

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

1. Annual Appropriation

1.1 Annual Appropriation

	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Appropriation received 2004/05 R'000
Management services	36,479	36,479		33,212
Macro-Policy & Planning	13,124	13,124		14,308
Corporate Strategy	39,888	39,888		50,373
Target Groups	6,177	6,177		5,176
Public Entities	9,435	9,435		8,711
Total	105,103	105,103		111,780

2. Statutory Appropriation

	2005/06 R'000	2004/05 R'000
Member of executive committee	927	704
	927	704

3. Departmental revenue to be surrendered to revenue fund

	<i>Notes</i>	2005/06	2004/05
Sales of goods and services other than capital assets	3.1	82	958
Interest, dividends and rent on land	3.2	284	187
Sales of capital assets	3.3	229	33
Financial transactions in assets and liabilities	3.4	43	1
Departmental revenue collected		638	1,179

3.1 Sales of goods and services other than capital assets

	2005/06	2004/05
Commissions and rental official residence	82	958
Total	82	958

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3.2 Interest, dividends and rent on land

	2005/06	2004/05
Interest Bank	284	187
Total	284	187

3.3 Sale of capital assets

	2005/06	2004/05
Motor vehicles	229	33
Total	229	33

3.4 Financial transactions in assets and liabilities
Nature of loss recovered

	2005/06	2004/05
Recoverable Revenue - debtors	43	1
Total	43	1

4. Compensation of employees

	2005/06	2004/05
4.1 Salaries and Wages	R'000	R'000
Basic salary	38,480	37,284
Performance award	671	1,057
Service Based	414	-
Compensative/circumstantial	1,387	4,355
Periodic payments	373	12
Other non-pensionable allowances	9,662	6,060
	50,987	48,768

4.2 Social contributions

4.2.1 Employer contributions

Pension	4,665	5,245
Medical	2,457	2,408
UIF	4	4
Bargaining council	8	8
	7,134	7,665

Total compensation of employees

	58,121	56,433
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Average number of employees

	265	343
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5. Goods and services

	<i>Note</i>	2005/06	2004/05
		R'000	R'000
Advertising		2,425	5,701
Attendance fees (including registration fees)		41	395
Bank charges and card fees		15	25
Bursaries (employees)		94	361
Communication		2,817	3,671
Computer services		139	1,322
Consultants, contractors and special services		3,971	872
Courier and delivery services		6	2
Entertainment		5	5
External audit fees	5.1	1,239	1,000
Equipment less than R5000		129	164

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		2005/06	2004/05
		R'000	R'000
Government motor transport		1,113	32
Inventory	5.2	2,949	3,562
Legal fees		617	997
Maintenance, repairs and running cost		142	2,979
Operating leases		2,563	3,705
Photographic services		11	-
Plant flowers and other decorations		81	171
Printing and publications		83	277
Professional bodies and membership fees		62	539
Resettlement cost		105	68
Subscriptions		50	-
Owned leasehold property expenditure		1,174	-
Travel and subsistence	5.3	14,624	12,181
Venues and facilities		3,132	7,745
Protective, special clothing & uniforms		52	77
Training & staff development		1,339	976
		<u>38,978</u>	<u>46,827</u>
		2005/06	2004/05
		R'000	R'000
5.1 External audit fees			
Regulatory audits		1,201	1,000
Performance audits		38	-
Total external audit fees		<u>1,239</u>	<u>1,000</u>
		2005/06	2004/05
		R'000	R'000
5.2 Inventory			
Other inventory		-	24
Domestic consumables		69	685
Food and Food supplies		190	204
Parts and other maintenance material		4	21
Stationery and printing		2,312	2,628
Restoration and fittings		374	-
Total Inventory		<u>2,949</u>	<u>3,562</u>
5.3 Travel and subsistence			
Local		14,031	12,139
Foreign		593	42
Total travel and subsistence		<u>14,624</u>	<u>12,181</u>

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6. Transfers and subsidies

		2005/06 R'000	2004/05 R'000
Provinces and municipalities	<i>Notes</i> <i>Annex 1F</i>	169	199
		<u>169</u>	<u>199</u>

7. Expenditure for capital assets

		2005/06 R'000	2004/05 R'000
Machinery and equipment	<i>Annex 4</i>	11,254	1,838
Total		<u>11,254</u>	<u>1,838</u>

8. Unauthorised expenditure

8.1. Reconciliation of unauthorised expenditure

	2005/06 R'000	2004/05 R'000
Opening balance	2,792	2,792
Amounts approved by Parliament/Legislature (with funding)	(1,178)	-
Current expenditure	<u>(1,178)</u>	<u>-</u>
Unauthorised expenditure awaiting authorisation	<u>1,614</u>	<u>2,792</u>

8.2 Analysis of unauthorised expenditure

Backdated allowances for Traditional Leaders	1,614
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9. Cash and cash equivalents

Consolidated Paymaster General Account	6,764	570
	<u>6,764</u>	<u>570</u>

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10. Receivables				2005/06 R'000	2004/05 R'000
		Less than one year	One to three years	Older than three years	Total
Households and non profit institutions	10.1			-	20
Private enterprises	10.2			-	5,255
Staff debt	10.3	31	19	50	115
Other Debtors	10.4	41	148	189	290
		72	167	239	5,680

10. Receivables(Cont.)			2005/06 R'000	2004/05 R'000
10.1 Households and non-profit institutions				
Government Departments			-	20
			-	20
10.2 Private enterprises				
Local Government and Housing			-	5,255
			-	5,255
10.3 Staff Debt				
Employee Debts			50	115
			50	115
10.4 Other debtors				
Private entities and individuals			189	290
			189	290

11. Voted funds to be surrendered to the Revenue Fund		2005/06 R'000	2004/05 R'000
Opening balance		8,670	2,187
Transfer from Statement of Financial Performance		6,306	6,483
Paid during the year		(6,483)	-
Closing balance		8,493	8,670

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12.	Departmental revenue to be surrendered to the Revenue Fund		2005/06	2004/05
			R'000	R'000
	Opening balance		129	180
	Transfer from Statement of Financial Performance		638	1,179
	Paid during the year		<u>(754)</u>	<u>(1,230)</u>
	Closing balance		<u>13</u>	<u>129</u>
13	Payables – current			
	Description			
		<i>Notes</i>		
			30 Days	30+ Days
			2005/06 Total	2004/05 Total
	Clearing accounts	13.2	103	-
	Other payables	13.3	-	200
			<u>103</u>	<u>200</u>
			2005/06 R'000	2004/05 R'000
	13.2 Clearing accounts			
	Description			
	Disallowance Miscellaneous		72	-
	Sal. Pension Fund		2	-
	Sal. Income Tax		<u>29</u>	<u>-</u>
			<u>103</u>	<u>-</u>
	13.3 Other payables			
	Funds for Dept of Education		<u>-</u>	<u>200</u>
			<u>-</u>	<u>200</u>
14.	Net cash flow available from operating activities			
	Net surplus/(deficit) as per Statement of Financial Performance		6,944	7,662
	(Increase)/decrease in receivables – current		5,441	(5,206)
	(Increase)/decrease in other current assets		1,178	-
	Increase/(decrease) in payables – current		(97)	160
	Proceeds from sale of capital assets		(229)	(33)
	Surrenders to Revenue Fund		(7,237)	(1,230)
	Expenditure on capital assets		<u>2,456</u>	<u>1,838</u>
	Net cash flow generated by operating activities		<u>8,456</u>	<u>3,191</u>
15.	Reconciliation of cash and cash equivalents for cash flow purposes			
	Consolidated Paymaster General account		<u>6,764</u>	<u>570</u>
			<u>6,764</u>	<u>570</u>