

**CONSOLIDATED
FINANCIAL INFORMATION
FOR THE YEAR ENDED
31 MARCH 2010**

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CONSOLIDATED FINANCIAL INFORMATION FOR THE YEAR ENDED 31 MARCH 2010

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ACCOUNTING OFFICER'S APPROVAL

The Consolidated Financial Information is prepared on the going concern basis. The Consolidated Financial Information has based upon accounting policies, which have been consistently applied and supported by reasonable and prudent judgements of estimates.

The Consolidated Financial Statements and The Consolidated Financial Information have been approved by the Accounting Officer and Accountant-General on 30 September 2010.



Lesetja Kganyago
Director-General
Accounting Officer



Freeman Nomvalo
Accountant-General

ACCOUNTING OFFICER'S REVIEW

1. MANDATE

Section 8(1) (a) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA), requires that the National Treasury (NT) prepares and table the Consolidated Financial Statements (CFS) in accordance with generally recognised accounting practice (GRAP) for:

- i) National departments;
- ii) Public entities under the ownership control of the national executive;
- iii) Constitutional institutions;
- iv) The South African Reserve Bank;
- v) The Auditor-General; and
- vi) Parliament.

The mandatory CFS for government for the year ended 31 March 2010 as required by section 8(1) (a) of the PFMA as amended is hereby presented.

Separate consolidated financial information (CFI) has been prepared annually since the inception of the PFMA for national departments and public entities respectively and has been subjected to agreed upon procedures reviewed by the Auditor General for many years. It is the third time this year that Consolidated Financial Statements (CFS) have been prepared for the national departments and submitted for audit. NT has continued to prepare CFI for public entities due to the different accounting policies being applied and the elimination of inter entity transactions process not yet effected.

Besides being mandated by legislation, CFS is meant to provide a summary of national government's financial resources and their application for the benefit of the people of the Republic of South Africa. Due to different accounting basis utilised by national departments and public entities, separate set of consolidated information are prepared and published as such in this report. Public entities include constitutional institutions, national public entities listed in the PFMA, the South African Reserve Bank and the Auditor-General (AGSA). The public entities consolidated also include any unlisted public entities discovered during the financial year under review.

National departments report on modified cash basis of accounting whereas public entities are on accrual basis. The separation is in view of different accounting bases utilised by these two groups of entities, and accordingly were consolidated separately to ensure credible and meaningful presentation of financial information.

In the drive to improve public accountability, there is a transition in progress from reporting on the modified cash basis of accounting to reporting on the accrual basis of accounting. Under the modified cash basis of accounting, transactions and other events are recognised when cash is received or paid, while disclosure notes, which are recognized on accrual basis, are provided in the annual financial statement (AFS) such as provisions, accruals, property plant and equipment, public private partnership (PPP), lease commitments, contingent liabilities etc. Under the accrual basis of accounting, transactions and other events are recognized when incurred and not when cash is received or paid. As part of the process of migrating from cash to accrual, disclosure notes, which do not form part of the annual financial statements (AFS), are being prepared and completed by the National Departments. These notes are recognized on accrual basis and annual preparation of them will assist in ensuring a smooth migration process. In moving towards accrual basis of accounting, the NT introduced additional requirements on a regular basis as part of the accounting reforms. Four years ago, departments were required to start disclosing their PPE. In 2009/10 financial year, inventory management was introduced, where departments are given three years in order to comply with the inventory management framework. The Office of the Accountant General conducted training on this framework and further guidance will be provided during the implementation period of this framework.

During the 2009/10 financial year the O(AGSA) commenced with a government wide consolidation project for all spheres

of government. This project will assist in developing standardized accounting policies and methods for the elimination of inter-entity transactions.

Government is also in the process of formalising the accounting reporting framework (GRAP) in terms of section 89 of the PFMA and section 216(1)(a) of the Constitution. Currently there are 21 standards that are effective as approved by the Minister of Finance. A further eight have been developed by the Accounting Standards Board (ASB) and submitted to the Minister of Finance for approval. In the 2009/10 financial year public entities started to apply fully the standards of GRAP for the first time. The standards applied by the entities are reflected in Directive 5-GRAP Reporting Framework as issued by the ASB. The OAG, through European Union funding, offered training on the new standards to public entities during the 2008/09 financial year.

The South African national government is structured into five main segments commonly referred to as clusters, mainly to address government priorities and policies. These clusters are:

1. Central Government and Administration;
2. Financial and Administration Services ;
3. Social Services;
4. Justice and Protection Services ; and
5. Economic Services and Infrastructure Development.

This Accounting Officer's Review includes Executive Summary and Review of Operating Results. The executive summary describes the progress of the recession impact on national government finances experienced in the past financial period. The review of operating results reflects monetary values presented in the CFS and CFI in accordance with Treasury Regulation 18.2. It is also a descriptive report clarifying the figures presented. The CFS and CFI therefore provide information not only on the financial performance but also on Government's ability to meet current and future obligations.

2. CONSOLIDATION PROCESS

2.1. RESPONSIBLE ENTITY

Normally, CFS are prepared for a group of entities under the control of a parent entity. Control is the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. A parent entity is an enterprise that has one or more subsidiaries. Due to the matters set out above, entities are consolidated which do not necessarily obtain benefits from each other's activities. Furthermore, national government does not directly govern the financial and operating policies of these entities or obtain benefits from their activities. While the CFS for national departments meet the above criterion. The CFI in the absence of control and elimination of inter-entity transactions merely presents an aggregation of financial information rather than a full consolidation. .

2.2. GOALS FOR CONSOLIDATION AND THIS REPORT

The CFS should provide information on the financial performance as well as national government's ability to meet current and future obligations by:

- Presenting the consolidated monetary values of national government (assets, liabilities, revenue and expenditure);
- Improving the users' understanding of public sector financial management in order to enhance the achievements of the Government's social objectives and priorities; and
- Creating uniformity in the presentation and analysis of public sector financial information.

2.3. PROCESS

The CFS and CFI have been prepared in accordance with accounting policies, which have been applied consistently in all material respects, unless otherwise indicated. However, where appropriate and meaningful, additional information is disclosed to enhance the usefulness of the CFS and CFI and to comply with the statutory requirements of the PFMA.

The responsibility for the integrity and objectivity of the accompanying CFS and CFI for the year ended 31 March 2010 and all information contained in this report rests with the Office of the Accountant General (OAG), a division within the National Treasury.

The OAG has developed and maintained policies, procedures and internal controls, deemed appropriate, in order to provide assurance that the financial information is a reliable reflection of the consolidated national departments' financial position as at 31 March 2010.

Parliament reports on the modified accrual basis of accounting but this reporting system was converted to modified cash basis of accounting and consolidated with national departments.

The public entity list per schedule 1,2 and 3 of the PFMA was used as a basis for public entities that were consolidated, however some public entities and trading entities, which are not listed, but known to the NT and their respective departments, were consolidated (Annexure C). Some listed entities and known unlisted entities were not consolidated since no information was received from them or the listed entity was not operational as at 31 March 2010. (Annexure D1, D2 and E respectively).

The OAG is tasked with amongst others, the responsibility to develop standard reporting formats (including AFS templates) and Departmental Financial Reporting Framework Guide used by departments in the preparation of their annual financial statements. This AFS template is annually updated to meet the requirements of the policies set by the OAG. AFS templates are then completed by all national departments and Parliament and forwarded to NT where these are consolidated using a consolidation model. The latter exercise is performed twice annually based on unaudited information first by 30 June and finally based on audited information by 31 August. The process for public entity consolidation is similar. Both consolidations are forwarded to the AGSA firstly to comply with the legislation (PFMA) and secondly for audit.

To improve the consolidation process, AFS templates are published much earlier and training is provided to departments on the AFS template and the framework for the preparation of AFS. Training is also provided to the public entities on the latest GRAP standards as approved by the Minister and on completion of the AFS template. Where required the OAG provided additional assistance to national departments and public entities.

The AGSA report on the CFS also includes the major qualification items from the various departments. These qualifications have a material impact on the numbers presented in the CFS and have to be disclosed. The NT has however implemented mechanisms to track these audit qualifications. During 2008/09 financial year, OAG introduced the financial management capability maturity model (FMCMM) to assess the financial management maturity level of national and provincial departments. This model provides the basis for departments to assess their capability to discharge their duties, with particular reference to financial management, risk management and internal audit. In the initial phase of the roll out, two departments (National Treasury and Department of Justice) were selected to pilot the use of this FMCMM tool and its effectiveness in achieving the purported function. Based on the success of the initial testing phase, this was subsequently rolled out and substantial improvement was made to the model. Currently, the FMCMM is utilised as a comprehensive supporting tool to National and Provincial departments and is assisting in identifying underlying problematic areas for accounting, risk management and internal audit. This has allowed the National Treasury in partnership with departments to initiate a plan of support to improve the overall financial management environment, with an aim to improve audit outcomes. The NT is committed to continue working with the departments to improve financial management maturity.

The NT is grateful for the efforts of the national departments, public entities and the O(AGSA) in the preparation of the CFI for 2009/10.

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

In the 2010 Budget, the basis for fulfilling the government mandate differently was laid out, setting out core elements of a new path for the economy and public finances. The budget was tabled in a new global environment that informs policy development in South Africa. As South Africa slowly emerges from recession, the policy focus is shifting from stabilising the economy to raising growth and employment and reducing poverty. As stated in the 2010 Budget Review, “the global storm has subsided, and the South African economy is on the path to recovery.”

The recession has, however, yielded important lessons about macroeconomic management. Countries that have done better during the recession, South Africa being one of them, are characterised by well-developed financial sector regulation, low public debt, high savings rates, broad and robust security nets, and governments capable of responding effectively to the inevitable challenges that arise in a volatile global economy. In South Africa one of the great risk management elements was the introduction of the new National Credit Act. Furthermore, the successful hosting of the 2010 FIFA World Cup also contributed massively to the potential economic growth of South Africa, with increased inflows from countries expected in future. The 2010 FIFA World Cup contributed about 0.5 per cent to the GDP. Going forward, government intends to reduce the budget deficit gradually, which will require slower growth in public spending. It remains committed to the goal of a better life for all and continues to implement broad based social assistance programs that are provided for in national budgets.

The overall results of national government for the 2009/10 financial year as reflected in the CFS still reflect the effects of the economic slowdown. During the 2010 Budget speech, Minister Pravin Gordhan stated that government expects to raise R69 billion less in tax this year than what was budgeted for. He also stated that consolidated revenue is estimated to be R658 billion in 2009/10, which is R32 billion less than in the past fiscal year. The actual revenue collected for the period under review was R622 billion, which equates to R36 billion less than the budgeted consolidated revenue. The current global economic environment presents an element of downside risk to the revenue outlook, particularly in relation to corporate income tax, as the effects of slower growth filter through. The South African Revenue Services (SARS) collected less revenue as a result of unemployment being on the rise and companies not performing well.

The global recession, which also pushed our own economy into recession, had a far-reaching impact on South Africa, with rising unemployment and falling incomes affecting millions of people. Economic activity has started to recover, although slowly. In the budget speech, Minister Gordhan also said that “recovery from this deterioration would be slow and uneven. We projected that growth this year would be just 1.5 per cent. However, things are looking slightly better. Our growth expectation for 2010 is now 2.3 per cent, rising to 3.6 per cent by 2012.”

Minister Gordhan went on to make a call to all national and provincial departments to implement rapid cost saving measures to ensure maximum value is obtained from limited resources spent, and unnecessary expenditure is avoided. Even as the world emerges from the recession, the costs of the crisis will remain with us for years to come.

EXECUTIVE SUMMARY - CONTINUED

Over the past seven years, strong growth in public spending has enabled government to make further progress in improving the quality of life of South Africans, with particular emphasis on the livelihoods of the poor. Spending on education, health and social development has grown strongly, enabling the continued expansion of access to these services. This is evidenced by the following:

- In the education sector, the Department of Education was split into basic and higher education. Workbooks in all 11 official languages have been rolled out to help raise literacy and numeracy levels and to test all learners in grades 3, 6 and 9. Expanding and improving capacity at FET colleges is a vital part of the growth strategy.
- The proportion of people infected with HIV and Aids fell between 2004 and 2007, while the number of people receiving anti-retroviral therapy is presently 920 000.
- For social grants, provision has been made for the phased extension of the child support grant up to a child's 18th birthday. The increase in the child support grant is slightly below the inflation rate, but the social benefit and the cost of bringing in two million more children implies that government had to adjust this grant more moderately.

Over the next three years, the public sector aims to spend R846 billion on its infrastructure programme. Extensive planning and consultation is in progress on infrastructure programmes for the next 10 to 20 years, in recognition of our long-term development challenges. A significant proportion of the public-sector infrastructure investment programme will be undertaken by state owned enterprises.

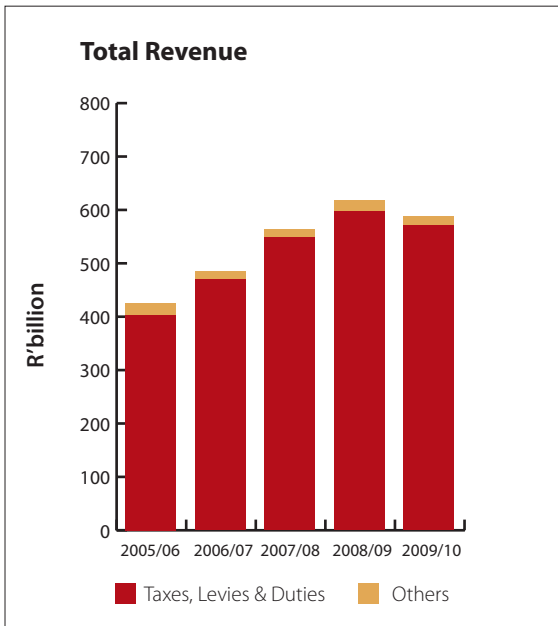
In conclusion, development is not measured by statistics or ratios, but by government's ability to upgrade informal settlements, to improve literacy and numeracy and to create jobs and opportunities for young people. Government therefore continues to focus on the key challenges of job creation, poverty reduction and faster economic growth and implement these 3 elements considered to be key challenges.

For the analysis and interpretation of actual revenue, spending and borrowing for 2009/10, refer to review of the operating results.

REVIEW OF OPERATING RESULTS

1. TOTAL REVENUE

Year Ended 31 March	Actual	Actual	Actual	Actual	Actual
R' million	2005/06	2006/07	2007/08	2008/09	2009/10
Taxes, Levies & Duties	403,239	470,052	548,106	596,797	571,388
Departmental revenue	12,903	13,236	12,670	14,097	8,410
Local & foreign aid assistance	809	971	745	1,332	1,138
Other	8,550	1,248	2,882	6,278	7,513
Total revenue	425 501	485 507	564,403	618,504	588,449
Growth in revenue	21%	14%	16%	10%	-5%



The total revenue represents net revenue collected. Total revenue decreased by 5 per cent in 2009/10 which is the first decline seen in the last six years. This decline is a result of the slowdown in economic activity in South Africa due to the global recession.

The revenue is collected mainly by SARS in the form of taxes, levies and duties. Other sources of revenue are departmental and statutory revenue, and local and foreign aid assistance. SARS shows a total balance of R622 billion for current year, which reconciles with the above Taxes, Levies & Duties of R571 billion as follows:

Year Ended 31 March	Actual	Actual
R' million	2008/09	2009/10
SARS Revenue	644,851	621,911
Less: South African Customs Union Agreement	28,921	27,915
Less: Payment ito sec 12(3) of the PFMA	31	38
Less: Payment UIF	10,099	10,584
Less: Payment RAF	8,794	11,793
Less: Amount payable by SARS to SETA's	93	(11)
Less: Amount payable by SARS to RAF	115	203
Net Revenue as reflected by NT	596,797	571,388

REVIEW OF OPERATING RESULTS - CONTINUED

During the 2009/10 financial year, the deterioration in the South African economy was displayed in the reduction of the total revenue collected. Individual taxes collected were reduced due to job losses experienced in this period. Corporate income tax was also on the decline as more companies had reduced profits.

The Value Added Tax (VAT) collections for the year also fell sharply due to falling domestic consumption. VAT collections have actually been on a downward trend since the 2007/08 financial year, with a decline of 6 per cent in 2007/08 and a decline of 5 per cent in the current year.

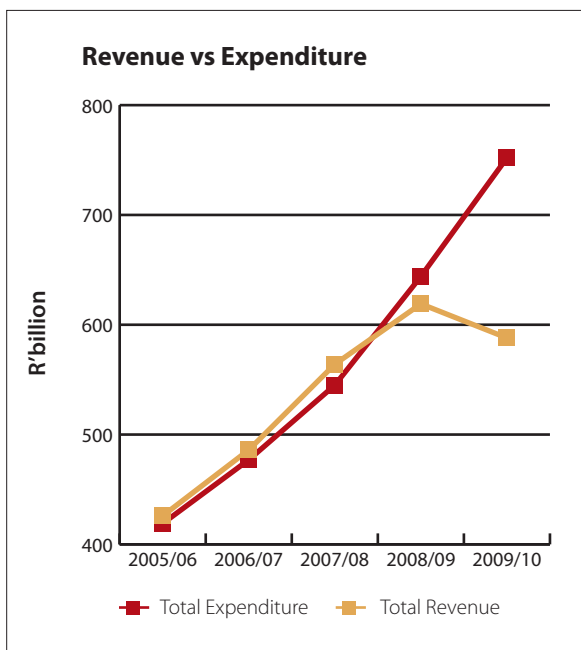
Total Revenue is also represented by Departmental Revenue, which is the total actual receipts received by departments. For the full detailed analysis of what Departmental Revenue includes, refer to Note 3 of the Notes to the Consolidated Financial Statements.

Other Receipts is analysed as follows:

Year Ended 31 March R' million	Actual 2008/09	Actual 2009/10
Other Revenue		
Other Surrenders	748	235
Non Operating Income: Extra Ordinary Receipts	5,470	7,238
Cara Fund Assistance	59	48
Total Other Revenue	6,278	7,513

For the detailed analysis of Non Operating Income, refer to Note 5 of the Notes to the Consolidated Financial Statements.

1.1 REVENUE VS EXPENDITURE

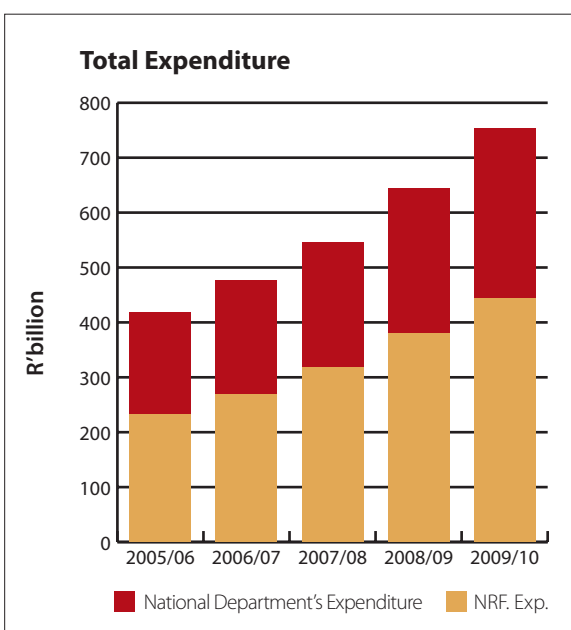


Illustrated in the graph is the revenue versus expenditure for national government. In 2004/05, government was not collecting enough revenue to fulfill its expenditure requirements. From the trends in the graph, it can be seen that during the period 2007/08 to 2009/10, government revenue collection increased. In the 2009/10 financial year however, the recorded surplus receded into the negative, with expenditure exceeding revenue by approximately R150 billion. There is consequently a large deficit in the current period.

REVIEW OF OPERATING RESULTS – CONTINUED

2. TOTAL EXPENDITURE

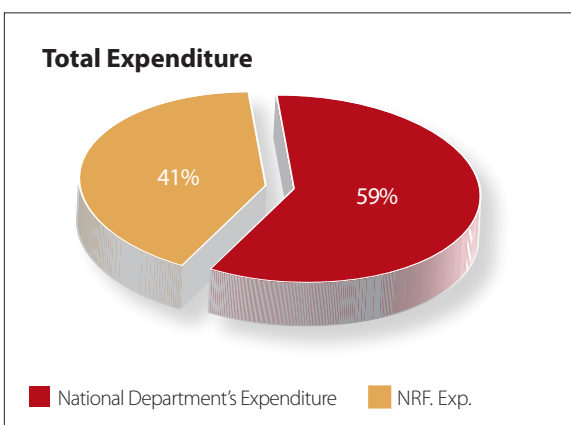
Year Ended 31 March R' million	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
National Revenue Fund Expenditure	186,913	209,131	227,987	264,835	308,087
National Departments Expenditure	231,629	268,186	317,062	379,246	444,327
Total Expenditure	418,542	477,317	545,049	644,081	752,414
Increase in expenditure	13%	14%	14%	18%	17%



Total expenditure increased by 17 per cent in 2009/10, similar to the increase of the previous year. National departments' expenditure has again accounted for approximately 59 per cent (2008/09: 59%) of the total expenditure amount.

Total expenditure is made up of national department's expenditure plus the National Revenue Fund's (NRF) expenditure. Included in the national departments' expenditure are transfers and subsidies to provinces and municipalities of R99 billion, in the form of grants paid to provinces and municipalities.

The breakdown is disclosed in the graph below:



2.1 NATIONAL REVENUE FUND EXPENDITURE

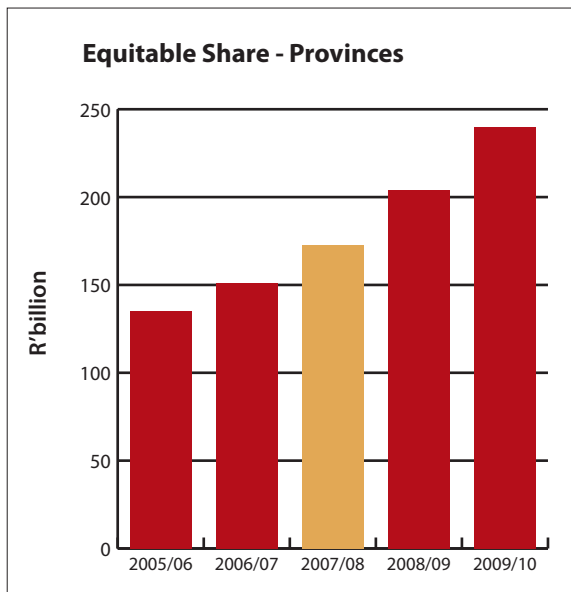
The NRF's expenditure includes the major items of debt-service costs as well as the equitable share of transfers to provinces. The equitable share portion is then distributed to the provincial departments, who use these funds to perform their functions at the provincial sphere of government.

REVIEW OF OPERATING RESULTS - CONTINUED

2.1.1. Equitable Share to Provinces

Equitable Share R' billion	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Equitable share to provinces	135	149	171	204	240
% change from prior year		10%	15%	19%	18%

Provinces received a significant increase in the equitable share, especially for education, health, and municipal infrastructure.



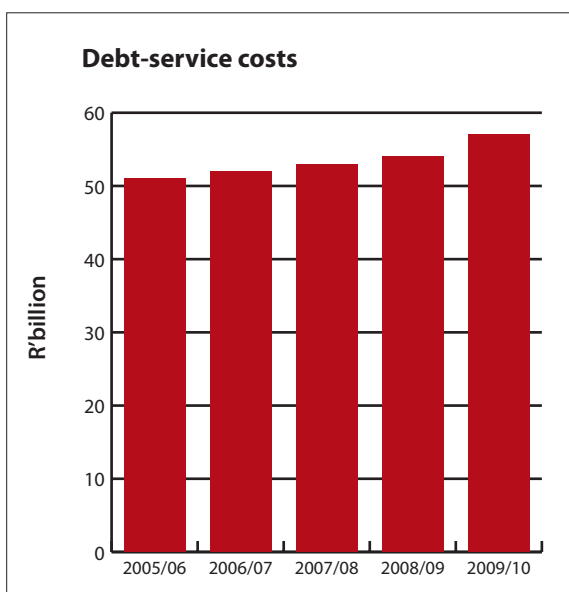
The priorities at a provincial level for 2009/10 were:

- Education – Roll out of workbooks in all 11 official languages and expanding and improving capacity at FET colleges.
- Health – Hospital revitalisation, tertiary health services, treatment of multidrug-resistant TB, HIV and AIDS programmes, and community and home-based care.
- Municipal Infrastructure – Support to cushion poor households against the rising cost of electricity and water.

The equitable share transferred to the provinces has increased at an average rate of 15 per cent per annum over the last three years and has continued in the same trend for the current year. The decrease depicted during the 2005/06 financial year is attributed to the shifting of functions to distribute social grants from provinces to South African Social Security Agency (SASSA), a national public entity.

Provinces therefore accounted for R240 billion in expenditure for the 2009/10 financial year (2008/09: R204 billion).

2.1.2 Debt-service Costs



Debt-service costs account for a major portion of total expenditure and are influenced by the volume of debt, new borrowing requirement, interest rates, inflation rates and the value of the currency. Government's debt management policy focuses on financing the net borrowing requirement at the lowest possible cost within risk benchmarks. The following graph and table show the trends in debt-service costs since 2005/06.

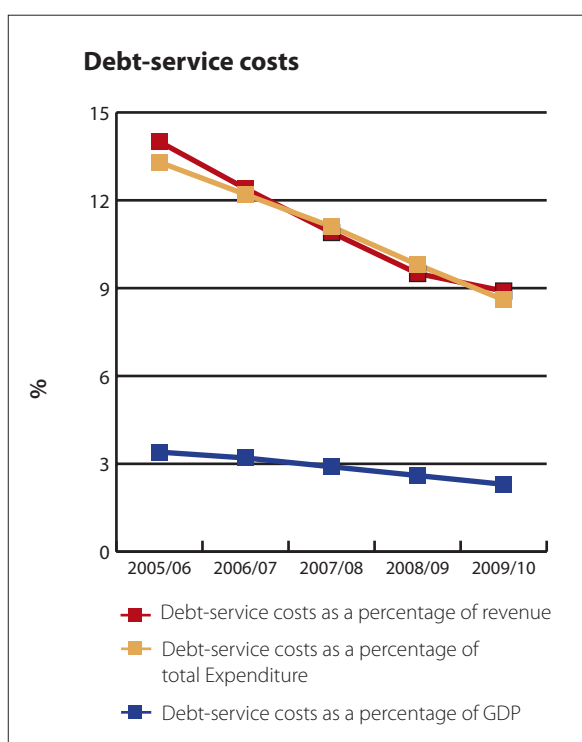
The year-on-year increases in debt-service costs declined over the period 2005/06 to 2007/08 on the back of a broadly balanced budget. Thereafter, it increased following a weaker fiscal position which resulted from the economic downturn. For 2009/10, debt-service costs of R57.1 billion were incurred which is R2.9 billion lower than the 2009 Medium Term Budget Policy Statement (MTBPS) estimate of R60 billion. This is mainly because of bond switch transactions not materialising and a variance in bond funding mix.

REVIEW OF OPERATING RESULTS - CONTINUED

Debt-service costs <i>R' million</i>	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Domestic	46,551	47,679	48,227	48,727	52,170
Foreign	4,361	4,513	4,650	5,667	4,959
Total Debt-Service costs	50,912	52,192	52,877	54,394	57,129
Increase in costs	4%	3%	1%	3%	5%

The table below provides key information on the movement of debt-service costs in relation to key amounts, i.e. revenue, expenditure and GDP. As can be seen in the graph below, debt-service costs' ratios appear to be declining except against revenue.

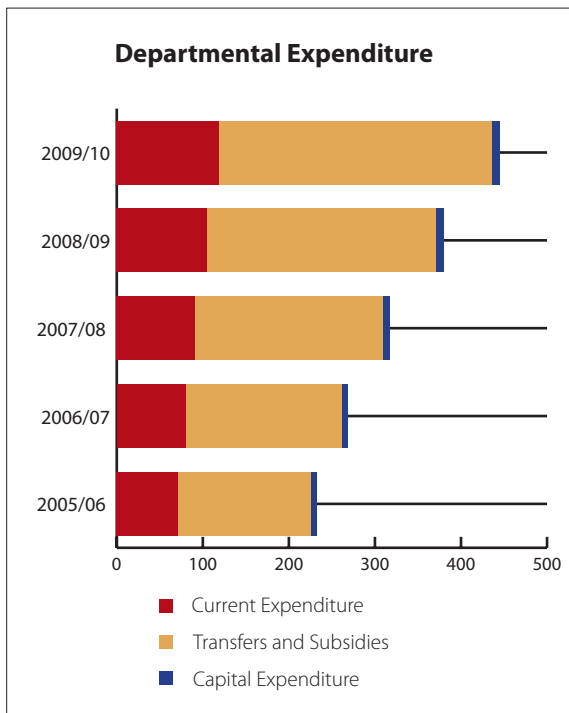
Debt-service costs <i>As a percentage of</i>	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
GDP	3.2%	2.9%	2.6%	2.3%	2.3%
Expenditure	12.2%	11.1%	9.8%	8.6%	7.6%
Revenue	12.4%	10.9%	9.5%	8.9%	9.8%



REVIEW OF OPERATING RESULTS - CONTINUED

2.2 NATIONAL DEPARTMENTS EXPENDITURE

National Department Expenditure R' million	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Current Expenditure	70,771	80,167	91,253	104,795	118,531
Transfers and Subsidies	153,634	181 664	217,740	264,858	317,091
Capital Expenditure	7,225	6,355	8,069	9,592	8,705
Total	231,630	268,186	317,062	379,246	444,327
Increase in expenditure	32.7%	13.6%	15.4%	16.4%	14.6%



National department expenditure has increased by 17 per cent from the prior to current year. This equates to R65.1 billion in rand terms. The increase is mainly attributed to transfers and subsidies of R52 billion and current expenditure of R14 billion.

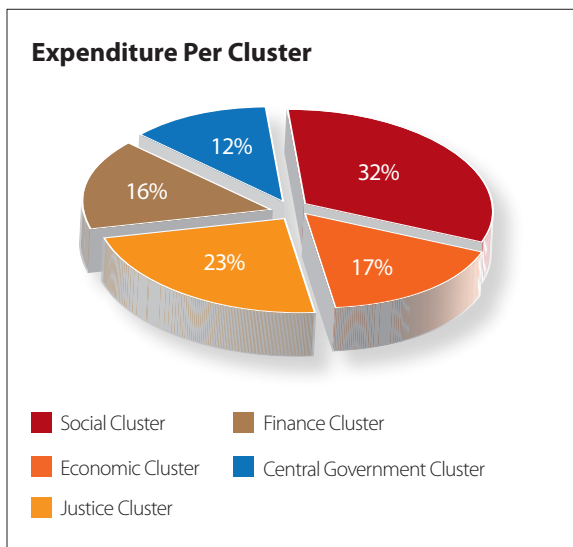
The increase in expenditure over the past five years averages 15 per cent, except for 2005/06 where the increase was 49 per cent. This large increase was a result of the transfer of functions to distribute social grants from provinces to SASSA. The transfers to SASSA would have been effected through the Department of Social Development.

Total national department expenditure has grown by 84 per cent from 2004/05 to the current period under review. This illustrates the pace at which expenditure has grown to meet the spending needs of government. It also illustrates the growth in the economy over the years.

REVIEW OF OPERATING RESULTS – CONTINUED

National Department Cluster Expenditure R' billion	Actual 2008/09	Actual 2009/10
Social Cluster	127	140
Economic Cluster	71	76
Justice Cluster	92	104
Finance Cluster	37	69
Central Government Cluster	51	54
Total	379	444

The national departments are divided into clusters and the following graph illustrates the expenditure per cluster.



The **Social Cluster** is the largest spender of all the clusters. This is due to the priority placed by government on expanding the social assistance safety net over the past decade. Consolidated expenditure on welfare and social security has increased from R23.6 billion in 1997/98 to approximately R117.2 billion in 2009/10.

The strong growth in social assistance grants has contributed significantly to poverty reduction and broadening income security over the past decade. SASSA has successfully consolidated social grants administration following the transfer of this function from provinces. The grants administered by SASSA are now the most important part of the present social security system.

The next cluster in order of expenditure spend is the **Justice and Protection Services Cluster**. The Department of Safety and Security received an additional allocation of R6.9 billion in their budget, mainly for security for the 2010 FIFA World Cup, new recruits and other departmental priorities. The other major contributor to high expenditure of this department is compensation of employees, which increased by an average rate of 13.8 per cent in the 2009/10 financial year. This is due to the implementation of the Public Sector Coordinating Bargaining Council (PSCBC) as most personnel are employed in Policing.

The Department of Justice and Constitutional Development received additional funding for the modernisation of the justice system, the appointment of two prosecutors per court, and improved capacity in the Master's Office, the director-general's office and state litigation services.

The Department of Correctional Services received additional funds for the construction of four new public private partnership correctional facilities, and for payments in capital expenditure.

The Department of Defence has continued upgrading its equipment during 2009/10 as part of efforts to rejuvenate the Defence Force. The department received additional funds for the acquisition of aircraft, the repair and maintenance of defence infrastructure and to increase the intake of young recruits into the Military Skills Development System.

REVIEW OF OPERATING RESULTS - CONTINUED

The last cluster contributing to the increase in expenditure is the **Economic Cluster**. The Department of Transport was the biggest spender in the 2009/10 financial period. Their expenditure increased significantly from R13.4 billion in 2006/07 to R24.5 billion in 2009/10, at an average annual rate of 22 per cent. This growth is mainly attributed to grant expenditure on the Gautrain rapid rail link, public transport infrastructure, and increased allocation to passenger rail infrastructure. In addition, allocations for the maintenance and upgrading of the national roads were made to the department.

The Department of Human Settlements was allocated more funds mainly due to the change in the delivery approach and model, following the adoption of the project for delivery of sustainable human settlements. Spending on compensation of employees also increased due to increased capacity for delivering the comprehensive plan.

The Department of Water Affairs was allocated more funds for the construction of new dams and ancillary infrastructure such as water treatment works and distribution pipelines, and the repair of existing bulk infrastructure.

2.2.1 Current Expenditure

The major items of current expenditure are disclosed in the table below:

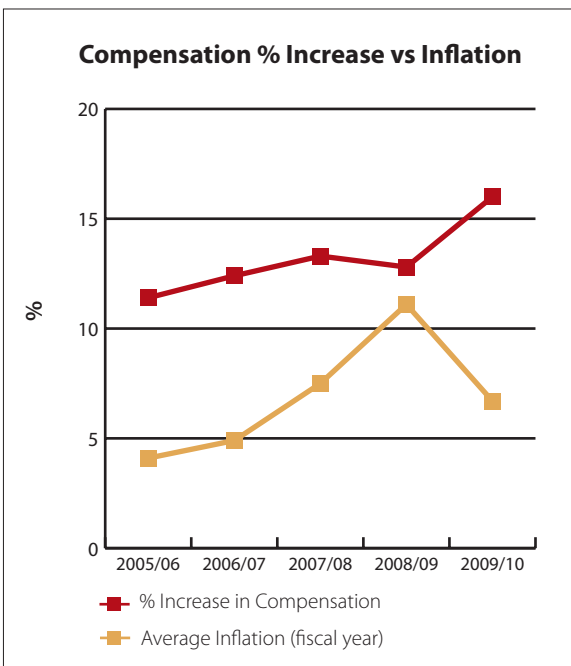
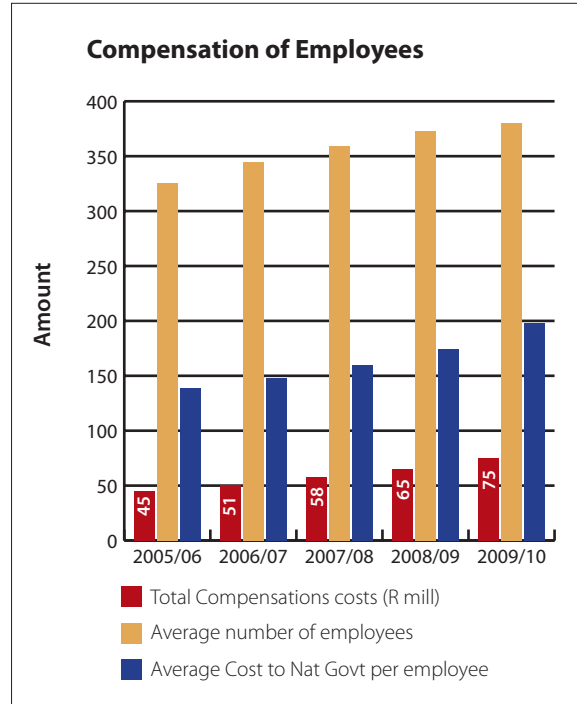
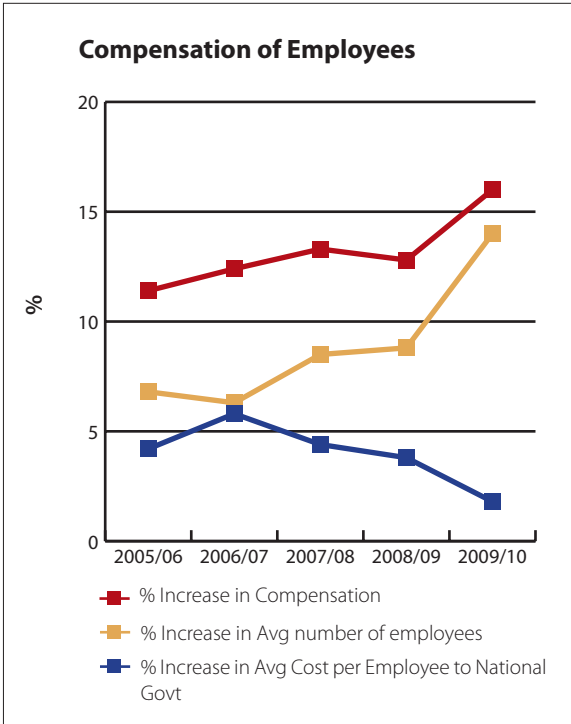
Major items of Current Expenditure R' million	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Compensation of employees	45,213	50,835	57,584	64,981	75,391
Goods and Services	24,692	28,099	32,244	38,255	41,658

2.2.1.1 Compensation of Employees

Description	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Total Compensations costs (R million)	45,213	50,835	57,584	64,981	75,391
Average number of employees	325,531	344,439	359,564	373,098	379,826
Average Cost to National Government per employee (Rands)	R 138,890	R 147,588	R 160,150	R 174,166	R 198,488

The above information illustrates the costs to national government departments and excludes provincial information. The average number of employees at national departments has increased steadily from 325 531 in 2005/06 to 379 826 in 2009/10. Compensation, in rand terms, has grown from R45 billion in 2005/06 to R75 billion in 2009/10. Growth in expenditure from the prior year equates to R10.4 billion or 16 per cent.

REVIEW OF OPERATING RESULTS - CONTINUED



The graphs above also indicate the percentage increase in compensation of employees against the inflation rate over the same period. There are differential increases during 2005/06 and 2006/07, and then increases within a percentage of each other in 2008/09, and a vast difference again when the inflation rate declined drastically in 2009/10.

The majority of national department employees are employed in the Justice and Protection Services cluster with 326 359 employees (86 per cent of the total) for the year under review. The Justice and Protection Services cluster includes, among others, the following departments which each employ a large number of civil servants:

REVIEW OF OPERATING RESULTS - CONTINUED

Average number of Employees Department	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Department of Safety & Security	151 904	159 422	168,261	177,951	185,668
Department of Defence	77 136	77 642	75,931	74,096	74,560
Department of Correctional Services	34 768	37 966	41,051	41,390	41,316

Department of Safety and Security

The Department of Safety and Security (SAPS) employs the most number of staff in national government and hence their expenditure on compensation to employees is R34 billion, accounting for almost half of total compensation costs. The rapid increase in staff between 2005/06 and 2009/10 reflects the carry through effect of additional personnel at ports of entry and in railway environments. The strong growth in compensation at Safety and Security is set to grow over the medium term, mainly due to the employment of additional police officers for 2010 FIFA World Cup, as well as for increased capacity in the forensic science and crime intelligence functions.

Department of Correctional Services

Spending on compensation of employees increased at an average rate of 14.3 per cent between 2005/06 and 2009/10. This was mainly due to improved conditions of service and an increase in personnel, from 34 768 in 2005/06 to 41 316 in 2009/10.

Department of Defence

The department's staff complement has averaged around 76 000 for the past six years. The increase in the compensation is due to the annual salary increases of government employees. Compensation of employees is still the largest expenditure item in the budget of the department.

Performance Awards

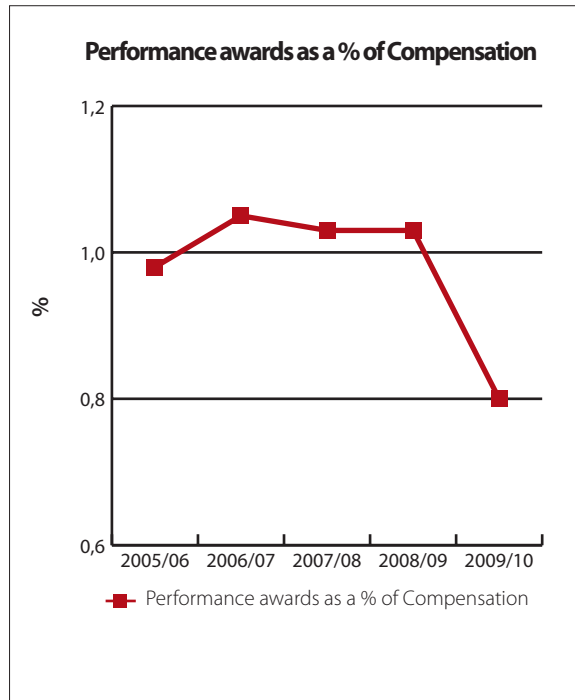
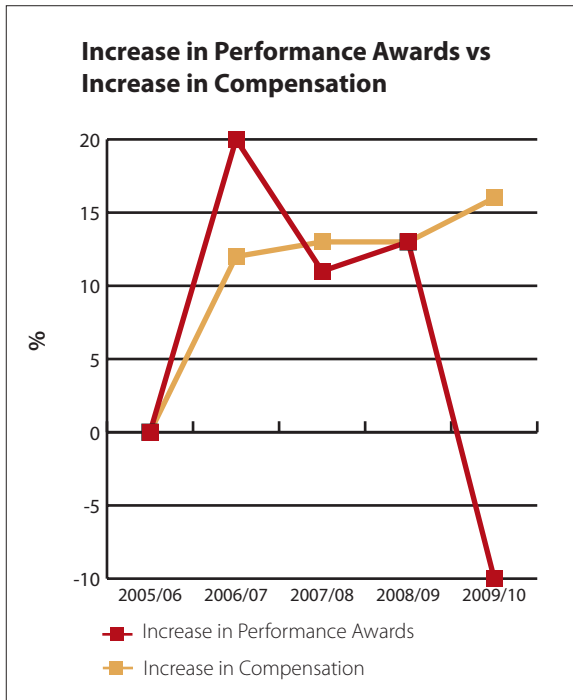
Performance Awards Information	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Performance Awards (R mill)	445	532	591	668	599
Total Compensation of Employees	45,213	50,835	57,584	64,981	75,391
Performance awards as a % of Compensation	0.98%	1.05%	1.03%	1.03%	0.80%
Increase in Performance Awards	-20%	20%	11%	13%	-10%
Increase in Compensation	11%	12%	13%	13%	16%

Performance awards have increased marginally from 2005/06 up to 2007/8 but decreased by 9 per cent in 2009/10. It has not moved in line with the increase in the total compensation. This is probably a result of a reduction in payment of performance awards due to budget constraints and careful spending by departments as a result of the recession.

As can be seen, performance awards range between 0.98 per cent and 1.37 per cent of total compensation of employees.

REVIEW OF OPERATING RESULTS - CONTINUED

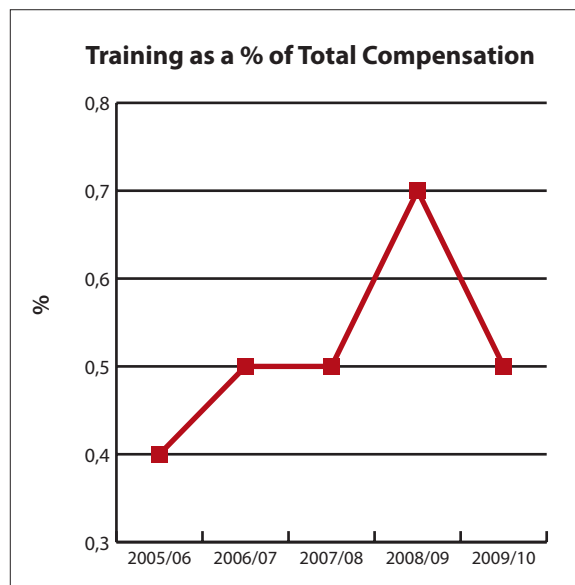
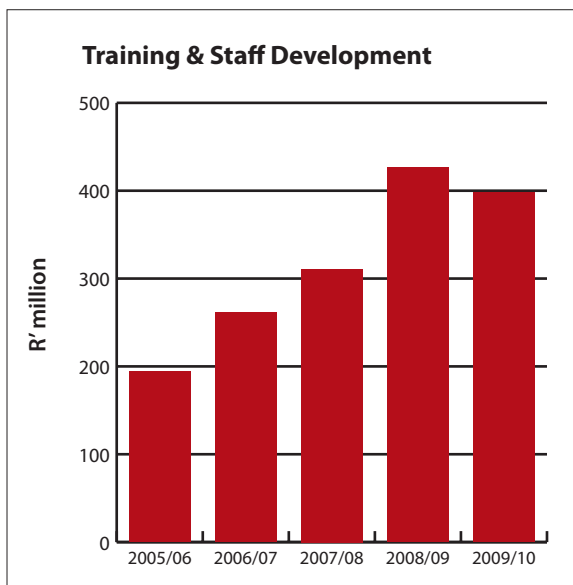
This amount is therefore a negligible portion when compared to total compensation.



Training and Staff development costs

Training and staff development costs are included in the goods and services costs but it would be more appropriate to discuss these costs under compensation of employees as they have a direct relation to each other.

Training and staff development costs	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Training & Staff development (R mill)	194	261	311	426	398
Total Compensation of Employees	45,213	50,835	57,584	64,981	75,391
Training as a % of Compensation	0.4%	0.5%	0.5%	0.7%	0.5%

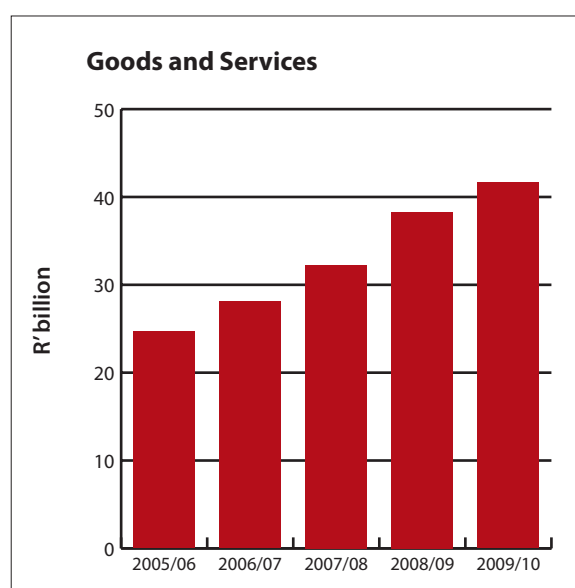


REVIEW OF OPERATING RESULTS - CONTINUED

As can be seen above, training and staff development costs have risen gradually over the years. In 2009/10 these costs are 0.5 per cent of the total cost of compensation, which has returned to the average percentage of total cost of compensation over the past years. The slight decrease in the current year can also be attributed to cost cutting measures where training was offered only when necessary.

2.2.1.2 Goods and Services

R' million	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Goods and Services	24,692	28,099	32 244	38,255	41,658
Increase in expenditure		14%	15%	19%	9%



Goods and services increased steadily over the years, but the latest increase of 9 per cent is a significant reduction relative to the previous years. Again this can be attributed to cost cutting measures implemented by departments as requested by the Minister of Finance.

The major items making up goods and services are disclosed in the table below.

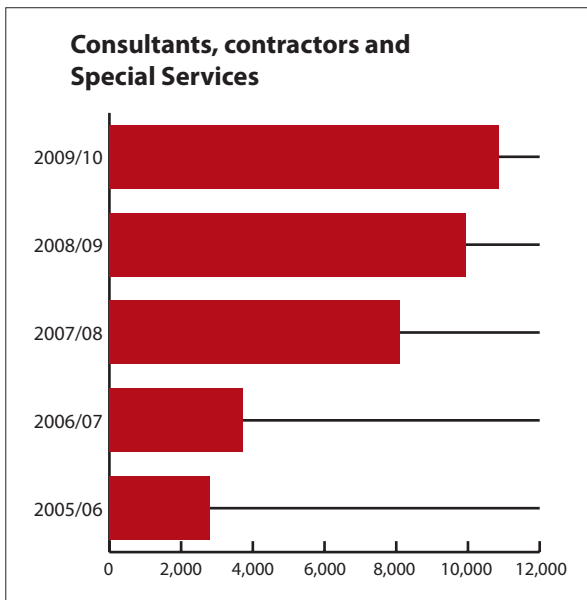
Major items of Goods and services R' million	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Consultants, contractors and special services	2,804	3,729	8,096	9,930	10,864
Inventory	4,191	4,711	5,017	6,153	6,289
Operating Leases	2,399	3,644	4,007	4,445	5,376
Travel and subsistence	3,096	3,620	4,109	4,862	4,663
Computer Services	3,207	3,006	3,267	3,988	5,068
Owned and leasehold property expenditure	375	1,257	2,071	2,495	3,174
Communication	1,316	1,386	1,461	1,532	1,640
Other	7,304	6,746	4,216	4,850	4,764
Total	24,692	28,099	32,244	38,255	41,838

The major items of goods and services accounted for 70 per cent of the total goods and services expenditure in 2005/06, increasing to 89 per cent in the 2009/10 year. This increase has remained relatively stable in comparison to the previous two years.

REVIEW OF OPERATING RESULTS - CONTINUED

Consultants, Contractors and Special Services

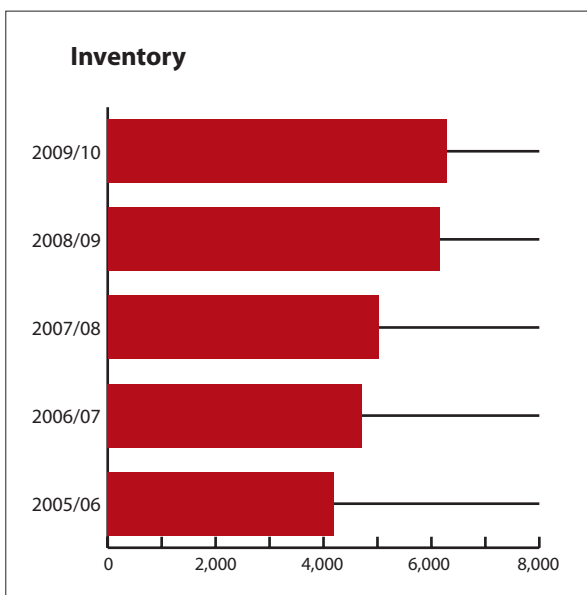
R' million	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Consultants, contractors and special services	2,804	3,729	8,096	9,930	10,864
% Increase from prior year		33%	117%	23%	9%



Payment of consultants, contractors and special services (CCSS) has increased by 9 per cent, which is a declining rate compared to previous years. Most departments still use consultants for work that requires specialised expertise, but focus is starting to be placed on skills transfer and development of permanent staff and less on consultants spending.

Inventory

R' million	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Inventory	4,191	4,711	5,017	6,153	6,289
% Increase from prior year		12%	6%	23%	2%



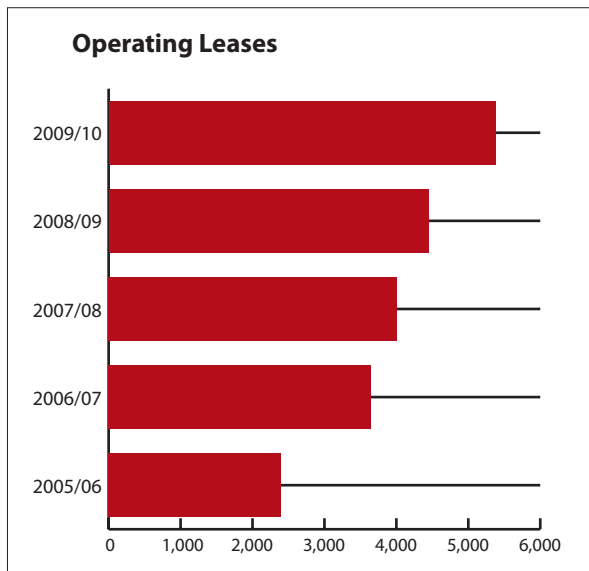
Inventory purchases did not increase significantly, with only a 2 per cent increase in the 2009/10 year. An average increase of 10 per cent for the past five years has ensured a stable spending for inventory.

For the year under review, inventory spending has increased by approximately R136 million. The major purchases of inventory were made by the Department of Safety and Security with approximately R2.6 billion and the Department of Defence also incurred R1.6 billion in total. Defence and the Department of Correctional Services together spent R0.9 billion on food and food supplies for staff and inmates.

REVIEW OF OPERATING RESULTS - CONTINUED

Operating Leases

R' million	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Operating Leases	2,399	3,644	4,007	4,445	5,376
% Increase from prior year		52%	10%	11%	21%

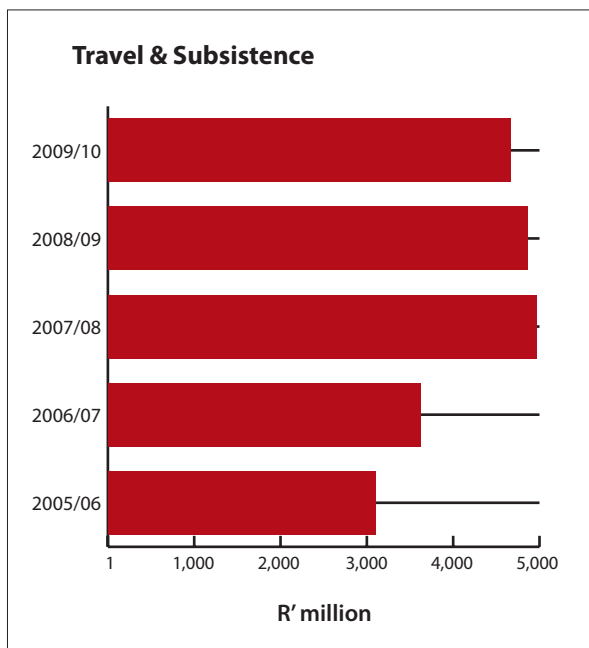


Operating leases increased by 21 per cent in the current year, which is within the range of previous years. The Departments of Safety & Security and Correctional Services spent R2.6 billion in total for the year.

In total the Justice and Protection Services cluster accounts for R3.5 billion, the Central Government Cluster accounts for R0.5 billion and the Finance and Administration Services cluster accounts for R0.5 billion of total spending on operating leases.

Travel and Subsistence

R' million	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Total Travel and subsistence	3,096	3,620	4,108	4,862	4,663
% Increase from prior year		13%	13%	14%	-4%



Travel and subsistence appeared to be stabilising over the past five years but reduced in the current year by 4 per cent. The Justice cluster accounts for R2 billion and the Economic Services and Infrastructure Development cluster for R0.9 billion.

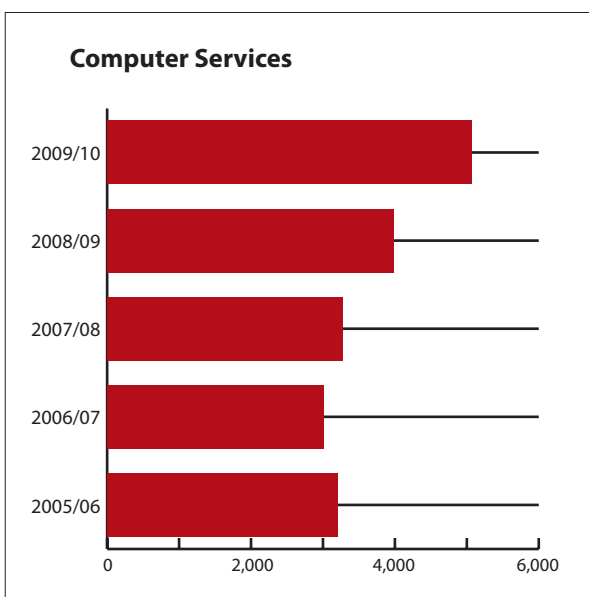
The major spenders within the Justice cluster were again Safety & Security and Defence who spent R0.7 billion each, followed by the department of Justice with R0.5 billion.

The Economic Services and Infrastructure Development cluster collectively spent R0.9 billion, which was spread evenly across most of the departments.

REVIEW OF OPERATING RESULTS - CONTINUED

Computer Services

R' million	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Computer Services	3,207	3,006	3,267	3,988	5,068
% Increase from prior year		-6%	9%	22%	27%

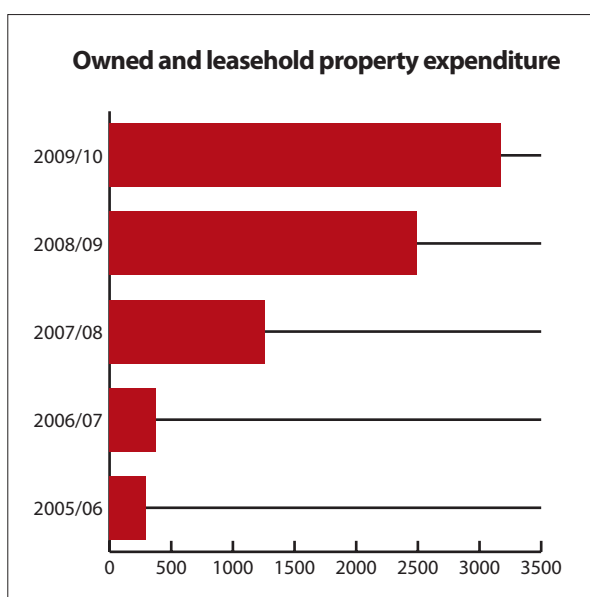


The trend in computer services is also one of stability over the past five years but increased to R5 billion in the current year which is a R1.1 billion increase.

The big spenders were again Safety & Security and Defence with R1.9 billion and R0.8 billion respectively. The Department of Justice accounted for approximately R3.4 billion of the total.

Owned and leasehold property expenditure

R' million	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Owned and leasehold property expenditure	295	375	1,257	2,495	3,174
% Increase from prior year		27%	235%	99%	27%



This expenditure line item has increased in the current year but at a decreasing rate of 27 per cent compared to the 99 per cent increase in 2008/09. This is an increase of approximately R2.8 billion from 2004/05.

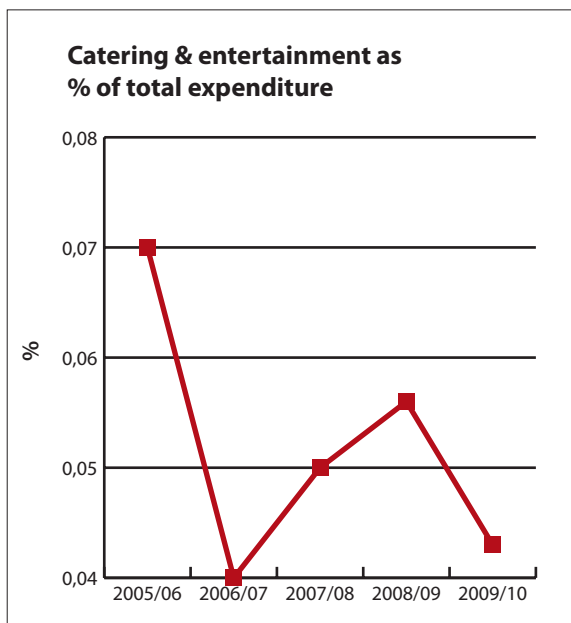
The major spenders in this area are again Safety and Security with R0.8 billion, with Correctional Services, Justice and Defence each spending approximately R0.5 billion.

REVIEW OF OPERATING RESULTS - CONTINUED

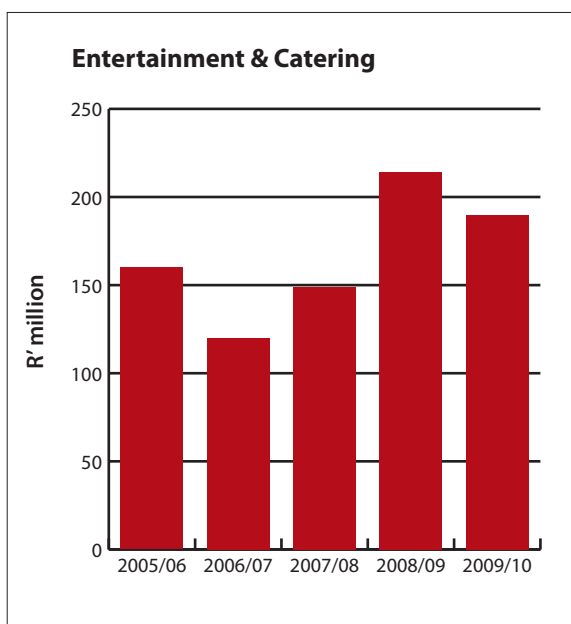
The following items are **not** considered major expenditure items but are included due to their nature.

Catering and Entertainment

R' million	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Catering and Entertainment	160	120	149	214	190



Catering and entertainment has stabilised in value over the last two years. It now sits at 0.043 per cent of total departmental expenditure. The catering and entertainment expenditure is therefore insignificant in comparison to total expenditure costs. The reduction is due to cost cutting measures as a result of challenging economic conditions.

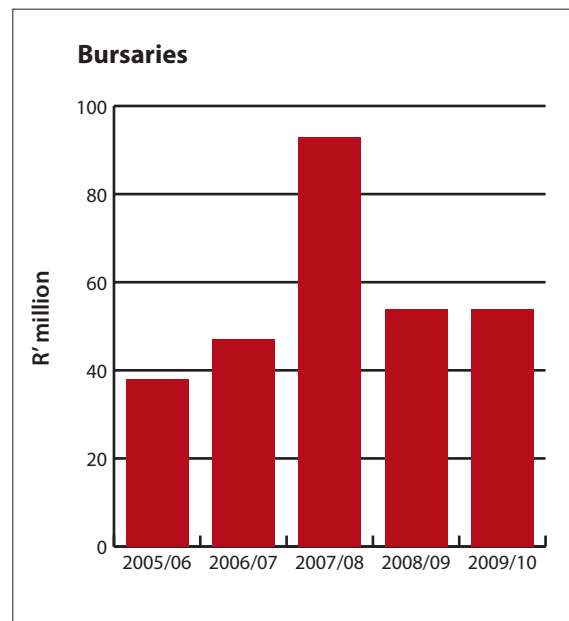
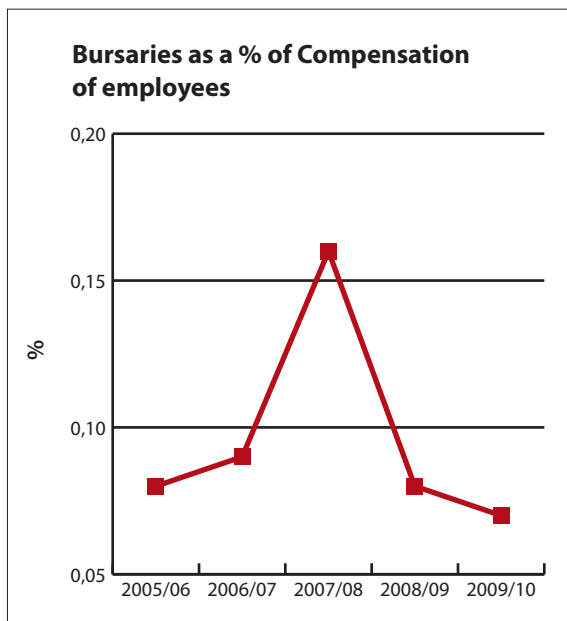


REVIEW OF OPERATING RESULTS - CONTINUED

Bursaries

R' million	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Bursaries	37	38	47	54	54

Bursary expenditure remains relatively low for the current year, at R54 million. The bursary expenditure as a percentage of compensation is also very low, not even accounting for 0.5 per cent of total compensation of employees



2.2.2 Transfers and subsidies

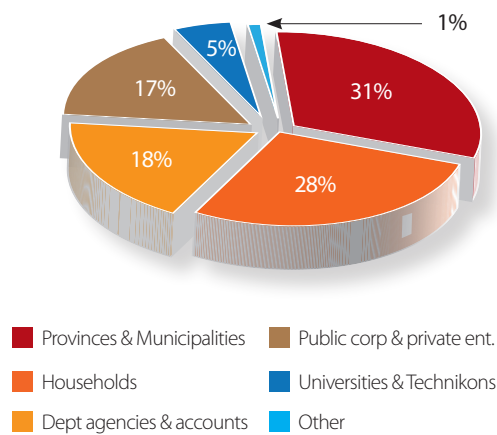
Transfers and Subsidies R' million	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Provinces and Municipalities	92,104	54,774	70,375	86,030	98,839
Households	3,892	61,705	69,308	79,206	89,689
Departmental agencies and accounts	34,122	37,733	43,300	52,224	57,170
Public corporations and private enterprises	12,015	14,688	20,812	31,002	53,133
Universities and technikons	9,788	11,056	12,004	13,898	15,452
Other	1,713	1,708	1,895	2,179	2,635
Total	153,634	181,664	217,694	264,539	316,918
Increase from prior year	77%	18%	20%	28%	20%
As a % of Total Revenue	36%	37%	39%	43%	53%
As a % of Total Expenditure	37%	38%	40%	41%	42%

Transfers and subsidies have increased by 20 per cent from the previous year, by R 52 billion. The anomaly of a 77 per cent increase in 2005/06 was due to the transfer of functions to distribute social grants from provinces to SASSA.

REVIEW OF OPERATING RESULTS - CONTINUED

Consolidated Financial Information | For the year ended 31 March 2010

Breakdown of Transfers and Subsidies



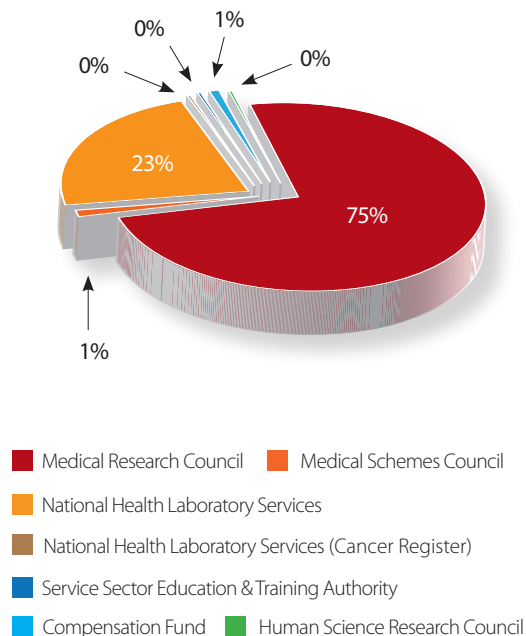
The **Social Services cluster and Finance & Administration cluster** are the biggest spenders in this area with expenditure of R134 billion and R66 billion respectively. The **Economic Services and Infrastructure Development cluster** spent R64 billion during the current year.

Progressive extension of the social security net will continue over the period ahead. During the year under review, a total of R70 billion was paid out to SASSA by the department of Social Development. These cash grants provided income support to people whose livelihoods were most at risk. The available grants are the old age pension; the disability, child support, foster care, care dependency and war veterans' grant; and the grant in aid and social relief.

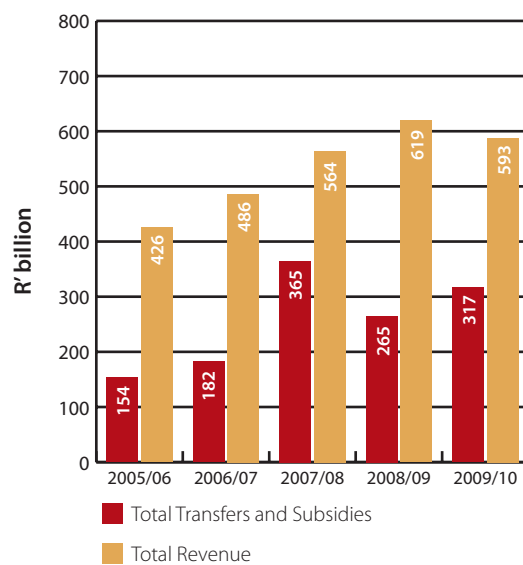
As can be seen in the pie chart below, the Medical Research Council received a large chunk of the transfers and subsidies from the Department of Health. The reason for this large transfer is the focus being placed on development of the HIV vaccine and prevention against the virus. Large payments are required to research collaborators to speed up the process of researching and developing this vaccine.

The total transfer and subsidies of the Department of Health totaled R16 billion for 2009/10 and the programmes in the graph below received allocations:

Breakdown of Transfers and Subsidies



Transfers and Subsidies



Review of Operating Results

REVIEW OF OPERATING RESULTS – CONTINUED

The Department of Education also increased its transfers to the various tertiary institutions throughout South Africa.

In the Finance Cluster, the National Treasury accounted for R62 billion of total transfers and subsidies. This is over 50 per cent of the transfers and subsidies in the cluster. This can be attributed to the large transfer of R30 billion that was made to Eskom.

In 2007, government approved a strategy to create integrated rapid transport networks. The development of a safe, reliable and accessible public transport system remains a key priority. Construction associated with the Gauteng freeway improvement scheme began during the year and these costs are to be recovered over time through toll revenue.

Investment in road maintenance has been supported by government with the Department of Transport transferring an additional R 0.6 billion to the SA National Roads Agency.

Depart of Transport Transfers to (R' million)	Actual 2008/09	Actual 2009/10
National Sea Rescue Institute	950	983
SANTACO	12,978	13,952
HAMNET	55	50
Off Road Rescue Unit	55	-
The Mountain Club of South Africa	55	50
Total	14,093	15,035

The Department of Housing has also continued to increase grant payments to the provinces as can be seen in the table which follows. Investments in the built environment are aimed at expanding access to basic household services and providing infrastructure that links communities to economic opportunities.

A key focus is to support the elimination of informal housing, and the development of sustainable settlements. The aim is to reduce spatial disparities and create safe, vibrant neighborhoods.

Since 1994 about 2.3 million houses have been built, and it is estimated that a further 2.4 million homes need to be built to overcome the housing shortage. Over the next three years, a total of R35.8 billion has been allocated for housing needs.

To improve inter-governmental co-ordination, systems have been put in place to ensure closer scrutiny of housing delivery and evaluate progress made thus far.

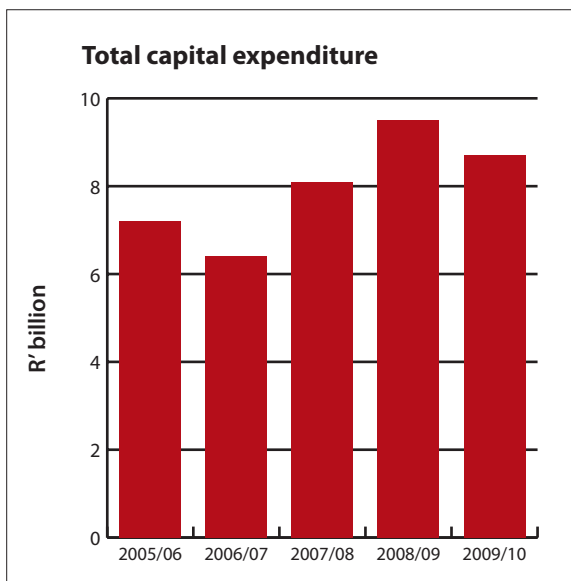
Housing Transfer to Province (R' million)	Actual 2007/08	Actual 2008/09	Actual 2009/10
Eastern Cape	1,053	981	1,313
Free State	653	859	963
Gauteng	2,197	2,807	3,187
Kwazulu-Natal	1,311	1,622	2,330
Limpopo	652	825	997
Mpumalanga	526	697	795
Northern Cape	131	219	325
North West	767	862	1,100
Western Cape	949	1,306	1,581
Total	8,239	10,178	12,592

REVIEW OF OPERATING RESULTS - CONTINUED

Consolidated Financial Information | For the year ended 31 March 2010

2.2.2 expenditure for capital assets

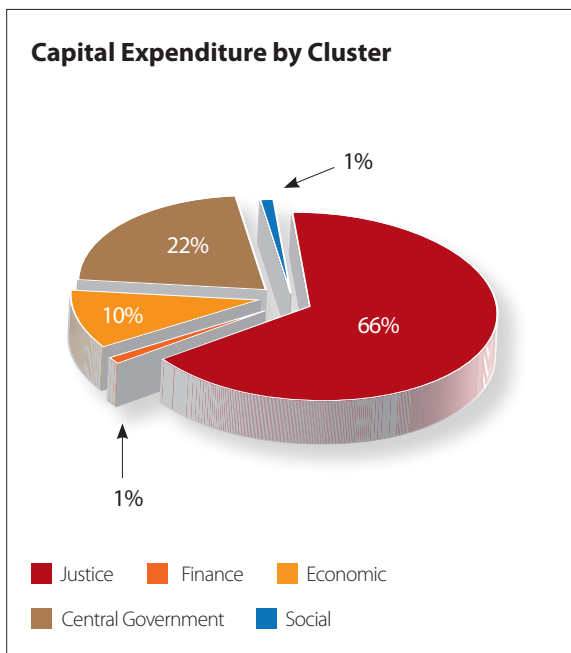
Capital Expenditure R' million	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Total capital expenditure	7,225	6,355	8,069	9,592	8,704
% change from prior year	31%	-14%	21%	16%	-10%



Capital expenditure decreased by 9.1 per cent during the current year, from R9.6 billion to R8.7 billion. The majority of capital expenditure was on buildings and other fixed structures which accounted for R5.1 billion or 59 per cent of the total.

Defence was the largest spender in this area, spending R1.1 billion, followed by Safety & Security and Correctional Services which each spent R990 million.

Defence commenced purchasing transport aircraft, and Safety & Security will be upgrading their information and communication technology networks. Correctional Services is in the process of procuring six new-generation correctional facilities.



International Relations and Cooperation and Public Works each account for R1.0 billion of total expenditure on this line item. International Relations and Cooperation has started setting up more missions in Asia, commenced with the refurbishment of foreign properties, and have been given extra funding for the construction of a Pan African Parliament building in Midrand to the value of R0.7 billion.

Expenditure by cluster shows that the Justice and Protection Services cluster accounts for 66 per cent of total capital expenditure, followed by the Central Government cluster and then the Economic Services cluster.

Please note that this capital expenditure is only for national departments and excludes the capital expenditure of provinces. Therefore, the capital expenditure by government as a whole exceeds the R8 billion disclosed above.

Review of Operating Results

REVIEW OF OPERATING RESULTS - CONTINUED

3. ASSETS

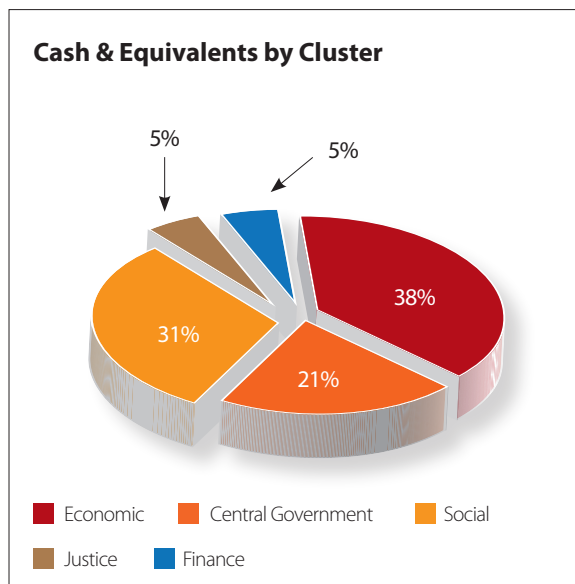
3.1 CASH AND CASH EQUIVALENTS

Cash & cash equivalents R' billion	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Cash and equivalents	62	78	99	105	137
% change from prior year	88%	26%	27%	6%	30%

Cash and cash equivalents stands at R137 billion, with the NRF holding the bulk of the cash with R132 billion. Government's total cash includes deposits held at the SARB and commercial banks. The SARB uses the deposits that it holds to compensate the excess cash created in the money market when purchasing foreign exchange reserves.

National Revenue Fund holding of cash

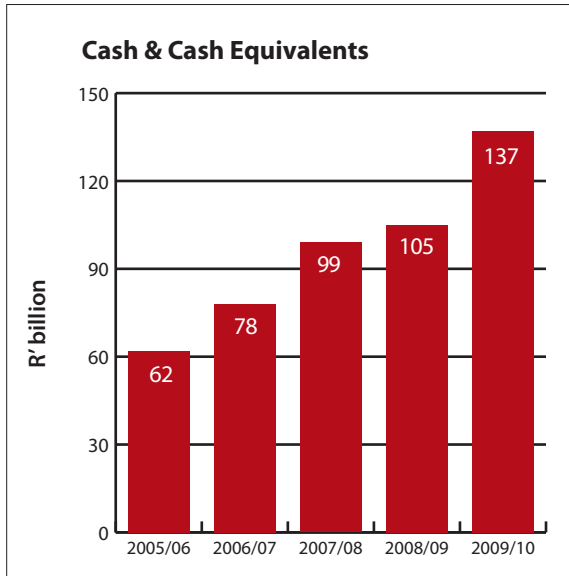
R'million	2007/08	2008/09	2009/10
Commercial Banks	30,497	31,284	38,418
South African Reserve Bank			
- Corporation for Public deposits	202	3,973	975
- Exchequer account	1	1	0
- Sterilisation deposits	63,109	66,091	67,157
- Foreign currency deposits	-	-	25,176
<i>US\$ equivalent</i>	-	-	<i>\$3,4bn</i>
Total	93,809	101,349	131,726



Cash deposits with the Reserve Bank comprise the following:

- Deposits in Rand used to compensate the excess cash created in the money market when buying foreign exchange reserves
- Foreign exchange deposits made from money borrowed in international markets, or from purchases in the local market
- Investments with the Corporation for Public Deposits.

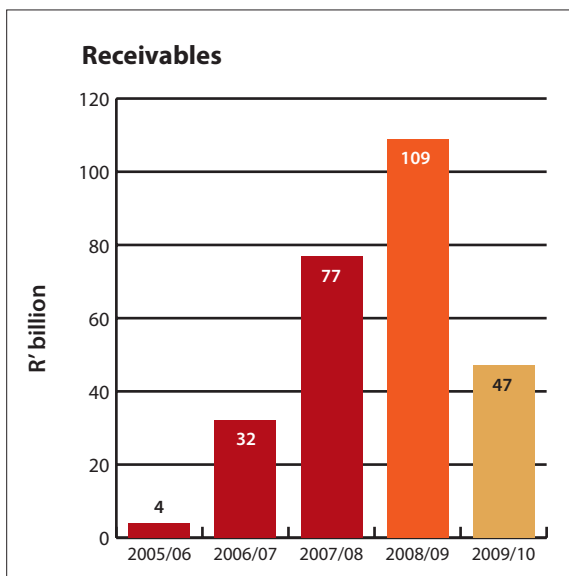
REVIEW OF OPERATING RESULTS - CONTINUED



Operational cash available to finance the borrowing requirement is held in the National Treasury tax and loan accounts with the four commercial banks and in foreign currency accounts with the SARB. The level of operational cash is determined by future cash requirements. Sterilisation deposits are not readily available to finance government expenditure in view of their role in managing money market liquidity.

3.2 RECEIVABLES

Receivables R' billion	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Receivables	4	32	77	109	47



This majority of total receivables is made up of a receivable of R35.6 billion in respect of the Gold and Foreign Exchange Contingency Reserve account (GFECRA). This represents the net of profits and losses arising from exchange forward cover provided by the SARB, as well as from the periodic revaluations of the SARB's foreign exchange reserves, foreign loans and gold reserves, and an exchange margin payable to the SARB on all foreign exchange transactions on behalf of government. Following the agreed settlement methodology between National Treasury and the SARB, only transactions with a cash flow impact will be settled. Transactions of a non-cash flow nature, such as revaluation profits and losses, will not be settled.

REVIEW OF OPERATING RESULTS - CONTINUED

3.3 INVESTMENTS

Investments R' billion	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Investments	48	51	55	63	91
% Increase from prior year	6%	8%	7%	15%	45%

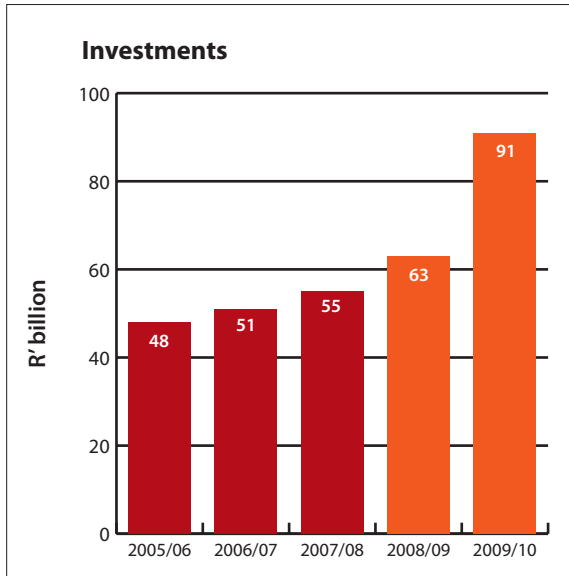
Total investments increased to R91 billion for the current year. This represents a 45 per cent increase from the prior year. This can be attributed to government's increase in several investments, including R5 billion in the African Development Bank. NRF investments consist of government's shareholding in multilateral institutions such as the World Bank and African Development Bank.

The major investments of government are listed in the table which follows. This gives the actual Rand amount of the investments held by government for the past two years. Most investments have remained similar in the current year with no movement.

Actual R' million	Actual 2008/09	Actual 2009/10
Alexkor Limited	50	50
Aventura Limited	60	60
Broadband Infraco (Pty) Limited	1,004	1,004
Denel (Pty) Ltd	5,476	5,476
Eskom Limited	-	-
Safcol Limited	318	318
South African Airways (Pty) Ltd	2,049	2,049
Transnet Limited	12,661	12,661
Passenger Rail Authority of South Africa Ltd.	4,248	4,248
Airports Company Ltd.	559	559
Air Traffic and Navigation Services Company Ltd.	191	191
S.A. National Roads Agency Ltd.	1,091	1,091
NHFC	880	880
Telkom SA Limited	2,070	2,070
South African Post Office Limited	201	201
DBSA	200	200
IDC	1,392	1,392
Special Defence Account	75	75
International Bank for Reconstruction and Development	15,420	11,912
African Development Bank	11,472	8,862
Total	54,408	59,419

REVIEW OF OPERATING RESULTS - CONTINUED

Consolidated Financial Information | For the year ended 31 March 2010



3.4 LOANS

Total loans R' million	Actual 2008/09	Actual 2009/10
Loans	10,549	45,082

During the current year National Treasury made a loan of R30 billion to Eskom. In 2008, government approved a 30-year subordinated loan of R60 billion in support of Eskom's capital expansion programme. The Eskom Subordinated Loan Special Appropriation Act provides for a multi-year appropriation of R10 billion (2008/09), R30 billion (2009/10) and R20 billion (2010/11). Eskom will be required to repay the loan with interest when its credit matrix improves to an investment grade rating.

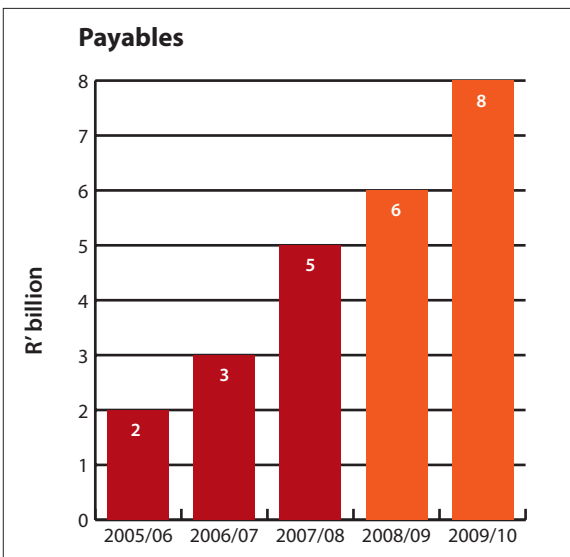
Review of Operating Results

REVIEW OF OPERATING RESULTS - CONTINUED

4. LIABILITIES

4.1 CURRENT PAYABLES

Payables R' billion	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Payables	2	3	5	6	8
% change from prior year		25%	35%	25%	25%

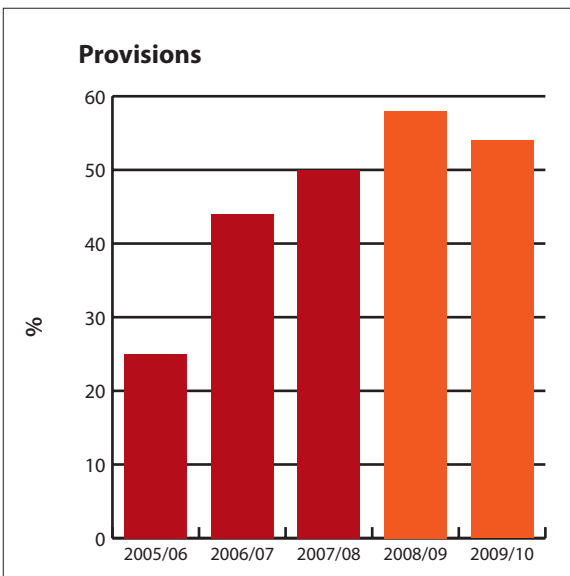


Payables remain at a relatively low value of R8 billion, from R6 billion in the previous year. The NRF accounts for the majority of the payables at R6.2 billion.

The Department of International Relations and Cooperation accounts for R1.2 billion of the total. The main portion of this amount is due to the Department of Home Affairs

4.2 PROVISIONS

Provisions R' billion	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Provisions	25	44	50	58	54
% change from prior year		74%	14%	14%	-7%



Provisions have decreased by 7 per cent in the current year to R54 billion. This has been a change from the past 3 years where provisions have on average increased. The provisions are raised by the NRF and are made up of leave credits and other provisions of R9 billion and R44 billion respectively.

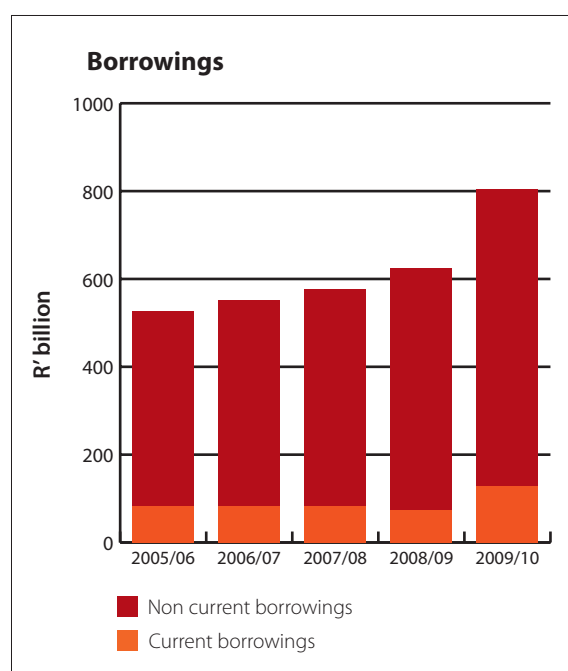
REVIEW OF OPERATING RESULTS - CONTINUED

Consolidated Financial Information | For the year ended 31 March 2010

4.3 CURRENT AND NON-CURRENT BORROWINGS

Borrowings R' billion	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Current borrowings	82	82	83	73	128
Non-current borrowings	446	470	494	552	676
Total	528	552	577	626	804
% change from prior year	5%	5%	4%	9%	28%

Total debt has increased by 28 per cent for the current year compared to the average rate of increase of 6 per cent for the last three years. This follows the sharp increase in the budget deficit in 2009/10. The total gross debt figure now stands at R804 billion. Government's debt levels are affected by the net borrowing requirement, discount on loans, increases/decreases due to revaluation of foreign loans and the revaluation of inflation-linked bonds. Total government debt is shown in the following table:



Total National Government Debt, 2005/06 – 2009/10

R billion	2005/06	2006/07	2007/08	2008/9	2009/10
Domestic debt ¹	459.9	469.6	479.4	528.4	704.2
Foreign debt	66.8	82.6	96.2	97.3	99.4
Gross loan debt	526.7	552.2	575.6	625.7	803.6
Less: National Revenue Fund bank balances	-58.2	-75.3	-93.8	-101.4	-131.7
Net loan debt	468.5	476.9	481.8	524.3	671.9
<i>As percentage of GDP:</i>					
Net loan debt	29.0	26.0	23.2	22.6	27.4
Foreign debt	4.1	4.5	4.6	4.2	4.1

1. Excludes unamortized interest on zero coupon bonds.

Net loan debt consists of total domestic and foreign debt less the cash balances of the NRF. Over the period 2005/06 – 2009/10, net loan debt as a percentage of GDP declined from 29.0 per cent to 27.4 per cent.

REVIEW OF OPERATING RESULTS - CONTINUED

5. NET SURPLUS/ (DEFICIT) RECONCILIATION

The table below reflects the reconciliation of the deficit per consolidation to the budget review.

RECONCILIATION TO NET SURPLUS/(DEFICIT) AS REFLECTED IN THE Budget Review	Revised Estimate	Actual Outcome	As Published In 2008/09
R' million	2009/10	2008/09	2008/09
Surplus/Deficit per Income Statement (NRF)	(196,106)	(17,165)	(19,444)
Add back non-cash movement	25,913	(14,094)	(11,377)
(Increase)/Decrease in revenue	(7,817)	3,089	5,065
Movement in Annual Appropriation: Net Financing	6,706	3,741	5,898
Revenue Fund receipts:			
Armaments Purchases- Exchange Rate Profit	-	(1)	(1)
Exchange rate profit : ECA Loans	(742)	(2)	(2)
Recovery of criminal assets	(52)	(66)	(66)
Surplus: SARB	-	119	119
Surplus: CPD	-	34	(52)
Local Government Surrender	(165)	-	-
Extra-ordinary receipts:			
Premium on bonds issued	(1,631)	(3,615)	(3,615)
Agricultural Debt Account Surrender	-	(704)	(704)
Restructuring of Govt Debt Portfolio	-	(861)	(861)
Penalties on Retail Bonds	(1)	(2)	(2)
ICASA	(9)	-	-
Special Restructuring Proceeds - TELKOM	(4,472)	-	-
SASRIA	(105)	(2,142)	(2,142)
Diabo Share Trust	-	(435)	(435)
Profit on Conversion of Foreign currency translation	(211)	-	-
Penalties on Forefeits SARB	-	(2)	(2)
Extra-ordinary payments:			
Premium on debt portfolio restructuring	-	507	507
Losses on GEFRECA	181	328	328
RE-Imbursement on Retail Bonds	2	-	-
Loss on conversion of Foreign loans	435	-	-
Premium on Script Lending	-	2,964	2,964
Revenue Fund Payments:			
Recovery of criminal assets	4	7	7
Leave credits	689	570	570
Other expenditure	-	(7)	(7)
Unauthorised expenditure approved	56	469	469
Surplus/(Deficit) per Budget Review	(177,324)	(27,267)	(22,783)

REVIEW OF OPERATING RESULTS - CONTINUED

RECONCILIATION TO NET SURPLUS/(DEFICIT) AS REFLECTED IN THE Budget Review - continued	Revised Estimate	Actual Outcome	As Published In 2008/09
R' million	2009/10	2008/09	
Surplus/(Deficit) per Budget Review	(177,324)	(27,267)	(22,783)
Items as specified above	(18,782)	10,102	3,339
Surplus per the NRF Statement of Financial Performance	(196,106)	(17,165)	(19,444)
Aggregated surplus/(deficit) of the National Departments	32,141	(8,412)	6,030
Add back unauthorised, fruitless & wasteful expenditure	-	-	-
Surplus per CAFS	(163,965)	(25,577)	(13,414)
Analysis of the aggregated surplus per CFS			
Statutory and Voted Funds to be surrendered to NRF	(164,103)	(25,737)	(14,009)
Departmental sourced revenue	50	55	55
Local and foreign aid assistance	89	105	105
CARA Fund Assistance	-	-	435
Total	(163,965)	(25,577)	(13,414)

REVIEW OF OPERATING RESULTS – CONTINUED

6. ACTUAL EXPENDITURE VS ADJUSTED APPROPRIATION 2009/10

	Actual Expenditure Excluding Unauthorised Expenditure funded by NRF/PRF	Adjusted Appropriation	Variance	% Variance
Central Government Administration	17,887,402	18,468,172	580,770	3.1%
Presidency	478,401	494,301	15,900	3.2%
Parliament	1,108,002	1,108,002	-	0.0%
Foreign Affairs	5,417,441	5,552,955	135,514	2.4%
Home Affairs ⁽¹⁾	5,195,409	5,263,784	68,375	1.3%
Public Works	5,688,149	6,049,130	360,981	6.0%
Financial and Administrative Services	65,390,706	65,740,313	349,607	0.5%
Government Communications and Information Systems	495,415	496,780	1,365	0.3%
National Treasury	62,668,728	62,845,570	176,842	0.3%
Public Service and Administration	417,880	429,833	11,953	2.8%
Public Service Commission	131,789	131,841	52	0.0%
S A Management Development Institute	121,113	121,115	2	0.0%
Statistics South Africa	1,555,781	1,715,174	159,393	9.3%
Social Services	131,800,399	134,386,805	2,586,406	1.9%
Arts and Culture	2,224,931	2,632,110	407,179	15.5%
Education	21,361,210	21,848,857	487,647	2.2%
Health	17,966,210	18,423,459	457,249	2.5%
Labour	2,063,458	2,090,284	26,826	1.3%
Social Development	85,318,160	86,508,187	1,190,027	1.4%
Sport and Recreation S A	2,866,430	2,883,908	17,478	0.6%
Justice and Protection Services	102,482,958	102,668,394	185,436	0.2%
Correctional Services	13,687,343	13,834,545	147,202	1.1%
Defence	31,324,247	31,325,256	1,009	0.0%
Independent Complaints Directorate	106,246	116,467	10,221	8.8%
Justice and Constitutional Development	9,743,155	9,770,131	26,976	0.3%
Justice	7,514,440	7,528,269	13,829	0.2%
NPA	2,228,715	2,241,862	13,147	0.6%
Safety and Security	47,621,967	47,621,995	28	0.0%

NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT
AND LOAN ACCOUNTS

REVIEW OF OPERATING RESULTS - CONTINUED

	Actual Expenditure Excluding Unauthorised Expenditure funded by NRF/PRF	Adjusted Appropriation	Variance	% Variance
Economic Services and Infrastructure Development	115,765,755	117,617,418	1,851,663	1.6%
Agriculture	3,728,377	3,763,800	35,423	0.9%
Communications	2,301,912	2,470,494	168,582	6.8%
Environmental Affairs	3,503,338	3,510,641	7,303	0.2%
Housing	13,370,361	13,604,805	234,444	1.7%
Land Affairs	5,854,721	6,391,091	536,370	8.4%
Minerals and Energy	4,544,716	4,682,004	137,288	2.9%
Provincial and Local Government	35,974,850	36,527,133	552,283	1.5%
Public Enterprise	3,983,292	3,991,160	7,868	0.2%
Science and Technology	4,183,857	4,261,695	77,838	1.8%
Trade and Industry	6,237,955	6,402,076	164,121	2.6%
Transport	24,501,837	24,238,517	(263,320)	-1.1%
Water Affairs and Forestry	7,580,539	7,774,002	193,463	2.5%
	433,321,302	438,881,102	5,553,882	1.3%

**REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT
ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE NATIONAL
DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT AND LOAN
ACCOUNTS OF THE NATIONAL TREASURY**

FOR THE YEAR ENDED 31 MARCH 2010



**A U D I T O R - G E N E R A L
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NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT AND LOAN ACCOUNTS

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT AND LOAN ACCOUNTS OF THE NATIONAL TREASURY

FOR THE YEAR ENDED 31 MARCH 2010

REPORT ON THE FINANCIAL STATEMENTS

INTRODUCTION

I have audited the accompanying consolidated financial statements (CFS) of the national departments, the National Revenue Fund, State debt and Loan Accounts of the National Treasury, which comprise the statement of financial position as at 31 March 2010, the statement of financial performance, the statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 43 to 87.

ACCOUNTING OFFICER'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accounting officer is responsible for the preparation of these financial statements in accordance with the modified cash basis of accounting determined by the National Treasury as set out in accounting policy note 1.1 and in the manner required by the Public Finance Management Act of South Africa, 1999 (Act No.1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2009 (Act No.12 of 2009) (DoRA). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR-GENERAL'S RESPONSIBILITY

As required by section 188 of the Constitution of South Africa, 1996 (Act No. 108 of 1996) and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with International Standards on Auditing and *General Notice 1570 of 2009* issued in *Government Gazette 32758 of 27 November 2009*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT AND LOAN ACCOUNTS

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT AND LOAN ACCOUNTS OF THE NATIONAL TREASURY – CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

BASIS FOR QUALIFIED OPINION

Qualifications in the reports of the individual national departments

Immovable tangible capital assets

- The Department of Public Works did not have a complete asset register of all immovable properties belonging to the national government under its custodianship. The department in conjunction with the Department of Rural Development and Land Reform and all provincial department custodians has been tasked to lead a government-wide initiative to complete the vesting of state-owned land by 2014. I was unable to perform alternative procedures to confirm the existence, valuation, completeness and rights and obligations of immovable tangible capital assets and was unable to quantify the effect of this on the CFS.
- The Department of Water Affairs imposed a limitation on the scope of my work as the final asset register was not provided in time to verify the amounts. I was unable to verify the existence and completeness of immovable tangible capital assets amounting to R33 million (2008-09: R5,043 billion). The department's records did not permit the application of alternative audit procedures regarding the existence and completeness of these immovable tangible capital assets.
- The Department of Rural Development and Land Reform did not have a complete asset register of all immovable properties belonging to the national government under its custodianship. As a result immovable property registered in the name of other entities and departments was recorded in the immovable asset register of the department and immovable property that should have been registered in the name of the national government was still not registered and was therefore not included in the asset register of the department. I was unable to perform alternative procedures to confirm the completeness, valuation and rights and obligations regarding immovable tangible capital assets and therefore I could not verify the completeness, valuation and rights and obligations pertaining to immovable tangible capital assets and was unable to quantify the effect of this on the CFS.

Movable tangible and intangible assets

- The Department of Defence did not maintain a proper asset register and did not disclose any financial information in this regard in the notes to the CFS. The department did not maintain a proper asset register, supported by relevant documentation to enable me to quantify the misstatements due to historic inherent problems. While I performed alternative audit procedures and recognised that a project plan to address the asset register deficiencies is in process, I could not verify the existence, completeness, valuation and rights and obligations with regard to tangible and intangible assets. I was unable to quantify the effect of this non-disclosure on the CFS.
- The Department of Correctional Services adjusted the prior year opening balance for major movable tangible assets by R129 million (2008-09: R264 million) without any supporting documents. The department's records did not permit the application of alternative procedures and therefore I could not verify the occurrence, accuracy and completeness of these adjustments.

I could not verify the existence of major movable tangible capital assets amounting to R63 million (2008-09: R236 million) and minor tangible capital assets amounting to R31 million (2008-09: R38 million) as these assets could not be physically identified. I could not verify the completeness of assets as I was unable to trace some of the assets to the asset register. Management had failed to implement adequate controls to ensure that the assets as per the asset register and financial statements agree with the physical assets on hand. The department's records did not permit the application of alternative procedures.

The department's major movable tangible assets did not always reflect the cost or fair value of the assets and are overvalued by R57 million (2008-09: R236 million) as a result of inadequate controls over the review of information captured in the asset register.

NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT AND LOAN ACCOUNTS

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT AND LOAN ACCOUNTS OF THE NATIONAL TREASURY - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

- The National Prosecuting Authority did not maintain full and proper records in respect of assets. The opening balances of movable tangible assets of R139 million and minor assets of R66 million was not supported by a complete and updated asset register. No supporting documentation for adjustments amounting to R128 million made to movable tangible capital assets could be obtained. A significant number of assets were transferred to the South African Police Service. Due to the lack of asset barcodes and a complete asset register it could not be confirmed if all the assets transferred are accounted for. As a result I could not verify the existence, completeness, valuation and rights and obligations pertaining to movable tangible capital assets amounting to R13 million (2008-09: R139 million) and minor assets amounting to R51 million (2008-09: R66 million).
- The Department of Home Affairs must safeguard the assets and prepare financial statements in accordance with the prescribed norms and standards. I could not verify the existence, completeness and valuation of the capital assets amounting to R1,606 billion. The department's records did not permit the application of alternative audit procedures regarding the existence, completeness and consequently the accurate valuation of the capital assets.
- The Department of Water Affairs' closing balance for movable tangible capital assets of R91 million did not agree to the amount in the asset register of R48 million. The department did not provide sufficient and appropriate evidence to explain the differences. Consequently, the department's records did not permit the application of alternative procedures and I could not verify the existence and completeness of movable tangible capital assets.

Public Private Partnership (PPP) assets

- The Department of Labour had a difference between the PPP asset register and the accounting records amounting to R14 million. The department could not provide a reconciliation for these differences. The PPP IT asset register was not adequately maintained in accordance with the requirements of National Treasury as assets amounting to R37 million did not have purchase dates and the asset register did not indicate the physical location of assets amounting to R16 million. As a result I was unable to verify the valuation, existence and completeness of the PPP assets amounting to R145 million.

Irregular expenditure

- The Department of Justice and Constitutional Development made payments in contravention of the Preferential Procurement Policy Framework Act and regulations relating to current and prior years. The department did not revisit the population to identify the total amount of irregular expenditure incurred and the quantification of the total possible irregular expenditure is impracticable. Consequently, I was unable to obtain sufficient appropriate audit evidence to verify the completeness of the disclosed irregular expenditure amounting to R812 million (2008-09: R26 million).
- The Department of Public Works did not follow the proper procurement process for all procurement which resulted in irregular expenditure. The department did not have adequate systems and procedures to identify and record irregular expenditure. I was therefore unable to perform alternative procedures to confirm the completeness of the disclosed irregular expenditure amounting to R31 million.
- The National Prosecuting Authority did not follow the proper procurement process for all procurement which resulted in irregular expenditure. This amount of R561 million disclosed in the CFS may be understated by R108 million and it is uncertain whether R18 million which is included in the balance is indeed irregular expenditure. The required investigations into these transactions have not been conducted.
- The Department of Communications made payments that were in contravention of the supply chain management regulations. It was not possible to determine the value of all such payments made due to a lack of controls which detect non-compliance to supply chain management regulations. Irregular expenditure is therefore understated and I am unable to quantify the effect thereof on the CFS.

NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT AND LOAN ACCOUNTS

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT AND LOAN ACCOUNTS OF THE NATIONAL TREASURY – CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

Transfers and subsidies

- The Department of Social Development disclosed social assistance grant expenditure amounting to R10,5 billion, the occurrence of which I could not verify due to the limitations placed on the scope of my work by the South African Social Security Agency (SASSA) who acts as an agent for the department. A number of grant beneficiary files requested from SASSA were not presented for audit purposes and numerous files presented by SASSA did not contain the necessary information that is required to form the basis of a valid grant payment. The agent's records did not permit the application of alternative audit procedures regarding the social assistance grant expenditure.

Fruitless and wasteful expenditure

- The National Prosecuting Authority disclosed fruitless and wasteful expenditure of R3 million with an opening balance of R1 million which had not changed since last year. I could not confirm that any disciplinary action had been taken against the officials responsible for this expenditure. A further amount of R2 million was also not disclosed.

OPINION

In my opinion, except for the possible effects of the matters described in the Basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the consolidated financial position of National Treasury as at 31 March 2010 and its consolidated financial performance and consolidated cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 and in the manner required by the PFMA and DoRA.

EMPHASIS OF MATTERS

I draw attention to the matters below. My opinion is not modified in respect of these matters:

BASIS OF ACCOUNTING

The National Treasury's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1.

RESTATEMENT OF CORRESPONDING FIGURES

As disclosed in the note 34 to the financial statements, the corresponding figures for 31 March 2009 have been restated as a result of adjustments made during the 2009-10 year in the financial statements of National Departments at, and for the year ended, 31 March 2009.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the PAA and *General Notice 1570 of 2009*, issued in *Government Gazette 32758 of 27 November 2009*, I include below my findings on compliance with the PFMA and financial management (internal control).

NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT AND LOAN ACCOUNTS

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT AND LOAN ACCOUNTS OF THE NATIONAL TREASURY - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

COMPLIANCE WITH LAWS AND REGULATIONS

Public Finance Management Act, 1999 (Act No.1 of 1999)

Non-adherence to legislation

Section 8(1)(a) of the PFMA requires that the National Treasury prepare consolidated financial statements in respect of the national departments, public entities under the ownership control of the national executive, constitutional institutions, the South African Reserve Bank, the Auditor-General and Parliament. The National Treasury did not prepare such consolidation as envisaged in the PFMA. Two separate consolidations were prepared due to a significantly different basis of accounting being applied.

INTERNAL CONTROL

I considered internal control relevant to my audit of the consolidated financial statements and compliance with the PFMA and DoRA, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the deficiencies identified during the audit.

The internal control deficiencies affecting the consolidated financial statements are reported in the individual departments' audit reports.

Auditor-General

Pretoria
30 September 2010



AUDITOR - GENERAL
SOUTH AFRICA

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NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT AND LOAN ACCOUNTS

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2009/2010 R'000	2008/2009 R'000
OPERATING INCOME		580,033,320	611,642,990
Revenue from Taxes, Levies & Duties	2	571,388,488	596,797,098
Departmental revenue	3	8,409,594	14,097,497
Other Revenue	4	235,238	748,395
NON-OPERATING INCOME	5	7,278,258	5,529,191
Non-Operating Income	5.1	7,230,301	5,470,157
CARA Fund Assistance income	5.2	47,957	59,034
LOCAL AND FOREIGN AID ASSISTANCE	7.1	1,137,634	1,331,884
TOTAL INCOME		588,449,212	618,504,065
NATIONAL REVENUE FUND EXPENDITURE		308,087,169	264,835,211
Appropriated Funds	8	306,775,568	260,473,097
Non-Operating expenditure		617,649	3,799,235
Leave entitlement		689,117	569,779
Other		4,835	(6,900)
DEPARTMENTAL EXPENDITURE			
Current expenditure		118,531,473	104,795,306
Compensation of employees	9	75,390,905	64,980,879
Goods & Services	10	41,658,408	38,255,444
Interest & Rent on Land	11	155,914	13,544
Financial transactions in assets and liabilities	12	407,754	188,777
CARA Fund assistance expenditure	6	46	79
Local and foreign aid assistance	7.2	862,752	887,684
Expenditure in terms of an Act of Parliament	8.1	55,694	468,899
Transfers and subsidies		317,090,619	264,858,314
Transfers and subsidies	13	316,917,537	264,538,963
Aid assistance	7.3	173,082	319,351
Capital expenditure		8,704,806	9,592,363
Expenditure for capital assets	14	8,704,806	9,592,363
TOTAL EXPENDITURE		752,414,067	644,081,194

Consolidated Financial Information | For the year ended 31 March 2010

Consolidated Statement of Financial Performance

NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT
AND LOAN ACCOUNTS

CONSOLIDATED STATEMENT
OF FINANCIAL PERFORMANCE - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2009/2010 R'000	2008/2009 R'000
SURPLUS/(DEFICIT)		(163,964,855)	(25,577,129)
Add back non-cash movement	17	(25,912,720)	14,094,336
SURPLUS/(DEFICIT) FOR THE YEAR		(189,877,575)	(11,482,793)
Reconciliation of Net Surplus (Deficit) for the year			
Voted Funds to be surrendered to the revenue fund		(190,015,731)	(11,642,833)
Departmental revenue to be surrendered to the revenue fund		49,615	55,434
Local and foreign aid assistance		88,541	104,606
SURPLUS/(DEFICIT) FOR THE YEAR		(189,877,575)	(11,482,793)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2010

	Notes	2009/2010 R'000	2008/2009 R'000
ASSETS			
Current Assets		188,307,658	216,571,483
Unauthorised expenditure	15	1,676,917	1,320,854
Fruitless and wasteful expenditure	16	18,292	48,832
Cash and cash equivalents	18	136,508,562	105,029,893
Prepayments and advances	20	2,922,420	1,298,260
Receivables	21	46,999,595	108,534,660
Loans	23.1	23,795	38,641
Local and foreign aid assistance receivable	7.4	158,077	300,343
Non-current assets		136,272,050	73,272,562
Investments	22	91,210,623	62,759,094
Loans	23.2	45,058,247	10,510,056
Other financial assets	19	3,180	3,412
TOTAL ASSETS		324,579,708	289,844,045
LIABILITIES			
Current liabilities		200,843,586	142,636,767
Voted funds to be surrendered to the Revenue Fund	24	3,970,502	1,184,287
Departmental revenue to be surrendered to the Revenue Fund	25	64,670	20,464
Bank overdraft	26	6,856,234	3,738,941
Payables	27	8,170,022	6,293,680
Borrowings - Short term	29	127,891,932	73,258,426
Provisions	31	53,552,972	57,638,191
Local and foreign aid assistance repayable	7.6	216,560	354,428
Local and foreign aid assistance unutilised	7.5	120,694	148,350
Non-current liabilities		676,098,388	552,414,770
Payables	28	285,577	24,607
Borrowings - Long Term	30	675,812,811	552,390,163
TOTAL LIABILITIES		876,941,974	695,051,537
NET LIABILITIES		(552,362,266)	(405,207,492)
Represented by:			
Capitalisation Reserves		47,730,094	33,283,320
Recoverable revenue		45,115,106	10,594,156
Retained funds (Legislatures/Parliament/CARA Fund Assistance)		(645,207,466)	(449,084,968)
TOTAL		(552,362,266)	(405,207,492)

NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT
AND LOAN ACCOUNTS

CONSOLIDATED STATEMENT OF CHANGE IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2009/2010 R'000	2008/2009 R'000
Capitalisation Reserves			
Opening balance		33,283,320	32,243,896
Transfers		14,446,774	1,039,424
Movement in Equity / Capitalisation Reserves		2,372,610	1,039,031
Movement in Operational Funds		(52,114)	3,468
Other Movements		12,126,278	(3,075)
Closing balance		47,730,094	33,283,320
Recoverable revenue			
Opening balance		10,594,156	496,661
Transfers		34,520,950	10,097,495
Irrecoverable amounts written off		(12,809)	(8,854)
Debts revised		(82,654)	(13,904)
Debts recovered (included in departmental receipts)		(196,508)	(142,439)
Debts raised		34,812,921	10,262,692
Closing balance		45,115,106	10,594,156
Retained funds			
Opening balance		(449,084,968)	(432,481,404)
Movement in Retained funds		(196,122,498)	(16,603,564)
Transfer from Statement of Financial Performance		(189,877,575)	(11,482,793)
Other		(6,244,923)	(5,120,771)
Closing balance		(645,207,466)	(449,084,968)
TOTAL		(552,362,266)	(405,207,492)

NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT AND LOAN ACCOUNTS

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2009/2010 R'000	2008/2009 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS DISCLOSED BY THE NATIONAL REVENUE FUND		590,651,064	623,401,091
Revenue collected by SARS		571,546,782	597,139,781
Departmental Revenue collected		7,975,243	13,753,294
Non-operating income		7,340,708	7,764,841
CARA Fund assistance		47,957	59,034
Surrenders from Departments		3,505,136	3,935,746
Other revenue received by the Revenue Fund		235,238	748,395
RECEIPTS DISCLOSED BY NATIONAL DEPARTMENTS		13,171,814	11,577,354
Annual appropriated funds received		-	60
Appropriation for unauthorised expenditure received		(43,191)	(428,745)
Departmental revenue received		7,596,198	10,238,693
Direct Exchequer receipts		4,481,173	435,462
Aid assistance received		1,137,634	1,331,884
LESS: PAYMENTS DISCLOSED BY THE NATIONAL REVENUE FUND		313,549,480	271,602,106
Statutory appropriation		312,746,514	266,952,900
CARA Fund assistance		46	79
Appropriation for unauthorised expenditure approved		107,279	(109,967)
Non-operating expenditure		617,649	3,799,235
Other		77,269	959,859
RDP Funds due prior to Amendment Act no. 79 of 1998		723	-
TOTAL EXPENDITURE DISCLOSED BY THE NATIONAL REVENUE FUND			
Net (increase)/decrease in working capital		(2,111,421)	(581,297)
Surrendered to Revenue Fund		(15,685,019)	(17,401,904)
Surrendered to RDP Fund/Donor		(111,800)	(8)
Current payments		(118,475,010)	(102,994,507)
Transfers and subsidies paid		(317,090,618)	(264,858,314)
Net cash flow available from operating activities	32	(163,200,470)	(22,459,691)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(8,704,806)	(9,573,933)
Proceeds from sale of capital assets		38,221	131,753
(Increase)/decrease in loans		(34,533,345)	(10,035,422)
(Increase)/decrease in investments		(12,381,322)	(212)
(Increase)/decrease in other financial assets		232	591
Net cash flows from investing activities		(55,581,020)	(19,477,223)

NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT AND LOAN ACCOUNTS

CONSOLIDATED CASH FLOW STATEMENT - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2009/2010 R'000	2008/2009 R'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution/dividend received		664,768	1,585,519
Increase/(decrease) in net assets		46,608,718	10,079,370
Increase/(decrease) in non-current payables		260,970	12,012
Increase/(decrease) in borrowings		199,608,410	34,571,136
Net cash flows from financing activities		247,142,866	46,248,037
Net increase/(decrease) in cash and cash equivalents		28,361,376	4,311,123
Cash and cash equivalents at beginning of period		101,290,952	96,979,829
Cash and cash equivalent at end of period	18 & 26	129,652,328	101,290,952

ACCOUNTING POLICIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

1. PRESENTATION OF THE FINANCIAL STATEMENTS

The 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 Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 2 of 2006.

All departments are controlled by Government. These consolidated financial statements include the financial results of the departments and Parliament.

Inter departmental transactions have not been eliminated thus all departments were consolidated on an aggregation basis. Government Departments apply uniform accounting policies as prescribed by the National Treasury except to the extent that a department has requested a deviation from the Treasury.

Departmental revenue is allocated by SARS and directly deposited into the National Revenue Fund which forms part of the overall consolidation revenue, and is accounted for on a modified cash basis. Elimination of revenue shown in departments versus the National Revenue Fund has been done on the consolidation.

1.1 BASIS OF PREPARATION

The Consolidated 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 or when the final authorisation for payment is effected on the system (by no later than 31 March of each year). The 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 Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, (1 of 1999) (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act.

Inter-entity transactions between the National Revenue Fund (NRF) and the departments are eliminated. PAYE is not eliminated as it is not considered as an interdepartmental transaction. VAT is not eliminated as government does not pay VAT directly to the NRF and government is not a VAT vendor. National Revenue Fund only recognised material provisions that will result in the potential cash outflow to government.

1.2 PRESENTATION CURRENCY

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

1.3 ROUNDING

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

ACCOUNTING POLICIES FOR THE CONSOLIDATED
FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

1.4 COMPARATIVE FIGURES

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

1.5. REVENUE

1.5.1 Revenue from Taxes, Levies and Duties

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

1.5.2 Departmental revenue

All departmental revenue is paid into the National Revenue Fund when received, unless otherwise stated. Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position. Departmental revenue includes the following:

Sales of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services is recognised in the Statement of Financial Performance when the cash is received.

Fines, penalties & forfeits

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

Interest, dividends and rent on land

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

Sale of capital assets

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

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

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 re-issued the payment is made from Revenue. Forex gains are recognised on payment of funds.

**ACCOUNTING POLICIES FOR THE CONSOLIDATED
FINANCIAL STATEMENTS - CONTINUED**

FOR THE YEAR ENDED 31 MARCH 2010

Transfers received

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

Non-Operating Income

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

CARA Fund assistance

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

Aid assistance

Aid assistance is recognised as revenue when received. All in-kind aid assistance is disclosed at fair value on the date of receipt in the annexures to the Annual Financial Statements.

The cash payments made during the year relating to aid assistance projects are recognised as expenditure in the Statement of Financial Performance when final authorisation for payments is effected on the system (by no later than 31 March of each year)

The value of the assistance expensed prior to the receipt of funds is recognised as a receivable in the Statement of Financial Position.

Inappropriately expensed amounts using aid assistance and any unutilised amounts are recognised as payables in the Statement of Financial Position.

1.6 EXPENDITURE

1.6.1 Appropriated funds

Appropriated funds include statutory appropriation appropriated in terms of an Act of Parliament.

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

The total appropriated funds received during the year are presented in the Statement of Financial Performance.

ACCOUNTING POLICIES FOR THE CONSOLIDATED
FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

1.6.2 Non-operating expenditure

This includes Revenue Fund payments. Expenditure is recognised when funds are transferred to the departments. Expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the departments and therefore are not expected to occur frequently. Amounts transferred by Revenue Funds are recognised in the Statement of Financial Performance when transferred to the departments.

1.6.3 Compensation of employees

Short term employee benefits

The cost of short-term employee benefits are expensed in the Statement of Financial Performance when financial authorisation for payment is effected on the system (by no later than 31 March each year)

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts must not be recognised in the Statement of Financial Performance or position.

Employee cost are capitalised to the cost of a capital project when an employee spends more than 50% of his/her time in the project. These payments form part of expenditure for capital assets in the Statement of Financial Performance.

Long-term employee benefits

Termination benefits

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

Post employment retirement benefits

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

Employer contributions to the fund are expensed when the final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year). No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the Consolidated Financial Statements.

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

Other long-term employee benefits

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

**ACCOUNTING POLICIES FOR THE CONSOLIDATED
FINANCIAL STATEMENTS - CONTINUED**

FOR THE YEAR ENDED 31 MARCH 2010

Long-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the Statement of Financial Performance or Position.

1.6.4 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 (by no later than 31 March of each year). The expense is classified as capital if the goods and services were used on a capital project or an asset of R5,000 or more is purchased. All assets costing less than R5,000 will also be reflected under goods and services.

1.6.5 Interest and rent on land

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

1.6.6 Financial transactions in assets and liabilities

Debts are written-off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but an estimate is included in the disclosure notes to the financial statements amounts.

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

1.6.7 CARA Fund assistance

CARA Funds expenditure is approved by Cabinet, in accordance with section 65 of the Prevention of Organized Crime Act, 1998 (Act 121 of 1998). Amounts are recognised in the Statement of Financial Performance when approved by Cabinet.

1.6.8 Transfers and subsidies

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

1.6.9 Expenditure for capital assets

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 (by no later than 31 March of each year).

1.6.10 Non-cash movement

These statements are prepared on a modified cash basis of accounting. This item is raised to include movement on all non-cash items which are mainly Foreign borrowings of government that were re-evaluated against the current currency value of the rand and other liabilities undertaken by the Government of South Africa e.g underwriting of GFRECA losses managed by the South African Reserve Bank.

ACCOUNTING POLICIES FOR THE CONSOLIDATED
FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

1.7 ASSETS

1.7.1 Unauthorised expenditure

When confirmed unauthorised expenditure is recognised as an asset in the Statement of Financial Position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the Statement of Financial Performance.

Unauthorised expenditure approved with funding is derecognised from the Statement of Financial Position when the unauthorised expenditure is approved and the related funds are received.

1.7.2 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as expenditure in the Statement of Financial Performance according to the nature of the payment and not as a separate line item on the face of the statement. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the Statement of Financial Performance.

1.7.3 Irregular expenditure

Irregular expenditure is recognised as expenditure in the Statement of Financial Performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

1.7.4 Cash and cash equivalents

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

Bank overdrafts are shown separately on the face of the Statement of Financial Position.

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

1.7.5 Other financial assets

Other financial assets are carried in the Statement of Financial Position at cost.

1.7.6 Prepayments and advances

Amounts prepaid or advanced are recognised in the Statement of Financial Position when the payments are made and where the goods and services have not been received by year end.

Prepayments and advances outstanding at the end of the year are carried in the Statement of Financial Position at cost.

1.7.7 Receivables

Receivables included in the Statement of Financial Position arise from cash payments made that are recoverable from another party or from the sale of goods/rendering of services.

Receivables outstanding at year-end are carried in the Statement of Financial Position at cost plus any accrued interest. Amounts that are potentials irrecoverable are included in the disclosure notes.

ACCOUNTING POLICIES FOR THE CONSOLIDATED
FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

1.7.8 Loans

Loans are recognised in the Statement of Financial Position when the cash is paid to the beneficiary. Loans that are outstanding at year-end are carried in the Statement of Financial Position at cost plus accrued interest.

Amounts that are potentially irrecoverable are included in the disclosure notes.

1.7.9 Investments

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

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

1.7.10 Inventory

Inventories on hand at the reporting date are disclosed at cost in the disclosure notes. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

All inventory items at year-end are reflected using either the weighted average cost or FIFO cost formula.

1.7.11 Capital assets

Disclosure

Additions to capital assets are disclosed as expenditure in the Statement of Financial Performance and in the disclosure notes on capital assets.

Movable assets

Initial recognition

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

All assets acquired prior to 1 April 2002 are included in the register R1.

Subsequent recognition

Subsequent expenditure of a capital nature is recorded in the Statement of Financial Performance as "expenditure for capital asset" and is capitalised in the asset register of the department on completion of the project.

Repairs and maintenance is expensed as current "goods and services" in the Statement of Financial Performance.

Immovable assets

Initial recognition

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the immovable capital asset is stated at R1 unless the fair value for the asset has been reliably estimated.

ACCOUNTING POLICIES FOR THE CONSOLIDATED
FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

Subsequent recognition

Work-in-progress of a capital nature is recorded in the Statement of Financial Performance as "expenditure for capital asset". On completion, the total cost of the project is included in the asset register of the department that legally owns the asset or the National Department of Public Works.

Repairs and maintenance is expensed as current "goods and services" in the Statement of Financial Performance.

1.7.12 Contingent assets

Contingent assets are included in the disclosure notes to the financial statements when it is possible that an inflow of economic benefits will flow to the entity.

1.8 LIABILITIES

1.8.1 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are recognised at historical cost in the Statement of Financial Position.

1.8.2 Lease commitments

Finance and operating leases

Lease commitments represent amounts owing from the reporting date to the end of the lease contract.

These commitments are not recognised in the Statement of Financial Position as a liability or expenditure in the Statement of Financial Performance but are included in the disclosure notes.

Finance leases are not recognised as assets and liabilities in the Statement of Financial Position. Finance lease payments are recognised as an expense in the Statement of Financial Performance and are apportioned between the capital and interest portions. The finance lease liability is disclosed in the disclosure notes to the financial statements.

Operating lease payments are recognised as an expense in the Statement of Financial Performance. The operating lease commitments are disclosed in the disclosure notes to the financial statements.

1.8.3 Accruals

Accruals represent goods/services that have been received, but where no invoice has been received from the supplier at the reporting date, or where an invoice has been received but final authorisation for payment has not been effected on the system.

Accruals are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance but are included in the disclosure notes.

1.8.4 Contingent liabilities

Contingent liabilities are included in the disclosure notes to the financial statements when it is possible that economic benefits will flow from the department, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

**ACCOUNTING POLICIES FOR THE CONSOLIDATED
FINANCIAL STATEMENTS - CONTINUED**

FOR THE YEAR ENDED 31 MARCH 2010

1.8.5 Commitments

Commitments represent goods/services that have been approved and/or contracted, but where no delivery has taken place at the reporting date.

Commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance but are included in the disclosure notes.

1.8.6 Employee benefits

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the Statement of Financial Performance or the Statement of Financial Position.

1.8.7 Provisions

Provisions are disclosed when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

1.9 NET ASSETS

1.9.1 Capitalisation reserve

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

1.9.2 Recoverable revenue

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

1.10 RELATED PARTY TRANSACTIONS

Related parties are departments that control or significantly influence the department in making financial and operating decisions. Specific information with regards to related party transactions is included in the disclosure notes.

1.11 KEY MANAGEMENT PERSONNEL

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department.

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

ACCOUNTING POLICIES FOR THE CONSOLIDATED
FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

1.12 PUBLIC PRIVATE PARTNERSHIPS

A Public Private Partnership (PPP) is a commercial transaction between the department and a private party in terms of which the private party performs an institutional function on behalf of the institution; and/or acquires the use of state property for its own commercial purposes; and assumes substantial financial, technical and operational risks in connection with the performance of the institutional function and/or use of state property; and receives a benefit for performing the institutional function or from utilizing the state property, either by way of:

- consideration to be paid by the department which derives from a Revenue Fund;
- charges fees to be collected by the private party from users or customers of a service provided to them; or
- a combination of such consideration and such charges or fees.

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

NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT AND LOAN ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2009/2010 R'000	2008/2009 R'000
OPERATING INCOME			
2 Revenue from Taxes, Levies and Duties			
Taxation			
Income Tax		358,971,960	383,431,105
Value-added tax/Sales tax		147,941,322	154,343,121
Fuel Levy		29,097,507	25,219,608
Excise Duties		22,565,219	21,354,071
Customs duties		19,577,114	22,751,023
Other Taxes		8,882,371	10,048,919
Unemployment Insurance Fund (UIF)		10,537,637	10,096,866
Skills Development Levy		7,804,829	7,327,463
Road Accident Fund (RAF)		13,026,684	9,815,077
Air Passenger Tax		580,326	549,364
Universal Service Fund		224,774	207,167
Plastic Bag Levy		110,510	78,563
Ordinary Levy		3,478,459	51,627
Diesel Refunds		(1,295,104)	(1,241,543)
Total Taxation		621,503,608	644,032,431
Non-taxation revenue			
Customs miscellaneous revenue		(294,020)	101,239
Provincial administration receipts		36,709	32,775
Mining leases and ownership		668,890	708,580
Non-taxation revenue		(3,773)	(24,466)
Total Non-taxation		407,806	818,128
Total Gross Revenue		621,911,414	644,850,559
Less:			
South Africans Customs Union Agreement		27,915,405	28,920,625
Payment to sec 12(3) of the PFMA		38,027	31,267
Payment to UIF		10,583,670	10,098,877
Payment to RAF		11,793,389	8,794,174
Amount Payable by SARS to SETA's		(10,727)	93,328
Amount Payable by SARS to RAF		203,162	115,190
Total		50,522,926	48,053,461
Total Net Revenue		571,388,488	596,797,098

NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT AND LOAN ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2009/2010 R'000	2008/2009 R'000
3 Departmental Revenue			
Allocated to extra-ordinary receipts		(4,579,782)	(3,283,306)
Sales of goods and services other than capital assets	3.1	2,375,282	3,405,716
Fines, penalties, forfeits	3.2	800,705	2,619,916
Interest, Dividends and Rent on Land	3.3	3,007,850	6,857,193
Sales of Capital Assets	3.4	43,153	131,753
Financial transactions in assets and liabilities	3.5	1,939,190	793,777
Transfers received	3.6	4,718,689	1,430,916
Total revenue collected		8,305,086	11,955,965
SASRIA Special Restructuring Proceeds		104,508	2,141,532
Total Departmental Revenue received by NRF		8,409,594	14,097,497
3.1 Sales of goods and services other than capital assets			
Sales of goods and services produced by the department		2,336,108	3,333,871
Sales by market establishment		52,685	24,056
Administrative fees		1,596,268	2,871,279
Other sales		687,155	438,536
Sales of scrap, waste and other used current goods		39,174	71,845
Total		2,375,282	3,405,716
3.2 Fines, penalties, forfeits			
Fines		390,113	2,401,516
Penalties		342,135	153,651
Forfeits		68,457	64,749
Total		800,705	2,619,916
3.3 Interest, Dividends and rent on land			
Interest		2,122,571	5,002,158
Dividends		664,768	1,585,519
Rent on Land		220,511	269,516
Total		3,007,850	6,857,193
3.4 Sales of Capital Assets			
Tangible Capital Assets		43,153	131,753
Total		43,153	131,753
3.5 Financial transactions in assets and liabilities			
Nature of loss recovered			
Loans and advances		-	(3,264)
Receivables		130,764	100,489
Proceeds from investment		-	70
Forex Gain		208	3,746
Stale cheques written back		3,162	3,798
Other receipts including recoverable revenue		1,805,056	688,938
Total		1,939,190	793,777

NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT AND LOAN ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2009/2010 R'000	2008/2009 R'000
3.6 Transfers received			
Other governmental units		4,481,174	1,139,348
Foreign Governments		228,291	287,572
International Organisations		5,185	50
Public Corporations and Private Enterprises		4,039	3,946
Total		4,718,689	1,430,916
4 Other Revenue			
Other			
Other Surrenders		235,238	748,395
Total Other		235,238	748,395
5 Non-Operating Income			
5.1 Non-Operating Income			
Other non-operating receipts		8	(151,067)
Revenue Fund Receipts: Profit on Conversion of Foreign Loan		210,846	-
Revenue Fund Receipts: Special restructuring proceeds-Telkom		4,472,226	-
Revenue Fund Receipts: ICASA		8,947	-
Penalties and forfeits from SARB		-	2,463
Revenue Fund Receipts: Agricultural debt		-	703,849
Revenue Fund Receipts: Exchange Rate Profits ECA Loans		741,862	1,345
Revenue Fund Receipts: Penalties on Retail Bonds		648	1,782
Revenue Fund Receipts: Premium on Bonds issued		1,343,986	3,615,130
Revenue Fund Receipts: Premium on Restructuring of Government debt portfolio		287,140	861,193
Revenue Fund Receipts: Local Government Surrender		164,638	435,462
Total		7,230,301	5,470,157
5.2 CARA Fund assistance		47,957	59,034
Total Non-operating Income		7,278,258	5,529,191
6 CARA Fund Expenditure			
Current		46	79
Expenditure		46	79
Direct Exchequer Receipts			
Interest and dividends		4,481,173	-
Restructuring of State assets		-	435,462
Total		4,481,173	435,462

NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT AND LOAN ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2009/2010 R'000	2008/2009 R'000
7 Local and foreign aid assistance			
Total			
Opening Balance		203,159	97,837
Revenue		1,137,634	1,331,884
Expenditure		(1,049,816)	(1,227,278)
7.1 Current		(862,752)	(887,684)
Capital		(13,982)	(20,243)
7.2 Transfers		(173,082)	(319,351)
Surrendered to the RDP/Donor and Retained Funds		(111,800)	(8)
Closing Balance		<u>179,177</u>	<u>202,435</u>
Analysis of Balance			
7.4 Local and Foreign Aid Receivable		158,077	300,343
7.5 Local and Foreign Aid Unutilised		(120,694)	(148,350)
7.6 Local and Foreign Aid Payable to RDP Fund/Donors		(216,560)	(354,428)
Closing Balance		<u>(179,177)</u>	<u>(202,435)</u>
Assistance received in cash from RDP			
Local			
Opening Balance		33,764	4,822
Revenue		1,522	33,673
Expenditure		(1)	(4,731)
Current		(1)	(4,051)
Capital		-	(680)
Closing Balance		<u>35,284</u>	<u>33,764</u>
Foreign			
Opening Balance		131,636	58,193
Revenue		1,111,387	1,257,112
Expenditure		(1,027,353)	(1,183,661)
Transfers		(173,082)	(319,351)
Surrendered to the RDP		(104,442)	(8)
Closing Balance		<u>(61,854)</u>	<u>(187,715)</u>
Assistance Received in Cash: Other			
Local			
Opening Balance		19,504	9,526
Revenue		5,400	31,197
Expenditure		(7,113)	(21,219)
Current		<u>(7,113)</u>	<u>(21,219)</u>
Surrendered to the RDP		(1,626)	-
Closing Balance		<u>16,165</u>	<u>19,504</u>

NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT AND LOAN ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2009/2010 R'000	2008/2009 R'000
Foreign			
Opening Balance		1,934	2,790
Revenue		15,625	3,002
Expenditure		(7,755)	(3,858)
Current		(7,755)	(3,858)
Surrendered to the RDP		(2,715)	-
Closing Balance		7,089	1,934
Assistance received in cash from CARA Fund			
Opening Balance		15,598	22,507
Expenditure		(3,171)	(6,909)
Closing Balance		12,427	15,598
8 Appropriated Funds			
Statutory appropriations not requested by Departments		306,775,568	260,473,097
Total Appropriated Funds		306,775,568	260,473,097
8.1 Expenditure in terms of an Act of Parliament		55,694	468,899
9 Compensation of employees			
9.1 Salaries and Wages			
Basic Salary		48,434,040	41,094,126
Performance Award		599,388	668,449
Service Based		204,836	169,149
Compensative/circumstantial		2,908,912	2,938,791
Periodic Payments		99,629	107,541
Other non-pensionable allowances		10,210,188	9,019,551
Total		62,456,993	53,997,607
9.2 Social Contributions			
9.2.1 Employer contributions			
Pension		7,391,012	6,216,880
Medical		5,527,592	4,754,921
UIF		2,092	1,774
Bargaining Council		3,646	1,673
Official unions and associations		5,103	4,800
Insurance		4,467	3,224
Total		12,933,912	10,983,272
Total compensation of employees		75,390,905	64,980,879

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

Consolidated Financial Information | For the year ended 31 March 2010

	Notes	2009/2010 R'000	2008/2009 R'000
10 Goods and services			
Administrative fees		228,029	273,032
Advertising		476,918	593,937
Assets less than R5,000		677,066	662,676
Bursaries (employees)		54,099	53,538
Catering		141,156	149,322
Communication		1,639,596	1,532,415
Computer services		5,068,108	3,988,378
Consultants, contractors and agency/outsourced services		10,864,477	9,929,554
Entertainment		48,714	64,656
Audit cost – external	10.1	394,414	324,681
Government motor transport		30,744	25,799
Inventory	10.2	6,289,023	6,153,157
Operating leases		5,376,090	4,444,683
Owned and leasehold property expenditure		3,174,498	2,495,391
Transport provided as part of the departmental activities		108,984	118,362
Travel and subsistence	10.3	4,662,573	4,862,152
Venues and facilities		405,433	553,637
Training and staff development		398,291	426,005
Other operating expenditure		1,620,195	1,604,069
Total		41,658,408	38,255,444
10.1 External audit fees			
Regulatory audits		349,566	304,713
Performance audits		8,570	7,945
Forensic audits		4,802	2,039
Other audits		31,476	9,984
Total external audit fees		394,414	324,681
10.2 Inventory			
Learning and teaching support material		7,627	38,748
Food and Food supplies		1,059,204	903,094
Fuel, oil and gas		1,960,251	2,374,968
Other consumables		683,973	630,387
Maintenance material		732,717	665,762
Stationery and Printing		1,126,467	993,645
Medical supplies		622,283	368,241
Military stores		96,501	178,312
Total Inventory		6,289,023	6,153,157
10.3 Travel and subsistence			
Local		3,824,522	3,852,622
Foreign		838,051	1,009,530
Total travel and subsistence		4,662,573	4,862,152

Notes to the Consolidated Financial Statements

NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT AND LOAN ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2009/2010 R'000	2008/2009 R'000
11 Interest and rent on land			
Interest expense		155,100	13,433
Rent on land		814	111
Total interest and rent on land		155,914	13,544
12 Financial transactions in assets and liabilities			
Material losses through criminal conduct		54,813	16,194
Theft		1,336	1,026
Other material losses		53,477	15,168
Other material losses written off		117,822	66,061
Debts written off		137,988	77,013
Forex Losses		97,131	29,509
Total		407,754	188,777
13 Transfers and subsidies			
Provinces and Municipalities		98,838,783	86,030,316
Departmental agencies and accounts		57,169,637	52,223,812
Universities and technikons		15,451,651	13,897,586
Foreign governments and international organisations		1,359,610	1,005,498
Public corporations and private enterprises		53,132,513	31,001,737
Non-profit institutions		1,271,386	1,169,025
Households		89,689,399	79,206,100
Gifts, donations and sponsorships made		4,558	4,889
Total		316,917,537	264,538,963
14 Expenditure on capital assets			
Buildings and other fixed structures		5,143,832	4,896,383
Heritage assets		478	886
Machinery and equipment		3,255,355	3,038,696
Land and subsoil assets		107,360	1,455,080
Biological or cultivated assets		2,138	2,685
Software and other intangible assets		195,643	198,633
Total		8,704,806	9,592,363
15 Unauthorised expenditure			
Reconciliation of unauthorised expenditure			
Opening Balance		1,320,854	785,362
Unauthorised expenditure-current year		362,394	964,237
Amounts approved by Parliament/Legislature (with funding)		-	(428,745)
Transfer to receivables for recovery (not approved)		(6,331)	-
Unauthorised expenditure awaiting authorisation		1,676,917	1,320,854

NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT
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NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2009/2010 R'000	2008/2009 R'000
16 Fruitless and wasteful expenditure			
Reconciliation of fruitless and wasteful expenditure			
Opening Balance		48,832	59,255
Less: Amounts condoned		(30,381)	(9,939)
Current expenditure		(30,381)	(9,939)
Less: Amounts transferred to receivables for recovery		(159)	(484)
Fruitless and wasteful expenditure awaiting condonement		18,292	48,832
Analysis of awaiting condonement per economic classifications			
Current		18,292	48,832
Total		18,292	48,832
17 Non-cash movement			
Non-cash movement		(25,912,720)	14,094,336
18 Cash and cash equivalents			
Consolidated Paymaster General Account		3,749,859	3,162,680
Cash receipts		1,117	3,931
Disbursements		(30,961)	(431,642)
Cash on hand		88,254	74,956
Cash with SARB		93,844,520	70,834,539
Cash with commercial banks		38,498,517	31,337,952
Exchequer account		-	1,000
Other		357,256	46,477
Total		136,508,562	105,029,893
19 Other financial assets			
Non-Current		3,180	3,412
Total		3,180	3,412
20 Prepayments and advances			
Description			
Staff advances		3,113	3,167
Travel and subsistence		151,469	149,648
Prepayments		38,871	53,054
Advances paid to other entities		84,961	100,647
SOCPEN advances		2,644,006	991,744
Total		2,922,420	1,298,260

NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT AND LOAN ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

	2009/2010 Less than 1 year R'000	2009/2010 1-3 years R'000	2009/2010 Older than 3 years R'000	2009/2010 2009/08 Total R'000
21 Receivables				
Claims recoverable	1,116,141	611,210	672,564	2,399,915
Trade receivables	74	-	-	74
Recoverable expenditure	85,592	50,491	42,260	178,343
Staff debt	250,524	89,849	104,088	446,261
Other debtors	37,194,435	540,846	647,630	38,381,111 **
Total	38,646,766	1,292,396	1,466,542	41,405,704
Voted funds to be surrendered to the Revenue Fund				5,115,899
Departmental Revenue to be surrendered to the Revenue Fund				371,915
Total Appropriation for unauthorised expenditure				106,077
Total				46,999,595
				2008/2009 2009/08 Total R'000
21.0 Receivables				
Claims recoverable				2,128,741
Trade receivables				561
Recoverable expenditure				298,909
Staff debt				402,145
Other debtors				103,997,276 **
Total				106,827,632
Voted funds to be surrendered to the Revenue Fund				786,113
Departmental Revenue to be surrendered to the Revenue Fund				372,869
Total Appropriation for unauthorised expenditure				548,046
Total				108,534,660
**Included in the R38,381,111 (2009: R103,997,276) is an amount of R35,617,810 (2009: R 101,584,718) due By SARB on Gold and Foreign Exchange Contingency Reserve Account.				
	Notes	2009/2010 R'000	2008/2009 R'000	
22 Investments				
Non-Current (NRF)				
Domestic		43,720,816	29,993,219	
22.1 Total non current investments		43,720,816	29,993,219	
Non-current				
Shares and other equity		47,489,807	32,765,875	
22.2 Total non-current		47,489,807	32,765,875	

NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT AND LOAN ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

Consolidated Financial Information | For the year ended 31 March 2010

Notes to the Consolidated Financial Statements

Notes	2009/2010 R'000	2008/2009 R'000
Major investments per National Department		
Department of Transport		
SA Rail Commuter Corporation	4,248,259	4,248,259
Airports Company Ltd	559,492	559,492
Air Traffic and Navigation Services Company Ltd	190,646	190,646
SA National Roads Agency Ltd	1,091,044	1,091,044
	6,089,441	6,089,441
National Treasury		
Development Bank of Southern Africa	400,956	400,956
Department of Defence		
Special Defence Account	75,000	75,000
Department of Agriculture		
Ncera investment	1	1
OBP investment	1	1
JS Pistorius trust fund	-	77
Greenberg trust funds	-	40
S.A.A.U fund	-	159
Abattoir industry fund	226,373	18,614
	226,375	18,892
Department of Communications		
Telkom SA Limited	2,070,380	2,070,380
Southern African Post Office Ltd	200,940	200,940
Sentech (Pty) Ltd	12,173,840	1
	14,445,160	2,271,321
Department of Human Settlements		
NHFC	880,000	880,000
Servcon	604	604
	880,604	880,604
Department of Land Affairs		
Inala Farms	16,112	16,112
Department of Trade and Industry		
IDC A Shares	1,000	1,000
IDC B Shares	1,391,969	1,391,969
	1,392,969	1,392,969
Department of Public Enterprises		
Alexkor Limited	50,000	50,000
Aventura Limited	60,000	60,000
Denel (Pty) Ltd	5,476,376	5,476,376
SAFCOL	1,530,543	1,322,013
Transnet	16,844,066	14,709,986
	23,960,985	21,618,375

NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT AND LOAN ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2009/2010 R'000	2008/2009 R'000
Department of Minerals and Energy			
South African Nuclear Energy Corporation		2,205	2,205
National Treasury-Asset and Liability Management Division			
International Finance Corporation		116,979	151,426
International Bank for Reconstruction and Development		11,911,955	15,419,770
Multilateral Investment Guarantee Agency		131,904	170,747
African Development Bank		8,862,381	11,472,162
International Monetary Fund's No 1 and 2 Accounts		60,068	61,495
		21,083,286	27,275,600
Number of Shares			
Foreign:			
International Finance Corporation		15,948	15,948
International Bank for Reconstruction and Development		13,462	13,462
Multilateral Investment Guarantee Agency		1,662	1,662
African Development Bank		100,156	100,156
Issue Price per Share			
Foreign:			
Issued in American Dollars			
International Finance Corporation		7,335	9,495
International Bank for Reconstruction and Development		884,858	1,145,429
Multilateral Investment Guarantee Agency		79,365	102,736
African Development Bank		88,486	114,543
Exchange rates as at year end used to convert issue price			
American dollar (USD)		7.335	9.459
23 Loans			
Current and Non-current			
Public Corporations		44,993,586	10,464,434
Universities and Technikons		32,149	33,746
Staff loans		56,307	50,517
Total		45,082,042	10,548,697
23.1 Less: Current		(23,795)	(38,641)
23.2 Total		45,058,247	10,510,056

NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT AND LOAN ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2009/2010 R'000	2008/2009 R'000
24 Voted Funds to be surrendered to the Revenue Fund			
Opening Balance		1,184,287	926,787
Transfer from Statement of Financial Performance		2,786,215	102,303
Voted Funds not requested/ not received		-	(2,485)
Transferred to retained revenue to defray excess expenditure (Parliament/Legislatures ONLY)		-	157,682
Closing Balance		3,970,502	1,184,287
25 Departmental revenue to be surrendered to the Revenue Fund			
Opening balance		20,464	769,110
Transfer from Statement of Financial Performance		8,299,187	11,955,965
Transfer to voted funds to defray expenditure (Parliament/Legislatures ONLY)		-	(51,196)
Paid during the year		(8,254,981)	(12,653,415)
Balance		64,670	20,464
26 Bank overdraft			
Consolidated Paymaster General Account		5,508,606	3,737,185
Fund requisition account		1,347,628	-
Cash with commercial banks (Local)		-	1,756
Total		6,856,234	3,738,941
27 Payables-Current			
Description			
Amounts owing to other entities		922,403	1,116,298
Advances received		482,576	816,663
Clearing accounts		252,127	163,042
Other payables		2,883,227	2,302,841
Voted funds to be transferred		2,866,338	1,287,876
Unauthorised expenditure		763,356	606,965
Funds not transferred to National Government including surrender of unused conditional grant		(5)	(5)
Total		8,170,022	6,293,680

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NOTES TO THE CONSOLIDATED
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FOR THE YEAR ENDED 31 MARCH 2010

	1-2 years R'000	2-3 years R'000	More than 3 years R'000	2009/10 Total R'000
28 Payables-Non-current				
Description				
Amounts owing to other entities				
Advances received	2,886	-	-	2,886
Other payables	207,704	(210)	75,197	282,691
Total	210,590	(210)	75,197	285,577
Payables-Non-current	1-2 years			2008/09 Total
Description	R'000			R'000
Other payables	24,607			24,607
Total	24,607			24,607
		Notes	2009/2010	2008/2009
			R'000	R'000
29 Borrowings				
Current				
Domestic short term bonds, debentures and other loans			127,823,442	67,323,955
Foreign short term bonds, debentures and other loans			68,490	5,934,471
Total Current Borrowings			127,891,932	73,258,426
29.1 Domestic short-term bonds, debentures and other loans				
Bonds and debentures			13,018,802	2,289,628
Debt as at 1 April			2,289,628	26,009,042
Created			4,067,354	12,834,267
Reduced			(28,647,780)	(38,379,280)
Transfer from long term			35,309,600	1,825,599
Treasury Bills			114,797,671	65,027,356
Former regional authorities			6,970	6,972
			114,804,641	65,034,328
This amount represents commitments with a remaining term shorter than one year				
29.2 Foreign short-term bonds, debentures and other loans				
Bonds and debentures			67,754	5,287,624
Debt as at 1 April			5,287,624	2,504,148
Reduced			(5,219,870)	(2,405,718)
Transfer from long term			-	5,189,194
Revaluation of foreign loans			736	646,847
-			68,490	5,934,471

NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT AND LOAN ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2009/2010 R'000	2008/2009 R'000
30 Borrowings-non-current			
Long Term			
Domestic long term bonds, debentures and other loans	30.1	576,427,661	461,056,225
Foreign long term bonds, debentures and other loans		99,385,150	91,333,938
Total Long Term Borrowings		675,812,811	552,390,163
30.1 Domestic long-term bonds, debentures and other loans			
Bonds and debentures		567,547,693	450,710,089
Debts as at 1 April		450,710,089	395,393,588
Created		152,612,268	57,976,358
Reduced		(465,064)	(834,258)
Transfer to Short term		(35,309,600)	(1,825,599)
Revaluation premium on inflation-linked bonds		8,840,523	10,303,152
Former Regional Authorities		39,445	42,985
		576,427,661	461,056,225
30.1.1 Redemption Analysis			
Financial year(s)			
2010-2013		75,211,226	46,678,931
2013-2016		112,050,816	119,485,946
2016-2019		110,674,432	71,227,342
2019-2022		91,383,911	93,529,836
2022-2025		54,523,514	28,479,285
2025-2037		132,544,316	101,611,901
		576,388,215	461,013,241
30.2 Foreign long term bonds, debentures and other loans			
Bonds and debentures		97,291,182	67,801,600
Debt as at 1 April		67,801,600	71,846,677
Created		31,877,726	3,058,676
Reduced		(2,388,144)	(1,914,560)
Transfer to short-term		-	(5,189,194)
Revaluation of foreign loans		2,093,968	23,532,338
		99,385,150	91,333,938
30.2.1 Redemption Analysis			
Financial year(s)			
2010-2013		7,404,215	23,606,227
2013-2016		42,031,634	36,163,653
2016-2019		8,457,209	20,447,751
2019-2022		34,157,111	1,960,784
2022-2025		7,334,981	9,155,523
		99,385,150	91,333,938

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2009/2010 R'000	2008/2009 R'000
30.2.2 Currency Analysis			
British Pound		1,179,328	1,391,848
Euro		30,733,110	41,493,845
Gold		208,808	664,007
Japanese Yen		4,817,186	5,899,325
Swedish Krone		6,107,174	6,760,547
United States Dollar		56,339,544	35,124,366
		99,385,150	91,333,938
31 Provisions			
Special Drawing Rights		794,057	794,052
International Monetary Fund		23,612,332	22,965,333
Leave Credits		9,762,134	9,073,017
International Bank for Reconstruction and Development		11,187,075	14,481,465
Multilateral Investment Guarantee Agency		106,864	138,334
African Development Bank		8,090,510	10,185,990
Total		53,552,972	57,638,191

Provisions represent the commitments of the National Government of which the long and short term positions cannot be determined

31.1 Special Drawing Rights	794,057	794,052
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This commitment represents the net balance on the Special Drawing Rights Income and Expenditure Account at the South African Reserve Bank in respect of special drawing rights transactions with the International Monetary Fund

31.2 International Monetary Fund	23,612,332	22,965,333
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This commitment represents the balance of securities in the International Monetary Fund's (IMF) General Resources Account held with the South African Reserve Bank

International Bank for Reconstruction and Development	11,187,075	14,481,465
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This commitment represents the callable portion of a country's subscription available to the International Bank for Reconstruction and Development (IBRD) to meet its obligations for funds borrowed or loans guaranteed by it

Multilateral Investment Guarantee Agency	106,864	138,334
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This commitment represent the callable portion of a country's subscription available to the Multilateral Investment Guarantee Agency (MIGA) to meet its obligations on foreign investment guarantees to investors that are planning investments in developing countries.

NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT AND LOAN ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2009/2010 R'000	2008/2009 R'000
African Development Bank		8,090,510	10,185,990

This commitment represents the callable portion of a country's subscription available to the African Development Bank to meet its obligation on borrowing of funds or Guarantees chargeable

32 Net cash flow available from operating activities

Net surplus /(deficit) as per Statement of Financial Performance	(189,877,575)	(11,482,793)
Add back non cash/cash movements not deemed operating activities	26,677,105	(10,976,898)
(Increase)/decrease in receivables-current	3,295,081	8,637,963
(Increase)/decrease in prepayments and advances	(1,624,160)	50,569
(Increase)/decrease in other current assets	80,062	(443,853)
Increase/(decrease) in payables-current	(76,126)	848,669
Proceeds from sale of capital assets	(36,262)	(131,753)
Proceeds from sale of investments	(4,947,030)	(1,366,514)
Expenditure on capital assets	8,704,806	10,143,712
Surrenders to revenue fund	(11,205,971)	(17,401,904)
Surrenders to RDP fund/Donor	579,432	68,543
Voted funds not requested/not received	-	(6,548,294)
Own revenue included in appropriation	(5,970,946)	(14,094,336)
Other non cash items	37,878,219	9,260,300
Net cash flow generated by operating activities	(163,200,470)	(22,459,691)

33 Reconciliation of cash and cash equivalents for cash flow purposes

Consolidated Paymaster General Account	(1,758,747)	(573,505)
Fund requisition account	(990,372)	46,477
Cash receipts	1,117	3,931
Distbursements	(30,961)	(431,642)
Cash on hand	88,254	74,956
Cash with SARB	93,844,520	70,832,783
Cash with commercial banks	38,498,517	31,337,952
Total Cash	129,652,328	101,290,952
Cash and cash equivalents for cash flow purposes	129,652,328	101,290,952

34 Reconciliation of prior year net surplus to current comparatives

Net surplus as reported in prior year	(16,536,984)
Less: Restatement of non-cash movement	(437,760)
Less: Restatement of Opening balances from departments	(6,101)
Less: Funds to be surrendered to the revenue fund	(8,596,284)
Non-cash movement	14,094,336
Restated Net Surplus for the Year	(11,482,793)

Reconciliation of cash and cash equivalents reported in prior year and Restated cash and cash equivalents in the current year

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2009/2010 R'000	2008/2009 R'000
Cash and cash equivalents as reported in prior year			105,156,062
Less: Restatement of SARS			(141,163)
Add: Restatement of DPI			14,994
Restated cash and cash equivalents for the 2008/2009 financial year			105,029,893
Reconciliation of statement of position reported in prior year and Restated amounts in current year			
ASSETS			
Current assets as reported in prior year:			219,016,556
Less: Current assets from Parliament			(32,190)
Add: Reallocation by Justice			14,963
Reallocation current assets by Central			311,369
Unauthorised expenditure and receivables			(2,739,215)
Restated current assets for the 2008/2009 financial year			216,571,483
Non-Current Assets			
Non current assets as reported prior year			70,353,989
Add: Restatement of DPE			2,717,618
Add: Reallocation by Social and Justice			200,955
Restated non current assets for the 2008/2009 financial year			73,272,562
LIABILITIES			
Current liabilities as reported in prior year:			145,358,999
Less: Restated Current liabilities by Parliament			2,020
Restated current liabilities by Central -DPW			8,828
Restated current liabilities by Justice-Safety and security			6,135
Funds to be surrendered to the revenue fund & Payables			(2,739,215)
Restated current liabilities for the 2008/2009 financial year			142,636,767
Non-Current Liabilities			
Non-current liabilities as reported prior year			552,414,770
Restated non current assets for the 2008/2009 financial year			552,414,770

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NOTES TO THE CONSOLIDATED
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NET ASSETS/(LIABILITIES)

Net Liabilities as reported in prior year	Cap Reserve	Recoverable Revenue	Retained Earnings	Total
Restated net liabilities for the 2008/2009 financial year	47,730,094,00	45,115,106,00	(645,207,466)	(552,362,266)
Restatement by Parliament	33,082,365,00	10,588,697,00	249,569	43,920,631
Restatement Central	-	(676,00)	-	(676)
Restatement of ALM	200,955,00	6,135,00	-	207,090
Restated net liabilities for the 2008/2009 financial year	33,283,320,00	10,594,156,00	(449,084,968)	44,127,045

NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT AND LOAN ACCOUNTS

DISCLOSURE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2009/2010 R'000	2008/2009 R'000
35 Contingent Liabilities			
Liable to:			
35.1 Underwritten by Government			
Guaranteed liabilities	35.1.1	128,879,921	62,774,433
Road Accident Fund	35.1.2	45,365,998	42,500,355
Export Credit Insurance Corporation of SA Ltd	35.1.3	9,190,988	13,351,382
Unemployment Insurance Fund		3,727,909	2,401,179
35.2 Other			
South African Reserve Bank	35.2.1	113,505	113,505
Departments	35.2.2	25,687,079	21,211,888
		212,965,400	142,352,742
35.1.1 Underwritten by Government			
Guaranteed liabilities			
Transnet		11,619,849	12,894,539
Development Bank of SA		26,560,227	12,560,538
Trans Caledon Tunnel Authority		20,720,787	19,588,069
Telkom SA		108,447	138,438
South African National Roads Agency Ltd		12,287,427	6,707,990
KOBWA		1,405,744	1,452,761
Industrial Development Corporation of SA		951,666	1,445,958
Denel		1,850,000	880,000
Lesotho Highlands Development Authority		425,672	575,330
SA Reserve Bank		-	142,147
Land Bank		2,594,351	1,653,475
Central Energy Fund		18,937	129,618
SAA		1,351,085	4,460,000
NECSA		20,000	20,000
Tertiary Institutions		70,891	125,570
SABC		1,000,000	-
Passenger Rail Agency of South Africa		1,216,776	-
ESKOM		46,678,062	-
		128,879,921	62,774,433

The National Government furnishes guarantees to various institutions. The guarantees furnished to parastatal institutions are disclosed under the relevant functional government departments. These guarantees will realise as liabilities to the State only if the institutions on who's behalf the guarantee were furnished, are unable to meet their commitments

It is not possible to determine the portion of these Guarantees which will realise as liabilities to the National Government. Amounts guaranteed and the interest thereon if also Guaranteed, are disclosed

35.1.2 Road Accident Fund	45,365,998	42,500,355
This represents the underfunding of the Fund's future commitment in respect of claims against the Fund according to the actuarial valuation. Actuarial valuations are conducted every year		

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DISCLOSURE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2009/2010 R'000	2008/2009 R'000
35.1.3 Export Credit Insurance Corporation of South Africa Ltd		9,190,988	13,351,382
Export Credit Insurance Corporation of South Africa Ltd and its predecessor, the Credit Guarantee Insurance Corporation of Africa Ltd, provide export credit and foreign investment cover to South African exporters. In terms of the Export Credit and Foreign Investment Act, 1957, as amended, the Government of South Africa acts as guarantor for the liabilities of the company. The Government's commitment represents the net of the total underwriting exposure of the company and its total assets.			
35.2.1 South African Reserve Bank (SARB)		113,505	113,505
This contingent liability in respect of old coinage still in circulation is limited to 73,67% of the net cost of disposal of the old coins when they are returned to the SARB. A portion of the coinage will probably never be returned. The Government's related costs are set-off against surpluses of the SARB paid to Government. The SARB raises the full liability for old coinage in their books.			
35.2.2 Departments			
Motor vehicle guarantees		4,774	8,699
Housing loan guarantees		153,350	264,118
Claims against the department		24,174,791	17,646,212
Other departments (Interdepartmental unconfirmed balances)		925,811	2,516,008
Environmental rehabilitation liability		181,845	107,791
Other		246,507	669,060
		25,687,079	21,211,888
36 Post retirement benefits			
Post retirement medical assistance		56,000,000	56,000,000
		56,000,000	56,000,000
Post retirement medical assistance			
The State's commitment in respect of post retirement medical scheme assistance is provided for in the annual budget on the votes of the Defence Force, Police Service and Correctional Services in respect of former service members and on the Finance vote in respect of other government employees.			
Funding Levels			
Government Employees Pension Fund		100.0%	101.6%
Temporary Employees Pension Fund		132.0%	133.5%
Associated Institutions Pension Fund		118.2%	112.0%
Funding Levels			
Government Employees Pension Fund		100.0%	101.6%
Temporary Employees Pension Fund		132.0%	133.5%
Associated Institutions Pension Fund		118.2%	112.0%
Valuation Dates			
Government Employees Pension Fund		March 2008	March 2006
Temporary Employees Pension Fund		March 2007	March 2007
Associated Institutions Pension Fund		March 2007	March 2007

NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT AND LOAN ACCOUNTS

DISCLOSURE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2009/2010 R'000	2008/2009 R'000
Valuation Dates			
Government Employees Pension Fund		March 2008	March 2006
Temporary Employees Pension Fund		March 2007	March 2007
Associated Institutions Pension Fund		March 2007	March 2007
<p>Government Employees Pension Fund, Temporary Employees and the Associated Pension Fund are in surplus with R11400million, R80 million and R1204 million respectively. (2006/07: R9040 million, R74million, R1742million respectively)</p>			
37 Commitments			
Current Expenditure			
Approved and contracted		6,643,570	5,263,704
Approved but not yet contracted		1,929,963	1,529,169
Total		8,573,533	6,792,873
Non-current expenditure			
Approved and contracted		2,144,409	2,612,353
Approved but not yet contracted		7,366,573	8,051,087
Total		9,510,982	10,663,440
Total Commitments		18,084,515	17,456,313

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	Notes	2009/2010 R'000	2008/2009 R'000
38 Accruals			
		30 Days R'000	30 Days R'000
By economic classification			
Goods and services		1,253,832	2,305,459
Interest and rent on land		801	20
Transfers and subsidies		104,341	385,843
Buildings and other fixed structures		166,266	349,274
Machinery and Equipment		104,935	327,075
Biological or cultivated assets		73	1
Software and other intangible assets		12	1,260
Other		968	1,142
Total		1,631,228	3,370,074
		30+ Days R'000	30+ Days R'000
By economic classification			
Goods and services		544,947	-
Interest and rent on land		227	-
Transfers and subsidies		16,397	-
Buildings and other fixed structures		200,545	-
Machinery and Equipment		8,256	-
Biological or cultivated assets		13	-
Other		29,557	-
Total		799,942	-
		Total R'000	Total R'000
By economic classification			
Goods and services		1,798,779	2,305,459
Interest and rent on land		1,028	20
Transfers and subsidies		120,738	385,843
Buildings and other fixed structures		366,811	349,274
Machinery and Equipment		113,191	327,075
Biological or cultivated assets		86	1
Software and other intangible assets		12	1,260
Other		30,525	1,142
Total		2,431,170	3,370,074
39 Employees benefit provisions			
Leave entitlement		2,900,784	2,531,278
Thirteenth cheque		1,134,696	915,581
Performance Awards		226,920	206,434
Capped Leave Commitments		7,515,214	6,893,561
Total		11,777,614	10,546,853

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FOR THE YEAR ENDED 31 MARCH 2010

	Land	"Buildings and Other fixed structures"	Machinery and Equipment	Total
	R'000	R'000	R'000	R'000
40.1 Operating Leases				
2009/2010				
Not later than 1 year	9,308	183 321 066	483,627	183,814,001
Later than 1 year and not later than 5 years	10,587	585 599 341	608,188	586,218,116
Later than 5 years	16,548	548 842 742	72,916	548,932,206
Total present value	36,443	1 317 763 149	1,164,731	1,318,964,323
40.1 Operating Leases				
2008/2009				
Not later than 1 year	4,898	191 828 131	97,860	191,930,889
Later than 1 year and not later than 5 years	5,686	638 594 518	96,916	638,697,120
Later than 5 years	14,726	673 576 379	-	673,591,105
Total present value	25,310	1 503 999 028	194,776	1,504,219,114
40.2 Finance Leases				
2009/2010				
Not later than 1 year	23,930	8 030	412,626	444,586
Later than 1 year and not later than 5 years	54,319	41 773	971,374	1,067,466
Later than 5 years	-	20 759	27	20,786
LESS: finance costs	(10,558)	(18 381)	(282,777)	(311,716)
Total present value	67,691	52 181	1,101,250	1,221,122
40.3 Finance Leases				
2008/2009				
Not later than 1 year	4,355	17 417	289,530	311,302
Later than 1 year and not later than 5 years	851	61 797	698,939	761,587
Later than 5 years	-	16 090	45	16,135
LESS: finance costs	(425)	(73)	(215,678)	(216,176)
Total present value	4,781	95 231	772,836	872,848

Notes	2009/2010 R'000	2008/2009 R'000
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41 Receivables for departmental revenue

Sales of goods and services other than capital assets	159,270	155,552
Fines, Penalties and foreits	213,419	55,390
Interest, dividends and rent on land	395,358	304,374
Sales of capital assets	181	70
Financial transactions in assets and liabilities	296,374	277,787
Transfers received (Incl conditional grants to be repaid by prov depts)	174	5,846
Other	45,591	94,137
Total	1,110,367	893,156

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DISCLOSURE NOTES TO THE CONSOLIDATED
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FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2009/2010 R'000	2008/2009 R'000
42 Irregular expenditure			
Reconciliation of irregular expenditure			
Opening Balance		1,058,049	706,906
Add: irregular expenditure-relating to prior growth		1,118,531	211,965
Irregular expenditure-current year		2,024,188	506,601
Less: Not condoned		-	(51,008)
Less: Amounts recoverable (not condoned)		(436)	(3,090)
Less: Amounts not recoverable (not condoned)		(19,483)	(47,918)
Irregular expenditure awaiting condonement		4,180,849	1,323,456
43 Related party transactions			
Revenue received (paid)			
Tax revenue/User charges		23,627,771	23,891,145
Interest, dividends and rent on land		336,296	114,395
Sales of capital assets		143,551	115,957
Transfers		60,133	31,476
Total		24,167,751	24,152,973
Payments Made			
Goods & Services		388,877	1,026,579
Purchase of capital assets		597	511
Financial transactions in assets and liabilities		72,206	23,201
Transfers		4,797,486	4,006,050
Total		5,259,166	5,056,341
Year end balances arising from revenue/payments			
Receivables from related parties		72,272	33,182
Payables to related parties		(204)	2,300
Total		72,068	35,482
Loans to/ from related parties			
Non-interest bearing loans to (from)		323,643	293,642
Interest bearing loans to (from)		71,148	99,854
Total		394,791	393,496
Other			
Guarantees issued/received		70,823,727	24,173,262
Other contingent liabilities		7,320,200	7,251,117
		78,143,927	31,424,379

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Notes	2009/2010 R'000	2008/2009 R'000
44 Key management personnel		
Description	No of Individuals	No of Individuals
Political Office Bearers (provide detail below)	-	68
Officials	13	16
Level 15 to 16	341	300
Level 14 (incl CFO at lower level)	766	954
Family members of key management	65	39
Total	1,185	1,377
Description		
Political Office Bearers (provide detail below)	89,071	76,995
Officials	16,115	10,249
Level 15 to 16	330,524	265,330
Level 14 (incl CFO at lower level)	584,571	605,352
Family members of key management	8,003	7,717
Total	1,028,284	965,643
45 Public Private Partnership		
Contract fee received	(292,292)	1,455,000
Contract fee received	(292,292)	1,455,000
Contract fee paid	1,261,473	1,090,457
Fixed component	579,943	545,988
Indexed component	681,530	544,469
-		
Current expenditure	916,811	774,912
Goods and Services(excluding lease payments)	631,792	545,271
Operating leases	246,340	228,834
Interest	38,679	807
Capital/ (Liabilities)	194,731	194,731
Property	194,731	194,731
Total	2,080,723	3,515,100

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	Notes	2009/2010 R'000	2008/2009 R'000
46 Provisions			
Households and non profit institutions		6,085	4,106
Private enterprises		208,047	214,423
Staff debtors		70,386	54,567
Other debtors		547,875	528,421
Claims receivable		231,201	193,788
		1,063,594	995,305
Departmental			
Impairment of Investments		678,634	392,198
Provision for non-recoverable loans		12,362	12,756
Other-specify one per line item		137,896	521,895
		828,892	926,849
Total		1,892,486	1,922,154
Non-adjusting events after reporting date		861,423	-
		861,423	-

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2009/2010	Opening Balance Cost R'000	Current Year Adjustment to prior year Balances R'000	Additions Cost R'000	Disposal Cost R'000	Closing Balance Cost R'000
47 Tangible Capital Assets					
Building and other fixed structures	15,839,554	(3 943 292)	3,186,903	474,406	14 608 759
Dwellings	3,638,063	(709 688)	162,049	837	3 089 587
Non-residential buildings	7,753,315	740 679	3,382,426	463,818	11 412 602
Other fixed structures	4,445,036	(3 974 072)	(357,572)	9,751	103 641
Heritage assets	3,140	(211)	-	-	2 929
Machinery and Equipment	15,939,262	(788 627)	2,224,323	941,561	16 433 397
Transport assets	8,246,104	107 799	1,182,576	705,047	8 831 432
Specialised military assets	31,097	(22 887)	330	1,184	7 356
Computer equipment	3,153,873	(155 118)	511,576	91,384	3 418 947
Furniture and Office equipment	1,750,541	(761 707)	190,094	32,629	1 146 299
Other machinery and equipment	2,757,647	43 286	339,747	111,317	3 029 363
-					
Land and Subsoil Assets	2,821,358	(86 765)	107,516	2,559,458	282 651
Land	2,821,358	(86 765)	107,516	2,559,458	282 651
Biological and Cultivated Assets	537,845	2 662	6,704	530,046	17 165
Biological and cultivated assets	537,845	2 662	6,704	530,046	17 165
Total Tangible Assets	35,138,019	(4 816 022)	5,525,446	4,505,471	31 341 972

NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT
AND LOAN ACCOUNTS

DISCLOSURE NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

Consolidated Financial Information | For the year ended 31 March 2010

2009/2010	Opening Balance Cost R'000	Current Year Adjustment to prior year Balances R'000	Additions Cost R'000	Disposal Cost R'000	Closing Balance Cost R'000
Building and other fixed structures	12,026,541	-	4,227,936	414,923	15,839,554
Dwellings	2,425,485	-	1,213,844	1,266	3,638,063
Non-residential buildings	5,606,040	-	2,560,476	413,201	7,753,315
Other fixed structures	3,991,876	-	453,616	456	4,445,036
Heritage assets	3,140	-	-	-	3,140
Machinery and Equipment	14,017,479	-	2,640,965	719,182	15,939,262
Transport assets	7,413,821	-	1,355,063	522,780	8,246,104
Specialised military assets	31,129	-	29	61	31,097
Computer equipment	2,569,116	-	675,930	91,173	3,153,873
Furniture and Office equipment	1,561,944	-	210,494	21,897	1,750,541
Other machinery and equipment	2,441,469	-	399,449	83,271	2,757,647
Land and Subsoil Assets	1,318,206	-	1,503,152	-	2,821,358
Land	1,318,206	-	1,503,152	-	2,821,358
Biological and Cultivated Assets	538,178	-	3,027	3,360	537,845
Biological and cultivated assets	538,178	-	3,027	3,360	537,845
Total Tangible Assets	27,900,404	-	8,375,080	1,137,465	35,138,019

Disclosure Notes to the Consolidated Financial Statements

NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT
AND LOAN ACCOUNTS

DISCLOSURE NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

	Opening Balance Cost R'000	Current Year Adjustment to prior year Balances R'000	Additions Cost R'000	Disposal Cost R'000	Closing Balance Cost R'000
48 Intangible Capital Assets					
Movement in Tangible Capital assets register for the year ended 31 march 2010					
Capitalised Development Costs	55,041	(46,490)	3,938	-	12,489
Computer Software	926,682	12,371	52,192	2,176	989,069
Patents, Licences, Copyright, Brand Names, Trademark	5,986	(5,986)	391	-	391
Services And Operating Rights	16,127		-	-	16,127
Other Intangibles	4,043	(395)	55,819	26	59,441
Total Intangible Assets	1,007,879	(40,500)	112,340	2,202	1,077,517

Movement in Tangible Capital assets register for the year ended 31 march 2009

Capitalised Development Costs	52,604	-	2,437	-	55,041
Computer Software	833,756	-	99,961	7,035	926,682
Patents, Licences, Copyright, Brand Names, Trademark	5,986	-	-	-	5,986
Services and Operating Rights	16,127	-	-	-	16,127
Other Intangibles	3,553	-	561	71	4,043
Total Intangible Assets	912,026	-	102,959	7,106	1,007,879

Reconciliation of Note 46 & 47 to Expenditure on Capital Assets per Statement of Financial Performance

Capital expenditure additions per note 47	5,525,446	8,375,080
Capital expenditure additions per note 48	112,340	102,959
Total additions per disclosure notes	5,637,786	8,478,039
Total reconciling items	3,067,020	1,114,324
Non Cash Movement	(2,553,290)	(1,693,006)
Capital Work in Progress-current costs	2,639,379	1,825,056
Assets Received but not paid/ (Paid current year but received prior year)	169,138	(101,306)
Other-CARA	2,811,793	1,083,580
Capital expenditure per statement of financial performance	8,704,806	9,592,363

NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT AND LOAN ACCOUNTS

SEGMENT REPORTS

FOR THE YEAR ENDED 31 MARCH 2010

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

	Notes	CENTRAL	FINANCIAL AND	SOCIAL SERVICES	JUSTICE AND	ECONOMIC SERVICES	CONST TOTAL PRE
		GOVERNMENT	ADMINISTRATION	AND INFRASTRUCTURE	PROTECTION SERVICES	AND INFRASTRUCTURE	NRF
		ADMINISTRATION	SERVICES	2009/2010	2009/2010	DEVELOPMENT	2009/2010
		2009/2010	2009/2010	2009/2010	2009/2010	2009/2010	2009/2010
OPERATING INCOME		55,920,859	73,289,823	142,305,692	105,877,008	84,134,304	461,527,686.00
Departmental revenue	3	544,575	3,558,350	103,331	1,538,925	2,554,006	8,299,187
Other Revenue	4	-	-	-	-	-	-
Receipts by National Departments from NRF	4.1	55,376,284	69,731,473	142,202,361	104,338,083	81,580,298	453,228,499
Revenue in terms of Section 12(3) of the PFMA		-	-	-	-	-	-
LOCAL AND FOREIGN AID ASSISTANCE	7.1	37,877	52,064	451,937	14,127	581,629	1,137,634
TOTAL INCOME		55,958,736	73,341,887	142,757,629	105,891,135	84,715,933	462,665,320

NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT AND LOAN ACCOUNTS

SEGMENT REPORTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

	Notes	CENTRAL GOVERNMENT ADMINISTRATION		FINANCIAL AND ADMINISTRATION SERVICES		SOCIAL SERVICES		PROTECTION SERVICES AND INFRASTRUCTURE DEVELOPMENT		JUSTICE AND ECONOMIC SERVICES		NRF	
		2009/2010	2009/2010	2009/2010	2009/2010	2009/2010	2009/2010	2009/2010	2009/2010	2009/2010	2009/2010	2009/2010	2009/2010
Current expenditure		11,318,383	3,755,074	4,959,938	87,210,722	11,230,893	118,475,010						
Compensation of employees	9	5,596,515	1,757,492	1,764,122	61,671,366	4,601,410	75,390,905						
Goods & Services	10	5,385,787	1,906,411	2,816,194	25,411,548	6,138,468	41,658,408						
Interest & Rent on Land	11	117,289	702	178	29,743	8,002	155,914						
Financial transactions in assets and liabilities	12	199,846	31,542	1,608	64,039	110,719	407,754						
CARA Fund assistance expenditure	6	-	-	-	-	-	-						
Local and foreign aid assistance	7.2	16,946	58,927	377,836	34,026	372,294	862,029						
Transfers and subsidies		40,920,982	65,598,707	134,957,020	11,371,000	64,242,910	317,090,619						
Transfers and subsidies	13	40,920,982	65,598,707	134,956,443	11,371,000	64,070,405	316,917,537						
Aid assistance		-	-	577	-	172,505	173,082						
Capital expenditure		1,945,746	79,481	87,546	5,711,747	880,286	8,704,806						
Expenditure for capital assets	14	1,945,746	79,481	87,546	5,711,747	880,286	8,704,806						
TOTAL EXPENDITURE		54,185,111	69,433,262	140,004,504	104,293,469	76,354,089	444,270,435						
SURPLUS/(DEFICIT)		1,773,625	3,908,625	2,753,125	1,597,666	8,361,844	18,394,885						

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	CENTRAL	FINANCIAL AND	SOCIAL SERVICES	JUSTICE AND	ECONOMIC SERVICES	CONSTOTAL PRE
		GOVERNMENT ADMINISTRATION 2009/2010	ADMINISTRATION SERVICES 2009/2010	2009/2010	PROTECTION SERVICES AND INFRASTRUCTURE DEVELOPMENT 2009/2010	2009/2010	AND INFRASTRUCTURE DEVELOPMENT 2009/2010
SURPLUS/(DEFICIT) FOR THE YEAR		1,773,625	3,908,625	2,753,125	1,597,666	8,361,844	18,394,885
Reconciliation of Net Surplus (Deficit) for the year							
Voted Funds to be surrendered to the revenue fund		1,210,337	357,475	2,586,406	80,254	1,291,512	5,525,984
Departmental revenue to be surrendered to the revenue fund		544,575	3,558,350	103,331	1,538,925	2,554,006	8,299,187
Local and foreign aid assistance		18,713	(7,200)	63,388	(21,513)	35,153	88,541
Direct Exchequer receipts/payments		-	-	-	-	4,481,173	4,481,173
SURPLUS/(DEFICIT) FOR THE YEAR		1,773,625	3,908,625	2,753,125	1,597,666	8,361,844	18,394,885

NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT AND LOAN ACCOUNTS

SEGMENT REPORTS - CONTINUED

NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT AND LOAN ACCOUNTS

SEGMENT REPORTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

	Notes		CENTRAL GOVERNMENT ADMINISTRATION		FINANCIAL AND ADMINISTRATION SERVICES		SOCIAL SERVICES		JUSTICE AND PROTECTION SERVICES		ECONOMIC SERVICES AND INFRASTRUCTURE DEVELOPMENT		CONSTOTAL PRE NRF	
	2008/2009	2008/2009	2008/2009	2008/2009	2008/2009	2008/2009	2008/2009	2008/2009	2008/2009	2008/2009	2008/2009	2008/2009	2008/2009	2008/2009
OPERATING INCOME	52,348,982.00	42,809,914.00	128,294,977.00	93,375,388.00	74,893,934.00	391,723,195								
Departmental revenue	480,013	5,278,281	88,543	1,443,196	4,665,932	11,955,965								
Other Revenue	-	-	-	-	-	-								
Receipts by National Departments from NRF	51,868,969	37,531,633	128,206,434	91,932,192	70,228,002	379,767,230								
Revenue in terms of Section 12(3) of the PFMA	-	-	-	-	-	-								
LOCAL AND FOREIGN AID ASSISTANCE	24,918	104,157	271,387	12,573	918,849	1,331,884								
TOTAL INCOME	52,373,900	42,914,071	128,566,364	93,387,961	75,812,783	393,055,079								

NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT AND LOAN ACCOUNTS

SEGMENT REPORTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

	Notes		CENTRAL GOVERNMENT ADMINISTRATION		FINANCIAL AND ADMINISTRATION SERVICES		SOCIAL SERVICES		JUSTICE AND PROTECTION SERVICES		ECONOMIC SERVICES AND INFRASTRUCTURE DEVELOPMENT		CONS TOTAL PRE NRF	
	2008/2009	2008/2009	2008/2009	2008/2009	2008/2009	2008/2009	2008/2009	2008/2009	2008/2009	2008/2009	2008/2009	2008/2009	2008/2009	2008/2009
DEPARTMENTAL EXPENDITURE														
Current expenditure	9,885,160.00		3,266,374.00	4,567,976.00	76,400,457.00	10,206,361.00	104,326,328.00							
Compensation of employees	4,851,889		1,424,270	1,510,356	53,229,507	3,964,857	64,980,879							
Goods & Services	4,949,422		1,764,170	2,737,923	23,058,931	5,744,998	38,255,444							
Interest & Rent on Land	877		539	-	11,684	444	13,544							
Financial transactions in assets and liabilities	65,166		1,117	7,161	83,175	32,158	188,777							
CARA Fund assistance expenditure	-		-	-	-	-	-							
Local and foreign aid assistance	17,806		76,278	312,536	17,160	463,904	887,684							
Transfers and subsidies	39,105,012		33,682,227	122,797,666	10,564,460	58,708,949	264,858,314							
Transfers and subsidies	39,105,012		33,682,227	122,791,249	10,564,459	58,396,016	264,538,963							
Aid assistance	-		-	6,417	1	312,933	319,351							
Capital expenditure	2,418,442		87,004	97,680	5,308,693	1,680,544	9,592,363							
Expenditure for capital assets	2,418,442		87,004	97,680	5,308,693	1,680,544	9,592,363							
TOTAL EXPENDITURE	51,408,614		37,035,605	127,463,322	92,273,610	70,595,854	378,777,005							
SURPLUS/(DEFICIT)	965,286		5,878,466	1,103,042	1,114,351	5,216,929	14,278,074							

NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT AND LOAN ACCOUNTS

SEGMENT REPORTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	CENTRAL GOVERNMENT ADMINISTRATION	2009/2010	FINANCIAL AND ADMINISTRATION SERVICES	2009/2010	SOCIAL SERVICES	2009/2010	JUSTICE AND PROTECTION SERVICES	2009/2010	ECONOMIC SERVICES AND INFRASTRUCTURE DEVELOPMENT	2009/2010	CONS TOTAL PRE NRF	2009/2010
ASSETS													
Current Assets			2,468,087	404,602	4,677,486	2,387,660	4,182,073	14,119,908					
Unauthorised expenditure	15	281,584	-	27,014	505,337	1,248,536	2,062,471						
Fruitless and wasteful expenditure	16	13,031	-	345	3,771	1,145	18,292						
Cash and cash equivalents	18	923,439	217,852	1,347,152	239,656	1,696,025	4,424,124						
Prepayments and advances	20	14,630	5,526	2,657,304	165,105	79,855	2,922,420						
Receivables	21	1,235,403	174,314	643,900	1,453,681	1,003,431	4,510,729						
Loans	23.1	-	-	1,766	12,362	9,667	23,795						
Local and foreign aid assistance receivable	7.4	-	6,910	5	7,748	143,414	158,077						
Non-current assets			56,327	68,908,652	30,383	75,000	23,480,872	92,551,234					
Investments	22	-	24,361,941	-	75,000	23,052,866	47,489,807						
Loans	23.2	56,307	44,546,711	30,383	-	424,846	45,058,247						
Other financial assets	19	20	-	-	-	3,160	3,180						
TOTAL ASSETS		2,524,414.00	69,313,254.00	4,707,869.00	2,462,660.00	27,662,945.00	106,671,142.00						

NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT AND LOAN ACCOUNTS

SEGMENT REPORTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	2009/2010	2009/2010	2009/2010	2009/2010	2009/2010	2009/2010
		CENTRAL GOVERNMENT ADMINISTRATION	FINANCIAL AND ADMINISTRATION SERVICES	SOCIAL SERVICES	JUSTICE AND PROTECTION SERVICES	ECONOMIC SERVICES AND INFRASTRUCTURE DEVELOPMENT	CONS TOTAL PRE NRF
LIABILITIES							
Current liabilities		2,220,262.00	400,650.00	4,660,228.00	2,082,746.00	3,943,306.00	13,307,192
Voted funds to be surrendered to the Revenue Fund	24	(710,513.00)	321,065	1,918,842	80,254	1,529,649	3,139,297
Departmental revenue to be surrendered to the Revenue Fund	25	78,280.00	5,265	46,791	77,880	381,546	589,762
Bank overdraft	26	1,358,662.00	-	2,276,421	1,744,580	1,476,571	6,856,234
Payables	27	1,454,601.00	54,896	341,191	165,278	368,679	2,384,645
Local and foreign aid assistance repayable	7.6	-	942	70,335	1,545	143,738	216,560
Local and foreign aid assistance unutilised	7.5	39,232.00	18,482	6,648	13,209	43,123	120,694
Non-current liabilities		56,307.00	2,886.00	-	-	226,384.00	285,577
Payables	28	56,307.00	2,886.00	-	-	226,384.00	285,577
TOTAL LIABILITIES		2,276,569.00	403,536.00	4,660,228.00	2,082,746.00	4,169,690.00	13,592,769
NET LIABILITIES		247,845.00	68,909,718.00	47,641.00	379,914.00	23,493,255.00	93,078,373
Represented by:		247,845.00	68,909,718.00	47,641.00	379,914.00	23,493,255.00	93,078,373
Capitalisation Reserves		-	24,361,941.00	32,149.00	75,000.00	23,261,004.00	47,730,094
Recoverable revenue		14,672.00	44,547,777.00	15,492.00	304,914.00	232,251.00	45,115,106
Retained funds (Legislatures/Parliament/CARA Fund Assistance)		233,173.00	-	-	-	-	233,173
TOTAL		247,845.00	68,909,718.00	47,641.00	379,914.00	23,493,255.00	93,078,373

NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT AND LOAN ACCOUNTS

SEGMENT REPORTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	CENTRAL GOVERNMENT ADMINISTRATION	2008/2009	FINANCIAL AND ADMINISTRATION SERVICES	2008/2009	SOCIAL SERVICES	2008/2009	JUSTICE AND PROTECTION SERVICES	2008/2009	ECONOMIC SERVICES AND INFRASTRUCTURE DEVELOPMENT	2008/2009	CONS TOTAL PRE NRF	2008/2009
Current Assets		2,707,633	308,067	2,920,608	2,158,860	2,985,936	11,081,104						
Unauthorised expenditure	15	330,488	618	27,014	505,337	886,142	1,749,599						
Fruitless and wasteful expenditure	16	43,379	-	345	3,775	1,333	48,832						
Cash and cash equivalents	18	1,053,215	100,666	1,206,248	129,103	1,145,581	3,634,813						
Other financial assets		-	-	-	-	-	-						
Prepayments and advances	20	15,784	6,190	1,009,022	157,310	109,954	1,298,260						
Receivables	21	1,264,767	199,349	660,130	1,345,091	541,279	4,010,616						
Loans	23.1	-	-	1,597	12,362	24,682	38,641						
Local and foreign aid assistance receivable	7.4	-	1,244	16,252	5,882	276,965	300,343						
Non-current assets		50,537	32,019,331	32,149	75,000	11,102,326	43,279,343						
Investments	22	-	22,019,331	-	75,000	10,671,544	32,765,875						
Loans	23.2	50,517	10,000,000	32,149	-	427,390	10,510,056						
Other financial assets	19	20	-	-	-	3,392	3,412						
TOTAL ASSETS		2,758,170	32,327,398	2,952,757	2,233,860	14,088,262	54,360,447						
LIABILITIES													

NATIONAL DEPARTMENTS, THE NATIONAL REVENUE FUND, STATE DEBT AND LOAN ACCOUNTS

SEGMENT REPORTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	2008/2009	CENTRAL GOVERNMENT ADMINISTRATION	FINANCIAL AND ADMINISTRATION SERVICES	SOCIAL SERVICES	JUSTICE AND PROTECTION SERVICES	ECONOMIC SERVICES AND INFRASTRUCTURE DEVELOPMENT	CONS TOTAL PRE NRF
		2008/2009	2008/2009	2008/2009	2008/2009	2008/2009	2008/2009	2008/2009
Current liabilities		2,439,060	301,307	2,905,411	1,838,947	2,724,070	10,208,795	
Voted funds to be surrendered to the Revenue Fund	24	679,578	129,974	1,062,492	166,618	1,206,286	3,244,948	
Departmental revenue to be surrendered to the Revenue Fund	25	60,166	1,674	19,817	29,808	158,808	270,273	
Bank overdraft	26	43,059	54,653	1,462,267	1,527,002	651,960	3,738,941	
Payables	27	1,635,738	76,667	258,415	78,403	402,632	2,451,855	
Local and foreign aid assistance repayable	7.6	-	15,256	75,950	8,428	254,794	354,428	
Local and foreign aid assistance unutilised	7.5	20,519	23,083	26,470	28,688	49,590	148,350	
Non-current liabilities		-	5,670	42	-	18,895	24,607	
Payables	28	-	5,670	42	-	18,895	24,607	
TOTAL LIABILITIES		2,439,060	306,977	2,905,453	1,838,947	2,742,965	10,233,402	
NET LIABILITIES		319,110	32,020,421	47,304	394,913	11,345,297	44,127,045	
Represented by:		319,110	32,020,421	47,304	394,913	11,345,297	44,127,045	
Capitalisation Reserves		50,517	22,019,331	33,746	75,000	11,104,726	33,283,320	
Recoverable revenue		19,024	10,001,090	13,558	319,913	240,571	10,594,156	
Retained funds (Legislatures/Parliament/CARA Fund Assistance)		249,569	-	-	-	-	249,569	
TOTAL		319,110	32,020,421	47,304	394,913	11,345,297	44,127,045	

ANNEXURE NAMES OF DEPARTMENTS

LIST OF GOVERNMENT DEPARTMENTS AND/OR VOTE PER CLUSTER

CENTRAL GOVERNMENT ADMINISTRATION

	:	The Presidency
	:	Parliament
DIRCO	:	Department of International Relations and Cooperation
DHA	:	Department of Home Affairs
DPW	:	Department of Public Works
COGTA	:	Department of Cooperative Governance and Traditional Affairs

FINANCIAL AND ADMINISTRATIVE SERVICES

GCIS	:	Government Communication and Information System
NT	:	The National Treasury
DPSA	:	Department of Public Service and Administration
PSC	:	Public Service Commission
PALAMA	:	Public Administration of the Leadership and Management Academy
STATSSA	:	Statistics South Africa

SOCIAL SERVICES

DAC	:	Department of Arts and Culture
DOE	:	Department of Education
DOH	:	Department of Health
DOL	:	Department of Labour
DSD	:	Department of Social Development
SRSA	:	Department of Sport and Recreation South Africa

JUSTICE AND PROTECTION SERVICES

CORR	:	Department of Correctional Services
DEF	:	Department of Defence
ICD	:	Independent Complaints Directorate
DOJ & CD	:	Department of Justice and Constitutional Development
NPA	:	National Prosecuting Agency
SAPS	:	Department of Police

ANNEXURE NAMES OF DEPARTMENTS - CONTINUED

ECONOMIC SERVICES AND INFRASTRUCTURE DEVELOPMENT

DAFF	:	Department of Agriculture, Forestry and Fisheries
DOC	:	Department of Communications
DEAT	:	Department of Environmental Affairs and Tourism
DHS	:	Department of Human Settlement
DRDLR	:	Department of Rural Development and Land Reform
DME	:	Department of Minerals and Energy
DST	:	Department of Science and Technology
DTI	:	Department of Trade and Industry
DOT	:	Department of Transport
DWA	:	Department of Water Affairs
DPE	:	Department of Public Enterprise

REVIEW OF OPERATING RESULTS

PUBLIC ENTITIES

The Consolidated Financial Information (CFI) incorporates the financial statements of the national public entities, including entities and enterprises under the ownership control of government, constitutional institutions, and trading entities as listed in the schedules to the Public Finance Management Act (PFMA), Act 1 of 1999. Where entities are discovered during the year, but not yet listed, these unlisted entities are also consolidated.

The CFI for public entities has been prepared on the basis of aggregation for the following reasons:

- The various public entities have applied different accounting policies for the year under review. This results in differing approaches to accounting and disclosure of financial information. National Treasury (NT) is currently in the process of prescribing standard accounting policies to be applied by all public entities for consolidation purposes; and
- Inter-entity transactions and balances between entities are not eliminated. Elimination has only been done at entity level when consolidating its subsidiaries. The entities' current systems are not geared for the identification of such balances and transactions.

The approach used by NT is as follows:

- NT develops a consolidation template in Microsoft Excel format.
- This template is sent to the public entities for completion.
- The Auditor General (AGSA) reviews the templates to ensure that the figures on the template agree to the figures published in the entities annual report, prior to submission.
- Where this process has not been performed by the (AGSA), the templates received from the entity are considered draft templates. The details of these templates are listed in the various annexures to the CFI.
- NT then uses these templates as a source for the consolidation model.

CONSOLIDATION STATISTICS

In terms of S47(1)(a) and (b) of the PFMA, the Minister, by notice in the national Government Gazette, must amend Sch 3 to include all public entities not listed and make technical changes to the list. Furthermore per S47(2), the accounting authority for a public entity that is not listed in either Sch 2 or 3, must without delay notify the National Treasury in writing that the public entity is not listed. As a result, all listed entities were identified as per the Gazette and have thus been consolidated, except for those listed as per Annexure D which were not yet operational in the current year.

The updated list of entities consolidated is in the PFMA as updated and published on the Treasury website as at 31 March 2010. As mentioned above, the CFI also includes some entities not listed on the PFMA Schedules but known to NT. Confirmation is sent annually to all departments to confirm the entities belonging to the departments. There has once again been an improvement in the number of entities that have submitted their templates and subsequently consolidated in the current year compared to prior years. NT continued to strive for a 100% consolidation of all listed and known public entities and the Office of the Accountant General (OAG) placed an extra emphasis on a proactive approach in collecting templates and assisting entities with completing the templates.

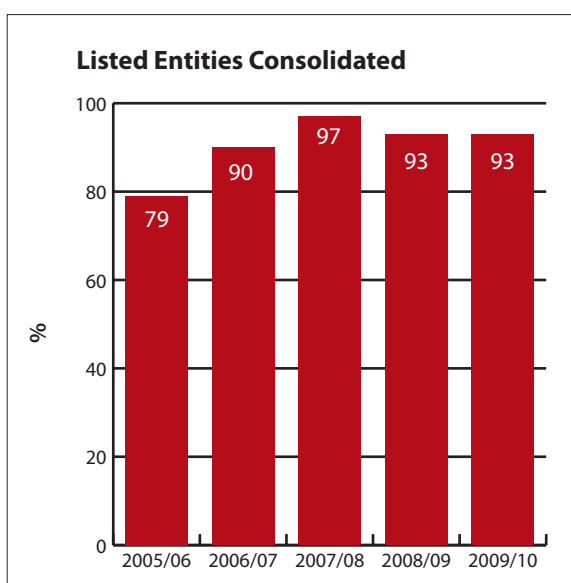
REVIEW OF OPERATING RESULTS - CONTINUED

Consolidated Financial Information | For the year ended 31 March 2010

The following is a statistical consolidation summary:

Listed Operational Entities	Number of listed entities as at 31 March 2010	Percentage
- Consolidated	192	93%
- Not Consolidated	15	7%

Comparison with prior years	2009/10	2008/09	2007/08	2006/07
- Consolidated	93%	93%	97%	90%
- Not Consolidated	7%	7%	3%	10%
Unlisted entities				
- Consolidated	31	33	39	18



A total of 192 (93%) of listed entities were consolidated in 2009/10 which is the same percentage as that achieved in 2008/09, when 186 (93%) listed entities were consolidated. A total of 31 unlisted entities were consolidated in 2009/10 as compared to 33 unlisted entities in the previous financial year. In general, there has been a slight increase in the number of listed entities consolidated.

Certain entities did not submit their AFS consolidation template within the prescribed timeframes. The main reasons for non-submission was a lack of capacity and key personnel leaving the entities around the submission deadlines. These entities are disclosed in Annexure D1, D2 and E.

CONSISTENCY IN THE ENTITIES BEING CONSOLIDATED

Achieving consistency in the entities being consolidated every year is a challenge, as some entities were consolidated in the current year but not in the previous year, and by the same token some were consolidated in the previous year but not in the current year. This inconsistency contributes to the variance in the opening balances or prior year figures as compared to figures published in the 2008/09 financial year.

Review of Operating Results

REVIEW OF OPERATING RESULTS - CONTINUED

Below is a list of annexures to the CFI that gives a comparative breakdown of entities consolidated, those not consolidated, and other information to illustrate inconsistencies in the number of entities consolidated and challenges related.

- **Annexure A** – Lists all the public entities consolidated in the current and comparative years.
- **Annexure B** – Lists all the public entities consolidated using draft financial statements. This means that the entity did not submit their final audited financial figures to NT within the prescribed time frames for consolidation due to delays experienced.
- **Annexure C** – Lists all the public entities consolidated that are not included in the PFMA listings which appear on the NT website.
- **Annexure D1** – Lists all the public entities not consolidated that are included in the PFMA listings which appear on the NT website.
- **Annexure D2** – Lists all the public entities not consolidated, and not operating for the year, that are included in the PFMA listing.
- **Annexure E** – Lists all the public entities not consolidated and not listed in the PFMA listings which appear on the NT website.
- **Annexure F** – Lists all the public entities consolidated but audited by other auditors (Not the Auditor General)
- **Annexure G** – Lists all the public entities consolidated which have a different year end than 31 March 2010. These are mainly the water boards that have year ends which coincide with local government year ends.

Due to the inconsistencies mentioned above, as well as reallocations, changes in accounting policies, and other restatement of figures, the opening balances or prior year figures differ from those as published in 2008/09 CFI. A reconciliation of this difference was prepared and is disclosed in the notes to the CFI (Note 73). The following is a summarised comparative of prior year figures to those published in 2008/09:

	Prior year figures in current consolidation	Published in	
Description	2009/10 R'000	2008/09 R' million	Variance R'000
Net Surplus	9,808	9,930	122
Total Assets	1,212,380	1,232,344	19,964
Total Liabilities	820,019	817,176	-2,843
Net Assets	392,361	415,168	22,807

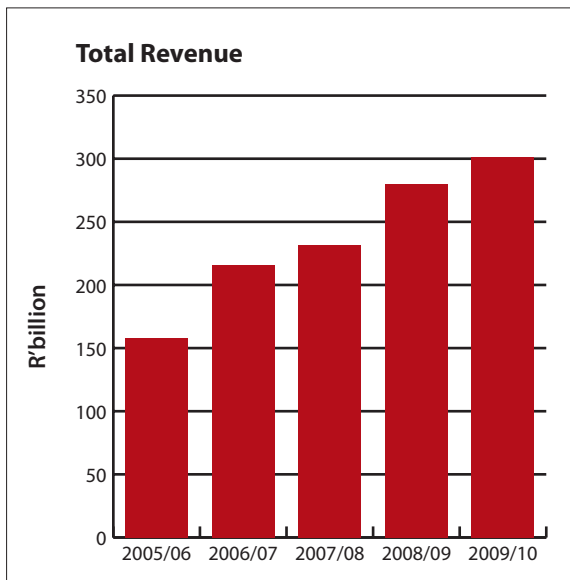
REVIEW OF OPERATING RESULTS - CONTINUED

Consolidated Financial Information | For the year ended 31 March 2010

1. TOTAL REVENUE

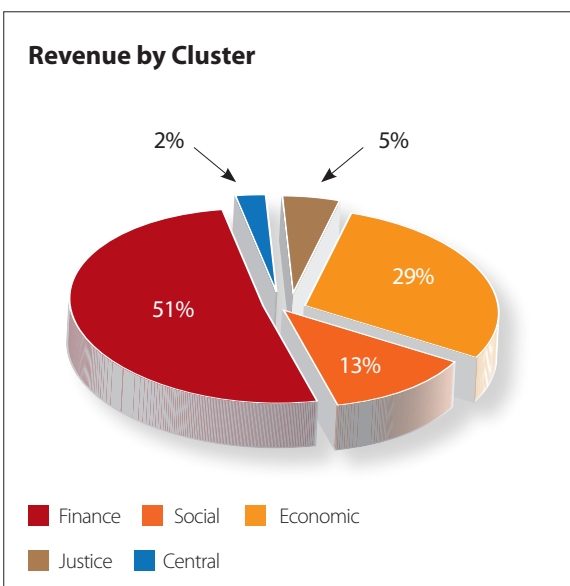
Total revenue for the year under review amounted to R301 billion. The main income items, comprising 90% of total revenue, are sale of goods, rendering of services, transfers and subsidies, and levies received.

Year Ended 31 March R' billion	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Sale of goods	61	66	74	94	102
Rendering of services	44	70	78	85	87
Transfers and subsidies received	20	32	35	43	45
Levies received	20	25	28	32	37
Other	13	23	16	27	29
Total Revenue	158	216	231	280	301
Change in Revenue		37%	7%	21%	7%



There is a steady increase in all items of revenue reported in the current year. Revenue from the sale of goods increased 8 per cent in the current year, while the increase in revenue from rendering services has only been 3 per cent. The total revenue figure has increased by only 7 per cent and continues to show the effects of the recession on the public entities.

The 22 PFMA Schedule 2 entities contributed more than 50 per cent of the total revenue received by national public entities. National government owns 100 percent of 21 of these entities and 39.8 per cent of Telkom shares. The objective of these entities is to operate as business enterprises and they have been assigned financial operational authority by government to carry on a business activity. The Telkom shares are equity accounted in the consolidation.

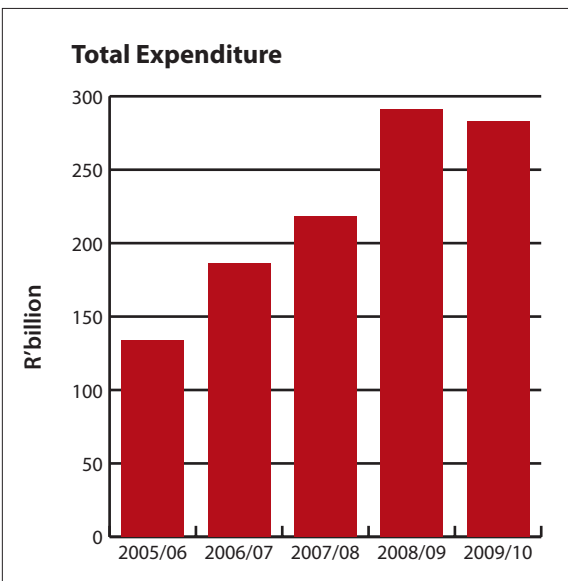


Review of Operating Results

REVIEW OF OPERATING RESULTS - CONTINUED

2. TOTAL EXPENDITURE

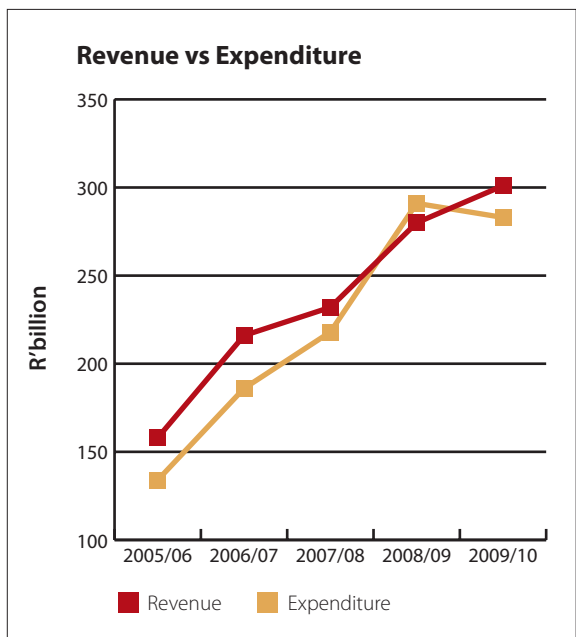
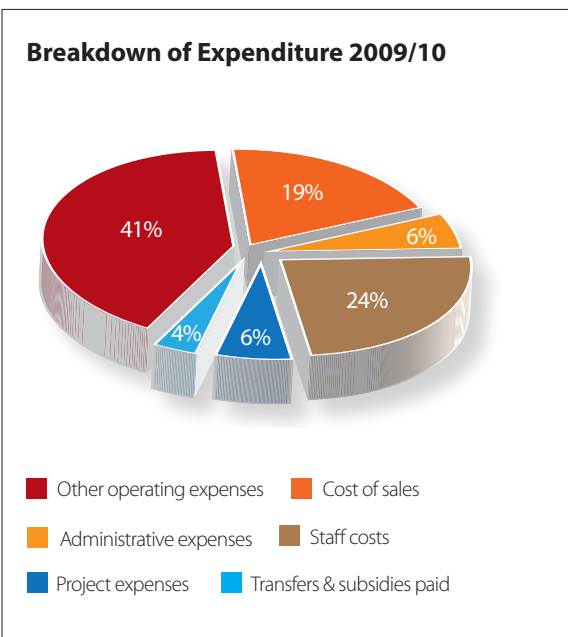
Year Ended 31 March R' billion	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Cost of sales	31	31	41	54	54
Administrative expenses	7	13	10	14	16
Staff costs	37	44	51	62	69
Project expenses	4	14	16	20	18
Transfers and subsidies	6	7	6	7	10
Other operating expenses	48	76	95	134	116
Total Expenditure	133	185	219	291	283
Change in expenditure		39%	18%	33%	-3%



Total expenditure amounted to R 283 billion for the current year. This represents a 3 per cent decrease from the prior year. It is worth noting that most of the cost movement for the current year has remained relatively stable compared to last year's expenses. Due to the recession, entities have remained consistent in trying to cut costs and only incur necessary expenditure.

As can be seen in the accompanying graph, revenue has recovered slightly and increased above expenditure. This resulted in the recovery of the total surplus for the 2009/10 year.

This is indicative of the slow recovery from the economic recession. There may be a year-on-year recovery in the next few years.



REVIEW OF OPERATING RESULTS - CONTINUED

Consolidated Financial Information | For the year ended 31 March 2010

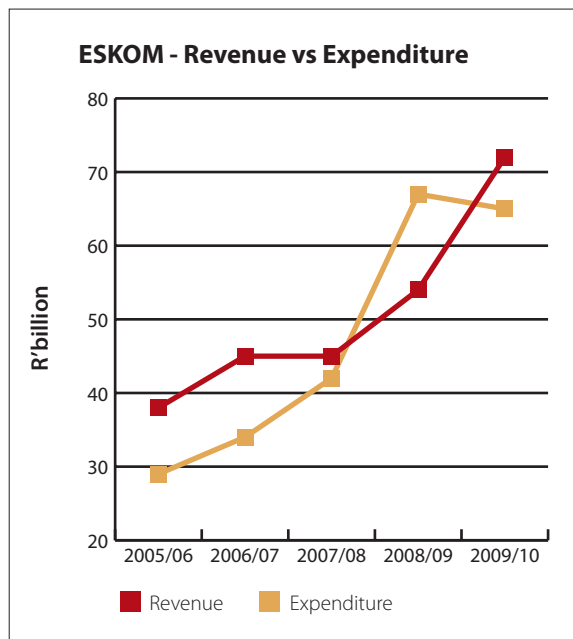
Year Ended 31 March R' billion	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Total Revenue	158	216	231	280	301
Total Expenditure	133	185	219	291	283
Surplus/(Deficit) from operations	25	31	12	-11	18
Change in Revenue		24%	-61%	-179%	-268%

A major portion of the increase in total revenue and expenditure can be attributed to the following public entities:

ESKOM

As a State Owned Entity (SOE) Eskom's sole shareholder is the South African government. Eskom's primary mandate is to ensure the security of electricity supply for industrial and household needs in South Africa. It generates approximately 95 per cent of South Africa's electricity and is the largest contributor to revenue for the year under review, with revenue totaling R 72 billion.

Eskom Summary R' billion	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Revenue	38	45	45	54	72
Expenditure	29	34	42	67	65
Surplus/(Deficit) from Operations	9	11	3	-13	7
Change in surplus/(deficit)		22%	-73%	-518%	-155%



As seen in the table above, Eskom has recovered to make a surplus of R3.6 billion after a deficit in the last two years. Eskom's service had been affected by a lack of capacity in their power stations. With government's assistance, Eskom seems to be recovering well.

Eskom has a number of commodity-linked pricing contracts with aluminium producers, which offer discounted prices, and also link the electricity prices to commodity prices and exchange rates. The year-end valuation of these contracts (embedded derivatives) resulted in a net fair value profit of R2.3 billion.

Eskom applied for a 34 per cent price increase for the 2009/10 period and was granted 31.3 per cent. This price increase will be effective for the next three years as follows: 24.8 per cent in 2010/11, 25.8 per cent in 2011/12 and 25.9 per cent in 2012/13.

Total expenditure for Eskom decreased by only R2 billion.

This slight decrease is a reflection of Eskom's operation stabilising in the current year after government funded them and agreed to the pricing increase for the next three years.

REVIEW OF OPERATING RESULTS - CONTINUED

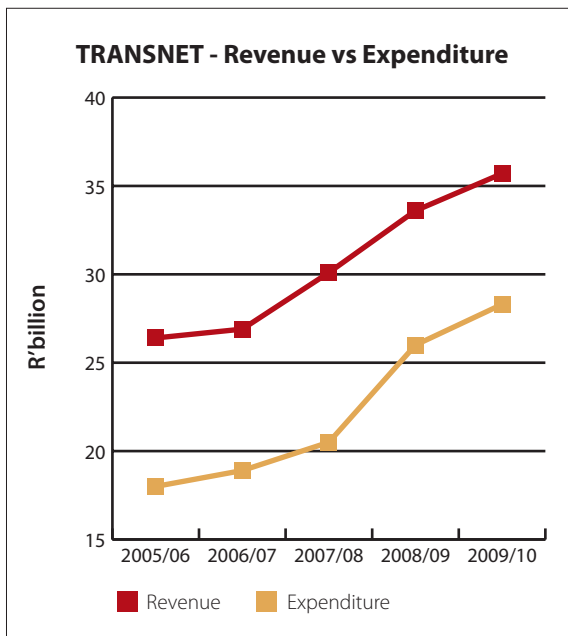
The organisation's overall financial results are a clear indication that Eskom is on a path to achieving financial sustainability. The funding gap over the next seven years indicates that Eskom is facing a cumulative cash shortfall, but Eskom is still a going concern over the next eighteen months as its expected working capital resources are sufficient to meet their present capital expenditure needs during that period.

TRANSNET

Transnet is the SOE responsible for core transport operations in South Africa. Its main business units include Transnet Freight Rail (rail transport), Transnet Port Terminals, Transnet National Ports Authority and Transnet Pipelines. In addition Transnet holds a range of smaller companies in road logistics, warehousing, IT, wagon manufacturing, telecommunications infrastructure and property.

Transnet's implementation of its strategy to transform the company from a diversified conglomerate into a focused freight transport company is complete. The complete transfer of South African Airways (SAA) and South African Express Airways (SAX) to the state is evidence of this.

Transnet Summary R' billion	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Revenue	26.4	26.9	30.1	33.6	35.7
Expenditure	18.0	18.9	20.5	26.0	28.3
Surplus/(Deficit) from Operations	8.4	8.0	9.6	7.7	7.4
Change in surplus/(deficit)		-5%	20%	-20%	-4%



The slow recovery from the global economic downturn has allowed Transnet to recover from the prior year's rapidly decreasing surplus to a slighter decrease in the current year. Transnet's total revenue increased by 6.3 per cent with a relatively similar movement of 8.8 per cent for expenditure.

Transnet's expenditure for the year increased by R 2.3 billion. Depreciation and amortisation of assets for the year increased by R 1.3 billion (27.5 per cent) to R6.1 billion compared to the prior year. This was as a result of the continuing capital investment programme and the depreciation on the revalued port facilities and pipeline assets.

This trend is expected to continue, in line with the execution of the capital investment programme over the next five years.

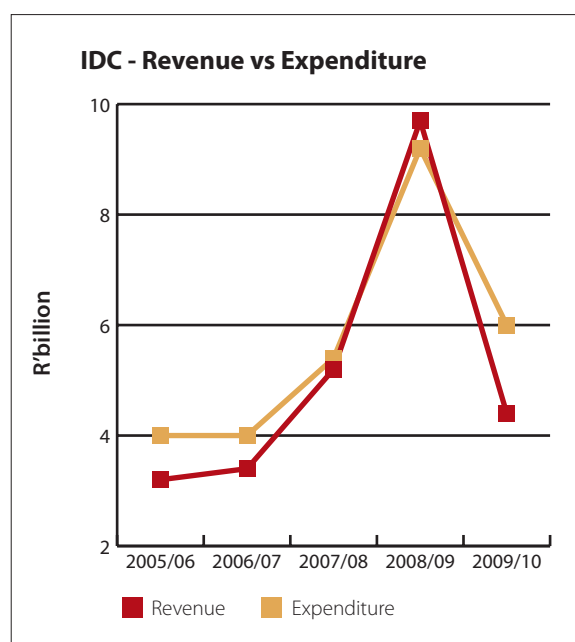
REVIEW OF OPERATING RESULTS - CONTINUED

Consolidated Financial Information | For the year ended 31 March 2010

INDEPENDENT DEVELOPMENT CORPORATION OF SOUTH AFRICA (IDC)

The IDC is a self-financing national development finance institution that provides finance to promote industrial and entrepreneurial development. Its primary objectives are to contribute to balanced sustainable economic growth in Africa and to the economic empowerment of the South African population, thereby promoting the economic prosperity of all citizens of the African continent.

IDC Summary R' billion	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Revenue	3.2	3.4	5.2	9.7	4.4
Expenditure	4.0	4.0	5.4	9.2	6.0
Surplus/(Deficit) from Operations	-0.8	-0.6	-0.2	0.4	-1.6
Change in surplus/(deficit)		25%	67%	255%	-480%



From the above table it can be seen that the revenue declined sharply from the previous year. This is mainly due to a reduction in the sale of goods and services, which decreased by R5.5 billion in the current year - a decrease of 58.2 per cent. This resulted in an overall decline of the surplus (R3.4 billion).

For the year under review the IDC received a total of R 1.9 billion in dividends and R 0.9 billion in interest.

Despite the recession, the IDC continued to have a positive impact on the economy with 25 000 jobs expected to be created or saved through funding activities (2009: 26 700). Of these, 8 800 will be a direct result of funding to companies in distress.

Net funding approvals of R9.4 billion were granted, mostly for new capacity or expansion of existing capacity (2009: R10.8 billion). This resulted in the decrease in

revenue and expenditure.

The IDC's approved funding activity continues to facilitate the creation of additional jobs in South Africa. Steps have been taken to lower the cost of funding to businesses by establishing a partnership with the Unemployment Insurance Fund (UIF) to source funds aimed at creating jobs efficiently.

The bulk of the funding was for start ups and expansions. In line with its role to support sustainable economic growth and development, the IDC approved R9.4 million worth of business support grants (R8.9 million in 2008/09) to assist clients through skills development and consultancy services, and to make funding available during the recession.

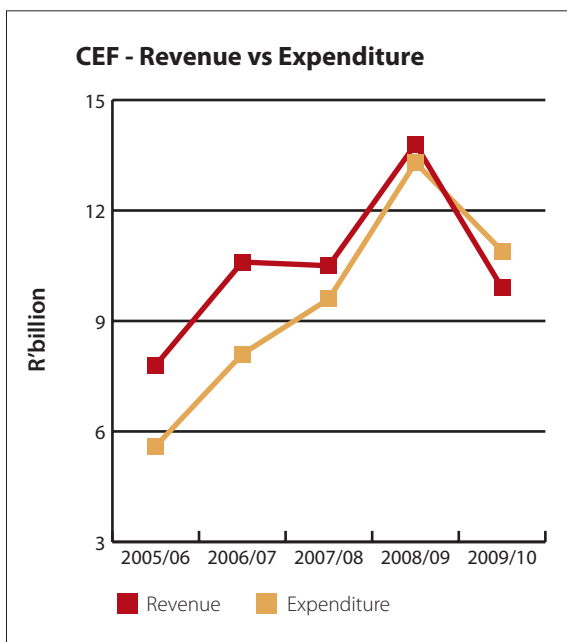
The IDC committed to providing assistance to distressed companies impacted by the economic crisis.

REVIEW OF OPERATING RESULTS - CONTINUED

CENTRAL ENERGY FUND (CEF)

The objective of the CEF is to pursue economically viable opportunities in oil, gas, coal and renewable energy resources and to provide access to sustainable and affordable energy. The CEF does not receive any revenue from the fiscus. Revenue required for infrastructure development and operations is raised through debt funding, dividends from its subsidiaries, fuel levies and from reserves.

CEF Summary R' billion	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Revenue	7.8	10.6	10.5	13.8	9.9
Expenditure	5.6	8.1	9.6	13.3	10.9
Surplus/(Deficit) from Operations	2.2	2.5	0.9	0.5	-1.1
Change in surplus/(deficit)		14%	-64%	-43%	-318%



The CEF revenue decreased by R3.9 billion or 28 per cent in the current year from the previous year. The decrease in revenue is due to the global economic crisis which affected overall sales through high international oil prices. The average crude oil price for the current year was \$83.87/bbl which is the same as the prior year average of \$83.87/bbl.

Due to the volatile crude oil prices, demand for crude oil storage also decreased.

Total expenditure for the year also decreased by R 2.4 billion or 18 per cent from the previous year.

This decrease was mainly due to the decreased cost of feedstock purchases as a result of lower oil prices and a stronger rand.

ROAD ACCIDENT FUND (RAF)

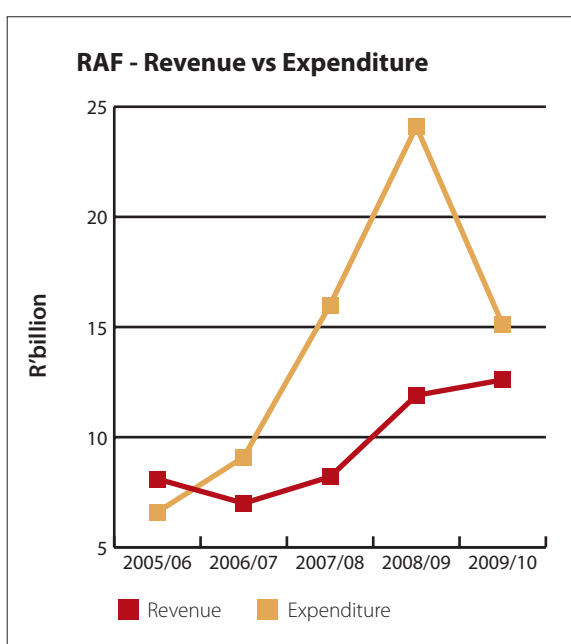
The RAF is mandated by the RAF Act (1996) and provides compensation for personal injury claims arising from the negligent actions of another driver. The fund has developed a new claims management system and implemented an ICT strategy to improve performance in its core operations. These initiatives are currently being implemented and have resulted in noticeable improvements in operating performance, especially in processing efficiency.

After a significant reduction in claims during the 2007/08 year, the RAF claims backlog stood at approximately 297 000 claims at the beginning of the year under review. However high volumes of road accident claims continue to be experienced, and there have been delays in giving effect to the regulatory reforms aimed at limiting benefits and streamlining administration.

REVIEW OF OPERATING RESULTS - CONTINUED

Consolidated Financial Information | For the year ended 31 March 2010

RAF Summary R' billion	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Revenue	8.1	7.0	8.2	11.9	12.6
Expenditure	6.6	9.1	16.0	24.1	15.1
Surplus/(Deficit) from Operations	1.5	-2.1	-7.8	-12.2	-2.5
Change in surplus/(deficit)		-240%	-271%	-57%	79%



The revenue increase for the RAF equates to R0.7 billion or 5.9 per cent compared to the previous year. This can be attributed to the continued additional funding from government and the net fuel levies.

The additional funding by government was done to ensure liquidity of the fund and to provide for the payment of outstanding claims. RAF continues to report as a going concern with the assistance of National Treasury and Department of Transport to contain the growing deficit caused by outstanding claims.

The expenditure of the RAF decreased by R9 billion or 37 per cent from the previous year. This is due to a reduction in the processing of claims relative to the prior year and a related decrease in the claims provision. Total claims expenditure, including provision for outstanding claims, decreased to R14.3 billion (previously R23.3 billion). Staff costs decreased

by only 10 per cent and administration and other expenses increased by 9 per cent.

UNEMPLOYMENT INSURANCE FUND (UIF)

The UIF provides short-term unemployment insurance to qualifying workers in cases of unemployment, illness, maternity, adoption of a child, or death. The March 2008 actuarial valuation indicated that the UIF is in a position to meet its cash flow requirements over the next 10 years for a wide range of possible scenarios.

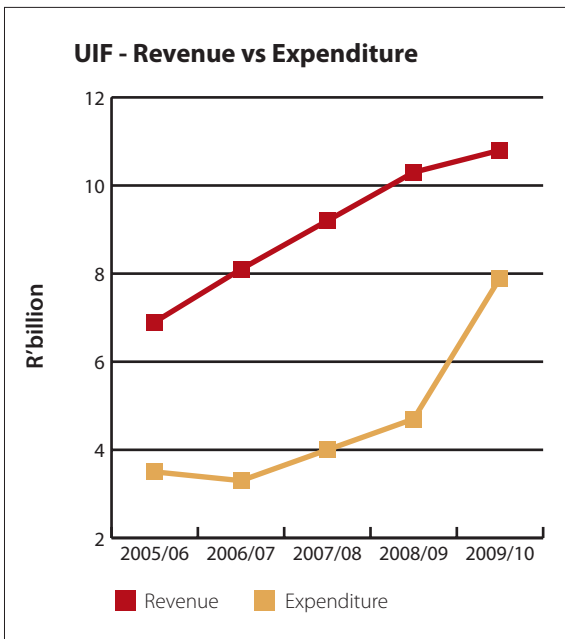
There was an increase in UIF benefits being paid during the 2009/10 financial year as the effects of the recession set in and filtered through the economy. For the 2009/10 year, the number of new claimants for UIF benefits averaged approximately 51 350 a month. Average monthly benefit payments amounted to approximately R320 million. UIF data indicates that more people are becoming unemployed for longer periods, and that there is an increase in higher-income claimants. The UIF is also developing mechanisms for supporting the placement of unemployed workers in training or jobs.

Legislative improvements to the UIF benefit structure under consideration include options for extending payments beyond the current 35 weeks of benefit and possible revisions to the income replacement rate schedule.

The number of unemployed claims received for the 2009/10 year increased from 474 793 to 628 595. The rapid deterioration in global financial markets and an increase in unemployment in South Africa saw a growing demand for unemployment benefits.

REVIEW OF OPERATING RESULTS - CONTINUED

UIF Summary R' billion	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Revenue	6.9	8.1	9.2	10.3	10.8
Expenditure	3.5	3.3	4.0	4.7	7.9
Surplus/(Deficit) from Operations	3.4	4.8	5.2	5.7	2.9
Change in surplus/(deficit)		41%	8%	9%	-49%



The revenue increase for the year totals only R0.5 billion or 4.9 per cent. The increase is due to a slight increase in UIF levies received for the year.

As can be seen from the table above, the UIF had a surplus from operations for the past four years. Because of the effects of the recession, the UIF reflects a decreased surplus from operations. Their expenditure, which is mainly transfers and subsidies, increased by 68 per cent as a result of high benefit payments largely because unemployment was on the rise in the current year.

REVENUE AND EXPENDITURE CONTRIBUTIONS PER ENTITY CATEGORY

The income contribution analysis below per entity demonstrates the income in terms of which schedule an entity belongs to. The entities are listed under one of the following:

- Schedule 1** – These entities are Constitutional Institutions that are required as per section 181(1) of the Constitution of South Africa to strengthen constitutional democracy in the Republic. These institutions include, amongst others, the Public Protector, the Human Rights Commission, and the Independent Electoral Commission, etc. (The Auditor General is not listed but included here for analysis purposes).
- Schedule 2** – These entities are the major public entities and include ARMSCOR, DENEL, ESKOM, IDC, Transnet, SABC, and ACSA, etc. These entities function as businesses and should be independent of major government funding.
- Schedule 3** – This schedule is for other public entities and includes the following:
 - PART A** – National Public Entities which include the Accounting Standards Board (ASB), Financial Services Board (FSB), Legal Aid Board, National Parks Board, and RAF, etc.
 - PART B** – National Government Business Enterprises which includes Water Boards and the SA Rail Commuter Corporation Limited, etc.

REVIEW OF OPERATING RESULTS - CONTINUED

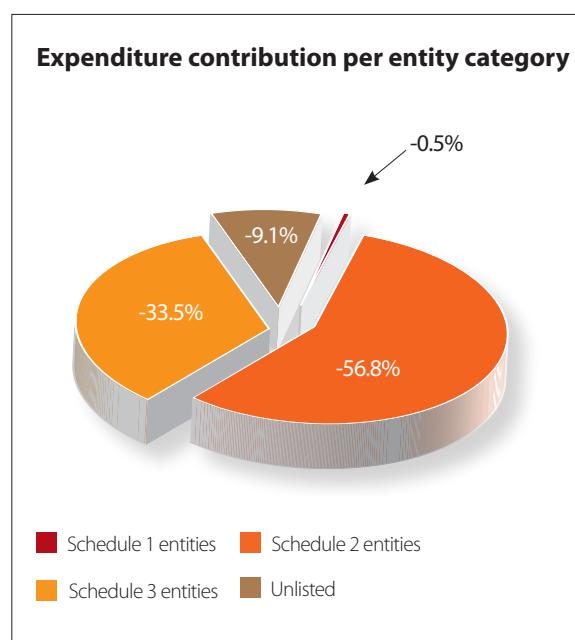
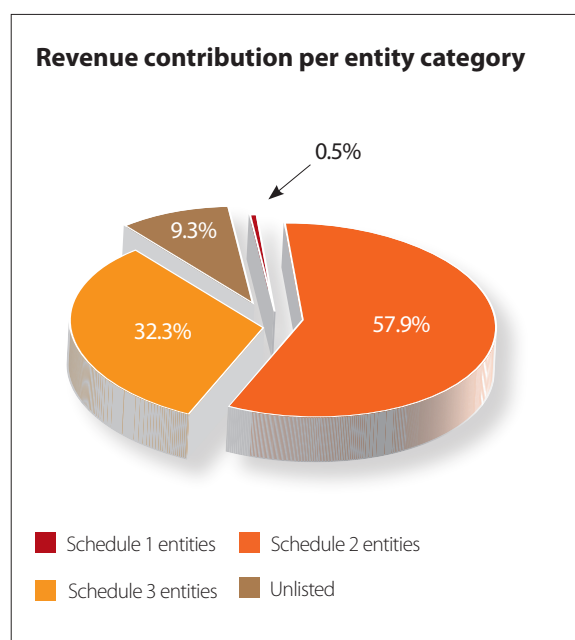
Consolidated Financial Information | For the year ended 31 March 2010

Revenue contribution per entity category R' billion	Actual 2008/09	Actual 2009/10
Schedule 2 entities	168	174
Schedule 3 entities	90	97
Unlisted	21	28
Schedule 1 entities	1.6	1.5
	280	301

Expenditure contribution per entity category R' billion	Actual 2008/09	Actual 2009/10
Schedule 2 entities	-171	-161
Schedule 3 entities	-93	-95
Unlisted	-26	-26
Schedule 1 entities	-1.5	-1.5
	-291	-283

The Schedule 2 entities contributed approximately 59 per cent or R174 billion of the total income for the current year. This can be attributed to the fact that the larger public entities make up the schedule 2 listing (e.g. Eskom, Transnet, Denel, IDC etc).

The Schedule 2 entities also contributed approximately 59 per cent or R161 billion of the total expenditure for the current year. In the prior year this contribution was marginally lower at 57 per cent of total expenditure.



Review of Operating Results

REVIEW OF OPERATING RESULTS - CONTINUED

LOSS / DEFICIT MAKING PUBLIC ENTITIES:

The following is a list of the entities which have disclosed losses/deficits for the current year:

Name of Entity	Actual	Actual	Net movement
Schedule 1	2008/09	2009/10	in loss
	R' 000	R' 000	R' 000
Financial and Fiscal Commission	(513)	(854)	(341)
Human Rights Commission	(749)	(1,597)	(848)
Public Protector	(9,917)	(6,366)	3,551
The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	(1,874)	(3,401)	(1,527)
The Commission on Gender Equality	(10,699)	(1,815)	8,884
	(23,752)	(14,033)	9,719
Schedule 2	Actual	Actual	Net movement
	2008/09	2009/10	in loss
	R' 000	R' 000	R' 000
Alexkor	-	(65,708)	(65,708)
Armaments Corporation of South Africa	-	(15,786)	(15,786)
Broadband Infracore	(28,311)	-	28,311
Central Energy Fund	(81,882)	-	81,882
Denel	(245,632)	(532,526)	(286,894)
Eskom	-	(9,708,137)	(9,708,137)
Independent Development Trust(IDT)	(343,374)	(316,033)	27,341
SA Broadcasting Corporation Ltd	(487,020)	(910,081)	(423,061)
Safcol	(468,865)	-	468,865
Trans-Caledon Tunnel Authority	(150,513)	(208,149)	(57,636)
	(1,805,597)	(11,756,420)	(9,950,823)

CONSTITUTIONAL INSTITUTIONS, SCHEDULE 2, 3A, 3B PUBLIC ENTITIES
AND TRADING ACCOUNTS

REVIEW OF OPERATING RESULTS - CONTINUED

Consolidated Financial Information | For the year ended 31 March 2010

Schedule 3A	Actual 2008/09 R' 000	Actual 2009/10 R' 000	Net movement in loss R' 000
Accounting Standards Board	-	(103)	(103)
Africa Institute of SA	(2,429)		2,429
Agricultural Research Council		(16,082)	(16,082)
Agricultural SETA	(11,997)	23,342	35,339
Banking Sector Education and Training Authority	(51,714)	23,289	75,003
Commission for Conciliation, Mediation & Arbitration	(15,240)	(36,950)	(21,710)
Competition Commission	(15,380)	(11,396)	3,984
Council for Geoscience	(22,114)		22,114
Council for the Built Environment (CBE)	7,655	(9,156)	(16,811)
Council on Higher Education	(912)	3,682	4,594
Education, Training and Development Practices Sector Education and Training Authority	(23,354)	(36)	23,318
Electricity Distribution Industry Holdings	(13,254)		13,254
Estate Agency Affairs Board		(126)	(126)
Film and Board Publications(FPB)	(8,271)	(2,969)	5,302
Financial and Accounting Services Training Authority	(30,290)	3,453	33,743
Financial Services Board	(14,641)	(17,310)	(2,669)
Forest Industries Sector Education and Training Authority	(20,441)	(3,833)	16,608
Human Science Research Council		(5,032)	(5,032)
Independent Regulatory Board of Auditors(IRBA)	-	(2,419)	(2,419)
Inkomati Catchment Management Agency		(6,475)	(6,475)
International Marketing Corp (IMC)	-	(1,139)	(1,139)
Isimangaliso Wetland Park	(5,671)		5,671
Iziko Museums of Cape Town	(4,495)	1,090	5,585
Legal Aid Board	-	(1,869)	(1,869)
Luthuli Museum	(62)	661	723
Manufacturing, Engineering and Related Services Education and Training Authority	(102,292)	160,592	262,884
Marine Living Resources Fund	(6,805)	(10,227)	(3,422)
Mining Qualifications Authority	(40,339)	58,227	98,566
Natal Museum, Pietermaritzburg	(797)	1,148	1,945
National Consumer Tribunal	(370)	(869)	(499)
National Development Agency	(4,353)	(32,561)	(28,208)
National Electronic Media Institute of SA	(4,472)	(2,871)	1,601
National Energy Regulator of SA	(7,514)	(3,382)	4,132
National Film and Video Foundation	(359)	(509)	(150)
National Heritage Council	(5,930)	(7,273)	(1,343)

CONSTITUTIONAL INSTITUTIONS, SCHEDULE 2, 3A, 3B PUBLIC ENTITIES
AND TRADING ACCOUNTS

REVIEW OF OPERATING RESULTS - CONTINUED

Schedule 3A	Actual	Actual	Net movement
	2008/09	2009/10	in loss
	R' 000	R' 000	R' 000
National Library, Pretoria/Cape Town	(4,115)	4,334	8,449
National Lotteries Board	(1,240,583)		1,240,583
National Museum, Bloemfontein	(4,574)	(309)	4,265
Ncera Farms	(166)		166
NURCHA	(18,833)		18,833
Passenger Railway Agency of SA	(1,243,521)	1,053,389	2,296,910
Productivity SA	(1,187)	8,564	9,751
PSIRA	(12,384)	(4,254)	8,130
Railway Safety Regulator	(1,493)		1,493
Road Accident Fund	(2,493,505)	(12,111,469)	(9,617,964)
SA Civil Aviation Authority	(9574)	(13610)	(4,036)
SA Institute for Drug-free Sport	(11)	(307)	(296)
SA Maritime Safety Authority		(2,567)	(2,567)
SA National Biodiversity Institute	(11,796)	(8,476)	3,320
SA National Roads Agency	(427,375)		427,375
SA Weather Services		(4,210)	(4,210)
Safety and Security SETA	(35,405)	34,455	69,860
Sentech		(23,810)	(23,810)
Servcon	(31,618)		31,618
Services Sector Education and Training Authority	(32,804)	93,224	126,028
Small Enterprise Development Agency	(36,677)		36,677
Social Services Agency South Africa	(540,217)	(837,940)	(297,723)
Special Investigating Unit	(3,063)	(6,229)	(3,166)
State Theatre, Pretoria	(3,106)	211	3,317
The National English Literary Museum, Grahamstown	(420)	(73)	347
The Pan South African Language Board	(861)	(4,799)	(3,938)
Tourism and Hospitality Education and Training Authority	(17,482)	(71,841)	(54,359)
Umsobomvu Fund	(72,783)	(14,319)	58,464
Voortrekker Museum, Pietermaritzburg	(140)	3	143
War Museum of the Boer Republics, Bloemfontein	(458)	707	1,165
Water Research Commission	(3,529)	(3,372)	157
Total	(6,270,308)	(11,959,294)	(5,688,986)

Consolidated Financial Information | For the year ended 31 March 2010

Review of Operating Results

CONSTITUTIONAL INSTITUTIONS, SCHEDULE 2, 3A, 3B PUBLIC ENTITIES AND TRADING ACCOUNTS

REVIEW OF OPERATING RESULTS - CONTINUED

Consolidated Financial Information | For the year ended 31 March 2010

Schedule 3B	Actual 2008/09 R' 000	Actual 2009/10 R' 000	Net movement in loss R' 000
Albany Coast Water Board	(982)	-	982
Amatola Water Board	(12,150)	-	12,150
Botshelo Water	-	(7,947)	(7,947)
Pelladrift Water Board	-	(1,362)	(1,362)
Social Housing Foundation	(3,623)	(2,499)	1,124
State Diamond Trader	-	(5,211)	(5,211)
Total	(16,755)	(17,019)	(264)

Unlisted Entities	Actual 2008/09 R' 000	Actual 2009/10 R' 000	Net movement in loss R' 000
Auditor General	-	(16,098)	(16,098)
Compensation Commissioner for Occupational Diseases	(545,755)	-	545,755
Deeds Registration Trading Account	(2,762)	(4,383)	(1,621)
Development Bank of SA Development Fund	-	(94,157)	(94,157)
Driving Licence Card Trading Account	-	(9,337)	(9,337)
National Lottery Distribution Fund	(1,239,834)	-	1,239,834
Palama	(1,492)	-	1,492
Project Development Facility	(30,745)	-	30,745
Property Management Trading Entity (PMTE)	(98,213)	(57,623)	40,590
Represented Political Parties Fund	-	(729)	(729)
Reserve Bank	(880,042)	-	880,042
Sheltered Employment Factories	(2,617)	-	2,617
Special Defence Account	(1,864,152)	-	1,864,152
Tshumisano Trust	(429)	(4,964)	(4,535)
Water Trading Account	(1,215,580)	(1,446,942)	(231,362)
Total	(1,044,697)	(3,493,083)	(2,448,386)

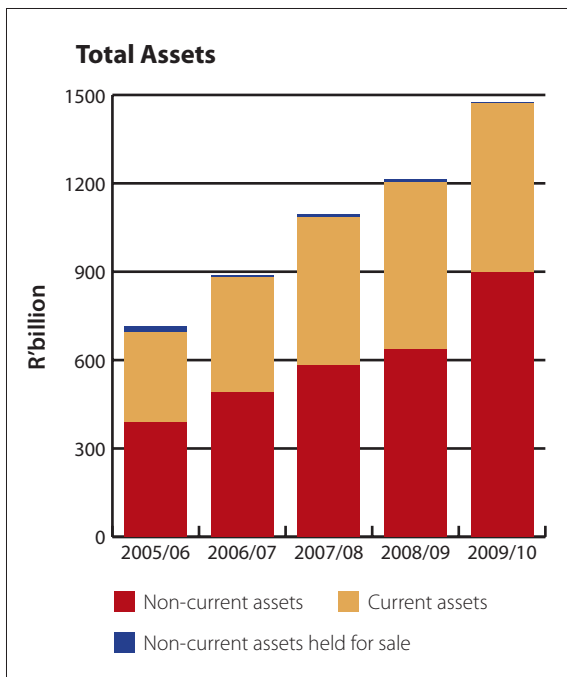
Although the PFMA prohibits schedule 3A entities from budgeting for or realising a deficit, the above entities realised losses.

Review of Operating Results

REVIEW OF OPERATING RESULTS - CONTINUED

2. TOTAL ASSETS

Year Ended 31 March R'billion	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Non-current assets	387	491	582	635	898
Current assets	308	390	504	570	575
Non-current assets held for sale	20	8	7	7	2
	715	889	1,093	1,212	1,475
Change in Assets		24%	23%	11%	22%



Total assets increased from R1.212 billion to R1.475 billion. This equates to an increase of R263 billion. This major increase can be attributed to the following entities:

Transnet

During the year Transnet increased its property, plant and equipment (PPE) from R96 billion to R114 billion. This represents an R18 billion increase. During the year Transnet also revalued certain pipeline networks and port facilities and these revaluations added R167 million to the total costs. Apart from these revaluations, Transnet also revalued the port infrastructure and port operating assets which added a further R3.4 billion to total assets.

The operating assets of Transnet have increased significantly due to the capital expansion programme, revaluation of assets, and investment in property adjustments, reflecting Transnet's significant infrastructure investment to enable future economic growth. Transnet's planned capital expenditure over the next five years amounts to R80 billion.

REVIEW OF OPERATING RESULTS - CONTINUED

Eskom

Capital expenditure amounting to R33 billion was spent during the year on electricity infrastructure. Government has already committed to lending Eskom R 60 billion (of which R30 billion has been paid in the year under review) to assist with its infrastructure spending over the medium term and has also agreed to guarantee an amount of R176 billion (R117 billion used to date).

Eskom has prioritised funding from sources that are appropriate for the long-term nature of the assets under construction, as well as to provide some cash-flow relief during the long construction period of power stations.

Airports Company of South Africa (ACSA)

ACSA capital expenditure amounted to approximately R5.2 billion, which was essentially to provide for complete readiness of the airports for the 2010 FIFA World Cup and beyond. The major airport constructions contributing to this expenditure were:

- O.R Tambo International Airport
- Cape Town International Airport
- King Shaka International Airport
- Domestic airports and ACSA corporate office

South African National Roads Agency Limited (SANRAL)

SANRAL has currently spent about R9.5 billion for its Capital Expansion Programme.

This project will become the first multi-lane "free-flow" Toll Road in South Africa. The improved road network will use electronic toll collection (ETC) systems consisting of a transponder (tag) in vehicles and receivers and cameras mounted on gantries straddling the roadway. This system is scheduled to go live in the first quarter of 2011.

Other road capital expenditure projects which are close to completion include the N17 in Gauteng, the R30 in the Free State, the Ring Road around Nelspruit in Mpumalanga and the N2 in the Tsitsikama Forest.

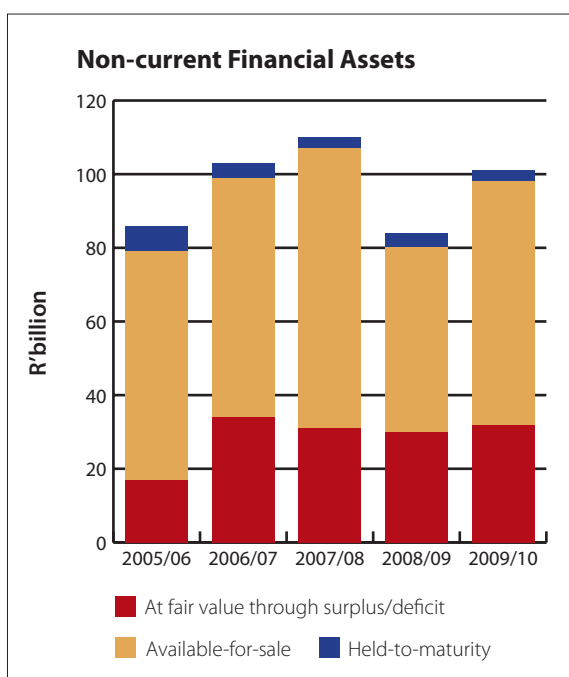
Passenger Rail Agency of South Africa (PRASA)

PRASA has increased its PPE by approximately R5 billion. These funds mainly went towards the upgrading and maintenance of rolling stock, infrastructure upgrades and station developments, in particular for the 2010 FIFA World Cup preparations.

REVIEW OF OPERATING RESULTS - CONTINUED

2.1 NON-CURRENT FINANCIAL ASSETS

Year Ended 31 March R'billion	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
At fair value through surplus/deficit	17	34	31	30	32
Available-for-sale	62	65	76	50	66
Held-to-maturity	7	4	3	4	3
Total	86	103	110	84	102
Change from Prior year		20%	7%	-24%	21%



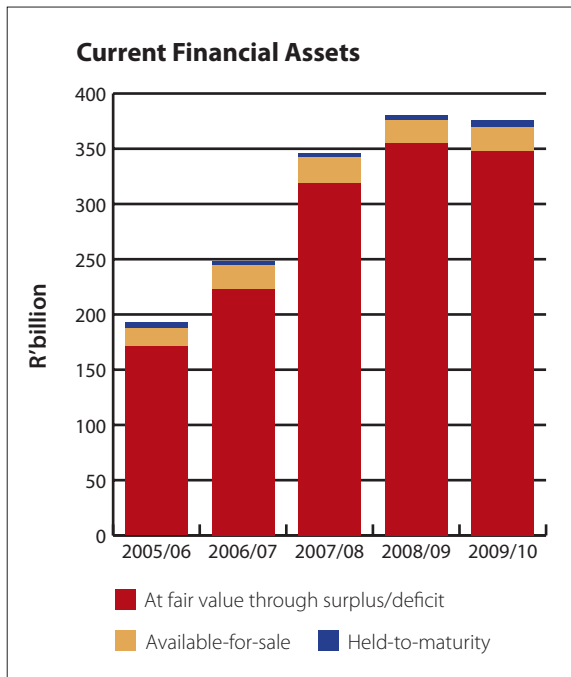
Total non-current financial assets have increased by 21 per cent which is a significant increase relative to the decrease seen in the previous year. This is mainly due to the increase of available-for-sale financial assets by R16 billion in the current year. The major portion of the increase can be attributed to the IDC which had an increase of R15.6 billion from the prior year.

REVIEW OF OPERATING RESULTS - CONTINUED

Consolidated Financial Information | For the year ended 31 March 2010

2.2 CURRENT FINANCIAL ASSETS

Year Ended 31 March R'billion	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
At fair value through surplus/deficit	171	223	319	355	348
Available-for-sale	17	21	23	21	21
Held-to-maturity	5	4	4	4	7
Total	193	248	346	380	376
Change from prior year		28%	40%	10%	-1%



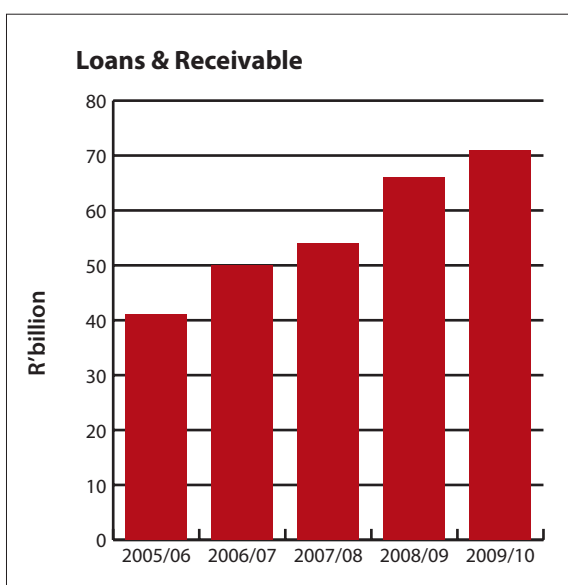
Current financial assets decreased from R380 billion to R376 billion. This equates to a decrease of R4 billion or 1 per cent compared to the previous year. A major part of these current financial assets are gold and foreign exchange held by the South African Reserve Bank (SARB) to the value of R14 billion. The assets have remained fairly stable in value in the current year relative to the prior year.

Review of Operating Results

REVIEW OF OPERATING RESULTS - CONTINUED

2.3 LOANS RECEIVABLE

Year Ended 31 March R'billion	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Non Current Loans and receivables	41	50	54	66	71
Change from prior year		22%	8%	16%	12%



Loans and receivables appear to be stable over the five year period and have increased in the current year by 12 per cent. The entities which have disclosed material values for loans and receivables are listed below:

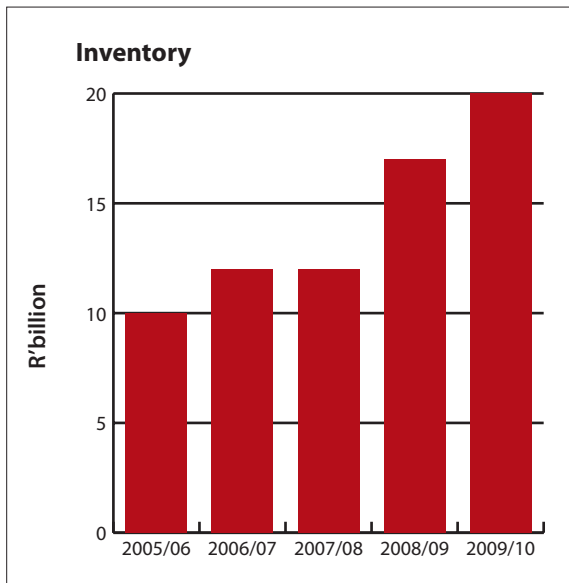
Year Ended 31 March R' billion	Actual 2008/09	Actual 2009/10
Denel	1	1
Eskom	11	11
Transnet	6	6
SAA	4	3
Water Trading Account	2	2
ACSA	1	1
RAF	2	3
SA National Roads Agency	3	3
IDC	4	5
CEF	2	4
Total	36	39

REVIEW OF OPERATING RESULTS - CONTINUED

Consolidated Financial Information | For the year ended 31 March 2010

2.4 INVENTORY

Year Ended 31 March R' billion	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Inventory	10	12	12	17	20
Change from prior year		20%	0%	39%	19%



The inventory balance appears to be reasonably stable. Inventory is made up of the following material balances as per the entities listed below:

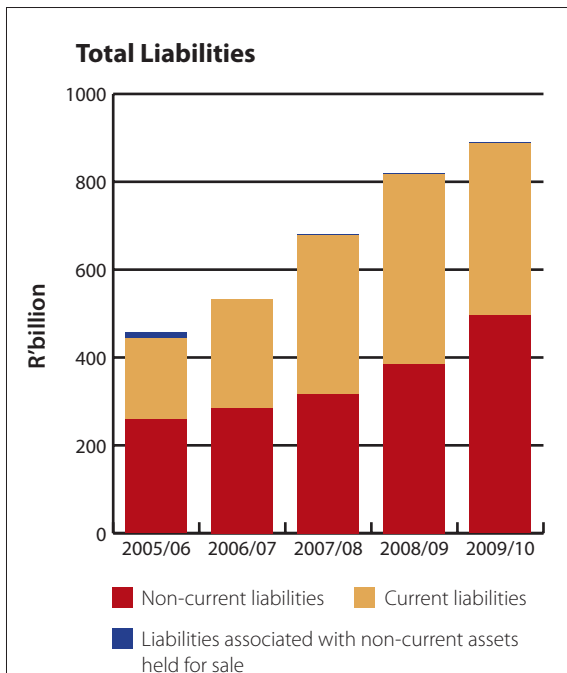
Year Ended 31 March R' billion	Actual 2008/09	Actual 2009/10
Eskom	7	1
Transnet	20	18
Central Energy Fund	3	0
Industrial Development Corporation	1	0
Total	32	19

Review of Operating Results

REVIEW OF OPERATING RESULTS - CONTINUED

3. TOTAL LIABILITIES

Year Ended 31 March R'billion	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Non-current liabilities	259	285	317	385	496
Current liabilities	185	246	360	432	392
Liabilities associated with non-current assets held for sale	13	2	3	3	1
Total	457	533	680	820	889
Change from prior year		17%	28%	21%	8%



The increase in total liabilities can be attributed to the increase in borrowings for most of the entities listed above. These borrowings were incurred to provide the funding for infrastructure growth for the current and future years. The Road Accident Fund (RAF) liabilities related to an increase in provisions for outstanding claims to be paid.

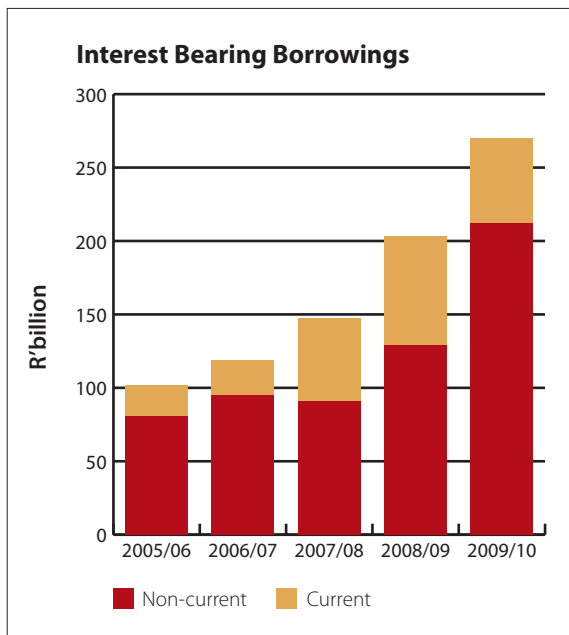
Total liabilities have increased by R69 billion and the bulk of this increase is accounted for by the following public entities:

Year Ended 31 March R'billion	Actual 2009/10
Eskom	175.8
South African National Roads Agency Limited (SANRAL)	43.5
Transnet	74.4
Road Accident Fund (RAF)	46.2
Airports Company of South Africa (ACSA)	18.9
Passenger Rail Authority of South Africa (PRASA)	16.0
Total	374.9

REVIEW OF OPERATING RESULTS - CONTINUED

3.1 INTEREST BEARING BORROWINGS

Year Ended 31 March R'billion	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Non current	81	95	91	129	212
Current	21	24	56	74	58
Total	102	119	147	203	271
Change from prior year		17%	24%	39%	33%



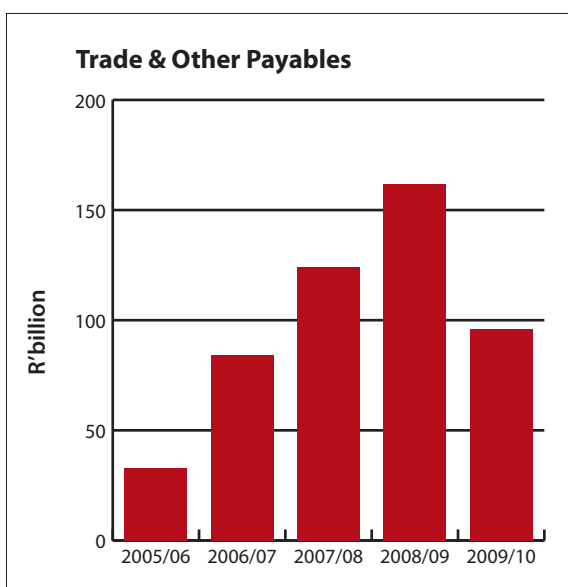
Interest bearing borrowings have increased by 33 per cent in the current year. The major part of the increase is due to the following entities:

Year Ended 31 March R'billion	Actual 2008/09	Actual 2009/10
Eskom	74	106
SA Reserve Bank	37	47
Transnet	34	49
Airports Company of SA	0	3
South African Airways	12	16
SA National Roads Agency	29	26
Total	187	247

REVIEW OF OPERATING RESULTS - CONTINUED

3.2 TRADE & OTHER PAYABLES

Year Ended 31 March R'billion	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10
Current	33	84	124	162	96
Change from prior year		155%	48%	30%	-41%



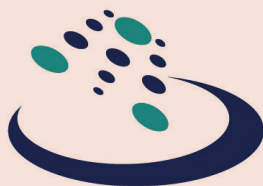
Year Ended 31 March R'billion	Actual 2008/09	Actual 2009/10
Trade creditors	30	31
Accruals	16	14
Prepayments & Other	1	1
Administered funds	2	1
SARS & Other Trust liabilities	5	5
Deposits	1	1
Gold and Foreign Exchange Contingency Reserve	102	36
Deferred Income	108	42
	167	132

Total trade and other payables have decreased by approximately R66 billion during the current year.

The Gold & Foreign Exchange Contingency Reserve Account relates to the SARB, and represents the net revaluation profits and losses on gold and foreign-exchange transactions which are for the account of the South African Government. This contingency reserve decreased by R66 billion during the current year.

Settlement of this account is subject to agreement from time to time between the SARB and Government. The current arrangement is that only transactions that have a liquidity effect on the SA money market will be settled. The remainders of the transactions are in respect of the revaluation of gold and foreign exchange, and do not represent cash flow.

**REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT
ON FACTUAL FINDINGS OF THE CONSOLIDATED FINANCIAL
INFORMATION OF CONSTITUTIONAL INSTITUTIONS, SCHEDULE 2, 3A
AND 3B PUBLIC ENTITIES AND TRADING ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2010**



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

Auditing to build public confidence

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CONSTITUTIONAL INSTITUTIONS, SCHEDULE 2, 3A, 3B PUBLIC ENTITIES AND TRADING ACCOUNTS

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON FACTUAL FINDINGS OF THE CONSOLIDATED FINANCIAL INFORMATION OF CONSTITUTIONAL INSTITUTIONS, SCHEDULE 2, 3A AND 3B PUBLIC ENTITIES AND TRADING ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

Section 8(1) of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) requires the National Treasury to prepare consolidated annual financial statements in accordance with generally recognised accounting practice. Separate consolidated financial information has been prepared annually since the inception of the PFMA for national departments and entities, respectively, and has been subjected to agreed-upon procedures reviewed by the Auditor-General. National Treasury has continued to prepare aggregated financial information for entities due to the differing accounting policies being applied. These matters are dealt with in more detail in paragraph 2 of the accounting officer's review.

I have performed the procedures agreed with the accounting officer of the National Treasury as described below with respect to the consolidated financial information (CFI) of constitutional institutions, schedule 2, 3A and 3B public entities and trading entities as at 31 March 2010 set out on pages 129 to 196. My engagement was undertaken in accordance with the International Standard on Related Services applicable to agreed-upon procedures engagements. With reference to the basis of consolidation, as set out in the accounting policies to the CFI, my procedures were performed solely in respect of the aggregation of the financial information as submitted by the entities consolidated. The procedures are summarised as follows:

1. I obtained the consolidation templates submitted by the entities consolidated and agreed the information therein with the CFI.
2. I compared the lists of entities consolidated as set out in annexures A, B, C, F and G to the CFI with the templates submitted as well as the PFMA.
3. I compared the list of entities not consolidated as set out in annexures D and E to the CFI to the previous years' listing as well as the PFMA.
4. I checked all the castings of the CFI and agreed the notes to the CFI with the consolidated statement of financial position, statement of financial performance, cash flow statement and statement of changes in net assets.
5. I agreed the opening balances and corresponding figures with the CFI of the previous year.

I report my findings below:

1. With respect to item 1, the information in the CFI agrees with the templates submitted.
2. With respect to item 2, the entities listed in annexures A, B, C, F and G agree with the templates submitted and the PFMA.
3. With respect to item 3, annexure D was found to be complete but I could not establish the completeness of annexure E.
4. With respect to item 4, the castings of the CFI are correct and the notes to the CFI agree with the consolidated statement of financial position, statement of financial performance, cash flow statement and statement of changes in net assets.
5. With respect to item 5, the figures in the current year's CFI agree with the figures in the previous year's CFI as a reconciliation was performed to balance the opening figures.

Because the above procedures do not constitute either an audit or a review performed in accordance with statements of International Standards on Auditing or International Standards on Review Engagements, I do not express any assurance on the CFI as at 31 March 2010.

Had I performed additional procedures or had I performed an audit or review of the CFI in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to my attention that would have been reported to you.

CONSTITUTIONAL INSTITUTIONS, SCHEDULE 2, 3A, 3B PUBLIC ENTITIES AND TRADING ACCOUNTS

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON FACTUAL FINDINGS OF THE CONSOLIDATED FINANCIAL INFORMATION OF CONSTITUTIONAL INSTITUTIONS, SCHEDULE 2, 3A AND 3B PUBLIC ENTITIES AND TRADING ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010 - CONTINUED

My report is solely for the purpose set out in the first paragraph of this report. The CFI presented does not address or make provision for the following:

- Share capital was not set off against the cost of the investment.
- No adjustment has been made for minority shareholdings.
- Inter-entity transactions and balances affecting the consolidated statement of financial position and consolidated statement of financial performance were not eliminated.
- The disclosed accounting policies in the CFI were not consistently applied by the individual entities.

Auditor-General

Pretoria

30 September 2010



**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence

ANNEXURES TO THE CONSOLIDATED FINANCIAL INFORMATION

FOR THE YEAR ENDED 31 MARCH 2010

ANNEXURE LEAD SCHEDULE 2009/10

Annexure A - List of entities consolidated

Annexure B - List of entities consolidated using draft financial statements

Annexure C - List of entities that have not been included in the PFMA listing but have been consolidated

Annexure D - List of entities not consolidated that have been included in the PFMA listing

Annexure E - List of entities not consolidated and not included in the PFMA listing

Annexure F - List of entities consolidated but audited by other auditors

Annexure G - List of entities consolidated with year ends other than 31 March

ANNEXURE A**List of entities consolidated at:**

31 March 2010	31 March 2009
1 Academy of Science of SA	1 Academy of Science of SA
2 Accounting Standards Board	2 Accounting Standards Board
3 Africa Institute of South Africa	3 Africa Institute of South Africa
4 African Renaissance and International Cooperation Fund (ARIC)	4 African Renaissance and International Cooperation Fund (ARIC)
5 Agricultural Land Holding Account	5 Agricultural Research Council
6 Agricultural Research Council	6 Agricultural Sector Education and Training Authority
7 Agricultural Sector Education and Training Authority	7 Air Traffic and Navigation Services Company Limited
8 Air Traffic and Navigation Services Company Limited	8 Airports Company of South Africa Limited
9 Airports Company of South Africa Limited	9 Albany Coast Water Board
10 Albany Coast Water Board	10 Amatola Water Board
11 Alexcor Limited	11 Armaments Corporation of South Africa Limited
12 Amatola Water Board	12 Artscape
13 Armaments Corporation of South Africa Limited	13 Auditor General
14 Artscape	14 Banking Sector Education and Training Authority
15 Auditor General	15 Bloem Water
16 Banking Sector Education and Training Authority	16 Botshelo Water
17 Bloem Water	17 Boxing South Africa
18 Botshelo Water	18 Breede River Catchment Management Agency
19 Boxing South Africa	19 Broadband Infrastructure Company (Pty) Ltd
20 Breede River Catchment Management Agency	20 Bushbuckridge Water Board
21 Broadband Infrastructure Company (Pty) Ltd	21 Business Arts of South Africa, Johannesburg
22 Bushbuckridge Water Board	22 Castle Control Board
23 Castle Control Board	23 Central Energy Fund (Pty) Ltd (CEF)
24 Central Energy Fund (Pty) Ltd (CEF)	24 Chemical Industries Education and Training Authority
25 Chemical Industries Education and Training Authority	25 Clothing, Textiles, Footwear and Leather Sector Education and Training Authority
26 Clothing, Textiles, Footwear and Leather Sector Education and Training Authority	26 Commission for Conciliation, Mediation & Arbitration
27 Commission for Conciliation, Mediation & Arbitration	27 Companies and Intellectual Property Registration Office (CIPRO)
28 Companies and Intellectual Property Registration Office (CIPRO)	28 Compensation Fund, including Reserve Fund
29 Compensation Fund, including Reserve Fund	29 Competition Commission
30 Competition Commission	30 Competition Tribunal
31 Competition Tribunal	31 Construction Education and Training Authority
32 Construction Education and Training Authority	32 Construction Industry Development Board (CIDB)
33 Construction Industry Development Board (CIDB)	

ANNEXURES TO THE CONSOLIDATED FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

ANNEXURES TO THE CONSOLIDATED
FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

ANNEXURE A - CONTINUED
List of entities consolidated at:

31 March 2010	31 March 2009
34	34
Construction Industry Development Board (CIDB)	Council for Geoscience
35	35
Council for Geoscience	Council for Medical Schemes
36	36
Council for Medical Schemes	Council for Mineral Technology
37	37
Council for Mineral Technology	Council for Scientific and Industrial Research (CSIR)
38	38
Council for Scientific and Industrial Research (CSIR)	Council for the Built Environment (CBE)
39	39
Council for the Built Environment (CBE)	Council on Higher Education
40	40
Council on Higher Education	Cross-Border Road Transport Agency
41	41
Cross-Border Road Transport Agency	Deeds Registration Trading Account
42	42
Deeds Registration Trading Account	DENEL (Pty) Ltd
43	43
DENEL (Pty) Ltd	Development Bank of SA Development Fund
44	44
Development Bank of SA Development Fund	Development Bank of Southern Africa
45	45
Development Bank of Southern Africa	Die Afrikaanse Taal Museum
46	46
Die Afrikaanse Taal Museum	Disaster Relief Fund
47	47
Disaster Relief Fund	Driving Licence Card Trading Account
48	48
Ditsong: Museums of South Africa	Education Labour Relations Council
49	49
Driving Licence Card Trading Account	Education, Training and Development Practices Sector Education and Training Authority
50	50
EDI Holdings (Pty) Ltd	Electricity Distribution Industry Holdings (Pty) Ltd
51	51
Education Labour Relations Council	Energy Sector Education and Training Authority
52	52
Education, Training and Development Practices Sector Education and Training Authority	Equalisation Fund
53	53
Energy Sector Education and Training Authority	ESKOM
54	54
Equalisation Fund	Estate Agency Affairs Board
55	55
ESKOM	Export Credit Insurance Corporation of South Africa Limited
56	56
Estate Agency Affairs Board	Film and Publications Board
57	57
Export Credit Insurance Corporation of South Africa Limited	Financial Intelligence Centre
58	58
Film and Publications Board (FPB)	Financial Services Board
59	59
Financial Intelligence Centre	Food and Beverages Manufacturing Industry Sector Education and Training Authority
60	60
Financial Services Board	Forest Industries Sector Education and Training Authority
61	61
Food and Beverages Manufacturing Industry Sector Education and Training Authority	Freedom Park Trust
62	62
Forest Industries Sector Education and Training Authority	Government Printing Works
63	63
Freedom Park Trust	Health and Welfare Sector Education and Training Authority
64	64
Government Printing Works	High School Vorentoe
65	65
Health and Welfare Sector Education and Training Authority	Human Sciences Research Council

ANNEXURE A - CONTINUED**List of entities consolidated at:**

31 March 2010	31 March 2009
66 High School Vorentoe	Independent Development Trust (IDT)
67 Housing Development Agency	Independent Regulatory Board of Auditors (IRBA)
68 Human Sciences Research Council	Industrial Development Corporation of South Africa Limited
69 Independent Development Trust (IDT)	Information Systems, Electronics and Telecommunications Technologies Training Authority
70 Independent Regulatory Board of Auditors (IRBA)	Ingonyama Trust Board
71 Industrial Development Corporation of South Africa Limited	Inkomati Catchment Management Agency
72 Information Systems, Electronics and Telecommunications Technologies Training Authority	Insurance Sector Education and Training Authority
73 Ingonyama Trust Board	International Marketing Council
74 Inkomati Catchment Management Agency	International Trade Administration Commission
75 Insurance Sector Education and Training Authority	iSimangaliso Wetland Park
76 International Marketing Council	Iziko Museums of Cape Town
77 International Trade Administration Commission	Khula Enterprises Finance Limited
78 iSimangaliso Wetland Park	King George V Silver Jubilee
79 Iziko Museums of Cape Town	Land and Agricultural Development Bank of South Africa
80 Khula Enterprises Finance Limited	Legal Aid Board
81 King George V Silver Jubilee	Lepelle Northern Water
82 Land and Agricultural Development Bank of South Africa	Local Government, Water and Other Related Services Sector Education and Training Authority
83 Legal Aid Board	Luthuli Museum
84 Lepelle Northern Water	Magalies Water
85 Local Government, Water and Other Related Services Sector Education and Training Authority	Manufacturing, Engineering and Related Services Sector Education and Training Authority
86 Luthuli Museum	Marine Living Resources Fund
87 Manufacturing, Engineering and Related Services Sector Education and Training Authority	Market Theatre Foundation
88 Marine Living Resources Fund	Media Development Diversity Agency
89 Market Theatre Foundation	Media, Advertising, Publishing, Printing and Packaging Sector Education and Training Authority
90 Media Development Diversity Agency	Medical Research Council of South Africa
91 Media, Advertising, Publishing, Printing and Packaging Sector Education and Training Authority	Mhlatuze Water
92 Medical Research Council of South Africa	Mine Health and Safety Council
93 Mhlatuze Water	Mining Qualifications Authority
94 Mine Health and Safety Council	Namaqua Water Board
95 Mining Qualifications Authority	Natal Museum
96 Natal Museum	National Agricultural Marketing Council
97 National Agricultural Marketing Council	National Arts Council of South Africa
98 National Arts Council of South Africa	National Consumer Tribunal

ANNEXURES TO THE CONSOLIDATED
FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

ANNEXURES TO THE CONSOLIDATED
FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

ANNEXURE A - CONTINUED
List of entities consolidated at:

	31 March 2010	31 March 2009
99	National Consumer Tribunal	National Credit Regulator
100	National Credit Regulator	National Development Agency
101	National Development Agency	National Economic Development and Labour Council
102	National Economic Development and Labour Council	National Electronic Media Institute of South Africa
103	National Electronic Media Institute of South Africa	National Empowerment Fund
104	National Empowerment Fund	National Energy Regulator of South Africa
105	National Energy Regulator of South Africa	National Film and Video Foundation of South Africa
106	National Film and Video Foundation of South Africa	National Gambling Board of South Africa
107	National Gambling Board of South Africa	National Health Laboratory Service
108	National Health Laboratory Service	National Heritage Council of South Africa
109	National Heritage Council of South Africa	National Home Builders Registration Council
110	National Home Builders Registration Council	National Housing Finance Corporation Limited
111	National Housing Finance Corporation Limited	National Library of South Africa
112	National Library of South Africa	National Lotteries Board
113	National Lotteries Board	National Lottery Distribution Fund
114	National Lottery Distribution Fund	National Museum, Bloemfontein
115	National Metrology Institute of South Africa (NMISA)	National Nuclear Regulator
116	National Museum, Bloemfontein	National Regulator for Compulsory Specifications
117	National Nuclear Regulator	National Research Foundation
118	National Regulator for Compulsory Specifications	National Skills Fund
119	National Research Foundation	National Student Financial Aid Scheme
120	National Skills Fund	National Supplies Procurement Fund
121	National Student Financial Aid Scheme	National Urban Reconstruction and Housing Agency
122	National Supplies Procurement Fund	National Youth Commission
123	National Urban Reconstruction and Housing Agency	Ncera Farms (Pty) Ltd
124	National Youth Commission (NYC)	Nelson Mandela National Museum
125	Ncera Farms (Pty) Ltd	Northern Flagship Institution
126	Nelson Mandela National Museum	Office of the Ombud for Financial Service Providers
127	Office of the Ombud for Financial Service Providers	Office of The Pension Funds Adjudicator
128	Office of The Pension Funds Adjudicator	Onderstepoort Biological Products Limited
129	Onderstepoort Biological Products Limited	Overberg Water
130	Passenger Rail Agency of South Africa	Pebble Bed Modular Reactor

ANNEXURE A - CONTINUED**List of entities consolidated at:**

		31 March 2010	31 March 2009
131	Pebble Bed Modular Reactor		Pelladrift Water Board
132	Pelladrift Water Board		Performing Arts Council of the Free State
133	Performing Arts Council of the Free State		Perishable Products Export Control Board
134	Perishable Products Export Control Board		Ports Regulator of South Africa
135	Ports Regulator of South Africa		Presidents Fund
136	Private Security Industry Regulatory Authority		Private Security Industry Regulatory Authority
137	Productivity SA		Productivity SA
138	Project Development Facility		Project Development Facility
139	Public Investment Corporation Limited		Public Investment Corporation Limited
140	Public Management Trading Entity (PMTE)		Public Sector Education and Training Authority
141	Public Sector Education and Training Authority		Railway Safety Regulator
142	Railway Safety Regulator		Rand Water
143	Rand Water		Refugee Relief Fund
144	Refugee Relief Fund		Represented Political Parties Fund
145	Represented Political Parties Fund		Road Accident Fund
146	Road Accident Fund		Road Traffic Management Corporation
147	Robben Island Museum		Robben Island Museum
148	Rural Housing Loan Fund		Rural Housing Loan Fund
149	SA Bureau of Standards (SABS)		SA Blind Workers Organisation, Johannesburg
150	SA National Aids Trust		SA National Aids Trust
151	SA Reserve Bank		SA Rail Commuter Corporation Limited
152	SA Special Risk Insurance Association Limited		SA Reserve Bank
153	Safety and Security Sector Education Training Authority		SA Special Risk Insurance Association Limited
154	Sedibeng Water		Safety and Security Sector Education Training Authority
155	Sentech Limited		Sedibeng Water
156	Servcon Housing Solutions (Pty) Ltd		Sentech Limited
157	Servcon Sector Education and Training Authority		Servcon Housing Solutions (Pty) Ltd
158	SETA for Finance, Accounting, Management Consultation and Other Financial Services		Servcon Sector Education and Training Authority
159	Sheltered Employment Factories		SETA for Finance, Accounting, Management Consultation and Other Financial Services
160	Small Enterprise Development Agency		Sheltered Employment Factories
161	Social Housing Foundation		Small Enterprise Development Agency
162	Social Relief Fund		Social Housing Foundation
163	South African Airways (Pty) Limited		Social Relief Fund

ANNEXURES TO THE CONSOLIDATED FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

ANNEXURES TO THE CONSOLIDATED
FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

ANNEXURE A - CONTINUED
List of entities consolidated at:

	31 March 2010	31 March 2009
164	South African Broadcasting Corporation Limited	South African Airways (Pty) Limited
165	South African Civil Aviation Authority	South African Broadcasting Corporation Limited
166	South African Council for Educators	South African Bureau of Standards (SABS)
167	South African Diamond and Precious Metals Regulator	South African Civil Aviation Authority
168	South African Express (Pty) Limited	South African Council for Educators
169	South African Forestry Company Limited	South African Diamond and Precious Metals Regulator
170	South African Heritage Resources Agency	South African Express (Pty) Limited
171	South African Library for the Blind	South African Forestry Company Limited
172	South African Local Government Association (SALGA)	South African Heritage Resources Agency
173	South African Maritime Safety Authority	South African Library for the Blind
174	South African Micro Finance Apex Fund	South African Local Government Association (SALGA)
175	South African National Accreditation System	South African Maritime Safety Authority
176	South African National Biodiversity Institute	South African Micro Finance Apex Fund
177	South African National Parks	South African National Accreditation System
178	South African Nuclear Energy Corporation Limited	South African National Biodiversity Institute
179	South African Post Office Limited	South African National Parks
180	South African Qualifications Authority	South African Nuclear Energy Corporation Limited
181	South African Revenue Service (SARS)	South African Post Office Limited
182	South African Social Security Agency	South African Qualifications Authority
183	South African Tourism	South African Revenue Services-(SARS)
184	South African Weather Services	South African Social Security Agency
185	Special Defence Account	South African Tourism
186	Special Investigation Unit	South African Weather Services
187	State Diamond Trader	Special Defence Account
188	State Information Technology Agency	Special Investigation Unit
189	State President Fund	State Diamond Trader
190	Telkom SA Limited	State Information Technology Agency
191	The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	State President Fund
192	The Commission on Gender Equality	Telkom SA Limited
193	The Financial and Fiscal Commission	The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities

ANNEXURE A - CONTINUED**List of entities consolidated at:**

31 March 2010	31 March 2009		
194	194	The Independent Communications Authority of South Africa	The Financial and Fiscal Commission
195	195	The Independent Electoral Commission (IEC)	The Independent Communications Authority of South Africa
196	196	The Municipal Demarcation Board	The Municipal Demarcation Board
197	197	The National English Literary Museum	The National English Literary Museum
198	198	The Pan South African Language Board	The Pan South African Language Board
199	199	The Playhouse Company	The Playhouse Company
200	200	The Public Protector of South Africa	The Public Protector of South Africa
201	201	The SAMDI Trading Entity	The SAMDI Trading Entity
202	202	The South African Human Rights Commission	The South African Human Rights Commission
203	203	The South African Institute for Drug-free Sport	The South African Institute for Drug-free Sport
204	204	The South African National Roads Agency Limited	The South African National Roads Agency Limited
205	205	The South African State Theatre	The South African State Theatre
206	206	Tourism, Hospitality & Sport Education and Training Authority	Thubelisha Homes
207	207	Trans-Caledon Tunnel Authority	Tourism, Hospitality & Sport Education and Training Authority
208	208	Transnet Limited	Trans-Caledon Tunnel Authority
209	209	Transport Education and Training Authority	Transnet Limited
210	210	Tshumisano Trust	Transport Education and Training Authority
211	211	uMalusi Council for Quality Assurance in General and Further Education and Training	Transport Education and Training Authority
212	212	Umgeni Water	Tshumisano Trust
213	213	Umsombomvu Youth Fund	uMalusi Council for Quality Assurance in General and Further Education and Training
214	214	Unemployment Insurance Fund	Umgeni Water
215	215	Universal Service and Access Agency of South Africa	Umsombomvu Youth Fund
216	216	Universal Service and Access Fund	Unemployment Insurance Fund
217	217	Voortrekker Museum	Universal Service and Access Agency of South Africa
218	218	War Museum of the Boer Republics	Universal Service and Access Fund
219	219	Water Research Commission	Urban Transport Fund
220	220	Water Trading Account	Voortrekker Museum
221	221	Wholesale and Retail Sector Education and Training Authority	War Museum of the Boer Republics
222	222	William Humphreys Art Gallery	War Research Commission
223	223	Windybrow Theatre	Water Trading Account
	224		Wholesale and Retail Sector Education and Training Authority
	225		William Humphreys Art Gallery
			Windybrow Theatre

ANNEXURES TO THE CONSOLIDATED FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

ANNEXURES TO THE CONSOLIDATED FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

ANNEXURE B
List of entities consolidated using draft financial statements at:

31 March 2010	31 March 2009
1 Air Traffic and Navigation Services Company	1 Albany Coast Water Board
2 Botshelo Water	2 Amatola Water Board
3 Broadband Infraco	3 Banking Sector Education and Training Authority
4 Bushbuckridge Water Board	4 Bloem Water
5 Chemical Industries Education and Training Authority	5 Botshelo Water
6 Compensation Commissioner for Occupational Diseases	6 Breede River Catchment Management Agency
7 Compensation Fund, including Reserve Fund	7 Bushbuckridge Water Board
8 Energy Sector Education and Training Authority	8 Food and Beverages Manufacturing Industry Sector Education and Training Authority
9 Inkomati Catchment Management Agency	9 Freedom Park Trust
10 King George V Silver Jubilee	10 Independent Regulatory Board of Auditors (IRBA)
11 Lepelle Northern Water	11 Insurance Sector Education and Training Authority
12 Mhlathuze Water	12 King George V Silver Jubilee
13 National Arts Council of South Africa	13 Lepelle Northern Water
14 National Development Agency	14 Magalies Water
15 National Health Laboratory Service	15 Media, Advertising, Publishing, Printing and Packaging Sector Education and Training Authority
16 National Library of South Africa	16 Mhlathuze Water
17 National Museum, Bloemfontein	17 Namaqua Water Board
18 National Student Financial Aid Scheme	18 National Heritage Council of South Africa
19 Nelson Mandela National Museum	19 National Home Builders Registration Council
20 Passenger Rail Agency of South Africa	20 National Library of South Africa
21 Pelladrift Water Board	21 National Youth Commission
22 Performing Arts Council of the Free State	22 Nelson Mandela National Museum
23 Rand Water	23 Overberg Water
24 Represented Political Parties Fund	24 Pelladrift Water Board
25 Robben Island Museum, Cape Town	25 Public Sector Education and Training Authorities
26 SA Civil Aviation Authority	26 Rand Water
27 SA National Aids Trust	27 Represented Political Parties Fund
28 Sasria Limited	28 SA Reserve Bank
29 Sedibeng Water	29 Sedibeng Water
30 Social Services Agency South Africa	30 Sheltered Employment Factories
31 South African Council for Educators	31 South African Airways (Pty) Limited

ANNEXURE B - CONTINUED**List of entities consolidated using draft financial statements at:**

31 March 2010	31 March 2009
32	South African Heritage Resources Agency
33	South African Local Government Association
34	South African National Biodiversity Institute
35	State Information Technology Agency
36	The Commission on Gender Equality
37	The Financial and Fiscal Commission
38	The Playhouse Company
39	The South African State Theatre
40	uMalusi Council for Quality Assurance in General and Further Education and Training
41	Umgeni Water
42	Umsombomvu Youth Fund
43	Water Research Commission
44	William Humphreys Art Gallery
	32 South African Broadcasting Corporation Limited
	33 South African Library for the Blind
	34 State Diamond Trader
	35 State Information Technology Agency
	36 The Pan South African Language Board
	37 The Public Protector of South Africa
	38 The South African Human Rights Commission
	39 The South African State Theatre
	40 Thubelisha Homes
	41 Umgeni Water
	42 Voortrekker Museum
	43 Windybrow Theatre

ANNEXURES TO THE CONSOLIDATED
FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

ANNEXURES TO THE CONSOLIDATED FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

ANNEXURE C

Entities consolidated that are not included in the PFMA listing at:

31 March 2010	31 March 2009
1 Academy of Science of SA	1 Academy of Science of SA
2 Agricultural Land Holding Account	2 Auditor General
3 Auditor General	3 Business Arts of South Africa, Johannesburg
4 Companies and Intellectual Property Registration Office (CIPRO)	4 Companies and Intellectual Property Registration Office (CIPRO)
5 Compensation Commissioner for Occupational Diseases	5 Compensation Commissioner for Occupational Diseases
6 Deeds Registration Trading Account	6 Deeds Registration Trading Account
7 Development Bank of SA Development Fund	7 Development Bank of SA Development Fund
8 Disaster Relief Fund	8 Disaster Relief Fund
9 Driving Licence Card Trading Account	9 Driving Licence Card Trading Account
10 Equalisation Fund	10 Equalisation Fund
11 Government Printing Works (GPW)	11 Government Printing Works
12 High School Vorentoe	12 High School Vorentoe
13 King George V Silver Jubilee	13 King George V Silver Jubilee
14 National Lottery Distribution Fund	14 National Lottery Distribution Fund
15 National Skills Fund	15 National Skills Fund
16 National Supplies Procurement Fund	16 National Supplies Procurement Fund
17 PALAMA Trading Entity	17 Pebble Bed Modular Reactor
18 Pebble Bed Modular Reactor	18 Presidents Fund
19 Project Development Facility	19 Project Development Facility
20 Public Management Trading Entity	20 Refugee Relief Fund
21 Refugee Relief Fund	21 Represented Political Parties Fund
22 Represented Political Parties Fund	22 SA National Aids Trust
23 SA Micro-Finance Apex Fund	23 SA Blind Workers Organisation, Johannesburg
24 SA National Aids Trust	24 SA Reserve Bank
25 SA Reserve Bank	25 Safety and Security Service Education and Training Authority
26 Sheltered Employment Factories	26 Sheltered Employment Factories
27 Social Relief Fund	27 Social Relief Fund
28 Special Defence Account	28 South African Micro Finance Apex Fund
29 State President Fund	29 Special Defence Account
30 Tshumisano Trust	30 State President Fund
31 Water Trading Account	31 The SAMDI Trading Entity
	32 Tshumisano Trust
	33 Water Trading Account

ANNEXURES TO THE CONSOLIDATED FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

ANNEXURE E

Entities not consolidated and not included in the PFMA listing at:

	31 March 2010	31 March 2009
1	Corporation for Public Deposits	1 Government Employee Pension Fund
2	Government Employee Pension Fund	2 Guardians Fund
3	Guardians Fund	3 National Forest Recreational and Access Trust
4	South African Cities Network	4 Public Management Trading Entity
5	Third Party Funds	5 Third Party Funds
	Note:	
	The above list represents a draft list of unlisted entities, some were listed subsequently. The list may not be complete..	

ANNEXURE F

List of entities consolidated but audited by other auditors at:

31 March 2010		31 March 2009	
1	Academy of Science of SA	Douglas & Velich CA (SA)	Academy of Science of SA
2	Accounting Standards Board	Xabiso Chartered Accountants	Accounting Standards Board
3	Air Traffic and Navigation Services Company Limited	Ernst & Young	Air Traffic and Navigation Services Company Limited
4	Airports Company of South Africa Limited	PriceWaterhouse Coopers & Ngubane & Co.	Airports Company of South Africa Limited
5	Albany Coast Water Board	KPMG	Albany Coast Water Board
6	Alexkor Limited	PriceWaterHouse Coopers	Amatola Water Board
7	Amatola Water Board	KPMG	Auditor General
8	Bloem Water	Ernst & Young	Bloem Water
9	Breeders-Overberg Catchment Management Agency	SAB&T	Bushbuckridge Water Board
10	Broadband Infraco	KPMG	Business Arts of South Africa, Johannesburg
11	Bushbuckridge Water Board	Stabilis Inc	DENEL (PTY) Ltd
12	Competition Tribunal	SAB&T	Development Bank of SA Development Fund
13	Council for Mineral technology (Mintek)	Rakoma & Associates	Development Bank of Southern Africa
14	DENEL (PTY) Ltd	Ernst & Young	ESKOM
15	Development Bank of SA Development Fund	Gobodo Inc./KPMG	Export Credit Insurance Corporation of South Africa Limited
16	Development Bank of Southern Africa	KPMG	Estate Agency Affairs Board
17	ESKOM	SizweNtsaluba VSP	Industrial Development Corporation of South Africa Limited
18	Estate Agency Affairs Board	Kwinana & Associates	Inkomati Catchment Management Agency
19	Export Credit Insurance Corporation of South Africa Limited	KPMG	Khula Enterprises Finance Limited
20	Industrial Development Corporation of South Africa Limited	SizweNtsaluba VSP	Lepelle Northern Water
21	Inkomati Catchment Management Agency	PriceWaterhouse Coopers	Mhlatuze Water
22	Khula Enterprises Finance Limited	SizweNtsaluba VSP	National Economic Development and Labour Council
23	Legal Aid Board	Ramathe Inc	National Empowerment Fund
24	Lepelle Northern Water	KPMG	National Health Laboratory Service
25	Mhlatuze Water	KPMG Inc & SizweNtsaluba VSP	National Housing Finance Corporation Limited
26	National Agricultural Marketing Council	PriceWaterhouse Coopers	National Urban Reconstruction and Housing Agency
27	National Credit Regulator	PriceWaterhouse Coopers	Ncera Farms (Pty) Ltd
			Douglas & Velich CA (SA)
			LMD Africa Chartered Accountants Incorporated
			Ernst & Young
			KPMG and SAB & T Inc
			CHARTERIS AND BARNES
			KPMG
			BDO Spencer
			Ernst & Young
			J.K Sithole & Co. CA (SA)
			Grant Thornton
			Ernst & Young and SizweNtsaluba VSP
			Gobodo Inc.
			KPMG and Gobodo Inc.
			KPMG and SizweNtsaluba VSP
			KPMG
			Kwinana & Associates
			KPMG Inc & SizweNtsaluba VSP
			J.K Sithole & Co. CA (SA)
			SizweNtsaluba VSP
			KPMG
			KPMG Inc. and SizweNtsaluba VSP
			Gobodo Inc.
			PriceWaterhouseCoopers
			Gobodo Inc.
			Ernst & Young
			Nkonki Inc.
			PriceWaterhouseCoopers

ANNEXURES TO THE CONSOLIDATED FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

ANNEXURES TO THE CONSOLIDATED FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

ANNEXURE F - CONTINUED
List of entities consolidated but audited by other auditors at:

31 March 2010		31 March 2009	
28	National Economic Development and Labour Council	Gobodo Inc.	Understepoort Biological Products Limited
29	National Empowerment Fund	PriceWaterhouse Coopers	Overberg Water
30	National Health Laboratory Service	PriceWaterhouse Coopers	Pelladrift Water Board
31	National Housing Finance Corporation Limited	Ernst & Young	Perishable Products Export Control Board
32	National Metrology Institute of SA (NMISA)	PriceWaterhouse Coopers	Productivity SA
33	National Research Foundation	Ernst & Young	Rand Water
34	National Urban Reconstruction and Housing Agency	Nkonki Inc.	Rural Housing Loan Fund
35	Understepoort Biological Products Limited	PriceWaterhouse Coopers	SA Blind Workers Organisation, Johannesburg
36	Pebble Bed Modular Reactor	KPMG	SA Reserve Bank
37	Pelladrift Water Board	Deloitte & Touche	SA Special Risk Insurance Association Limited
38	Perishable Products Export Control Board	Ramathe	Sedibeng Water
39	Productivity SA	SizweNtsaluba VSP	Sentech Limited
40	Railway Safety Regulator	Not indicated	Servcon Housing Solutions (Pty) Ltd
41	Rand Water	SAB&T	Social Housing Foundation
42	Rural Housing Loan Fund	Gobodo Inc.	South African Airways (Pty) Limited
43	SA Civil Aviation Authority	Deloitte & Touche	South African Broadcasting Corporation Limited
44	SA Library for The Blind, Grahamstown	HLB Burnett Chown Inc	South African Express (Pty) Limited
45	SA Micro-Finance Apex Fund	Ernst & Young	South African Forestry Company Limited
46	SA National Biodiversity Institute	Ernst & Young	South African Post Office Limited
47	SA Nuclear Energy Corporation	Deloitte & Touche	South African National Accreditation System
48	SA Reserve Bank	SizweNtsaluba VSP	Telkom SA Limited
49	Sasria Limited	PriceWaterhouse Coopers	South African Council for Educators
50	Sedibeng Water	PriceWaterhouse Coopers	The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities
51	Sentech Limited	KPMG Inc.	Thubelisha Homes
52	Servcon Housing Solutions (Pty) Ltd	SAB&T	Trans-Caledon Tunnel Authority
53	Small Enterprise Development Agency	Deloitte	Transnet Limited
54	Social Housing Foundation	PriceWaterhouse Coopers	Tshumisano Trust
55	South African Airways (Pty) Limited	Deloitte & Touche	uMalusi Council for Quality Assurance in General and Further Education and Training
56	South African Broadcasting Corporation Limited	KPMG Inc., Kwinana and Associates & Ngubane and Co	Umgeni Water
			Ramathe Inc.
			Moore Stephens VDA
			PKF
			PriceWaterhouseCoopers
			SizweNtsaluba VSP
			SizweNtsaluba VSP
			Gobodo Inc
			HLB Burnett Chown Inc
			PriceWaterhouseCoopers & SizweNtsaluba VSP
			PriceWaterhouseCoopers
			PriceWaterhouseCoopers
			KPMG Inc.
			SAB&T
			PriceWaterhouseCoopers
			Deloitte & Touche
			KPMG Inc., Kwinana and Associates & Ngubane and Co
			APF Chartered Accountants Inc.
			PriceWaterhouseCoopers
			Deloitte & Touche and Gobodo Inc.
			SizweNtsaluba Inc.
			Ernst & Young
			PriceWaterhouseCoopers
			Kwinana and Associates
			Deloitte & Touche
			Deloitte & Touche
			PriceWaterhouseCoopers
			Sizwe Ntsaluba
			Deloitte & Touche and Ngubane & Co.

ANNEXURE F - CONTINUED**List of entities consolidated but audited by other auditors at:**

31 March 2010	31 March 2009
57 South African Council for Educators	PriceWaterhouseCoopers
58 South African Express (Pty) Limited	Nkonki Inc.
59 South African Forestry Company Limited	PriceWaterhouseCoopers
60 South African National Accreditation System	SAB&T
61 South African Post Office Limited	Deloitte & Touche and Gobodo Inc.
62 State Diamond Trader	KPMG
63 The Housing Development Agency	Ernst & Young
64 Trans-Caledon Tunnel Authority	Deloitte & SizweNtsaluba VSP
65 Transnet Limited	Deloitte & Touche
66 Tshumisano Trust	PriceWaterhouseCoopers
67 uMalusi Council for Quality Assurance in General and Further Education and Training	Sizwe Ntsaluba
68 Umgeni Water	Deloitte & Touche
69 Umsobomvu Youth Fund	Ernst & Young
70 Universal Service Agency	Gobodo Inc
71 Universal Service Fund	Gobodo Inc
72 Water Research Commission	Gobodo Inc
	Umsobomvu Youth Fund
	Ernst & Young

ANNEXURES TO THE CONSOLIDATED FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

ANNEXURES TO THE CONSOLIDATED FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

ANNEXURE G
Entities consolidated with year ends other than 31 March as at:

31 March 2010		31 March 2009	
1	Albany Coast Water	30-Jun	1 Albany Coast Water
2	Amatola Water Board	30-Jun	2 Amatola Water Board
3	Bloem Water	30-Jun	3 Bloem Water
4	Botshelo Water	30-Jun	4 Botshelo Water
5	Breedee River Catchment Agency	30-Jun	5 Lepelle Northern Water
6	Bushbuckridge Water Board	30-Jun	6 Bushbuckridge Water Board
7	Inkomati Catchment Management Agency	30-Jun	7 Magalies Water
8	Lepelle Northern Water	30-Jun	8 Mhlathuze Water
9	Mhlathuze Water	30-Jun	9 Namaqua Water Board
10	Pelladrift Water Board	30-Jun	10 Overberg Water
11	Rand Water	30-Jun	11 Pelladrift Water Board
12	Sedibeng Water	30-Jun	12 Rand Water
13	Umngeni Water	30-Jun	13 Sedibeng Water
14	Water Trading Account	30-Jun	14 Umngeni Water

CONSTITUTIONAL INSTITUTIONS, SCHEDULE 2, 3A, 3B PUBLIC ENTITIES
AND TRADING ACCOUNTS

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	31 March 2010 R'000	31 March 2009 R'000
REVENUE			
Taxation revenue	2	889,230	422,274
Sale of goods	3	101,733,107	93,920,074
Rendering of services	4	87,392,410	85,239,946
Rental income	5	5,830,392	5,849,396
Transfers and subsidies received	6	45,159,876	42,579,065
Levies received	7	37,415,354	31,897,435
Fines, penalties and forfeits	8	554,928	654,025
Local and foreign aid assistance received	9	388,937	406,539
Gains on disposal of assets	10	396,403	162,515
National Skills Fund income	11	87,592	92,668
Gifts, sponsorships and donations received	12	77,645	63,670
Other income	13	21,073,178	18,976,945
TOTAL REVENUE		300,999,052	280,264,552
EXPENDITURE			
Cost of Sales		(54,463,435)	(54,303,711)
Losses on disposal of assets	10	(137,385)	(83,949)
Administrative expenses	14	(15,873,815)	(13,774,435)
Research and development costs	15	(1,020,890)	(1,498,615)
Staff costs	16	(69,131,825)	(62,266,253)
Marketing costs	17	(1,643,880)	(1,934,676)
Audit fees	18	(577,285)	(519,094)
Project expenses	19	(17,616,840)	(19,869,034)
National Skills Fund expenses	20	(98,358)	(110,009)
Transfers and subsidies	21	(10,044,601)	(6,710,076)
Gifts, sponsorships and donations	22	(323,907)	(382,931)
Local and foreign aid assistance	23	(337,957)	(487,477)
Other operating expenses	24	(111,688,185)	(129,061,483)
TOTAL EXPENDITURE		(282,958,363)	(291,001,743)
SURPLUS/(DEFICIT) FROM OPERATIONS		18,040,689	(10,737,191)
Finance income	25	19,554,696	27,257,251
Finance cost	26	(21,681,550)	(22,811,819)
Income from investments	27	12,659,684	14,253,996
Share of surplus/(deficit) of associates and joint ventures accounted for using the equity method		(1,262,728)	3,187,787
SURPLUS BEFORE TAX		27,310,791	11,150,024
Taxation - continuing operations	28	(4,040,277)	(119,036)
SURPLUS AFTER TAX FROM CONTINUING OPERATIONS		23,270,514	11,030,988
LOSSES ON DISCONTINUED OPERATIONS	29	(354,674)	(1,222,795)
SURPLUS/(DEFICIT) AFTER TAX ATTRIBUTABLE TO:			
Net asset holders of the controlling entity		23,002,905	9,855,261
Minority interest		(87,065)	(47,068)
Surplus/(Deficit) for the year		22,915,840	9,808,193

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2010

	Notes	31 March 2010 R'000	31 March 2009 R'000
ASSETS			
Non-current assets			
		897,945,561	635,308,668
Property, plant and equipment	30	639,494,528	403,858,665
Investment property	31	11,256,095	10,359,611
Intangible assets	32	18,784,315	18,224,642
Goodwill	33	27,052	14,500
Investments in controlled entities	34	23,620,010	20,136,653
Investments in associates and joint ventures	35	25,296,765	25,954,601
Financial assets at fair value through surplus/deficit	36	32,498,404	30,026,437
Financial assets available-for-sale	36	66,259,802	50,008,965
Financial assets held-to-maturity	36	3,149,507	4,018,182
Biological and agricultural assets	37	2,887,529	3,228,164
Loans and receivables	38	71,261,103	66,372,488
Finance lease receivables	39	538,567	537,266
Deferred tax asset	40	2,344,163	2,023,302
Retirement benefit asset	46	527,721	545,192
Current assets			
		574,972,061	570,212,756
Financial assets available-for-sale	36	21,381,329	21,217,836
Financial assets at fair value through surplus/deficit	36	347,942,001	354,831,880
Financial assets held-to-maturity	36	6,860,033	4,153,627
Loans and receivables	38	73,424,202	64,529,486
Finance lease receivables	39	13,000	11,009
Inventory	41	19,838,580	16,603,098
Taxation payable	28	475,786	-
Cash and cash equivalents	43	105,037,130	108,865,820
Non-current assets held for sale	60	2,102,389	6,858,869
TOTAL ASSETS		1,475,020,011	1,212,380,293
LIABILITIES			
Non-current liabilities			
		496,407,923	384,715,799
Deferred tax liability	40	23,461,845	19,039,944
Interest bearing borrowings	44	212,305,380	128,808,696
Finance lease obligations	45	1,163,639	857,495
Retirement benefit obligation	46	15,238,822	14,410,774
Government grants	47	41,902,319	34,347,289
Provisions	50	63,415,000	61,673,289
Skills development grant payable	58	-	19,178
Local and foreign aid assistance payable		9,738	13,615
Financial instrument liability	61	138,911,180	125,545,519

CONSTITUTIONAL INSTITUTIONS, SCHEDULE 2, 3A, 3B PUBLIC ENTITIES
AND TRADING ACCOUNTS

CONSOLIDATED STATEMENT
OF FINANCIAL POSITION - CONTINUED

AS AT 31 MARCH 2010

	Notes	31 March 2010 R'000	31 March 2009 R'000
Current liabilities		392,582,520	432,093,804
Local and foreign aid assistance payable	23	4,467,871	4,111,610
Taxation payable	28	-	1,035,956
Interest bearing borrowings	44	58,373,265	74,444,072
Bank overdraft	44	2,156,998	2,382,065
Finance lease obligations	45	185,701	233,278
Government grants	47	4,927,607	3,521,032
Trade and other payables	48	96,427,177	162,093,249
Income received in advance	49	15,318,794	12,833,921
Provisions	50	33,583,181	27,206,253
Skills development grant payable	58	681,553	606,392
VAT payable	59	233,621	300,112
Financial Instrument liability	61	176,226,752	143,325,864
Liabilities directly associated with non-current assets held for sale	42	544,166	3,209,446
TOTAL LIABILITIES		889,534,609	820,019,049
NET ASSETS			
CAPITAL AND RESERVES			
Share Capital (Contributions from owners)	65	49,545,822	44,610,446
Accumulated surplus	66	183,668,750	163,440,718
Financial instrument reserve	67	(1,182,349)	4,641,497
Revaluation reserve	68	278,834,406	120,095,842
Foreign currency translation reserve	69	109,539	1,193,670
Other reserves	71	74,530,057	58,114,049
Minority interest	70	(20,823)	265,022
TOTAL NET ASSETS		585,485,402	392,361,244
TOTAL NET ASSETS AND LIABILITIES		1,475,020,011	1,212,380,293

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2010

	Share Capital (Cont. from Ownrs)	Accumulated Surplus/ (Deficit)	Financial instrument reserve	Revaluation reserve	Foreign currency translation reserve	Minority Interest	Other reserves	Total Equity
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
	65	66	67	68	69	70	71	
	Notes							
Balance at 01 Apr 2008 as originally stated								
- correction of prior period error	43,569,164	160,833,601	5,271,904	154,990,515	300,792	326,016	45,395,041	410,687,033
- change in accounting policy	(1,692)	(3,949,401)	4,770	(21,570,382)	(2,000)	-	715,667	(24,803,038)
	(2)	160,950	-	18,759	-	-	119,018	298,725
As restated	43,567,470	157,045,150	5,276,674	133,438,892	298,792	326,016	46,229,726	386,182,720
Shares issued	287	-	-	-	-	27,200	-	27,487
Conversion of other instruments into shares	-	-	801,955	-	-	-	-	801,955
Surplus/(Deficit) for the year	-	9,855,261	-	-	-	(47,068)	-	9,808,193
Transfers to/ (from) reserves	-	(1,961,005)	(1,164,000)	(1,607,572)	-	-	5,013,095	280,518
Dividends paid (distributions to owners)	-	(1,774,737)	-	-	-	(8,337)	(195,000)	(1,978,074)
Revaluation increase/(decrease) on investments	-	(1,888)	(6,760)	(10,655,195)	-	-	570	(10,663,273)
Released on disposal of investments	-	-	-	(46,274)	-	(7,576)	-	(53,850)
Revaluation increase/(decrease) on property, plant and equipment	-	875	-	292,738	-	-	-	293,613
Net gains/(losses) not recognised in the statement of financial performance	-	14,205	(14,093)	(134,259)	-	1,610	(43,455)	(175,992)
Currency translation differences	-	(12,096)	-	81	607,962	-	(626,012)	(30,065)
Other	1,042,689	274,953	(252,279)	(1,192,569)	286,916	(26,823)	7,735,125	7,868,012
Balance at 31 Mar 2009	44,610,446	163,440,718	4,641,497	120,095,842	1,193,670	265,022	58,114,049	392,361,244
- correction of prior period error	700,000	(32,933)	1,530	278	-	-	449	669,324
- change in accounting policy	2	20,918	-	-	-	-	168,471	189,391

CONSTITUTIONAL INSTITUTIONS, SCHEDULE 2, 3A, 3B PUBLIC ENTITIES AND TRADING ACCOUNTS

STATEMENT OF CHANGES IN NET ASSETS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

	Share Capital (Cont. from Ownrs)	Accumulated Surplus/ (Deficit)	Financial instrument reserve	Revaluation reserve	Foreign currency translation reserve	Minority Interest	Other reserves	Total Equity
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
	65	66	67	68	69	70	71	
	Notes							
As restated	45,310,448	163,428,703	4,643,027	120,096,120	1,193,670	265,022	58,282,969	393,219,959
Shares issued	1,994,080	-	(445,000)	-	-	-	-	1,549,080
Surplus/(Deficit) for the year	-	39,516,323	-	-	-	(87,065)	16,748	39,446,006
Transfers to/ (from) reserves	-	(1,055,358)	550,000	(1,334,101)	-	-	62,544	(1,776,915)
Dividends paid (distributions to owners)	-	(18,170,250)	-	-	-	-	48,234	(18,122,016)
Revaluation increase/(decrease) on investments	-	(5,344)	5,515	15,435,725	-	-	1,112	15,437,008
Released on disposal of investments	-	271,834	-	(130,224)	-	-	-	141,610
Revaluation increase/(decrease) on property, plant and equipment	-	4,513	-	144,744,375	-	-	-	144,748,888
Net gains/(losses) not recognised in the statement of financial performance	-	42,150	302	182,624	-	(1,351)	(31,379)	192,346
Released on disposal of investments	-	-	(7,000)	-	-	-	-	(7,000)
Currency translation differences	-	(2)	-	(51)	(924,350)	-	97,000	(827,403)
Other	2,241,294	(363,819)	(5,929,193)	(160,062)	(159,781)	(197,429)	16,052,829	11,483,839
Balance at 31 Mar 2010	49,545,822	183,668,750	(1,182,349)	278,834,406	109,539	(20,823)	74,530,057	585,485,402

CONSTITUTIONAL INSTITUTIONS, SCHEDULE 2, 3A, 3B PUBLIC ENTITIES
AND TRADING ACCOUNTS

CONSOLIDATED CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	31 March 2010 R'000	31 March 2009 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		263,521,216	260,191,169
Cash paid to suppliers and employees		(215,615,901)	(220,719,320)
Cash generated from/(utilised in) operations	53	47,905,315	39,471,849
Interest received		8,286,252	18,428,387
Dividends received		(3,750,668)	(6,332,825)
Tax paid		(2,143,696)	(4,540,911)
Net cash inflows from operating activities	62	50,297,203	47,026,500
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on disposal of:		(15,932,996)	3,600,001
Property, plant and equipment		1,726,886	678,654
Investment property		31,944	67,135
Intangible assets		50,863	56
Controlled entities		712,000	5,000
Associates and joint ventures		57,089	24,717
Securities		2,760,251	(1,151,944)
Discontinued operation		51,000	341,889
Net Investments		(1,522,253)	270,682
Derivative instruments		(21,658,272)	1,247,882
Other		1,857,496	2,115,930
Acquisition of:		(106,440,678)	(109,222,654)
Property, plant and equipment		(88,914,611)	(83,025,270)
Investment property		31,811	(24,726)
Intangible assets		(1,726,487)	(1,622,501)
Controlled entity		(1,391,845)	(2,152,895)
Associates and joint ventures		(570,876)	(418,333)
Securities		(117,954)	(2,445,624)
Net Investments		(8,377,364)	(14,921,891)
Financial Assets		(1,784,530)	(1,661,302)
Other		(3,588,822)	(2,950,112)
Replacement of property, plant and equipment		(8,569,000)	(8,498,000)
Loans receivable / granted:		(2,128,247)	(396,836)
Related parties		(20,863)	14,533
Other		(2,107,384)	(411,369)
Dividends received		74,570	129,387
Interest received		4,265,785	5,881,388
Expenditure on product development		(17,273)	-
Net cash flows from investing activities	63	(128,747,839)	(108,506,714)

Consolidated Financial Information | For the year ended 31 March 2010

Consolidated Cashflow Statement

CONSTITUTIONAL INSTITUTIONS, SCHEDULE 2, 3A, 3B PUBLIC ENTITIES
AND TRADING ACCOUNTS

CONSOLIDATED CASHFLOW STATEMENT - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	31 March 2010 R'000	31 March 2009 R'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of:		(41,213,658)	(47,032,973)
Borrowings		(46,287,202)	(54,879,247)
Finance lease obligations		185,258	(142,416)
Other		4,888,286	7,988,690
New debt raised		93,539,624	100,388,120
Increase/(decrease) in non-current financial instruments		(931,457)	1,428,705
Proceeds from:		29,524,660	26,018,503
Issuance of commercial paper		-	1,291,705
Issuance of ordinary shares		1,549,080	(219)
Borrowings		12,577,559	10,165,085
Non-current assets held for sale		5,108,651	4,992,345
Government Grants and Subsidies and other		10,289,370	9,569,587
Dividends paid		(437,752)	(518,339)
Interest paid		(5,586,834)	(3,877,475)
Increase/(decrease) in amounts owing to controlled entities		(47,570)	118,285
Net cash flow financing activities	64	74,847,013	76,524,826
Net increase/(decrease) in cash and cash equivalents		(3,603,623)	15,044,612
Cash and cash equivalents at the beginning of the year		106,483,755	91,439,143
Cash and cash equivalents at end of the year		102,880,132	106,483,755

ACCOUNTING POLICIES FOR CONSOLIDATED FINANCIAL INFORMATION

FOR THE YEAR ENDED 31 MARCH 2010

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the principle accounting policies of the Constitutional Institutions, National Public Entities and Trading Entities which are, in all material respects, consistent with those applied in the previous year, except as otherwise indicated.

1.1 BASIS OF CONSOLIDATION

The consolidation has been prepared on the accrual basis of accounting and is presented as consolidated financial information (CFI) as opposed to consolidated financial statements. Entities do not apply the same accounting policies and inter-entity transactions and balances have not been eliminated. Schedule 3A and Constitutional Institutions utilise the Generally Recognised Accounting Practice (GRAP) standards issued by the Accounting Standards Board whereas Schedule 2, 3B and Trading Entities utilise the South African Generally Accepted Accounting Practice (GAAP). Where an accounting policy is consistent in all entities the policy is mentioned below without an alternative.

The CFI incorporates the financial statements of the national public entities including entities and enterprises under their ownership or control, constitutional institutions and trading entities.

Entities with a year end other than 31 March have been consolidated based on twelve months' management accounts.

1.2 CURRENCY

This financial information is presented in South African Rands.

1.3 REVENUE RECOGNITION

Revenue is recognised when it is probable that future economic benefits or service potential will flow to the economic entity and these benefits can be measured reliably.

Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods have been transferred to the buyer.

Revenue arising from the rendering of services is based on the stage of completion determined by reference to the physical amount of work performed in relation to the total project when the outcome can be estimated reliably.

Revenue arising from licence fees is recognised on an accrual basis in accordance with the substance of the relevant agreements.

Interest revenue is accrued on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity.

Dividends from investments are recognised when the right to receive payment has been established.

Government grants herein termed transfers and subsidies are recognised at fair value where there is reasonable assurance that the grant will be received and all suspensive conditions attached to the grant are met.

ACCOUNTING POLICIES FOR CONSOLIDATED FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

1.4 IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE

Irregular expenditure means expenditure incurred in contravention of, or not in accordance with a requirement of any applicable legislation, including:

- The PFMA,
- Supply chain management framework, or
- Any provincial legislation providing for procurement procedures in that provincial government.

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised.

All irregular and fruitless and wasteful expenditure is charged against surplus/deficit in the period in which they are incurred.

1.5 BORROWING COSTS

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until the assets are substantially ready for their intended use or sale. Qualifying assets are assets that necessarily take a substantial period to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost capitalised against those assets. All other borrowing costs are charged against surplus/deficit in the period in which they are incurred.

1.6 FOREIGN CURRENCIES

Transactions in currencies other than the economic entity's reporting currency (rand) are initially recorded at the rates of exchange ruling on the dates of the transactions. Gains and losses arising from the settlement of such transactions are recognised in the statement of financial performance.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange ruling on the statement of financial position date. Unrealised differences on monetary assets and liabilities are recognised in the statement of financial performance in the period in which they occurred.

In order to hedge their exposure to foreign exchange risks, the economic entity enters into forward contracts and options. Unrealised gains and losses arising on currency forward contracts and options designated as hedges of identified exposures are deferred and matched against gains and losses arising from the specified transactions.

1.7 RETIREMENT BENEFIT COSTS

The economic entity operates both defined contribution and defined benefit plans. The plans are generally funded by payments from the economic entity and employees, taking account of the recommendations of independent qualified actuaries. For defined benefit plans, the defined benefit obligation, the related current service cost, and where applicable, the past service cost are determined by using the projected unit credit method.

ACCOUNTING POLICIES FOR CONSOLIDATED FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

A portion of actuarial gains and losses is recognised as revenue or expense if the net cumulative unrecognised actuarial gains and losses at the end of the previous reporting period exceed the greater of:

- 10% of the present value of the defined benefit obligation at the date before deducting plan assets, or
- 10% of the fair value of any plan assets at that date.

The portion of actuarial gains and losses to be recognised is the excess referred to above, divided by the expected average remaining working lives of the employees participating in the plan.

Payments to defined contribution retirement benefit plans are charged to the statement of financial performance in the year to which they relate.

1.8 TAXATION

The charge for current tax is the amount of income taxes payable in respect of the taxable profit (tax loss) for the current period. It is calculated by using tax rates that have been enacted or substantially enacted on the statement of financial position date.

Deferred tax is accounted for by using the statement of financial position liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial information and the corresponding tax bases used in the computation of taxable profit. In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of an asset or liability that affects neither accounting surplus nor taxable profit at the time of the transaction.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax is charged or credited in the statement of financial performance, except when it relates to items credited or charged directly to net assets, in which case the deferred tax is also dealt with in net assets.

1.9 PROPERTY, PLANT AND EQUIPMENT

Land and buildings

An item of property, plant and equipment that meets the recognition criteria for assets is initially recorded at cost.

Where an asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at the date of acquisition.

After recognition as an asset, an item of property, plant and equipment whose fair value cannot be determined reliably, is carried at its cost less any accumulated depreciation and any accumulated impairment losses and the policy is applied to an entire class of property, plant and equipment.

After recognition as an asset, an item of property, plant and equipment whose fair value can be measured reliably is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated

ACCOUNTING POLICIES FOR CONSOLIDATED FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

Any revaluation increase arising from the revaluation of property, plant and equipment is credited to the revaluation reserve, except where it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to the Statement of financial performance to the extent of the decrease previously charged. A decrease in the carrying amount arising from the revaluation of property, plant and equipment is charged as an expense where it exceeds the balance, if any, held in the property, plant and equipment revaluation reserve relating to a previous revaluation of that asset.

On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus remaining in the revaluation reserve is transferred to the statement of financial performance.

Depreciation

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. The depreciable amount of an asset shall be allocated on a systematic basis over its useful life. The residual value and the useful life of an asset is reviewed at least at each reporting date and if expectations differ from previous estimates, the change(s) are accounted for as a change in an accounting estimate in accordance with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors. The depreciation method applied to an asset is reviewed at least at each reporting date if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such should be accounted for as a change in an accounting estimate in accordance with Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

Other property, plant and equipment

Other items of property, plant and equipment are stated at cost less accumulated depreciation.

Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under construction, over their estimated useful lives.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

The surplus/deficit arising from the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of financial performance.

1.10 BIOLOGICAL ASSETS

A biological asset is measured on initial recognition and at each reporting date at its fair value less estimated point-of-sale costs, except where the fair value cannot be measured reliably. On initial recognition for a biological asset for which market-determined prices or values are not available and for which alternative estimates of fair value are

ACCOUNTING POLICIES FOR CONSOLIDATED FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

determined to be clearly unreliable, that biological asset is measured at its cost less any accumulated depreciation and any accumulated impairment losses. Once the fair value of such a biological asset becomes reliably measurable, an entity measures it at its fair value less estimated point-of-sale costs.

1.11 INVESTMENT PROPERTY

Investment property are initially measured at cost. Transaction costs are included in this initial measurement. Where an investment property is acquired at no cost, or for a nominal cost, its cost is its fair value as at the date of acquisition. Subsequent to initial recognition, the investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses.

For investment property under construction, subsequent measurement is at cost where fair value cannot be reliably measured. The fair value is determined by an independent sworn appraiser or management valuation based on market evidence of the most recent prices achieved in arm's length transactions of similar properties in the same area. Gains or losses arising from changes in the fair value of investment property are included in net profit or loss for the period in which they arise.

1.12 INTANGIBLE ASSETS

Intangible assets are measured initially at cost and amortised on a straight-line basis over their estimated useful lives. Where an intangible asset is acquired for no or nominal consideration, it is recognised at fair value as at the date of acquisition. Management assess the carrying value of each intangible asset annually and revisions are made where it is considered necessary.

Internally generated intangible assets (Research and development costs)

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from the entities' e-business developments is recognised only if all of the following conditions are met:

- An asset is created that can be identified (such as software and new processes)
- It is probable that the asset created will generate future economic benefits
- The development cost of the asset can be measured reliably

Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred. Internally generated intangible assets are amortised on a straight-line basis over their useful lives.

1.13 IMPAIRMENT

At each reporting date, the economic entity reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets may be impaired. If any such indication exists, the recoverable service amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable service amount for an individual asset, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

ACCOUNTING POLICIES FOR CONSOLIDATED FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

If the recoverable amount of an asset (cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are immediately recognised as an expense, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under the standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as surplus/deficit immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that other standard.

Impairment tests are performed annually on goodwill and intangible assets with indefinite useful life.

1.14 GOODWILL

Goodwill arising on consolidation represents the excess of the cost of acquisition over the economic entity's interest in the fair value of the identifiable assets and liabilities at the date of acquisition.

Goodwill arising from the acquisition of an associate is included within the carrying amount of the investment. Goodwill arising from the acquisition of jointly controlled entities is presented separately in the statement of financial position.

On disposal of an associate or a jointly controlled entity, the attributable amount of unamortised goodwill is included in the determination of the profit or loss on disposal.

1.15 INVESTMENTS IN ASSOCIATES

An associate is an entity in which the investor has significant influence, through participation in the financial and operating policy decisions of the investee, but not control, and which it intends to hold as a long-term investment.

The results and financial position of associates are incorporated in this financial information by using the equity method of accounting, from the effective dates of their acquisition until the effective dates of their disposal. The carrying amount of such investments is reduced to recognise any decline, other than a temporary decline, in the value of individual investments.

1.17 INTERESTS IN JOINT VENTURES

A joint venture is a contractual arrangement whereby the economic entity and other parties undertake an economic activity that is subject to joint control.

Jointly controlled operations

The economic entity's share of revenue from the sale of goods or services resulting from joint operations is recognised when it is probable that the economic benefits associated with the transactions will flow to the economic entity and

ACCOUNTING POLICIES FOR CONSOLIDATED FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

the amount can be measured reliably.

Jointly controlled assets

Where the economic entity undertakes activities under joint venture arrangements directly, the economic entity's share of jointly controlled assets and any liabilities incurred jointly with other venturers are recognised in the financial statements of the relevant economic entity and classified according to their nature. Liabilities and expenses incurred directly in respect of jointly controlled assets are accounted for on an accrual basis. Revenue from the sale or use of the economic entity's share of the output of jointly controlled assets, and their share of joint venture expenses, is recognised when it is probable that the economic benefits associated with the transactions will flow to/from the economic entity and the amount can be measured reliably.

Jointly controlled entities

Joint venture arrangements, which involve the establishment of a separate entity in which each venturer has an interest, are referred to as jointly controlled entities. Investments in jointly controlled entities are accounted for by way of either the proportionate consolidation method or the equity method. The proportionate consolidation method requires that the economic entity's proportionate share of the assets, liabilities, revenue and expenses of joint ventures are combined, on a line by line basis with similar items in the financial statements of the entities.

Under the equity method of accounting the investment is initially recognised at cost and adjusted thereafter for the post acquisition change in the economic entity's share of net assets of the joint venture. The statement of financial performance reflects the economic entity's share of the result of operations of the associate.

1.18 LEASING

Leases are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The economic entity as a lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the economic entity's net investment in the leases. Finance lease revenue is allocated to accounting periods so as to reflect a constant periodic rate of return to the economic entity's net investment outstanding in respect of the leases.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

The economic entity as a lessee

Assets held under finance leases are recognised as assets of the economic entity at their fair value at the date of acquisition. The corresponding liability is included in the statement of financial position as a finance lease obligation. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to the statement of financial performance over the term of the relevant lease so as to produce a constant periodic rate of interest on the remaining balance of the obligations for each accounting period.

Rentals payable under operating leases are charged to statement of financial performance on a straight-line basis over the term of the relevant lease.

ACCOUNTING POLICIES FOR CONSOLIDATED FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

1.19 INVENTORIES

Inventories are stated at the lower of cost and net recoverable amount. Net recoverable amount represents the estimated selling price in the ordinary course of business less any costs of completion and costs to be incurred in marketing, selling and distribution.

Cost is determined on the following bases:

Raw materials and consumable stores are valued at weighted average cost.

Finished goods and work in progress are valued at raw material cost plus labour cost and an appropriate portion of related fixed and variable manufacturing overhead expenses based on normal capacity.

1.20 LONG-TERM CONSTRUCTION CONTRACTS

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date. The stage of completion is determined by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of the construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred and probably recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is immediately recognised as an expense.

1.21 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the economic entity's statement of financial position when the entity becomes a party to the contractual agreement of the instrument.

Trade receivables

Trade receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Investments

All investments are initially recognised at cost, transaction costs included.

At subsequent reporting dates the following categories of investments are measured at amortised cost by using the effective interest rate method if they have a fixed maturity, or at cost if there is no fixed maturity:

- Loans and receivables originated by the economic entity and not held for trading
- Held to maturity investments
- An investment in a financial asset that does not have a quoted market price in an active market and whose fair value cannot be measured reliably.

ACCOUNTING POLICIES FOR CONSOLIDATED FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

Cost and amortised cost are inclusive of any impairment loss recognised to reflect irrecoverable amounts. The financial assets are subject to review for impairment at each Statement of financial position date.

The annual amortisation of any discount or premium on the acquisition of a held-to-maturity security is aggregated with other investment income receivable over the term of the instrument so that the revenue recognised in each period represents a constant yield on the investment.

Investments other than held-to-maturity debt securities are classified as available-for-sale investments and trading investments and are measured at subsequent reporting dates at fair value without any deduction for transaction costs that may be incurred on sale or other disposal. Where securities are held for trading purposes, unrealised gains and losses are included in net profit or loss for the period. For available-for-sale investments, unrealised gains and losses are dealt with in net assets, until the security is disposed of or is determined to be impaired, at which time the net profit or loss is included in the net surplus/deficit for the period.

Borrowings

In terms of section 32.1.1 of the Treasury Regulations, a Public Entity may borrow money for bridging purposes with the approval of the Minister of Finance, subject to certain conditions.

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption, are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Convertible debentures

Convertible debentures are regarded as compound instruments, consisting of a liability component and a net assets component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible debt. The difference between the proceeds of issue of the convertible debentures and the fair value assigned to the liability component is assigned to the net assets component of the instrument, representing the embedded option to convert the liability into net assets of the entities.

The interest expense on the liability component is calculated by applying the prevailing market interest rate for similar non-convertible debt to the instrument. The difference between this amount and the interest paid is added to the carrying value of the convertible debenture.

Trade payables

Trade and other payables are stated at their nominal value (amortized cost).

Derivative financial instruments

Derivative financial instruments, principally interest rate swap contracts and forward foreign exchange contracts, are used by the economic entity in its management of financial risks. The risks being hedged are exchange losses due to unfavourable movements between the rand and the foreign currency.

Derivative financial instruments are initially recorded at cost and are re-measured to fair value at subsequent reporting dates.

ACCOUNTING POLICIES FOR CONSOLIDATED FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

Gains and losses arising from cash flow hedges are recognised directly in net assets, while gains and losses arising from fair value hedges are recognised in the statement of financial performance as they arise. Amounts deferred in net assets are recognised in the statement of financial performance in the same period in which the hedged firm commitment or forecasted transaction affects net profit or loss.

Payments and receipts under interest rate swap contracts are recognised in the statement of financial performance on a basis consistent with corresponding fluctuations in the interest payments on floating rate financial liabilities. The carrying amounts of interest rate swaps, which comprise net interest receivables and payables accrued, are included in assets or liabilities, respectively.

1.22 IMPAIRMENT OF FINANCIAL ASSETS

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. An impairment allowance is raised when there is an indication of impairment and a write-off is only effected when the debtor is deemed to be fully impaired and not recoverable.

For all other financial assets, including finance lease receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the statement of financial performance.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

1.23 EFFECTIVE INTEREST METHOD

The effective interest method is a method of calculating the amortised cost of a financial asset/liability and of allocating interest revenue over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset/liability, or, where

ACCOUNTING POLICIES FOR CONSOLIDATED FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

appropriate, a shorter period.

Interest Income/expense is recognised on an effective interest basis for instruments other than those designated as at fair value through profit or loss.

1.24 PROVISIONS

Provisions are recognised when the economic entity has a present obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits that can be estimated reliably.

Provisions for restructuring costs are recognised when the economic entity has a detailed formal plan for the restructuring and the economic entity has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it. Restructuring provisions only include those direct expenditure that are necessarily entailed by the restructuring and not associated with the ongoing activities of the enterprise.

Provision was made for the economic entity's estimated liability on all products still under warranty at statement of financial position date. This is based on service histories.

The economic entity is exposed to environmental liabilities relating to its operations. Provision for the cost of environmental and other remedial work such as reclamation costs, close down and restoration costs and pollution control is made when such expenditure is probable and the cost can be estimated with a reasonable range of possible outcomes.

1.25 COMPARATIVE FIGURES

Where necessary, comparative figures have been adjusted to conform to the changes in the presentation made in the current year. The comparative figures for the current year will not agree to the prior year audited CFI due to the following reasons:

- The template used in the current year has reclassified some of the line items from the prior year's CFI, thus resulting in some differences.
- The number of entities consolidated in the current year is not the same as used in last year's CFI.
- Some entities might have been consolidated last year and are not consolidated this year and vice versa.

1.26 EVENTS AFTER THE REPORTING DATE

Events after the reporting date are those events, favorable and unfavorable, that occur between the reporting date and the date on which the financial statements are approved for publication. Two types of events can be identified:

- 1) Events that provide evidence of conditions that existed at the reporting date and which are reported as adjusting events and;
- 2) Events that provide evidence of conditions that arose after the reporting date and which are only disclosed as a non-adjusting event.

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	Notes	31 March 2010 R'000	31 March 2009 R'000
2 Taxation Revenue			
Revenue		889,230	422,274
Total		889,230	422,274
3 Sale of goods			
Sale of electricity		69,834,000	52,996,427
Sale of Water		10,035,683	9,123,573
Revenue - continuing operations		8,559,043	12,337,673
Farming, Manufacturing & Mining		4,123,440	9,607,947
Regular sales		5,570,082	5,706,320
Contract printing		104,286	142,021
Stock sales		22,178	18,581
Other		3,484,395	3,987,532
Total		101,733,107	93,920,074
4 Rendering of services			
Passenger revenue		16,495,741	19,462,703
Postal and Courier		6,710,020	6,849,720
Advertising revenue		5,873,008	4,595,612
Registration Fees		2,280,164	1,582,176
Movies, games and publications		1,983,376	1,800,208
Professional services and fees		6,637,477	6,306,645
Aeronautical		1,705,187	1,454,256
Toll Income		1,646,167	1,322,357
Defence related support		1,089,216	1,528,509
Licenses and permits		50,834	53,772
Other		42,921,220	40,283,988
Total		87,392,410	85,239,946
5 Rental income			
Machinery and Equipment		1,621	2,958
Land		58,791	11,081
Buildings		1,062,167	2,162,650
Rental-Investment property		3,702,957	3,116,129
Operating lease income		944,314	494,790
Venue, parking and property rental		2,499	2,475
Other		58,043	59,313
Total		5,830,392	5,849,396
6 Transfers and subsidies received			
National Departments		41,956,579	38,992,968
Provincial Departments		119,232	113,496
Local Governments		125,831	138,624
Parliamentary allocation		1,190,326	1,297,967
Department of Justice and Constitutional Development		1,286,859	1,073,059
Grant, foreign and international transfers		90,781	95,871
Other		390,268	867,080
Total		45,159,876	42,579,065

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NOTES TO THE CONSOLIDATED
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	Notes	31 March 2010 R'000	31 March 2009 R'000
7 Levies received			
Training, skills development levies and other		19,327,638	18,275,702
RAF Fuel Levy		15,878,902	11,717,611
Diesel and other rebates		(3,338,273)	(2,782,814)
Other		5,547,087	4,686,936
Total		37,415,354	31,897,435
8 Fines, penalties and forfeits			
Fines		473,234	574,899
Penalties		80,642	78,187
Forfeits		1,052	939
Total		554,928	654,025
9 Local and foreign aid assistance received		388,937	406,539
- In Cash		233,015	255,945
- In Kind		155,922	150,594
10 Gains / losses on disposal of assets			
10.1 Gains on disposal of assets		396,403	162,515
Property, plant and equipment		389,396	158,769
Other		7,007	3,746
10.2 Losses on disposal of assets		137,385	83,949
Property, plant and equipment		118,980	78,897
Other		18,405	5,052
11 National Skills Fund income		87,592	92,668
National skills fund income		85,497	79,627
Other		2,095	13,041
12 Gifts, sponsorships and donations received		77,645	63,670
13 Other income			
Royalties		39,982	102,321
Material loss recovered		3,708	1,603
Management fees received		454,555	305,396
Income from insurance claims		410,833	490,466
Bad debts recoverable & other receivables		4,875,673	5,237,364
Sales of services and goods & other sundry income		7,072,856	6,726,642
Contract cancellations		3,013,199	-
Other		5,202,372	6,113,153
Total		21,073,178	18,976,945

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FOR THE YEAR ENDED 31 MARCH 2010

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	Notes	31 March 2010 R'000	31 March 2009 R'000
14 Administrative expenses			
General administrative expenses		2,667,038	2,968,184
Other		7,747,559	5,887,842
Fees for services		701	2,340
- Administrative		164,901	153,219
- Managerial		182,635	229,302
- Secretarial		688	1,089
- Technical		274,422	408,610
- Board members		78,265	77,022
Other		466,971	504,516
Internal audit fees		73,868	66,998
Legal fees		513,212	551,335
Entertainment		112,438	102,583
Stationery and printing		734,932	741,061
Venues and facilities		293,068	315,228
Restructuring costs		113,405	42,330
Bad debt written off		924,010	463,822
Bank charges		156,257	51,736
Training and staff development		983,241	1,105,907
Net foreign exchange losses		386,204	101,311
Total		15,873,815	13,774,435
15 Research and development costs			
Total research and development costs incurred for the year		1,020,890	1,498,615
Total research and development cost expensed		1,020,890	1,498,615
16 Staff costs			
Wages and salaries		60,717,145	54,664,475
- Basic salaries		44,999,104	39,924,644
- Performance awards		4,857,578	4,015,142
- Periodic payments		(4,421)	369,432
- Other non-pensionable allowance		3,559,757	3,050,970
- Temporary staff		2,426,810	2,158,767
- Leave payments		1,002,618	1,213,893
- Overtime pay		3,232,773	3,260,385
- Severance packages		106,851	159,309
Executive director's emoluments		536,075	511,933
Defined contribution plan expense		229,349	179,636
Social contributions (Employer's contributions)		7,444,609	6,156,935
- Medical		2,304,268	1,985,123
- UIF		223,450	219,247
- Official unions and associations		3,495	5,508
- Insurance		100,095	95,430
- Pension		3,289,756	2,862,317
- Other salary related costs		1,523,545	989,310

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NOTES TO THE CONSOLIDATED
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	Notes	31 March 2010 R'000	31 March 2009 R'000
Defined benefit plan expense		712,499	1,245,120
- current service cost		631,833	595,339
- interest cost		2,566,803	2,690,710
- expected return on plan assets		(2,402,492)	(3,125,779)
- net actuarial (gains) / losses recognised		(93,816)	1,201,197
- past service cost		10,171	(116,347)
Other long-term employee benefits including long-service leave, surplus sharing, deferred compensation		28,223	20,087
Total		69,131,825	62,266,253
17 Marketing costs			
Advertising		1,148,969	1,458,065
Other		494,911	476,611
Total		1,643,880	1,934,676
18 Audit fees		577,285	519,094
Statutory Audit		498,296	451,527
Prior year under provision		14,754	18,756
Performance audit fees		15,628	10,296
Forensic audit fees		(699)	4,008
Other		49,306	34,507
19 Project expenses		17,616,840	19,869,034
Project Expenses		5,657,805	10,269,801
Other		11,959,035	9,599,233
20 National Skills Fund expenses		98,358	110,009
National Skills Fund Expenses		92,987	91,469
Other		5,371	18,540
21 Transfers and subsidies paid		10,044,601	6,710,076
Transfers and subsidies paid		8,303,081	6,195,815
Maintenance		1,572,232	234,033
Other		169,288	280,228
22 Gifts, donations and sponsorships paid		323,907	382,931
23 Local and foreign aid			
Local and foreign aid assistance paid			
In Cash		337,957	487,477
Total		337,957	487,477
Local and foreign aid assistance payable			
In Cash		4,467,136	4,110,799
In Kind		735	811
Total		4,467,871	4,111,610

NOTES TO THE CONSOLIDATED
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FOR THE YEAR ENDED 31 MARCH 2010

	Notes	31 March 2010 R'000	31 March 2009 R'000
24 Other operating expenses			
Fruitless and wasteful expenditure		125,256	188,708
Consultants, contractors and special services		3,261,270	3,827,191
Equipment items expensed as per entity policy		70,661	(338,323)
Claims Expenditure		14,403,879	23,382,045
Social Responsibility		6,190,235	4,181,643
Debtors Impairment		2,723,187	2,761,415
Cleaning and Security Costs		2,381,289	3,345,926
Other		31,267,787	44,632,085
Maintenance, repairs and running costs		10,901,406	11,152,949
- Property and buildings		1,247,080	1,231,877
- Machinery and Equipment		5,898,471	6,924,643
- Other maintenance, repairs and running costs		3,755,855	2,996,429
Impairment recognised		1,194,113	1,218,873
Depreciation		20,522,100	16,811,300
- Assets carried at cost		19,682,850	16,059,424
- Assets carried at revalued amounts		839,250	751,876
Amortisation		2,539,520	2,350,323
Write down of inventory/(reversal) of write-down		(257)	188
Direct operating expenses arising from investment property that:		346,743	292,300
- generated rental income during the year		343,752	291,733
- did not generate rental income during the year		2,991	567
Stores/consumables		2,802,161	2,408,472
Municipal services		915,455	875,887
Travel and subsistence		2,837,192	3,215,544
Courier and delivery charges		73,173	80,665
Communication costs		1,411,421	1,056,780
Rentals in respect of operating leases (minimum lease payments)		7,721,595	7,617,511
- Buildings		4,448,018	3,902,778
- Plant, machinery and equipment		3,177,961	2,896,490
- Vehicles		202,492	783,726
- Other		(106,876)	34,517
Total		111,688,185	129,061,483
25 Finance income			
Interest on			
- Loans and other advances		3,257,207	4,032,855
- Cash and bank deposits		2,000,137	2,988,962
- Short-term investments		9,596,866	14,827,938
Finance leases		57,685	110,252
Accrued on impaired loans		(449)	(579)
Interest/discount on outstanding debtors		4,532,344	5,124,794
Other		110,906	173,029
Total		19,554,696	27,257,251

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NOTES TO THE CONSOLIDATED
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FOR THE YEAR ENDED 31 MARCH 2010

	Notes	31 March 2010 R'000	31 March 2009 R'000
26 Finance costs			
Interest expense:		28,380,165	23,940,288
- Borrowings		27,901,083	23,379,612
- Convertible debentures		263,956	353,761
- Obligations under finance leases		215,126	206,915
Less: - Subvention from government			
- Borrowing costs capitalised		(10,545,124)	(4,796,180)
Losses arising from derivatives trading		5,584	21,560
Other		3,840,925	3,646,151
Total		21,681,550	22,811,819
27 Income from investments			
Dividend income		4,372,015	6,024,719
- Associates		3,466	79
- Controlled entities		132	215
- Listed investments		3,770,889	4,481,569
- Unlisted investments		597,528	1,542,856
Gains on disposal of available-for-sale investments		685,713	(3,835)
Other		7,601,956	8,233,112
Total		12,659,684	14,253,996
28 Taxation			
SA normal taxation		4,040,277	119,036
- Current taxation			
- Continuing operations	- current year	1,135,608	3,048,775
	- prior year	(234,635)	(70,439)
- Discontinuing operations	- current year	-	110,746
- Deferred taxation			
- Continuing operations	- current year	2,919,216	(2,513,241)
	- prior year	197,198	(371,301)
	- tax rate changes	-	1,000
- Discontinuing operations	- current year	-	(110,746)
- Capital gains tax			
- Current taxation		-	15,000
Foreign taxation		5,000	7,000
Secondary tax on companies		17,891	2,242
Tax expense		4,040,277	119,036
- Continuing operations		4,040,277	119,036

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Notes	31 March 2010 R'000	31 March 2009 R'000
The charge for the year can be reconciled to the surplus per the statement of financial performance as follows:		
Surplus/ (Deficit) before taxation		
Tax at 29%	4,419,184	1,207,242
Non-taxable/non-deductible differences	85,682	(283,715)
- Export incentives and other allowances	-	(8,337)
- Disallowable expenditure	215,954	252,137
- Utilisation of assessable deficit	(374,098)	295,983
- Deferred taxation rate change	89,235	72,594
- Non-taxable income	(692,896)	(1,318,186)
- Portion of capital gain not taxable	(358,263)	(21,414)
- Foreign taxation rate differential	(4,125)	6,480
- Secondary taxation on companies	2,838	-
- Prior year (over)/under provision	192,037	(183,232)
- Non-recoupable allowances on leased assets	464,728	99,484
Tax expense	4,040,277	119,036
Taxation payable	(475,786)	1,035,956
OR		
Estimated assessable deficit available for set-off against future taxable income are as follows:		
Total assessable deficit	8,927,474	10,652,487
Applied to reduce deferred taxation	128,916	200,704
	9,276,346	11,002,869
Capital expenditure allowances to be carried forward	59,576	55,737

Notes to the Consolidated Financial Information

NOTES TO THE CONSOLIDATED
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FOR THE YEAR ENDED 31 MARCH 2010

	Notes	31 March 2010 R'000	31 March 2009 R'000
29 Discontinued operations			
Revenue		689,473	3,637,431
Expenses		(856,961)	(4,680,436)
Deficit before tax of discontinued operations		(167,488)	(1,043,005)
Taxation		(187,186)	(179,790)
Deficit after tax of discontinued operations		(354,674)	(1,222,795)
Operating cash flows		(112,669)	181,862
Investing cash flows		(224,657)	(686,446)
Financing cash flows		24,000	74,720
Total cash flows		(313,326)	(429,864)
Property, Plant and equipment		11,000	143,000
Current assets		9,000	837,000
Other		-	3,056,439
Total assets		20,000	4,036,439
Total liabilities		-	(2,013,439)
Net assets		20,000	2,023,000
The loss on disposal determined as follows:			
Net assets sold		20,000	2,023,000
Reclassifications from net assets:			
Other		(128,000)	(402,746)
Proceeds from sale		-	(113,099)
Surplus/deficit on disposal		(108,000)	1,507,155
Tax thereon		-	-
Surplus/deficit on disposal after tax		(108,000)	1,507,155
The net cash inflow on sale is determined as follows:			
Proceeds from sale		174,000	629,471
Less: cash and cash equivalents of assets sold		(123,000)	(287,582)
Net cash inflow on sale		51,000	341,889

NOTES TO THE CONSOLIDATED
FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	31 March 2010 R'000	31 March 2009 R'000
30 Property, plant and equipment			
Land			
Opening net carrying amount		6,160,431	5,469,186
Gross carrying amount		6,217,464	5,569,918
Accumulated impairment		(57,033)	(100,732)
Additions		205,485	497,888
Disposal		(109,232)	(5,316)
Transfer to asset held for sale or disposal group classified as held for sale		(18,818)	(62,215)
Transfer (to)/from inventories and/or investment property		3,643	(96,856)
Transfers from work-in-progress		37,919	74,070
Assets acquired through a business/entity combination		68,002	5,000
Impairment deficit (recognised)/reversed		(867)	43,699
Revaluation adjustments		25,893	230,638
Borrowing costs capitalised		-	(304)
Other		(5,576)	4,641
Closing net carrying amount 31 March		6,366,880	6,160,431
Gross carrying amount		6,424,780	6,217,464
Accumulated impairment		(57,900)	(57,033)
Buildings			
Opening net carrying amount		28,668,267	24,738,459
Gross carrying amount		37,089,356	32,124,914
Accumulated depreciation		(8,233,214)	(7,215,433)
Accumulated impairment		(187,875)	(171,022)
Revaluation adjustments		772,538	(30,418)
Additions		2,921,730	4,323,991
Borrowing costs capitalised		23,000	-
Transfer to asset held for sale or disposal group classified as held for sale		(98,218)	(105,015)
Transfer to inventories and/or investment property		(349,988)	(38,294)
Transfers (to)/ from work-in-progress		4,119,916	1,074,810
Assets acquired through a business/entity combination		22,735	19,000
Disposals		(63,756)	(81,547)
Depreciation charge		(1,540,580)	(1,228,883)
Impairment deficit recognised		(92,160)	(47,657)
Borrowing costs capitalised		-	1,152
Other		(51,297)	42,669
Closing net carrying amount 31 March		34,332,187	28,668,267
Gross carrying amount		44,222,877	37,089,356
Accumulated depreciation		(9,605,133)	(8,233,214)
Accumulated impairment deficit		(285,557)	(187,875)

CONSTITUTIONAL INSTITUTIONS, SCHEDULE 2, 3A, 3B PUBLIC ENTITIES
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NOTES TO THE CONSOLIDATED
FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

Notes	31 March 2010 R'000	31 March 2009 R'000
Plant and equipment		
Opening net carrying amount	121,031,915	100,016,090
Gross carrying amount	207,138,850	180,146,187
Accumulated depreciation	(85,660,110)	(79,758,726)
Accumulated impairment	(446,825)	(371,371)
Revaluation adjustments	144,750,873	3,104
Additions	24,722,674	26,314,246
Borrowing costs capitalised	19,732	-
Transfer from asset held for sale or disposal group classified as held for sale	10,300	(9,233)
Transfer from inventories and/or investment property	414,068	405,271
Transfers from work-in-progress	2,358,224	519,415
Assets acquired through a business/entity combination	66,962	9,058
Disposals	(243,024)	(233,766)
Depreciation charge	(8,539,853)	(6,934,117)
Impairment deficit (recognised)/reversed	283,088	(769,186)
Borrowing costs capitalised	-	5,000
Other	(1,117,498)	1,706,033
Closing net carrying amount 31 March	283,757,461	121,031,915
Gross carrying amount	377,796,462	207,138,850
Accumulated depreciation	(93,553,996)	(85,660,110)
Accumulated impairment deficit	(485,005)	(446,825)
Vehicles		
Opening net carrying amount	2,633,047	1,928,246
Gross carrying amount	5,073,952	4,151,394
Accumulated depreciation	(2,436,235)	(2,218,755)
Accumulated impairment	(4,670)	(4,393)
Revaluation adjustments	34	186
Additions	2,172,588	1,059,394
Borrowing costs capitalised	630	-
Transfer (to)/from asset held for sale or disposal group classified as held for sale	(5,644)	1,776
Transfer from inventories and/or investment property	26,787	197
Assets acquired through a business/entity combination	170,186	(3,039)
Disposals	(187,977)	(82,745)
Depreciation charge	(454,067)	(373,514)
Impairment deficit recognised	(2,550)	(1,358)
Other	73,944	103,904
Closing net carrying amount 31 March	4,426,978	2,633,047
Gross carrying amount	7,202,928	5,073,952
Accumulated depreciation	(2,768,993)	(2,436,235)
Accumulated impairment deficit	(6,957)	(4,670)

NOTES TO THE CONSOLIDATED
FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

Consolidated Financial Information | For the year ended 31 March 2010

	Notes	31 March 2010 R'000	31 March 2009 R'000
Computer equipment			
Opening net carrying amount		2,131,711	1,692,062
Gross carrying amount		5,877,195	4,967,635
Accumulated depreciation		(3,718,756)	(3,268,695)
Accumulated impairment		(26,728)	(6,878)
Revaluation adjustments		(460)	1,145
Additions		1,408,369	1,239,225
Borrowing costs capitalised		139	-
Transfer to asset held for sale or disposal group classified as held for sale		(11,987)	(9,618)
Assets acquired through a business/entity combination		4,062	6,823
Disposals		(42,410)	(33,708)
Depreciation charge		(898,829)	(762,023)
Impairment deficit recognised		(959)	(19,901)
Other		93,426	17,706
Closing net carrying amount 31 March		2,683,062	2,131,711
Gross carrying amount		7,039,918	5,877,195
Accumulated depreciation		(4,329,953)	(3,718,756)
Accumulated impairment deficit		(26,903)	(26,728)
Office furniture and fittings			
Opening net carrying amount		1,436,035	1,218,875
Gross carrying amount		2,893,026	2,175,755
Accumulated depreciation		(1,447,474)	(954,734)
Accumulated impairment		(9,517)	(2,146)
Revaluation adjustments		200	530
Additions		355,556	539,086
Transfer (to)/ from asset held for sale or disposal group classified as held for sale		2,386	(1,308)
Assets acquired through a business/entity combination		-	2,201
Disposals		(21,743)	(14,741)
Depreciation charge		(354,960)	(315,927)
Impairment deficit (recognised)/reversed		2,525	(7,468)
Other		(36)	14,787
Closing net carrying amount 31 March		1,419,963	1,436,035
Gross carrying amount		3,187,194	2,893,026
Accumulated depreciation		(1,760,329)	(1,447,474)
Accumulated impairment deficit		(6,902)	(9,517)

Notes to the Consolidated Financial Information

NOTES TO THE CONSOLIDATED
FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

Notes	31 March 2010 R'000	31 March 2009 R'000
Construction WIP		
Opening balance	73,255,750	35,699,685
Additions	49,572,241	36,195,386
Borrowing costs capitalised	8,379,222	3,481,422
Transfer to asset held for sale or disposal group classified as held for sale	(82,130)	(262,650)
Transfers to inventories, owner-occupied property and investment properties	(8,896,985)	(2,306,782)
Disposals	(6,972)	(24,683)
Other	(679,010)	473,372
Closing balance	121,542,116	73,255,750
Other		
Opening net carrying amount	168,541,509	149,559,409
Gross carrying amount	221,075,431	194,126,077
Accumulated depreciation	(51,582,640)	(43,824,494)
Accumulated impairment	(951,282)	(742,174)
Revaluation adjustments	3,774,593	4,637,107
Additions	22,698,782	24,291,678
Borrowing costs capitalised	1,431,000	(3,000)
Transfer to asset held for sale or disposal group classified as held for sale	(5,644)	(235,796)
Transfer to inventories and/or investment property	(386,389)	(458,659)
Assets acquired through a business/entity combination	20,289	-
Transfers from work-in-progress	(1,444,304)	(1,039,215)
Disposals	(244,336)	(385,033)
Depreciation charge	(8,727,170)	(7,190,090)
Impairment deficit recognised	(1,196,424)	(330,108)
Borrowing costs capitalised	(13,006)	720,885
Other	516,981	(1,025,669)
Closing net carrying amount 31 March	184,965,881	168,541,509
Gross carrying amount	246,262,787	221,075,431
Accumulated depreciation	(59,662,250)	(51,582,640)
Accumulated impairment deficit	(1,634,656)	(951,282)

NOTES TO THE CONSOLIDATED
FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

Notes	31 March 2010 R'000	31 March 2009 R'000
Total Property, plant and equipment		
Opening net carrying amount	403,858,665	320,322,012
Gross carrying amount	558,621,024	458,961,565
Accumulated depreciation	(153,078,429)	(137,240,837)
Accumulated impairment	(1,683,930)	(1,398,716)
Revaluation adjustments	149,323,671	4,842,292
Additions	104,057,425	94,460,894
Borrowing costs capitalised	9,840,717	4,205,155
Transfer to asset held for sale or disposal group classified as held for sale	(209,755)	(684,059)
Assets acquired through a business/entity combination	352,236	39,043
Disposals	(919,450)	(861,539)
Depreciation charge	(20,515,459)	(16,804,554)
Impairment deficit recognised	(1,007,347)	(1,131,979)
Transfer to inventories and/or investment property	(291,879)	(188,341)
Transfers to inventories, owner-occupied property and investment properties	(8,896,985)	(2,306,782)
Transfers from work-in-progress	5,071,755	629,080
Land - Other	(5,576)	4,641
Buildings - Other	(51,297)	42,669
Plant & equipment - Other	(1,117,498)	1,706,033
Vehicles - Other	73,944	103,904
Computer equipment - Other	93,426	17,706
Office furniture & fittings - Other	(36)	14,787
Construction WIP - Other	(679,010)	473,372
Other	516,981	(1,025,669)
Closing net carrying amount 31 March	639,494,528	403,858,665
Gross carrying amount	813,679,062	558,621,024
Accumulated depreciation	(171,681,521)	(153,078,429)
Accumulated impairment deficit	(2,503,013)	(1,683,930)

CONSTITUTIONAL INSTITUTIONS, SCHEDULE 2, 3A, 3B PUBLIC ENTITIES
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NOTES TO THE CONSOLIDATED
FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	31 March 2010 R'000	31 March 2009 R'000
31 Investment property			
Opening net carrying amount		10,359,611	7,492,541
Gross carrying amount		10,401,924	7,528,362
Accumulated depreciation		(42,113)	(35,404)
Accumulated impairment		(200)	(417)
Additions		9,767	1,103,873
Disposals		(18,477)	(27,603)
Fair value adjustment during the year		441,760	1,455,753
Depreciation charge		(6,640)	(6,718)
Impairment deficit reversed		-	217
Transfer (to)/from asset held for sale or disposal group classified as held for sale		(5,907)	17,336
Transfers from inventories and owner-occupied property		475,168	324,212
Other		813	-
Closing net carrying amount 31 March		11,256,095	10,359,611
Gross carrying amount		11,304,954	10,401,924
Accumulated depreciation		(48,659)	(42,113)
Accumulated impairment deficit		(200)	(200)
32 Intangible assets			
Computer software			
Opening net carrying amount		2,261,774	1,509,938
Gross carrying amount		6,282,641	4,910,464
Accumulated amortisation		(3,979,428)	(3,365,281)
Accumulated impairment deficit		(41,439)	(35,245)
Revaluation adjustments		834	8,687
Additions		1,190,594	1,058,219
Transfer from asset held for sale or disposal group classified as held for sale		192,974	158,899
Assets acquired through a business/entity combination		140	-
Disposals		(4,475)	(3,815)
Amortisation		(895,823)	(660,456)
Impairment deficit recognised		(724)	(6,194)
Other		17,120	196,496
Closing net carrying amount 31 March		2,762,414	2,261,774
Gross carrying amount		7,602,609	6,282,641
Accumulated amortisation		(4,798,032)	(3,979,428)
Accumulated impairment deficit		(42,163)	(41,439)

NOTES TO THE CONSOLIDATED
FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	31 March 2010 R'000	31 March 2009 R'000
Licences			
Opening net carrying amount		100,076	108,653
Gross carrying amount		135,084	125,219
Accumulated amortisation		(35,008)	(16,566)
Additions		1,269	9,866
Amortisation		(5,184)	(18,442)
Other		(15,672)	(1)
Closing net carrying amount 31 March		80,489	100,076
Gross carrying amount		111,521	135,084
Accumulated amortisation		(31,032)	(35,008)
Patents			
Opening net carrying amount		8,530	11,271
Gross carrying amount		74,474	73,210
Accumulated amortisation		(65,944)	(61,939)
Additions		595	1,264
Assets acquired through a business/entity combination		51,477	-
Amortisation		(3,149)	(3,666)
Impairment deficit recognised		(305)	(339)
Closing net carrying amount 31 March		57,148	8,530
Gross carrying amount		115,747	74,474
Accumulated amortisation		(58,599)	(65,944)
Other			
Opening net carrying amount		47,375	229,154
Gross carrying amount		666,358	845,198
Accumulated amortisation		(498,397)	(530,701)
Accumulated impairment deficit		(120,586)	(85,343)
Additions		8,594	31,247
Transfer to asset held for sale or disposal group classified as held for sale		-	(181,433)
Assets acquired through a business/entity combination		137,505	30,000
Disposals		(21,823)	-
Impairment deficit recognised		(115,682)	(30,000)
Other		-	(31,593)
Closing net carrying amount 31 March		55,969	47,375
Gross carrying amount		790,634	666,358
Accumulated amortisation		(498,397)	(498,397)
Accumulated impairment deficit		(236,268)	(120,586)

CONSTITUTIONAL INSTITUTIONS, SCHEDULE 2, 3A, 3B PUBLIC ENTITIES
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NOTES TO THE CONSOLIDATED
FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	31 March 2010 R'000	31 March 2009 R'000
Other			
Opening net carrying amount		15,806,887	14,652,417
Gross carrying amount		19,826,101	17,188,513
Accumulated amortisation		(3,992,271)	(2,509,319)
Accumulated impairment deficit		(26,943)	(26,777)
Revaluation adjustments		110,278	17,358
Additions		1,935,390	2,297,389
Disposals		(117,067)	(3,058)
Amortisation		(1,635,421)	(1,668,391)
Impairment deficit recognised		(70,662)	(50,475)
Other		(201,110)	561,647
Closing net carrying amount 31 March		15,828,295	15,806,887
Gross carrying amount		21,086,260	19,826,101
Accumulated amortisation		(5,194,599)	(3,992,271)
Accumulated impairment deficit		(63,366)	(26,943)
Total Intangible Assets			
Opening net carrying amount		18,224,642	16,511,433
Gross carrying amount		26,984,658	23,142,604
Accumulated amortisation		(8,571,048)	(6,483,806)
Accumulated impairment deficit		(188,968)	(147,365)
Revaluation adjustments		111,112	26,045
Additions		3,136,442	3,397,985
Transfer (to)/from asset held for sale or disposal group classified as held for sale		192,974	(22,534)
Assets acquired through a business/entity combination		189,122	30,000
Disposals		(143,365)	(6,873)
Amortisation		(2,539,577)	(2,350,955)
Impairment deficit recognised		(187,373)	(87,008)
Computer Software - Other		17,120	196,496
Licences - Other		(15,672)	(1)
Other		(201,110)	530,054
Closing net carrying amount 31 March		18,784,315	18,224,642
Gross carrying amount		29,706,771	26,984,658
Accumulated amortisation		(10,580,659)	(8,571,048)
Accumulated impairment deficit		(341,797)	(188,968)
33 Goodwill			
Opening balance		14,500	8,556
Arising from acquisition of a controlled entity		67,251	2,714
Impairment deficit recognised		(67,251)	-
Other		12,552	3,230
Closing balance		27,052	14,500

NOTES TO THE CONSOLIDATED
FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	31 March 2010 R'000	31 March 2009 R'000
34 Investments in controlled entities		23,620,010	20,136,653
35 Investments in associates and joint ventures		25,296,765	25,954,601
36 Financial assets			
Financial assets available-for-sale			
Opening balance as originally stated			
Cost		37,674,396	41,660,310
Revaluation		33,552,405	55,121,633
Opening balance as originally stated		71,226,801	96,781,943
- prior period adjustment		(10,811)	11,008
As restated		71,215,990	96,792,951
Cost		38,152,101	42,142,638
Revaluation		33,063,889	54,650,313
Additions during the year		4,739,216	8,198,697
Disposals during the year		(3,988,472)	(12,002,127)
Revaluation / (impairment)		15,622,514	(21,469,023)
Transfer (to) / from asset held for trading		501	(1,651)
Other		51,382	(292,046)
Closing balance		87,641,131	71,226,801
Cost		38,733,081	37,674,396
Revaluation		48,908,050	33,552,405
		87,641,131	71,226,801
Non-current financial assets available-for-sale		66,259,802	50,008,965
Current financial assets available-for-sale		21,381,329	21,217,836
Financial assets at fair value through surplus/deficit			
Opening balance as originally stated			
Cost		384,381,987	344,847,950
Revaluation		476,330	3,047,328
Opening balance as originally stated		384,858,317	347,895,278
- prior period adjustment		-	(5,121,715)
As restated		384,858,317	342,773,563
Cost		384,462,317	342,773,563
Revaluation		396,000	-
Transfer to asset available for sale		(224,000)	-
Additions during the year		61,419,352	32,615,863
Disposals during the year		(802,860)	(11,966,780)
Revaluation		322,884	(7,558,741)
Other		(65,133,288)	28,994,412
Closing balance		380,440,405	384,858,317
Fair value at acquisition date		379,959,603	384,381,987
Revaluation		480,802	476,330
		380,440,405	384,858,317
Non-current financial assets at fair value through surplus/deficit		32,498,404	30,026,437
Current financial assets at fair value through surplus/deficit		347,942,001	354,831,880

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NOTES TO THE CONSOLIDATED
FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	31 March 2010 R'000	31 March 2009 R'000
Held to maturity investments			
Opening balance		8,171,809	6,456,897
Transfer from loans receivable and investments		17,104	18,180
Additions during the year		2,889,506	3,419,202
Disposals during the year		(1,144,135)	(1,878,700)
Other		100,927	101,039
Interest income		(25,671)	55,191
Closing balance		10,009,540	8,171,809
		10,009,540	8,171,809
Non-current held to maturity investments		3,149,507	4,018,182
Current held to maturity investments		6,860,033	4,153,627
37 Biological and agricultural assets			
Mature consumable biological assets		-	908
Immature consumable biological assets		6,000	6,000
Total consumable biological assets		6,000	6,908
Mature bearer biological assets		593	1,364
Total bearer biological assets		593	1,364
Reconciliation of changes in the carrying amount:			
Carrying amount at the beginning of the year		3,228,164	2,472,206
Surplus/(deficit) arising from changes in fair value less estimated point-of-sale costs		(183,798)	1,597,707
- Attributable to physical changes		206,935	(232,147)
- Attributable to price changes		(390,733)	1,829,854
Increases due to new plantings		2,000	-
Increases due purchases		25	3
Other		(158,862)	(841,752)
Carrying amount at the end of the year		2,887,529	3,228,164
38 Loans and receivables			
Non-current			
Trade receivables		30,517,035	29,996,973
Less: Impairment of debtors (provision for doubtful debts)		(4,416,090)	(4,276,916)
		26,100,945	25,720,057
Loans granted		37,235,516	29,605,811
Operating lease - "smoothing of lease"		311,183	277,514
Repurchase agreements		3,768,000	3,510,000
Prepayments		3,081,090	5,296,165
Other		764,369	1,962,941
Total non-current		71,261,103	66,372,488

NOTES TO THE CONSOLIDATED
FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

Consolidated Financial Information | For the year ended 31 March 2010

	Notes	31 March 2010 R'000	31 March 2009 R'000
Current			
Trade receivables		58,045,534	45,653,078
Less: Impairment of debtors (provision for doubtful debts)		(12,082,942)	(9,868,144)
		45,962,592	35,784,934
Construction contracts		71,869	33,992
- Contract customers		71,594	19,584
- Retention debtors		275	14,408
VAT		751,849	710,322
Loans granted		11,345	15,494
Operating lease - "smoothing of lease"		106,430	165,396
Banks		12,193,041	11,695,962
Sundry debtors		2,024,343	992,131
Repos		3,346,251	2,248,989
Other		4,545,674	8,629,843
Prepayments and Advances		4,410,808	4,252,423
- Staff Advances		40,208	49,684
- Travel and Subsistence		7,340	5,897
- Prepayments		4,150,585	3,938,064
- Advances		212,675	258,778
Total current		73,424,202	64,529,486

39 Finance lease receivables

Reconciliation between the total gross investment in the lease and the present value of the minimum lease payments:

Gross investment in finance leases			
- No later than 1 year		87,038	82,999
- Later than 1 year and no later than 5 years		337,003	349,617
- Later than 5 years		982,526	1,085,178
		1,406,567	1,517,794
Unearned future finance income		(855,000)	(969,519)
Net investment in finance leases		551,567	548,275
		551,567	548,275
Current finance lease receivables		13,000	11,009
Non-current finance lease receivables		538,567	537,266

Notes to the Consolidated Financial Information

NOTES TO THE CONSOLIDATED
FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	31 March 2010 R'000	31 March 2009 R'000
40 Deferred tax			
Deferred tax assets and liabilities are attributable to the following:			
Accelerated wear and tear for tax purposes on Property, plant and equipment		31,711,706	28,312,395
Intangible assets		158,911	242,276
Biological assets		792,563	891,139
Investment property		342,682	267,948
Financial assets at fair value through surplus/deficit		57,483	(62,990)
Available-for-sale financial assets		57,412	273
Derivatives		(1,323,473)	(1,958,100)
Inventories		661,652	418,855
Loans and borrowings		(11,991)	(13,654)
Employee benefit plans		(1,405,321)	(1,167,180)
Provisions		(9,487,378)	(8,654,187)
Tax loss carry-forwards		(6,847,390)	(5,756,549)
Unrealised gains on investments		160,139	(258,095)
Deferred commission		357,006	1,703,583
Other		(286,419)	(234,271)
Deferred tax liability		14,937,582	13,731,444
Set off of tax		6,180,100	3,285,198
Net deferred tax liability		21,117,682	17,016,642
		21,117,682	17,016,642
Deferred tax asset		(2,344,163)	(2,023,302)
Deferred tax liability		23,461,845	19,039,944
41 Inventory			
Raw materials		5,348,399	4,179,194
Work in progress		3,069,175	4,129,072
- construction work in progress		193,241	221,758
- other		2,875,934	3,907,314
Finished goods		847,700	1,081,967
Consumable		1,148,856	1,083,681
Write-down in inventory balances		(467,548)	(432,510)
Strategic inventory		5,195,883	2,061,493
Other		4,696,115	4,500,201
Total		19,838,580	16,603,098
Included in the amounts above are the following carried at fair value less cost to sell			
Net realisable value		564,000	587,000
Other		65,390	127,020
		629,390	714,020

NOTES TO THE CONSOLIDATED
FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	31 March 2010 R'000	31 March 2009 R'000
41.1 Construction contracts in progress consist of:			
- costs incurred to date		193,241	221,758
		<u>193,241</u>	<u>221,758</u>
42 Liabilities directly associated with non-current assets held for sale			
Trade and other payables		417,266	1,299,923
Borrowings and debt securities issued		15,000	1,414,931
Other		111,900	494,592
Total		<u>544,166</u>	<u>3,209,446</u>
43 Cash and cash equivalents			
Cash and balances with banks		35,604,519	27,533,429
Short-term deposit/investments		55,628,504	69,237,247
Cash shown as current assets		1,740,207	4,044,517
Administered funds		1,817,962	1,359,917
Disclosed as held for sale		3,164,240	2,408,556
Other		7,081,698	4,282,154
		<u>105,037,130</u>	<u>108,865,820</u>
For the purposes of the cash flow statement:		102,880,132	106,483,755
Cash & cash equivalents		105,037,130	108,865,820
Bank overdraft		(2,156,998)	(2,382,065)
Cash & cash equivalents at 1 April 2008			91,439,143
44 Interest-bearing borrowings			
Non-current		228,218,795	148,444,060
Mortgage loan		4,450,736	4,665,823
Unsecured loan		74,517,416	38,947,794
Loans and other liabilities		149,250,643	104,830,443
Transfer to current portion		(15,913,415)	(19,635,364)
Mortgage loan		(5,200)	(5,200)
Unsecured loan		(3,303,961)	(1,793,856)
Other		(12,604,254)	(17,836,308)
Total Non-current		<u>212,305,380</u>	<u>128,808,696</u>
Current			
Bank overdrafts		2,156,998	2,382,065
Other interest bearing borrowings		58,373,265	74,444,072
Short-term portion of Mortgage loan		5,200	5,200
Short-term portion of Unsecured loan		4,438,122	1,995,856
Other		53,929,943	72,443,016
Total current		<u>60,530,263</u>	<u>76,826,137</u>

NOTES TO THE CONSOLIDATED
FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	31 March 2010 R'000	31 March 2009 R'000
45 Finance lease obligations			
Reconciliation between the total of the minimum lease payments and the present value:			
Minimum lease payments			
- No later than 1 year		398,241	380,290
- Later than 1 year and no later than 5 years		1,225,832	683,304
- Later than 5 years		1,568,395	1,493,276
		3,192,468	2,556,870
Future finance charges on finance leases		(1,843,128)	(1,466,097)
Present value of finance lease liabilities		1,349,340	1,090,773
		1,349,340	1,090,773
Non-current portion of finance lease obligation		1,163,639	857,495
Current portion of finance lease obligation		185,701	233,278
46 Retirement benefit obligations			
Defined benefit plan			
Present value of funded and unfunded obligations		27,392,069	28,147,472
Fair value of plan assets		(31,635,146)	(30,238,544)
		(4,243,077)	(2,091,072)
Unrecognised past service cost		55,167	52,156
Unrecognised actuarial gains		4,941,321	3,450,255
Other		549,126	(9,410)
Net liability		1,302,537	1,401,929
Post-employment medical benefits			
Present value of funded and unfunded obligations		13 805 588	12 803 988
Fair value of plan assets		(503 524)	(379 546)
		13 302 064	12 424 442
Unrecognised past service cost		11 972	10 845
Unrecognised actuarial gains / (losses)		27 204	(37 804)
Other		67 324	66 170
Net liability		13 408 564	12 463 653
Grand total net liability		14 711 101	13 865 582
Analysis for financial reporting purposes		14 711 101	13 865 582
Retirement Benefit Obligation		15 238 822	14 410 774
Retirement Benefit Asset		(527 721)	(545 192)

NOTES TO THE CONSOLIDATED
FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	31 March 2010 R'000	31 March 2009 R'000
47 Government grants			
Property, plant and equipment (non-monetary government grants)			
Opening balance		23,391,063	18,239,449
Add: current year receipts		9,225,054	8,765,022
Less: amounts transferred to the statement of financial performance (conditions met)		(1,940,167)	(3,613,408)
Closing balance		30,675,950	23,391,063
Monetary assets received (monetary government grants)			
Opening balance		14,477,258	10,320,031
Add: current year receipts		11,801,153	14,818,254
Less: amounts transferred to the statement of financial performance (conditions met)		(10,117,319)	(10,644,246)
Other		(7,116)	(16,781)
Closing balance		16,153,976	14,477,258
Total Government Grants		46,829,926	37,868,321
Analysis for financial reporting purposes:		46,829,926	37,868,321
Non-current portion		41,902,319	34,347,289
Current portion		4,927,607	3,521,032
48 Trade and other payables			
Trade creditors		31,371,126	29,823,083
Customers for contract work		59,038	285,150
Accruals		14,006,964	15,706,635
Deferrals on hedging instruments- Current portion		-	145
Liability on sale and leaseback- Current portion		-	93
Deposits		1,254,004	1,030,932
Special projects		127,292	153,763
Commitments - Current portion		57,997	50,770
Interest-free loan- Current portion		-	5
Administered funds		1,339,959	1,624,578
Deferred income		38,357,573	103,700,787
SARS & Other Trust liabilities		3,468,538	2,119,178
Prepayments & Other		6,384,686	7,598,130
Total		96,427,177	162,093,249

CONSTITUTIONAL INSTITUTIONS, SCHEDULE 2, 3A, 3B PUBLIC ENTITIES
AND TRADING ACCOUNTS

NOTES TO THE CONSOLIDATED
FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	31 March 2010 R'000	31 March 2009 R'000
49 Income Received in Advance			
Prepayments and advances			
Opening Balance		12,833,921	8,356,180
Transfer of income received in advance to the statement of financial performance		(26,128)	1,006,311
Advances		1,827,621	1,309,723
Prepayments		132,956	(54,147)
Contractors & Other		550,424	2,215,854
Closing balance		15,318,794	12,833,921
50 Provisions			
Restructuring provision			
Opening balance		203,164	207,957
Utilisation of provisions during the year		(66,906)	(65,879)
Unused amounts reversed during the year		(336)	336
Provisions made during the year		141,631	60,750
Closing balance		277,553	203,164
Salary and related expense provision			
Opening balance		6,450,605	5,900,453
Utilisation of provisions during the year		(4,730,481)	(4,085,581)
Unused amounts reversed during the year		(23,307)	(25,300)
Provisions made during the year		5,887,013	4,661,033
Closing balance		7,583,830	6,450,605
Deferred Operating Lease & Accruals			
Opening balance		59,228,763	42,280,098
Utilisation of provisions during the year		(15,877,268)	(13,161,094)
Unused amounts reversed during the year		(1,496,311)	(215,447)
Provisions made during the year		23,415,850	30,325,206
Closing balance		65,271,034	59,228,763
Other			
Opening balance		22,997,010	15,321,007
Utilisation of provisions during the year		(3,007,380)	5,681,626
Unused amounts reversed during the year		(390,636)	(168,254)
Provisions made during the year		4,266,770	2,162,631
Closing balance		23,865,764	22,997,010
Total Provisions			
Opening balance		88,879,542	63,709,515
Utilisation of provisions during the year		(23,682,035)	(11,630,928)
Unused amounts reversed during the year		(1,910,590)	(408,665)
Provisions made during the year		33,711,264	37,209,620
Closing balance		96,998,181	88,879,542

NOTES TO THE CONSOLIDATED
FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	31 March 2010 R'000	31 March 2009 R'000
Analysis for financial reporting purposes:		96,998,181	88,879,542
Non-current provisions		63,415,000	61,673,289
Current provisions		33,583,181	27,206,253
51 Change in accounting policy			
Specify the item effected in Statement of Financial Performance		9,314	(520,412)
Actuarial gains		-	(945,529)
Other		9,314	425,117
Specify the item effected in Statement of Financial Position		166,296	(10,995)
Accumulated Surplus and Deferred revenue on ticket sales		(9,316)	(1,582,157)
Other		175,612	1,571,162
Decrease in tax payable		-	466,945
Increase in net assets		13,781	363,187
		189,391	298,725
53 Cash generated from/(utilised in) operations			
Surplus before tax		27,310,791	11,150,023
(Interest received)		(26,101,664)	(32,908,684)
Interest paid		23,423,826	24,015,584
(Dividend received)		(1,944,018)	(3,595,338)
Non-cash movements/working capital changes		25,216,380	40,810,264
Depreciation		20,521,934	16,814,328
Impairment		750,928	1,218,511
Amortisation		2,539,576	2,350,955
Increase in impairment of debtors (provision for doubtful debts)		2,733,561	53,852
Increase in payables		2,256,760	13,623,056
Increase in provisions		5,900,534	16,583,151
Increase in borrowings		15,127,575	6,084,009
Increase in provision relating to employee costs		518,195	399,631
Gains on sale of property, plant and equipment		(956,229)	(99,068)
Gains on disposal of discontinued operations		(354,674)	(1,222,795)
(Gains)/Losses on sale of investment		(19,161)	16,272
Increase in other current assets		(1,643,408)	(278,217)
Increase in investment due to revaluation		(790,164)	(2,555,918)
Increase in receivables		(6,386,890)	(10,644,199)
Increase in inventories		(2,711,402)	(2,737,292)
Foreign exchange gains		(596,726)	(276,355)
Movements in operating lease assets, provisions & accruals		(14,274,651)	(4,569,745)
Unspent conditional grants and receipts and conditional grants		3,266,544	931,172
Other		(665,922)	5,118,916
Net cash flows from operating activities		47,905,315	39,471,849

CONSTITUTIONAL INSTITUTIONS, SCHEDULE 2, 3A, 3B PUBLIC ENTITIES
AND TRADING ACCOUNTS

NOTES TO THE CONSOLIDATED
FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	31 March 2010 R'000	31 March 2009 R'000
54	Contingent liabilities		
	(Nature of Contingent liability, financial effect, uncertainties relating to it timing, and possibility of re-imbursement)		
	Legal Claims & Other Disputes	275,488	156,477
	Housing & Other guarantees	2,783,516	4,071,784
	Montraco - Contingent Liability	5,346,003	4,028,796
	Cross Border Lease Agreements	31,870	-
	Contract Losses, Manufacturing & Supply of Aircraft Components	334,022	448,450
	South Dunes Loans Facility (Pledged)	3,333	-
	Other	523,500	2,867,000
	Total	267,812	825,764
		9,565,544	12,398,271
55	Operating lease arrangements		
	Lessee		
	Buildings		
	At the reporting date the entity had outstanding commitments under non-cancellable operating leases, which fall due as follows:		
	Up to 1 year	1,575,611	1,422,664
	1 to 5 years	6,375,911	5,632,324
	More than 5 years	2,172,000	1,883,811
	Total	10,123,521	8,938,799
	Other		
	At the reporting date the entity had outstanding commitments under non-cancellable operating leases, which fall due as follows:		
	Up to 1 year	516,029	417,592
	1 to 5 years	730,103	687,603
	More than 5 years	8,281	11,543
	Total	1,254,413	1,116,739
	At the reporting date the entity had outstanding commitments under non-cancellable operating leases, which fall due as follows:		
	Up to 1 year	2,091,640	1,840,256
	1 to 5 years	7,106,013	6,319,927
	More than 5 years	2,180,281	1,895,354
	Total	11,377,934	10,055,538
	Lessor		
	Other		
	At the reporting date the group had contracted with tenants for the following future minimum lease payments:		
	Up to 1 year	2,120,271	3,280,830
	1 to 5 years	3,716,768	5,759,676
	More than 5 years	3,227,280	1,841,617
	Total	9,064,319	10,882,123

NOTES TO THE CONSOLIDATED
FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

Consolidated Financial Information | For the year ended 31 March 2010

	Notes	31 March 2010 R'000	31 March 2009 R'000
Other			
At the reporting date the group had contracted with tenants for the following future minimum lease payments:			
Up to 1 year		224	326
1 to 5 years		199	424
More than 5 years		-	-
Total		423	750
At the reporting date the group had contracted with tenants for the following future minimum lease payments:			
Up to 1 year		1,582,841	2,364,484
1 to 5 years		3,985,621	6,077,772
More than 5 years		3,496,280	2,440,617
Total		9,064,742	10,882,873
56 Capital commitments			
Commitments for the acquisition of property, plant and equipment		334,467,430	309,238,201
- Contracted for but not provided in the financial statements		143,687,761	137,497,536
- Authorised but not contracted for		190,779,669	171,740,665
Commitments for the acquisition of intangible assets		1,407,279	2,763,593
- Contracted for but not provided in the financial statements		1,407,279	2,763,193
- Authorised but not contracted for		-	400
Total future capital commitments		335,874,709	312,001,794
The capital expenditure is to be financed as follows:			
- Internally generated funds		4,557,958	5,139,712
- Existing credit facilities		670,295	5,432,884
Total		5,228,253	10,572,596
57 Events after reporting date			
There were no events reported after 31 March 2010.			
58 Skills Development grant payable: Current			
Other		-	19,178
Total: Non-current		-	19,178
Other		681,553	606,392
Total: current		681,553	606,392
59 Vat Payable			
Vat		233,621	300,112
Total		233,621	300,112

NOTES TO THE CONSOLIDATED
FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	31 March 2010 R'000	31 March 2009 R'000
60 Non-current assets held for sale			
Property, plant and equipment		696,392	1,059,861
Inventories		8,574	76,954
Trade and other receivables		126,177	431,556
Cash and cash equivalent		981,758	1,676,132
Loans and receivables		268,654	2,821,837
Other		20,834	792,529
Total		2,102,389	6,858,869
61 Financial instrument liability			
Opening balance		268,871,383	249,181,613
Additions during the year		46,057,795	22,686,573
Disposals during the year		(1,046,646)	(2,999,430)
Interest		65,162	89,739
Levies		592,829	329,862
Payments		(478,780)	(222,571)
Other		1,076,189	(194,403)
Closing balance		315,137,932	268,871,383
Analysis for reporting purposes		315,137,932	268,871,383
non-current financial instrument liability		138,911,180	125,545,519
current financial instrument liability		176,226,752	143,325,864
62 Net cash inflows/ outflows from operating activities			
Cash receipts from customers		263,521,216	260,191,169
Cash payments to suppliers and employees		(215,615,901)	(220,719,320)
Cash generated from operations		47,905,315	39,471,849
Interest received		8,286,252	18,428,387
Dividends paid		(3,750,668)	(6,332,825)
Taxation paid		(2,143,696)	(4,540,911)
Net cash inflows from operating activities		50,297,203	47,026,500

NOTES TO THE CONSOLIDATED
FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

Consolidated Financial Information | For the year ended 31 March 2010

Notes to the Consolidated Financial Information

	Notes	31 March 2010 R'000	31 March 2009 R'000
63 For net cash flows from investing activities			
Proceeds on disposal of:		(15,932,996)	3,600,001
Property, plant and equipment		1,726,886	678,654
Investment property		31,944	67,135
Intangible assets		50,863	56
Controlled entity		712,000	5,000
Associates and joint ventures		57,089	24,717
Securities		2,760,251	(1,151,944)
Discontinued operation		51,000	341,889
Net Investments		(1,522,253)	270,682
Derivative instruments		(21,658,272)	1,247,882
Other		1,857,496	2,115,930
Acquisition of:		(106,440,678)	(109,222,654)
Property, plant and equipment		(88,914,611)	(83,025,270)
Investment property		31,811	(24,726)
Intangible assets		(1,726,487)	(1,622,501)
Controlled entity		(1,391,845)	(2,152,895)
Associates and joint ventures		(570,876)	(418,333)
Securities		(117,954)	(2,445,624)
Net Investments		(8,377,364)	(14,921,891)
Financial Assets		(1,784,530)	(1,661,302)
Other		(3,588,822)	(2,950,112)
Replacement of property, plant and equipment		(8,569,000)	(8,498,000)
Loans received / granted:		(2,128,247)	(396,836)
Related parties		(20,863)	14,533
Other		(2,107,384)	(411,369)
Dividends received		74,570	129,387
Interest received		4,265,785	5,881,388
Expenditure on product development		(17,273)	-
Net cash flows from investing activities		(128,747,839)	(108,506,714)
64 For net cash flows from financing activities			
Repayments of:		(41,213,658)	(47,032,973)
Borrowings		(46,287,202)	(54,879,247)
Finance lease obligations		185,258	(142,416)
Other		4,888,286	7,988,690
New debt raised		93,539,624	100,388,120
Increase/(decrease) in non-current financial instruments		(931,457)	1,428,705
Proceeds from:		29,524,660	26,018,503
Issuance of commercial paper		-	1,291,705
Issuance of ordinary shares		1,549,080	(219)
Borrowings		12,577,559	10,165,085
Non-current assets held for sale		5,108,651	4,992,345
Government Grants and Subsidies and other		10,289,370	9,569,587
Dividends paid (distributions to owners)		(437,752)	(518,339)
Interest paid		(5,586,834)	(3,877,475)
Increase in amounts owing to controlled entities		(47,570)	118,285
Net cash flow financing activities		74,847,013	76,524,826

CONSTITUTIONAL INSTITUTIONS, SCHEDULE 2, 3A, 3B PUBLIC ENTITIES
AND TRADING ACCOUNTS

NOTES TO THE CONSOLIDATED
FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	31 March 2010 R'000	31 March 2009 R'000
65 Share capital (Contributions from owners)			
Balance at the beginning of the year		44,610,446	43,569,164
- correction of prior period error		700,000	(1,692)
- change in accounting policy		2	(2)
As restated		45,310,448	43,567,470
Shares issued		1,994,080	287
Other		2,241,294	1,042,689
Balance at the end of the year		49,545,822	44,610,446
66 Accumulated surplus			
Balance at the beginning of the year		163,440,718	160,833,601
- correction of prior period error		(32,933)	(3,949,401)
- change in accounting policy		20,918	160,950
As restated		163,428,703	157,045,150
Surplus for the year		39,516,323	9,855,261
Transfers from reserves		(1,055,358)	(1,961,005)
Dividends paid (distributions to owners)		(18,170,250)	(1,774,737)
Revaluation decrease on investments		(5,344)	(1,888)
Released on disposal of investments		271,834	-
Revaluation increase on property, plant and equipment		4,513	875
Net gains not recognised in the statement of financial performance		42,150	14,205
Currency translation differences		(2)	(12,096)
Other		(363,819)	274,953
Balance at the end of the year		183,668,750	163,440,718
67 Financial Instrument Reserve			
Balance at the beginning of the year		4,641,497	5,271,904
- correction of prior period error		1,530	4,770
- change in accounting policy		-	-
As restated		4,643,027	5,276,674
Shares issued		(445,000)	-
Conversion of other instruments into shares		-	801,955
Transfers to/ (from) reserves		550,000	(1,164,000)
Revaluation increase/(decrease) on investments		5,515	(6,760)
Net gains/(losses) not recognised in the statement of financial performance		302	(14,093)
Released on disposal of investments		(7,000)	-
Other		(5,929,193)	(252,279)
Balance at the end of the year		(1,182,349)	4,641,497

Consolidated Financial Information | For the year ended 31 March 2010

Notes to the Consolidated Financial Information

NOTES TO THE CONSOLIDATED
FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	31 March 2010 R'000	31 March 2009 R'000
68 Revaluation Reserve			
Balance at the beginning of the year		120,095,842	154,990,515
- correction of prior period error		278	(21,570,382)
- change in accounting policy		-	18,759
As restated		120,096,120	133,438,892
Transfers from reserves		(1,334,101)	(1,607,572)
Revaluation increase/(decrease) on investments		15,435,725	(10,655,195)
Released on disposal of investments		(130,224)	(46,274)
Revaluation increase on property, plant and equipment		144,744,375	292,738
Net gains/(losses) not recognised in the statement of financial performance		182,624	(134,259)
Currency translation differences		(51)	81
Other		(160,062)	(1,192,569)
Balance at the end of the year		278,834,406	120,095,842
69 Foreign currency translation reserve			
Balance at the beginning of the year		1,193,670	300,792
- correction of prior period error		-	(2,000)
- change in accounting policy		-	-
As restated		1,193,670	298,792
Currency translation differences		(924,350)	607,962
Other		(159,781)	286,916
Balance at the end of the year		109,539	1,193,670
70 Minority interest			
Balance at the beginning of the year		265,022	326,016
- correction of prior period error		-	-
- change in accounting policy		-	-
As restated		265,022	326,016
Shares issued		-	27,200
Deficit for the year		(87,065)	(47,068)
Dividends paid (distributions to owners)		-	(8,337)
Released on disposal of investments		-	(7,576)
Net gains/(losses) not recognised in the statement of financial performance		(1,351)	1,610
Other		(197,429)	(26,823)
Balance at the end of the year		(20,823)	265,022

NOTES TO THE CONSOLIDATED
FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	31 March 2010 R'000	31 March 2009 R'000
71 Other reserves			
Balance at the beginning of the year		58,114,049	45,395,041
- correction of prior period error		449	715,667
- change in accounting policy		168,471	119,018
As restated		58,282,969	46,229,726
Surplus for the year		16,748	-
Transfers to reserves		62,544	5,013,095
Dividends paid (distributions to owners)		48,234	(195,000)
Revaluation increase on investments		1,112	570
Net losses not recognised in the statement of financial performance		(31,379)	(43,455)
Currency translation differences		97,000	(626,012)
Other		16,052,829	7,735,125
Balance at the end of the year		74,530,057	58,114,049
72 Reconciliation of opening balances for public entities for the financial year ended 31 March 2008	Total Entities		
	R'000		
72.1 Surplus after tax-prior year		9,929,789	
Add: Net deficit after tax from new entities		(5,258,965)	
Less entities' net surplus in prior year not included in current year		4,350,779	
Subtotal: Surplus after tax current		9,021,603	
Adjusted by restated figures in entities		687,885	
Other - Telkom		98,705	
Restated Surplus/ (Deficit) after tax for current year		9,808,193	
72.2 Total assets-prior year		1,232,344,181	
Add: Total assets from new entities		350,970,679	
Less entities' total assets in prior year not included in current year		(349,084,139)	
Subtotal: Total assets current year		1,234,230,721	
Adjusted by restated figures in entities		(21,231,318)	
Other - Telkom		(619,110)	
Restated Total assets for current year		1,212,380,293	
72.3 Total Liabilities-prior year		817,175,915	
Add: Total liabilities from new entities		223,910,749	
Less entities' total liabilities in prior year not included in current year		(220,885,044)	
Subtotal: Total liabilities current year		820,201,620	
Adjusted by restated figures in entities		(182,571)	
Restated Total liabilities for current year		820,019,049	

NOTES TO THE CONSOLIDATED
FINANCIAL INFORMATION - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	31 March 2010 R'000	31 March 2009 R'000
72.4	Total net assets-prior year	415,168,266	
	Add: Total net assets from new entities	127,059,930	
	Less entities' net assets in prior year not included in current year	(129,306,796)	
	Subtotal: Total net assets current year	412,921,400	
	Adjusted by restated figures in entities	(19,941,046)	
	Other - Telkom	(619,110)	
	Restated net assets for current year	392,361,244	

ACRONYMS

AFS	:	Annual Financial Statements
CFI	:	Consolidated Financial Information
GRAP	:	Generally Recognised Accounting Practice
MFMA	:	Municipal Finance Management Act, Act 56 of 2003
OAG	:	Office of the Accountant General at National Treasury
PFMA	:	Public Finance Management Act, Act 1 of 1999 (as amended)
TREASURY	:	National Treasury
CFS	:	Consolidated Financial Statements
NRF	:	National Revenue Fund
ALM	:	Assets and Liability Management
PE	:	Public Entities

