

Accounting Policies for the year ended 31 March 2005

The Annual Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Annual Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 5 of 2004. The following issued, but not yet effective Standards of Generally Recognised Accounting Practice have not been fully complied with in the Annual Financial Statements: GRAP 1, 2 and 3.

1 Basis of preparation

The Annual Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid. Under the accrual basis of accounting transactions and other events are recognised when incurred and not when cash is received or paid.

2 Revenue

Appropriated funds

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

Departmental revenue

Tax revenue

A tax receipt is defined as compulsory, irrecoverable revenue collected by entities. Tax receipts are recognised as revenue in the statement of financial performance on receipt of the funds.

Sale of goods and services other than capital assets

This comprises the proceeds from the sale of goods and/or services produced by the entity. Revenue is recognised in the statement of financial performance on receipt of the funds.

Fines, penalties and forfeits

Fines, penalties and forfeits are compulsory receipts imposed by court or quasi-judicial body. Revenue is recognised in the statement of financial performance on receipt of the funds.

Interest, dividends and rent on land

Interest and dividends received are recognised upon receipt of the funds, and no provision is made for interest or dividends receivable from the last receipt date to the end of the reporting period. They are recognised as revenue in the Statement of Financial Performance of the department and then transferred to the National/Provincial Revenue Fund.

Revenue received from the rent of land is recognised in the statement of financial performance on receipt of the funds.

Sale of capital assets

The proceeds from the sale of capital assets is recognised as revenue in the statement of financial performance on receipt of the funds.

Financial transactions in assets and liabilities

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as

revenue in the statement of financial performance on receipt of the funds.

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

Local and foreign aid assistance

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

3 Expenditure

Compensation of employees

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

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

Short-term employee benefits

The cost of short-term employee benefits is expensed in the Statement of Financial Performance in the reporting period when the

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

Long-term employee benefits and other post employment benefits

Termination benefits

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

Medical benefits

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

Post employment retirement benefits

The department provides retirement benefits for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when the final authorisation for payment to the fund is effected on the system. No provision is made for retirement benefits in the Annual Financial Statements of the department. Any potential liabilities are disclosed in the Annual Financial Statements of the National/Provincial Revenue Fund and not in the Annual Financial Statements of the employer department.

Other employee benefits

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

Goods and services

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

Interest and rent on land

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

Financial transactions in assets and liabilities

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

Unauthorised expenditure

Unauthorised expenditure, is defined as:

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

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

Irregular expenditure

Irregular expenditure, is defined as :

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

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

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

Fruitless and wasteful expenditure

Fruitless and wasteful expenditure, is defined as:

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

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

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

4 Transfers and subsidies

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

5 Expenditure for capital assets

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

6 Investments

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

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

7 Receivables

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

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

8 Cash and cash equivalents

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

9 Payables

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

10 Lease commitments

Lease commitments for the period remaining from the reporting date until the end of the lease contract are disclosed as part of the disclosure notes to the Annual Financial Statements. These commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance as the Annual Financial Statements are prepared on the cash basis of accounting.

Operating lease expenditure is expensed when the payment is made.

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

11 Accruals

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

12 Contingent liability

This is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the department; or

a present obligation that arises from past events but is not recognised because:

- it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability

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

13 Commitments

This amount represents goods/services that have been approved and/or contracted, but no delivery has taken place at the reporting date. These amounts are not recognised in the Statement of financial position as a liability or as expenditure in the Statement of Financial Performance as the Annual Financial Statements are prepared on a modified cash basis of accounting, but are however disclosed as part of the disclosure notes.

14 Capitalisation reserve

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

15 Recoverable revenue

Recoverable revenue represents payments made and recognised in the Statement of Financial Performance as an expense in previous

years due to non-performance in accordance with an agreement, which have now become recoverable from a debtor. Repayments are transferred to the Revenue Fund as and when the repayment is received.

16 Comparative figures

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

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

Appropriation per programme									
	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1 Administration									
Current payment	259 876	-	6 904	266 780	241 259	25 521	90.4%	275 407	256 470
Transfers and subsidies	4 990	-	-	4 990	22 366	(17 376)	448.2%	-	-
Payment for capital assets	17 175	-	-	17 175	9 069	8 106	52.8%	10 585	6 360
2 Water Resource Management									
Current payment	618 857	(40 500)	(73 303)	505 054	642 387	(137 333)	127.2%	592 743	521 043
Transfers and subsidies	609 216	40 500	-	649 716	657 866	(8 150)	101.3%	367 107	273 498
Payment for capital assets	362 893	-	(40 701)	322 192	146 796	175 396	45.6%	233 730	321 667
3 Water Services									
Current payment	283 313	-	54 264	337 577	521 327	(183 750)	154.4%	873 220	260 564
Transfers and subsidies	1 069 183	-	-	1 069 183	983 488	85 695	92.0%	1 238 014	1 100 648
Payment for capital assets	154 600	-	-	154 600	56 544	98 056	36.6%	621 613	1 030 230
4 Forestry									
Current payment	383 330	-	23 621	406 951	392 257	14 694	96.4%	419 784	408 378
Transfers and subsidies	53 552	-	-	53 552	71 347	(17 795)	133.2%	-	-
Payment for capital assets	6 127	-	-	6 127	3 025	3 102	49.4%	6 977	3 229
5 Thefts and Losses									
Current payment	-	-	29 215	29 215	29 215	-	100.0%	-	-
TOTAL	3 823 112	-	-	3 823 112	3 776 946	46 166	98.8%	4 639 180	4 182 087
Reconciliation with Statement of Financial Performance									
Departmental revenue received				88 508				160 591	
Local and foreign aid assistance received				125 362				326 708	
Actual amounts per Statements of Financial Performance (Total revenue)				4 036 982				5 126 479	
Local and foreign aid assistance					188 515				229 157
Actual amounts per Statements of Financial Performance (Total expenditure)					3 965 461				4 411 244

Appropriation per economic classification									
	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payments as % of final appropriation	Final Appropriation	Actual payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	662 005	-	-	662 005	602 656	59 349	91.0%	685 624	598 203
Goods and services	916 969	(40 500)	11 486	887 955	1 193 707	(305 752)	134.4%	1 395 838	673 112
Interest and rent on land	1 505	-	-	1 505	867	638	57.6%	2 157	2 157
Financial transactions in assets and liabilities	-	-	29 215	29 215	29 215	-	100.0%	-	12 912
Transfers and subsidies to:									
Provinces and municipalities	1 192 750	-	-	1 192 750	5 491	1 187 259	0.5%	1 905 877	585 821
Departmental agencies and accounts	626 605	40 500	-	667 105	1 611 675	(944 570)	241.6%	414 679	1 534 358
Public corporations and private enterprises	38 000	-	-	38 000	84 254	(46 254)	221.7%	-	-
Households	-	-	-	-	33 647	(33 647)			
Payment for capital assets									
Buildings and other fixed structures	326 443	-	(40 701)	285 742	172 786	112 956	60.5%	-	-
Machinery and equipment	46 143	-	-	46 143	31 218	14 925	67.7%	235 005	761 511
Biological or cultivated assets	48	-	-	48	90	(42)	187.5%	-	-
Software and other intangible assets	11 401	-	-	11 401	11 340	61	99.5%	-	14 013
Land and subsoil assets	1 243	-	-	1 243	-	1 243		-	-
Total	3 823 112	-	-	3 823 112	3 776 946	46 166	98.8%	4 639 180	4 182 087

DETAIL PER PROGRAMME 1 ADMINISTRATION FOR THE YEAR ENDED 31 MARCH 2005

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payments as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Minister									
Current payment	791			791	955	(164)	120.7%	746	981
Transfers and subsidies					2	(2)			
1.2 Management									
Current payment	43 735	820	870	45 425	19 183	26 242	42.2%	14 151	30 107
Transfers and subsidies					13 127	(13 127)			
Expenditure for capital assets	165			165	26	139	15.8%	156	430
1.3 Corporate Services									
Current payment	157 584	(820)	195	156 959	151 373	5 586	96.4%	196 853	147 287
Transfers and subsidies	4 981			4 981	9 233	(4 252)	185.4%		
Expenditure for capital assets	9 720			9 720	4 127	5 593	42.5%	7 124	2 156
1.4 Information Services									
Current payment	57 766		5 839	63 605	69 748	(6 143)	109.7%	63 657	78 095
Transfers and subsidies	9			9	4	5	44.4%		
Expenditure for capital assets	7 290			7 290	4 916	2 374	67.4%	3 305	3 774
TOTAL	282 041	-	6 904	288 945	272 694	16 251	94.4%	285 992	262 830

Economic Classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payments as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	135 500			135 500	92 675	42 825	68.4%	145 840	102 844
Goods and services	132 215		6 904	139 119	148 583	(9 464)	106.8%	129 156	153 215
Transfers and subsidies to:									
Provinces and municipalities	425			425	285	140	67.1%	411	411
Departmental agencies and accounts				-	19 244	(19 244)			
Households					2 836	(2 836)			
Payment for capital assets									
Buildings and other fixed structures	2 500			2 500	1 452	1 048	58.1%		
Machinery and equipment				-	4 235	(4 235)		10 585	6 245
Software and other intangible assets	11 401			11 401	3 384	8 017	29.7%		115
Total	282 041	-	6 904	288 945	272 694	16 251	94.4%	285 992	262 830

DETAIL PER PROGRAMME 2 WATER RESOURCE MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2005

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Equitable Supply									
Current payment	208 856	(37 300)	(51 803)	119 753	106 095	13 658	88.6%	232 096	202 338
Transfers and subsidies	30 931	40 500		71 431	68 789	2 642	96.3%		
Expenditure for capital assets	922			922	1 351	(429)	146.5%	1 047	34 242
2.2 Protection Policies									
Current payment	32 893	(300)		32 593	38 219	(5 626)	117.3%	32 443	12 057
Transfers and subsidies	52			52	24	28	46.2%		
Expenditure for capital assets	1 057			1 057	96	961	9.1%	1 060	414
2.3 Institutional Regulations									
Current payment	7 790	(1 000)		6 790	9 782	(2 992)	144.1%	8 554	535
Transfers and subsidies				-	9	(9)			
Expenditure for capital assets	150			150	114	36	76.0%	106	
2.4 Strategic Alignment									
Current payment	118 669	(1 000)	(16 500)	101 169	83 040	18 129	82.1%	90 232	63 723
Transfers and subsidies	283			283	123	160	43.5%		
Expenditure for capital assets	7 751			7 751	6 441	1 310	83.1%	6 656	6 167
2.5 African Co-operation									
Current payment	7 256			7 256	5 464	1 792	75.3%	4 537	7 572
Transfers and subsidies				-	3	(3)			
Expenditure for capital assets	67			67	17	50	25.4%	68	
2.6 Water Resource Admini- stration									
Current payment	22 602	(900)	(5 000)	16 702	14 998	1 704	89.8%	3 425	6 273
Transfers and subsidies				-	29	(29)			
Expenditure for capital assets	505			505	23	482	4.6%	164	158
2.7 Sustainable Supply									
Current payment	19 243	23 000		42 243	192 367	(150 124)	455.4%	81 787	75 267
Transfers and subsidies	16			16	23 479	(23 463)	146743.8%		
Expenditure for capital assets	346 937		(40 701)	306 236	118 738	187 498	38.8%	215 309	245 927
2.8 Protection Measures									
Current payment	2 028			2 028	2 164	(136)	106.7%	442	
Expenditure for capital assets				-	85	(85)		13	

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.9 Institutional Development									
Current payment	7 088			7 088	9 152	(2 064)	129.1%	6 963	10 889
Transfers and subsidies				-	19	(19)			
Expenditure for capital assets	109			109	285	(176)	261.5%	74	107
2.10 Stakeholder Empowerment									
Current payment	116 071	(16 000)		100 071	99 308	763	99.2%	84 840	78 929
Transfers and subsidies	106			106	457	(351)	431.1%		
Expenditure for capital assets	5 082			5 082	18 627	(13 545)	366.5%	7 800	33 622
2.11 Water Resource Support									
Current payment	76 361	(7 000)		69 361	81 798	(12 437)	117.9%	47 424	63 460
Transfers and subsidies	43			43	163	(120)	379.1%		
Expenditure for capital assets	313			313	1 019	(706)	325.6%	1 433	1 030
2.12 Operation of Water Resources									
Transfers and subsidies	575 250			575 250	562 236	13 014	97.7%	364 607	270 998
2.13 Capital Equipment									
Transfers and subsidies	2 535			2 535	2 535	-	100.0%	2 500	2 500
TOTAL	1 590 966	-	(114 004)	1 476 962	1 447 049	29 913	98.0%	1 193 580	1 116 208

Economic Classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	215 646			215 646	180 120	35 526	83.5%	225 537	185 729
Goods and services	403 211	(40 500)	(73 303)	289 408	461 962	(172 554)	159.6%	354 056	220 496
Interest and rent on land				-	305	(305)			
Transfers and subsidies to:									
Provinces and municipalities	766			766	4 310	(3 544)	562.7%		
Departmental agencies and accounts	608 450	40 500		648 950	634 208	14 742	97.7%	398 678	394 321
Households				-	19 350	(19 350)			
Payment for capital assets									
Buildings and other fixed structures	317 816		(40 701)	277 115	116 293	160 822	42.0%		
Machinery and equipment	43 834			43 834	22 858	20 976	52.1%	215 309	309 958
Software and other intangible assets				-	7 643	(7 643)			5 704
Land and subsoil assets	1 243			1 243		1 243			
Total	1 590 966	-	(114 004)	1 476 962	1 447 049	29 913	98.0%	1 193 580	1 116 208

DETAIL PER PROGRAMME 3 WATER SERVICES FOR THE YEAR ENDED 31 MARCH 2005

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Provisioning Services									
Current payment	6 084			6 084	(1 851)	7 935	(30.4%)	8 901	6 822
Expenditure for capital assets				-	177	(177)		270	1 787
3.2 Water Sector Policies									
Current payment	39 021			39 021	41 835	(2814)	107.2%	37 157	31 343
Transfers and subsidies	8			8	22	(14)	275.0%		
Expenditure for capital assets	1 043			1 043	311	732	29.8%	298	4 005
3.3 Institutional Policies									
Current payment	6 159			6 159	3 513	2 646	57.0%	14 953	6 332
Transfers and subsidies				-	5	(5)			
Expenditure for capital assets	100			100		100		106	4 400
3.4 Transfer Policies									
Current payment				-		-		415	224
Expenditure for capital assets				-		-		4	
3.5 African Initiative									
Current payment	178			178		178		3 571	111
Expenditure for capital assets				-		-		28	2
3.6 Water Services Administration									
Current payment	7 701			7 701	5 950	1 751	77.3%	4 578	5 112
Transfers and subsidies	1			1	9	(8)	900.0%		
Expenditure for capital assets	116			116	18	98	15.5%	32	100
3.7 Water and Sanitation Services									
Current payment	4 974		27 973	32 947	222 790	(189 843)	676.2%	532 487	88 650
Transfers and subsidies	81 243			81 243	19 165	62 078	23.6%		
Expenditure for capital assets	141 728			141 728	40 791	100 937	28.8%	619 507	933 232
3.8 Water Sector Support									
Current payment	37 658		15000	52 658	68 171	(15 513)	129.5%	17 222	36 647
Transfers and subsidies	25			25	378	(353)	1 512.0%		
Expenditure for capital assets	3 256			3 256	334	2 922	10.3%	190	25 266

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.9 Institutional Support									
Current payment	44 712			44 712	42 141	2 571	94.2%	20 553	23 581
Transfers and subsidies	103			103	(254)	357	(246.6%)		
Expenditure for capital assets	7 791			7 791	7 226	565	92.7%	424	23 689
3.10 Transfers									
Current payment	21 115		11 291	32 406	11 261	21 145	34.7%		
Transfers and subsidies	35 913			35 913	12 153	23 760	33.8%	2 048	10 719
Expenditure for capital assets				-	5 046	(5 046)			
3.11 African Participation									
Current payment	608			608		608		385	
Expenditure for capital assets				-		-		4	
3.12 Water Services Support									
Current payment	115 103			115 103	127 517	(12 414)	110.8%	232 998	61 742
Transfers and subsidies	28			28	147	(119)	525.0%		
Expenditure for capital assets	566			566	2 641	(2 075)	466.6%	750	37 749
3.13 Operations of Water Services									
Transfers and subsidies	951 862			951 862	951 863	(1)	100.0%	1 235 966	1 089 929
TOTAL	1 507 096	-	54 264	1 561 360	1 561 359	1	100.0%	2 732 847	2 391 442

Economic Classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	66 526			66 526	78 648	(12 122)	118.2%	60 760	49 910
Goods and services	244 051		54 264	298 315	442 680	(144 365)	148.4%	764 487	170 079
Financial transactions in assets and liabilities				-		-			12 912
Transfers and subsidies to:									
Provinces and municipalities	1 191 162			1 191 162	-	1 191 162		1 905 466	585 410
Departmental agencies and accounts	3 000			3 000	926 317	(923 317)	30877.2%		1 122 857
Public corporations and private enterprises				-	45 773	(45 773)			
Households				-	11 397	(11 397)			
Payment for capital assets									
Buildings and other fixed structures				-	54 915	(54 915)			
Machinery and equipment	2 309			2 309	1 388	921	60.1%	2 134	442 138
Biological or cultivated assets	48			48		48			
Software and other intangible assets				-	241	(241)			8 136
Total	1 507 096	-	54 264	1 561 360	1 561 359	1	100.0%	2 732 847	2 391 442

DETAIL PER PROGRAMME 4 FORESTRY FOR THE YEAR ENDED 31 MARCH 2005

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 Plantation Restructuring									
Current payment	776			776	36	740	4.6%	811	27
Expenditure for capital assets				-		-			14
4.2 Indigenous Forest									
Restructuring									
Current payment	209			209	46	163	22.0%	208	2
Expenditure for capital assets				-	19	(19)			
4.3 Forestry Oversight									
Current payment	13 483			13 483	13 163	320	97.6%	13 901	5 827
Transfers and subsidies	14			14	19	(5)	135.7%		
Expenditure for capital assets	430			430	2	428	0.5%	443	(48)
4.4 African Forestry Liaison									
Current payment	658			658	529	129	80.4%	678	291
Transfers and subsidies				-	2	(2)			
Expenditure for capital assets				-	1	(1)			17
4.5 Community Forestry									
Current payment	103			103	938	(835)	910.7%	104	205
Transfers and subsidies				-	3	(3)			
Expenditure for capital assets									21
4.6 Forestry Management Support									
Current payment	4 495			4 495	3 463	1 032	77.0%	4 630	5 024
Transfers and subsidies				-	7	(7)			
Expenditure for capital assets	39			39	200	(161)	512.8%	40	76
4.7 Planatation Management									
Current payment	265 237		8 000	273 237	274 430	(1 193)	100.4%	281 990	270 375
Transfers and subsidies	243			243	1 596	(1 353)	656.8%		
Expenditure for capital assets	2 351			2 351	1 958	393	83.3%	3 091	2 467
4.8 Indigenous Forest Management									
Current payment	46 941		17 000	63 941	66 717	(2 776)	104.3%	48 579	58 627
Transfers and subsidies	86			86	297	(211)	345.3%		
Expenditure for capital assets	2 516			2 516	562	1 954	22.3%	2 449	113

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.9 Forestry Governance									
Current payment	1 953			1 953	230	1 723	11.8%	2 012	80
Transfers and subsidies				-	1	(1)			
Expenditure for capital assets				-	2	(2)			
4.10 Community Empowerment									
Current payment	23 590		300	23 890	25 152	(1 262)	105.3%	24 332	17 090
Transfers and subsidies	54			54	48	6	88.9%		
Expenditure for capital assets	329			329	200	129	60.8%	359	52
4.11 Forestry Support Services									
Current payment	25 885		(1 679)	24 206	7 553	16 653	31.2%	42 539	50 830
Transfers and subsidies	53 155			53 155	69 374	(16 219)	130.5%		
Expenditure for capital assets	462			462	81	381	17.5%	595	517
TOTAL	443 009	-	23 621	466 630	466 629	1	100.0%	426 761	411 607

Economic Classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	244 333			244 333	251 213	(6 880)	102.8%	253 487	259 720
Goods and services	137 492		23 621	161 113	140 482	20 631	87.2%	148 139	129 322
Interest and rent on land	1 505			1 505	562	943	37.3%	2 157	2 157
Transfers and subsidies to:									
Provinces and municipalities	397			397	896	(499)	225.7%		
Departmental agencies and accounts	15 155			15 155	31 906	(16 751)	210.5%	16 001	17 180
Public corporations and private enterprises	38 000			38 000	38 481	(481)	101.3%		
Households				-	64	(64)			
Payment for capital assets									
Buildings and other fixed structures	6 127			6 127	126	6 001	2.1%		
Machinery and equipment				-	2 737	(2 737)		6 977	3 170
Biological or cultivated assets				-	90	(90)			
Software and other intangible assets				-	72	(72)			58
Total	443 009	-	23 621	466 630	466 629	1	100.0%	426 761	411 607

DETAIL PER PROGRAMME 5 THEFTS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2005

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 Thefts and Losses * Cur									
Current payment			29 215	29 215	29 215		100.0%		12 912
TOTAL			29 215	29 215	29 215		100.0%		12 912

Economic Classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Financial transactions in assets and liabilities			29 215	29 215	29 215	-	100.0%		12 912
Total	-	-	29215	29 215	29 215		100.0%		12 912

NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

1 Detail of transfers and subsidies as per Appropriation Act (after Virement):

Detail of these transactions can be viewed in note 9 (Transfers and subsidies) and Annexure 1 (C-I) to the Annual Financial Statements.

2 Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3 Detail on financial transactions in assets and liabilities

Detail of these transactions per programme can be viewed in note 7 (Financial transactions in assets and liabilities) to the Annual Financial Statements.

4 Explanations of material variances from Amounts Voted (after Virement):

4.1 Per Programme	Voted Funds after virement	Actual Expenditure	R'000
Administration	288 945	272 694	16 251
	The saving is mainly attributed to the transfer of staff to municipalities which could not take place due to protracted negotiations with receiving municipalities and funds will be rolled-over to 2005/06 financial year.		
Water Resource	1 476 976	1 447 049	29 913
	The Bohlabela Municipality responsible for the project was not able to procure and/to pay for the services and the Department could therefore not have transferred funds to them.		
	Contracts for emergency water supplies have been concluded and orders have been placed but deliveries and/or payments could not take place before 31 March 2005.		
Water Services	1 561 360	1 561 359	1
	Insignificant variance.		
Forestry	466 630	466 629	1
	Insignificant variance.		
Thefts and Losses	29 215	29 215	

4.2 Per Economic classification

Current payment: R'000

Compensation of employees	59 349
Goods and services	(305 752)
Interest and rent on land	638

Transfers and subsidies:

Provinces and municipalities	1 187 259
Departmental agencies and accounts	(944 570)
Public corporations and private enterprises	(46 254)
Households	(33 647)

Payments for capital assets:

Buildings and other fixed structures	112 956
Machinery and equipment	14 925
Biological or cultivated assets	(42)
Software and other intangible assets	61
Land and subsoil assets	1 243

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2005

	Note	2004/05 R'000	2003/04 R'000
REVENUE			
Annual appropriation	1	3 823 112	4 639 180
Departmental revenue	2	88 508	160 591
Local and foreign aid assistance	3	125 362	326 708
TOTAL REVENUE		4 036 982	5 126 479
EXPENDITURE			
Current expenditure			
Compensation of employees	4	602 656	598 203
Goods and services	5	1 193 707	673 112
Interest and rent on land	6	867	2 157
Financial transactions in assets and liabilities	7	29 215	12 912
Local and foreign aid assistance	3	180 882	220 037
Total current expenditure		2 007 327	1 506 421
Transfers and subsidies	9	1 735 067	2 120 179
Expenditure for capital assets			
Buildings and other fixed structures	10	172 786	-
Machinery and Equipment	10	31 218	761 511
Biological or cultivated assets	10	90	-
Software and other intangible assets	10	11 340	14 013
Local and foreign aid assistance	3	7 633	9 120
Total expenditure for capital assets		223 067	784 644
TOTAL EXPENDITURE		3 965 461	4 411 244
NET SURPLUS/(DEFICIT)		71 521	715 235
NET SURPLUS/(DEFICIT) FOR THE YEAR			
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds to be surrendered to the Revenue Fund/unutilised	14	46 166	457 093
Departmental receipts to be surrendered to the Revenue Fund	15	88 508	160 591
Local and foreign aid assistance	3	(63 153)	97 551
NET SURPLUS/(DEFICIT) FOR THE YEAR		71 521	715 235

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH 2005

	Note	2004/05	2003/04
ASSETS			
Current assets		393 450	663 518
Unauthorised expenditure	8	14 889	14 889
Cash and cash equivalents	11	179 596	453 205
Loans		10 357	7 862
Prepayments and advances	12	109 056	44 413
Receivables	13	48 162	129 527
Local and foreign aid assistance receivable	3	31 390	13 622
Non-current assets		232 871	274 152
Loans		232 871	274 152
TOTAL ASSETS		626 321	937 670
LIABILITIES			
Current liabilities		378 584	651 988
Voted funds to be surrendered to the Revenue Fund	14	46 166	457 093
Departmental revenue to be surrendered to the Revenue Fund	15	(47 641)	74 543
Bank overdraft	16	197 067	-
Payables	17	177 538	69 513
Local and foreign aid assistance repayable	3	5 454	50 839
Non-current liabilities			
TOTAL LIABILITIES		378 584	651 988
NET ASSETS		247 737	285 682
Represented by:			
Capitalisation reserve		243 228	282 014
Recoverable revenue		4 509	3 668
TOTAL		247 737	285 682

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2005

	Note	2004/05 R'000	2003/04 R'000
Capitalisation reserve			
Opening balance		282 014	276 106
Transfers		(38 786)	5 908
Closing balance		243 228	282 014
Recoverable revenue			
Opening balance		3 668	-
Debts written off	7.6	(225)	(5 674)
Debts recovered (included in departmental revenue)		(71)	6 618
Debts raised		1 137	2 724
Closing balance		4 509	3 668
TOTAL		247 737	285 682

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

	Note	2004/05 R'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Annual appropriated funds received		3 823 112
Departmental revenue received		88 508
Local and foreign aid assistance received	3	125 362
Net (increase)/decrease in working capital		16 722
		<hr/> 4 053 704
Surrendered to Revenue Fund		(667 785)
Current payments		(1 899 302)
Transfers and subsidies paid		(1 735 067)
Net cash flow available from operating activities	18	<hr/> (248 450)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for capital assets		(223 067)
(Increase)/decrease in loans granted		38 786
Net cash flows from investing activities		<hr/> (184 281)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/(decrease) in loans received		<hr/> (37 945)
Net cash flows from financing activities		<hr/> (37 945)
Net increase/(decrease) in cash and cash equivalents		(470 676)
Cash and cash equivalents at the beginning of the period		453 205
Cash and cash equivalents at end of period	11	<hr/> (17 471)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

1 Annual Appropriation

- 1.1 Included are funds appropriated in terms of the Appropriation Act for National Departments (Voted funds)

	Final Appropriation 2004/05 R'000	Actual Funds Received R'000	Variance over/ (under) R'000	Total Appropriation 2003/04 R'000
Administration	288 945	272 694	16 251	285 992
Water Resource Management	1 476 962	1 447 049	29 913	1 193 580
Water Services	1 561 360	1 561 359	1	2 732 847
Forestry	466 630	466 629	1	426 761
Thefts and Losses	29 215	29 215	-	-
Total	<hr/> 3 823 112	<hr/> 3 776 946	<hr/> 46 166	<hr/> 4 639 180

	Note	2004/05 R'000	2003/04 R'000
2 Departmental revenue to be surrendered to revenue fund			
Description			
Sales of goods and services other than capital assets		37 676	121 574
Fines, penalties and forfeits		24	-
Interest, dividends and rent on land		28 866	15 541
Financial transactions in assets and liabilities	2.1	21 942	23 476
Total revenue collected		<hr/> 88 508	<hr/> 160 591
Departmental revenue collected		<hr/> 88 508	<hr/> 160 591

	Notes	2004/05 R'000	2003/04 R'000
2.1 Financial transactions in assets and liabilities			
Nature of loss recovered			
Cheques written back		125	(479)
Other		21 817	23 955
		<u>21 942</u>	<u>23 476</u>
3 Local and foreign aid assistance			
3.1 Assistance received in cash			
Name of donor and purpose			
	Opening Balance	Revenue	Expen- diture
Local			Closing balance
Umpumelelo award	(120)	-	120
Foreign (Normal)			
Denmark	(227)	398	625
European Union	(41 168)	103 537	152 116
United Kingdom	3 382	-	3 382
Finland	7 605	-	64
France	97	-	-
Ireland	(5 729)	8 577	26 193
Netherlands	2 538	4 381	2 787
Norway	(3 400)	4 000	5 723
Flanders	-	4 469	887
Republic of China	(195)	-	-
	<u>(37 217)</u>	<u>125 362</u>	<u>188 515</u>
			<u>25 936</u>
Analysis of balance			
Local and foreign aid receivable			31390
Local and foreign aid payable to RDP fund/ donors			(5 454)
Closing balance			<u>25 936</u>
			<u>(37 217)</u>
3.2 Assistance received in kind			
Name of donor and purpose			
		2004/05 R'000	2003/04 R'000
Local			
Unesco: Technical assistance with capacity building		10	-
		<u>10</u>	<u>-</u>

	Notes	2004/05 R'000	2003/04 R'000
Foreign			
China: Pipes and water meter grant		38 800	-
United Kingdom: Forestry markets		13 742	-
United Kingdom: Support to water services		1 338	-
United Kingdom: Strengthening Chief Directorate: Forestry		1 105	-
Japan: Rural water supply		31 319	-
		<u>86 304</u>	<u>-</u>
Total local and foreign aid assistance received in kind		<u>86 314</u>	<u>-</u>
4 Compensation of employees			
4.1 Salaries and Wages			
Basic salary		382 401	382 742
Performance award		13 952	10 952
Service Based		2 573	393
Compensative/circumstantial		21 472	5 182
Periodic payments		20 249	15 943
Other non-pensionable allowances		75 837	72 993
		<u>516 484</u>	<u>488 205</u>
4.2 Social contributions			
4.2.1 Short-term employee benefits			
Pension		55 847	76 063
Medical		29 868	33 415
UIF		257	297
Bargaining council		198	221
Official unions and associations		1	1
Insurance		1	1
		<u>86 172</u>	<u>109 998</u>
Total compensation of employees		<u>602 656</u>	<u>598 203</u>
Average number of employees		<u>7 368</u>	<u>7 853</u>

	Notes	2004/05 R'000	2003/04 R'000
5 Goods and services			
Advertising		5 300	2 959
Attendance fees (including registration fees)		3 666	2 048
Bank charges and card fees		931	446
Bore waterhole drilling		(106)	-
Bursaries (employees)		5 672	2 573
Communication		35 936	19 974
Computer services		79 251	43 977
Consultants, contractors and special services		569 491	322 217
Courier and delivery services		768	428
Tracing agents & Debt collections		18	10
Drivers' licences and permits		30	17
Entertainment		1 719	973
External audit fees	5.1	8 081	4 484
Equipment less than R5000		13 469	7 529
Freight service		152	186
Inventory	5.2	191 080	113 419
Legal fees		4 759	2 641
Maintenance, repairs and running cost		30 074	16 926
Medical services		108	64
Operating leases		84 218	46 476
Personnel agency fees		8	5
Photographic services		206	115
Plant flowers and other decorations		549	304
Printing and publications		1 459	810
Professional bodies and membership fees		665	369
Resettlement cost		2 472	1 341
Subscriptions		96	53
Taking over of contractual obligations		25	14
Owned leasehold property expenditure		24 804	11 223
Transport provided as part of the departmental activities		90	50
Travel and subsistence	5.3	119 840	66 468
Venues and facilities		1 757	975
Protective, special clothing & uniforms		791	438
Training & staff development		6 328	3 600
		<u>1 193 707</u>	<u>673 112</u>

	Notes	2004/05 R'000	2003/04 R'000
5.1 External audit fees			
Regularity audits		-	3 967
Performance audits		7 648	700
Other audits		433	825
Total external audit fees		<u>8 081</u>	<u>5 492</u>
5.2 Inventory (purchased during the year)			
Construction work in progress		106 303	59 105
Agricultural		2 380	-
Domestic consumables		8 830	6 226
Food and Food supplies		1 768	982
Fuel, oil and gas		20 816	11 595
Laboratory consumables		1 881	1 044
Other consumables		14 882	8 307
Part and other maintenance material		14 831	15 363
Sport and recreation		(2)	-
Stationery and printing		16 896	9 413
Restoration and fittings		2 386	1 324
Medical supplies		109	60
		<u>191 080</u>	<u>113 419</u>
5.3 Travel and subsistence			
Local		115 743	64 188
Foreign		4 097	2 280
Total travel and subsistence		<u>119 840</u>	<u>66 468</u>
6 Interest and rent on land			
Rent on land		<u>867</u>	<u>2 157</u>
Total interest and rent on land		<u>867</u>	<u>2 157</u>
7 Financial transactions in assets and liabilities			
Material losses through criminal conduct	7.1	-	1 357
Other material losses written off	7.2	685	66
Debts written off	7.4	28 530	11 489
		<u>29 215</u>	<u>12 912</u>

	Notes	2004/05 R'000	2003/04 R'000
7.1 Material losses through criminal conduct			
Nature of losses			
Warrant vouchers fraudulently cashed		-	222
Fraud and misconduct		-	1 135
		<u>-</u>	<u>1 357</u>
7.2 Other material losses written off			
Nature of losses			
Vehicle accidents		427	18
Other		12	48
S&T advances		246	-
		<u>685</u>	<u>66</u>
7.3 Other material losses of items expensed in previous periods			
(Total not included above)			
Stolen laptops		61	109
Stolen cell phones		5	10
Stolen radios		-	1
Stolen vehicles		115	334
Stolen camera		-	1
Loss of tools		120	204
Household		5	7
Diesel engine an generator		64	1
Garden tools		-	18
Fax machine		-	2
Rammers		9	-
Stoves		2	-
Tarpaulin/borehole equipment/lawnmower		4	-
Other		2	1
		<u>387</u>	<u>688</u>

	Notes	2004/05 R'000	2003/04 R'000
7.4 Bad debts written off			
Nature of debts written off			
Salary overpayments		342	3149
Tax debt		4	83
Study debt		42	464
State guarantees		-	327
Subsidised vehicles		235	65
Subsistence and transport		2	10
GG accidents		-	30
Kalahari East		6 895	7 172
Suppliers		-	124
Kalahari West		19 714	58
Dishonoured cheques		1	-
Injambulu IB		400	-
Gluckstadt		891	-
Other		4	7
		<u>28 530</u>	<u>11 489</u>
7.5 Details of theft and losses			
Programme 3: Water Services		-	12 912
Programme 5: Thefts and losses		29 215	-
		<u>29 215</u>	<u>12 912</u>
7.6 Recoverable revenue debts written off			
Salary overpayment		214	3 149
Tax debt		1	83
State guarantee		-	327
Fraud/misconduct		-	1 135
Bursary		10	464
S&T		-	10
Other		-	7
GG-Accident		-	30
Subsidised vehicle		-	65
Supplier allowance		-	124
Dishonoured cheques		-	58
Fraud cashed warrant voucher		-	222
		<u>225</u>	<u>5 674</u>

	Notes	2004/05 R'000	2003/04 R'000
8 Unauthorised expenditure			
8.1 Reconciliation of unauthorised expenditure			
Opening balance		14 889	14 889
Unauthorised expenditure awaiting authorisation		14 889	14 889
9 Transfers and subsidies			
Provinces and municipalities	Annex 1C	5 491	585 821
Departmental agencies and accounts	Annex 1D	1 611 675	1 534 358
Public corporations and private enterprises	Annex 1F	84 254	-
Households	Annex 1I	33 647	-
		<u>1 735 067</u>	<u>2 120 179</u>
10 Expenditure for capital assets			
Buildings and other fixed structures	Annex 4	172 786	-
Machinery and equipment	Annex 4	31 218	761 511
Biological or cultivated assets	Annex 4	90	-
Software and other intangible assets	Annex 5	11 340	14 013
Total		<u>215 434</u>	<u>775 524</u>
11 Cash and cash equivalents			
Consolidated Paymaster General Account		169 390	453 139
Cash receipts		207	-
Disbursements		9 931	-
Cash on hand		68	66
		<u>179 596</u>	<u>453 205</u>

Included in the Consolidated Paymaster General Account are investments with the Corporation of Public Deposits: (2003/04: R42 511 726) and 2004/05: R57 394 348)

	Notes	2004/05 R'000	2003/04 R'000
12 Prepayments and advances			
Description			
Staff advances		17	-
Travel and subsistence		2 221	2 142
Prepayments		-	31 298
Advances paid to other entities		10 880	10 973
Claims recoverable		95 938	-
		<u>109 056</u>	<u>44 413</u>

		Less than one year	One to three years	Older than three years	Total	Total
13 Receivables						
Amounts owing by other entities	Annex 6	20 192	-	-	20 192	1 047
Staff debtors	13.1	4 573	2 032	1 811	8 416	4 959
Other debtors	13.2	14 782	1 933	2 839	19 554	123 521
		<u>39 547</u>	<u>3 965</u>	<u>4 650</u>	<u>48 162</u>	<u>129 527</u>

Amounts of R5 014 114 (2004: R5 347 564) included above may not be recoverable, but have not been written off in the Statement of financial performance

13.1 Staff debtors

	Notes	2004/05 R'000	2003/04 R'000
Salary overpayments		3 066	2 523
Tax debt		1 379	120
Bursary debt		1 237	1 165
Subsidised vehicles		399	617
State guarantees		303	294
T&S Advance: Dom		10	21
GG Accidents		55	47
Housing subsidy		15	24
Misconduct		39	86
Telephone debt		45	62
Sal: Pension debt acc.		31	-
Sal: Reversal control acc.		1 834	-
Sal: Deduction disallowance acc.		3	-
		<u>8 416</u>	<u>4 959</u>

	Notes	2004/05 R'000	2003/04 R'000
13.2 Other debtors			
Disallowance suppliers		424	474
Dishonoured cheques		2 635	2 426
Persal Control accounts		-	1 711
Disallowance miscellaneous		-	623
Claims recoverable: Pub. Entities		3 939	23 998
Disallowance damages and losses		264	679
Claims recoverable: National departments		-	647
Claims recoverable: Eastern Cape		1 232	16
Claims recoverable: Gauteng		5 931	10
Claims recoverable: F/Gov & Int. Org.		160	51 930
Telephone control account		456	6 757
Transport payment suspense		1 270	29 832
Fraudulently cashing of warrant vouchers		637	-
Telephone erroneous interface acc.		67	-
Conversion deposit acc.		142	-
Advances from public entities		2 397	-
Unpaid/recall BAS EBT control account		-	4 418
		<u>19 554</u>	<u>123 521</u>
14 Voted funds to be surrendered to the Revenue Fund			
Opening balance		457 093	82 066
Transfer from Statement of Financial Performance		46 166	457 093
Paid during the year		(457 093)	(82 066)
Closing balance		<u>46 166</u>	<u>457 093</u>
15 Departmental receipts to be surrendered to the Revenue Fund			
Opening balance		74 543	21 706
Transfer from Statement of Financial Performance		88 508	160 591
Paid during the year		(210 692)	(107 754)
Closing balance		<u>(47 641)</u>	<u>74 543</u>

				2004/05 R'000	2003/04 R'000
16 Bank overdraft					
Paymaster General Account				<u>197 067</u>	-
				<u>197 067</u>	-
17 Payables - current					
Description	Notes	30 Days	30+ Days	Total	Total
Advances received	17.1	32 768	60 290	93 058	26 683
Other payables	17.2	24 544	59 936	84 480	42 830
		<u>57 312</u>	<u>120 226</u>	<u>177 538</u>	<u>69 513</u>
				2004/05 R'000	2003/04 R'000
17.1 Advances received					
WTA Mooi Umgeni				1 901	10 820
Advances from public entities				6 192	15 863
Advances from Mpumalanga				230	-
Flag Boshielo dam				58 776	-
Berg Water project				24 868	-
Advances from Gauteng				<u>1 091</u>	-
				<u>93 058</u>	<u>26 683</u>
17.2 Other payables					
Tender deposits				-	14
Salary deduction disallowance account				62	26
GRV suspense				-	92
Forestry leases: CPD investments				54 438	39 759
Salary deduction account				-	84
Sal: ACB recalls: CA				34	6
Cancel cheque/re-issued (Pers):Dom				-	94
Claims recoverable: Limpopo				34	-
Claims recoverable: F/ Gov. & Int. Org.				24 766	-
Subsidised transport insurance				92	-
Compensation Com. Contr. Acc.				2 085	-
NFR & AT Funds				<u>2 969</u>	<u>2 755</u>
				<u>84 480</u>	<u>42 830</u>

	Note	2004/05 R'000	2003/04 R'000
18 Reconciliation of net cash flow from operating activities to surplus/(deficit)			
Net surplus/(deficit) as per Statement of Financial Performance		71 521	
(Increase)/decrease in receivables – current		81 365	
(Increase)/decrease in prepayments and advances		(64 643)	
(Increase)/decrease in other current assets		(17 768)	
(Increase)/decrease in other non-current assets		41 281	
Increase/(decrease) in payables – current		108 025	
Increase/(decrease) in current liabilities		(578 496)	
Capital expenditure		105 850	
Net cash flow generated by operating activities		(252 865)	
19 Appropriated funds and departmental revenue surrendered			
Appropriated funds surrendered		(457 093)	(82 066)
Departmental revenue surrendered		(210 692)	(107 754)
		(667 785)	(189 820)

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

These amounts are not recognised in the Annual Financial Statements and are disclosed to enhance the usefulness of the Annual Financial Statements.

		Notes	2004/05 R'000	2003/04 R'000
20	Contingent liabilities			
	Liable to	Nature		
	Motor vehicle guarantees	Employees Annex 3	215	247
	Housing loan guarantees	Employees Annex 3	9 254	9 284
	Other guarantees	Annex 3	21 453 662	18 667 295
	Claims		82 926	-
			21 546 057	18 676 826
21	Commitments per programme			
	Capital expenditure			
	Approved and contracted		1 541 345	1 661 026
	Approved but not yet contracted		25 700	156 997
			1 567 045	1 818 023
	Total Commitments		1 567 045	1 818 023
22	Accruals			
	Listed by economic classification			
		30 Days	30+ Days	Total
	Goods and services	20 745	1 244	21 989
	Transfers and subsidies	133	-	133
	Buildings and other fixed structures	-	334	334
	Machinery and equipment	15	39	54
		20 893	1 617	22 510
				16 636

	Notes	2004/05 R'000	2003/04 R'000	
Listed by programme level				
Administration		3 340	690	
Water Resource Management		10 828	2 660	
Water Services		7 785	12 647	
Forestry		557	639	
		<u>22 510</u>	<u>16 636</u>	
23 Employee benefits				
Leave entitlement		158 066	161 018	
Thirteenth cheque		21 185	20 436	
Performance bonus		5 975	123	
		<u>185 226</u>	<u>181 577</u>	
24 Lease Commitments				
24.1 Operating leases				
	Buildings and other fixed structures	Machinery and equipment	Total	Total
Not later than 1 year	-	4 904	4 904	1 956
Later than 1 year and not later than 3 years	-	7 735	7 735	2 053
Total present value of lease liabilities	-	12 639	12 639	4 009
Total present value of lease liabilities	-	12 639	12 639	4 009
25 Receivables for services delivered (off balance sheet)				
Nature of service				
Plantation revenue: Wood products		983	2 072	
		<u>983</u>	<u>2 072</u>	

	Notes	2004/05 R'000	2003/04 R'000
26 Irregular expenditure			
26.1 Reconciliation of irregular expenditure			
Opening balance		55	40
Irregular expenditure – current year		-	15
Irregular expenditure awaiting condonement		<u>55</u>	<u>55</u>
Analysis			
Current		-	15
Prior years		<u>-</u>	<u>40</u>
		-	55
27 Senior management personnel (compensation)			
- The Minister, Deputy Ministers, Director-General	2	1 767	1 898
- Deputy Directors General	3	2 617	2 110
- Chief Financial Officer	1	644	638
- Chief Information Officer	1	589	745
		<u>5 617</u>	<u>5 391</u>