

Refer Appendix B and B1 for the detailed property, plant and equipment schedules.

As disclosed in the previous year the municipality adheres to the requirements of the National Treasury Guidelines as per MFMA circular no.18 dated 23 June 2005 which states that it is paramount to prepare a process a map to obtain infrastructure assets information over a number of years. During the year the municipality implemented a process to identify record, value and manage the infrastructure assets.

This resulted in a reconstructed fixed asset register for infrastructure assets. The key issues in this regard are as follows:

Physical verification and valuation

- * All the infrastructure assets have been physically verified during the year by specialists. During this process the asset location, condition and maintenance history was recorded and evaluated.
- * The assets have been valued by an independent valuator and are effective on 30 June 2009.
- * Due to the specialised nature of the assets, and market availability of information, the depreciated replacement cost method was used
- * A 100% verification and condition assessment was done except for storm water and sewerage due to the nature of the assets and the fact that the assets are underground
- * In the case of inaccessible assets various methods were employed to record and value the assets. These assets are reflected in the asset register as "polygon assets". A polygon asset that is referenced by a geographically referenced area and the actual portion and detail of the asset estimated within this geographical area. As the assets are maintained or a process implemented to more accurately record these assets the polygon can be broken down into detail components.

Retrospective application of the effects of implementation of GRAP 17

- * The implementation of GRAP 17 is a change in accounting policy. In terms of GRAP 3 changes in accounting policy should be applied retrospectively unless it is impractical.
- * Due to the historical lack of detail on infrastructure asset information and the requirements to record infrastructure assets into significant components, reconciliation between the old register and new register is not possible. For this reason the retrospective application of the infrastructure asset information is not impractical. The municipality elected to apply the implementation of GRAP 17 prospectively and that the valuation of the assets as the deemed cost of the assets as at 30 June 2009.

Disclosure of the asset information

- *As the valuation is effective on 30 June 2009 and the fact that the change in accounting policy is applied prospectively, the asset information based on the old register is disclosed in the financial statements. In addition to this the reconciliation between the carrying value of the old assets with the deemed cost of the new register is disclosed.



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Deemed cost adjustment

*The value of the assets as determined by the valuers will be treated as the deemed cost on 30 June 2009. The difference in value between the global amount reflected per categories in the accounting records and the global amounts of the categories in the new asset register will be treated as a deemed cost adjustment. This adjustment is made directly to the reserves.

*Future depreciation will be offset with the related amount of the deemed cost adjustment. The purpose of this process is to promote community equity by ensuring that future depreciation expenses incurred will be offset against the deemed cost adjustment.



9. Intangible assets

	2009			2008		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software, other	3,077,712	-	3,077,712	11,085,183	(10,181,487)	903,696
Servitudes	176,686	-	176,686	176,686	-	176,686
Total	3,254,398		3,254,398	11,261,869	(10,181,487)	1,080,382

Reconciliation of intangible assets - 2009

	Opening Balance	Change in accounting policy	Total
Computer software, other	903,696	2,174,016	3,077,712
Servitudes	176,686	-	176,686
	1,080,382	2,174,016	3,254,398

Reconciliation of intangible assets - 2008

	Opening Balance	Additions	Amortisation	Total
Computer software, other	1,457,712	256,614	(810,630)	903,696
Servitudes	-	176,686	-	176,686
	1,457,712	433,300	(810,630)	1,080,382

10. Investment property

	2009	
	Cost / Valuation	Accumulated depreciation
Investment property	534,167,000	-
		534,167,000

	2008	
	Cost / Valuation	Accumulated depreciation
	-	-
		-

Reconciliation of investment property - 2009

	Opening Balance	Transfers	Total
Investment property	-	534,167,000	534,167,000

Other disclosures

Included in the land and building are items that may meet the definition of investment properties because the municipality has not yet finalised the process to identify investment properties for reporting purposes. This process will be finalised during the 2009/2010 financial year. In addition this task will also identify unsold properties.

Notes to the Annual Financial Statements	Municipality		Group
	2009 R	2008 R	2009 R
11. Long -term receivables			
Housing	4,283,354	6,458,894	4,283,354
Loans to education facilities & sporting bodies	403,038	440,012	403,038
Staff loan	-	7,854	-
	4,686,392	6,906,760	4,686,392
Current portion of housing debtors 2009: R 1 492 047 and 2008: R 1 566 596.			
12. Current portion - other financial assets			
Fixed deposits -long to medium term investment	1,930,842	1,934,689	1,930,842
Non-current assets			
At fair value through profit or loss -designated	70,842	74,689	70,842
Current assets			
At fair value through profit or loss	1,860,000	1,860,000	1,860,000
	1,930,842	1,934,689	1,930,842
Fair values are determined annually at statement of financial position date.			
13. Current portion of long -term liabilities			
External loan liability	41,868,718	34,365,986	41,868,718
Finance lease liability	5,236,693	6,178,501	5,236,693
	47,105,411	40,544,487	47,105,411
Long term liabilities net of current portion of long term liabilities			
Finance lease and external loan liability	371,716,196	336,768,253	371,716,196
	418,821,607	377,312,740	418,821,607
Long -term liabilities			
At amortised cost	371,716,196	336,768,253	371,716,196
Current liabilities			
Current portion of long term liabilities	47,105,411	40,544,487	47,105,411
	418,821,607	377,312,740	418,821,607



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Notes to the Annual Financial Statements	Municipality		Group
	2009 R	2008 R	2009 R
14. Finance lease obligation			
Minimum lease payments due			
-within one year	6,797,447	9,795,273	6,797,447
-in second to fifth year inclusive	12,186,424	19,001,823	12,186,424
-later than five years	1,066,959	1,049,009	1,066,959
	20,050,830	29,846,105	20,050,830
less: future finance charges	2,560,800	4,991,341	2,560,800
Present value of minimum lease payments	22,611,630	34,837,446	22,611,630
Present value of minimum lease payments due			
-within one year	6,432,791	9,137,486	6,432,791
-in second to fifth year inclusive	10,132,975	13,663,756	10,132,975
-later than five years	924,264	2,053,522	924,264
	17,490,030	24,854,764	17,490,030
Non-current liabilities	10,670,399	7,669,141	10,670,399
Finance lease obligation	-	-	-
	10,670,399	7,669,141	10,670,399

The average lease term was 5 years and the average effective borrowing rate was 11% (2008: 10%).

15 Trade and other payables

Trade payables	16,586,696	14,985,564	16,589,529
Other payables	107,880,741	82,978,946	107,880,741
Other deposits	2,790,750	1,799,234	2,790,750
Accrued leave pay	38,502,728	37,371,633	38,502,728
Operating lease payables	130,810	-	130,810
Retentions	13,867,375	9,312,268	13,867,375
Other payables accrued	128,036,282	127,633,608	128,036,282
Other payables -discounted interest	(5,434,385)	-	(5,434,385)
	302,360,997	274,081,253	302,363,830

16 Taxes and transfers payable

Tax refunds payables	5,040,704	-	5,013,626
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Notes to the Annual Financial Statements	Municipality		Group
	2009 R	2008 R	2009 R
17 Consumer deposits			
Electricity	27,523,586	28,556,429	27,523,586
Water	4,748,861	4,964,399	4,748,861
Refuse	877,941	917,788	877,941
Sewer	1,657,650	1,732,886	1,657,650
	<u>34,808,038</u>	<u>36,171,502</u>	<u>34,808,038</u>
Included in deposits is an accrual of interest at an effective interest of 4% per annum			
Balance on the interest reserve as at 30 June 2009 is R7 652 419 and 30 June 2008 R6 833 615			
Guarantees in lieu of electricity and water deposit	8,654,786	5,018,391	8,654,786
18. Deferred income / Unspent conditional grants and receipts			
Non-current liabilities	-	-	-
Current liabilities	113,075,091	145,926,624	113,075,091
	<u>113,075,091</u>	<u>145,926,624</u>	<u>113,075,091</u>
The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the entity has directly benefited;			
and			
Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.			
See note for reconciliation of grants from National/ Provincial Government.			
These amounts are invested in a ring-fenced investment until utilised.			
National grants	57,830,336	102,407,450	57,830,336
Provincial grants & subsidies	13,545,137	7,673,439	13,545,137
Other conditional grant receipts	41,699,618	35,845,735	41,699,618
	<u>113,075,091</u>	<u>145,926,624</u>	<u>113,075,091</u>



The Dynamic, Caring Capital City of Choice in KZN

Notes to the Annual Financial Statements	Municipality		Group
	2009 R	2008 R	2009 R
19. Current provisions			
Performance bonus	625,167	861,265	625,167
The movement in the current provision is reconciled as follows			
Opening Balance	861,265	1,430,837	861,265
Contributions	625,167	861,765	625,167
Expenditure incurred	(861,265)	(1,431,337)	(861,265)
	<u>625,167</u>	<u>861,265</u>	<u>625,167</u>

20. Retirement benefits

Defined benefit plan

In terms of IAS 19 the obligation of the Msunduzi Municipality does not carry further than current employment. The cost recognised in the financial period is a contribution payable in exchange for services rendered,

At time of preparation of the financial statements, no actuarial valuations were received from the pensions.

The employees of the Council as well as the Council as employer, contribute to municipal pension, retirement and various provident funds as listed below:

Natal Joint Pension Fund	79,298,249	72,289,032	79,298,249
Natal Joint Provident Fund	17,769,429	11,779,259	17,769,429
Government Employees Pension Fund	4,089,269	4,136,348	4,089,269
Associated Institution Pension Fund	174,089	166,076	174,089
South Africa Local Authorities Pension Fund	531,706	440,101	531,706
Councillors Pension Fund	2,928,337	2,669,415	2,928,337
Pietermaritzburg Provident Fund	605,381	642,143	605,381
	<u>105,396,460</u>	<u>92,122,374</u>	<u>105,396,460</u>

Post retirement medical aid contributions.

Previously no actuarial valuation was done in terms of IAS 19 and the valuation as at 30 June 2009



Notes to the Annual Financial Statements	Municipality		Group
	2009 R	2008 R	2009 R

20. Retirement benefits (continued)

2009 is the first of its kind although contributions were made to a provision for retirement benefits on an ad hoc basis in prior years. Deloitte & Touche Actuarial and Insurance Solutions undertook the evaluation in accordance with the requirements of Professional Guidance Note (PNN) 301 of the Actuarial Society of South Africa.

Valuation method used. The post retirement medical aid liability is valued on a generally accepted actuarial valuation method calculating the liability on a member -by -member basis.

The Projected Unit Credit Method as prescribed by IAS 19 has been applied. This method is

based on the approximation that the post -retirement benefit is notionally built up over the employees' working life.

There is no actuarial gain/loss as this is the first post-employment medical aid contribution performed.

The amount of the liability shown in the statement of financial position is the present value of the obligation less the fair value of any planned assets held in respect of the post-retirement medical scheme. There are no planned assets in the valuation.

Carrying value

Present value of the defined benefit obligation-wholly unfunded

(98,089,800)	(50,000,000)	(98,089,800)
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Movements for the year

Opening balance

(50,000,000)	(45,000,000)	(50,000,000)
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Other

(48,089,800)	(5,000,000)	(48,089,800)
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(98,089,800)	(50,000,000)	(98,089,800)
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Reconciliation of Obligation to disclosed liability

Actuarial liability

290,448,544	-	290,448,544
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Amount disclosed at 30 June 2008

(50,000,000)	-	(50,000,000)
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Straight line contribution on remainder of liability

(48,089,800)	-	(48,089,800)
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Amount to be contributed in the next four years

192,358,744	-	192,358,744
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The Dynamic, Caring Capital City of Choice in KZN

Notes to the Annual Financial Statements	Municipality		Group
	2009 R	2008 R	2009 R
Net expense recognised in the statement of financial performance			
Key assumptions used			
Assumptions used on last valuation on 30 June 2009.			
Discount rates used from	7.60%	-%	7.60%
to	8.39%	-%	8.39%
Medical inflation-lower than discount rate	1.00%	-%	1.00%
Medical inflation higher than CPI	2.50%	-%	2.50%
Salary inflation-higher than CPI	2.00%	-%	2.00%
Other assumptions: Post retirement mortality PA (90). Retirement age 65 years.			
Sensitivity analysis			
Sensitivity analysis			
The impact of a 1% change in the medical aid inflation rate is reflected in the table underneath.			
Sensitivity to medical inflation			
Base	290,448,544	-	290,448,544
-1%	248,825,292	-	248,825,292
1%	343,541,221	-	343,541,221

21. Provisions

Reconciliation of provisions - 2009

	Opening Balance	Changes in accounting estimate	Change in discount factor	Total
Landfill rehabilitation provision	27,500,000	(8,800,000)	(1,828,834)	16,871,166

Reconciliation of provisions - 2008

	Opening Balance	Additions	Total
Landfill rehabilitation provision	25,000,000	2,500,000	27,500,000
Quarry rehabilitation fund	410,279	-	410,279
Airport development fund	945,057	-	945,057
Other provisions Safe City	253,769	-	253,769
	26,609,105	2,500,000	29,109,105

The Msunduzi Municipality may be liable in the future for penalties or clean -up costs for unlawful environmental damage e.g. illegal dumping and clearing of alien vegetation.



According to the National Environmental Management Act, 1998 (Act No. 107 of 1998) the municipality was encouraged to recognise a provision in this regard.

The Msunduzi Municipality would in future raise this provision as it is in agreement this is an outflow of resources embodying benefits or service potential in settlement for future actions.

The landfill site provision represents management's best estimate of the municipality's rehabilitation liability based on an valuation provided by an external consultant on the remaining useful life of the landfill site.

The provision's change in estimate amounts to R 8 800 000.

Notes to the Annual Financial Statements	Municipality		Group
	2009 R	2008 R	2009 R
22. Housing development fund			
Unappropriated surplus	17,745,827	20,499,187	17,745,827
Loans extinguished by government on 1 April 1998	34,256,892	34,256,892	34,256,892
	52,002,719	54,756,079	52,002,719
The housing development fund is represented by the following assets & liabilities			
Property plant and equipment	179,968	194,830	179,968
Housing selling scheme loans	4,807,240	5,490,733	4,807,240
Housing rental trade receivables	11,437,719	6,690,731	11,437,719
Loans extinguished by Government on 1 April 1998	34,256,892	34,256,892	34,256,892
Bank and cash	1,323,181	8,131,597	1,323,181
Less: trade payables	(2,281)	(8,703)	(2,281)
	52,002,719	54,756,080	52,002,719
23. Capital replacement reserve			
In terms of directive 2 issued by the ASB the transitional provisions as per paragraph 144 of GRAP 1 has been repealed as from the date on which GRAP 1 was adopted by the municipality.			
The Capital replacement reserve was written back to surplus from the earliest comparative date possible 30 June 2009.			
Capital Replacement Reserve	44,790,542	41,035,599	44,790,542
Written back to surplus	(44,790,542)	(41,035,599)	(44,790,542)
	-	-	-



The Dynamic, Caring Capital City of Choice in KZN

Notes to the Annual Financial Statements	Municipality		Group
	2009	2008	2009
	R	R	R
24. Self -insurance reserve			
As per the directives issued by the ASB no self insurance reserve can be allowed in Net Assets.			
The insurance fund were written back to accumulated surplus where it will be ringfenced and applied for insurance transactions.			
Self insurance reserve	31,038,573	24,618,229	31,038,573
Written back to accumulated surplus	<u>(31,038,573)</u>	<u>(24,618,229)</u>	<u>(31,038,573)</u>
	<u>-</u>	<u>-</u>	<u>-</u>
25. Revenue			
Rendering of services	1,351,575,918	1,265,337,477	1,351,575,918
Rental Income	16,684,449	15,717,272	16,684,449
Income from agency services	689,431	751,904	689,431
Fines	14,299,020	14,774,353	14,299,020
Licences and permits	53,988	43,655	53,988
Government grants	324,440,359	266,381,114	324,440,359
Public contributions, Donated and contributed property, plant and equipment			10,000
	<u>1,707,743,165</u>	<u>1,563,005,775</u>	<u>1,707,753,165</u>
26. Property Rates			
Rates received			
Residential	252,213,191	139,887,177	252,213,191
Commercial	176,134,262	148,583,820	176,134,262
State	58,610,152	40,806,449	58,610,152
Vacant land	22,183,384	16,755,893	22,183,384
Less: Adjustments processed	<u>(130,584,974)</u>	<u>(965,503)</u>	<u>(130,584,974)</u>
	<u>378,556,015</u>	<u>345,067,836</u>	<u>378,556,015</u>
Valuations			
Residential	8,336,993,700	8,631,921,600	8,336,993,700
Commercial	6,201,992,100	5,248,625,200	6,201,992,100
State	2,256,104,100	2,096,870,000	2,256,104,100
Vacant land	<u>301,028,600</u>	<u>283,068,400</u>	<u>301,028,600</u>
	<u>17,096,118,500</u>	<u>16,260,485,200</u>	<u>17,096,118,500</u>



Notes to the Annual Financial Statements	Municipality		Group
	2009 R	2008 R	2009 R

Valuations on land and buildings are performed every 4 years. The first market valuation will come into effect on 1 July 2009.

Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

Interest is charged at 18% per annum on rates outstanding after due date.

The new market valuation will be implemented on 01 July 2009.

27. Service charges

Sale of electricity	627,506,504	588,763,396	627,506,504
Sale of water	213,920,408	192,860,811	213,920,408
Solid waste	42,579,578	46,703,450	42,579,578
Sewerage and sanitation charges	68,432,384	68,376,520	68,432,384
	952,438,874	896,704,177	952,438,874

The above figure is net of revenue foregone.

28. Other revenue

Airport	1,746,821	1,851,896	1,746,821
Forestry	10,459,592	10,278,274	10,459,592
Market	14,845,259	14,220,662	14,845,259
Burials and cremations	1,188,207	1,561,538	1,188,207
Buildings	1,730,706	2,407,621	1,730,706
Re-connections	7,088,028	7,053,174	7,088,028
Training levy recoveries	2,025,279	1,577,104	2,025,279
Discount received	686,490	618,884	686,490
Sundry income	14,345,744	16,090,634	14,346,747
Other revenue -foregone	251,024,522	166,217,728	251,024,522
Other revenue -MIG (PMU) operating costs	1,689,010	1,589,502	1,689,010
Other revenue -insurance recoveries	149,931	145,975	149,931
Other revenue	91,307	153,216	91,307
Reversal of provisions	9,036,098	-	9,036,098
Interest received	22,891,141	-	22,891,141
	338,998,135	223,766,208	338,999,138



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Notes to the Annual Financial Statements	Municipality		Group
	2009 R	2008 R	2009 R

29. Government grants and subsidies

Government grants			
Conditional grants -revenue	43,193,058	17,455,164	43,193,058
Grants & subsidies -capital	85,802,876	97,770,614	85,802,876
Equitable share	187,098,867	142,974,380	187,098,867
Provincial subsidies			
KZN -NPA subsidies	8,147,972	8,180,956	8,147,972
Grants -other	197,586		197,586
	<u>324,440,359</u>	<u>266,381,114</u>	<u>324,440,359</u>

Equitable Share

In terms of the constitution, this grant is used to subsidise the provision of basic and administrative services to the indigent community members and to subsidise income.

Conditional Grants and subsidies are receipted to the Conditional Grant Creditor accounts and all non-capital expenditure is expensed through the Statement of Financial Performance.

Reimbursements for conditions satisfied, including capital expenditure, are journalised against the Conditional Grant Creditor accounts.

Conditions on the funding were complied with and no funds were withheld.

30. General expenses

Airport	5,698,469	4,092,215	5,698,469
Contracted services	15,297,625	11,049,414	15,297,625
Distribution -wages	43,743,960	36,895,898	43,743,960
External services	25,162,484	28,469,603	25,162,484
Extraordinary	10,785,537	10,084,367	10,785,537
Foregone income -discounts to bulk consumers	93,507,513	102,814,767	93,507,513
Foregone income -other rebates	130,743,958	107,395,092	130,743,958
Foregone income -poor relief / indigents	38,773,547	12,615,398	38,773,547
Forestry	8,346,885	8,496,447	8,346,885
Government grant expenditure	43,438,093	15,673,485	43,555,268
Insurance	19,177,693	16,127,377	19,177,693
Leave / sick pay -downtime	15,857,967	13,313,416	15,857,967
Mayoral projects	19,234,479	6,031,042	19,234,479
Other	113,181,931	79,252,722	113,198,122



Notes to the Annual Financial Statements	Municipality		Group
	2009 R	2008 R	2009 R
Pensions payable	10,154,602	9,368,754	10,154,602
Telephone and fax	9,623,590	8,618,517	9,623,590
VAT provision			(253,769)
Auditors remuneration			10,250
	<u>602,728,333</u>	<u>470,298,514</u>	<u>602,618,180</u>

31. Employee related costs

Salaries & wages	382,212,823	336,213,000	384,436,525
Contributions for UIF, pensions & medical aid	94,546,734	82,149,647	94,546,734
Travel, motor car, accommodation, subsistence & other allowances	18,913,725	16,125,590	18,913,725
Overtime payments	65,937,561	49,964,735	65,937,561
Long service awards	12,505,426	11,099,994	12,505,426
Housing benefits and allowances	6,055,806	5,306,271	6,055,806
	<u>580,172,075</u>	<u>500,859,237</u>	<u>582,395,777</u>
Remuneration of municipal manager			
Annual Remuneration	854,648	506,555	854,648
Car Allowance	65,067	40,408	65,067
Contributions to UIF, Medical and Pension Funds	215,369	143,527	215,369
	<u>1,135,084</u>	<u>690,490</u>	<u>1,135,084</u>
Remuneration of chief finance officer			
Annual Remuneration	603,740	536,820	603,740
Car Allowance	94,941	96,000	94,941
Contributions to UIF, Medical and Pension Funds	72,783	106,448	72,783
	<u>771,464</u>	<u>739,268</u>	<u>771,464</u>
Remuneration of executive manager -internal audit			
Annual Remuneration	412,999	-	412,999
Car Allowance	132,953	-	132,953
Performance Bonuses	33,957	-	33,957
Contributions to UIF, Medical and Pension Funds	116,416	-	116,416
Acting allowance -July 2007 to April 2008	-	215,766	-
	<u>696,325</u>	<u>215,766</u>	<u>696,325</u>



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Notes to the Annual Financial Statements	Municipality		Group
	2009 R	2008 R	2009 R
Remuneration of deputy municipal manager community services			
Annual Remuneration	584,279	539,862	584,279
Car Allowance	200,903	158,894	200,903
Performance Bonuses	-	52,538	-
Contributions to UIF, Medical and Pension Funds	1,497	1,473	1,497
	786,679	752,767	786,679
Remuneration of deputy municipal manager corporate services			
Annual Remuneration	725,182	638,756	725,182
Car Allowance	60,000	60,000	60,000
Performance Bonuses	-	52,538	-
Contributions to UIF, Medical and Pension Funds	1,497	1,473	1,497
	786,679	752,767	786,679
Remuneration of strategic executive manager of corporate strategic planning			
Annual Remuneration	-	585,203	-
Car Allowance	-	113,553	-
Performance Bonuses	-	52,538	-
Contributions to UIF, Medical and Pension Funds	-	1,473	-
	-	752,767	-
Remuneration of deputy municipal infrastructure services			
Annual Remuneration	737,182	650,756	737,182
Car Allowance	48,000	48,000	48,000
Performance Bonuses	-	52,538	-
Contributions to UIF, Medical and Pension Funds	1,497	1,473	1,497
	786,679	752,767	786,679
Remuneration of deputy municipal manager development services			
Car Allowance	-	18,927	-
Performance Bonuses	-	52,538	-
Contributions to UIF, Medical and Pension Funds	-	49,611	-
Acting allowance	397,247	173,345	397,247
	397,247	294,421	397,247



Notes to the Annual Financial Statements	Municipality		Group
	2009 R	2008 R	2009 R
32. Remuneration of councillors			
Mayor	646,835	569,426	646,835
Deputy mayor	520,664	454,667	520,664
Councillors	9,612,629	9,109,913	9,612,629
Speaker	520,664	454,667	520,664
Executive committee members	4,402,098	3,410,000	4,402,098
Councillors' pension and medical contribution	3,461,786	1,392,760	3,461,786
Other	-	75,712	-
	19,164,676	15,467,145	19,164,676
In-kind benefits			
The Mayor, Deputy Mayor, Speaker and Executive Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.			
The Mayor and the Deputy Mayor each have the use of separate Council owned vehicles for official duties.			
The Mayor and Deputy Mayor have security and an official driver at a cost to Council.			
33. Debt impairment			
Contributions to doubtful debt provision	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>
34. Investment revenue			
Interest revenue			
Interest received -external investments	17,073,381	29,320,951	17,073,381
Interest received -sundry debtors	1,395,660	664,168	1,395,660
Interest received -service debtors	17,041,453	22,308,938	17,041,453
Interest received -Safe City			63,460
	35,510,494	52,294,057	35,573,954
35. Depreciation and amortisation			
Property, plant and equipment	<u>96,625,686</u>	<u>96,408,758</u>	<u>96,651,653</u>



The Dynamic, Caring Capital City of Choice in KZN

Notes to the Annual Financial Statements	Municipality		Group
	2009 R	2008 R	2009 R
36. Impairment of assets			
Impairments			
Inventories	-	143,365	-
37. Finance costs			
Annuity & finance loans	53,271,199	45,957,235	53,271,199
Other interest paid	4,150,193	9,070,998	4,150,193
Other interest paid - Safe City			199
	57,421,392	55,028,233	57,421,591
Capitalisation rates used during the period were 10.84% on specific borrowings for capital projects and 10.84% being the weighted average cost of funds borrowed generally by the municipality.			
38. Grants and subsidies paid			
Other subsidies			
Community bodies	994,079	780,323	994,079
Mayors grants	16,770	9,700	16,770
Arts and culture	1,335,908	602,527	1,335,908
Safe city project	2,631,579	3,000,000	
	4,978,336	4,392,550	2,346,757
39. Bulk purchases			
Electricity	420,119,222	321,275,361	420,119,222
Water	216,651,627	194,174,295	216,651,627
	636,770,849	515,449,656	636,770,849



Notes to the Annual Financial Statements	Municipality		Group
	2009 R	2008 R	2009 R
40. Cash generated from operations			
Surplus before taxation	25,843,401	116,683,405	4,040,132
Adjustments for:			
Depreciation and amortisation	96,625,686	96,408,758	96,651,653
Surplus on sale of assets	(57,112,023)	(7,239,228)	(3,369,276)
Contributions			10,000,000
Interest received	(35,510,494)	(52,294,057)	(35,573,954)
Finance costs	57,421,392	55,028,233	57,421,591
Fair value adjustments	385,314	-	385,314
Impairment deficit	-	143,365	-
Movements in retirement benefit assets and liabilities	48,089,800	-	48,089,800
Movements in provisions	(9,508,871)	(1,430,837)	(9,559,257)
Other non-cash items	3,847	-	0
Housing development fund			(2,753,360)
Financial instruments discounting			(24,959,141)
Changes in working capital:			
Inventories	(10,472,767)	(3,974,191)	(11,324,914)
Trade and other receivables from non exchange transactions	13,629,376	(3,197,689)	251,754,903
Consumer debtors	(40,570,719)	(91,249,598)	(304,077,871)
Trade and other payables	28,279,744	28,419,575	43,878,171
VAT	10,937,622	(8,877,378)	11,453,481
Deferred income / Unspent conditional grants and receipts	(32,851,533)	50,979,212	(32,851,533)
	95,189,775	179,399,570	99,205,739
41. Gains or losses on sale of assets			
Property, plant and equipment	1,137,979	-	1,137,979
Land sales	2,231,297	7,239,228	2,231,297
	3,369,276	7,239,228	3,369,276
42. Additional disclosure in terms of the municipal finance management act			
Contributions to SALGA			
Council subscriptions	2,633,574	1,394,494	2,633,574
Amount paid -current year	(2,633,574)	(1,394,494)	(2,633,574)
	-	-	-



Notes to the Annual Financial Statements	Municipality		Group
	2009 R	2008 R	2009 R
Audit fees			
Opening balance	61,950	18,342	61,950
Over provision written back	(48,916)	43,608	(48,916)
Audit fee invoiced	(2,437,834)	(1,432,227)	(2,437,834)
Amount -previous years	2,437,834	1,432,227	2,437,834
	13,034	61,950	13,034
PAYE & UIF			
Opening balance	(32,915)	(32,915)	(32,915)
Current year payroll deductions	74,241,463	61,810,390	74,241,463
Amount paid -current year	(74,241,463)	(61,810,390)	(74,241,463)
	(32,915)	(32,915)	(32,915)
Note:			
The difference represents PAYE & UIF deducted from the employees salaries, however payroll will have to be adjusted in July 2009.			
Pension & medical aid deductions			
Current year payroll deductions & Council contributions	149,735,475	133,286,007	149,735,475
Amount paid -current year	(149,735,475)	(133,286,007)	(149,735,475)
	-	-	-
Councillor's Arrear Consumer Accounts.			
Note: There are no reportable items.			

43. Changes in accounting policy

The annual financial statements have been prepared in accordance with South African Statements of Generally Recognised Accounting Practice on a basis consistent with the prior year except for the adoption of the following new or revised standards.

In terms of the exemption granted in Gazette 30013 dated 29 June 2007, Council has complied with the following GRAP Standards

The following adjustments were made to amounts previously reported in the annual

financial statements of the municipality arising from the implementation of new

accounting policies and changes to existing policies



Notes to the Annual Financial Statements	Municipality		Group
	2009 R	2008 R	2009 R
Changes in accounting policy effecting the statement of financial position Debit / credit to accumulated surplus/(deficit) GRAP 17 -Property, plant and equipment In terms of the exemption granted in Gazette 30013 dated 29 June 2007, Council has first time implemented the standard. No retrospective application of the standard has been applied as it was impractical to apply.			
Net unidentified infrastructure assets written out of asset register	1,366,119,478	-	1,366,119,478
Net identified infrastructure assets taken on in asset register.	(6,126,333,978)	-	(6,126,333,978)
	<u>(4,760,214,500)</u>	<u>-</u>	<u>(4,760,214,500)</u>
GRAP 16 -Investment property			
In terms of the exemption granted in Gazette 30013 dated 29 June 2007, Council has first time implemented the standard. No retrospective application of the standard has been applied as it was impractical to apply.			
Investment property -taken on as previously not recorded, included in category land and buildings	(534,167,000)	-	(534,167,000)
	<u>(534,167,000)</u>	<u>-</u>	<u>(534,167,000)</u>
GRAP 102 -Intangible assets			
In terms of the exemption granted in Gazette 30013 dated 29 June 2007, Council has first time implemented the standard. No retrospective application of the standard has been applied as it was impractical to apply.			
Recognition and measurement of servitudes not recorded previously.	176,686	-	176,686
	<u>176,686</u>	<u>-</u>	<u>176,686</u>
In terms of directive 2, and no GRAP standard to comply with			
Transfer of capital replacement reserve	(12,635,717)	-	(12,635,717)
Transfer of government grant reserve	(563,802,907)	(451,850,971)	(563,802,907)
Transfer of insurance reserve	(31,038,573)	-	(31,038,573)
	<u>(607,477,197)</u>	<u>(451,850,971)</u>	<u>(607,477,197)</u>



The Dynamic, Caring Capital City of Choice in KZN

Notes to the Annual Financial Statements	Municipality		Group
	2009 R	2008 R	2009 R
Changes in the accounting policy effecting the statement of financial performance			
GRAP 13 -Leases			
In terms of the exemption granted in Gazette 30013 dated 29 June 2007, Council has first time implemented the standard. Retrospective application of the standard has been applied			
Recognition of operating lease payments on a straight line basis.	(146,559)	-	(146,559)
	<u>(5,901,828,570)</u>	<u>(451,850,971)</u>	<u>(5,901,828,570)</u>

44. Prepaid Electricity

Commissions -are calculated on sales from prepaid electricity sales made by vendors on behalf of the Council.The

commissions are included in the general expenses category of the statement of financial performance.

In the 2006/2007 financial year two vendors had defaulted in depositing amounts received from prepaid sales.

As a result no commission was paid to them.

The defaulting vendors are Sweet waters and Phayiphini who had ceased trading in January 2007 and October 2006 respectively.

The amounts of R55 723 and R75 896 respectively are deemed to be irrecoverable for the 2005/2006 financial year.

Also the amounts of R13 980 and R15 671 being the movements for the 2006/2007 year are deemed irrecoverable

The matter is being handled by the legal division.



Notes to the Annual Financial Statements	Municipality		Group
	2009 R	2008 R	2009 R

45. Commitments

Authorised capital expenditure

Already contracted for but not provided for

Property, plant and equipment	68,699,890	43,693,410	68,699,890
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This committed expenditure relates to other :
specify-infrastructure assets and will be financed
by available bank facilities.

Operating leases – as lessee (expense)

Minimum lease payments due

-within one year	1,430,205	1,454,179	1,430,205
-in second to fifth year inclusive	-	1,430,205	-
	1,430,205	2,884,384	1,430,205

Operating lease payments represent rentals payable by the municipality for certain of its office properties. Leases are negotiated for an average term of three years and rentals are linked to an increase for an average of three years. Operating lease payments represents payments for two contracts namely H. Collins (Compen Building) and Giltime Park CC. No contingent rent is payable.



The Dynamic, Caring Capital City of Choice in KZN

Notes to the Annual Financial Statements	Municipality		Group
	2009 R	2008 R	2009 R
46. Contingencies			
Liabilities			
High court matters			
Blue Thunder trading CC t/a Kanyisa Energy Management and services	258,230	-	258,230
BA Clark	379,976	-	379,976
S. Mthimkhulu	236,371	-	236,371
Stand 2436 Pietermaritzburg (PTY) Ltd	1,462,084	-	1,462,084
South African Local Authorities Pension Fund	250,848	-	250,848
PJ Terwolbeek	1,121,620	1,121,620	1,121,620
I Ogilvie	166,161	166,161	166,161
DV Ngcobo	2,079,000	2,079,000	2,079,000
F Osman	198,840	198,840	198,840
Zeedim Investments	519,963	519,963	519,963
Jewitt	10,000,000	10,000,000	10,000,000
T Gonasillan	115,500	-	115,500
IN Nzaba	735,000	-	735,000
Telkom	45,980	-	45,980
TE Zulu	8,709	-	8,709
FBI Khan	63,280	-	63,280
RYKhan	1,267	-	1,267
VN Mkhumbuzi	100,000	-	100,000
	17,742,829	14,085,584	17,742,829
Assets			
High court matter			
DL Petersen	-	-	-



Notes to the Annual Financial Statements	Municipality		Group
	2009 R	2008 R	2009 R

47. Related parties

The NCT tree farming (Pty) Ltd manages timber plantations established on Council owned land on behalf of the Council by a management agreement. NCT is entitled to a 5% management fee based on net profit.

Safe City has been formed as a partnership with the business community to combat crime in the city. Council allocates a grant in aid to the entity.

NCT -5% of management fee	556,010	93,780	556,010
Safe City -grant	3,000,000	3,000,000	3,000,000
	<u>3,556,010</u>	<u>3,093,780</u>	<u>3,556,010</u>

48. Prior period errors

During the year ended 30 June 2009, the following transactions were erroneously expensed in the statement of financial position and statement of financial performance.

The comparative amounts have been re-stated as follows:.

Statement of financial position

Clearing of cheques re-issued as amounts are now recovered	-	(8,791)	
Clearing of control votes	-	(2,287,507)	
Clearing of general ledger balances with credit amounts	-	(6,354,069)	
Clearing of general ledger balances with debit amounts	-	236,913	
Closing entries for the market	-	(985,906)	
Clearing of retention due to prescription period being applied	-	(137,939)	
Inventory adjustment between physical and theoretical inventory	-	852,147	
Clearing of restructuring grant interest earned in prior periods	-	(4,803,950)	
Stale cheques re-issued for deposit refunds	-	3,365	
Adjustment of finance lease liability at implicit rate		(146,299)	
Net effect on statement of financial position		<u>(13,632,036)</u>	



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Notes to the Annual Financial Statements	Municipality		Group
	2009 R	2008 R	2009 R
48. Prior period errors (continued)			
Statement of financial performance			
Clearing of prior period unidentified revenue	-	(117,536)	
Input VAT not claimed on expenses adjusted retrospectively	-	(367,500)	
SARS VAT refunds received in respect of previous assessments	-	(102,444)	
Payments to SARS due to VAT assessments raised in prior periods	-	435,305	
Re-imbusement of prior period expenditure from Msunduzi Housing	-	(2,396,011)	
Operating Account (MHOA)			
Reversal of prior period accruals raised for KZNPA subsidies	-	18,483,235	
Under accrual of expenditure raised in 2008/09 financial year being	-	316,517	
adjusted retrospectively			
Over accrual of expenditure raised in 2008/09 financial year being	-	(240,601)	
adjusted retrospectively			
Net effect on statement of financial performance	-	16,010,965	
Net effect on accumulated surplus	-	2,378,929	
49. Events after the reporting date			
None to report on.			
50. Irregular expenditure			
Deviation from normal procurement process	450,033	-	450,033
Procurement irregularities	2,320,044	-	2,320,044
Non adherence to supply chain management policy	1,204,697	-	1,204,697
Abuse of emergency/urgent procurement provisions	103,053	-	103,053
	4,077,827	-	4,077,827
51. Fruitless and wasteful expenditure			
None to report on.			



Notes to the Annual Financial Statements	Municipality		Group
	2009 R	2008 R	2009 R

52. Municipal entity

The Safe City project PMB was declared a municipal entity in terms of the MFMA and was incorporated

as a section 21 company and was initiated in partnership with the business sector to create a safer CBD.

Refer to annexure J for the annual financial statement of Safe City.

53. Electricity & water losses

Electricity	60,052,372	53,400,839	60,052,372
Water	32,422,512	60,961,439	32,422,512
	92,474,884	114,362,278	92,474,884

54. Traffic fines outstanding

As per NATIS -traffic department

Notice of intention to prosecute -341's	293,590	311,640	293,590
Notice before summons	16,250	3,300	16,250
Section 54 notices -summons	2,746,530	504,100	2,746,530
Unfinalised fines	9,229,940	426,200	9,229,940
Warrant of arrests	87,150	5,826,270	87,150
	12,373,460	7,071,510	12,373,460



The Dynamic, Caring Capital City of Choice in KZN

Notes to the Annual Financial Statements	Municipality		Group
	2009 R	2008 R	2009 R
55. Comparative figures			
Certain comparative figures have been reclassified.			
The effects of the reclassification are as follows:			
Statement of financial position			
Provisions	5,409,125	5,896,918	5,409,125
Airport Development Fund was included in the Capital Replacement Reserve (CRR) in 2007/08	-	41,035,599	-
In 2008/09 year it was transferred from the CRR to the provisions	-	77,910,279	-
Less : Stated benefits provision as actuarial valuation was performed	-	(50,000,000)	-
Add : Airport Development Fund	-	945,057	-
Total of provisions	-	28,855,336	-
Value Added Taxation	5,409,125	5,896,918	5,409,125
In the 2007/08 year a control vote tax recovered was not included in the VAT figure on the statement of financial position	-	-	-
Main VAT control account	(15,723,666)	(5,452,189)	(15,723,666)
Add : Control vote tax recovered	10,314,541	11,349,107	10,314,541
Cash and cash equivalents	112,867,232	260,420,761	112,867,232
In the 2008/09 year cash and cash equivalents consist of	-	-	-
Bank	19,246,950	3,383,985	19,246,950
Cash	45,590	40,680	45,590
Investments	93,574,692	260,420,761	93,574,692
In 2007/08 year this was disclosed separately on the face of the	-	-	-
statement of financial position			
Trade and other receivables from exchange transactions	-	256,848,624	-
Trade and other receivables from exchange transactions as per the statement of financial position as at 2008/09	-	-	-
Less : housing prepayments incorrectly mapped to trade and other receivables now mapped to trade and other payables	-	(9,335)	-



Notes to the Annual Financial Statements	Municipality		Group
	2009 R	2008 R	2009 R
Trade and other receivables from exchange transactions as per the statement of financial position as at 2007/08	-	256,839,289	-
Trade and other payables and unspent conditional grants	-	-	-
In the 2007/08 year trade and other payables decreased and unspent conditional grants and receipts increased by	-	-	-
Edendale land legal grant	-	(384,622)	-
Edendale private land acquisition grant	-	(20,956,596)	-
Statement of financial performance			
Service charges	-	-	-
Services charges in 2007/08 year was disclosed on the face of the		673,878,919	-
statement of financial performance nett of foregone income			
Add : Foregone income	-	222,825,257	-
Gross service charges appearing on the face of 2008/09 statement of financial performance	-	896,704,177	-
Other income	-	-	-
Other income as per 2008/09 statement of financial performance	307,070,897	223,766,207	307,070,897
Less : The gain on sale of assets is disclosed seperately as an another note	(3,369,276)	(7,239,228)	(3,369,276)
Other income as per 2007/08 statement of financial performance	-	231,005,434	-
Other expenses	-	-	-
Expenses in 2007/08 year was disclosed on the face of the statement of		247,473,257	-
financial performance nett of foregone income			
Add : foregone income	-	222,825,257	-
Expenses appearing on the face of 2008/09 statement of financial performance	-	470,298,514	-



The Dynamic, Caring Capital City of Choice in KZN

Notes to the Annual Financial Statements	Municipality		Group
	2009 R	2008 R	2009 R
56. Accumulated surplus/deficit -internal reserves			
Implementation of GRAP -Ring fencing of reserves			
Accumulated surplus	5,528,675,475	824,663,148	5,528,675,475
Self insurance reserve	25,726,622	-	25,726,622
COVID	5,311,952	-	5,311,952
Government grant reserve	563,802,908	-	563,802,908
Capital replacement reserve	12,635,718	-	12,635,718
	6,136,152,675	824,663,148	6,136,152,675

57. Unauthorised expenditure

None to report on.



THE MSUNDUZI MUNICIPALITY								
APPENDIX A								
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2009								
EXTERNAL LOANS	ACCOUNT NO	Loan Number	Redeemable	Balance at 30/06/08	Correction of error	Received during the period	Redeemed written off during the period	Balance at 30/06/09
				R		R	R	R
LONG-TERM LOANS								
DBSA - 15.5%	PMB8108710930	11158	30/09/2018	11,413,451		0	485,201	10,928,250
DBSA - 15.5%	PMB8108710930	11159	31/03/2019	14,076,835		0	545,168	13,531,667
DBSA - 15.5%	PMB8108710930	11160	31/03/2019	11,997,059		0	464,623	11,532,436
DBSA - 16.5%	PMB8108710930	13446	31/03/2020	22,130,535		0	668,697	21,461,838
DBSA - 16.5%	PMB8108710930	13447	31/03/2020	9,433,380		0	285,039	9,148,341
DBSA - 16.5%	PMB8108710930	13448	31/03/2020	13,967,379		0	422,039	13,545,340
DBSA - 14.27%	PMB8108710930	14039/101	31/12/2014	44,295,325		0	4,621,287	39,674,038
DBSA - 14.27%	PMB8108710930	14039/102	31/12/2015	1,228,841		0	103,065	1,125,776
DBSA - 14.27%	PMB8108710930	102091	2/11/2020	5,070,614		0	214,330	4,856,284
DBSA - 14.27%	PMB8108710930	102416	28/06/2021	47,213,968		0	2,051,803	45,162,165
DBSA - 10.75%	PMB7878719598	11649	30/6/2013	28,363		0	4,552	23,810
DBSA - 9.31%	PMB8108710930	101922	30/09/2020	23,309,539		0	1,064,351	22,245,188
DBSA - 8.7%	PMB8108710930	102797	30/09/2022	88,282,169		0	3,222,884	85,059,285
DBSA - 10.79%	PMB8108710930	103059/1	9/30/2023	0		64,000,000	929,221	63,070,779
DBSA - 6.75%	PMB8108710930	103059/2	9/30/2023	0		16,000,000	320,968	15,679,032
DBSA Total				292,447,456	0	80,000,000	15,403,228	357,044,228
RMB/INCA - 16.35%	PMB8108710929	Piet-00-0001	12/31/2010	32,166,081		0	13,033,449	19,132,632
RMB/INCA - 13.39%	PMB8108710929	Msun-00-0001	12/31/2010	19,344,336		0	5,422,555	13,921,781
INCA - 11.65%	PMB8108710929	Msun-00-0001	12/31/2013	20,591,973		0	2,857,644	17,734,329
RMB/INCA Total				72,102,391	0	0	21,313,648	50,788,743
INCA - 11.75%	PMB8108710997	PMB107XA-S	11/1/2007	0		0	0	0
INCA - 14.50%	PMB81087 0996	PMB107XB-S	11/1/2007	0		0	0	0
RMB/HULETTS - 8.71%	PMB8108710931	Sub-station	6/30/2013	6,584,393		0	832,449	5,751,944
RMB/HULETTS Total				6,584,393	0	0	832,449	5,751,944
Metro Transport Fund - 5.5%	PMB8108710906			0		0	0	0
Eastwood Library				0		0	0	0
DSB	PMB7878719599	Plessislaer	2008	0		0	0	0
DSB	PMB7878719598	Plessislaer	2008	0		0	0	0

THE MSUNDUZI MUNICIPALITY

**APPENDIX A
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2009**

EXTERNAL LOANS	ACCOUNT NO	Loan Number	Redeemable	Balance at	Correction of error	Received	Redeemed	Balance at
				30/06/08		during the period	written off during the period	30/06/09
				R		R	R	R
DSB		Ashburton	2008	0		0	0	0
Temporary borrowings-FNB	PMB8108710001			0		50,000,000	0	50,000,000
Other loans total				0		50,000,000		50,000,000
Total Long-term Loans				371,134,239	0	130,000,000	37,549,325	463,584,914
LEASE LIABILITY								
Standard Bank - 9.4488%	PMB 810 871 0947	Stannic 6	31/03/2009	769,481	11,442	0	758,039	-0
Standard Bank - 8.9819%	PMB 810 8710949	Stannic 7	7/10/2009	458,602	8,059	0	383,264	67,279
Standard Bank - 8.9471%	PMB 810 8710950	Stannic 8	5/31/2009	460,042	-13,473	0	261,506	212,009
Standard Bank - 8.9073%	PMB 810 871 0951	Stannic 9	8/31/2009	167,614	-4,283	0	90,288	81,608
Standard Bank - 9.1192%	PMB 810 871 0952	Stannic 10	2/28/2010	45,215	-1,152	0	24,332	22,035
Standard Bank - 9.1182%	PMB 810 871 0953	Stannic 11	3/31/2010	45,219	-3,078	0	24,148	24,148
Standard Bank - 8.5791%	PMB 810 871 0954	Stannic 12	3/31/2010	503,733	-8,300	0	256,674	255,359
Standard Bank - 8.3560%	PMB 810 871 0955	Stannic 13	3/23/2010	244,334	-4,036	0	124,636	123,735
Standard Bank - 8.3376%	PMB 810 871 0956	Stannic 14	4/30/2010	106,558	-1,615	0	54,287	53,885
Standard Bank - 8.3878%	PMB 810 871 0957	Stannic 15	4/30/2010	155,393	-2,565	0	79,254	78,704
Standard Bank - 8.3104%	PMB 810 871 0958	Stannic 16	4/21/2010	322,757	7,756	0	158,106	156,895
Standard Bank - 8.4305%	PMB 810 871 0959	Stannic 17	4/30/2010	805,751	-9,438	0	373,517	441,672
Standard Bank - 8.4150%	PMB 810 871 0960	Stannic 18	5/31/2010	147,574	-1,454	0	62,778	86,250
Standard Bank - 8.4403%	PMB 810 871 0961	Stannic 19	6/30/2010	119,278	-1,175	0	50,732	69,720
Standard Bank - 8.3305%	PMB 810 871 0962	Stannic 20	8/31/2010	691,981	-6,825	0	294,533	404,273
Standard Bank - 8.3299%	PMB 810 871 0963	Stannic 21	8/31/2010	1,320,112	-10,696	0	539,254	791,554
Standard Bank - 8.3750%	PMB 810 871 0964	Stannic 22	8/31/2010	537,611	-2,092	0	176,095	363,608
Standard Bank Total				6,901,254	-42,923	0	3,711,443	3,232,734
Nedbank - 10.000%	PMB 810 871 0965	Nedbank 1	31/12/2011	119,719	1,970	0	29,567	88,182
Nedbank - 10.000%	PMB 810 871 0966	Nedbank 2	31/12/2012	119,719	1,970	0	29,567	88,182
Nedbank - 10.000%	PMB 810 871 0967	Nedbank 3	31/12/2013	119,719	1,970	0	29,567	88,182
Nedbank - 10.000%	PMB 810 871 0968	Nedbank 4	31/12/2014	119,719	1,970	0	29,567	88,182
Nedbank - 10.000%	PMB 810 871 0969	Nedbank 5	31/12/2015	119,719	1,970	0	29,567	88,182
Nedbank - 10.000%	PMB 810 871 0970	Nedbank 6	31/12/2016	119,719	1,970	0	29,567	88,182

THE MSUNDUZI MUNICIPALITY

APPENDIX A
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2009

EXTERNAL LOANS	ACCOUNT NO	Loan Number	Redeemable	Balance at 30/06/08	Correction of error	Received during the period	Redeemed written off during the period	Balance at 30/06/09
				R		R	R	R
Nedbank - 10.000%	PMB 810 871 0971	Nedbank 7	31/12/2017	119,719	1,970	0	29,567	88,182
Nedbank - 10.000%	PMB 810 871 0972	Nedbank 8	31/12/2018	124,016	2,041	0	30,628	91,346
Nedbank - 10.000%	PMB 810 871 0973	Nedbank 9	31/12/2019	124,151	2,043	0	30,662	91,446
Nedbank - 10.000%	PMB 810 871 0974	Nedbank 10	31/12/2014	438,397	6,850	0	49,641	381,942
Nedbank - 10.000%	PMB 810 871 0975	Nedbank 11	24/12/2014	438,433	6,850	0	49,641	381,942
Nedbank - 10.500%	PMB 810 871 0976	Nedbank 12	31/12/2017	1,880,340	25,159	0	130,867	1,724,315
Nedbank - 10.413%	PMB 810 871 0977	Nedbank 13	6/30/2012	138,105	1,752	0	28,984	107,370
Nedbank - 10.413%	PMB 810 871 0978	Nedbank 14	6/30/2012	138,105	1,752	0	28,984	107,370
Nedbank - 10.413%	PMB 810 871 0979	Nedbank 15	6/30/2012	138,105	1,752	0	28,984	107,370
Nedbank - 10.413%	PMB 810 871 0980	Nedbank 16	6/30/2012	138,105	1,752	0	28,984	107,370
Nedbank - 10.413%	PMB 810 871 0981	Nedbank 17	6/30/2012	138,105	1,752	0	28,984	107,370
Nedbank - 10.413%	PMB 810 871 0982	Nedbank 18	6/30/2012	138,105	1,752	0	28,984	107,370
Nedbank - 10.413%	PMB 810 871 0983	Nedbank 19	6/30/2012	138,105	1,752	0	28,984	107,370
Nedbank - 10.413%	PMB 810 871 0984	Nedbank 20	6/30/2012	138,105	1,752	0	28,984	107,370
Nedbank - 10.413%	PMB 810 871 0985	Nedbank 21	6/30/2012	138,105	1,752	0	28,984	107,370
Nedbank - 10.413%	PMB 810 871 0986	Nedbank 22	6/30/2012	138,105	1,752	0	28,984	107,370
Nedbank - 13.369%	PMB 810 871 0138	Nedbank 23	10/1/2013	0		231,480	22,726	208,754
Nedbank - 13.369%	PMB 810 871 0139	Nedbank 24	10/1/2013	0		231,480	22,726	208,754
Nedbank - 13.369%	PMB 810 871 0137	Nedbank 26	10/1/2013	0		231,480	22,726	208,754
Nedbank - 13.369%	PMB 810 871 0104	Nedbank 27	10/1/2013	0		210,282	20,645	189,637
Nedbank - 13.369%	PMB 810 871 0102	Nedbank 28	10/1/2013	0		210,282	20,645	189,637
Nedbank - 13.369%	PMB 810 871 0103	Nedbank 29	10/1/2013	0		210,282	20,645	189,637
Nedbank - 13.369%	PMB 810 871 0105	Nedbank 30	10/1/2013	0		315,724	30,997	284,727
Nedbank - 13.369%	PMB 810 871 0109	Nedbank 31	10/1/2013	0		152,703	14,992	137,712
Nedbank - 13.369%	PMB 810 871 0107	Nedbank 32	10/1/2013	0		152,703	14,992	137,712
Nedbank - 13.369%	PMB 810 871 0110	Nedbank 33	10/1/2013	0		152,703	14,992	137,712
Nedbank - 13.369%	PMB 810 871 0108	Nedbank 34	10/1/2013	0		154,876	15,205	139,671
Nedbank - 13.369%	PMB 810 871 0106	Nedbank 35	10/1/2013	0		312,435	30,674	281,762
Nedbank - 13.369%	PMB 810 871 0128	Nedbank 36	10/1/2013	0		122,769	12,053	110,716
Nedbank - 13.369%	PMB 810 871 0100	Nedbank 37	10/1/2013	0		69,768	6,850	62,919

THE MSUNDUZI MUNICIPALITY

**APPENDIX A
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EXTERNAL LOANS	ACCOUNT NO	Loan Number	Redeemable	Balance at	Correction of error	Received	Redeemed	Balance at
				30/06/08		during the period	written off during the period	30/06/09
				R		R	R	R
Nedbank - 13.369%	PMB 810 871 0999	Nedbank 38	10/1/2013	0		69,768	6,850	62,919
Nedbank - 13.369%	PMB 810 871 0998	Nedbank 39	10/1/2013	0		69,768	6,850	62,919
Nedbank - 13.369%	PMB 810 871 0997	Nedbank 40	10/1/2013	0		69,768	6,850	62,919
Nedbank - 13.369%	PMB 810 871 0996	Nedbank 41	10/1/2013	0		69,768	6,850	62,919
Nedbank - 13.369%	PMB 810 871 0995	Nedbank 42	10/1/2013	0		69,768	6,850	62,919
Nedbank - 13.369%	PMB 810 871 0994	Nedbank 43	10/1/2013	0		69,768	6,850	62,919
Nedbank - 13.369%	PMB 810 871 0131	Nedbank 44	10/1/2013	0		122,769	12,053	110,716
Nedbank - 13.369%	PMB 810 871 0993	Nedbank 45	10/1/2013	0		69,768	6,850	62,919
Nedbank - 13.369%	PMB 810 871 0129	Nedbank 46	10/1/2013	0		122,769	12,053	110,716
Nedbank - 13.369%	PMB 810 871 0101	Nedbank 47	10/1/2013	0		69,768	6,850	62,919
Nedbank - 13.369%	PMB 810 871 0130	Nedbank 48	10/1/2013	0		122,769	12,053	110,716
Nedbank - 13.369%	PMB 810 871 0991	Nedbank 49	10/1/2013	0		69,768	6,850	62,919
Nedbank - 13.556%	PMB 810 871 0136	Nedbank 50	10/1/2013	0		104,605	10,224	94,382
Nedbank - 13.369%	PMB 810 871 0990	Nedbank 51	10/1/2013	0		69,768	6,850	62,919
Nedbank - 13.369%	PMB 810 871 0988	Nedbank 52	10/1/2013	0		69,768	6,850	62,919
Nedbank - 13.369%	PMB 810 871 0989	Nedbank 53	10/1/2013	0		69,768	6,850	62,919
Nedbank - 13.369%	PMB 810 871 0992	Nedbank 54	10/1/2013	0		69,768	6,850	62,919
Nedbank - 13.369%	PMB 810 871 0987	Nedbank 55	10/1/2013	0		69,768	6,850	62,919
Nedbank - 13.556%	PMB 810 871 0133	Nedbank 56	10/1/2013	0		104,605	10,224	94,382
Nedbank - 13.556%	PMB 810 871 0134	Nedbank 57	10/1/2013	0		104,605	10,224	94,382
Nedbank - 13.556%	PMB 810 871 0135	Nedbank 58	10/1/2013	0		104,605	10,224	94,382
Nedbank - 13.556%	PMB 810 871 0132	Nedbank 59	10/1/2013	0		104,605	10,224	94,382
Nedbank - 13.369%	PMB 810 871 0121	Nedbank 60	10/1/2013	0		138,256	13,574	124,683
Nedbank - 13.369%	PMB 810 871 0119	Nedbank 62	10/1/2013	0		138,256	13,574	124,683
Nedbank - 13.369%	PMB 810 871 0123	Nedbank 63	10/1/2013	0		138,256	13,574	124,683
Nedbank - 13.369%	PMB 810 871 0122	Nedbank 64	10/1/2013	0		138,256	13,574	124,683
Nedbank - 13.369%	PMB 810 871 0113	Nedbank 65	10/1/2013	0		138,256	13,574	124,683
Nedbank - 13.369%	PMB 810 871 0115	Nedbank 66	10/1/2013	0		138,256	13,574	124,683
Nedbank - 13.369%	PMB 810 871 0120	Nedbank 67	10/1/2013	0		138,256	13,574	124,683
Nedbank - 13.369%	PMB 810 871 0125	Nedbank 68	10/1/2013	0		138,256	13,574	124,683

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THE MSUNDUZI MUNICIPALITY

APPENDIX A
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2009

EXTERNAL LOANS	ACCOUNT NO	Loan Number	Redeemable	Balance at 30/06/08	Correction of error	Received during the period	Redeemed written off during the period	Balance at 30/06/09
				R		R	R	R
Nedbank - 13.369%	PMB 810 871 0114	Nedbank 69	10/1/2013	0		138,256	13,574	124,683
Nedbank - 13.369%	PMB 810 871 0112	Nedbank 70	10/1/2013	0		138,256	13,574	124,683
Nedbank - 13.369%	PMB 810 871 0124	Nedbank 71	10/1/2013	0		138,256	13,574	124,683
Nedbank - 13.369%	PMB 810 871 0117	Nedbank 72	10/1/2013	0		138,256	13,574	124,683
Nedbank - 13.369%	PMB 810 871 0127	Nedbank 73	10/1/2013	0		138,256	13,574	124,683
Nedbank - 13.369%	PMB 810 871 0126	Nedbank 74	10/1/2013	0		138,256	13,574	124,683
Nedbank - 13.369%	PMB 810 871 0116	Nedbank 75	10/1/2013	0		138,256	13,574	124,683
Nedbank - 13.369%	PMB 810 871 0118	Nedbank 76	10/1/2013	0		138,256	13,574	124,683
Nedbank - 13.369%	PMB 810 871 0111	Nedbank 77	10/1/2013	0		138,256	13,574	124,683
Nedbank - 13.376%	PMB 810 871 0140	Nedbank 78	10/1/2013	0		275,498	23,530	251,968
Nedbank - 13.376%	PMB 810 871 0141	Nedbank 79	10/1/2013	0		277,115	23,668	253,447
Nedbank - 13.376%	PMB 810 871 0142	Nedbank 80	10/1/2013	0		270,453	23,099	247,354
Nedbank - 13.376%	PMB 810 871 0143	Nedbank 81	10/1/2013	0		277,359	23,689	253,670
Nedbank Total				5,224,424	74,249	8,077,825	1,567,018	11,661,015
Absa -14.9393%	PMB 810 871 0942	Absa 2	5/31/2009	1,681,582	-181,771	0	1,863,353	-0
Absa -10.6723%	PMB 810 871 0948	Absa 3	4/1/2009	40,384	4,145	0	36,239	0
ABSA Total				1,721,966	-177,626	0	1,899,592	0
Airport security system	PMB 810 871 0002	Khomani	31/03/2012	0	0	1,091,474	78,131	1,013,343
Other Finance lease total				0	0	1,091,474	78,131	1,013,343
Total lease liability				13,847,644	-146,299	9,169,299	7,256,184	15,907,092
TOTAL EXTERNAL LOANS				384,981,883	-146,299	139,169,299	44,805,509	479,492,006

**THE MSUNDUZI MUNICIPALITY
APPENDIX B - ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AT 30 JUNE 2009**

	Cost						Accumulated Depreciation				
	Opening Balance	Under Construction Previous Year	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Carrying Value
LAND AND BUILDINGS											
Land	35,715,856		124,403		(1,661)	35,838,598					35,838,598
Buildings	97,831,408		259,689	100,642	-	98,191,739	25,233,600	3,175,569		28,409,169	69,782,571
	-										
Total Land and Buildings	133,547,264	-	384,092	100,642	(1,661)	134,030,338	25,233,600	3,175,569	-	28,409,169	105,621,169
Electricity											
Sub Stations	61,287,947		1,360,691	18,331,014		80,979,651	18,427,022	1,718,217		20,145,239	60,834,412
Electrical Mains	66,855,427				(227,200)	66,628,227	25,790,782	3,378,608	(11,360)	29,158,030	37,470,197
Electrical Meters	44,498,414					44,498,414	16,325,648	2,012,845		18,338,493	26,159,921
Electrical Supply & Reticulation	156,432,245	(4,559,216)		1,147,360		153,020,389	72,297,725	4,943,186		77,240,911	75,779,478
Load control equipment	59,950					59,950	6,003	2,998		9,001	50,950
Switchgear Equipment	25,827,423		665,878	2,020,263		28,513,564	7,066,133	1,202,472		8,268,605	20,244,960
Transformer Kiosks	31,665,991		88,182	3,883,279		35,637,451	11,344,973	1,043,126		12,388,099	23,249,352
	386,627,397	(4,559,216)	2,114,751	25,381,915	(227,200)	409,337,647	151,258,286	14,301,452	(11,360)	165,548,378	243,789,269
Roads											
Motorways	155,732					155,732	34,518	15,573		50,091	105,641
Bridges, Subways and Culverts	7,365,778			184,213		7,549,991	2,783,185	245,395		3,028,580	4,521,411
Over head bridges	191,415	(3,943)				187,472	13,036	6,249		19,285	168,187
Bus Terminals	5,251,041		194,230			5,445,271	2,958,175	156,129		3,114,304	2,330,967
Car Parks	124,286					124,286	41,491	4,377		45,868	78,418
Other Roads	427,218,971	(22,803,051)	18,717,424	90,002,233		513,135,578	263,760,880	20,057,576		283,818,456	229,317,122
Stormwater Drains	67,295,799	(7,067,399)	7,448,403	473,419		68,150,221	25,971,362	2,160,327		28,131,689	40,018,532
Street Lighting	28,606,046			960,472		29,566,518	11,181,291	937,132		12,118,423	17,448,095
Traffic Islands	26,192					26,192	9,764	2,595		12,359	13,833
Traffic Lights	1,638,481			1,281,658		2,920,139	490,156	70,522		560,678	2,359,461
Road Banners	278,138					278,138	18,753	13,907		32,660	245,478
	538,151,879	(29,874,393)	26,360,057	92,901,993	-	627,539,536	307,262,611	23,669,782	-	330,932,393	296,607,143
Sewerage											
Outfall Sewers	2,931,600					2,931,600	567,398	146,580		713,978	2,217,622
Purification Works	35,893					35,893	35,893	-		35,893	0
Sewerage Pumps	170,734		161,064			331,798	37,195	12,265		49,460	282,338
Sewers	161,732,897	(28,584,997)		65,936,389		199,084,289	46,550,328	4,293,840		50,844,168	148,240,122
	164,871,124	(28,584,997)	161,064	65,936,389	-	202,383,580	47,190,814	4,452,684	-	51,643,498	150,740,082

THE MSUNDUZI MUNICIPALITY
APPENDIX B - ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AT 30 JUNE 2009

	Cost					Accumulated Depreciation					
	Opening Balance	Under Construction Previous Year	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Carrying Value
Water											
Mains	18,297,880	(934,794)	2,450	4,618,522		21,984,059	2,357,343	818,586		3,175,929	18,808,129
Meters	25,810,176		1,452,684			27,262,860	11,569,044	1,727,163		13,296,207	13,966,654
Reservoirs	2,437,119	(1,004,862)		3,859,896		5,292,153	81,930	21,370		103,300	5,188,854
Reticulation	156,758,980		25,502	5,275,803		162,060,285	77,483,020	6,693,241	(800)	84,175,462	77,884,824
Treatment Works						-	-	-	-	-	-
	203,304,155	(1,939,656)	1,480,637	13,754,222	-	216,599,358	91,491,337	9,260,360	(800)	100,750,898	115,848,460
Footways											
Footways	14,668,685		409,124			15,077,809	9,301,984	562,677		9,864,661	5,213,148
Kerbing	42,099,624					42,099,624	33,462,046	1,968,885		35,430,931	6,668,693
	56,768,309	-	409,124	-	-	57,177,433	42,764,030	2,531,562	-	45,295,592	11,881,841
Airport											
Aprons	346,854					346,854	92,875	17,343		110,218	236,636
Runways	9,584,017			2,035,416		11,619,433	3,487,245	473,556		3,960,801	7,658,632
Taxiways	179,500					179,500	36,674	8,975		45,649	133,851
Radio Beacons	198,551					198,551	72,960	9,928		82,888	115,663
	10,308,922	-	-	2,035,416	-	12,344,338	3,689,754	509,801	-	4,199,555	8,144,783
Security											
Access Control Systems	88,020					88,020	51,937	7,337		59,274	28,746
Fencing	2,828,377		2,152,864			4,981,241	2,072,670	392,192		2,464,862	2,516,379
Security Systems	24,215,576					24,215,576	16,407,010	3,365,030		19,772,040	4,443,536
	27,131,973	-	2,152,864	-	-	29,284,837	18,531,617	3,764,560	-	22,296,177	6,988,661
Total Infrastructure Assets	1,387,163,759	(64,958,262)	32,678,497	200,009,934	(227,200)	1,554,666,728	662,188,448	58,490,200	(12,160)	720,666,490	834,000,239

**THE MSUNDUZI MUNICIPALITY
APPENDIX B - ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AT 30 JUNE 2009**

	Cost					Accumulated Depreciation					
	Opening Balance	Under Construction Previous Year	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Carrying Value
COMMUNITY ASSETS											
Buildings											
Cemeteries	2,453,031		1,870,394			4,323,425	385,708	86,204		471,912	3,851,513
Civic Theatres	1,315,928					1,315,928	603,461	43,864		647,325	668,603
Clinics and Hospitals	9,053,259		169,606			9,222,865	2,456,918	302,240		2,759,158	6,463,707
Community Centres	59,533,009			3,165,380		62,698,389	9,162,670	1,977,692		11,140,362	51,558,027
Fire Stations	2,615,761			380,000		2,995,761	900,433	78,723		979,156	2,016,605
Games Reserves and Rest Camps	521,835					521,835	148,685	17,394		166,079	355,756
Indoor Sports Facilities	445,980					445,980	187,157	14,866		202,023	243,957
Library	33,109,298	(3,630,479)	6,634,981			36,113,800	3,251,213	859,790		4,111,003	32,002,798
Museums and Art Galleries	4,966,044					4,966,044	2,408,032	164,510		2,572,542	2,393,502
Parks	3,261,460					3,261,460	360,522	106,838		467,360	2,794,100
Public Conveniences	3,018,837					3,018,837	788,372	100,293		888,665	2,130,172
Recreation Centres	1,039,451					1,039,451	140,186	34,648		174,834	864,617
Stadiums	11,142,814					11,142,814	1,928,896	367,095		2,295,991	8,846,824
	132,476,707	(3,630,479)	8,674,982	3,545,380	-	141,066,589	22,722,253	4,154,156	-	26,876,409	114,190,180
Recreational Facilities											
Floodlighting	2,285,497					2,285,497	1,013,338	112,399		1,125,737	1,159,761
Outdoor Sports Facilities	47,465,470					47,465,470	21,554,984	2,333,518		23,888,502	23,576,968
Swimming Pools	6,311,972					6,311,972	3,020,614	253,854		3,274,468	3,037,504
Tennis Courts	189,550		2,389,527			2,579,077	115,867	19,298		135,165	2,443,913
	56,252,489	-	2,389,527	-	-	58,642,016	25,704,803	2,719,068	-	28,423,871	30,218,145
Total Community Assets	188,729,196	(3,630,479)	11,064,509	3,545,380	-	199,708,605	48,427,056	6,873,224	-	55,300,280	144,408,325

The Dynamic, Caring Capital City of Choice in KZN

THE MSUNDUZI MUNICIPALITY
APPENDIX B - ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AT 30 JUNE 2009

	Cost						Accumulated Depreciation				
	Opening Balance	Under Construction Previous Year	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Carrying Value
OTHER ASSETS											
Other Properties											
Caravan Parks	139,014					139,014	130,594	3,328		133,922	5,093
Abattoirs	158,279					158,279	142,907	5,276		148,183	10,096
Hostels Workers	632,152					632,152	92,255	21,003		113,258	518,894
Housing Schemes	200,498,995				(16,105)	200,482,890	15,239,155	6,558,978	(42)	21,798,091	178,684,799
Markets	23,232,855		163,103			23,395,958	7,954,140	707,653		8,661,793	14,734,166
Nurseries	564,012					564,012	117,439	18,800		136,239	427,773
Kilns	1,162,850					1,162,850	331,108	38,762		369,870	792,980
Tip Sites	46,803,982		28,700,000			75,503,982	31,682,614	2,655,834		34,338,448	41,165,534
Training facilities	343,507					343,507	7,709	8,160		15,869	327,638
Old Age Homes	663,494					663,494	225,635	22,116		247,751	415,743
Transport Facilities	41,089,253	(360,871)		26,734		40,755,116	2,851,340	1,055,571		3,906,911	36,848,205
Workshops and Depots	4,981,201		281,151			5,262,352	1,356,704	166,671		1,523,375	3,738,977
	320,269,594	(360,871)	29,144,254	26,734	(16,105)	349,063,606	60,131,600	11,262,150	(42)	71,393,709	277,669,897
Plant and Equipment											
Graders	7,032,305				(914,039)	6,118,266	2,896,401	553,125		3,449,526	2,668,739
Compressors	138,950					138,950	138,950	-		138,950	-
Cremators	1,767,178					1,767,178	228,059	117,812		345,871	1,421,307
Farm Equipment	103,323		1,000,000			1,103,323	45,722	20,323		66,045	1,037,279
General	14,108,594		3,253,403		(8,121)	17,353,876	10,941,139	1,212,757	(68,179)	12,085,718	5,268,159
Lawnmowers	2,432,625				(152,665)	2,279,960	2,430,609	923		2,431,532	(151,572)
Laboratory Equipment	1,488,420					1,488,420	349,031	279,204		628,235	860,186
Radio Equipment	1,618,858		22,932			1,641,790	1,437,639	71,108		1,508,747	133,042
Telecommunication Equipment	5,592,291		126,627			5,718,918	2,632,572	1,065,735		3,698,307	2,020,610
Tractors	6,307,757		329,760		(243,615)	6,393,902	3,801,766	346,559		4,148,325	2,245,578
	40,590,301	-	4,732,721	-	(1,318,440)	44,004,582	24,901,888	3,667,545	(68,179)	28,501,255	15,503,328
Other Assets carried forward	360,859,895	(360,871)	33,876,975	26,734	(1,334,545)	393,068,188	85,033,488	14,929,695	(68,220)	99,894,963	293,173,225
Other Assets brought forward	360,859,895	(360,871)	33,876,975	26,734	(1,334,545)	393,068,188	85,033,488	-	-	99,894,963	293,173,225
Office Equipment											
Air Conditioners	11,310,144		151,028		(2,166)	11,459,006	8,141,748	1,000,740		9,142,488	2,316,518
Computer Hardware	28,929,972		4,903,569			33,833,541	22,888,007	3,360,406		26,248,413	7,585,129
Computer Software	4,449,399		43,040			4,492,439	2,828,718	1,172,717		4,001,435	491,005
Office Machines	5,203,372		548,745		(1,650,619)	4,101,498	4,668,180	398,781		5,066,961	(965,463)
	49,892,887	-	5,646,381	-	(1,652,785)	53,886,484	38,526,653	5,932,643	-	44,459,296	9,427,188

**THE MSUNDUZI MUNICIPALITY
APPENDIX B - ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AT 30 JUNE 2009**

	Cost					Accumulated Depreciation					
	Opening Balance	Under Construction Previous Year	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Carrying Value
Furniture and Fittings											
Cabinets and Cupboards	7,985,105		798,614		(3,880)	8,779,840	7,452,238	81,079		7,533,317	1,246,523
Chairs	9,807,343		100,000		(52,235)	9,855,109	9,743,231	21,196	(70)	9,764,357	90,751
Furniture and Fittings Other	7,797,811		133,756		(450,457)	7,481,110	6,957,393	264,714	(50,636)	7,171,471	309,639
Tables and Desks	8,431,254		54,465		(18,455)	8,467,264	8,347,027	14,561		8,361,588	105,676
	34,021,513	-	1,086,835	-	(525,027)	34,583,322	32,499,889	381,550	(50,706)	32,830,733	1,752,589
Containers											
Household Refuse Bins	256,014					256,014	179,452	31,564		211,016	44,998
Bulk Containers	1,291,141					1,291,141	353,613	129,115		482,728	808,413
	1,547,155	-	-	-	-	1,547,155	533,065	160,679	-	693,744	853,411
Fire & Ambulance (Medical)											
Fire Equipment	7,757,512		171,100			7,928,612	6,426,962	113,169			
Medical Equipment - Clinics	1,322,496				(42,571)	1,279,925	973,115	82,085	(5,668)	1,049,532	230,394
	9,080,008	-	171,100	-	(42,571)	9,208,537	7,400,077	195,254	(5,668)	7,589,663	1,618,874
Motor Vehicles											
Fire Engines	9,696,041		3,018,562	2,016,500		14,731,103	3,770,928	319,087		4,090,015	10,641,088
Buses	451,139				(451,139)	-	451,139	-		451,139	(451,139)
Motor Vehicles	20,440,360		1,398,513		(884,922)	20,953,951	12,834,097	2,531,834	(20,062)	15,345,868	5,608,083
Motor Cycles	696,111		22,600			718,711	696,112	-		696,112	22,599
Trailers	1,147,281				(86,410)	1,060,871	1,147,281	1,533		1,148,814	(87,943)
Trucks and Bakkies	90,828,521				(5,780,842)	85,047,679	83,172,473	2,624,963		85,797,436	(749,757)
	123,259,453	-	4,439,675	2,016,500	(7,203,313)	122,512,315	102,072,029	5,477,417	(20,062)	107,529,383	14,982,931
Capital leases											
Motor Vehicles	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-

THE MSUNDUZI MUNICIPALITY
APPENDIX B - ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AT 30 JUNE 2009

	Cost						Accumulated Depreciation				
	Opening Balance	Under Construction Previous Year	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Carrying Value
General						-					
Railway Lines	3,509,480					3,509,480	2,042,069	165,672		2,207,741	1,301,739
Aircraft	367,564					367,564	100,127	24,504		124,631	242,933
Watercraft	131,177					131,177	131,177	-		131,177	-
Rivers	1,462,550					1,462,550	967,775			967,775	494,775
Rivers	1,628,317					1,628,317	158,590	81,415		240,005	1,388,312
Land-Housing	1,295,395					1,295,395	1,061,040			1,061,040	234,355
Artworks	1,792,853					1,792,853				-	1,792,853
	10,187,336	-	-	-	-	10,187,336	4,460,778	271,592	-	4,732,370	5,454,966
Total Other Assets	588,848,247	(360,871)	45,220,967	2,043,234	(10,758,240)	624,993,336	270,525,980	27,348,830	(144,657)	297,730,151	327,263,185
TOTAL	2,298,288,466	(68,949,610)	89,348,064	205,699,190	(10,987,101)	2,513,399,007	1,006,375,085	95,887,822	(156,817)	1,102,106,091	1,411,280,785
Intangible Assets	11,085,183		2,960,171			14,045,354	10,181,487	786,155		10,967,642	3,077,712
Agricultural/Biological Assets	602,670		85,713			688,383					688,383
Grand Total Assets	2,309,976,318	(68,949,611)	92,393,948	205,699,190	(10,987,101)	2,528,132,745	1,016,556,573	96,673,976	(156,817)	1,113,073,734	1,415,046,880
Less previous years disposals								(48,290)			
General Ledger balance as at June 09								96,625,686			

THE MSUNDUZI MUNICIPALITY
APPENDIX B.1 ASSET REGISTER RECONSTRUCTED AS AT 30 June 2009
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AT 30 JUNE 2009

	Carrying Value	Under Construction	Adjustments	Carrying Value (PPE)		Deemed cost adjustment	Deemed Cost
LAND AND BUILDINGS					LAND AND BUILDINGS		
Land	35,838,598	-		35,838,598	Land	144,624,028	180,462,626
Buildings	69,782,571	100,642		69,681,928	Buildings	142,802,874	212,484,802
					Investment Property		534,167,000
Total Land and Buildings	105,621,169	100,642	-	105,520,527	Total Land and Buildings	821,593,902	927,114,428
Electricity					Electricity		
Sub Stations	60,834,412	18,331,014		42,503,399	High voltage overhead lines		44,917,232
Electrical Mains	37,470,197	-		37,470,197	High voltage substations		326,910,630
Electrical Meters	26,159,921	-		26,159,921	High voltage underground cables		13,145,573
Electrical Supply & Reticulation	75,779,478	1,147,360		74,632,118	Medium voltage ground mounted transformers		696,469
Load control equipment	50,950	-		50,950	Medium voltage mini substations		99,619,081
Switchgear Equipment	20,244,960	2,020,263		18,224,697	Medium voltage overhead lines		20,833,903
Transformer Kiosks	23,249,352	3,883,279		19,366,074	Medium voltage substations		110,438,140
					Medium voltage underground cables		659,601,857
					Medium voltage pole mounted transformer		12,426,819
					Medium voltage ring main unit		7,955,718
	243,789,269	25,381,915	-	218,407,354		1,078,138,067	1,296,545,422
Roads					Roads		
Motorways	105,641	-		105,641	Overhead Gantry		125,000
Bridges, Subways and Culverts	4,521,411	184,213		4,337,198	Concrete roads		24,646,497
Over head bridges	168,187	-		168,187	Flexible roads		1,209,618,240
Bus Terminals	2,330,967	-		2,330,967	Unpaved roads		102,636,989
Car Parks	78,418	-		78,418	Other roads		339,141
						1,330,345,456	1,337,365,867
Roads carried forward	7,204,623	184,213	-	7,020,411		1,330,345,456	1,337,365,867
Roads brought forward	7,204,623	184,213	-	7,020,411			
Other Roads	229,317,122	90,002,233		139,314,889	Structures		226,297,767
Stormwater Drains	40,018,532	473,419	(39,545,114)	(0)	Signalised intersections		32,728,667
Street Lighting	17,448,095	960,472		16,487,623	Low voltage street lighting		27,663,950
Traffic Islands	13,833	-		13,833			
Traffic Lights	2,359,461	1,281,658		1,077,803			
Road Banners	245,478	-		245,478			
Kerbing			6,668,693	6,668,693			

The Dynamic, Caring Capital City of Choice in KZN

**THE MSUNDUZI MUNICIPALITY
APPENDIX B.1 ASSET REGISTER RECONSTRUCTED AS AT 30 June 2009
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AT 30 JUNE 2009**

	Carrying Value	Under Construction	Adjustments	Carrying Value (PPE)		Deemed cost adjustment	Deemed Cost
	296,607,143	92,901,993	(32,876,421)	170,828,729		1,453,227,522	1,624,056,250
Sewerage					Sewerage		
Outfall Sewers	2,217,622	-		2,217,622	Pump stations		6,855,769
Purification Works	-	-		-	Sewage treatment works		1,937,582
Sewerage Pumps	282,338	-		282,338	Bulk sewer		56,886,285
Sewers	148,240,122	65,936,389		82,303,733	Sewer reticulation		313,250,017
	150,740,082	65,936,389	-	84,803,693		294,125,960	378,929,653
Water					Water		
Mains	18,808,129	4,618,522		14,189,607	Water supply - Bulk water pipelines		417,802,201
Meters	13,966,653	-		13,966,653	Water supply - pressure reduce valves		2,928,100
Reservoirs	5,188,854	3,859,896		1,328,957	Pump stations		8,306,093
Reticulation	77,884,824	5,275,803		72,609,021	Reservoirs		107,718,163
Treatment Works		-		-	Water reticulation		279,783,129
	115,848,459	13,754,222	-	102,094,238	Water meters		138,564
						714,582,012	816,676,250
Footways							
Footways	5,213,148	-		5,213,148			
Kerbing	6,668,693	-	(6,668,693)	-			
	11,881,841	-	(6,668,693)	5,213,148		(5,213,148)	
Airport					Airport		
Aprons	236,636	-		236,636	Runways		43,061,760
Runways	7,658,632	2,035,416		5,623,217	Airport buildings		12,299,874
Taxiways	133,852	-		133,852	Radio Beacons		115,663
Radio Beacons	115,663	-		115,663			
	8,144,784	2,035,416	-	6,109,368		49,367,929	55,477,297
Security					Security		
Access Control Systems	28,746	-		28,746	Access Control Systems		28,746
Fencing	2,516,379	-		2,516,379	Fencing		
Security Systems	4,443,536	-		4,443,536	Security Systems		4,443,536
	6,988,661	-	-	6,988,661		(2,516,379)	4,472,282



THE MSUNDUZI MUNICIPALITY
APPENDIX B.1 ASSET REGISTER RECONSTRUCTED AS AT 30 June 2009
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AT 30 JUNE 2009

	Carrying Value	Under Construction	Adjustments	Carrying Value (PPE)		Deemed cost adjustment	Deemed Cost
Storm water					Storm water		
Stormwater Drains	-		39,545,114	39,545,114	Major Culverts		37,500,670
					Minor culverts		508,478
					Kerb inlets		71,025,869
					Manholes		46,275,372
					Open channels		11,638,132
					Reticulation		298,877,465
					Head and wingwalls		4,540,536
	-		39,545,114	39,545,114		430,821,408	470,366,521
Solid waste disposal					Solid waste disposal		
					Garden refuse		1,574,781
					Landfill site		2,387,756
					Sorting stations		715,540
						4,678,078	4,678,078
Total Infrastructure Assets	834,000,239	200,009,934	-	633,990,305		4,017,211,448	4,651,201,752
COMMUNITY ASSETS					COMMUNITY ASSETS		
Buildings					Buildings		
Cemeteries	3,851,513	-		3,851,513	Beer Halls		4,260,766
Civic Theatres	668,603	-		668,603	Cemetery		285,086
Clinics and Hospitals	6,463,707	-		6,463,707	Civic Theatres		31,684,341
Community Centres	51,558,027	3,165,380		48,392,647	Clinics		20,063,079
Fire Stations	2,016,605	380,000		1,636,605	Community Centres		100,294,228
Games Reserves and Rest Camps	355,756	-		355,756	Fire Station		17,029,112
Indoor Sports Facilities	243,957	-		243,957	Libraries		61,224,081
Library	32,002,798	-		32,002,798	Museum and Art Galleries		15,853,094
Museums and Art Galleries	2,393,502	-		2,393,502	Parks		4,128,325
Parks	2,794,100	-		2,794,100	Public Conveniences		55,496,543
Public Conveniences	2,130,172	-		2,130,172	Stadium		38,063,402
Recreation Centres	864,617	-		864,617			
Stadiums	8,846,824	-		8,846,824			
	114,190,180	3,545,380	-	110,644,800		237,737,255	348,382,055

The Dynamic, Caring Capital City of Choice in KZN

**THE MSUNDUZI MUNICIPALITY
APPENDIX B.1 ASSET REGISTER RECONSTRUCTED AS AT 30 June 2009
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AT 30 JUNE 2009**

	Carrying Value	Under Construction	Adjustments	Carrying Value (PPE)		Deemed cost adjustment	Deemed Cost
Recreational Facilities					Recreation facilities		
Floodlighting	1,159,761	-		1,159,761	Swimming Pools		11,484,077
Outdoor Sports Facilities	23,576,968	-		23,576,968	Sports Facilities		6,418,168
Swimming Pools	3,037,504	-		3,037,504	Squash courts		4,703,094
Tennis Courts	2,443,912	-		2,443,912	Parks		152,901,872
	30218144.12			30218144.12		145,289,067	175,507,211
Total Community Assets	144,408,324	3,545,380	-	140,862,945		383,026,322	523,889,266
OTHER ASSETS					OTHER ASSETS		
Other Properties					Other assets		
Caravan Parks	5,093	-		5,093	Creche		11,424,202
Abattoirs	10,096	-		10,096	Crematorium		4,979,564
Hostels Workers	518,894	-		518,894	Housing Scheme		97,370,820
Housing Schemes	178,684,799	-		178,684,799	Hostels		302,660
Markets	14,734,166	-		14,734,166	Landfill site		1,117,121
Nurseries	427,773	-		427,773	Markets		182,708,088
Kilns	792,980	-		792,980	Nursery		7,464,970
Tip Sites	60,415,201	28,700,000		31,715,201	Old Age Home		564,630
Training facilities	327,638	-		327,638	Training Centre		6,728,315
Old Age Homes	415,743	-		415,743	Transport Facility		15,278,142
Transport Facilities	36,848,205	26,734		36,821,472	Substation		887,529
Workshops and Depots	3,738,976	-		3,738,976	Sewerage Works and Dump sites		511,525
					Workshops and Depots		22,263,936
					Agriculture/Biological assets		688,383
	296,919,563	28,726,733	-	268,192,830		84,097,056	352,289,886

THE MSUNDUZI MUNICIPALITY
APPENDIX B.1 ASSET REGISTER RECONSTRUCTED AS AT 30 June 2009
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AT 30 JUNE 2009

	Carrying Value	Under Construction	Adjustments	Carrying Value (PPE)		Deemed cost adjustment	Deemed Cost
Plant and Equipment					Plant and Equipment		
Graders	2,668,739			2,668,739	Graders		2,668,739
Compressors	-			-	Compressors		-
Cremators	1,421,307			1,421,307	Cremators		1,421,307
Farm Equipment	1,037,279			1,037,279	Farm Equipment		1,037,279
General	5,268,159			5,268,159	General		5,268,159
Lawnmowers	(151,572)			(151,572)	Lawnmowers		-151,572
Laboratory Equipment	860,186			860,186	Laboratory Equipment		860,186
Radio Equipment	133,042			133,042	Radio Equipment		133,042
Telecommunication Equipment	2,020,610			2,020,610	Telecommunication Equipment		2,020,610
Tractors	2,245,578			2,245,578	Tractors		2,245,578
	15,503,328			15,503,328			15,503,328
Office Equipment					Office Equipment		
Air Conditioners	2,316,518			2,316,518	Air Conditioners		2,316,518
Computer Hardware	7,585,129			7,585,129	Computer Hardware		7,585,129
Computer Software	491,005			491,005	Computer Software		491,005
Office Machines	(965,463)			(965,463)	Office Machines		(965,463)
	9,427,188			9,427,188			9,427,188
Furniture and Fittings					Furniture and Fittings		-
Cabinets and Cupboards	1,246,523			1,246,523	Cabinets and Cupboards		1,246,523
Chairs	90,751			90,751	Chairs		90,751
Furniture and Fittings Other	309,639			309,639	Furniture and Fittings Other		309,639
Tables and Desks	105,676			105,676	Tables and Desks		105,676
	1,752,589			1,752,589			1,752,589
Containers					Containers		-
Household Refuse Bins	44,998			44,998	Household Refuse Bins		44,998
Bulk Containers	808,413			808,413	Bulk Containers		808,413
	853,411			853,411			853,411
Fire & Ambulance (Medical)					Fire & Ambulance (Medical)		-
Fire Equipment					Fire Equipment		-
Medical Equipment - Clinics	230,394			230,394	Medical Equipment - Clinics		230,394
	1,618,874			1,618,874			1,618,874

**THE MSUNDUZI MUNICIPALITY
APPENDIX B.1 ASSET REGISTER RECONSTRUCTED AS AT 30 June 2009
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AT 30 JUNE 2009**

	Carrying Value	Under Construction	Adjustments	Carrying Value (PPE)		Deemed cost adjustment	Deemed Cost
Motor Vehicles					Motor Vehicles		-
Fire Engines	10,641,088	2,016,500		8,624,588	Fire Engines		8,624,588
Buses	(451,139)			(451,139)	Buses		-451,139
Motor Vehicles	5,608,083			5,608,083	Motor Vehicles		5,608,083
Motor Cycles	22,599			22,599	Motor Cycles		22,599
Trailers	(87,943)			(87,943)	Trailers		-87,943
Trucks and Bakkies	(749,757)			(749,757)	Trucks and Bakkies		-749,757
	14,982,931	2,016,500		12,966,430			12,966,430
Capital leases					Capital leases		-
Motor Vehicles	-				Motor Vehicles		-
	-						-
General					General		
Railway Lines	1,301,739			1,301,739	Railway Lines		1,301,739
Aircraft	242,933			242,933	Aircraft		242,933
General assets carried forward	1,544,671			1,544,671			1,544,671
General assets brought forward	1,544,671			1,544,671			1,544,671
Watercraft	-				Watercraft		-
Rivers	494,775			494,775	Rivers		494,775
Rivers	1,388,311			1,388,311	Rivers		1,388,311
Land-Housing	234,353			234,353	Land-Housing		234,353
Artworks	1,792,853			1,792,853	Artworks		1,792,853
	5,454,963			5,454,963			5,454,963
Total Other Assets	346,512,848	30,743,233	-	315,769,614	Total Other Assets	84,097,056	399,866,670
TOTAL	1,430,530,452	234,399,190	-	1,196,131,261	TOTAL	5,305,940,856	6,502,072,117
Intangible assets	3,077,712			3,077,712	Intangible assets		3,077,712
Agriculture/Biological assets	688,383			688,383	Servitudes		176,686
	1,434,296,547	234,399,190	32,876,421	1,199,897,356		5,305,940,856	6,505,326,515



**THE MSUNDUZI MUNICIPALITY
APPENDIX C
ANALYSIS OF PROPERTY , PLANT AND EQUIPMENT AS AT 30 JUNE 2009**

Fixed Assets Description	Historical Cost						Accumulated Depreciation				Carrying Value
	Opening Balance	Under Construction Previous Year	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
Executive and Council	8,846,539					8,846,539	4,517,430			4,517,430	4,329,109
Finance and Administration	331,183,005		3,344,263		(1,661)	334,525,607	169,898,863	3,961,724		173,860,587	160,652,889
Planning and Development	73,746,631					73,746,631	24,928,928			24,928,928	48,817,703
Health	18,205,144		169,606			18,374,750	8,438,709	302,240	(5,668)	8,735,281	9,639,469
Community and Social Services	40,752,631	(3,630,479)	8,505,376	3,545,380		49,172,908	10,400,052			10,400,052	38,772,856
Housing	185,371,843				(16,105)	185,355,738	15,960,008	3,773,193		19,733,201	165,622,537
Public Safety	57,033,782		2,169,964	2,016,500	(42,571)	61,177,675	35,654,948	3,843,282		39,498,230	21,679,445
Sport and Recreation	115,498,052		2,389,527			117,887,579	47,137,810	2,719,068		49,856,878	68,030,701
Road Transport	567,440,440	(29,874,393)	26,769,181	92,901,994		657,237,222	321,774,776	26,201,344		347,976,120	309,261,102
Environmental Protection	738,845					738,845	91,500	26,201,344		26,292,844	(25,553,999)
Water	207,641,424	(1,939,655)	1,480,637	13,754,222		220,936,628	95,935,122	9,260,360	(800)	105,194,682	115,741,946
Waste Water Management	237,086,790	(28,584,996)	161,064	65,936,389		274,599,247	72,943,248	4,452,687		77,395,935	197,203,312
Electricity	425,678,207	(4,559,216)	2,114,751	25,381,915	(227,200)	448,388,457	175,277,941	14,301,452	(11,360)	189,568,033	258,820,424
Other	40,752,985	(360,871)	16,589,579	30,862,791	(10,699,564)	77,144,920	15,264,238	740,617	(138,989)	15,865,866	61,279,054
TOTALS	2,309,976,318	(68,949,611)	63,693,948	234,399,191	(10,987,101)	2,528,132,745	998,223,573	95,757,311	(156,817)	1,093,824,067	1,434,296,547

The Dynamic, Caring Capital City of Choice in KZN

**THE MSUNDUZI MUNICIPALITY
APPENDIX C 1 - RECONSTRUCTED ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2009**

Fixed Assets	Historical Cost						Accumulated Depreciation				Carrying Value	Adjustment for Asset register reconstruction		
	Description	Opening Balance	Under Construction Previous Year	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals		Closing Balance	Deemed cost Adjustment	New Carry value
Executive and Council	8,846,539						8,846,539	4,517,430			4,517,430	4,329,109	-	4,329,109
Finance and Administration	331,183,005		3,344,263			(1,661)	334,525,607	169,898,863	3,961,724		173,860,587	160,652,889	770,926,690	931,579,579
Planning and Development	73,746,631						73,746,631	24,928,928			24,928,928	48,817,703	-	48,817,703
Health	18,205,144		169,606				18,374,750	8,438,709	302,240	(5,668)	8,735,281	9,639,469	14,668,534	24,308,003
Community and Social Services	40,752,631	(3,630,479)	8,505,376	3,545,380			49,172,908	10,400,052			10,400,052	38,772,856	173,553,320	212,326,176
Housing	185,371,843				(16,105)		185,355,738	15,960,008	3,773,193		19,733,201	165,622,537	38,335,502	203,958,039
Public Safety	57,033,782		2,169,964	2,016,500	(42,571)		61,177,675	35,654,948	3,843,282		39,498,230	21,679,445	12,450,338	34,129,783
Sport and Recreation	115,498,052		2,389,527				117,887,579	47,137,810	2,719,068		49,856,878	68,030,701	194,584,663	262,615,364
Road Transport	567,440,440	(29,874,393)	26,769,181	92,901,994			657,237,222	321,774,776	26,201,344		347,976,120	309,261,102	1,427,141,794	1,736,402,896
Environmental Protection	738,845						738,845	91,500	26,201,344		26,292,844	(25,553,999)	-	(25,553,999)
Water	207,641,424	(1,939,655)	1,480,637	13,754,222			220,936,628	95,935,122	9,260,360	(800)	105,194,682	115,741,946	707,928,127	823,670,072
Waste Water Management	237,086,790	(28,584,996)	161,064	65,936,389			274,599,247	72,943,248	4,452,687		77,395,935	197,203,312	740,898,769	938,102,081
Electricity	425,678,207	(4,559,216)	2,114,751	25,381,915	(227,200)		448,388,457	175,277,941	14,301,452	(11,360)	189,568,033	258,820,424	1,148,226,783	1,407,047,207
Other	40,752,985	(360,871)	16,589,579	30,862,791	(10,699,564)		77,144,920	15,264,238	740,617	(138,989)	15,865,866	61,279,054	76,537,952	137,817,006
TOTALS	2,309,976,318	(68,949,611)	63,693,948	234,399,191	(10,987,101)		2,528,132,745	998,223,573	95,757,311	(156,817)	1,093,824,067	1,434,296,547	5,305,252,473	6,739,549,020



APPENDIX - D

The Msunduzi Municipality: Segmental Statement of Financial Performance for the year ended 30 June 2009

2008	2008	2008		2009	2009	2009
Actual Income	Actual Expenditure	Surplus/(Deficit)		Actual Income	Actual Expenditure	Surplus/(Deficit)
12,363	37,831,089	(37,818,726)	Executive & Council	498,575	71,894,906	(71,396,331)
489,893,266	143,305,935	346,587,331	Budget & Treasury Office	707,616,066	273,873,012	433,743,055
4,458,182	71,621,750	(67,163,568)	Corporate Services	4,458,563	80,943,578	(76,485,015)
25,506,900	61,113,533	(35,606,633)	Planning & Development	14,964,395	60,181,338	(45,216,944)
8,260,788	34,730,497	(26,469,709)	Health	8,186,503	39,159,997	(30,973,494)
4,952,425	35,721,249	(30,768,824)	Community & Social Services	12,139,780	41,753,179	(29,613,399)
14,879,298	29,143,545	(14,264,247)	Housing	38,712,712	53,209,000	(14,496,289)
16,393,012	82,086,901	(65,693,889)	Public Safety	20,837,476	110,350,124	(89,512,648)
906,043	44,649,585	(43,743,542)	Sport and Recreation	1,001,383	54,391,961	(53,390,579)
994	41,740,417	(41,739,423)	Environmental Protection	5,454	60,754,636	(60,749,182)
169,438,443	123,359,272	46,079,171	Waste Management	176,224,642	176,452,596	(227,954)
83,210	29,438,219	(29,355,009)	Waste Water Management	4,464	33,467,476	(33,463,012)
48,682,423	125,003,368	(76,320,945)	Road Transport	46,749,102	157,795,952	(111,046,850)
256,074,497	207,091,958	48,982,539	Water	301,779,365	230,456,909	71,322,456
555,919,175	449,945,991	105,973,184	Electricity	745,394,999	662,243,682	83,151,317
2,693,252	5,408,079	(2,714,827)	Other/Air Transport	2,700,058	7,459,879	(4,759,822)
10,278,274	8,860,522	1,417,752	Other/Forestry	10,459,592	8,854,197	1,605,395
14,645,733	11,268,814	3,376,919	Other/Markets	15,339,357	11,983,079	3,356,278
401,731	2,173,573	(1,771,842)	Other/Licensing & Regulation	364,095	2,755,502	(2,391,407)
1,623,480,009	1,544,494,297	78,985,712	Sub - Total	2,107,436,579	2,137,981,003	-30,544,423
0	-37,697,691	-37,697,691	Less: Inter-Dept Charges	0	-51,887,001	-51,887,001
1,623,480,009	1,506,796,606	116,683,403	Total	2,107,436,579	2,086,094,002	21,342,577

Appendix - E

The Msunduzi Municipality: Actual versus Budget (Revenue and Expenditure) for the year ended 30 JUNE 2009

Description	Actual 2009	Budget 2009	Variance 2009	Variance 2009	Explanation of Significant variances greater than 10% versus Budget
	R	R	R	%	
<u>Revenue</u>					
Property Rates	378,556,015	376,363,065	2,192,950	0.58	
Property Rates - Penalties and Collection Charges	20,581,029	20,941,823	(360,794)	(1.72)	
Service Charges	952,438,874	958,443,110	(6,004,236)	(0.63)	
Sale of Electricity	627,506,504	633,863,290	(6,356,786)	(1.00)	
Sale of Water	213,920,408	210,554,291	3,366,117	1.60	
Sewerage	68,432,384	67,783,101	649,283	0.96	
Refuse	42,579,578	46,242,428	(3,662,850)	(7.92)	
Rentals Received	16,684,449	16,998,879	(314,430)	(1.85)	
Interest earned - External Investments	17,073,381	10,019,004	7,054,377	70.41	
Interest earned - Outstanding debtors	18,437,113	19,811,497	(1,374,384)	(6.94)	
Fines	14,299,020	13,343,517	955,503	7.16	
Income for Agency Services	689,431	642,332	47,099	7.33	
Governments Grants & Subsidies	324,440,359	245,272,506	79,167,853	32.28	
Public Contributions & Donations	0	0	0	0.00	
Other Income	364,236,908	445,906,891	(81,669,983)	(18.32)	
Total Revenue	2,107,436,579	2,107,742,624	(306,045)		

Appendix - E

The Msunduzi Municipality: Actual versus Budget (Revenue and Expenditure) for the year ended 30 JUNE 2009

	Actual 2009	Budget 2009	Variance 2009	Variance 2009	Explanation of Significant variances greater than 10% versus Budget
Description	R	R	R	%	
<u>Expenditure</u>					
Executive & Council	71,894,906	68,560,441	(3,334,465)	(4.86)	
Budget & Treasury Office	273,873,012	259,807,722	(14,065,290)	(5.41)	
Corporate Services	80,943,578	78,838,252	(2,105,326)	(2.67)	
Planning & Development	60,181,338	66,398,437	6,217,099	9.36	
Health	39,159,997	36,832,453	(2,327,544)	(6.32)	
Community & Social Services	41,753,179	37,344,893	(4,408,286)	(11.80)	
Housing	53,209,000	52,426,751	(782,249)	(1.49)	
Public Safety	110,350,124	97,811,854	(12,538,270)	(12.82)	
Sport and Recreation	54,391,961	50,975,156	(3,416,805)	(6.70)	
Environmental Protection	60,754,636	49,553,738	(11,200,898)	(22.60)	
Waste Management	176,452,596	152,734,439	(23,718,157)	(15.53)	
Waste Water Management	33,467,476	32,999,399	(468,077)	(1.42)	
Road Transport	157,795,952	159,037,171	1,241,219	0.78	
Water	230,456,909	219,573,989	(10,882,920)	(4.96)	
Electricity	662,243,682	757,227,294	94,983,612	12.54	
Other/Air Transport	7,459,879	7,101,976	(357,903)	(5.04)	
Other/Forestry	8,854,197	9,386,147	531,950	5.67	
Other/Markets	11,983,079	12,522,071	538,992	4.30	
Other/Licensing & Regulation	2,755,502	2,202,735	(552,767)	(25.09)	
Less: Inter-Dept Charges	(51,887,001)	(54,197,153)	(2,310,153)	4.26	
Total Expenditure	2,086,094,002	2,097,137,765	11,043,763		
Operating Surplus/(Deficit)	21,342,577	10,604,859	10,737,718		

THE MSUNDUZI MUNICIPALITY
APPENDIX F
ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY , PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2009



Description	2008	2008	2008	2008	2008	2008	Explanation of Significant Variances greater than 5% versus Budget
	Actual	Under Construction	Total Additions	Budget	Variance	Variance	
	R	R	R	R	R	%	
Executive and Council	0			1,606,139	1,606,139	100.00%	
Finance and Administration	3,344,263		3,344,263	23,818,458	20,474,195	85.96%	
Planning and Development	0			25,208,045	25,208,045	100.00%	
Public Safety	4,186,464	2,016,500	2,169,964	5,207,253	1,020,789	19.60%	
Community and Social Services	12,050,756	3,545,380	8,505,376	13,565,158	1,514,402	11.16%	
Health	169,606		169,606	0	(169,606)	0.00%	
Sport and Recreation	2,389,527		2,389,527	4,312,606	1,923,079	44.59%	
Road Transport	119,671,175	92,901,994	26,769,181	133,999,576	14,328,401	10.69%	
Environment Protection	0	0	0	0	0	0.00%	
Water	15,234,859	13,754,222	1,480,637	16,313,215	1,078,356	6.61%	
Waste Water Management	66,097,453	65,936,389	161,064	67,919,443	1,821,990	2.68%	
Electricity	27,496,666	25,381,915	2,114,751	30,772,021	3,275,355	10.64%	
Housing	0			8,456,265	8,456,265	100.00%	
Other	47,452,370	30,862,791	16,589,579	3,309,000	(44,143,370)	-1334.04%	
	0						
TOTALS	298,093,139	234,399,191	63,693,948	334,487,179	36,394,040	10.88%	

**THE MSUNDUZI MUNICIPALITY
APPENDIX G
DETAILS OF CONDITIONAL GRANTS AND RECEIPTS AS AT 30 JUNE 2009**

Account No:	Account Description	Unspent Balance @ 1 July 2008	Transfers	Current Year Receipts	Unspent balance @ 30 June 2009	Grant Type	Source Code
PMB0108960001	GRANT COMMUNITY DEVELOPMENT WORKERS	(103,608)	95,789	-	(7,818)	COMM	UNSPENT CG - NATIONAL GOVERNMENT
PMB0108960002	NATIONAL GRANT - MSIG	-	400,000	(400,000)	0	MSIG	UNSPENT CG - NATIONAL GOVERNMENT
PMB0118960002	GRANT DPLG AMENDMENT IDP	(50,000)	-	-	(50,000)	IDP	UNSPENT CG - NATIONAL GOVERNMENT
PMB0358980801	GRANT - FMG	(1,292,274)	1,768,127	(500,000)	(24,147)	FMG	UNSPENT CG - NATIONAL GOVERNMENT
PMB0358980803	GRANT - UNSPENT CONDITIONAL GRANT - RSG	(4,508,206)	4,508,206	-	0	RSG	UNSPENT CG - NATIONAL GOVERNMENT
PMB0358980804	RSG - INVESTMENT ACCOUNT - INTEREST REC.	-	303,597	(303,597)	0	RSG	UNSPENT CG - NATIONAL GOVERNMENT
PMB0608850363	DEBTOR - MIG	-	20,804	(20,804)	0	MIG	UNSPENT CG - NATIONAL GOVERNMENT
PMB0608960012	UNSPENT CONDITIONAL GRANT - MIG	(20,948,988)	76,116,178	(57,085,000)	(1,917,810)	MIG	UNSPENT CG - NATIONAL GOVERNMENT
PMB5118960018	UNSPENT CONDITIONAL GRANT - EDN CORRIDOR	(1,497)	1,497	-	0	EDN	UNSPENT CG - NATIONAL GOVERNMENT
PMB5308960001	SETA DISCRETIONARY GRANT	(14,831)	14,876	(45)	0	SETA	UNSPENT CG - NATIONAL GOVERNMENT
PMB5308960003	UNSPENT COND.GRANT - HRD/LGSETA	(66,000)	66,000	-	0	SETA	UNSPENT CG - NATIONAL GOVERNMENT
PMB5488980001	DEVELOPMENT CAPACITY BUILDING PROJECT	(78,076)	78,076	-	0	CAPAC	UNSPENT CG - NATIONAL GOVERNMENT
PMB5608960001	STORM DAMAGE - DOH FUNDING	(915,846)	-	-	(915,846)	STORM	UNSPENT CG - NATIONAL GOVERNMENT
PMB5608960010	UNSPENT CONDITIONAL GRANT - PHB	(69,219,675)	30,506,950	(15,243,091)	(53,955,816)	PHB	UNSPENT CG - NATIONAL GOVERNMENT
PMB7138960015	UNSPENT CONDITIONAL GRANT - DEPT OF MINERALS	(4,303,186)	3,835,050	-	(468,136)	NER	UNSPENT CG - NATIONAL GOVERNMENT
PMB7878960001	EDN S - UPGRADE WATER SUPPLY	(905,263)	414,500	-	(490,763)	DWAF	UNSPENT CG - NATIONAL GOVERNMENT
		(102,407,450)	118,129,651	(73,552,537)	(57,830,336)		
PMB0138960002	PG:COMMUNITY COMMUNICATION INITIATIVE	(50,000)	-	-	(50,000)	COMM	UNSPENT CG - PROVINCIAL GOVERNMENT
PMB0608960013	UNSPENT CONDITIONAL GRANT - PROVINCE	(294,620)	169,267	(234,813)	(360,166)	PROV	UNSPENT CG - PROVINCIAL GOVERNMENT
PMB1008960002	PG - TECHNICAL SUPPORT	(494,290)	494,290	-	0	PROV	UNSPENT CG - PROVINCIAL GOVERNMENT
PMB1318960001	PROVINCE - TRANSPORT GRANT	(2,453,634)	1,037,249	(8,130,100)	(9,546,486)	TRANS	UNSPENT CG - PROVINCIAL GOVERNMENT
PMB2858960004	PROV - URBAN RENEWAL PROJECT	(3,119,349)	889,793	(454,232)	(2,683,789)	GEDI	UNSPENT CG - PROVINCIAL GOVERNMENT
PMB3458970006	FOOD AID PROGRAMME	(70,105)	-	-	(70,105)	FOOD	UNSPENT CG - PROVINCIAL GOVERNMENT
PMB3478970001	ENVIRONMENTAL HEALTH	(1,823)	1,823	-	0	HEALTH	UNSPENT CG - PROVINCIAL GOVERNMENT
PMB3578970025	WORLD AIDS DAY	32,955	-	(32,955)	0	AIDS	UNSPENT CG - PROVINCIAL GOVERNMENT
PMB4008960002	ENVIRO MGT FRAMEWORK - DPLGTA GRANT	(175,439)	175,439	-	0	ENVIRO	UNSPENT CG - PROVINCIAL GOVERNMENT
PMB5138960001	UNSPENT GRANT : LIBRARY SERVICES	(65,000)	53,557	-	(11,443)	LIBR	UNSPENT CG - PROVINCIAL GOVERNMENT
PMB5278980001	I.D.P. FUND FROM DEPT. OF LG&H	(679,259)	-	-	(679,259)	IDP	UNSPENT CG - PROVINCIAL GOVERNMENT
PMB7018960001	PG - INTERGRATION WITH REDS	(143,952)	143,952	-	0	ELECT	UNSPENT CG - PROVINCIAL GOVERNMENT
PMB7878980801	GRANT - WATER SERVICE DELIVERY PLANNING	(158,923)	15,033	-	(143,890)	WATER	UNSPENT CG - PROVINCIAL GOVERNMENT
		(7,673,439)	2,980,401	(8,852,099)	(13,545,137)		
PMB0608960014	UNSPENT CONDITIONAL GRANTS : LIBRARY EXTERNAL	(8,988,487)	10,052,861	(6,740,273)	(5,675,900)	LIBR	UNSPENT CG - OTHER
PMB1258960001	UNSPENT GRANT - DEVELOPER CONTRIBUTION	-	-	(1,004,035)	(1,004,035)	DEVELOPERS	UNSPENT CG - OTHER
PMB2028960002	RETENTION - MIG - VULINDLELA VIP CONSTR.	(32,811)	-	-	(32,811)	MIG	UNSPENT CG - OTHER
PMB2858960001	GEDI - GIJIMA FUNDS	(28,608)	8,278	(4,431)	(24,761)	GEDI	UNSPENT CG - OTHER

THE MSUNDUZI MUNICIPALITY
APPENDIX G
DETAILS OF CONDITIONAL GRANTS AND RECEIPTS AS AT 30 JUNE 2009

Account No:	Account Description	Unspent Balance @ 1 July 2008	Transfers	Current Year Receipts	Unspent balance @ 30 June 2009	Grant Type	Source Code
PMB2858960002	E/DALE LAND LEGAL	(384,622)	67,654	(24,684)	(341,651)	HOUSING	UNSPENT CG - OTHER
PMB2858960003	E/DALE PVT LAND LEGAL	(20,956,596)	3,674,449	(1,341,227)	(18,623,373)	HOUSING	UNSPENT CG - OTHER
PMB2938960001	DBSA - STORM REHAB. FUND	(42,333)	42,333	-	0	STORM	UNSPENT CG - OTHER
PMB3588970003	USAID AIDS EDUCATOR TRAINING	(23,941)	23,941	-	0	USAID	UNSPENT CG - OTHER
PMB5118960002	UDM - LOCAL TOURISM DEVELOPMENT	-	-	(10,400,000)	(10,400,000)	UDM	UNSPENT CG - OTHER
PMB5118960003	GRANT - WARD 3 5 6	(40,123)	-	-	(40,123)	WARD	UNSPENT CG - OTHER
PMB8328760903	TRUST - CEMETERY TRUST ACCOUNT	(14,308)	-	(1,148)	(15,457)	TRUST	UNSPENT CG - OTHER
PMB8348760907	TRUST - JOHN HARDY TRUST ACCOUNT	(217)	217	-	0	TRUST	UNSPENT CG - OTHER
PMB8358760909	TRUST - PATRIOTIC LEAGUE TRUST ACCOUNT	(45,527)	-	(1,563)	(47,090)	TRUST	UNSPENT CG - OTHER
PMB8368760911	TRUST - PEARSE TRUST ACCOUNT	(1,418,685)	28,017,345	(28,053,073)	(1,454,413)	TRUST	UNSPENT CG - OTHER
PMB8378760913	TRUST - WELCH TRUST ACCOUNT	(359,759)	-	(11,994)	(371,754)	TRUST	UNSPENT CG - OTHER
PMB8388760916	TRUST - MARIA KINSMAN TRUST ACCOUNT	(591,488)	-	-	(591,488)	TRUST	UNSPENT CG - OTHER
PMB8388760920	TRUST - MARIA KINSMAN TRUST - NET INCOME	(37,768)	-	(17,864)	(55,632)	TRUST	UNSPENT CG - OTHER
PMB8398760908	TRUST - MAYORESS NECESSITY FUND	(76,202)	-	(3,211)	(79,413)	TRUST	UNSPENT CG - OTHER
PMB8398760924	TRUST - MAYORESS CHARITY BALL - CLEARING ACCOUNT	(925)	925	-	0	TRUST	UNSPENT CG - OTHER
PMB8408760915	TRUST - CEMETERY TRUST ACCOUNT (M/RISE)	(2,293,364)	-	-	(2,293,364)	TRUST	UNSPENT CG - OTHER
PMB8408760922	TRUST - CEMETERY TRUST ACCOUNT (M/RISE) - INTEREST	(284,079)	-	(136,213)	(420,292)	TRUST	UNSPENT CG - OTHER
PMB8418760906	TRUST - FLEMING TRUST ACCOUNT	(73,443)	-	(2,169)	(75,612)	TRUST	UNSPENT CG - OTHER
PMB8428010001	TRUST - CONT IMBALI FLOOD VICTIMS - PMB FLOOD VICTIMS	(60,858)	-	-	(60,858)	TRUST	UNSPENT CG - OTHER
PMB8428760842	TRUST - PMB FLOOD DISASTER	(30,989)	-	-	(30,989)	TRUST	UNSPENT CG - OTHER
PMB8438760925	TRUST - REFUGEES TRUST ACCOUNT	(60,604)	-	-	(60,604)	TRUST	UNSPENT CG - OTHER
		(35,845,735)	41,888,004	(47,741,886)	(41,699,618)		
		(145,926,625)	162,998,056	(130,146,523)	(113,075,091)		

**THE MSUNDUZI MUNICIPALITY
APPENDIX H
CONDITIONAL GRANTS AND RECEIPTS AS AT 30 JUNE 2009**

	UNSPENT BALANCE 1-Jul-2008	CURRENT YEARS RECEIPTS	INTEREST ALLOCATED	TRANSFER TO REVENUE OPERATING EXPENDITURE	TRANSFER TO REVENUE CAPITAL EXPENDITURE	TRANSFERS	UNSPENT BALANCE 30-Jun-2009
NATIONAL GOVERNMENT	-	-	-	-	-	-	-
Various as per Appendix G1	(102,407,450)	(73,552,537)	-	-	-	118,129,651	89,274,738
PROVINCIAL GOVERNMENT	-	-	-	-	-	-	-
Various as per Appendix G1	(7,673,439)	(8,852,099)	-	-	-	2,980,401	4,159,061
	-	-	-	-	-	-	-
	(110,080,889)	(82,404,637)	-	-	-	121,110,053	93,433,800
OTHER GRANTS	-	-	-	-	-	-	-
Various as per Appendix G1	(35,845,735)	(47,741,886)	-	-	-	41,888,004	53,784,155
	-	-	-	-	-	-	-
	(145,926,625)	(130,146,523)	-	-	-	162,998,056	(113,075,091)

THE MSUNDUZI MUNICIPALITY
APPENDIX I
DISCLOSURE OF GRANTS AND RECEIPTS AT 30 JUNE 2009

	EXECUTIVE & COUNCIL	BUDGET & TREASURY OFFICE	DEVELOPMENT SERVICES	CORPORATE SERVICES	COMMUNITY SERVICES	HEALTH	WASTE MANAGEMENT	WATER	ROAD TRANSPORT	HOUSING	AIRPORT	SPORTS & RECREATION	ELECTRICITY	PUBLIC SAFETY	TOTAL
TRANSFER TO REVENUE - CAPITAL EXPENDITURE															
NATIONAL GOVERNMENT															
MIG	-	-	-	-	-	-	24,462,230	5,967,035	44,776,674	-	-	-	147,653	-	75,353,592
	-	-	-	-	-	-		5,967,035	44,776,674						75,353,592
PROVINCIAL GOVERNMENT															
Department of Transport	-	-	-	-	-	-	-	-	805,340	-	-	-	-	-	805,340
Department of Traditional and Local Govt	-	-	-	-	499,913	-	-	-	-	-	-	-	-	-	499,913
	-	-	-	-	499,913	-	-	-	805,340	-	-	-	-	-	1,305,253
TOTAL NATIONAL/PROVINCIAL GOVERNMENT GRANT	-	-	-	-	499,913	-	-	5,967,035	45,582,014						76,658,845
DONATIONS AND PUBLIC CONTRIBUTIONS															
Other	-	-	-	-	287,680	-	-	-	-	-	-	-	-	-	287,680
Msunduzi Library - Carnegie Corporation of New York	-	-	-	-	8,856,350	-	-	-	-	-	-	-	-	-	8,856,350
TOTAL DONATIONS AND PUBLIC CONTRIBUTIONS	-	-	-	-	9,144,030	-	-	-	-	-	-	-	-	-	9,144,030
TOTAL CONDITIONAL GRANTS & RECEIPTS	-	-	-	-	9,643,943	-	-	5,967,035	45,582,014						85,802,875



THE MSUNDUZI MUNICIPALITY
APPENDIX I
DISCLOSURE OF GRANTS AND RECEIPTS AT 30 JUNE 2009

	EXECUTIVE & COUNCIL	BUDGET & TREASURY OFFICE	DEVELOPMENT SERVICES	CORPORATE SERVICES	COMMUNITY SERVICES	HEALTH	WASTE MANAGEMENT	WATER	ROAD TRANSPORT	HOUSING	AIRPORT	SPORTS & RECREATION	ELECTRICITY	PUBLIC SAFETY	TOTAL
TRANSFER TO REVENUE - OPERATING EXPENDITURE															
NATIONAL GOVERNMENT															
Financial Management Grant	-	1,768,127	-	-	-	-	-	-	-	-	-	-	-	-	1,768,127
MIG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Development Admin Capacity Building	-	-	78,076	-	-	-	-	-	-	-	-	-	-	-	78,076
MSIG/Community Development Workers	495,789	-	-	-	-	-	-	-	-	-	-	-	-	-	495,789
Local Government Housing	-	-	-	-	-	-	-	-	-	34,022,392	-	-	-	-	34,022,392
	495,789	1,768,127	78,076	-	-	-	-	-	-	34,022,392	-	-	-	-	36,364,384
PROVINCIAL GOVERNMENT															
Facelifting Capital City	-	-	-	-	-	-	76,051	-	-	-	-	-	-	-	76,051
Technical Support	-	-	249,291	-	-	-	-	-	-	-	-	-	-	-	249,291
Land Use Management	-	-	104,797	-	-	-	-	-	-	-	-	-	-	-	104,797
Intergration with REDS	-	-	-	-	-	-	-	-	-	-	-	-	143,952	-	143,952
Health subsidies	-	-	-	-	-	8,085,000	-	-	-	-	-	62,972	-	-	8,147,972
Department of Transport	-	-	-	-	-	-	-	-	231,808	-	-	-	-	-	231,808
Environmental Management Framework	-	-	-	-	-	-	-	-	-	-	-	175,439	-	-	175,439
Water service delivery	-	-	-	-	-	-	-	15,033	-	-	-	-	-	-	15,033
DWAF Funded projects	-	-	-	-	-	-	-	99,798	-	-	-	-	-	-	99,798
	-	-	354,088	-	-	8,085,000	-	114,831	231,808	-	-	238,411	143,952	-	9,244,141
	495,789	1,768,127	432,164	-	-	8,085,000	-	114,831	231,808	34,022,392	-	238,411	143,952	-	45,608,525
TOTAL NATIONAL/PROVINCIAL GOVERNMENT GRANT															
DONATIONS AND PUBLIC CONTRIBUTIONS															
Greater Edendale Land Initiative and Land Legal	-	-	-	-	4,231,118	-	-	-	-	-	-	-	-	-	4,231,118
Msunduzi Library - Carnegie Corporation of New York	-	-	-	-	1,435,174	-	-	-	-	-	-	-	-	-	1,435,174
Other	-	-	-	-	-	23,880	197,586	-	-	-	-	-	-	-	221,466
Airport	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Storm Damage	-	-	-	-	-	-	-	-	-	-	-	-	-	42,333	42,333
IMEP	-	-	-	-	5,666,292	23,880	197,586	-	-	-	-	-	-	42,333	5,930,091
TOTAL DONATIONS AND PUBLIC CONTRIBUTIONS															
TOTAL CONDITIONAL GRANTS & RECEIPTS	495,789	1,768,127	432,164	-	5,666,292	8,108,880	197,586	114,831	231,808	34,022,392	-	238,411	143,952	42,333	51,538,616

SAFE CITY PIETERMARITZBURG – ANNUAL FINANCIAL STATEMENTS 30 JUNE 2009

(Association incorporated under Section 21) (Registration Number: 2002/007386/08)

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APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

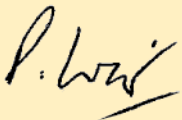
The annual financial statements and other financial information set out in this annual report were prepared by the directors in conformity with International Financial Reporting Standards applied on a consistent basis.

The manager of presentation of the annual financial statements, the selection of accounting policies and the integrity of the financial information are the responsibility of the directors.

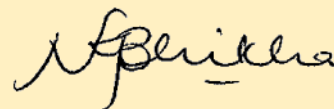
The directors are also responsible for the systems of internal control. There are designed to provide reasonable but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatement and loss. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of those controls, procedures and systems has occurred during the year under review.

The annual financial statements are prepared on a going concern basis. Nothing has come to the attention of the directors to indicate that the association will not remain a going concern for the foreseeable future.

The annual financial statements set out on pages 4 to 15 and the supplementary schedules on pages 16 to 17 were approved by the Board of Directors on 21 July 2009 and are signed on it's behalf by:-



DIRECTOR – P WARMINGTON



CHIEF EXECUTIVE OFFICER – N K BHIKHA



DIRECTOR – W D WINSHIP

