,603	2.3%	37,940	3.1%	7.0%
Parliament	5,543	0.3%	3,353	0.3%	65.3%
Provincial Treasury	23,509	1.3%	34,092	2.8%	(31.0)%
Community Safety	9,820	0.6%	5,577	0.5%	76.1%
Education	56,146	3.2%	69,410	5.7%	(19.1)%
Health	813,500	46.4%	704,695	57.7%	15.4%
Social Development	170,642	9.7%	41,825	3.4%	308.0%

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Department	2008/09 R'000	% of Total	2007/08 R'000	% of Total	Increase/ (Decrease)
Local Government and Housing	70,777	4.0%	58,838	4.8%	20.3%
Environmental Affairs and Development Planning	14,397	0.8%	15,397	1.3%	(6.5)%
Transport and Public Works	478,491	27.3%	191,472	15.6%	149.9%
Agriculture	11,980	0.7%	22,959	1.9%	(47.8)%
Economic Development and Tourism	20,342	1.2%	27,463	2.2%	(25.9)%
Cultural Affairs and Sport	38,496	2.2%	8,303	0.7%	363.6%
<b>TOTAL</b>	<b>1,754,246</b>	<b>100%</b>	<b>1,221,324</b>	<b>100%</b>	<b>43.6%</b>

From the above it is evident that the Departments of Community Safety, Social Development, Transport and Public Works, Cultural Affairs and Sport as well as Provincial Parliament incurred significant increases on consultants, contractors and special services. The Departments of Health and Transport and Public Works account for 46.4 and 27.3 per cent respectively for its share of total provincial spending on consultants, contractors and special services in 2008/09.

### Unauthorised expenditure

The table below reflects the unauthorised expenditure incurred as a result of an over spending of a vote or a main division within a vote, or expenditure not in accordance with the purpose of the vote or, in the case of the main division, not in accordance with the purpose of the main division.

**Table 10: Unauthorised expenditure 2008/09 and 2007/08**

Department	2008/09 R'000	2007/08 R'000
Health	89,179	114,228

The Department of Health incurred unauthorised expenditure of R89,179 million in 2008/09 on Programmes 2 and 3 as a result of increased patient activity, the use of agency staff, a decision to provide anti-retroviral treatment to patients with HIV/Aids and the appointment of additional emergency practitioners at emergency medical services to assist in the 2010 FIFA Soccer World Cup (Refer: Department of Health Annual Report, page 221).

### Transfers and Subsidies

The table overleaf provides a comparative analysis of expenditure incurred on transfers and subsidies for 2008/09 and 2007/08:

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**Table 11: Transfers and subsidies**

	2008/09 Actual R'000	% of Total	2008/09 Final Appropriation R'000	2007/08 Actual R'000	% of Total	2007/08 Final Appropriation R'000	Variance Actual 2008/09 vs. 2007/08
Municipalities	685,573	15.5%	700,857	331,273	9.6%	357,972	106.9%
Departmental agencies and accounts	184,624	4.2%	184,631	151,539	4.4%	151,929	21.8%
Universities and Technikons	1,758	0.0%	1,768	1,726	0.0%	1,803	1.8%
Foreign government and International organization	137	0.0%	138	103	0.0%	129	33.0%
Public corporations and private enterprise	93,409	2.1%	93,458	71,500	2.0%	72,658	30.6%
Non-profit institutions	1,969,986	44.6%	1,981,088	1,622,453	46.4%	1,645,968	21.4%
Households	1,481,508	33.5%	1,505,751	1,315,424	37.6%	1,395,661	12.6%
Gifts donations and sponsorships	2,005	0.1%	1,486	988	0.0%	0	102.9%
<b>Total expenditure</b>	<b>4,419,000</b>	<b>100%</b>	<b>4,469,177</b>	<b>3,495,006</b>	<b>100%</b>	<b>3,626,120</b>	<b>26.4%</b>

NB: An amount of R13,539 million in respect of aid assistance is excluded from the above table as it is cannot be classified in terms of the above beneficiaries.

Total expenditure on transfers and subsidies increased by 26.4 per cent from R3,495,006 million in 2007/08 to R4,419,000 million in 2008/09. In aggregate the Province spent 98.9 per cent of the final appropriation on transfers and subsidies in 2008/09 compared to 96.4 per cent in 2007/08. The actual total expenditure on transfers and subsidies was R50,177 million less than the final appropriation.

Transfers to non-profit institutions and households account for 44.6 and 33.5 per cent respectively of total transfer payments in the Province.

The figures overleaf illustrate transfers and subsidies paid per main recipient in 2008/09 and 2007/08.

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Figure 11: Transfers and subsidies 2008/09 – Actual

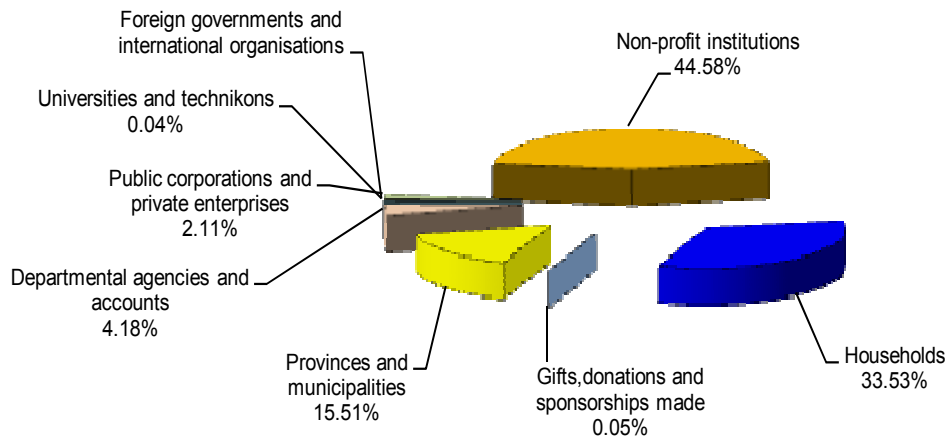
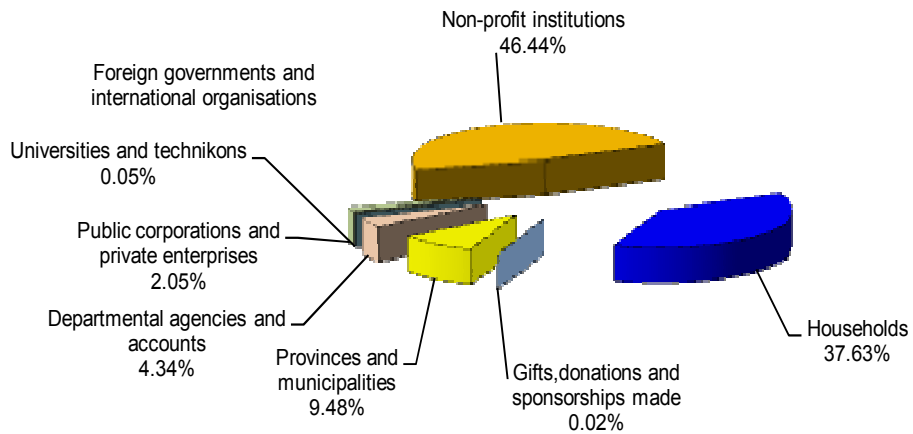


Figure 12: Transfers and subsidies 2007/08 – Actual



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**Provincial expenditure on capital assets**

The table below provides a comparative analysis of capital expenditure per main category for 2008/09 and 2007/08:

**Table 12: Main capital expenditure classifications**

	2008/09 Actual R'000	% of Total capital exp	2008/09 Final appro- priation R'000	2007/08 Actual R'000	% of Total capital exp	2007/08 Final appro- priation R'000	Varianc e Actual 2008/09 vs. 2007/08
Buildings and other fixed structures	1,618,744	84.5%	2,163,622	1,568,705	83.1%	1,454,390	3.2%
Machinery and equipment	273,108	14.3%	305,586	79,296	15.2%	262,914	244.4%
Land and subsoil assets	3,700	0.2%	3,733	8,051	0.5%	8,508	(54.0%)
Biological or cultivated assets	0	0.0%	0	57	0.0%	62	(100%)
Software and other intangible assets	19,572	1.0%	21,837	18,652	1.1%	19,139	(4.9%)
<b>Total expenditure</b>	<b>1,915,124</b>	<b>100%</b>	<b>2,494,778</b>	<b>1,674,761</b>	<b>100%</b>	<b>1,745,013</b>	<b>14.4%</b>

Total capital expenditure increased by 14.4 per cent from R1,674,761 million in 2007/08 to R1,915,124 million in 2008/09. Although capital expenditure on buildings and other fixed structures increased in monetary terms, actual expenditure was significantly below the final appropriation.

The total actual expenditure against the final appropriation was 76.8 per cent for 2008/09 compared to 96.0 per cent in 2007/08. The actual total expenditure on capital assets was R579,654 million less than the final appropriation for 2008/09 and R70,252 million for 2007/08.

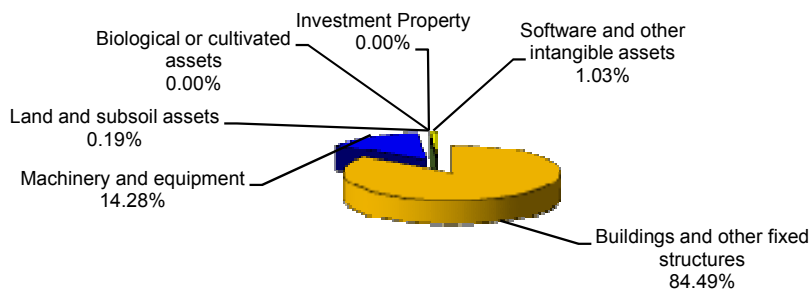


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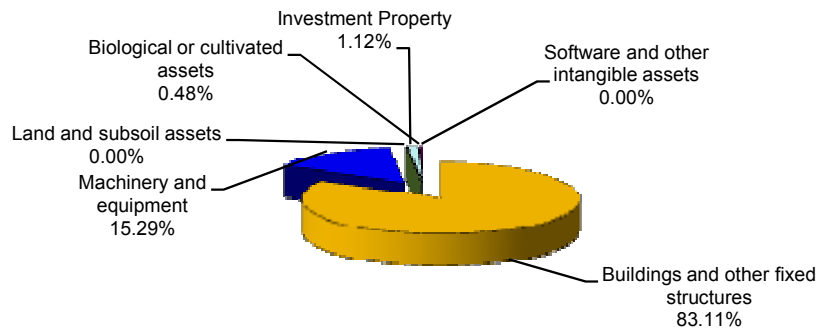
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The figures below illustrate capital expenditure per main category as a percentage of the total capital expenditure incurred in 2008/09 and 2007/08.

**Figure 13: Expenditure on capital assets 2008/09 – Actual**



**Figure 14: Expenditure on capital assets 2007/08 – Actual**



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**Capital expenditure commitments per department**

The table below provides further analysis on capital expenditure commitments per department for 2008/09 and 2007/08:

**Table 13: Capital expenditure commitments**

Department	2008/09 R'000	% of Total capital exp commitments	2007/08 R'000	% of Total capital exp commitments	Increase/ (Decrease)
Office of the Premier	0	0.0%	1,581	0.2%	(100)%
Provincial Parliament	100	0.0%	306	0.0%	(67.3)%
Provincial Treasury	86	0.0%	0	0.0%	100%
Community Safety	97	0.0%	236	0.0%	(58.9)%
Education	220,614	7.8%	183,947	26.3%	19.9%
Health	1,107,952	39.3%	12,473	1.8%	8782.8%
Social Development	0	0.0%	71	0.0%	(100)%
Local Government and Housing	179	0.0%	141	0.0%	26.9%
Environmental Affairs and Development Planning	1,049	0.1%	389	0.1%	169.6%
Transport and Public Works	1,488,003	52.8%	499,084	71.3%	198.2%
Agriculture	299	0.0%	518	0.1%	(42.3)%
Economic Development and Tourism	106	0.0%	1,063	0.2%	80.1%
Cultural Affairs and Sport	0	0.0%	0	0.0%	0%
<b>TOTAL</b>	<b>2,818,485</b>	<b>100%</b>	<b>699,809</b>	<b>100%</b>	<b>302.8</b>

The disclosure of capital commitments of R2,818,485 million for 2008/09 represents an increase of 302.8 per cent when compared to R699,809 million for 2007/08. This increase is mainly due to capital and infrastructure projects committed for the medium term. The capital commitments of the Department of Health increased due to the inclusion of the Mitchell's Plain and Khayelitsha hospitals.

**Appropriation surpluses vs. Accruals**

The table overleaf analyses the impact of accruals on surplus voted funds at 31 March 2009 i.e. goods and services received and invoiced but not yet settled. It represents the surplus of each department, being actual expenditure deducted from the final appropriation for 2008/09 (refer to Table 1), compared against accruals >30 days owing to suppliers and service providers as at 31 March 2009 and 31 March 2008 respectively.

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**Table 14: Appropriation Surpluses vs. Accruals**

Department	Appropriation Surplus 2008/09 R'000	Accruals >30 Days 2008/09 R'000	Appropriation Surplus 2007/08 R'000	Accruals >30 Days 2007/08 R'000	Accruals >30 days 2008/09 vs. 2007/08
Office of the Premier	20,511	11,256	2,736	5,572	102.0%
Parliament	396	0	4,480	669	(100%)
Provincial Treasury	945	226	1,427	0	100%
Community Safety	374	731	2,141	3,001	(75.6%)
Education	13,610	25,800	84,982	49,587	(47.9%)
Health	214,996	108,350	(70,563)	40,321	168.7%
Social Development	18,551	648	201	889	(27.1%)
Local Government and Housing	179	13,795	78,028	2,563	438.2%
Environmental Affairs and Development Planning	547	99	1,717	62	59.7%
Transport and Public Works	313,933	98,703	43,706	12,350	699.2%
Agriculture	20,945	320	5,937	1,857	(82.8%)
Economic Development and Tourism	1,611	48	2,189	1,468	(96.7%)
Cultural Affairs and Sport	2,233	1,146	2,071	184	522.8%
<b>TOTAL</b>	<b>608,831</b>	<b>261,122</b>	<b>159,053</b>	<b>118,523</b>	<b>120.3%</b>

The total accruals >30 days increased by 120.3 per cent from R118,532 million for 2007/08 to R261,122 million in 2008/09. The accruals of R261,122 million for 2008/09 will have to be settled from the 2009/10 budget, placing a further burden on a already constrained budget. Had the Departments of Education and Local Government and Housing settled their >30 days accruals they would have overspent their budget resulting in unauthorized expenditure. Unpaid invoices amounting to R261,122 million relating to accruals of >30 days could negatively impact on the cash flow of suppliers and service providers. In effect this represents non-compliance with National Treasury regulation 8.2.3, which states that all payments due to creditors must be settled within 30 days of receipt of invoice unless determined otherwise.

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### Receivables

The table below provides a debtors age analysis of the consolidated receivables for 2008/09 and 2007/08:

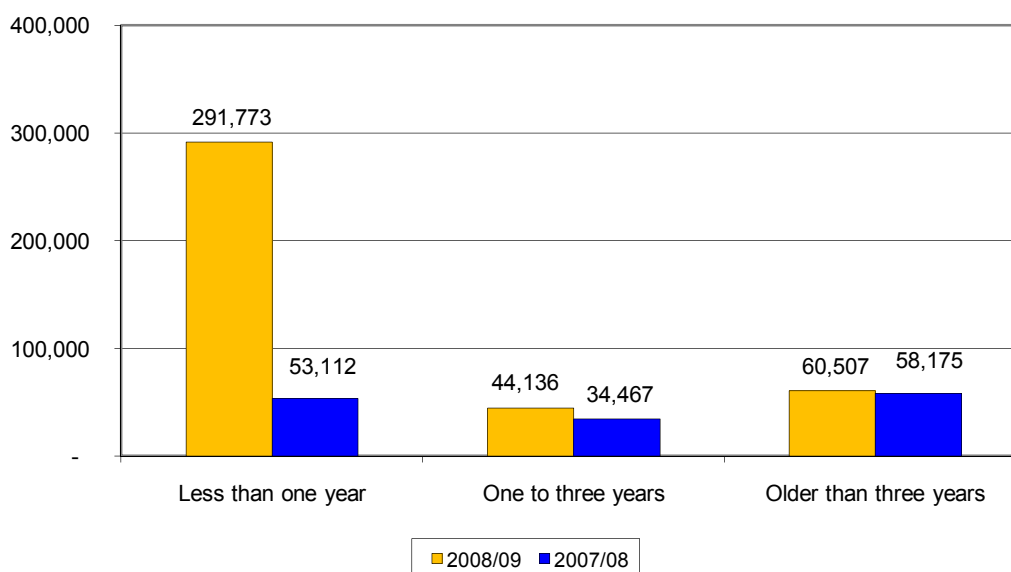
**Table 15: Debtors receivable**

Period	2008/09 R'000	2007/08 R'000
Less than one year	291,773	53,112
One to three years	44,136	43,571
Older than three years	60,507	58,175
<b>Total receivables</b>	<b>396,416</b>	<b>154,858</b>

The total receivables have increased by 156.0 per cent from R154,858 million in 2007/08 to R396,416 million in 2008/09 which can be attributed to the significant increase in receivables 'less than one year' from R53,112 million to R291,773 million. Included in the R291,773 million for 2008/09, is an amount of R170,381 million in respect of a conditional grant not received by the Department of Health for 2008/09 and also an increase in claims recoverable of R54,556 million from R1,095 million in 2007/08 to R55,651 million in 2008/09.

The figure below illustrates the comparative age analysis of receivables for the 2008/09 and 2007/08:

**Figure 15: Receivables ageing 2008/09**



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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. Casidra is a schedule 3D entity and with the exception of two unlisted entities namely Heritage Western Cape and the Western Cape Housing Development Fund, they are all listed schedule 3C public entities as defined in the PFMA.

### **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.

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**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. The Western Cape Provincial Youth Commission Act, 2004 (Act No. 5 of 2004) was repealed via the Repeal Bill B5 of 2009 and the Commission ceased to operate with effect from 31 May 2009.

**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, it will establish the Board 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.

The Fund is legally still in existence and the Provincial Housing Act has been promulgated to disestablish the Board. However, the National Housing Act must first be amended in order to enable the amendment of the Provincial Housing Act that will allow for the disestablishment of the Fund.

The two trading entities in this Province are:

**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.

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**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 supplies distributed to health institutions.

**Financial results of Public Entities**

**Funding sources**

The table below provides a comparative analysis of the various funding sources for 2008/09 and 2007/08:

**Table 16: Funding sources**

Funding sources	2008/09	2007/08	Increase
	R'000	R'000	%
Grants	193,111	189,848	1.72
Interest	13,190	12,163	8.44
Own Revenue	285,832	182,169	56.90
<b>Total Revenue</b>	<b>492,133</b>	<b>384,180</b>	<b>28.10</b>

Revenue of public entities consists mainly of government grants, interest and own revenue. Total revenue increased by 28.10 per cent from R384,180 million in 2007/08 to R492,133 million in 2008/09, mostly as a result of an increase in own revenue and more specifically increased project revenue that is classified as own revenue.

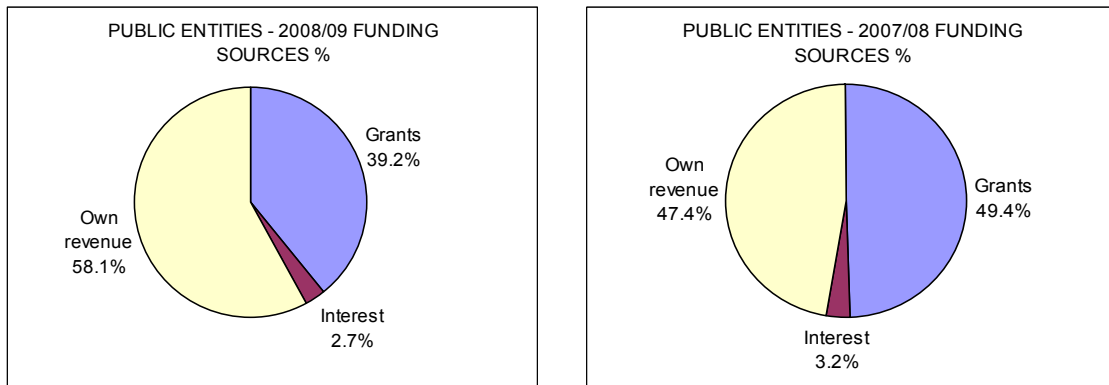
For 2008/09 these funding sources, calculated as a percentage of total revenue are respectively 39.24 per cent for grants, 2.68 per cent for interest and 58.08 per cent for own revenue. This compares to 2007/08 percentages of 49.42 per cent for grants, 3.17 per cent for interest and 47.42 per cent for own revenue. The figure below illustrates this more clearly.



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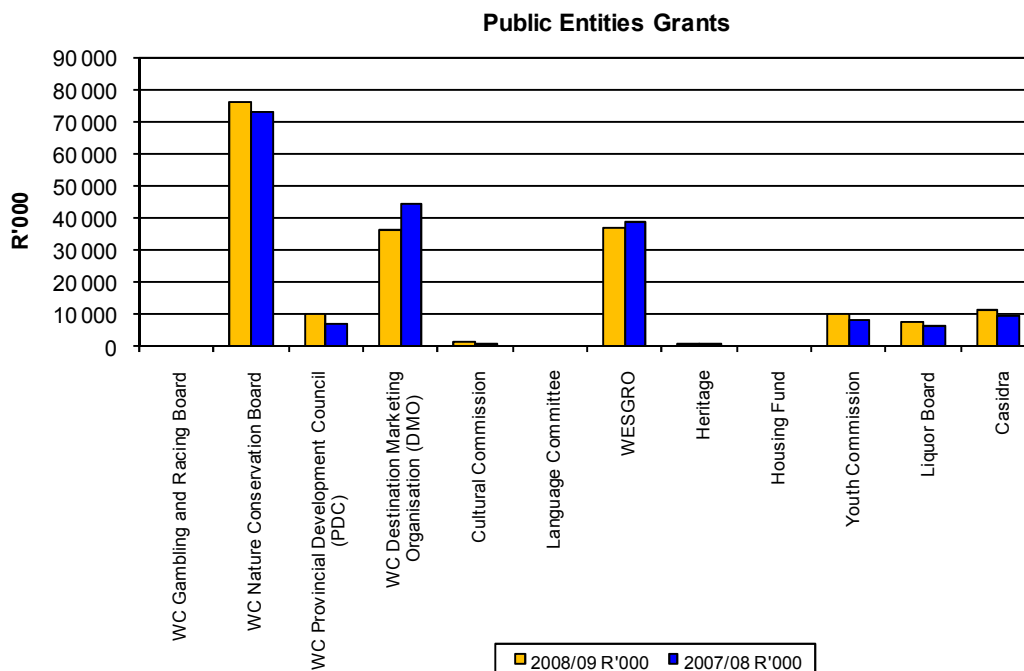
Figure 16: Pubic Entities – Funding Sources %



Grants transferred to Public Entities

Total government grants to Public Entities increased marginally from R189,848 million in 2007/08 to R193,111 million in 2008/09. The figure below illustrates this:

Figure 17: Public Entities – Grants



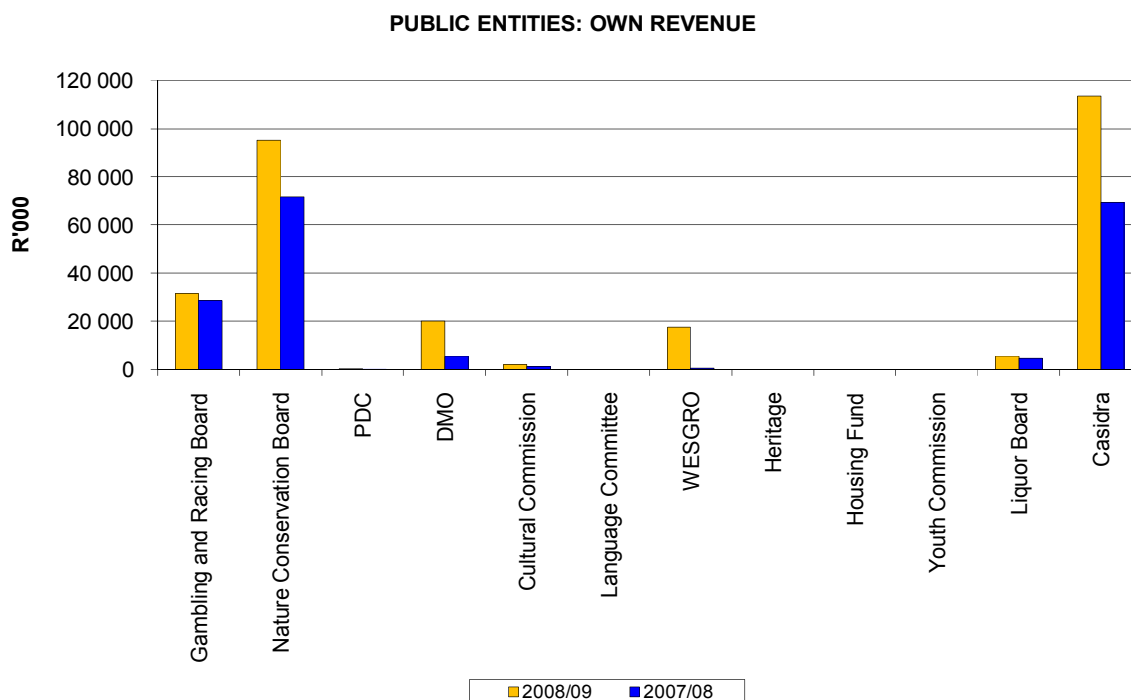
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**Own revenue of Public Entities**

Total own revenue of Public Entities increased by 57 per cent from R182,169 million for 2007/08 to R285,832 million for 2008/09. This is illustrated in the figure below. Own revenue as a percentage of total expenditure was 53 per cent for 2007/08 and 62 per cent for 2008/09. Although the increase is mainly due to increased funding received for projects, it creates the effect of Public Entities becoming more financially independent.

**Figure 18: Public Entities – Own Revenue**



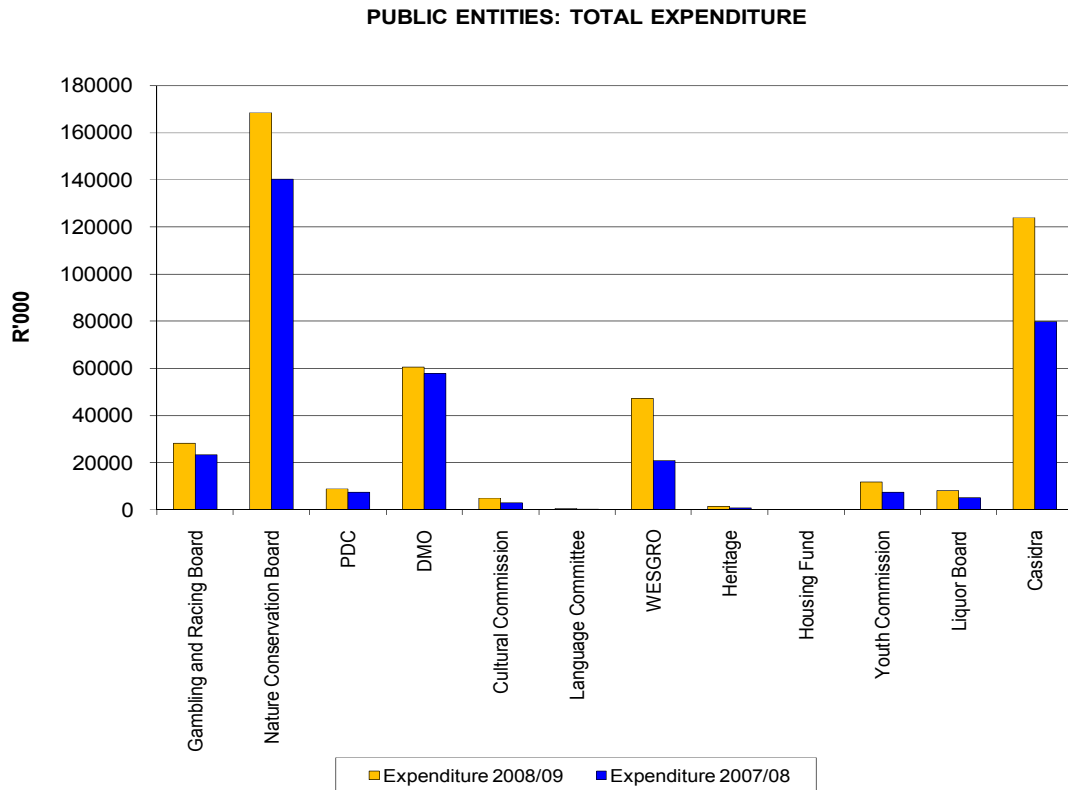
**Total expenditure of Public Entities**

Total expenditure increased by 33.98 per cent, from R345,745 million in 2007/08 to R463,216 million in 2008/09. This is mostly as a result of increased project expenditure by the entities from project funding.

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Figure 19: Public Entities – Total Expenditure



**Cash and cash equivalents versus current liabilities**

The table below provides a comparative analysis of the cash and cash equivalents versus current liabilities for 2008/09 and 2007/08:

Table 17: Cash and cash equivalents versus current liabilities

	Cash and cash equivalents		Current liabilities		Cash and cash equivalents minus Current liabilities	
	2008/09	2007/08	2008/09	2007/08	2008/09	2007/08
	R'000	R'000	R'000	R'000	R'000	R'000
Gambling and Racing Board	12,563	12,356	15,922	15,336	(3,359)	(2,980)
Nature Conservation Board	55,179	53,392	68,684	59,490	(13,505)	(6,098)
PDC	3,637	1,502	928	895	2,709	607
DMO	1,140	9,684	8,236	19,642	(7,096)	(9,958)
Cultural Commission	13,538	13,847	756	1,660	12,782	12,187
Language Committee	258	341	161	106	97	235
WESGRO	11,018	21,027	10,880	18,734	138	2,293
Heritage	1,662	2,054	9	59	1,653	1,995

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	Cash and cash equivalents		Current liabilities		Cash and cash equivalents minus Current liabilities	
	2008/09	2007/08	2008/09	2007/08	2008/09	2007/08
	R'000	R'000	R'000	R'000	R'000	R'000
Housing Fund	0	0	16,828	17,456	(16,828)	(17,456)
Youth Commission	2	400	1,251	206	(1,249)	194
Liquor Board	1,317	771	253	89	1,064	682
Casidra	102,422	78,602	89,501	69,521	12,921	9,081
CMD	0	0	77,284	19,796	(77,284)	(19,796)
GMT	1,969	2,366	158,439	133,525	(156,470)	(131,159)
<b>Entities total</b>	<b>204,705</b>	<b>196,342</b>	<b>449,132</b>	<b>356,515</b>	<b>(244,427)</b>	<b>(160,173)</b>

The above analysis provides an indication of the cash available to meet current liabilities without having to liquidate the assets used in operations. This is an indication of the liquidity of the individual entity and its ability to honour short-term commitments. Current liabilities are deducted from cash and cash equivalents to test the state of liquidity. In general, entities do not have sufficient cash to meet short term commitments in the 2008/09 financial year, since cash and cash equivalents was less than current liabilities by an amount of R244,427 million. In the 2007/08 financial year cash and cash equivalents was R160,173 million less than current liabilities.

The figure below should provide further clarity in this regard. The figures of those entities with sufficient cash will move upwards from the zero gridline, whilst the entities below the zero gridline could experience cash flow problems, should they be required to match cash flows during their operations.

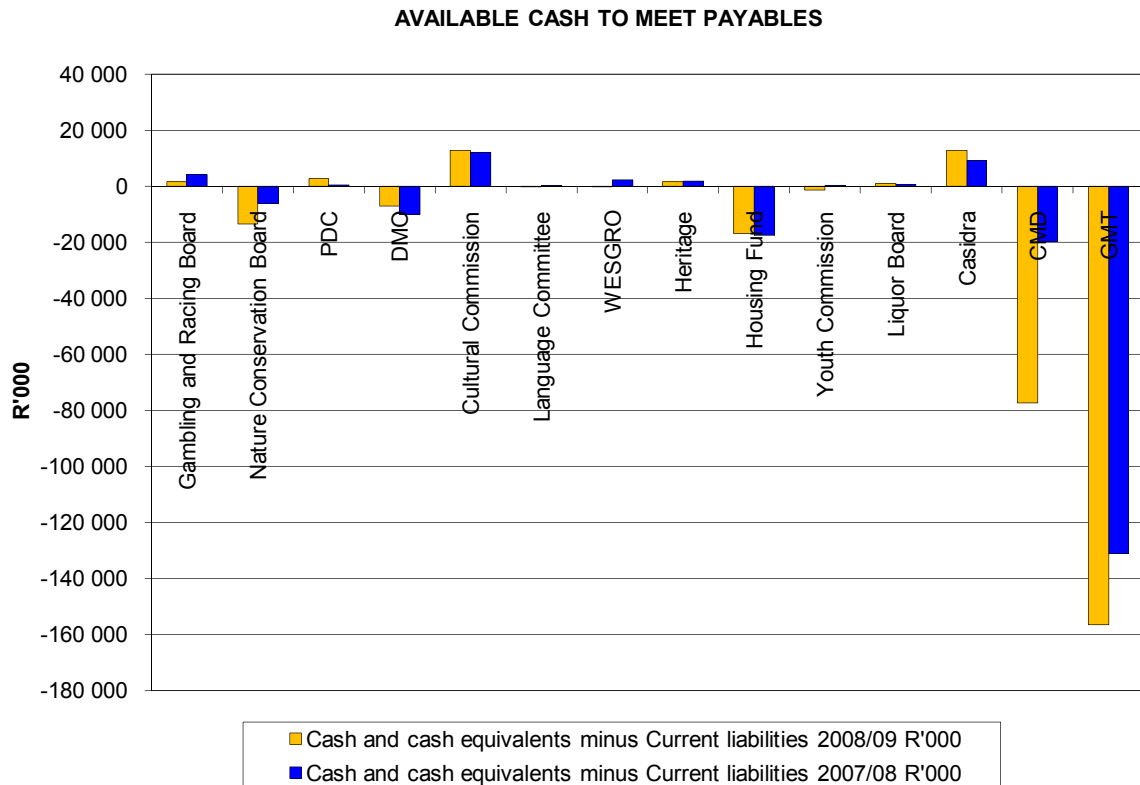
Most notable from the figure is the amounts for the two trading entities, namely CMD and GMT, which indicates abnormal shortages of available cash to meet current liabilities. These entities operate on a basis of recovering monies already spent by them on goods and services. CMD's debtors collection period is 28 days for 2008/09 and the entity is thus within the norm of 50 days. However, GMT on the other hand has a debtor's collection period of 250 days for 2008/09 and is currently experiencing difficulties in recovering its claims against departments which stands at R250,161 million. It should also be noted that the negative cash situation of GMT is currently covered by advances received from departments amounting to R140 million.

It should be kept in mind that some entities rely on grants for their operations and in some instances the grants received and monthly expenditure are matched off in such a way that no cash is accumulated and no payables exist.

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Figure 20: Available cash to meet payables



**Accumulated surpluses**

In terms of Section 53 (3) of the PFMA public entities may not budget for a deficit and may not accumulate surpluses unless prior written approval of the National Treasury has been obtained. Similarly, Treasury Regulation 19.7.1 determines that the relevant treasury may apply the surplus of a trading entity to reduce any proposed allocation to the trading entity, or require that all or part of it be re-deposited in the Exchequer bank account.

Within this context surplus funds should be viewed as all money in excess of the projected cash flow requirements of an entity, and not purely the surplus as reflected in the Statement of Financial Performance, since this surplus is affected by accrual transactions.

Calculations were therefore performed to determine to what degree the accumulated surpluses of the entities are cash backed and whether any of the entities have accumulated excessive cash surpluses.

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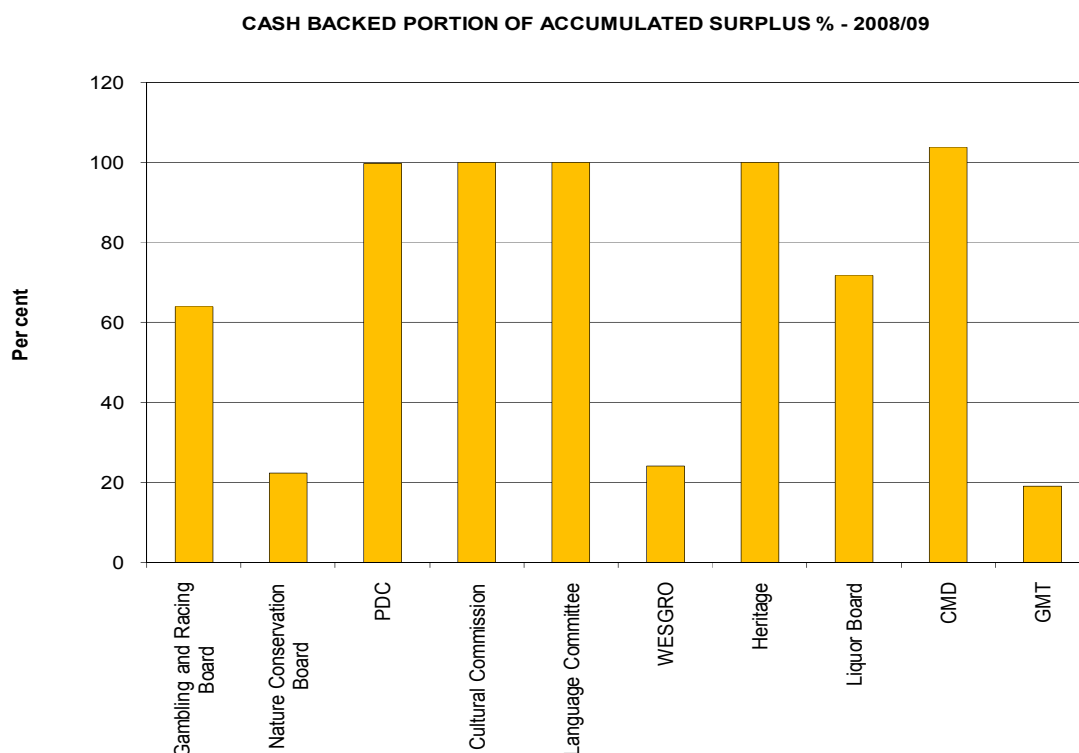
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Revenue received in advance (current liability) and trade and other payables (current liability) are deducted from current assets less inventory, to determine the current position of the entity. The current position is then compared with the accumulated surplus.

A percentage of less than 100 would indicate that the accumulated surplus is not fully cash backed. In such a case it is possible that the entity has invested its funds in fixed assets and it would therefore not be in a position to surrender cash surpluses.

From the figure below it is clear that none of the entities have accumulated any material surplus funds up until the 2008/09 financial year.

**Figure 21: Accumulated surpluses – 2008/09**



**Solvency (Total assets/Total liabilities)**

The purpose of this ratio is to determine the degree to which an entity's assets exceed its liabilities in the long term. The accepted norm for this ratio is 1:1 and should solvency decline to the point where liabilities exceed assets, the entity has become insolvent and could face termination. Solvency is therefore extremely important to creditors and especially long-term creditors.

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The table below provides information on the total assets, total liabilities and the solvency rate of each entity for the 2008/09 and 2007/08 financial years:

**Table 18: Total assets/Total liabilities**

	Total Assets		Total Liabilities		Total Assets/ Total Liabilities	
	2008/09	2007/08	2008/09	2007/08	2008/09	2007/08
	R'000	R'000	R'000	R'000	Ratio:1	Ratio: 1
Gambling & Racing Board	16,555	16,221	15,922	15,336	1.04	1.06
Nature Conservation Board	97,227	76,267	72,293	67,090	1.34	1.14
PDC	4,797	3,004	1,098	1,050	4.37	2.86
DMO	7,122	21,488	8,236	19,642	0.86	1.09
Cultural Commission	14,092	14,167	756	1,660	18.64	8.53
Language Committee	258	346	161	106	1.60	3.26
WESGRO	33,407	39,234	11,714	19,071	2.85	2.06
Heritage	1,753	2,054	9	59	194.78	34.81
Housing Fund	2,986,039	3,845,346	16,828	17,456	177.44	220.29
Youth Commission	346	707	1,251	314	0.28	2.25
Liquor Board	2,689	2,331	425	184	6.33	12.67
Casidra	112,381	89,314	89,501	69,521	1.26	1.28
CMD	138,531	66,128	77,904	20,462	1.78	3.23
GMT	653,798	549,562	159,785	134,860	4.09	4.08

DMO (trading as Cape Town Routes Unlimited) has a ratio of less than 1:1. The core business functions of DMO are funded by the Western Cape Provincial Government and the City of Cape Town. However, on 30 June 2008 the City of Cape Town withdrew its financial support to DMO leaving the organisation with an annual budgetary shortfall of R24 million.

The Youth Commission also had a ratio of less than 1:1. This entity will cease to operate with effect from 31 May 2009. On dissolution all assets and liabilities will be incorporated into the Department of the Premier. The ratio for the Youth Commission is mainly as a result of trade and other payables as at 31 March 2009, the majority of which will be settled within two months after this date.

The Western Cape Housing Development Fund stands out in terms of its amount of assets, which represents mostly the properties owned by or vested in the Department of Local Government and Housing, Western Cape amounting to R2.92 billion.

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Government Motor Transport's motor vehicles are the second largest asset item owned by Western Cape entities. GMT reported property plant and equipment of R390 million at year end, as well as debtors of R250 million. GMT has the highest liability figure that includes the advances of received from departments amounting to R140 million for services rendered and to be rendered.

**Accounting Officer's Approval**

I hereby present the Annual Consolidated Financial Information based on the audited financial information for the year ended 31 March 2009 as required by section 19(1) of the Public Finance Management Act, (Act No. 1 of 1999) as amended.



**Accounting Officer  
Provincial Treasury**

**Date: 26 January 2010**



**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 2009**

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 2009, set out on pages 41 to 75. 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. A separate audit report was issued on the annual financial statements of the Provincial Revenue Fund for the 2008-09 financial year.

**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 corresponding figures in the 2008-09 financial year's consolidated financial information were agreed to the figures in the 2007-08 financial year's audited consolidated financial information, as well as to the corresponding figures in the audited annual financial statements of the individual departments and the Provincial Revenue Fund. It was noted that not all the consolidated financial information agreed to the 2007-08 financial year's audited consolidated financial information due to restatements of comparatives by certain departments for reasons indicated in their financial statements.

**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 2009.

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*

Pretoria

26 March 2010



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*



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**Accounting Policies  
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The Consolidated Financial Information has 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 2 of 2008.

**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 department.

**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.

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**Accounting Policies  
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**2. Revenue**

**2.1 Appropriated funds**

Appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments to the appropriated funds made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

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

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.

**2.2 Statutory Appropriation**

Statutory appropriations are recognised in the financial records on the date the appropriation becomes effective. Adjustments to the statutory appropriations made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Total statutory appropriations are presented in the consolidated information of financial performance.

Unexpended statutory appropriations 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.

**2.3 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.

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**2.3.1 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.

**2.3.2 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.

**2.3.3 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 of financial performance when the cash is received.

**2.3.4 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.

**2.3.5 Sale of capital assets**

The proceeds received on sale of capital assets are recognised in the Statement of Financial Performance when the cash is received.

**2.3.6 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.

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**2.3.7 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.

**2.4 Direct Exchequer receipts**

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

All direct exchequer payments are recognised 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).

**2.5 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 recognised 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.



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**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 performance<sup>1</sup>.

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 financial statements. 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 National/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).

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

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**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).

**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.

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**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.

**Forex losses** are recognised on payment of funds.

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

**3.5 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).

**3.6 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.

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.

**3.7 Fruitless and wasteful expenditure**

Fruitless and wasteful expenditure is recognised as expenditure in the consolidated information of financial performance. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the consolidated information of financial performance.

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**3.8 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 in the consolidated information of financial performance.

**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.

**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.

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**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.

**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.

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.

**4.8 Capital assets**

**4.8.1 Movable 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 movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

Subsequent expenditure of a capital nature is recorded in the consolidated information of financial performance as "expenditure for capital asset" and is capitalised in the asset register of the department on completion of the project.

Repairs and maintenance is expensed as current "goods and services" in the consolidated information of financial performance.

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**4.8.2 Immovable 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 immovable capital asset is stated at R1 unless the fair value for the asset has been reliably estimated.

Work-in-progress of a capital nature is recorded in the consolidated information of financial performance as "expenditure for capital asset". On completion, the total cost of the project is included in the asset register of the department that legally owns the asset or the provincial/national department of public works.

Repairs and maintenance is expensed as current "goods and services" in the consolidated information of financial performance.

**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 Direct Exchequer receipts to be surrendered to the Revenue Fund**

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

Amounts received must be surrendered to the relevant revenue fund on receipt thereof. Any amount not surrendered at year end is reflected as a current payable in the consolidated information of financial position.

**5.4 Bank overdraft**

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

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**5.5 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.

**5.6 Contingent liabilities**

Contingent liabilities are included in the disclosure notes to the annual consolidated financial information.

**5.7 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 information.

**5.8 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 information.

**5.9 Employee benefits**

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

**5.10 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 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 information.

WESTERN CAPE PROVINCE  
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**Accounting Policies  
for the year ended 31 March 2009**

**6. Receivables for departmental revenue**

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

**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 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 information.



WESTERN CAPE PROVINCE: DEPARTMENTS  
ANNUAL CONSOLIDATED FINANCIAL INFORMATION

**Consolidated Appropriation Statement  
for the year ended 31 March 2009**

	Appropriation per Department								
	2008/09							2007/08	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>1. Premier</b>									
Current payment	385,250	(3,531)	-	381,719	378,881	2,838	99.26%	329,501	326,809
Transfers and subsidies	25,968	332	-	26,300	26,171	129	99.51%	27,332	27,325
Expenditure for capital assets	38,786	3,199	-	41,985	24,441	17,544	58.21%	16,441	16,404
<b>2. Provincial Parliament</b>									
Current payment	44,745	-	(916)	43,829	39,061	4,768	89.12%	38,206	33,733
Transfers and subsidies	21,490	-	801	22,291	22,261	30	99.87%	15,479	15,189
Expenditure for capital assets	2,947	-	115	3,062	1,001	2,061	32.69%	649	649
<b>3. Provincial Treasury</b>									
Current payment	120,074	(672)	(315)	119,087	118,142	945	99.21%	113,735	112,680
Transfers and subsidies	151	116	-	267	267	-	100.00%	1,434	1,414
Expenditure for capital assets	1,670	556	315	2,541	2,541	-	100.00%	1,382	1,030
<b>4. Department of Community Safety</b>									
Current payment	221,299	-	(2,648)	218,651	218,277	374	99.83%	174,997	174,051
Transfers and subsidies	18,581	-	1,023	19,604	19,604	-	100.00%	27,406	26,189
Expenditure for capital assets	2,823	-	1,625	4,448	4,448	-	100.00%	2,939	2,961
<b>5. Department of Education</b>									
Current payment	7,935,210	(28,278)	4,442	7,911,374	7,908,366	3,008	99.96%	6,704,354	6,667,566
Transfers and subsidies	1,066,938	13,618	(4,442)	1,076,114	1,077,121	(1,007)	100.09%	940,185	917,516
Expenditure for capital assets	203,940	14,660	-	218,600	206,991	11,609	94.69%	178,193	152,668
<b>6. Department of Health</b>									
Current payment	7,671,451	-	26,777	7,698,228	7,758,838	(60,610)	100.79%	6,500,511	6,612,655
Transfers and subsidies	474,925	-	(18,728)	456,197	427,489	28,708	93.71%	412,767	410,989
Expenditure for capital assets	724,429	-	(8,049)	716,380	469,518	246,862	65.54%	514,027	474,224
<b>7. Department of Social Development</b>									
Current payment	554,800	(486)	-	554,314	539,888	14,426	97.40%	393,993	393,809
Transfers and subsidies	646,983	544	-	647,527	646,997	530	99.92%	499,931	499,929
Expenditure for capital assets	32,013	(58)	-	31,955	28,360	3,595	88.75%	7,640	7,625
<b>8. Department of Housing</b>									
Current payment	273,488	(5,179)	-	268,309	268,130	179	99.93%	219,320	214,670
Transfers and subsidies	1,339,039	3,554	-	1,342,593	1,342,593	-	100.00%	1,207,345	1,134,066
Expenditure for capital assets	3,287	1,625	-	4,912	4,912	-	100.00%	5,196	5,097
<b>9. Department of Environmental Affairs &amp; Development Planning</b>									
Current payment	109,367	(3,177)	(2,510)	103,680	103,171	509	99.51%	91,030	89,387
Transfers and subsidies	93,846	1,615	2,510	97,971	97,966	5	99.99%	88,326	88,326
Expenditure for capital assets	1,918	1,562	-	3,480	3,447	33	99.05%	4,838	4,764
<b>10. Department of Transport &amp; Public Works</b>									
Current payment	1,353,074	8,653	-	1,361,727	1,352,005	9,722	99.29%	1,232,600	1,217,220
Transfers and subsidies	267,551	2,220	-	269,771	264,025	5,746	97.87%	162,919	137,850
Expenditure for capital assets	1,459,536	(10,873)	-	1,448,663	1,150,198	298,465	79.40%	992,664	989,407
<b>11. Department of Agriculture</b>									
Current payment	264,927	(10,903)	-	254,024	252,018	2,006	99.21%	236,143	235,101
Transfers and subsidies	99,263	9,723	-	108,986	93,507	15,479	85.80%	79,915	75,328
Expenditure for capital assets	12,454	1,180	-	13,634	10,174	3,460	74.62%	15,502	15,194
<b>12. Department of Economic Development &amp; Tourism</b>									
Current payment	104,468	(8,477)	-	95,991	94,662	1,329	98.62%	82,477	81,814
Transfers and subsidies	125,257	7,256	-	132,513	132,367	146	99.89%	119,911	118,411
Expenditure for capital assets	1,807	1,221	-	3,028	2,892	136	95.51%	2,998	2,972
<b>13. Department of Cultural Affairs and Sport</b>									
Current payment	210,202	(1,678)	20,294	228,818	227,050	1,768	99.23%	179,495	179,135
Transfers and subsidies	269,031	(45)	54	269,040	268,630	410	99.85%	43,170	42,256
Expenditure for capital assets	22,970	1,723	(20,348)	4,345	4,290	55	98.73%	2,544	1,747
<b>Subtotal</b>	<b>26,205,958</b>	<b>-</b>	<b>-</b>	<b>26,205,958</b>	<b>25,590,700</b>	<b>615,258</b>	<b>97.65%</b>	<b>21,667,495</b>	<b>21,508,160</b>
<b>Statutory Appropriation</b>									
Current payments	17,213	-	-	17,213	23,676	(6,463)	137.55%	14,942	15,225
Transfers and subsidies									
Payment for capital assets									
<b>Total</b>	<b>26,223,171</b>	<b>-</b>	<b>-</b>	<b>26,223,171</b>	<b>25,614,376</b>	<b>608,795</b>	<b>97.68%</b>	<b>21,682,437</b>	<b>21,523,385</b>
<b>Reconciliation with Statement of Financial Performance</b>									
Departmental receipts				224,030				290,266	
Aid assistance				23,981				23,352	
Prior year unauthorised expenditure approved with funding				-					
<b>Actual amounts per Statement of Financial Performance (Total Revenue)</b>				<b>26,471,182</b>				<b>21,996,055</b>	
Aid assistance					20,874				19,302
Prior year unauthorised expenditure approved without funding					-				-
Fruitless and wasteful expenditure					-				-
<b>Actual amounts per Statement of Financial Performance Expenditure</b>					<b>25,635,250</b>				<b>21,542,687</b>

WESTERN CAPE PROVINCE: DEPARTMENTS  
ANNUAL CONSOLIDATED FINANCIAL INFORMATION

**Consolidated Appropriation Statement  
for the year ended 31 March 2009**

Appropriation per Economic classification									
	2008/09							2007/08	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation to employees	13,395,153	1,346	8,267	13,404,766	13,420,841	(16,075)	100.12%	11,182,121	11,252,513
Goods and services	5,849,045	(57,037)	33,735	5,825,743	5,828,420	(2,677)	100.05%	5,067,084	5,038,941
Interest and rent on land	-	482	400	882	863	19	97.85%	-	-
Financial transactions in assets and	4,156	4,288	2,168	10,612	10,610	2	99.98%	47,157	47,177
<b>Transfers and subsidies</b>									
Provinces & municipalities	704,201	(3,321)	(23)	700,857	685,573	15,284	97.82%	357,972	331,277
Departmental agencies & accounts	176,130	5,991	2,510	184,631	184,624	7	100.00%	151,929	151,579
Universities & technikons	3,388	(63)	(1,557)	1,768	1,768	-	100.00%	1,803	1,726
Foreign governments & international organisations	120	-	18	138	137	1	99.28%	129	103
Public corporations & private enterprises	85,866	7,630	(38)	93,458	93,439	19	99.98%	72,658	71,500
Non-profit institutions	1,971,716	16,210	(6,838)	1,981,088	1,970,460	10,628	99.46%	1,645,968	1,622,952
Households	1,507,112	11,493	(12,854)	1,505,751	1,481,531	24,220	98.39%	1,395,661	1,315,639
Gifts and donations	491	995	-	1,486	1,469	17	98.86%	-	12
<b>Payment on capital assets</b>									
Buildings & other fixed structures	2,196,850	(13,934)	(19,294)	2,163,622	1,618,744	544,878	74.82%	1,454,390	1,391,931
Machinery & equipment	282,502	14,525	8,559	305,586	268,949	36,637	88.01%	262,914	256,000
Biological or cultivated assets	-	-	-	-	-	-	0.00%	62	57
Software & other intangible assets	25,427	11,463	(15,053)	21,837	19,572	2,265	89.63%	19,139	18,702
Land & subsoil assets	3,801	(68)	-	3,733	3,700	33	99.12%	8,508	8,051
<b>Total</b>	<b>26,205,958</b>	<b>-</b>	<b>-</b>	<b>26,205,958</b>	<b>25,590,700</b>	<b>615,258</b>	<b>97.65%</b>	<b>21,667,495</b>	<b>21,508,160</b>

Statutory Appropriation									
Direct charge against Provincial Revenue Fund	2008/09							2007/08	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
List all direct charges against the Revenue Fund									
President and Deputy President salaries									
Member of executive committee/ parliamentary officers	17,213	-	-	17,213	23,676	(6,463)	137.55%	14,942	15,225
Judges salaries									
Sector education and training authorities									
SETA									
National skills fund									
<b>Total</b>	<b>17,213</b>	<b>-</b>	<b>-</b>	<b>17,213</b>	<b>23,676</b>	<b>(6,463)</b>	<b>137.55%</b>	<b>14,942</b>	<b>15,225</b>

WESTERN CAPE PROVINCE: DEPARTMENTS  
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**Consolidated Statement of Financial Performance  
for the year ended 31 March 2009**

	Notes	2008/09 R'000	2007/08 R'000
<b>OPERATING INCOME</b>		<b>26,284,304</b>	<b>21,765,718</b>
Equitable Share	1	18,241,996	15,074,595
Conditional Grants	1	5,113,546	3,748,078
Departmental revenue	2	1,935,003	1,997,601
Other Revenue	3	993,759	945,444
<b>NON-OPERATING INCOME</b>	4	<b>162,897</b>	<b>206,985</b>
Non-Operating Income	4.1	162,897	206,985
<b>LOCAL AND FOREIGN AID ASSISTANCE</b>	5.1	<b>23,981</b>	<b>23,352</b>
<b>TOTAL INCOME</b>		<b>26,471,182</b>	<b>21,996,055</b>
<b>DEPARTMENTAL EXPENDITURE</b>			
<b>Current expenditure</b>		<b>19,287,587</b>	<b>16,372,920</b>
Compensation of employees	6	13,444,516	11,267,520
Goods & Services	7	5,824,346	5,038,940
Interest & Rent on Land	8	1,320	-
Financial transactions in assets and liabilities	9	10,153	47,177
Local and foreign aid assistance	5.2	7,252	19,283
<b>Transfers and subsidies</b>	10	<b>4,432,539</b>	<b>3,495,006</b>
Transfers and subsidies		4,419,000	3,495,006
Aid assistance		13,539	-
<b>Capital expenditure</b>		<b>1,915,124</b>	<b>1,674,761</b>
Expenditure for capital assets	11	1,915,124	1,674,761
<b>TOTAL EXPENDITURE</b>		<b>25,635,250</b>	<b>21,542,687</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>835,932</b>	<b>453,368</b>

WESTERN CAPE PROVINCE: DEPARTMENTS  
ANNUAL CONSOLIDATED FINANCIAL INFORMATION

**Consolidated Statement of Financial Position  
for the year ended 31 March 2009**

	Notes	2008/09 R'000	2007/08 R'000
<b>ASSETS</b>			
<b>Current Assets</b>		<b>2,770,143</b>	<b>2,799,141</b>
Unauthorised expenditure	12	216,936	127,757
Cash and cash equivalents	14	685,612	644,733
Prepayments and advances	16	5,219	7,765
Receivables	17	396,376	154,858
Local and Foreign Aid Receivable	5.2	-	28
Investments	18.1	1,466,000	1,864,000
<b>Non-current assets</b>		<b>180,324</b>	<b>154,008</b>
Investments	18.2	179,506	153,190
Other financial assets	15	818	818
<b>TOTAL ASSETS</b>		<b>2,950,467</b>	<b>2,953,149</b>
<b>LIABILITIES AND RESERVES</b>			
<b>RESERVES</b>		<b>1,388,122</b>	<b>1,675,472</b>
<b>Current liabilities</b>		<b>481,697</b>	<b>408,536</b>
Bank overdraft	19	23,690	81,203
Payables	20	449,376	321,745
Local and foreign aid assistance unutilised	5.1	8,631	5,588
<b>TOTAL LIABILITIES AND RESERVES</b>		<b>1,869,819</b>	<b>2,084,008</b>
<b>NET LIABILITIES</b>		<b>1,080,648</b>	<b>869,141</b>
<b>Represented by:</b>			
Capitalisation Reserves		1,015,520	805,529
Recoverable revenue		65,128	63,612
<b>TOTAL</b>		<b>1,080,648</b>	<b>869,141</b>

WESTERN CAPE PROVINCE: DEPARTMENTS  
ANNUAL CONSOLIDATED FINANCIAL INFORMATION

**Consolidated Statement of Changes in Net Assets  
for the year ended 31 March 2009**

	Notes	2008/09 R'000	2007/08 R'000
<b>Capitalisation Reserves</b>			
Opening Balance		153,191	152,301
Transfers		862,329	653,228
Movement in Equity / Capitalisation Reserves		25,000	-
Movement in Operational Funds		1,315	-
Other Movements		836,014	-
<b>Closing Balance</b>		<b>1,015,520</b>	<b>805,529</b>
<b>Recoverable revenue</b>			
Opening Balance		63,612	85,760
Transfers		1,516	(22,148)
Irrecoverable amounts written off		(1,441)	(28,640)
Debts revised		470	(1)
Debts recovered (included in departmental receipts)		(837)	(2,438)
Debts raised		3,324	8,931
<b>Closing balance</b>		<b>65,128</b>	<b>63,612</b>
<b>TOTAL</b>		<b>1,080,648</b>	<b>869,141</b>

WESTERN CAPE PROVINCE: DEPARTMENTS  
ANNUAL CONSOLIDATED FINANCIAL INFORMATION

**Consolidated Cash Flow Statement  
for the year ended 31 March 2009**

	Notes	2008/09 R'000	2007/08 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>RECEIPTS DISCLOSED BY THE PROVINCIAL REVENUE FUND</b>			
		<b>23,518,439</b>	<b>19,062,720</b>
Equitable Share		18,241,996	15,074,595
Conditional Grants		5,113,546	3,748,078
Non-operating income		162,897	206,985
Other revenue received by the revenue fund		-	33,062
<b>TOTAL RECEIPTS DISCLOSED BY THE PROVINCIAL REVENUE FUND</b>			
		<b>23,518,439</b>	<b>19,062,720</b>
<b>RECEIPTS DISCLOSED BY PROVINCIAL DEPARTMENTS</b>			
		<b>1,958,984</b>	<b>2,020,953</b>
Departmental revenue received	2	1,935,003	1,997,601
Aid assistance received	5	23,981	23,352
Net (increase)/decrease in working capital		212,314	111,702
Current payments		(19,287,587)	(16,372,920)
Transfers and subsidies paid		(4,432,539)	(3,495,006)
Net cash flow available from operating activities	21	<b>1,969,611</b>	<b>1,327,449</b>
<b>CASH FROM INVESTING ACTIVITIES</b>			
Payments for capital assets		(1,915,124)	(1,674,761)
Proceeds from sale of capital assets		17,375	56,418
(Increase)/decrease in investments		(1,316)	(998)
<b>Net cash flows from investing activities</b>		<b>(1,899,065)</b>	<b>(1,619,341)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Distribution/dividend received		15	6
Increase/(decrease) in net assets		27,831	(21,211)
<b>Net cash flows from financing activities</b>		<b>27,846</b>	<b>(21,205)</b>
Net increase/(decrease) in cash and cash equivalents		98,392	(313,097)
Cash and cash equivalents at beginning of period		563,530	876,627
<b>Cash and cash equivalent at end of period</b>	14 & 19	<b>661,922</b>	<b>563,530</b>

WESTERN CAPE PROVINCE: DEPARTMENTS  
ANNUAL CONSOLIDATED FINANCIAL INFORMATION

**Consolidated Financial Information  
for the year ended 31 March 2009**

Notes to the Consolidated Financial Information for the year ended 31 March 2009

	Notes	2008/09 R'000	2007/08 R'000
<b>1. Appropriated Funds</b>			
1.1 <b>Equitable Share</b>			
Equitable Share/ Voted Funds		18,224,783	15,059,653
Equitable share/Statutory Funds		17,213	14,942
		<b>18,241,996</b>	<b>15,074,595</b>
1.2 <b>Conditional Grants</b>		5,113,546	3,748,078
		<b>5,113,546</b>	<b>3,748,078</b>
<b>2. Departmental Revenue</b>			
Tax Revenue		1,193,734	1,123,411
Sales of goods and services other than capital assets	2.1	413,751	434,603
Fines, penalties, forfeits		2,596	1,392
Interest, Dividends and Rent on Land	2.2	59,833	50,695
Sales of Capital Assets	2.3	17,375	56,418
Financial transactions in assets and liabilities	2.4	104,809	214,264
Transfers received	2.5	142,905	116,817
Total revenue collected		1,935,003	1,997,600
Less: Own revenue included in appropriation		1,710,973	1,707,335
Total Departmental Revenue received by NRF		<b>224,030</b>	<b>290,265</b>
2.1 <b>Sales of goods and services other than capital assets</b>			
Sales of goods and services produced by the department		405,816	433,719
Sales by market establishment		353,142	372,771
Administrative fees		24,744	24,354
Other sales		27,930	36,594
Sales of scrap, waste and other used current goods		7,935	884
<b>Total</b>		<b>413,751</b>	<b>434,603</b>
2.2 <b>Interest, Dividends and rent on land</b>			
Interest		59,561	50,169
Dividends		15	6
Rent on Land		257	520
<b>Total</b>		<b>59,833</b>	<b>50,695</b>

WESTERN CAPE PROVINCE: DEPARTMENTS  
ANNUAL CONSOLIDATED FINANCIAL INFORMATION

**Consolidated Financial Information  
for the year ended 31 March 2009**

Notes to the Consolidated Financial Information for the year ended 31 March 2009

	Notes	2008/09 R'000	2007/08 R'000
<b>2.3 Sales of Capital Assets</b>			
Land and subsoil assets		-	56,356
Other capital assets		17,375	62
<b>Total</b>		<b>17,375</b>	<b>56,418</b>
<b>2.4 Financial transactions in assets and liabilities</b>			
<b>Nature of loss recovered</b>			
Repayment of Public Contributions		65,777	22,770
Receivables		4,636	48,697
Stale cheques written back		(28)	(189)
Other receipts including recoverable revenue		34,424	142,986
<b>Total</b>		<b>104,809</b>	<b>214,264</b>
<b>2.5 Transfers received</b>			
Universities and technikons		13,693	(10,464)
International Organisations		122,675	126,467
Public Corporations and Private Enterprises		6,537	814
<b>Total</b>		<b>142,905</b>	<b>116,817</b>
<b>3. Other Revenue</b>			
Other		993,759	945,444
<b>Total Other</b>		<b>993,759</b>	<b>945,444</b>
<b>4. Non-Operating Income</b>			
<b>4.1 Non-Operating Income</b>			
<b>Extraordinary Receipts:</b>			
Investment Income		162,897	206,985
<b>Total</b>		<b>162,897</b>	<b>206,985</b>



WESTERN CAPE PROVINCE: DEPARTMENTS  
ANNUAL CONSOLIDATED FINANCIAL INFORMATION

**Consolidated Financial Information  
for the year ended 31 March 2009**

Notes to the Consolidated Financial Information for the year ended 31 March 2009

	Notes	2008/09 R'000	2007/08 R'000
<b>5. Local and foreign aid assistance</b>			
<b>5.1 Total</b>			
Opening Balance		5,561	1,512
Revenue		23,981	23,352
Expenditure		20,910	19,303
Current		7,252	19,283
Capital		119	20
Transfers		13,539	-
<b>Closing Balance</b>		<b>8,632</b>	<b>5,561</b>
<b>5.2 Foreign</b>			
Opening Balance		(28)	378
Revenue		2,398	770
Expenditure		1,937	1,176
Current		1,937	1,176
<b>Closing Balance</b>		<b>433</b>	<b>(28)</b>
<b>5.3 Assistance Received in Cash: Other</b>			
<b>Local</b>			
Opening Balance		(2,139)	(1,205)
Revenue		-	(934)
<b>Closing Balance</b>		<b>(2,139)</b>	<b>(2,139)</b>
<b>5.4 Foreign</b>			
Opening Balance		7,727	2,339
Revenue		21,583	23,515
Expenditure		18,973	18,127
Current		5,315	18,107
Capital		119	20
Transfers		13,539	-
<b>Closing Balance</b>		<b>10,337</b>	<b>7,727</b>

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	Notes	2008/09 R'000	2007/08 R'000
<b>6. Compensation of employees</b>			
6.1 <b>Salaries and Wages</b>			
Basic Salary		9,537,195	8,091,520
Performance Award		94,696	65,370
Service Based		43,722	27,369
Compensative/circumstantial		595,102	500,415
Periodic Payments		34,068	26,636
Other non-pensionable allowances		1,493,179	1,139,508
<b>Total</b>		<b>11,797,962</b>	<b>9,850,818</b>
6.2 <b>Social Contributions</b>			
6.2.1 <b>Employer contributions</b>			
Pension		1,073,119	918,697
Medical		569,527	494,200
UIF		105	626
Bargaining Council		1,515	1,522
Official unions and associations		1,895	1,420
Insurance		393	237
<b>Total</b>		<b>1,646,554</b>	<b>1,416,702</b>
<b>Total compensation of employees</b>		<b>13,444,516</b>	<b>11,267,520</b>
<b>7. Goods and services</b>			
Administrative Fee		166,522	154,919
Advertising		92,607	80,173
Bursaries (employees)		26,681	16,834
Catering		34,998	31,333
Communication		108,922	110,630
Computer Services		215,940	179,700
Consultants, contractors and special services		1,754,246	1,221,324
Entertainment		1,233	1,056
External audit fees		51,092	35,500
Equipment less than R5000		78,191	77,017
Government motor transport		942	595
Inventory		1,796,234	1,578,928
Housing		-	-
Maintenance, repair and running costs		-	440,719
Operating Leases		201,605	179,089
Owned and leasehold property expenditure		586,165	342,931
Transport provided as part of the departmental activities		120,746	115,193
Travel and subsistence		385,215	311,331
Venues and facilities		49,394	43,016
Training & staff development		89,179	69,464
Other operating expenditure		64,434	49,188
<b>Total</b>		<b>5,824,346</b>	<b>5,038,940</b>

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	Notes	2008/09 R'000	2007/08 R'000
<b>7.1 External audit fees</b>			
Regulatory audits		46,939	31,810
Performance audits		2,730	2,141
Forensic audits		459	-
Other audits		964	1,549
<b>Total external audit fees</b>		<b>51,092</b>	<b>35,500</b>
<b>7.2 Inventory</b>			
Learning and teaching support material		254,299	274,021
Food and Food supplies		145,874	110,075
Fuel, oil and gas		32,349	22,405
Other consumables		110,134	75,776
Maintenance material		37,407	36,542
Stationery and Printing		114,492	92,741
Medical supplies		1,101,679	967,296
Military stores		-	72
<b>Total Inventory</b>		<b>1,796,234</b>	<b>1,578,928</b>
<b>7.3 Travel and subsistence</b>			
Local		367,965	296,134
Foreign		17,250	15,197
<b>Total travel and subsistence</b>		<b>385,215</b>	<b>311,331</b>
<b>8. Interest and rent on land</b>			
Interest expense		1,316	-
Rent on land		4	-
<b>Total interest and rent on land</b>		<b>1,320</b>	<b>-</b>
<b>9. Financial transactions in assets and liabilities</b>			
Material losses through criminal conduct		1,085	1,104
Theft		515	669
Other material losses		570	435
Other material losses written off		2,348	2,613
Debts written off		6,720	43,460
<b>Total</b>		<b>10,153</b>	<b>47,177</b>

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	Notes	2008/09 R'000	2007/08 R'000
<b>10. Transfers and subsidies</b>			
Provinces and Municipalities		685,573	331,273
Departmental agencies and accounts		184,624	151,539
Universities and technikons		1,758	1,726
Foreign governmentns and international organisations		137	103
Public coporations and private enterprises		93,409	71,500
Non-profit institutions		1,969,986	1,622,453
Households		1,481,508	1,315,424
Gifts, donations and sponsorships made		2,005	988
<b>Total</b>		<b>4,419,000</b>	<b>3,495,006</b>
<b>11. Expenditure on capital assets</b>			
Buildings and other fixed structures		1,618,744	1,568,705
Machinery and equipment		273,108	79,296
Land and subsoil assets		3,700	8,051
Biological or cultivated assets		-	57
Software and other intangible assets		19,572	18,652
<b>Total</b>		<b>1,915,124</b>	<b>1,674,761</b>
<b>12. Unauthorised expenditure</b>			
<b>Reconciliation of unauthorised expenditure</b>			
Opening Balance		127,757	425,981
Unauthorised expenditure-current year		89,179	114,228
Amounts approved by Parliament/Legislature (with funding)		-	(221,066)
Transfer to receivables for recovery (not approved)		-	(191,386)
<b>Unauthorised expenditure awaiting authorisation</b>		<b>216,936</b>	<b>127,757</b>
<b>13. Fruitless and wasteful expenditure</b>			
<b>Reconciliation of fruitless and wasteful expenditure</b>			
Opening Balance		-	708
Add: Fruitless and wasteful expenditure-current year		-	47
Current expenditure		-	47
Less: Amounts condoned		-	674
Current expenditure		-	674
Less: Amounts transferred to receivables for recovery		-	81
<b>Fruitless and wasteful expenditure awaiting condonement</b>		<b>-</b>	<b>-</b>

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	Notes	2008/09 R'000	2007/08 R'000			
<b>14. Cash and cash equivalents</b>						
Consolidated Paymaster General Account		(205)	(65,957)			
Cash receipts		17	-			
Disbursements		7	1,944			
Cash on hand		4,103	53			
Cash with commercial banks (Local)		669,901	572,459			
Cash with commercial banks (Foreign)		-	75,876			
Exchequer account		11,789	60,358			
<b>Total</b>		<b>685,612</b>	<b>644,733</b>			
<b>15. Other financial assets</b>						
Non-Current		818	818			
<b>Total Non-Current Other financial assets</b>		<b>818</b>	<b>818</b>			
<b>16. Prepayments and advances</b>						
Description						
Staff advances		29	23			
Travel and subsistence		1,638	1,808			
Prepayments		-	92			
Advances paid to other entities		3,552	5,842			
SOCPEN advances		-	-			
<b>Total</b>		<b>5,219</b>	<b>7,765</b>			
<b>17. Receivables</b>						
		<b>2008/09 Less than 1 year R'000</b>	<b>2008/09 1-3 years R'000</b>	<b>2008/09 Older than 3 years R'000</b>	<b>2008/09 2008/09 Total R'000</b>	<b>2007/08 2007/08 Total R'000</b>
Claims recoverable		83,876	6,209	230	90,315	23,781
Recoverable expenditure		174,431	3,132	65	177,628	5,840
Staff debt		19,235	16,602	16,131	51,968	44,304
Other debtors		14,191	18,193	44,081	76,465	80,933
<b>Total</b>		<b>291,733</b>	<b>44,136</b>	<b>60,507</b>	<b>396,376</b>	<b>154,858</b>

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	Notes	2008/09 R'000	2007/08 R'000
<b>18. Investments</b>			
18.1 <b>Current</b>			
Domestic		1,466,000	1,864,000
<b>Total current investments</b>		<b>1,466,000</b>	<b>1,864,000</b>
18.2 <b>Non-current</b>			
Shares and other equity		179,506	153,190
<b>Total non-current</b>		<b>179,506</b>	<b>153,190</b>
<b>19. Bank overdraft</b>			
Consolidated Paymaster General Account		23,690	81,203
<b>Total</b>		<b>23,690</b>	<b>81,203</b>
<b>20. Payables-Current</b>			
<b>Description</b>			
Amounts owing to other entities		23,362	11,267
Advances received		89,179	-
Clearing accounts		84,050	76,557
Other payables		252,785	233,921
<b>Total</b>		<b>449,376</b>	<b>321,745</b>
<b>21. Net cash flow available from operating activities</b>			
21.1 <b>Net surplus /(deficit) as per Statement of Financial Performance</b>		835,932	453,367
Add back non cash/cash movements not deemed operating activities		1,133,679	874,082
(Increase)/decrease in receivables-current		(241,518)	53,732
(Increase)/decrease in prepayments and advances		2,546	(1,974)
(Increase)/decrease in other current assets		(78,540)	288,661
Increase/(decrease) in payables-current		116,886	(343,116)
Proceeds from sale of capital assets		189,613	(53,447)
(Increase)/decrease in other financial assets		(15)	-
Expenditure on capital assets		1,708,136	1,671,800
Surrenders to revenue fund		(2,200,833)	(2,563,126)
Own revenue included in appropriation		464,141	498,918
Other non cash items		1,173,263	1,322,634
<b>Net cash flow generated by operating activities</b>		<b>1,969,611</b>	<b>1,327,449</b>

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	Notes	2008/09 R'000	2007/08 R'000
<b>21.2 Reconciliation of cash and cash equivalents for cash flow purposes</b>			
Consolidated Paymaster General Account		(19,725)	(147,160)
Cash receipts		17	-
Disbursements		(4,163)	1,944
Cash on hand		4,103	182
Cash with commercial banks-Local		669,901	648,206
Exchequer Account		11,789	60,358
<b>Cash and cash equivalents for cash flow purposes</b>		<b>661,922</b>	<b>563,530</b>

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	Notes	2008/09 R'000	2007/08 R'000
<b>22. Contingent Liabilities</b>			
22.1 <b>Liable to:</b>			
Motor vehicle guarentees		-	31
Housing loan guarentees		10,673	17,924
Other guarentees		-	25,590
Claims against the department		169,576	83,513
Other departments (Interdepartmental unconfirmed balances)		31,929	11,698
Other		1,527	6,521
<b>Total</b>		<b>213,705</b>	<b>145,277</b>
22.2 <b>Contigent Assets</b>			
<b>Recover from</b>	<b>Nature</b>		
Nursing Staff	OSD payments	2,177	2,177
<b>Total</b>		<b>2,177</b>	<b>2,177</b>
23. <b>Commitments</b>			
<b>Current Expenditure</b>			
Approved and contracted		683,879	548,075
Approved but not yet contracted		11,621	98,513
<b>Total</b>		<b>695,500</b>	<b>646,588</b>
<b>Capital expenditure</b>			
Approved and contracted		2,524,457	562,762
Approved but not yet contracted		294,028	137,047
<b>Total</b>		<b>2,818,485</b>	<b>699,809</b>
<b>Total Commitments</b>		<b>3,513,985</b>	<b>1,346,397</b>



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**24. Accruals**

	<b>30 Days</b>	<b>30 Days</b>
	<b>R'000</b>	<b>R'000</b>
<b>By economic classification</b>		
Compensation of employees	13,896	5,608
Goods and services	351,714	166,495
Transfers and subsidies	79,056	6,394
Buildings and other fixed structures	119,870	40,576
Machinery and Equipment	11,853	4,393
Land and subsoil assets	25	-
Software and other intangible assets	277	591
Other	24	-
<b>Total</b>	<b>576,715</b>	<b>224,057</b>

	<b>30+ Days</b>	<b>30+ Days</b>
	<b>R'000</b>	<b>R'000</b>
<b>Accruals</b>		
<b>By economic classification</b>		
Compensation of employees	3,313	41,613
Goods and services	113,493	69,435
Transfers and subsidies	72,357	3,065
Buildings and other fixed structures	61,641	3,514
Machinery and Equipment	10,057	827
Software and other intangible assets	166	-
Other	95	69
<b>Total</b>	<b>261,122</b>	<b>118,523</b>

	<b>2008/09</b>	<b>2007/08</b>
	<b>Total</b>	<b>Total</b>
	<b>R'000</b>	<b>R'000</b>
<b>Accruals</b>		
<b>By economic classification</b>		
Compensation of employees	17,209	47,221
Goods and services	465,207	235,930
Transfers and subsidies	151,413	9,459
Buildings and other fixed structures	181,511	44,090
Machinery and Equipment	21,910	5,220
Land and subsoil assets	25	79
Software and other intangible assets	443	591
Other	119	69
<b>Total</b>	<b>837,837</b>	<b>342,659</b>

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	Notes	2008/09 R'000	2007/08 R'000
<b>25. Employees benefit provisions</b>			
Leave entitlement		225,545	215,106
Thirteenth cheque		364,785	318,050
Performance Awards		78,158	64,030
Capped Leave Commitments		1,196,420	1,131,109
<b>Total</b>		<b>1,864,908</b>	<b>1,728,295</b>
		<b>2008/09</b>	<b>2008/09</b>
<b>26. Operating Leases</b>			
	<b>Land</b>	<b>Buildings and Other fixed structures</b>	<b>Machinery and Equipment</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Not later than 1 year	-	78,519	12,516
Later than 1 year and not later than 5 years	-	84,876	8,229
Later than 5 years	-	17,301	-
<b>Total present value</b>	<b>-</b>	<b>180,696</b>	<b>20,745</b>
		<b>2007/08</b>	<b>2007/08</b>
<b>27. Operating Leases</b>			
	<b>Land</b>	<b>Buildings and Other fixed structures</b>	<b>Machinery and Equipment</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Not later than 1 year	-	78,081	9,968
Later than 1 year and not later than 5 years	-	134,610	19,171
Later than 5 years	-	232,189	-
<b>Total present value</b>	<b>-</b>	<b>444,880</b>	<b>29,139</b>
		<b>2008/09</b>	<b>2008/09</b>
<b>28. Finance Leases</b>			
	<b>Land</b>	<b>Buildings and Other fixed structures</b>	<b>Machinery and Equipment</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Not later than 1 year	-	-	10,530
Later than 1 year and not later than 5 years	-	-	10,482
<b>Total present value</b>	<b>-</b>	<b>-</b>	<b>21,012</b>

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		2007/08	2007/08
	Land	Buildings and Other fixed structures	Machinery and Equipment
	R'000	R'000	R'000
			Total R'000
<b>29. Finance Leases</b>			
Not later than 1 year	-	-	4,694
Later than 1 year and not later than 5 years	-	-	8,095
Later than 5 years	-	-	-
<b>Total present value</b>	<b>-</b>	<b>-</b>	<b>12,789</b>
<b>30. Receivables for departmental revenue</b>			
Tax Revenue		249,920	238,082
Sales of goods and services other than capital assets		385,689	422,571
Fines, Penalties and foreits		34	1
Interest, dividends and rent on land		37	3
Financial transactions in assets and liabilities		-	7,081
Other		45,177	-
<b>Total</b>		<b>680,857</b>	<b>667,738</b>
<b>31. Irregular expenditure</b>		<b>2008/09 R'000</b>	<b>2007/08 R'000</b>
<b>Reconciliation of irregular expenditure</b>			
Opening Balance		32,312	17,969
Add: irregular expenditure-relating to prior year		8,976	-
Irregular expenditure-current year		13,531	49,793
Less: Amounts condoned		21,975	35,450
Current expenditure		21,975	35,450
Less: Not condoned		1,916	-
Current expenditure		1,705	-
Less: Amounts recoverable (not condoned)		211	-
<b>Irregular expenditure awaiting condonement</b>		<b>30,928</b>	<b>32,312</b>
<b>Analysis of awaiting condonation per age classification</b>			
Current Year		17,025	18,527
Prior Years		13,903	13,785
<b>Total</b>		<b>30,928</b>	<b>32,312</b>
<b>32. Key Management Personnel (Parliament/Legislatures)</b>			
Speaker to Parliament/the Legislature		2,588	1,643
Secretary to Parliament/the Legislature		1,782	1,638
Other Financial Officer		2,271	1,478
<b>Total</b>		<b>6,641</b>	<b>4,759</b>

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Notes	2008/09 R'000	2007/08 R'000
<b>33. Key management personnel</b>		
<b>Description</b>	<b>No of Individuals</b>	<b>No of Individuals</b>
Political Office Bearers	16	13
Level 15 to 16	30	29
Level 14 (incl CFO at lower level)	83	83
Family members of key management	15	15
<b>Total</b>	<b>144</b>	<b>140</b>
	<b>R'000</b>	<b>R'000</b>
Political Office Bearers	13,365	10,010
Level 15 to 16	28,197	19,640
Level 14 (incl CFO at lower level)	49,181	43,131
Family members of key management	3,865	2,802
<b>Total</b>	<b>94,608</b>	<b>75,583</b>
<b>34. Public Private Partnership</b>		
<b>Contract fee paid</b>	<b>37,210</b>	<b>35,416</b>
Fixed component	37,210	35,416
<b>Other</b>	<b>28,182</b>	<b>12,745</b>
Other Obligations	28,182	12,745
<b>Total</b>	<b>65,392</b>	<b>48,161</b>
<b>35. Provisions</b>		
Households and non profit institutions	195	270
Private enterprises	5,023	2,464
Staff debtors	9,821	4,383
Other debtors	37,542	32,741
Claims receivable	827	-
	<b>53,408</b>	<b>39,858</b>
<b>Departmental</b>		
Impairment of Investments	116,000	77,000
	<b>116,000</b>	<b>77,000</b>
<b>Total</b>	<b>169,408</b>	<b>116,858</b>

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36. Tangible Capital Assets

36.1 MOVEMENT IN TANGIBLE CAPITAL ASSETS REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	Opening Balance	Current Year Adjustment to prior year Balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>BUILDING AND OTHER FIXED STRUCTURES</b>	<b>47,268,655</b>	<b>2,917,593</b>	<b>645,680</b>	<b>107,524</b>	<b>50,724,404</b>
Dwellings	577	(108)	-	469	-
Non-residential buildings	17,629,154	2,850,858	516,166	106,749	20,889,429
Other fixed structures	29,638,553	(2,226)	129,514	306	29,765,535
Heritage assets	371	69,069	-	-	69,440
<b>MACHINERY AND EQUIPMENT</b>	<b>1,511,795</b>	<b>7,786</b>	<b>289,914</b>	<b>134,864</b>	<b>1,674,631</b>
Transport assets	4,394	(81)	19,671	19,705	4,279
Computer equipment	298,551	19,824	83,522	19,956	381,941
Furniture and Office equipment	143,220	(3,248)	30,252	17,453	152,771
Other machinery and equipment	1,065,630	(8,709)	156,469	77,750	1,135,640
<b>LAND AND SUBSOIL ASSETS</b>	<b>20,261,653</b>	<b>(20,168,121)</b>	<b>2,834</b>	<b>27,130</b>	<b>69,236</b>
Land	20,261,653	(20,168,121)	2,834	27,130	69,236
<b>Investment Property</b>	<b>-</b>	<b>646,162</b>	<b>-</b>	<b>-</b>	<b>646,162</b>
Investment Property	-	646,162	-	-	646,162
<b>BIOLOGICAL AND CULTIVATED ASSETS</b>	<b>5,724</b>	<b>(48)</b>	<b>1,373</b>	<b>65</b>	<b>6,984</b>
Biological and cultivated assets	5,724	(48)	1,373	65	6,984
<b>TOTAL TANGIBLE ASSETS</b>	<b>69,047,827</b>	<b>(16,596,628)</b>	<b>939,801</b>	<b>269,583</b>	<b>53,121,417</b>

WESTERN CAPE PROVINCE: DEPARTMENTS  
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**Disclosure notes to the Consolidated Financial Information  
for the year ended 31 March 2009**

## 36.2 MOVEMENT IN TANGIBLE CAPITAL ASSETS REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	Opening Balance	Current Year Adjustment to prior year Balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>BUILDING AND OTHER FIXED STRUCTURES</b>	<b>58,072,475</b>	-	<b>189,370</b>	<b>10,993,190</b>	<b>47,268,655</b>
Dwellings	519	-	189	131	577
Non-residential buildings	26,558,285	-	187,663	9,116,794	17,629,154
Other fixed structures	31,513,300	-	1,518	1,876,265	29,638,553
Heritage assets	371	-	-	-	371
<b>MACHINERY AND EQUIPMENT</b>	<b>1,323,647</b>	-	<b>273,355</b>	<b>85,207</b>	<b>1,511,795</b>
Transport assets	3,972	-	27,869	27,447	4,394
Computer equipment	238,328	-	71,524	11,301	298,551
Furniture and Office equipment	134,815	-	11,021	2,616	143,220
Other machinery and equipment	946,532	-	162,941	43,843	1,065,630
<b>LAND AND SUBSOIL ASSETS</b>	<b>3,020,048</b>	-	<b>17,297,961</b>	<b>56,356</b>	<b>20,261,653</b>
Land	3,020,048	-	17,297,961	56,356	20,261,653
<b>BIOLOGICAL AND CULTIVATED ASSETS</b>	<b>5,478</b>	-	<b>308</b>	<b>62</b>	<b>5,724</b>
Biological and cultivated assets	5,478	-	308	62	5,724
<b>TOTAL TANGIBLE ASSETS</b>	<b>62,421,648</b>	-	<b>17,760,994</b>	<b>11,134,815</b>	<b>69,047,827</b>

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**Disclosure notes to the Consolidated Financial Information  
for the year ended 31 March 2009**

**37. Intangible Capital Assets**

**37.1 MOVEMENT IN INTANGIBLE CAPITAL ASSETS REGISTER FOR THE YEAR ENDED 31 MARCH 2009**

	Opening Balance	Current Year Adjustment to prior year Balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
CAPITALISED DEVELOPMENT COSTS	56,443	660	8,402	-	65,505
COMPUTER SOFTWARE	4,224	61	3,146	42	7,389
<b>TOTAL INTANGIBLE ASSETS</b>	<b>60,667</b>	<b>721</b>	<b>11,548</b>	<b>42</b>	<b>72,894</b>

**37.2 MOVEMENT IN INTANGIBLE CAPITAL ASSETS REGISTER FOR THE YEAR ENDED 31 MARCH 2008**

	Opening Balance	Current Year Adjustment to prior year Balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
CAPITALISED DEVELOPMENT COSTS	39,912	-	16,531	-	56,443
COMPUTER SOFTWARE	2,823	-	1,522	121	4,224
<b>TOTAL INTANGIBLE ASSETS</b>	<b>42,735</b>	<b>-</b>	<b>18,053</b>	<b>121</b>	<b>60,667</b>





# **WESTERN CAPE PROVINCE**

## **ANNUAL CONSOLIDATED FINANCIAL INFORMATION for the year ended 31 March 2009**

### **Public and Trading Entities**

## **Contents**

### **Report of the Auditor-General: Public and Trading Entities**

#### **Consolidated Financial Information of the Western Cape Provincial Public and Trading Entities**

- Accounting Policies
- Consolidated Financial Information



**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 2009**

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 2009, set out on pages 81 to 110. 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 25 and 36, 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 corresponding figures in the 2008/09 financial year's consolidated financial information did not agree to the figures in the 2007/08 financial year's consolidated financial information, because six public entities and two trading entities had restated their corresponding 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 27 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 2009.
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 engagement is sincerely appreciated.

*Auditor-General*

Cape Town

29 March 2010



**A U D I T O R - G E N E R A L**  
**S O U T H A F R I C A**

*Auditing to build public confidence*



WESTERN CAPE PROVINCE: TRADING AND PUBLIC ENTITIES  
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**Statement of Accounting Policies and Related Matters  
for the year ended 31 March 2009**

**1. Accounting Policies and related matters**

The Annual Consolidated Financial Information has 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 incorporates 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**

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

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**Statement of Accounting Policies and Related Matters  
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**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.

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



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**Statement of Accounting Policies and Related Matters  
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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.

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.

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**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.

**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.

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***Financial assets***

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

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

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

***Financial liabilities***

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

Trade and other payables are stated at their nominal value.

**1.12 Provisions**

Provisions are recognized 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 recognized 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 that 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.

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**1.13 Government grants**

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

**1.14 Comparative figures**

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

**1.15 Public Private Partnerships (PPP)**

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

**1.16 Cash and cash equivalent**

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

**1.17 Changes in accounting estimates and errors**

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

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

**1.18 Investments**

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

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

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



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**Consolidated Statement of Financial Performance  
for the year ended 31 March 2009**

	Notes	2008/09 R'000	2007/08 R'000
<b>REVENUE</b>			
Sale of goods	1	451,343	363,210
Rendering of services	2	432,485	322,078
Rental income	3	963	2,266
Transfers and subsidies	4	193,111	189,848
Fines, penalties and forfeits	5	229	97
Local and foreign aid assistance	6	30,283	33,723
Gains on disposal of assets	7	292	48
Gifts, sponsorships and donations	8	2,021	81
Other income	9	155,376	97,353
<b>TOTAL REVENUE</b>		<b>1,266,103</b>	<b>1,008,704</b>
<b>EXPENDITURE</b>			
Cost of Sales		(379,349)	(312,263)
Losses on disposal of assets	7	(101)	(123)
Administrative expenses	10	(92,877)	(49,852)
Staff costs	11	(160,782)	(141,805)
Marketing costs	12	(25,535)	(36,164)
Audit fees	13	(6,291)	(5,134)
Project expenses	14	(125,964)	(70,001)
Transfers and subsidies	15	(2,529)	(4,479)
Gifts, sponsorships and donations	16	(4)	-
Other operating expenses	17	(358,148)	(256,338)
<b>TOTAL EXPENDITURE</b>		<b>(1,151,580)</b>	<b>(876,159)</b>
<b>SURPLUS/(DEFICIT) FROM OPERATIONS</b>		<b>114,523</b>	<b>132,545</b>
Finance income	18	13,108	12,128
Finance cost	19	(36)	(13)
Income from investments	20	82	64
<b>SURPLUS/(DEFICIT) BEFORE TAX</b>		<b>127,677</b>	<b>144,724</b>
<b>SURPLUS/(DEFICIT) AFTER TAX FROM CONTINUING OPERATIONS</b>		<b>127,677</b>	<b>144,724</b>
<b>SURPLUS/(DEFICIT) AFTER TAX ATTRIBUTABLE TO:</b>			
Net asset holders of the controlling entity		127,677	144,724
<b>Surplus/(Deficit) for the year</b>		<b>127,677</b>	<b>144,724</b>

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**Consolidated Statement of Financial Performance  
for the year ended 31 March 2009**

	Notes	2008/09 R'000	2007/08 R'000
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>3,387,783</b>	<b>3,995,220</b>
Property, plant and equipment	21	3,351,712	3,967,271
Investment property	22	1,009	1,009
Intangible assets	23	12,224	9,994
Financial assets available-for-sale	24	22,838	16,921
Loans and receivables	25	-	25
<b>Current assets</b>		<b>675,382</b>	<b>728,633</b>
Loans and receivables	25	367,321	473,092
Inventory	26	103,356	59,199
Cash and cash equivalents	27	204,705	196,342
Non-current assets held for sale	39	890	642
<b>TOTAL ASSETS</b>		<b>4,064,055</b>	<b>4,724,495</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>		<b>6,751</b>	<b>10,296</b>
Finance lease obligations	28	69	39
Retirement benefit obligation	29	3,540	7,576
Provisions	33	3,142	2,681
<b>Current liabilities</b>		<b>444,192</b>	<b>354,841</b>
Bank overdraft	27	-	184
Finance lease obligations	28	102	84
Government grants	30	4,617	17,639
Trade and other payables	31	194,902	149,066
Income received in advance	32	183,476	176,717
Provisions	33	1,831	2,048
Financial Instrument liability	40	59,264	9,103
<b>TOTAL LIABILITIES</b>		<b>450,943</b>	<b>365,137</b>
<b>NET ASSETS</b>			
<b>CAPITAL AND RESERVES</b>			
Share Capital (Contributions from owners)	44	25,000	25,000
Accumulated surplus/(deficit)	45	103,179	856,425
Financial instrument reserve	46	1,270	1,589
Revaluation reserve	47	3,436,238	3,430,240
Other reserves	48	47,425	46,104
<b>TOTAL NET ASSETS</b>		<b>3,613,112</b>	<b>4,359,358</b>
<b>TOTAL NET ASSETS AND LIABILITIES</b>		<b>4,064,055</b>	<b>4,724,495</b>



WESTERN CAPE PROVINCE: PUBLIC AND TRADING ENTITIES  
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**Consolidated Statement of Changes in Net Assets  
for the year ended 31 March 2009**

	Share Capital (Cont. from Owners)	Accu- mulated Surplus/ (Deficit)	Financial instrument reserve	Revaluation reserve	Other reserves	Total Equity
	R'000	R'000	R'000	R'000	R'000	
Notes	44	45	46	47	48	
<b>Balance at 01 Apr 2007 as originally stated</b>	25,000	802,240	1,825	18,257	47,059	894,381
- correction of prior period error	-	-22,634	-	8,997	-	(13,637)
<b>As restated</b>	<b>25,000</b>	<b>779,606</b>	<b>1,825</b>	<b>27,254</b>	<b>47,059</b>	<b>880,744</b>
Surplus/(Deficit) for the year	-	144,724	-	-	-	144,724
Transfers to/ (from) reserves	-	(9,650)	-	-	-2,087	(11,737)
Revaluation increase/(decrease) on investments	-	1	(235)	-	-	(234)
Revaluation increase/(decrease) on property, plant and equipment	-	-	-	3,402,986	-	3,402,986
Net gains/(losses) not recognised in the statement of financial	-	(54,051)	-	-	-	(54,051)
See note 45	-	(5,219)	-	-	-	(5,219)
See note 45	-	1,014	-	-	-	1,014
See note 46	-	-	(1)	-	-	(1)
See note 48	-	-	-	-	1,132	1,132
<b>Balance at 31 Mar 2008</b>	<b>25,000</b>	<b>856,425</b>	<b>1,589</b>	<b>3,430,240</b>	<b>46,104</b>	<b>4,359,358</b>
- correction of prior period error	-	(702)	-	-	-	(702)
<b>As restated</b>	<b>25,000</b>	<b>855,723</b>	<b>1,589</b>	<b>3,430,240</b>	<b>46,104</b>	<b>4,358,656</b>
Surplus/(Deficit) for the year	-	127,677	-	-	-	127,677
Transfers to/ (from) reserves	-	(9,746)	-	-	-	(9,746)
Revaluation increase/(decrease) on investments	-	-	(319)	-	-	(319)
Revaluation increase/(decrease) on property, plant and equipment	-	9	-	6,109	-	6,118
Net gains/(losses) not recognised in the statement of financial	-	(858,679)	-	-	-	(858,679)
performance	-	(12,811)	-	-	-	(12,811)
See note 45	-	1,006	-	-	-	1,006
See note 46	-	-	(25,500)	-	-	(25,500)
See note 46	-	-	25,500	-	-	25,500
See note 47	-	-	-	(111)	-	(111)
See note 48	-	-	-	-	1,321	1,321
<b>Balance at 31 March 2009</b>	<b>25,000</b>	<b>103,179</b>	<b>1,270</b>	<b>3,436,238</b>	<b>47,425</b>	<b>3,613,112</b>

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**Consolidated Cash flow Statement  
for the year ended 31 March 2009**

	Notes	2008/09 R'000	2007/08 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers		1,065,256	918,850
Cash paid to suppliers and employees		(1,031,937)	(850,777)
<b>Cash generated from/(utilised in) operations</b>	35	<b>33,319</b>	<b>68,073</b>
Interest received / (paid)		13,784	12,359
Dividends received / (paid)		(4,763)	(4,582)
<b>Net cash inflows/ outflows from operating activities</b>	41	<b>42,340</b>	<b>75,850</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds on disposal of:		12,132	12,910
Property, plant and equipment		12,132	12,910
Acquisition of:		(152,862)	(108,494)
Property, plant and equipment		(134,868)	(89,455)
Intangible assets		(3,015)	(4,026)
Associates and joint ventures		(15,000)	(15,000)
see note 42		56	1
see note 42		(35)	(14)
<b>Net cash flows from investing activities</b>	42	<b>(140,730)</b>	<b>(95,584)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayments of :		(2,470)	(36,300)
Finance lease obligations		(36)	(16)
Other		(2,434)	(36,284)
Increase/(decrease) in non-current financial instruments		52,529	(2,722)
Proceeds from:		62,354	52,172
Other		62,354	52,172
Increase in amounts owing to controlled entities		(5,476)	(2,019)
<b>Net cash flow financing activities</b>	43	<b>106,937</b>	<b>11,131</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>8,547</b>	<b>(8,603)</b>
Cash and cash equivalents at the beginning of the year		196,158	204,761
<b>Cash and cash equivalents at end of the year</b>		<b>204,705</b>	<b>196,158</b>

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	Notes	2008/09 R'000	2007/08 R'000
<b>1. Sale of goods</b>			
WCGRB Board charge outs		5,174	4,487
CMD sale of goods to hospitals & WCGRB Exclusivity fees		430,930	343,823
WCGRB Investigation fees		13,699	13,566
WCGRB Application fees		1,540	1,334
<b>Total</b>		<b>451,343</b>	<b>363,210</b>
<b>2. Rendering of services</b>			
Casidra Consultation and management & GMT National services		74,878	54,547
Casidra Project income & GMT Provincial services		357,607	267,531
<b>Total</b>		<b>432,485</b>	<b>322,078</b>
<b>3. Rental income</b>			
Casidra Investment properties & WCNCB Staff accommodation		592	1,908
WCNCB private house rental		371	358
<b>Total</b>		<b>963</b>	<b>2,266</b>
<b>4. Transfers and subsidies received</b>			
National Departments		668	640
Provincial Departments		162,332	136,867
Local Governments		7,648	30,994
DMO & WESGRO rental by Dept; CC trfs Internal; WCGRB Capital reserve		3,873	2,236
Project Funding		3,590	697
Cape Town Film Studios - Interest		-	3,414
Cape Town Film Studios - Investment		15,000	15,000
<b>Total</b>		<b>193,111</b>	<b>189,848</b>
<b>5. Fines, penalties and forfeits</b>			
Fines		229	97
<b>Total</b>		<b>229</b>	<b>97</b>
<b>6. Local and foreign aid assistance received</b>			
Local and foreign aid assistance received		<b>30,283</b>	<b>33,723</b>
- In Cash		30,283	33,723
<b>7. Gains/losses on disposal of assets</b>			
<b>7.1 Gains on disposal of assets</b>		<b>292</b>	<b>48</b>
Property plant and equipment		292	48
<b>7.2 Losses on disposal of assets</b>		<b>101</b>	<b>123</b>
Property plant and equipment		101	123

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	Notes	2008/09 R'000	2007/08 R'000
8. <b>Gifts, sponsorships and donations received</b>		<b>2,021</b>	<b>81</b>
9. <b>Other income</b>			
Management fees received		1,300	-
Income from insurance claims		106	26
CC rental; DMO projects; LB liquor income; WCGRB ict search;		20,308	9,256
DMO & WESGRO sundry; WCNCB sundry; GMT grants		90,136	66,473
DMO programme; WESGRO interest; GMT doubtful debts		6,865	8,357
WESGRO Fair value sale investment; GMT reimbursive income		36,661	13,241
<b>Total</b>		<b>155,376</b>	<b>97,353</b>
10. <b>Administrative expenses</b>			
General administrative expenses		29,467	20,918
DMO rent; LB travel; WESGRO & YC logistic		2,068	1,792
WESGRO Strat Sessions; PDC rental; YC subs		960	917
WESGRO Impairment investment; PDC meeting expenses		27,698	1,937
PDC Bad Debts; YC catering		1,860	450
- Technical		1,285	-
- Board members		1,111	1,088
GMT licence fees;		4,288	2,137
LB sundry & PDC sundry expenses		160	24
Internal audit fees		549	705
Legal fees		2,581	2,787
Entertainment		755	589
Stationery and printing		2,521	1,404
Venues and facilities		408	940
Restructuring costs		-	-
Bad debt written off		643	(95)
Bank charges		9,191	8,558
Training and staff development		7,247	5,522
Net foreign exchange (gains) / losses		85	179
<b>Total</b>		<b>92,877</b>	<b>49,852</b>

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	Notes	2008/09 R'000	2007/08 R'000
<b>11. Staff costs</b>			
Wages and salaries		<b>149,177</b>	<b>127,317</b>
- Basic salaries		130,520	110,586
- Performance awards		1,602	2,052
- Periodic payments		4,995	3,887
- Other non-pensionable allowance		4,616	4,352
- Temporary staff		556	555
- Leave payments		1,931	1,719
- Overtime pay		3,154	2,396
- Severance packages		146	105
Executive director's emoluments		1,657	1,665
Social contributions (Employer's contributions)		<b>14,446</b>	<b>12,780</b>
- Medical		5,362	4,946
- UIF		736	660
- Official unions and associations		3	3
- Insurance		826	469
- Pension		7,293	6,530
- Other salary related costs		226	172
Defined benefit plan expense		<b>(2,945)</b>	<b>1,611</b>
- current service cost		1,091	1,450
- interest cost		-	270
- expected return on plan assets		(4,036)	(109)
Other long-term employee benefits including long-service leave, surplus sharing, deferred compensation		104	97
<b>Total</b>		<b>160,782</b>	<b>141,805</b>
<b>12. Marketing costs</b>			
Advertising		15,296	19,671
DMO & Casidra Annual report; WESGRO publishing		3,587	4,108
DMO & Casidra News letter		2,804	2,450
Other (please specify)		-	5,573
DMO Client relation		3,524	3,330
DMO ICT		324	1,032
<b>Total</b>		<b>25,535</b>	<b>36,164</b>
<b>13. Audit fees</b>		<b>6,291</b>	<b>5,134</b>
Statutory Audit		5,028	3,844
Prior year under / (over) provision		1,105	1,290
WC Heritage & LC internal		158	-

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	Notes	2008/09 R'000	2007/08 R'000
<b>14. Project expenses</b>		<b>125,964</b>	<b>70,001</b>
DMO Africa aerospace; WESGRo workshops		109,580	66,253
DMO ITESP; WESGRO dev program		5,201	868
DMO PECOS; WESGRO Plek Plan & CNBC Africa		848	388
DMO TSS		3,905	759
DMO Visitor membership; WESGRO EPD		5,948	1,209
DMO Client relationship; WESGRO project facilitation		482	524
<b>15. Transfers and subsidies paid</b>		<b>2,529</b>	<b>4,479</b>
LB non profit organizations		2,529	4,471
Maintenance		-	8
<b>16. Gifts, donations and sponsorships paid</b>		<b>4</b>	<b>-</b>
<b>17. Other operating expenses</b>			
Consultants, contractors and special services		57,310	44,490
Equipment items expensed as per entity policy		43	31
WES Trans Costs; Casidra sundry, DMO insure ;CC adverts		3,225	6,078
WES Recruit GMT theft; YC transp; CC leases; DMO exp		6,508	3,850
WES Software Fees; GMT 3rd party; CC bad debts; LB tele		2,097	845
WCNCB & WESGRO Board Expenses; GMT tracking costs		11,947	6,981
WCNCB & WESGRO Sundry; GMT loss sale		8,371	4,561
<b>Maintenance, repairs and running costs</b>		<b>151,865</b>	<b>99,421</b>
- Property and buildings		2,772	2,019
- Machinery and Equipment		148,977	97,271
- Other maintenance, repairs and running costs		116	131
Impairment recognised / (reversed)		2,624	1,248
Depreciation		<b>53,750</b>	<b>47,004</b>
- Assets carried at cost		53,750	47,004
Amortisation		1,265	787
Stores/consumables		9,201	6,630
Municipal services		1,420	1,071
Travel and subsistence		6,324	4,092
Courier and delivery charges		105	95
Communication costs		7,720	5,923

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	Notes	2008/09 R'000	2007/08 R'000
Rentals in respect of operating leases (minimum lease payments)		<b>34,373</b>	<b>23,231</b>
- Buildings		973	2,546
- Plant, machinery and equipment		10,327	9,443
- Vehicles		10,168	7,559
LB printing; GMT prov debts & 3rd party		12,905	3,683
<b>Total</b>		<b>358,148</b>	<b>256,338</b>
<b>18. Finance income</b>			
Interest on			
- Cash and bank deposits		4,485	4,358
- Short-term investments		1,515	1,400
Interest/discount on outstanding debtors		7,108	6,370
<b>Total</b>		<b>13,108</b>	<b>12,128</b>
<b>19. Finance costs</b>			
Interest expense:		<b>22</b>	<b>9</b>
- Borrowings		19	9
- Obligations under finance leases		3	-
WCNCB Interest paid		14	4
<b>Total</b>		<b>36</b>	<b>13</b>
<b>20. Income from investments</b>			
Dividend income		<b>82</b>	<b>64</b>
- Listed investments		82	64
<b>Total</b>		<b>82</b>	<b>64</b>
The charge for the year can be reconciled to the surplus per the statement of financial performance as follows:			
<b>Surplus/ (Deficit) before taxation</b>		<b>3,406</b>	<b>486</b>
Tax at 29%		988	141
Tax expense		988	141
Total assessable deficit		(7,954)	(10,901)
		<b>(7,954)</b>	<b>(10,901)</b>

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	Notes	2008/09 R'000	2007/08 R'000
<b>21. Property, plant and equipment</b>			
<b>Land</b>			
<b>Opening net carrying amount</b>		<b>7,740</b>	<b>7,888</b>
Gross carrying amount		8,106	7,888
Accumulated impairment		(366)	-
Impairment deficit (recognised)/reversed		-	(366)
Revaluation adjustments		-	218
WCNCB prior year adjustment		(1,765)	-
<b>Closing net carrying amount 31 March</b>		<b>5,975</b>	<b>7,740</b>
Gross carrying amount		6,341	8,106
Accumulated impairment		(366)	(366)
<b>Buildings</b>			
<b>Opening net carrying amount</b>		<b>3,623,281</b>	<b>236,666</b>
Gross carrying amount		3,623,381	236,714
Accumulated depreciation		(100)	(48)
Revaluation adjustments		-	3,412,131
Additions		54	99
Transfer (to)/from asset held for sale or disposal group classified as held for sale		(681,828)	(11,463)
Disposals		(14,982)	(14,110)
Depreciation charge		(178)	(52)
Impairment deficit (recognised)/reversed		(175)	-
WCNCB prior yr adjustment & reclassification		6,505	10
<b>Closing net carrying amount 31 March</b>		<b>2,932,677</b>	<b>3,623,281</b>
Gross carrying amount		2,933,130	3,623,381
Accumulated depreciation		(278)	(100)
Accumulated impairment deficit		(175)	-
<b>Plant and equipment</b>			
<b>Opening net carrying amount</b>		<b>1,455</b>	<b>1,777</b>
Gross carrying amount		5,370	4,656
Accumulated depreciation		(3,872)	(2,843)
Accumulated impairment		(43)	(36)
Revaluation adjustments		268	-
Additions		1,749	736
Transfer (to)/from asset held for sale or disposal group classified as held for sale		-	(2)
Disposals		-	(10)
Depreciation charge		(860)	(1,029)
Impairment deficit (recognised)/reversed		-	(7)
WCNCB prior yr adjustments		177	(10)
<b>Closing net carrying amount 31 March</b>		<b>2,789</b>	<b>1,455</b>
Gross carrying amount		7,564	5,370
Accumulated depreciation		(4,732)	(3,872)
Accumulated impairment deficit		(43)	(43)



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Notes	2008/09 R'000	2007/08 R'000
<b>Vehicles</b>		
<b>Opening net carrying amount</b>	<b>317,630</b>	<b>294,450</b>
Gross carrying amount	487,138	421,445
Accumulated depreciation	(166,439)	(124,791)
Accumulated impairment	(3,069)	(2,204)
Revaluation adjustments	99	-
Additions	138,799	82,397
Transfer (to)/from asset held for sale or disposal group classified as held for sale	(890)	(641)
Disposals	(16,270)	(14,969)
Depreciation charge	(46,616)	(41,648)
Impairment deficit (recognised)/reversed	(2,449)	(865)
WCNCB prior yr adjustments & GMT stolen vehicles	(44)	(1,094)
<b>Closing net carrying amount 31 March</b>	<b>390,259</b>	<b>317,630</b>
Gross carrying amount	608,832	487,138
Accumulated depreciation	(213,055)	(166,439)
Accumulated impairment deficit	(5,518)	(3,069)
<b>Computer equipment</b>		
<b>Opening net carrying amount</b>	<b>5,630</b>	<b>3,129</b>
Gross carrying amount	18,964	14,245
Accumulated depreciation	(13,324)	(11,116)
Accumulated impairment	(10)	-
Revaluation adjustments	416	-
Additions	3,542	4,433
Disposals	(138)	(61)
Depreciation charge	(3,343)	(2,208)
Impairment deficit (recognised)/reversed	-	(10)
WCNCB prior yr adjustment	1,015	347
<b>Closing net carrying amount 31 March</b>	<b>7,122</b>	<b>5,630</b>
Gross carrying amount	23,799	18,964
Accumulated depreciation	(16,667)	(13,324)
Accumulated impairment deficit	(10)	(10)
<b>Office furniture and fittings</b>		
<b>Opening net carrying amount</b>	<b>8,352</b>	<b>5,435</b>
Gross carrying amount	14,580	10,143
Accumulated depreciation	(6,228)	(4,708)
Revaluation adjustments	5,005	-
Additions	899	2,337
Disposals	(4)	(6)
Depreciation charge	(2,539)	(1,520)
WCNCB prior yr adjustment & CMD reclassification	(1,127)	2,106
<b>Closing net carrying amount 31 March</b>	<b>10,586</b>	<b>8,352</b>
Gross carrying amount	19,353	14,580
Accumulated depreciation	(8,767)	(6,228)

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	Notes	2008/09 R'000	2007/08 R'000
<b>Construction WIP</b>			
<b>Opening balance</b>		2,757	2,012
Additions		3,764	745
WCNCB reclassifications		(4,606)	-
<b>Closing balance</b>		<b>1,915</b>	<b>2,757</b>
<b>Other</b>			
<b>Opening net carrying amount</b>		<b>427</b>	<b>485</b>
Gross carrying amount		1,871	1,381
Accumulated depreciation		(1,444)	(896)
Revaluation adjustments		1	-
Additions		175	490
Depreciation charge		(214)	(548)
<b>Closing net carrying amount 31 March</b>		<b>389</b>	<b>427</b>
Gross carrying amount		2,047	1,871
Accumulated depreciation		(1,658)	(1,444)
<b>Total Property, plant and equipment</b>			
<b>Opening net carrying amount</b>		<b>3,967,271</b>	<b>551,842</b>
Gross carrying amount		4,161,800	698,484
Accumulated depreciation		(191,407)	(144,402)
Accumulated impairment		(3,122)	(2,240)
Revaluation adjustments		5,789	3,412,349
Additions		148,982	91,237
Transfer (to)/from asset held for sale or disposal group classified as held for sale		(682,718)	(12,106)
Disposals		(31,394)	(29,156)
Depreciation charge		(53,751)	(47,004)
Impairment deficit (recognised)/reversed		(2,624)	(1,248)
Land - Other		(1,765)	-
Buildings - Other		6,505	10
Plant & equipment - Other		177	(10)
Vehicles - Other		(44)	(1,094)
Computer equipment - Other		1,015	347
Office furniture & fittings - Other		(1,127)	2,106
Construction WIP - Other		(4,606)	-
<b>Closing net carrying amount 31 March</b>		<b>3,351,712</b>	<b>3,967,271</b>
Gross carrying amount		3,602,615	4,161,800
Accumulated depreciation		(245,157)	(191,407)
Accumulated impairment deficit		(5,746)	(3,122)

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	Notes	2008/09 R'000	2007/08 R'000
<b>22. Investment property</b>			
<b>Opening net carrying amount</b>		<b>1,009</b>	<b>1,009</b>
Gross carrying amount/Opening balance		1,009	1,009
<b>Closing net carrying amount 31 March</b>		<b>1,009</b>	<b>1,009</b>
Gross carrying amount/Closing balance		1,009	1,009
<b>23. Intangible assets</b>			
<b>Computer software</b>			
<b>Opening net carrying amount</b>		<b>9,994</b>	<b>6,755</b>
Gross carrying amount		11,670	7,644
Accumulated amortisation		(1,676)	(889)
Revaluation adjustments		331	-
Additions		611	324
Disposals		(8)	-
Amortisation		(1,265)	(787)
WCNCB prior yr adjustment & GMT development cost		2,561	3,702
<b>Closing net carrying amount 31 March</b>		<b>12,224</b>	<b>9,994</b>
Gross carrying amount		15,165	11,670
Accumulated amortisation		(2,941)	(1,676)
<b>Total Intangible Assets</b>			
<b>Opening net carrying amount</b>		<b>9,994</b>	<b>6,755</b>
Gross carrying amount		9,994	7,644
Accumulated amortisation		-	(889)
Revaluation adjustments		331	-
Additions		611	324
Disposals		(8)	-
Amortisation		(1,265)	(787)
Computer Software - Other		2,561	3,702
<b>Closing net carrying amount 31 March</b>		<b>12,224</b>	<b>9,994</b>
Gross carrying amount		12,224	9,994

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	Notes	2008/09 R'000	2007/08 R'000
<b>24. Financial assets</b>			
<b>Financial assets available-for-sale</b>			
Opening balance as originally stated			
Cost		15,000	-
Revaluation / (impairment)		1,921	2,143
Opening balance as originally stated		<b>16,921</b>	<b>2,143</b>
As restated		<b>16,921</b>	<b>2,143</b>
Additions during the year		15,036	15,014
Revaluation / (impairment)		(25,819)	(236)
WESGRO put option		16,700	-
<b>Closing balance</b>		<b>22,838</b>	<b>16,921</b>
Cost		21,200	15,000
Revaluation / (impairment)		1,638	1,921
		<b>22,838</b>	<b>16,921</b>
<b>Non-current financial assets available-for-sale</b>		22,838	16,921
<b>25. Loans and receivables</b>			
<b>Non-current</b>			
Trade receivables		-	25
		-	<b>25</b>
<b>Total non-current</b>		-	<b>25</b>
<b>Current</b>			
Trade receivables		671,450	674,055
<i>Less: Impairment of debtors (provision for doubtful debts)</i>		(487,218)	(367,338)
		<b>184,232</b>	<b>306,717</b>
VAT		284	178
GMT Trade accDept TPW; DMO defferd income		179,935	164,203
DMO interest		99	683
DMO staff loans		267	3
PDC Business programme		500	-
Prepayments and Advances		<b>2,004</b>	<b>1,308</b>
- Staff Advances		41	4
- Travel and Subsistence		5	3
- Prepayments		1,863	1,198
- Advances		95	103
<b>Total current</b>		<b>367,321</b>	<b>473,092</b>

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	Notes	2008/09 R'000	2007/08 R'000
<b>26. Inventory</b>			
Work in progress		3,439	4,290
- other		3,439	4,290
Finished goods		98,408	53,554
Consumable		1,509	1,355
CMD Stock Losses awaiting write-off approval		5,982	1,935
CMD provision stock losses		(5,982)	(1,935)
<b>Total</b>		<b>103,356</b>	<b>59,199</b>
<b>27. Cash and cash equivalents</b>			
Cash and balances with banks		81,429	89,454
Short-term deposit/investments		26,207	33,035
Cash shown as current assets		2	3
Administered funds		95,085	71,473
GMT cash held by Dept TPW		1,982	2,377
		<b>204,705</b>	<b>196,342</b>
<b>For the purposes of the cash flow statement:</b>		<b>204,705</b>	<b>196,158</b>
Cash & cash equivalents		204,705	196,342
Bank overdraft		-	(184)
<b>Cash &amp; cash equivalents at 1 April 2006</b>			192,421
<b>Current</b>			
Bank overdrafts		-	184
<b>Total current</b>		<b>-</b>	<b>184</b>
<b>28. Finance lease obligations</b>			
Reconciliation between the total of the minimum lease payments and the present value:			
Minimum lease payments			
- No later than 1 year		102	84
- Later than 1 year and no later than 5 years		69	39
		<b>171</b>	<b>123</b>
Present value of finance lease liabilities		<b>171</b>	<b>123</b>
		<b>171</b>	<b>123</b>
<b>Non-current portion of finance lease obligation</b>		69	39
<b>Current portion of finance lease obligation</b>		102	84

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**Consolidated Financial Information  
for the year ended 31 March 2009**

	Notes	2008/09 R'000	2007/08 R'000
<b>29. Retirement benefit obligations</b>			
Grand total net liability/assets			
<b>Defined benefit plan</b>			
Present value of funded and unfunded obligations		3,540	7,576
<b>Net liability / (asset)</b>		<b>3,540</b>	<b>7,576</b>
<b>Grand total net liability / assets</b>		<b>3,540</b>	<b>7,576</b>
<b>Analysis for financial reporting purposes</b>		<b>3,540</b>	<b>7,576</b>
Retirement Benefit Obligation		3,540	7,576
<b>30. Government grants</b>			
<b>Property, plant and equipment (non-monetary government grants)</b>			
<b>Opening balance</b>		17,639	32,901
Add: current year receipts		5,568	3,592
Less: amounts transferred to the statement of financial performance (conditions met)		(18,590)	(18,854)
<b>Closing balance</b>		<b>4,617</b>	<b>17,639</b>
<b>Total Government Grants</b>		<b>4,617</b>	<b>17,639</b>
<b>Analysis for financial reporting purposes:</b>		<b>4,617</b>	<b>17,639</b>
<b>Current portion</b>		4,617	17,639
<b>31. Trade and other payables</b>		<b>187,350</b>	<b>142,363</b>
Trade creditors		39,396	23,209
Customers for contract work		-	-
Accruals		22,476	19,829
Deposits		51	61
Administered funds		95,085	71,473
HDF debtors; WCGRB taxes/levies;		30,323	27,791
WESGRO surplus repay			
WCRGB Funds surrendered to PT; WCNCB leave		7,552	6,703
Prepayments & Other		19	-
<b>Total</b>		<b>194,902</b>	<b>149,066</b>

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**Consolidated Financial Information  
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	Notes	2008/09 R'000	2007/08 R'000
<b>32. Income Received in Advance</b>			
<b>Prepayments and advances</b>			
<b>Opening Balance</b>		176,717	149,868
Transfer of income received in advance to the statement of financial performance		(13,737)	(2,948)
Advances		12,088	29,772
GMT vehicle income received		8,408	25
<b>Closing balance</b>		<b>183,476</b>	<b>176,717</b>
<b>33. Provisions</b>			
<b>Restructuring provision</b>			
<b>Opening balance</b>		1,026	1,440
Utilisation of provisions during the year		75	(414)
Unused amounts reversed during the year		(500)	-
Provisions made during the year		292	-
<b>Closing balance</b>		<b>893</b>	<b>1,026</b>
<b>Salary and related expense provision</b>			
<b>Opening balance</b>		3,182	2,960
Utilisation of provisions during the year		(412)	(219)
Unused amounts reversed during the year		(305)	(204)
Provisions made during the year		1,080	645
<b>Closing balance</b>		<b>3,545</b>	<b>3,182</b>
<b>Deferred Operating Lease &amp; Accruals</b>			
<b>Opening balance</b>		34	40
Utilisation of provisions during the year		(15)	(34)
Provisions made during the year		64	28
<b>Closing balance</b>		<b>83</b>	<b>34</b>
<b>Other</b>			
<b>Opening balance</b>		487	241
Utilisation of provisions during the year		(155)	38
Unused amounts reversed during the year		(332)	(241)
Provisions made during the year		452	449
<b>Closing balance</b>		<b>452</b>	<b>487</b>
<b>Total Provisions</b>			
<b>Opening balance</b>		4,729	4,681
Utilisation of provisions during the year		(507)	(629)
Unused amounts reversed during the year		(1,137)	(445)
Provisions made during the year		1,888	1,122
<b>Closing balance</b>		<b>4,973</b>	<b>4,729</b>
<b>Analysis for reporting purposes:</b>		<b>4,973</b>	<b>4,729</b>
Non-current provisions		3,142	2,681
Current provisions		1,831	2,048

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**Consolidated Financial Information  
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	Notes	2008/09 R'000	2007/08 R'000
<b>34. Prior period error</b>			
<i>Specify the item effected in Statement of Financial Performance</i>		(870)	2,582
GMT adjustments		(870)	1,195
Cultural Commission adjustments		-	983
GMT Lease expenses		-	404
<i>Specify the item effected in Statement of Financial Position</i>		-	(2,280)
Liquor Board adjustments		-	(139)
Cultural Commission increase		-	(2,250)
Gambling Board adjustments		-	109
Increase/(decrease) in net assets		-	1,429
		<b>(870)</b>	<b>1,731</b>
<b>35. Cash generated from/(utilised in) operations</b>			
Surplus/(deficit) before tax		<b>127,677</b>	<b>144,724</b>
(Interest received)		(13,901)	(12,406)
Interest paid		17	4
(Dividend received)		(82)	(64)
<b>Non-cash movements/working capital changes</b>		<b>(80,392)</b>	<b>(64,185)</b>
Depreciation		53,750	47,004
Impairment		2,835	2,343
Amortisation		1,265	787
Increase/(Decrease) in impairment of debtors (provision for doubtful debts)		48	(19)
Increase/(Decrease) in payables		(22,365)	(53,172)
Increase/(Decrease) in provisions		82	724
Increase/(Decrease) in borrowings		(4,036)	620
(Gains)/Losses on sale of property, plant and equipment		4,915	3,020
(Gains)/Losses on sale of investment		-	(29)
(Increase)/Decrease in other current assets		(196)	719
(Increase)/Decrease in investment due to		-	-
(Increase)/Decrease in receivables		(74,799)	(72,929)
(Increase)/Decrease in inventories		(44,157)	(2,866)
Foreign exchange (gains)/losses		79	-
WCNCB trf DEDT; GMT payables; WESGRO trf DEDT		(6,447)	(12,617)
WESGRO impairment loss; GMT sale asset;		27,422	1,292
DMO deferred income; WESGRO put option; CMD; GMT prov debts		(18,788)	20,938
<b>Net cash flows from operating activities</b>		<b>33,319</b>	<b>68,073</b>
<b>36. Contingent liabilities</b>			
CMD housing loans guarantees		85	102
		<b>85</b>	<b>102</b>



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**Consolidated Financial Information  
for the year ended 31 March 2009**

	Notes	2008/09 R'000	2007/08 R'000
<b>37. Operating lease arrangements</b>			
<b>Lessee</b>			
<b>Buildings</b>			
At the reporting date the entity had outstanding commitments under non-cancellable operating leases, which fall due as follows:			
Up to 1 year		10,100	10,483
1 to 5 years		11,965	20,838
		<b>22,065</b>	<b>31,321</b>
<b>Other</b>			
At the reporting date the entity had outstanding commitments under non-cancellable operating leases, which fall due as follows:			
Up to 1 year		49,446	47,717
1 to 5 years		45,828	91,718
		<b>95,274</b>	<b>139,435</b>
<b>Total</b>			
At the reporting date the entity had outstanding commitments under non-cancellable operating leases, which fall due as follows:			
Up to 1 year		59,546	58,200
1 to 5 years		57,793	112,556
		<b>117,339</b>	<b>170,756</b>
<b>Lessor</b>			
<b>Other</b>			
At the reporting date the group had contracted with tenants for the following future minimum lease payments:			
Up to 1 year		1,159	1,181
1 to 5 years		355	1,611
		<b>1,514</b>	<b>2,792</b>
<b>Total</b>			
At the reporting date the group had contracted with tenants for the following future minimum lease payments:			
Up to 1 year		1,159	1,181
1 to 5 years		355	1,611
		<b>1,514</b>	<b>2,792</b>

WESTERN CAPE PROVINCE: PUBLIC AND TRADING ENTITIES  
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**Consolidated Financial Information  
for the year ended 31 March 2009**

	Notes	2008/09 R'000	2007/08 R'000
<b>38. Capital commitments</b>			
<b>Commitments for the acquisition of property, plant and equipment</b>		<b>8,597</b>	<b>13,910</b>
- Contracted for but not provided in the financial statements		8,597	13,910
<b>Total future capital commitments</b>		<b>8,597</b>	<b>13,910</b>
<b>39. Non-current assets held for sale</b>			
Other (please specify)		-	(1)
GMT Vehicles at carrying value		1,825	1,044
GMT PPE carrying value		-	2
GMT Less: Impairment loss		(935)	(403)
<b>Total</b>		<b>890</b>	<b>642</b>
<b>40. Financial instrument liability</b>			
Opening balance		9,103	-
Amount owing to Dept of Health		50,161	9,103
<b>Closing balance</b>		<b>59,264</b>	<b>9,103</b>
Analysis for reporting purposes		<b>59,264</b>	<b>9,103</b>
<b>current financial instrument liability</b>		<b>59,264</b>	<b>9,103</b>
<b>41. Net cash inflows/ outflows from operating activities</b>			
Cash receipts from customers		1,065,256	918,850
Cash payments to suppliers and employees		(1,031,937)	(850,777)
<b>Cash generated from/(utilised in) operations</b>		<b>33,319</b>	<b>68,073</b>
Interest received/(paid)		13,784	12,359
Dividends received/(paid)		(4,763)	(4,582)
<b>Net cash inflows/ outflows from operating activities</b>		<b>42,340</b>	<b>75,850</b>
<b>42. For net cash flows from investing activities</b>			
Proceeds on disposal of:		12,132	12,910
Property, plant and equipment		12,132	12,910
Acquisition of:		(152,862)	(108,494)
Property, plant and equipment		(134,868)	(89,455)
Intangible assets		(3,015)	(4,026)
Associates and joint ventures		(15,000)	(15,000)
WCNCB proceeds sale PPE		56	1
Casidra loss on sale PPE		(35)	(14)
<b>Net cash flows from investing activities</b>		<b>(140,730)</b>	<b>(95,584)</b>

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	2008/09	2007/08
Notes	R'000	R'000
<b>43. For net cash flows from financing activities</b>		
Repayments of :	(2,470)	(36,300)
Finance lease obligations	(36)	(16)
GMT advance income & WCGRB surplus to PGWC	(2,434)	(36,284)
Increase/(decrease) in non-current financial instruments	52,529	(2,722)
Proceeds from:	62,354	52,172
Casidra movement; CMD trf to Dept Health; GMT grant received	62,354	52,172
Increase in amounts owing to controlled entities	(5,476)	(2,019)
<b>Net cash flow financing activities</b>	<b>106,937</b>	<b>11,131</b>
<b>44. Share capital (Contributions from owners)</b>		
<b>Balance at the beginning of the year</b>	25,000	25,000
<b>As restated</b>	<b>25,000</b>	<b>25,000</b>
<b>Transfers to/ (from) reserves</b>	<b>25,000</b>	<b>25,000</b>
<b>45. Accumulated surplus/(deficit)</b>		
<b>Balance at the beginning of the year</b>	856,425	802,240
- correction of prior period error	(702)	(22,634)
<b>As restated</b>	<b>855,723</b>	<b>779,606</b>
Surplus/(Deficit) for the year	127,677	144,724
Transfers to/ (from) reserves	(9,746)	(9,650)
Revaluation increase/(decrease) on investments	-	1
Revaluation increase/(decrease) on property, plant and equipment	9	-
Net gains/(losses) not recognised in the statement of financial performance	(858,679)	(54,051)
WESGRO surplus to PGWC; CMD trf Dept Health	(12,811)	(5,219)
CC prior yr adjustment payables; CMD reclassification	1,006	1,014
<b>Balance at the end of the year</b>	<b>103,179</b>	<b>856,425</b>
<b>46. Financial Instrument Reserve</b>		
<b>Balance at the beginning of the year</b>	1,589	1,825
<b>As restated</b>	<b>1,589</b>	<b>1,825</b>
Revaluation increase/(decrease) on investments	(319)	(235)
WESGRO movement fair value	(25,500)	(1)
WESGRO movement fair value reclassified	25,500	-
<b>Balance at the end of the year</b>	<b>1,270</b>	<b>1,589</b>

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	Notes	2008/09 R'000	2007/08 R'000
<b>47. Revaluation Reserve</b>			
<b>Balance at the beginning of the year</b>		3,430,240	18,257
- correction of prior period error		-	8,997
<b>As restated</b>		<b>3,430,240</b>	<b>27,254</b>
Revaluation increase/(decrease) on property, plant and equipment		6,109	3,402,986
WCNCB impairment		(111)	-
<b>Balance at the end of the year</b>		<b>3,436,238</b>	<b>3,430,240</b>
<b>48. Other reserves</b>			
<b>Balance at the beginning of the year</b>		46,104	47,059
<b>As restated</b>		<b>46,104</b>	<b>47,059</b>
Transfers to/ (from) reserves		-	(2,087)
CMD transfers from Dept Health; WCGRB depreciation expense		1,321	1,132
<b>Balance at the end of the year</b>		<b>47,425</b>	<b>46,104</b>

# **WESTERN CAPE PROVINCE**

## **ANNUAL CONSOLIDATED FINANCIAL INFORMATION for the year ended 31 March 2009**

### **Provincial Revenue Fund**

## **Contents**

### **Report of the Auditor-General: Provincial Revenue Fund**

### **Financial Statements of the Western Cape Provincial Revenue Fund**

- Statement of Accounting Policies and Related Matters
- Annual Financial Statements



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**REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT ON THE FINANCIAL STATEMENTS OF THE WESTERN CAPE PROVINCIAL REVENUE FUND FOR THE YEAR ENDED 31 MARCH 2009****REPORT ON THE FINANCIAL STATEMENTS****Introduction**

1. I have audited the accompanying financial statements of the Western Cape Provincial Revenue Fund which comprise the statement of financial position as at 31 March 2009, the statement of financial performance, the statement of changes in net assets and the cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 117 to 151.

**The accounting officer's responsibility for the financial statements**

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.3 and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA), the Division of Revenue Act, 2008 (Act No. 2 of 2008) (DoRA) and the National Treasury Regulations and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**The Auditor-General's responsibility**

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and National Treasury Regulation 18.2, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

7. In my opinion the financial statements present fairly, in all material respects, the financial position of the Western Cape Provincial Revenue Fund as at 31 March 2009 and its financial performance and its cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.3 and in the manner required by the PFMA, DoRA and the National Treasury Regulations.

### **Emphasis of matters**

Without qualifying my opinion, I draw attention to the following matters:

#### **Basis of accounting**

8. The revenue fund's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.3.

#### **Restatement of corresponding figures**

9. As disclosed in note 36 and 37 to the financial statements, the corresponding figures for 31 March 2008 have been restated as a result of changes made to the corresponding figures in the annual financial statements of the individual departments of the Western Cape Provincial Government at, and for the year ended 31 March 2008.

### **Other matters**

I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

#### **Governance framework**

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



**Key governance responsibilities**

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

No.	Matter	Y	N
<b>Clear trail of supporting documentation that is easily available and provided in a timely manner</b>			
1.	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.	■	
<b>Quality of financial statements and related management information</b>			
2.	The financial statements were not subject to any material amendments resulting from the audit.		■
3.	The annual report was submitted for consideration prior to the tabling of the auditor's report.		■
<b>Timeliness of financial statements and management information</b>			
4.	The annual financial statements were submitted for auditing as per the legislated deadlines.	■	
<b>Availability of key officials during audit</b>			
5.	Key officials were available throughout the audit process.	■	
<b>Development and compliance with risk management, effective internal control and governance practices</b>			
6.	Audit committee		
	<ul style="list-style-type: none"> <li>The provincial treasury had an audit committee in operation throughout the financial year.</li> </ul>	■	
	<ul style="list-style-type: none"> <li>The audit committee operates in accordance with approved, written terms of reference.</li> </ul>	■	
	<ul style="list-style-type: none"> <li>The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 3.1.10.</li> </ul>	■	

No.	Matter	Y	N
7.	Internal audit		
	<ul style="list-style-type: none"> <li>The provincial treasury had an internal audit function in operation throughout the financial year.</li> </ul>	■	
	<ul style="list-style-type: none"> <li>The internal audit function operates in terms of an approved internal audit plan.</li> </ul>	■	
	<ul style="list-style-type: none"> <li>The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 3.2.</li> </ul>	■	
8.	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.	■	
9.	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.	■	
10.	The information systems were appropriate to facilitate the preparation of the financial statements.	■	
11.	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in Treasury Regulation 3.2.	■	
12.	Powers and duties for the provincial treasury have been assigned as set out in section 44 of the PFMA.	■	
<b>Follow-up of audit findings</b>			
13.	The prior year audit findings have been substantially addressed.	■	

12. Amendments were made to the financial statements of the individual departments of the Western Cape Provincial Government based on my audits, resulting in the Western Cape Provincial Revenue Fund's financial statements also having to be amended. The adjusted financial statements were approved and submitted for audit purposes on 8 September 2009.

**APPRECIATION**

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

*Auditor - General*

Cape Town

December 2009



**A U D I T O R - G E N E R A L**  
**S O U T H A F R I C A**

*Auditing to build public confidence*



WESTERN CAPE PROVINCE: PROVINCIAL REVENUE FUND  
ANNUAL CONSOLIDATED FINANCIAL INFORMATION

**Statement of Accounting Policies and Related Matters  
for the year ended 31 March 2009**

The Financial Statements have been prepared in accordance with the following accounting 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 Regulation issued in terms of the Act and the Division of Revenue Act, Act 2 of 2008.

**1. Presentation of the Financial Statements**

**1.1 Reporting Entity**

The Provincial Revenue Fund was established in terms of the Constitution of the Republic of South Africa (Section 226 of Act No. 108, 1996) into which all money received by the provincial government must be paid except money reasonably excluded by an Act of Parliament. Money may be withdrawn from the Provincial Revenue Fund only in terms of an appropriation by a provincial Act or as a direct charge against the Provincial Revenue Fund, when it is provided for in the Constitution or a provincial Act. Revenue allocated through a province to local government in that province in terms of section 214(1), is a direct charge against the Provincial Revenue Fund.

**1.2 Going concern**

Reliance is placed upon the fact that the financial statements of National/ Provincial Revenue Fund are prepared on a going concern basis. The Revenue Fund was established in terms of the Constitution of the Republic of South Africa, 1996 and is therefore seen as an going concern.

**1.3 Basis of preparation**

The Financial Statements have been, unless otherwise indicated, prepared on the modified cash basis of accounting in accordance with the under mentioned policies which have been applied consistently in all material respects. 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. This basis of accounting measures financial results for a period as the difference between cash receipts and cash payments.

Unless otherwise noted, accounting policies adopted are consistent with those of the previous financial year.

WESTERN CAPE PROVINCE: PROVINCIAL REVENUE FUND  
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**Statement of Accounting Policies and Related Matters  
for the year ended 31 March 2009**

**1.4 Rounding and Presentation currency**

All amounts are rounded to the nearest one thousand rands (R'000). All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the revenue fund.

**1.5 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.

**2. Revenue**

**2.1 Appropriated Funds**

Appropriated funds include equitable share and conditional grant to entities in terms of an Act of Parliament/Province. Appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments to the appropriated funds made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Total funds appropriated during the financial year are represented in the Statement of Financial Performance.

Unexpended appropriated funds are surrendered to the National/Provincial Revenue Fund. Amounts owing to the National/Provincial revenue Fund at the end of the financial year are recognised in the Statement of Financial Position.

**2.2 SARS Revenue/Provincial Taxes**

Taxpayer-assessed revenues including payroll tax and stamp duty, are recognised when funds are received by South African Revenue Services (SARS). Cash in transit or overremitted as at 31 March by the SARS is included in the Statement of Financial Position as other receivables/payables.

For the Provincial Revenue Funds these taxes consist mainly of Casino taxes, Horse racing taxes, Liquor licence taxes and Motor vehicle licences. Revenue is recognised in the Statement of Financial Performance on receipt of the funds.

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**2.3 Departmental Revenue**

Total revenue collected by departments are recognised by the Revenue Fund.

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

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

**2.3.2 Transfers received**

Transfers received include transfers from Universities and Technikons, Foreign governments, International organisations, Public corporations and private enterprises, Households and non-profit institutions and Other governmental units. Revenue is recognised in the Statement of Financial Performance on receipt of the funds by departments.

**Gifts, donations and sponsorships (transfers received)**

All cash gifts, donations and sponsorships are paid into the National/Provincial Revenue Fund and recorded as revenue in the Statement of Financial Performance on receipts of the funds by departments. Amounts in transit are recognised as a receivable at the reporting date.

**2.3.3 Fines, penalties and forfeits**

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

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

Interest and dividends and rent on land is recognised in the Statement of Financial Performance when the cash is received by the departments.

**2.3.5 Sale of capital assets**

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

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**2.3.6 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 Statement of Financial Performance on receipt of the funds by departments.

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

Forex gains and losses are recognised on settlement of funds.

**2.4 CARA Fund assistance**

Funds received derived from the execution of confiscation and forfeiture orders contemplated, in accordance with section 64 of the Prevention of Organized Crime Act, 1998 (Act 121 of 1998). Amounts are recognised by the revenue fund in the Statement of Financial Performance when the cash is received.

**2.5 Revenue in terms of section 12(3) of the PFMA**

All transfers, duties, fees and other moneys collected by the South African Revenue Services (SARS) for a province are deposited into the revenue fund and then transferred to the respective provincial revenue fund as and recognised as revenue when instructed by SARS.

**2.6 Non-operating receipts**

**2.6.1 Direct Exchequer receipts**

This includes revenue fund receipts. Revenue is recognised when the cash is received. This revenue represents receipts other than departmental receipts that are not expected to occur frequently. These items are not included in departmental revenue as they are inclined to distort comparative analysis of the revenue figures. Amounts received by revenue funds are recognised in the Statement of Financial Performance.

**2.7 Other revenue**

Surrenders for appropriated funds are recognised when amounts become payable by departments at the end of the reporting date. Other surrenders are recognised when cash is received from the department.



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**3. Expenditure**

**3.1 Appropriated**

Appropriated funds include annual appropriation, statutory appropriation, conditional grant and own funds appropriated to entities in terms of an Act of Parliament/Province. Appropriated funds are recognised in the financial records when approved by Parliament.

Unspent appropriations surrendered by departments are recognised at financial year-end in the Statement of Financial Position when the fund becomes entitled to the revenue.

If expenses were incurred but the funds not requested against the appropriation these amounts are reflected as an expenditure item. In both cases a corresponding receivable or payable is raised.

**3.2 Other expenditure and RDP Funds due prior to Amendment Act no. 79 of 1998**

Expenditure is recognised when payment becomes payable.

**3.3 Unauthorised expenditure approved by an Act of Parliament and expenditure in terms of an Act of Parliament**

Expenditure is recognised when an Act has been approved by Parliament. Unauthorised expenditure not yet requested is recognised as a payable.

**3.4 CARA Fund assistance**

Funds are transferred to departments, when approved by Cabinet, in accordance with section 65 of the Prevention of Organized Crime Act, 1998 (Act 121 of 1998). Amounts transferred by the revenue fund are recognised in the Statement of Financial Performance when approved by Cabinet. Any unspent CARA funds do not need to be surrendered to the National Revenue Fund.

**3.5 Non-operating expenditure**

**3.5.1 Direct Exchequer Payments**

This includes revenue fund payments. Expenditure is recognised when funds are transferred to the departments. Expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the departments and therefore are not expected to occur frequently. Amounts

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transferred by revenue funds are recognised in the Statement of Financial Performance when transferred to the departments.

**4. Assets**

**4.1 Cash and cash equivalents**

Cash and cash equivalents are carried in the Statement of Financial Position at cost.

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

**4.2 Receivables**

Receivables are included in the Statement of Financial Position and arise from funds and unauthorised expenditure due but not yet received from departments, local and foreign aid not yet received by the Provincial Revenue Fund. Cash in transit due by SARS is reflected under "Other receivables". Receivables are carried at cost.

**4.3 Investments**

Capitalised investments are shown at cost in the Statement of Financial Position. Any cash flows such as dividends received or proceeds from sale of the investment are recognised in the Statement of Financial Performance as departmental revenue when the cash is received by the departments.

**5. Liabilities**

**5.1 Payables**

Payables are included in the Statement of Financial Position and arise from appropriated funds requested but not yet paid to departments and local and foreign aid payable by the Provincial Revenue Fund. Cash overremitted by the South African Revenue Services and departmental revenue overremitted but not yet paid to departments are reflected under "Other payables".

According to the Skills Development Levy Act 9 of 1999, SARS collects these funds from the various Sector Educational Training Authorities (SETA's). The remaining amount not yet requested for the Skills Development Levy, by the Department of Labour, has been included as other payable.

According to the Revenue Laws Second Amendment Act 31 of 2005 section 126 (b), SARS collects the Road Accident Fund levies and transfer it to the

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National Revenue Fund. The National Revenue Fund recognise this as a payable when the funds were received by SARS.

**5.2 Provisions**

**5.2.1 Leave Entitlement**

This liability consists of accumulated leave pay owed to employees. It has been estimated on the basis of the employee's salary notch multiplied by the number of days accumulated leave, divided by 365 days. The entire commitment should not however realise, since no capped leave benefits are payable on the resignation of a staff member.

**5.2.2 Other**

**5.2.2.1 Special Drawing Rights**

This commitment represents the net balance on the Special Drawing Rights Income and Expenditure Account at the South African Reserve Bank in respect of special drawing rights transactions with the International Monetary Fund.

**5.2.2.2 International Monetary Fund**

This commitment represents the balance of securities in the International Monetary Fund's (IMF) General Resources Account held with the South African Reserve Bank.

**5.2.2.3 GEFECRA**

This commitment represents realised losses arising from exchange forward cover provided by the South African Reserve Bank, as well as from the periodic revaluation of the Reserve Bank's foreign exchange reserves, foreign loans and gold reserves.

**5.3 Borrowings**

Borrowings includes bonds, zero coupon bonds, unarmotised cost on zero amortised coupon bonds, debentures, loan levies and foreign loans. The borrowings are recognised in the Statement of Financial Position under liabilities.

**5.3.1 Zero Coupon Bonds**

Zero Coupon Bonds are shown at book value.

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**5.3.2 Unamortised cost on Zero Coupon Bonds**

The discount on Zero Coupon Bonds is treated on an accrual basis. The discount is written off over the life of the bond and provided for annually as interest expenditure. At the same time a corresponding amount is added to new loans received. Unamortised discount represents the amount that will be amortised in future years.

**5.3.3 Debentures**

Debentures are shown at par value on receipt of the funds.

**5.3.4 Loan Levy**

Loan levy is shown at nominal value on receipt of the funds.

**5.3.5 Bonds**

Bonds are shown at nominal (redemption) value on receipt of the funds.

**5.4 Foreign Loans**

Loans in foreign currency are converted at closing rates as at 31 March. The entity has been exposed to volatile fluctuations between the local and other currencies. This has resulted in the revaluation of foreign loans. Any foreign exchange differences arising as a result of the revaluation is recognised in the Statement of Financial Performance under the item "Non cash movements".

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**Statement of Financial Performance  
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	Notes	2008/09 R'000	2007/08 R'000
<b>REVENUE</b>			
Appropriated Funds	1	23,283,804	19,029,996
Equitable Share		18,170,258	15,281,918
Conditional Grants		5,113,546	3,748,078
Revenue collected	2	2,097,851	2,203,946
Departmental Revenue		1,934,954	1,996,961
Non-operating receipts		162,897	206,985
Other Revenue	3	1,602,707	1,232,247
Surrenders		608,948	286,803
Other		993,759	945,444
<b>TOTAL REVENUE</b>		<b>26,984,362</b>	<b>22,466,189</b>
<b>EXPENDITURE</b>			
Appropriated Funds		26,052,790	21,682,437
Annual Appropriation	4	18,153,045	15,266,976
Statutory Appropriation	5	17,213	14,942
Conditional Grants	6	5,113,546	3,748,078
Own Funds Appropriated	7	2,768,986	2,652,441
Non-operating Expenditure	8	8,332	-
<b>TOTAL EXPENDITURE</b>		<b>26,061,122</b>	<b>21,682,437</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>923,240</b>	<b>783,752</b>

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**Statement of Financial Position  
for the year ended 31 March 2009**

	Notes	2008/09 R'000	2007/08 R'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	11,789	60,358
Investments	10	1,466,000	1,864,000
Receivables	11	759,932	402,813
Voted Funds to be surrendered to the Revenue Fund		622,477	273,274
Departmental Revenue to be surrendered to the Revenue Fund		137,455	129,539
<b>TOTAL ASSETS</b>		<b>2,237,721</b>	<b>2,327,171</b>
<b>RESERVES AND LIABILITIES</b>			
<b>RESERVES</b>			
		<b>1,388,122</b>	<b>1,675,472</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	12	849,599	651,699
Other		849,599	651,699
<b>TOTAL LIABILITIES</b>		<b>849,599</b>	<b>651,699</b>
<b>TOTAL RESERVES AND LIABILITIES</b>		<b>2,237,721</b>	<b>2,327,171</b>

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**Statement of Changes in Net Assets  
for the year ended 31 March 2009**

	Notes	R'000
Opening balance as at 1 April 2007		<b>1,852,092</b>
Surplus/Deficit for the year 2008		783,752
Adjustments and restatement	20	<u>(960,372)</u>
<b>Balance at 31 March 2008</b>		<b>1,675,472</b>
Surplus/Deficit for the year 2009		923,240
Adjustments and restatement	20	<u>(1,210,590)</u>
<b>Balance at 31 March 2009</b>		<b><u><u>1,388,122</u></u></b>

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**Cash Flow Statement  
for the year ended 31 March 2009**

	Notes	2008/09 R'000	2007/08 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Appropriated funds	13	23,283,804	19,029,996
Equitable Share		18,170,258	15,281,918
Conditional Grants		5,113,546	3,748,078
Revenue collected	14	2,089,935	2,149,111
Departmental Revenue collected		1,927,038	1,942,126
Non-operating income		162,897	206,985
Surrenders from departments	15	273,274	621,509
Other revenue received by the revenue fund	16	-	33,062
		<b>25,647,013</b>	<b>21,833,678</b>
<b>Payments</b>			
Appropriated payments	17	26,052,790	21,682,437
Annual Appropriation		18,153,045	15,266,976
Statutory Appropriation		17,213	14,942
Conditional Grants		5,113,546	3,748,078
Own Funds Appropriated		2,768,986	2,652,441
Other	18	40,792	279,570
		<b>26,093,582</b>	<b>21,962,007</b>
<b>Net cash flow available from operating activities</b>		<b>(446,569)</b>	<b>(128,329)</b>
Net increase/(decrease) in cash and cash equivalents		(446,569)	(128,329)
Cash and cash equivalents at beginning of period		1,924,358	2,052,687
<b>Cash and cash equivalents at end of period</b>		<b>1,477,789</b>	<b>1,924,358</b>



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	Notes	2008/09 R'000	2007/08 R'000
<b>1. Appropriated Funds</b>			
<b>1.1 Equitable Share</b>			
Equitable Share/Voted funds	Annex 3A & 3B	18,153,045	15,266,976
Equitable Share/Statutory funds	Annex 3C & 3D	17,213	14,942
<b>Total Equitable Share</b>		<b>18,170,258</b>	<b>15,281,918</b>
<b>1.2 Conditional Grants</b>			
Conditional grants received	Annex 1A & 1B	5,113,546	3,748,078
<b>Total Conditional Grants</b>		<b>5,113,546</b>	<b>3,748,078</b>
<b>Total Appropriated Funds</b>		<b>23,283,804</b>	<b>19,029,996</b>
<b>2. Revenue collected</b>			
<b>2.1 Departmental Revenue</b>			
Departmental Revenue collected	Annex 2A & 2B	1,934,954	1,996,961
Financial transactions in assets and liabilities		1,934,954	1,996,961
<b>Total Departmental Revenue collected</b>		<b>1,934,954</b>	<b>1,996,961</b>
<b>2.2 Non-operating Income</b>			
Revenue fund receipts	Annex 2C	162,897	206,985
<b>Total Non-operating Income</b>		<b>162,897</b>	<b>206,985</b>
<b>Total Revenue collected</b>		<b>2,097,851</b>	<b>2,203,946</b>
<b>3. Other Revenue</b>			
<b>3.1 Surrenders</b>			
Equitable Share/Voted Funds transferred to departments	Annex 3A & 3B	608,948	286,803
<b>Total Surrenders</b>		<b>608,948</b>	<b>286,803</b>
<b>3.2 Other</b>			
Other revenue received	Annex 4B	993,759	945,444
<b>Total Other</b>		<b>993,759</b>	<b>945,444</b>
<b>Total Other Revenue</b>		<b>1,602,707</b>	<b>1,232,247</b>

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	Notes	2008/09 R'000	2007/08 R'000
<b>4. Annual Appropriation</b>			
Equitable Share/Voted Funds transferred to departments	Annex 3A & 3B	18,153,045	15,266,976
<b>Total Annual Appropriation</b>		<b>18,153,045</b>	<b>15,266,976</b>
<b>5. Statutory Appropriation</b>			
Equitable Share/Statutory Funds transferred to departments	Annex 3C & 3D	17,213	14,942
<b>Total Statutory Appropriation</b>		<b>17,213</b>	<b>14,942</b>
<b>6. Conditional Grants</b>			
Conditional Grants received	Annex 1A & 1B	5,113,546	3,748,078
<b>Total Conditional Grants</b>		<b>5,113,546</b>	<b>3,748,078</b>
<b>7. Own Funds Appropriated</b>			
Own funds appropriated	Annex 3E & 3F	2,768,986	2,652,441
<b>Total Own Funds Appropriated</b>		<b>2,768,986</b>	<b>2,652,441</b>
<b>8. Non-operating Expenditure</b>			
Non-operating Expenditure	Annex 5	8,332	-
<b>Total Non-operating Expenditure</b>		<b>8,332</b>	<b>-</b>
<b>9. Cash and cash equivalents</b>			
Exchequer account		11,789	60,358
<b>Total Cash and cash equivalents</b>		<b>11,789</b>	<b>60,358</b>
<b>10. Investments - Current</b>			
Domestic	Annex 6	1,466,000	1,864,000
<b>Total Current Investment</b>		<b>1,466,000</b>	<b>1,864,000</b>
<b>11. Receivables</b>			
<b>11.1 Current</b>			
<b>11.1.1 Voted funds to be surrendered to the Revenue Fund</b>			
Opening Balance		273,274	471,509
Amounts to be surrendered	Annex 3A & 3B	622,477	273,274
Received during the year	Annex 4A	(273,274)	(471,509)
<b>Closing balance</b>		<b>622,477</b>	<b>273,274</b>
<b>11.1.2 Conditional Grants to be surrendered to the Revenue Fund</b>			
Opening Balance		-	150,000
Received during the year	Annex 4A	-	(150,000)
<b>Closing balance</b>		<b>-</b>	<b>-</b>

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	Notes	2008/09 R'000	2007/08 R'000
<b>11.1.3 Departmental Revenue to be surrendered to the Revenue Fund</b>			
Opening Balance		129,539	74,704
Revenue collected	Annex 2A & 2B	1,934,954	1,996,961
Received during the year	Annex 2A & 2B	(1,927,038)	(1,942,126)
<b>Closing balance</b>		<b>137,455</b>	<b>129,539</b>
<b>Total Receivables</b>		<b>759,932</b>	<b>402,813</b>
<b>12. Payables</b>			
<b>12.1 Current</b>			
<b>12.1.1 Other</b>			
Opening Balance		651,699	896,808
Amounts to be paid	Annex 4D	849,599	651,699
Amount paid during the year	Annex 4D	(651,699)	(896,808)
<b>Closing balance</b>		<b>849,599</b>	<b>651,699</b>
<b>Total Payables</b>		<b>849,599</b>	<b>651,699</b>
<b>13. Appropriated Funds</b>			
Equitable Share/Voted & Statutory funds transferred to departments	Annex 3A & 3B	18,170,258	15,281,918
Conditional Grants received	Annex 1A & 1B	5,113,546	3,748,078
<b>Total Appropriated Funds</b>		<b>23,283,804</b>	<b>19,029,996</b>
<b>14. Revenue collected</b>			
Departmental Revenue collected	Annex 2A & 2B	1,927,038	1,942,126
Revenue Fund Receipts	Annex 2C	162,897	206,985
<b>Total Revenue collected</b>		<b>2,089,935</b>	<b>2,149,111</b>
<b>15. Surrenders from Departments</b>			
Equitable Share / Voted & Statutory funds surrendered	Annex 4A	273,274	471,509
Conditional Grants surrendered	Annex 4A	-	150,000
<b>Total Surrenders from Departments</b>		<b>273,274</b>	<b>621,509</b>
<b>16. Other revenue received by the Revenue Fund</b>			
Other revenue received	Annex 4B	-	33,062
<b>Total Other revenue received by the Revenue Fund</b>		<b>-</b>	<b>33,062</b>

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	Notes	2008/09 R'000	2007/08 R'000
<b>17. Appropriated Payments</b>			
Annual Appropriation	Annex 3A & 3B	18,153,045	15,266,976
Statutory Appropriation	Annex 3C & 3D	17,213	14,942
Conditional Grants	Annex 1A & 1B	5,113,546	3,748,078
Own Funds Appropriated	Annex 3E & 3F	2,768,986	2,652,441
<b>Total Appropriated Payments</b>		<b><u>26,052,790</u></b>	<b><u>21,682,437</u></b>
<b>18. Other</b>			
Other expenditure	Annex 4C	<b><u>40,792</u></b>	<u>279,570</u>
<b>Total Other</b>		<b><u>40,792</u></b>	<b><u>279,570</u></b>
<b>19. Adjustments and Restatements</b>			
Adjustments	20	<u>(1,210,590)</u>	<u>(946,843)</u>
		<b><u>(1,210,590)</u></b>	<b><u>(946,843)</u></b>

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	<b>2008/09</b>	<b>2007/08</b>
	<b>R'000</b>	<b>R'000</b>
<b>20. Adjustments</b>		
<b>Restatements</b>		
Provincial Financing	(985,427)	(945,444)
Unauthorised expenditure		
- Health 2004/05	-	(19,199)
- Transport 1994/95	-	(961)
- Health 2005/06	-	(9,965)
Education Trade Account	-	26,958
Education Surplus 2006/07	-	46
Previous years surrenders Cultural Affairs (Community Safety and Health)	-	108
Flood Relief Budget surrendered	-	1,614
Repayment of Conditional grants to National (Sheet 4E)	(68,311)	-
Unauthorised Health 2006/07 not surrendered	13,529	(13,529)
Bridging finance - Dept of Health	(170,381)	-
	<b>(1,210,590)</b>	<b>(960,372)</b>

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**Annexures to the Annual Financial Statements  
for the year ended 31 March 2009**

**ANNEXURE 1A  
STATEMENT OF CONDITIONAL GRANTS RECEIVED AS AT 31 MARCH 2009**

Name of Department	Appropriation Act	Funds transferred	Actual Expenditure	Unauthorised Expenditure funded by NRF/PRF Annexure 5A	Total Actual expenditure	Outstanding Request	Voted funds to be surrendered	Amount received by Revenue Fund from National departments	Unused Amount to be surrendered to Nat dept	Unauthorised over expenditure Annexure 5A
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Health - National Tertiary Services	1,500,193	1,500,193	1,500,193	-	1,500,193	-	-	1,500,193	-	-
Health - Professions & Development	356,414	356,414	356,414	-	356,414	-	-	356,414	-	-
Health - HIV/Aids	241,467	241,467	241,467	-	241,467	-	-	241,467	-	-
Health - Forensic Pathology Services grant	86,017	86,017	86,017	-	86,017	-	-	86,017	-	-
Health - Infrastructure	93,810	93,810	93,810	-	93,810	-	-	93,810	-	-
Health - Hospital Revit	233,563	233,563	233,563	-	233,563	-	-	233,563	-	-
Transport & Public Works - Infrastructure	299,002	299,002	299,002	-	299,002	-	-	299,002	-	-
Transport & Public Works - Property Rate Funds	147,127	147,127	147,127	-	147,127	-	-	147,127	-	-
Transport & Public Works - Disaster Management	418,700	418,700	418,700	-	418,700	-	-	418,700	-	-
Education - HIV/Aids	13,847	13,847	13,847	-	13,847	-	-	13,847	-	-
Education - Primary School Nutrition	86,561	86,561	86,561	-	86,561	-	-	86,561	-	-
Education - Further Education	77,305	77,305	77,305	-	77,305	-	-	77,305	-	-
Education - Infrastructure	120,475	120,475	120,475	-	120,475	-	-	120,475	-	-
Housing - Housing Subsidy	1,305,862	1,305,862	1,305,862	-	1,305,862	-	-	1,305,862	-	-
Agriculture - Land Care	3,428	3,428	3,428	-	3,428	-	-	3,428	-	-
Agriculture - Comprehensive Support	49,205	49,205	49,205	-	49,205	-	-	49,205	-	-
Agriculture - Disaster Management	9,000	9,000	9,000	-	9,000	-	-	9,000	-	-
Sport - Mass Participation Program	27,446	27,446	27,446	-	27,446	-	-	27,446	-	-
Cultural Affairs - Community Library	31,434	31,434	31,434	-	31,434	-	-	31,434	-	-
Premier - Internally Displaced People	5,000	5,000	5,000	-	5,000	-	-	5,000	-	-
Community Safety - Internally Displaced People	2,690	2,690	2,690	-	2,690	-	-	2,690	-	-
Social Development - Internally Displaced People	5,000	5,000	5,000	-	5,000	-	-	5,000	-	-
<b>Total</b>	<b>5,113,546</b>	<b>5,113,546</b>	<b>5,113,546</b>	<b>-</b>	<b>5,113,546</b>	<b>-</b>	<b>-</b>	<b>5,113,546</b>	<b>-</b>	<b>-</b>

WESTERN CAPE PROVINCE: PROVINCIAL REVENUE FUND  
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**Annexures to the Annual Financial Statements  
for the year ended 31 March 2009**

**ANNEXURE 1B  
STATEMENT OF CONDITIONAL GRANTS RECEIVED AS AT 31 MARCH 2008**

Name of Department	Appropriation Act R'000	Funds transferred R'000	Actual Expenditure R'000	Unauthorised Expenditure funded by NRF/PRF Annexure 5A R'000	Total Actual expenditure R'000	Outstanding Request R'000	Voted funds to be surrendered R'000	Amount received by Revenue Fund R'000	Unused Amount to be surrendered to Nat dept R'000	Unauthorised over expenditure Annexure 5A R'000
Health - National Tertiary Services	1,335,544	1,335,544	1,335,544	-	1,335,544	-	-	1,335,544	-	-
Health - Professions & Development	339,442	339,442	339,442	-	339,442	-	-	339,442	-	-
Health - HIV/Aids	200,559	200,559	200,559	-	200,559	-	-	200,559	-	-
Health - Forensic Pathology Services grant	79,425	79,425	79,425	-	79,425	-	-	79,425	-	-
Health - Infrastructure	80,262	80,262	80,262	-	80,262	-	-	80,262	-	-
Health - Hospital Revit	191,796	191,796	191,796	-	191,796	-	-	191,796	-	-
Transport & Public Works - Infrastructure	251,319	251,319	251,319	-	251,319	-	-	251,319	-	-
Education - HIV/Aids	13,011	13,011	13,011	-	13,011	-	-	13,011	-	-
Education - Primary School Nutrition	50,729	50,729	50,729	-	50,729	-	-	50,729	-	-
Education - Further Education	80,000	80,000	80,000	-	80,000	-	-	80,000	-	-
Education - Infrastructure	80,263	80,263	80,263	-	80,263	-	-	80,263	-	-
Housing - Housing Subsidy	948,548	948,548	948,548	-	948,548	-	-	948,548	-	-
Agriculture - Land Care	3,067	3,067	3,067	-	3,067	-	-	3,067	-	-
Agriculture - Comprehensive Support	33,426	33,426	33,426	-	33,426	-	-	33,426	-	-
Agriculture - Disaster Management	25,000	25,000	25,000	-	25,000	-	-	25,000	-	-
Sport - Mass Participation Program	18,947	18,947	18,947	-	18,947	-	-	18,947	-	-
Cultural Affairs - Community Library	16,740	16,740	16,740	-	16,740	-	-	16,740	-	-
<b>Total</b>	<b>3,748,078</b>	<b>3,748,078</b>	<b>3,748,078</b>	<b>-</b>	<b>3,748,078</b>	<b>-</b>	<b>-</b>	<b>3,748,078</b>	<b>-</b>	<b>-</b>

WESTERN CAPE PROVINCE: PROVINCIAL REVENUE FUND  
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**Annexures to the Annual Financial Statements  
for the year ended 31 March 2009**

**ANNEXURE 2A  
STATEMENT OF DEPARTMENTAL REVENUE COLLECTED AS AT 31 MARCH 2009**

Name of Department	Allocated to extra- ordinary receipts	Sales of goods and services other than capital assets	Transfers received	Fines, penalties and forfeits	Interest, dividends and rent on land	Sale of capital assets	Financial transactions in assets and liabilities	Total received	Amount Received by Revenue Fund
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Environmental Affairs	-	-	-	-	-	-	740	740	726
Community Safety	-	-	-	-	-	-	3,093	3,093	2,624
Provincial Administration (Premier)	-	-	-	-	-	-	663	663	55
Housing	-	-	-	-	-	-	80,845	80,845	79,679
Provincial Treasury	-	-	-	-	-	-	385,682	385,682	385,700
Social Development	-	-	-	-	-	-	2,516	2,516	3,286
Education	-	-	-	-	-	-	22,498	22,498	19,014
Health	-	-	-	-	-	-	437,146	437,146	430,399
Transport	-	-	-	-	-	-	968,286	968,286	972,825
Agriculture	-	-	-	-	-	-	25,518	25,518	25,013
Cultural Affairs	-	-	-	-	-	-	1,756	1,756	1,316
Economic Development	-	-	-	-	-	-	5,943	5,943	6,014
Provincial Legislature (Parliament)	-	-	-	-	-	-	268	268	387
<b>Total</b>	-	-	-	-	-	-	<b>1,934,954</b>	<b>1,934,954</b>	<b>1,927,038</b>

Note:

Vote 13-Cultural Affairs overstated revenue surrendered i.r.o. 07/08 in their final audited financial statements by R470



WESTERN CAPE PROVINCE: PROVINCIAL REVENUE FUND  
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**Annexures to the Annual Financial Statements  
for the year ended 31 March 2009**

**ANNEXURE 2B  
STATEMENT OF DEPARTMENTAL REVENUE COLLECTED AS AT 31 MARCH 2008**

Name of Department	Allocated to	Sales of	Transfers	Fines, penalties and forfeits	Interest, dividends and rent on land	Sale of capital assets	Financial	Total	Amount
	extra-ordinary receipts	goods and services other than capital assets					transactions in assets and liabilities		Received by Revenue Fund
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Environmental Affairs	-	-	-	-	-	-	243	243	254
Community Safety	-	-	-	-	-	-	2,304	2,304	2,121
Provincial Administration (Premier)	-	-	-	-	-	-	781	781	1,444
Housing	-	-	-	-	-	-	86,562	86,562	91,877
Provincial Treasury	-	-	-	-	-	-	382,293	382,293	383,006
Social Development	-	-	-	-	-	-	28,541	28,541	36,577
Education	-	-	-	-	-	-	31,394	31,394	28,469
Health	-	-	-	-	-	-	476,245	476,245	414,123
Transport	-	-	-	-	-	-	955,014	955,014	949,319
Agriculture	-	-	-	-	-	-	21,968	21,968	22,150
Cultural Affairs	-	-	-	-	-	-	1,322	1,322	1,863
Economic Development	-	-	-	-	-	-	10,548	10,548	10,476
Provincial Legislature (Parliament)	-	-	-	-	-	-	387	387	447
Education - Overstated revenue 2006/07	-	-	-	-	-	-	(641)	(641)	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,996,961</b>	<b>1,996,961</b>	<b>1,942,126</b>

WESTERN CAPE PROVINCE: PROVINCIAL REVENUE FUND  
ANNUAL CONSOLIDATED FINANCIAL INFORMATION

**Annexures to the Annual Financial Statements  
for the year ended 31 March 2009**

**ANNEXURE 2C  
STATEMENT OF REVENUE FUND RECEIPTS**

	2008/09		2007/08	
	Amount Received	Amount Received by Revenue Fund	Amount Received	Amount Received by Revenue Fund
<b>Non-operating Income Items</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Asset Financing Reserves (AFR)	162,897	162,897	206,985	206,985
<p>Note: An AFR was implemented as from 1 April 2006. This implied that all interest above budget should be reflected in the AFR to assist with possible future deficits of the Province's budget.</p>				
<b>Total</b>	<b>162,897</b>	<b>162,897</b>	<b>206,985</b>	<b>206,985</b>

WESTERN CAPE PROVINCE: PROVINCIAL REVENUE FUND  
ANNUAL CONSOLIDATED FINANCIAL INFORMATION

**Annexures to the Annual Financial Statements  
for the year ended 31 March 2009**

**ANNEXURE 3A  
STATEMENT OF EQUITABLE SHARE / VOTED FUNDS TRANSFERRED TO DEPARTMENTS AS AT  
31 MARCH 2009**

Vote no	Name of Department	Appropriation Act	Funds transferred	Actual Expenditure	Unauthorised Expenditure funded by NRF/PRF Annexure 5A	Total Actual expenditure	Outstanding Request	Voted funds to be surrendered	Amount received by Provincial Revenue Fund	Unauthorised over expenditure Annexure 5A
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Environmental Affairs	199,905	199,905	199,358	-	199,358	-	547	199,905	-
	Community Safety	229,735	229,735	229,256	-	229,256	-	479	229,735	-
	Provincial Administration (Premier)	130,237	130,237	109,726	-	109,726	-	20,511	130,237	-
	Housing	189,569	189,569	189,390	-	189,390	-	179	189,569	-
	Provincial Treasury	178,496	178,496	177,551	-	177,551	-	945	178,496	-
	Social Development	1,080,154	1,080,154	1,061,603	-	1,061,603	-	18,551	1,080,154	-
	Education	8,615,738	8,615,738	8,602,081	-	8,602,081	-	13,657	8,615,738	-
	Health	5,753,595	5,753,595	5,538,635	-	5,538,635	-	214,960	5,753,595	-
	Transport	1,032,946	1,032,946	719,013	-	719,013	-	313,933	1,032,946	-
	Agriculture	263,561	263,561	242,616	-	242,616	-	20,945	263,561	-
	Cultural Affairs	208,350	208,350	206,117	-	206,117	-	2,233	208,350	-
	Economic Development	212,798	212,798	211,187	-	211,187	-	1,611	212,798	-
	Provincial Legislature (Parliament)	57,961	57,961	57,564	-	57,564	-	397	57,961	-
	Health (Unauthorised expenditure 2006/07)	-	-	-	-	-	-	13,529	-	-
	<b>Note:</b> Dept of Health overstated their Surplus funds with R36. Final audit has already been done. The amount refers to donor funds incorrectly allocated.									
	<b>Note:</b> Vote 13-Cultural Affairs understated surplus surrendered i.ro. 2007/08 in their final audited financial statements by R470.									
		<b>18,153,045</b>	<b>18,153,045</b>	<b>17,544,097</b>	<b>-</b>	<b>17,544,097</b>	<b>-</b>	<b>622,477</b>	<b>18,153,045</b>	<b>-</b>

WESTERN CAPE PROVINCE: PROVINCIAL REVENUE FUND  
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**Annexures to the Annual Financial Statements  
for the year ended 31 March 2009**

**ANNEXURE 3B  
STATEMENT OF EQUITABLE SHARE / VOTED FUNDS TRANSFERRED TO DEPARTMENTS AS AT  
31 MARCH 2008**

Vote no	Name of Department	Appropriation Act R'000	Funds transferred R'000	Actual Expenditure R'000	Unauthorised Expenditure funded by NRF/PRF Annexure 5A R'000	Total Actual expenditure R'000	Outstanding Request R'000	Voted funds to be surrendered R'000	Amount received by Provincial Revenue Fund R'000	Unauthorised over expenditure Annexure 5A R'000
	Environmental Affairs	180,463	180,463	178,746	-	178,746	-	1,717	180,463	-
	Community Safety	190,445	190,445	188,304	-	188,304	-	2,141	190,445	-
	Provincial Administration (Premier)	145,149	145,149	142,414	-	142,414	-	2,735	145,149	-
	Housing	155,292	155,292	77,264	-	77,264	-	78,028	155,292	-
	Provincial Treasury	49,788	49,788	48,360	-	48,360	-	1,428	49,788	-
	Social Development	889,143	889,143	888,942	-	888,942	-	201	889,143	-
	Education	7,436,699	7,436,699	7,351,717	-	7,351,717	-	84,982	7,436,699	-
	Health	4,672,892	4,672,892	4,629,227	-	4,629,227	-	43,665	4,672,892	-
	Transport	874,216	874,216	830,510	-	830,510	-	43,706	874,216	-
	Agriculture	240,329	240,329	234,391	-	234,391	-	5,938	240,329	-
	Cultural Affairs	188,411	188,411	186,347	-	186,347	-	2,064	188,411	-
	Economic Development	193,382	193,382	191,193	-	191,193	-	2,189	193,382	-
	Provincial Legislature (Parliament)	50,767	50,767	46,287	-	46,287	-	4,480	50,767	-
	Health (Unauthorised expenditure 06/07)	-	-	-	13,529	13,529	-	-	-	-
	<b>Total</b>	<b>15,266,976</b>	<b>15,266,976</b>	<b>14,993,702</b>	<b>13,529</b>	<b>15,007,231</b>	<b>-</b>	<b>273,274</b>	<b>15,266,976</b>	<b>-</b>

WESTERN CAPE PROVINCE: PROVINCIAL REVENUE FUND  
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**Annexures to the Annual Financial Statements  
for the year ended 31 March 2009**

**ANNEXURE 3C  
STATEMENT OF EQUITABLE SHARE / STATUTORY FUNDS TRANSFERRED TO DEPARTMENTS AS AT  
31 MARCH 2009**

Vote no	Name of Department	Appropriation Act	Funds transferred	Actual Expenditure	Outstanding Request	Voted funds to be surrendered	Amount received by Provincial Revenue Fund	Unauthorised over expenditure Annexure 5A
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Provincial Legislature	17,213	17,213	17,213	-	-	17,213	-
	<b>Total</b>	<b>17,213</b>	<b>17,213</b>	<b>17,213</b>	<b>-</b>	<b>-</b>	<b>17,213</b>	<b>-</b>

WESTERN CAPE PROVINCE: PROVINCIAL REVENUE FUND  
ANNUAL CONSOLIDATED FINANCIAL INFORMATION

**Annexures to the Annual Financial Statements  
for the year ended 31 March 2009**

**ANNEXURE 3D  
STATEMENT OF EQUITABLE SHARE / STATUTORY FUNDS TRANSFERRED TO DEPARTMENTS AS AT  
31 MARCH 2008**

Vote no	Name of Department	Appropriation Act	Funds transferred	Actual Expenditure	Outstanding Request	Voted funds to be surrendered	Amount received by Provincial Revenue Fund	Unauthorised over expenditure Annexure 5A
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Provincial Legislature	14,942	14,942	14,942	-	-	14,942	-
	<b>Total</b>	<b>14,942</b>	<b>14,942</b>	<b>14,942</b>	<b>-</b>	<b>-</b>	<b>14,942</b>	<b>-</b>

WESTERN CAPE PROVINCE: PROVINCIAL REVENUE FUND  
ANNUAL CONSOLIDATED FINANCIAL INFORMATION

**Annexures to the Annual Financial Statements  
for the year ended 31 March 2009**

**ANNEXURE 3E  
STATEMENT OF OWN FUNDS APPROPRIATED AS AT 31 MARCH 2009**

Vote no	Name of Department	Appropriation Act	Funds transferred	Actual Expenditure	Outstanding Request	Voted funds to be surrendered
		R'000	R'000	R'000	R'000	R'000
<i><u>Own Revenue budget</u></i>						
	Environmental Affairs	126	126	126	-	-
	Community Safety	2,100	2,100	2,100	-	-
	Provincial Administration (Premier)	503	503	503	-	-
	Local Government and Housing	73,500	73,500	73,500	-	-
	Provincial Treasury	364,819	364,819	364,819	-	-
	Social Development	280	280	280	-	-
	Education	24,466	24,466	24,466	-	-
	Health	409,519	409,519	409,519	-	-
	Transport	879,004	879,004	879,004	-	-
	Agriculture	23,875	23,875	23,875	-	-
	Cultural Affairs	545	545	545	-	-
	Economic Development	4,770	4,770	4,770	-	-
	Provincial Legislature (Parliament)	52	52	52	-	-
<i><u>Provincial Financing</u></i>						
	Environmental Affairs	5,100	5,100	5,100	-	-
	Community Safety	8,178	8,178	8,178	-	-
	Provincial Administration (Premier)	314,264	314,264	314,264	-	-
	Local Government and Housing	46,883	46,883	46,883	-	-
	Provincial Treasury	(421,420)	(421,420)	(421,420)	-	-
	Social Development	148,362	148,362	148,362	-	-
	Education	267,696	267,696	267,696	-	-
	Health	25,846	25,846	25,846	-	-
	Transport (infrastructure 1065)	303,382	303,382	303,382	-	-
	Agriculture	27,575	27,575	27,575	-	-
	Cultural Affairs	234,428	234,428	234,428	-	-
	Economic Development	13,964	13,964	13,964	-	-
	Provincial Legislature (Parliament)	11,169	11,169	11,169	-	-
	<b>Total</b>	<b>2,768,986</b>	<b>2,768,986</b>	<b>2,768,986</b>	<b>-</b>	<b>-</b>

WESTERN CAPE PROVINCE: PROVINCIAL REVENUE FUND  
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**Annexures to the Annual Financial Statements  
for the year ended 31 March 2009**

**ANNEXURE 3F  
STATEMENT OF OWN FUNDS APPROPRIATED AS AT 31 MARCH 2008**

Vote no	Name of Department	Appropriation	Funds	Actual	Outstanding	Voted funds
		Act	transferred	Expenditure	Request	to be surrendered
		R'000	R'000	R'000	R'000	R'000
	<i>Own Revenue budget</i>					
	Environmental Affairs	151	151	151	-	-
	Community Safety	1,816	1,816	1,816	-	-
	Provincial Administration (Premier)	642	642	642	-	-
	Local Government and Housing	50,000	50,000	50,000	-	-
	Provincial Treasury	344,682	344,682	344,682	-	-
	Social Development	27,491	27,491	27,491	-	-
	Education	26,755	26,755	26,755	-	-
	Health	384,700	384,700	384,700	-	-
	Transport	849,059	849,059	849,059	-	-
	Agriculture	14,963	14,963	14,963	-	-
	Cultural Affairs	465	465	465	-	-
	Economic Development	6,559	6,559	6,559	-	-
	Provincial Legislature (Parliament)	52	52	52	-	-
	<i>Provincial Financing</i>					
	Environmental Affairs	3,580	3,580	3,580	-	-
	Community Safety	13,081	13,081	13,081	-	-
	Provincial Administration (Premier)	227,483	227,483	227,483	-	-
	Local Government and Housing	278,021	278,021	278,021	-	-
	Provincial Treasury	(277,919)	(277,919)	(277,919)	-	-
	Social Development	(15,070)	(15,070)	(15,070)	-	-
	Education	135,275	135,275	135,275	-	-
	Health	142,685	142,685	142,685	-	-
	Transport (infrastructure 1065)	413,589	413,589	413,589	-	-
	Agriculture	14,775	14,775	14,775	-	-
	Cultural Affairs	646	646	646	-	-
	Economic Development	5,445	5,445	5,445	-	-
	Provincial Legislature (Parliament)	3,515	3,515	3,515	-	-
					-	-
	<b>Total</b>	<b>2,652,441</b>	<b>2,652,441</b>	<b>2,652,441</b>	<b>-</b>	<b>-</b>



WESTERN CAPE PROVINCE: PROVINCIAL REVENUE FUND  
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**Annexures to the Annual Financial Statements  
for the year ended 31 March 2009**

**ANNEXURE 4A  
STATEMENT OF VOTED FUNDS SURRENDERED FOR PREVIOUS APPROPRIATIONS**

Name of Department	2008/09		2007/08	
	Appropriated funds/ Equitable Share	Conditional Grants	Appropriated funds/ Equitable Share	Conditional Grants
	R'000	R'000	R'000	R'000
1. Environmental Affairs	1,717	-	1,342	-
2. Community Safety	2,141	-	999	-
3. Provincial Administration	2,735	-	2,167	-
4. Housing	78,028	-	80,398	150,000
5. Finance	1,428	-	310	-
6. Social Services	201	-	8,455	-
7. Education	84,982	-	195,467	-
8. Health	43,665	-	70,360	-
9. Transport	43,706	-	67,406	-
10. Agriculture	5,938	-	35,924	-
11. Cultural Affairs	2,064	-	2,465	-
12. Economic Development	2,189	-	3,163	-
13. Provincial Parliament	4,480	-	3,053	-
<b>Total</b>	<b>273,274</b>	<b>-</b>	<b>471,509</b>	<b>150,000</b>

WESTERN CAPE PROVINCE: PROVINCIAL REVENUE FUND  
ANNUAL CONSOLIDATED FINANCIAL INFORMATION

**Annexures to the Annual Financial Statements  
for the year ended 31 March 2009**

**ANNEXURE 4B  
STATEMENT OF OTHER REVENUE RECEIVED**

Name of Department	2008/09		2007/08	
	Amount Received	Amount Received by Revenue Fund	Amount Received	Amount Received by Revenue Fund
	R'000	R'000	R'000	R'000
Provincial Financing (Other Appropriation)	985,427	-	945,444	-
Education - Trade Account	-	-	-	26,958
Dept of Education: Surrenders 2006/07	-	-	-	46
Conditional Grant, Flood Relief, reallocated as budget from Agency funding	-	-	-	1,614
Dept of Community Safety: Surrenders 2006/07	-	-	-	920
Dept of Cultural Affairs: Voted funds 2006/07	-	-	-	30
Dept of Health - Interest received on Global funds	8,332	-	-	3,494
<b>Total</b>	<b>993,759</b>	<b>-</b>	<b>945,444</b>	<b>33,062</b>

WESTERN CAPE PROVINCE: PROVINCIAL REVENUE FUND  
ANNUAL CONSOLIDATED FINANCIAL INFORMATION

**Annexures to the Annual Financial Statements  
for the year ended 31 March 2009**

**ANNEXURE 4C  
STATEMENT OF OTHER EXPENDITURE**

	2008/09		2007/08	
	Amount Transferred	Amount Transferred by Revenue Fund	Amount Transferred	Amount Transferred by Revenue Fund
<b>Other Expenditure</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Payables Cash Movement (Annexure 4D)	-	(197,900)	-	248,603
Unauthorised Expenditure: Dept of Health 2004/05	-	-	-	19,199
Unauthorised Expenditure: Dept of Transport 1994/95	-	-	-	961
Unauthorised Expenditure: Dept of Health 2005/06	-	-	-	9,965
Overstated revenue: Dept of Health 2006/07	-	-	-	842
Conditional grants surrendered to National:				
Housing	-	56,062	-	-
Education	-	21	-	-
Health	-	11,810	-	-
Agriculture	-	49	-	-
Sport & Recreation	-	278	-	-
Arts & Culture	-	91	-	-
AFR funds utilised as bridging finance for dept Health	-	170,381	-	-
<b>Total</b>	<b>-</b>	<b>40,792</b>	<b>-</b>	<b>279,570</b>

WESTERN CAPE PROVINCE: PROVINCIAL REVENUE FUND  
ANNUAL CONSOLIDATED FINANCIAL INFORMATION

**Annexures to the Annual Financial Statements  
for the year ended 31 March 2009**

**ANNEXURE 4D  
STATEMENT OF OTHER PAYABLES**

Name of Department / Entity	2008/09		2007/08	
	Amount to be Paid	Amount Paid	Amount to be Paid	Amount Paid
	R'000	R'000	R'000	R'000
Environmental Affairs	1,010	7,505	7,505	5,871
Community Safety	(106)	51	51	43
Provincial Administration Western Cape	20,729	465	465	57
Housing	46,151	169,568	169,568	301,202
Finance	2,194	2,186	2,186	2,601
Social Development	12,280	7,887	7,887	19,260
Education	17,219	117,105	117,105	244,810
Health	22,819	75,876	75,876	78,992
Transport and Public Works	510,425	235,975	235,975	187,961
Agriculture	26,812	11,449	11,449	43,001
Cultural Affairs	4,768	7,212	7,212	5,579
Economic Development	5,491	10,027	10,027	4,442
Provincial Parliament	1,094	2,899	2,899	2,923
Outstanding Voted Funding Cultural Affairs	-	-	-	30
Global fund Interest to be transferred	8,332	3,494	3,494	-
European Funds - Dept of Health	-	-	-	-
NPT Funds - Dept of Agriculture - interest 2006/07	-	-	-	36
Dept of Health Bridging Finance	170,381	-	-	-
<b>Total</b>	<b>849,599</b>	<b>651,699</b>	<b>651,699</b>	<b>896,808</b>

WESTERN CAPE PROVINCE: PROVINCIAL REVENUE FUND  
ANNUAL CONSOLIDATED FINANCIAL INFORMATION

**Annexures to the Annual Financial Statements  
for the year ended 31 March 2009**

**ANNEXURE 5  
STATEMENT OF NON-OPERATING EXPENDITURE**

	2008/09		2007/08	
	Amount Transferred	Amount Transferred by Revenue Fund	Amount Transferred	Amount Transferred by Revenue Fund
Non-operating Expenditure Items	R'000	R'000	R'000	R'000
Global funds to be paid	8,332	-	-	-
<b>Total</b>	<b>8,332</b>	<b>-</b>	<b>-</b>	<b>-</b>

WESTERN CAPE PROVINCE: PROVINCIAL REVENUE FUND  
ANNUAL CONSOLIDATED FINANCIAL INFORMATION

**Annexures to the Annual Financial Statements  
for the year ended 31 March 2009**

**ANNEXURE 6  
STATEMENT OF CURRENT INVESTMENTS**

Investee	2008/09			2007/08		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Absa	360,000	-	360,000	480,000	-	480,000
Nedcor	700,000	-	700,000	428,000	-	428,000
SCMB	360,000	-	360,000	760,000	-	760,000
Rand Merchant Bank	46,000	-	46,000	-	-	-
Investec	-	-	-	196,000	-	196,000
<b>Total</b>	<b>1,466,000</b>	<b>-</b>	<b>1,466,000</b>	<b>1,864,000</b>	<b>-</b>	<b>1,864,000</b>

WESTERN CAPE PROVINCE: PROVINCIAL REVENUE FUND  
ANNUAL CONSOLIDATED FINANCIAL INFORMATION

**Annexures to the Annual Financial Statements  
for the year ended 31 March 2009**

**ANNEXURE 7  
RECONCILIATION TO NET SURPLUS/(DEFICIT) AS REFLECTED IN THE BUDGET REVIEW**

	2008/09			2007/08		
	Original Estimate	Actual	Deviation	Original Estimate	Actual	Deviation
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Revenue</b>						
Equitable Share	-	18,170,258	18,170,258	-	15,281,918	15,281,918
Conditional Grants	-	5,113,546	5,113,546	-	3,748,078	3,748,078
Revenue collected						
By SARS	557,962,292	-	(557,962,292)	481,201,000	-	(481,201,000)
Departmental Revenue	-	1,934,954	1,934,954	-	1,996,961	1,996,961
CARA Fund assistance	-	-	-	-	-	-
Non-operating income	-	162,897	162,897	-	206,985	206,985
<b>Total current revenue</b>	<b>557,962,292</b>	<b>25,381,655</b>	<b>(532,580,637)</b>	<b>481,201,000</b>	<b>21,233,942</b>	<b>(459,967,058)</b>
Other Revenue	-	1,602,707	1,602,707	-	1,218,718	1,218,718
<b>Total budget revenue</b>	<b>557,962,292</b>	<b>26,984,362</b>	<b>(530,977,930)</b>	<b>481,201,000</b>	<b>22,452,660</b>	<b>(458,748,340)</b>
<b>Expenditure</b>						
Annual Appropriation	542,116,575	18,153,045	(523,963,530)	470,193,000	15,266,976	(454,926,024)
Statutory Appropriation	-	17,213	17,213	-	14,942	14,942
Conditional Grants	-	5,113,546	5,113,546	-	3,748,078	3,748,078
Own Funds Appropriated	-	2,768,986	2,768,986	-	2,652,441	2,652,441
Non-operating expenditure	-	8,332	8,332	-	-	-
<b>Total expenditure and lending</b>	<b>542,116,575</b>	<b>26,061,122</b>	<b>(516,055,453)</b>	<b>470,193,000</b>	<b>21,682,437</b>	<b>(448,510,563)</b>
Add back non-cash movement	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>15,845,717</b>	<b>923,240</b>	<b>(14,922,477)</b>	<b>11,008,000</b>	<b>770,223</b>	<b>(10,237,777)</b>
Extraordinary transfers	1,837,000	-	(1,837,000)	3,341,800	-	(3,341,800)
Extraordinary receipts	(771,000)	-	771,000	(4,207,000)	-	4,207,000
<b>Net borrowing requirement</b>	<b>16,911,717</b>	<b>923,240</b>	<b>(15,988,477)</b>	<b>10,142,800</b>	<b>770,223</b>	<b>(9,372,577)</b>
<b>Change in loan liabilities</b>						
Domestic short-term loans (net)	5,750,000	-	(5,750,000)	5,800,000	-	(5,800,000)
Domestic long-term loans (net)	(4,001,300)	-	4,001,300	1,407,200	-	(1,407,200)
Foreign loans (net)	(3,470,599)	-	3,470,599	693,763	-	(693,763)
<b>Change in cash and other balances (-increase)</b>	<b>(15,189,818)</b>	<b>-</b>	<b>15,189,818</b>	<b>(12,257,100)</b>	<b>-</b>	<b>12,257,100</b>
<b>Total financing (net)</b>	<b>(16,911,717)</b>	<b>-</b>	<b>16,911,717</b>	<b>(4,356,137)</b>	<b>-</b>	<b>4,356,137</b>
Gross domestic product (GDP)	2,045,533	-	-	1,807,316	-	-
Surplus/(Deficit) as percentage of GDP	(1) 775	45.1	-	609	42.6	-

(1) Actual surplus/(deficit) divided by GDP