

CONTINGENCY **R**ESERVE



ANNUAL REPORT
2001 - 2005

CONTINGENCY **R**ESERVE



ANNUAL REPORT
2001 - 2005

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Foreword by the MEC

It is indeed a pleasure to present this set of annual reports for the North West Contingency Reserve for the financial years 2001-02, 2002-03, 2003-04 and 2004-05.

The Reserve fund has indeed played a major role in assisting government departments to address those unforeseen events which could have otherwise cause major funding problems for government. It was a deliberate policy decision of government to open the Reserve fund based on practical challenge we were faced with.

Although no activity takes place within the contingency I am please to state that withdrawals made by the departments contributed immensely to addressing unforeseen and unavoidable events which would not normally have been budgeted for.

Our mandate remains the prudent management and custodianship of public resources in the North West Province; to ensure that these resources are in turn used for effective service delivery that benefits our people.

I am deeply satisfied when handing over these annual reports that we have succeeded in our endeavors, to answer to a lot of departments call with the use of this contingency reserve.

Hon. MEC Darkey Africa

MEC for Finance and Economic Development

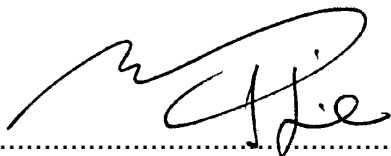
Introduction by Head of Department

Our department is mandated with the responsibility of managing public resources and we are continually faced with the challenge of introducing innovative management systems.

Originally this vote was created within the Provincial Treasury as a holding account from which funding for unforeseen and unavoidable expenses could be effected in the whole of the North west Provincial Government. Funds provided in this Vote form part of the overall provincial Budget that is tabled in Legislature each year.

Departments that are faced with unforeseen and unavoidable events apply to Treasury to avail funds to assist them in dealing with those events. Departments are compelled to report on such events and the source of funding in their respective annual reports.

I am of the opinion that, as a Department we have succeeded in our task of managing this fund and are proud to state that, for financial years 2001-02, 2002-03, 2003-04 and 2004-05; that the Contingency Reserve has been in existence, the Department has received unqualified audit reports from the Auditor General.



Mr. Phineas Tjie
Superintendent General

CONTINGENCY RESERVE (VOTE 14)

MANAGEMENT REPORT for the year ended 31 March 2002

Report by the Accounting Officer to the Executive Authority and the Legislature of the North West Province of the Republic of South Africa.

1. Aim of Department

The aim of the department is to provide for unforeseen and unavoidable expenditure and also for the improvement of conditions of service.

2. Spending trends

Spending in Contingency Reserve over the last two years is as follows:

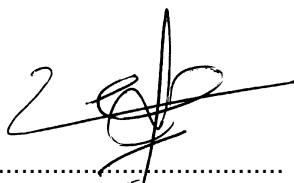
Programme	2000/01	2001/02
Contingency Reserve	1 139	973
TOTAL	1 139	973

5. Events after the accounting date

We are not aware of any matter or circumstances arising since the end of the financial year, not otherwise dealt with in the annual financial statements, which significantly affect the financial position of the Department or the results of its operations.

Approval

The annual financial statements as set out on pages 8 to 15 have been approved by the Accounting Officer.



Geo Paul

Accounting Officer

30 May 2002

REPORT OF THE AUDITOR-GENERAL TO THE MEMBERS OF THE PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS OF THE CONTINGENCY RESERVE (VOTE 14) FOR THE YEAR ENDED 31 MARCH 2002

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 8 to 15, for the year ended 31 March 2002, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 3 and 5 of the Auditor-General Act, 1995 (Act No. 12 of 1995). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. NATURE AND SCOPE

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to my attention and are applicable to financial matters.

I believe that the audit provides a reasonable basis for my opinion.

3. AUDIT OPINION

In my opinion, the financial statements fairly present, in all material respects, the financial position of the Contingency Reserve at 31 March 2002 and the results of its operations and cash flows for the year then ended in accordance with prescribed accounting practice and in the manner required by the relevant act.

4. APPRECIATION

The assistance rendered by the staff of the Department of Finance during the audit is sincerely appreciated.



BMM MADLIWA
for Auditor-General

Rustenburg
25/07/02



A U D I T O R - G E N E R A L

CONTINGENCY RESERVE (VOTE 14)

STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS for the year ended 31 March 2002

The financial statements have been, unless otherwise indicated, prepared in accordance with the following policies, which have been applied consistently in all material respects. 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 for Departments and Constitutional Institutions issued in terms of the Act, as well as the Division of Revenue Act, Act 1 of 2001.

1. Basis of preparation

The financial statements have been prepared on the cash basis of accounting except where stated otherwise. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid. This basis of accounting measures financial results for a period as the difference between cash receipts and cash payments.

2. Revenue

Voted funds are the amounts appropriated to a department in accordance with the final budget known as the adjustment estimate. Interest received is recognised upon receipt of the funds, and no accrual is made for interest receivable from the last receipt date to the end of the reporting period. Unexpended voted funds are surrendered to the Provincial Revenue Fund.

3. Expenditure

Capital and current expenditure is recognised in the income statement when the payment is made. Interest paid is also recognised when paid and no accrual for interest is made between the payment date and the reporting date.

4. Unauthorised, irregular, and fruitless and wasteful expenditure

Unauthorised expenditure means:

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

Unauthorised expenditure is treated as a current asset in the balance sheet until such expenditure is recovered from a third party, authorised by Legislature, or funded from future voted funds.

Irregular expenditure means expenditure, other than unauthorised expenditure, incurred in

CONTINGENCY RESERVE (VOTE 14)

STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS for the year ended 31 March 2002

contravention of or not in accordance with a requirement of any applicable legislation, including:

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

Irregular expenditure is treated as expenditure in the income statement until such expenditure is either not condoned by Provincial Treasury or the Tender Board, at which point it is treated as a current asset until it is recovered from a third party.

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is treated as a current asset in the balance sheet until such expenditure is recovered from a third party.

5. Assets

Physical assets (fixed assets, moveable assets and inventories) are written off in full when they are paid for and are accounted for as expenditure in the income statement.

6. Receivables

Receivables are not normally recognised under the cash basis of accounting. However, receivables included in the balance sheet arise from cash payments that are recoverable from another party.

7. Payables

Payables are not normally recognised under the cash basis of accounting. However, payables included in the balance sheet arise from cash receipts that are due to either the Provincial Revenue Fund or another party.

8. Provisions

Provisions are not normally recognised under the cash basis of accounting.

9. Subsequent payments

Payments made after the accounting date that relates to goods and services received before or on the accounting date are disclosed as a note to the financial statements. These payments

CONTINGENCY RESERVE (VOTE 14)

STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS for the year ended 31 March 2002

are not recognised in the balance sheet as a liability or as expenditure in the income statement as the financial statements are prepared on the cash basis of accounting.

10. Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year. The comparative figures shown in these financial statements are limited to the figures shown in the previous year's audited financial statements and such other comparative figures that the department may reasonably have available for reporting.

CONTINGENCY RESERVE (VOTE 14)
NORTH WEST PROVINCIAL GOVERNMENT

APPROPRIATION STATEMENT
for the year ended 31 March 2002

Programme	Adjustment Estimate 2001/02	Virement 2001/02	Amount Voted 2001/02	Expenditure 2001/02	Savings (Excess) 2001/02	%	Amount Voted 2000/01	Expenditure 2000/01
Contingency Reserve	4,650		4,650	1,139	3,511	76	11,700	973
Total	4,650	-	4,650	1,139	3,511	76	11,700	973
Economic classification	Main Appropriation 2001/02	Virement 2001/02	Amount Voted 2001/02	Expenditure 2001/02	Savings (Excess) 2001/02	%	Amount Voted 2000/01	Expenditure 2000/01
Current Personnel Transfer payments Other	4,650		4,650	1,139	3,511	76	11,700	973
Total	4,650	-	4,650	1,139	3,511	76	11,700	973
Standard items	Main Appropriation 2001/02	Virement 2001/02	Amount Voted 2001/02	Expenditure 2001/02	Savings (Excess) 2001/02	%	Amount Voted 2000/01	Expenditure 2000/01
Professional and special services	4,650		4,650	1,139	3,511	76	11,700	973
Total	4,650	-	4,650	1,139	3,511	76	11,700	973

CONTINGENCY RESERVE (VOTE 14)

INCOME STATEMENT (STATEMENT OF FINANCIAL PERFORMANCE) for the year ended 31 March 2002

REVENUE	Note	2001/02 R'000	2000/01 R'000
Voted Funds			
- Portion of equitable shares		4,650	11,700
TOTAL REVENUE		4,650	11,700
EXPENDITURE			
Professional and special services	1	1,139	973
TOTAL EXPENDITURE		1,139	973
NET SURPLUS/(DEFICIT)		3,511	10,727
Add back unauthorised, irregular, and fruitless and wasteful expenditure			
NET SURPLUS/(DEFICIT) FOR THE YEAR		3,511	10,727
ANALYSIS OF NET SURPLUS FOR THE YEAR			
Voted funds to be surrendered to Revenue Fund			
- Gross funds to be surrendered	2	3,511	10,727
		3,511	10,727

CONTINGENCY RESERVE (VOTE 14)

BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) as at 31 March 2002

ASSETS	Note	2002 R'000	2001 R'000
Current assets		3,511	10,727
Cash and cash equivalents	2	3,511	10,727
Non-current assets		0	0
Total assets		<u>3,511</u>	<u>10,727</u>
LIABILITIES			
Current liabilities	2.2	3,511	10,727
Voted funds to be surrendered		3,511	10,727
Non-current liabilities		0	0
Total liabilities		<u>3,511</u>	<u>10,727</u>

CONTINGENCY RESERVE (VOTE 14)

CASH FLOW STATEMENT for the year ended 31 March 2002

		2001/02	2000/01
	Note	R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash flow generated by operating activities	3	3,511	10,727
Voted funds and Revenue funds surrendered	4	(10,727)	-
Net cash flow available from operating activities		(7,216)	10,727
CASH FLOWS FROM INVESTING ACTIVITIES			
		-	-
Net cash flows from operating and investing activities		(7,216)	10,727
CASH FLOWS FROM FINANCING ACTIVITIES			
		-	-
Net increase/(decrease) in cash and cash equivalents		(7,216)	10,727
Net increase/(decrease) in cash and cash equivalents		(7,216)	10,727
Cash and cash equivalents at beginning of period	2	10,727	
Cash and cash equivalents at end of period	2	3,511	10,727

CONTINGENCY RESERVE (VOTE 14)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2002

	2001/02 R'000	2000/01 R'000
1. Professional and special services		
Other	1,139	973
	<u>1,139</u>	<u>973</u>
2. Cash and cash equivalents		
Paymaster General Account	3,511	10,727
	<u>3,511</u>	<u>10,727</u>
2.1 Reconciliation of Paymaster General Account		
Opening balance	10,727	-
Add: Voted	4,650	11,700
	<u>15,377</u>	<u>11,700</u>
Less: Expenditure	(1,139)	(973)
Less: Surrender of prior year surplus to Treasury	(10,727)	
Less/Add Movement in Suspense		
Balance above	<u>3,511</u>	<u>10,727</u>
2.2 Voted funds to be surrendered		
Opening balance	10,727	-
Transfer from income statement	3,511	10,727
Paid during the year	(10,727)	-
Closing balance	<u>3,511</u>	<u>10,727</u>
3. Net cash flow generated by operating activities		
Net surplus as per Income Statement	3,511	10,727
Adjusted for items separately disclosed	-	-
Net cash flow generated by operating activities	<u>3,511</u>	<u>10,727</u>
4. Voted funds and Revenue funds surrendered		
Voted funds surrendered	10,727	-
	<u>10,727</u>	<u>-</u>

PART 2: REPORTS, FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

**CONTINGENCY RESERVE (VOTE 14)
NORTH WEST PROVINCIAL GOVERNMENT**

**MANAGEMENT REPORT
for the year ended 31 March 2003**

Report by the Accounting Officer to the Executive Authority and the Legislature of the North West Province of the Republic of South Africa

1. Aim of Vote

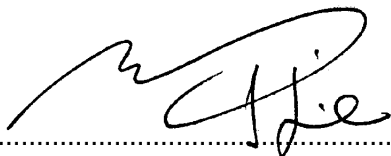
The aim of the Vote is to provide for unforeseen and unavoidable expenditure and also to cater for the unallocated portion of the capital/development fund to be allocated during the course of the financial year during preparation of the budget.

2. Events after the accounting date

We are not aware of any matter or circumstances arising since the end of the financial year, not otherwise dealt with in the annual financial statements, which significantly affect the financial position of the Department or the results of its operations.

Approval

The annual financial statements set out on pages 20 to 28 have been approved by the Accounting Officer.



P Tjie

Accounting officer

30 May 2003

REPORT OF THE AUDITOR-GENERAL TO THE MEMBERS OF THE NORTH WEST PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS OF THE CONTINGENCY RESERVE (VOTE 14) FOR THE YEAR ENDED 31 MARCH 2003

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 20 to 28 for the year ended 31 March 2003 have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 3 and 5 of the Auditor-General Act, 1995 (Act No. 12 of 1995). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. NATURE AND SCOPE

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations, which came to my attention and are applicable to financial matters.

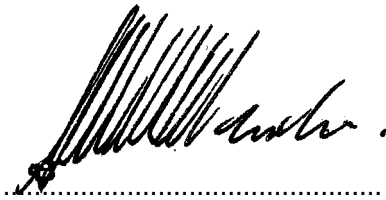
I believe that the audit provides a reasonable basis for my opinion.

3. AUDIT OPINION

In my opinion, the financial statements fairly present, in all material respects, the financial position of the Contingency Reserve at 31 March 2003 and the results of its operations and cash flows for the year then ended in accordance with prescribed accounting practice and in the manner required by the relevant act.

4. APPRECIATION

The assistance rendered by the staff of Department of Finance during the audit is sincerely appreciated.



BMM MADLIWA
for Auditor-General

Rustenburg
24 July 2003



A U D I T O R - G E N E R A L

CONTINGENCY RESERVE (VOTE 14)
NORTH WEST PROVINCIAL GOVERNMENT

STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS
for the year ended 31 March 2003

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material respects, 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), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 5 of 2002.

1. Basis of preparation

The financial statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The reporting entity is in transition from reporting on a cash basis of accounting to reporting on an accrual basis of accounting. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid. Under the accrual basis of accounting transactions and other events are recognised when incurred and not when cash is received or paid.

2. Revenue

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

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

3. Current expenditure

Current expenditure is recognised in the income statement when the payment is made.

4. Unauthorised, irregular and fruitless and wasteful expenditure

Unauthorised expenditure means:

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

Unauthorised expenditure is treated as a current asset in the balance sheet until such expenditure is recovered from a third party or funded from future voted funds.

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

CONTINGENCY RESERVE (VOTE 14)
NORTH WEST PROVINCIAL GOVERNMENT

STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS
for the year ended 31 March 2003

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

Irregular expenditure is treated as expenditure in the income statement.

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful must be recovered from a responsible official (a debtor account should be raised), or the vote if responsibility cannot be determined.

5. Debts written off

Debts are written off when identified as irrecoverable. No provision is made for irrecoverable amounts.

6. Capital expenditure

Expenditure for physical items on hand on 31 March 2003 to be consumed in the following financial year, is written off in full when they are received and are accounted for as expenditure in the income statement. Physical assets acquired are expensed i.e. written off in the income statement when the payment is made.

7. Receivables

Receivables are not normally recognised under the cash basis of accounting. However, receivables included in the balance sheet arise from cash payments that are recoverable from another party.

Receivables for services delivered are not recognised in the balance sheet as a current asset or as income in the income statement, as the financial statements are prepared on a cash basis of accounting, but are disclosed separately in the notes to enhance the usefulness of the financial statements.

8. Payables

Payables are not normally recognised under the cash basis of accounting. However, payables included in the balance sheet arise from cash receipts that are due to either the Provincial/National Revenue Fund or another party.

9. Provisions

- A provision is a liability of uncertain timing or amount. Provisions are not normally recognised under the cash basis of accounting, but are disclosed separately in the notes to enhance the usefulness of the financial statements.

10. Accruals

CONTINGENCY RESERVE (VOTE 14)

STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS for the year ended 31 March 2003

This amount represents goods/services that have been delivered, but no invoice has been received from the supplier at year-end, OR an invoice has been received but remains unpaid at year-end. These amounts are not recognised in the balance sheet as a liability or as expenditure in the income statement as the financial statements are prepared on a cash basis of accounting, but are however disclosed.

11. Employee benefits

Short-term employee benefits

The cost of short-term employee benefits is expensed in the income statement in the reporting period that the payment is made. Short-term employee benefits, that give rise to a present legal or constructive obligation, are deferred until they can be reliably measured and then expensed. Details of these benefits and the potential liabilities are disclosed as a note to the financial statements and are not recognised in the income statement.

Termination benefits

Termination benefits are recognised and expensed only when the payment is made.

Retirement benefits

The department provides retirement benefits for 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 money is paid to the fund. No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the Provincial Revenue Fund and not in the financial statements of the employer department.

Medical benefits

The department provides medical benefits for its employees through defined benefit plans. These benefits are funded by employer and/or employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. No provision is made for medical benefits in the financial statements of the department.

Post retirement medical benefits for retired civil servants are expensed when the payment is made to the fund.

12. Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year. The comparative figures shown in these financial statements are limited to the figures shown in the previous year's audited financial statements and such other comparative figures that the department may reasonably have available for reporting.

APPROPRIATION STATEMENT
for the year ended 31 March 2003

Programme	2002/03						2001/02	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
1 Contingency Reserve								
Current	5,700	13,156	18,856	-	18,856	-	4,650	1,139
Capital	-	-	-	-	-	-	-	-
Total	5,700	13,156	18,856	-	18,856	-	4,650	1,139

Economic classification	2002/03						2001/02	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Current								
Other	5,700	13,156	18,856	-	18,856	-	4,650	1,139
Capital								
Transfer payments								
Total	5,700	13,156	18,856	-	18,856	-	4,650	1,139

Standard item classification	2002/03						2001/02	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Professional and special services							4,650	1,139
Miscellaneous	5,700	13,156	18,856	-	18,856	-		
Total	5,700	13,156	18,856	-	18,856	-	4,650	1,139

**CONTINGENCY RESERVE
VOTE 14**

1. Detail of current and capital transfers as per Appropriation Act (after Virement):

The purpose of this vote is to provide for the following expenditure:

- Unforeseen and unavoidable expenditure
- Portion of the capital/development fund not allocated with the preparation of the budget

During the year Treasury (allowed) / disallowed the following budgets from the departments budget resulted in a saving of R 18, 856 as explained below:

• Balance as per adjustment budget	5, 700
• Agrichicks loan w/off provision – Finance	7, 000
• Standard Merchant Bank loan repayment provision	7, 400
• Transfer to the department of Finance	(1, 244)

TOTAL	18, 856
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**CONTINGENCY RESERVE
(VOTE 14)**

**INCOME STATEMENT (STATEMENT OF FINANCIAL PERFORMANCE)
for the year ended 31 March 2003**

	Note	2002/03 R'000	2001/02 R'000
REVENUE			
Voted funds			
Charge to Provincial Revenue Fund	1	18,856	4,650
		18,856	4,650
Non voted funds			
Other revenue to be surrendered to the revenue fund		0	0
		0	0
TOTAL REVENUE		18,856	4,650
EXPENDITURE			
Current		0	1,139
Professional and special services	2	0	1,139
TOTAL CURRENT EXPENDITURE		0	1,139
Capital		0	0
TOTAL CAPITAL EXPENDITURE		0	0
TOTAL EXPENDITURE		0	1,139
NET SURPLUS		18,856	3,511
Add back unauthorised and fruitless and wasteful expenditure disallowed		0	0
NET SURPLUS FOR THE YEAR	5	18,856	3,511

**CONTINGENCY RESERVE
(VOTE 14)**

**BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
at 31 March 2003**

	Note	2002/03 R'000	2001/02 R'000
ASSETS			
Current assets		18,856	3,511
Cash and cash equivalents	4	18,856	3,511
Non-current assets		0	0
TOTAL ASSETS		18,856	3,511
LIABILITIES			
Current liabilities		18,856	3,511
Voted funds to be surrendered	5	18,856	3,511
Non-current liabilities		0	0
TOTAL LIABILITIES		18,856	3,511
NET ASSETS/LIABILITIES		0	0

**CONTINGENCY RESERVE
(VOTE 14)**

**CASH FLOW STATEMENT
for the year ended 31 March 2003**

	Note	2002/03 R'000	"2001/02 R'000"
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash flow generated by operating activities	6	18,856	3,511
Voted funds surrendered	7	(3,511)	(10,727)
Net cash flow available from operating activities		15,345	(7,216)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		0	0
Net cash flows from operating and investing activities		15,345	(7,216)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans		0	0
Net increase/(decrease) in cash and cash equivalents		15,345	(7,216)
Cash and cash equivalents at beginning of period	4	3,511	10,727
Cash and cash equivalents at end of period	4	18,856	3,511

**CONTINGENCY RESERVE
(VOTE 14)**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2003**

1 Charge to Provincial Revenue Fund

1.1 Included in the above are funds specifically and exclusively appropriated for Provincial Departments (Voted Funds):

Programmes	Total Appropriation 2002/03	Actual	Variance over/(under)	Total Appropriation 2001/02
Contingency Reserve	18,856	0	(18,856)	4,650
TOTAL	18,856		(18,856)	4,650

1.2 Refer the appropriation statement notes for the explanation of material variances

	2002/03 R'000	2001/02 R'000
2 Professional and special services		
2.1 Current expenditure		
Other		1,139
TOTAL	0	1,139

3 Analysis of surplus

Voted funds to be surrendered to the Provincial Revenue Fund

	18,856	3,511
TOTAL	18,856	3,511

4 Cash and cash equivalents

Paymaster General Account

	18,856	3,511
TOTAL	18,856	3,511

5 Voted funds to be surrendered

Opening balance	3,511	10,727
Transfer from income statement	18,856	3,511
Paid during the year	(3,511)	(10,727)
Closing balance	18,856	3,511

6 Net cash flow generated by operating activities

Net surplus as per Income Statement	18,856	3,511
Adjusted for items separately disclosed	0	0
Net cash flow generated by operating activities	18,856	3,511

7 Voted funds and Revenue funds surrendered

Voted funds surrendered	3,511	10,727
TOTAL	3,511	10,727

**PART 3: REPORTS, FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 MARCH 2004**

**CONTINGENCY RESERVE
VOTE 14**

**MANAGEMENT REPORT
for the year ended 31 MARCH 2004**

Report by the Accounting Officer to the Executive Authority and the Legislature of the North West Province of the Republic of South Africa

1. Aim of Vote

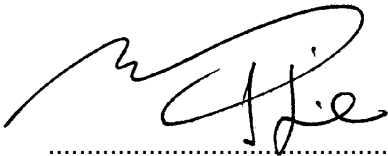
The aim of the Vote is to provide for unforeseen and unavoidable expenditure and also to cater for the unallocated portion of the capital development fund to be allocated during the course of the financial year during preparation of the budget.

2. Events after the accounting date

We are not aware of any matter or circumstances arising since the end of the financial year, not otherwise dealt with in the annual financial statements, which significantly affect the financial position of the Department or the results of its operations.

Approval

The annual financial statements set out on pages 33 to 41 have been approved by the Accounting Officer.



.....
P Tjie
Accounting officer
31 May 2004

REPORT OF THE AUDITOR-GENERAL TO THE MEMBERS OF THE NORTH WEST PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS OF VOTE 14 – CONTINGENCY RESERVE FOR THE YEAR ENDED 31 MARCH 2004

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 33 to 41, for the year ended 31 March 2004 have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 3 and 5 of the Auditor-General Act, 1995 (Act No. 12 of 1995). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. NATURE AND SCOPE

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations, which came to my attention and are applicable to financial matters.

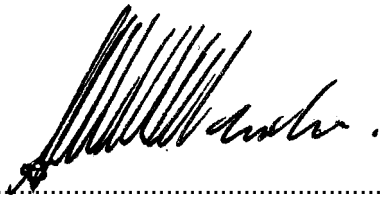
I believe that the audit provides a reasonable basis for my opinion.

3. AUDIT OPINION

In my opinion, the financial statements fairly present, in all material respects, the financial position of Vote 14 – Contingency Reserve at 31 March 2004 and the results of its operations and cash flows for the year then ended in accordance with prescribed accounting practice.

4. APPRECIATION

The assistance rendered by the staff of the Department of Finance during the audit is sincerely appreciated.



BMM Madliwa
for Auditor-General

Rustenburg
29 July 2004



A U D I T O R - G E N E R A L

**CONTINGENCY RESERVE
VOTE 14**

STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material respects, 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), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 7 of 2003.

1. Basis of preparation

The 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. The reporting entity is in transition from reporting on a cash basis of accounting to reporting on an accrual basis of accounting. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid. Under the accrual basis of accounting transactions and other events are recognised when incurred and not when cash is received or paid.

2. Revenue

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

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

3. Current expenditure

Current expenditure is recognised in the income statement when the payment is made.

4. Unauthorised, irregular and fruitless and wasteful expenditure

Unauthorised expenditure means:

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

Unauthorised expenditure is treated as a current asset in the balance sheet until such expenditure is recovered from a third party or funded from future voted funds.

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

**CONTINGENCY RESERVE
VOTE 14**

STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS

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

Irregular expenditure is treated as expenditure in the income statement.

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful must be recovered from a responsible official (a debtor account should be raised), or the vote if responsibility cannot be determined. It is treated as a current asset in the balance sheet until such expenditure is recovered from the responsible official or funded from future voted funds.

5. Debts written off

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of surplus funds available to the department. No provision is made for irrecoverable amounts.

6. Capital expenditure

Expenditure for physical items on hand on 31 March 2004, to be consumed in the following financial year, is written off in full when they are paid and are accounted for as expenditure in the income statement.

7. Receivables

Receivables are not normally recognised under the cash basis of accounting. However, receivables included in the balance sheet arise from cash payments that are recoverable from another party.

Receivables for services delivered are not recognised in the balance sheet as a current asset or as income in the income statement, as the financial statements are prepared on a cash basis of accounting, but are disclosed separately as part of the disclosure notes to enhance the usefulness of the financial statements.

8. Payables

Payables are not normally recognised under the cash basis of accounting. However, payables included in the balance sheet arise from cash receipts that are due to the Provincial Revenue Fund or another party.

9. Provisions

A provision is a liability of uncertain timing or amount. Provisions are not normally recognised under the cash basis of accounting, but are disclosed separately as part of the disclosure notes to enhance the usefulness of the financial statements.

**CONTINGENCY RESERVE
VOTE 14**

STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS

10. Accruals

This amount represents goods / services that have been delivered, but no invoice has been received from the supplier at the reporting date, OR an invoice has been received but remains unpaid at the reporting date. These amounts are not recognised in the balance sheet as a liability or as expenditure in the income statement as the financial statements are prepared on a cash basis of accounting, but are however disclosed as part of the disclosure notes.

11. Employee benefits

Short-term employee benefits

The cost of short-term employee benefits is expensed in the income statement in the reporting period when the payment is made. Short-term employee benefits, that give rise to a present legal or constructive obligation, are deferred until they can be reliably measured and then expensed. Details of these benefits and the potential liabilities are disclosed as a disclosure note to the financial statements and are not recognised in the income statement.

Termination benefits

Termination benefits are recognised and expensed only when the payment is made.

Retirement benefits

The department provides retirement benefits for 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 money is paid to the fund. No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National / Provincial Revenue Fund and not in the financial statements of the employer department.

Medical benefits

The department provides medical benefits for (certain/all) its employees through defined benefit plans. These benefits are funded by employer and / or employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. No provision is made for medical benefits in the financial statements of the department.

Post retirement medical benefits for retired members are expensed when the payment is made to the fund.

12. Comparative figures

Where necessary, comparative figures have been restated to conform to the changes in the presentation in the current year. The comparative figures shown in these financial statements are limited to the figures shown in the previous year's audited financial statements and such other comparative figures that the department may reasonably have available for reporting.

**CONTINGENCY RESERVE
VOTE 14**

**APPROPRIATION STATEMENT
for the year ended 31 March 2004**

Programme	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings / (Underspend) (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
1. Contingency Reserve								
Current	14,758	(14,735)	23	-	23	-	18,856	-
Capital	-	-	-	-	-	-	-	-
Total	14,758	(14,735)	23	-	23	-	18,856	-
Reconciliation with Income Statement								
Add: Other Receipts			-	-			-	-
Less: Unauthorised, Fruitless and wasteful expenditure			-	-			-	-
Actual amounts per Income Statement			23	-			18,856	-

**APPROPRIATION STATEMENT
for the year ended 31 March 2004**

Economic classification	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Current								
Other	14,758	(14,735)	23	-	23	-	18,856	-
Capital								
	-	-	-	-	-	-	-	-
Total 1	14,758	(14,735)	23	-	23	-	18,856	-

Standard item classification	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Miscellaneous	14,758	(14,735)	23	-	23	-	18,856	-
Total 1	14,758	(14,735)	23	-	23	-	18,856	-

**CONTINGENCY RESERVE
VOTE 14**

1. Detail of current and capital transfers as per Appropriation Act (after Virement):

The purpose of this vote is to provide for the following expenditure:

- Unforeseen and unavoidable expenditure
- Portion of the capital development fund not allocated with the preparation of the budget

During the year Treasury disallowed the following budgets from the department's budget resulted in a saving of R 23k as explained below:

	Amount
	R'000
Balance as per adjustment budget	14,758
• Transfer to the department of Local Government	(4,935)
• Transfer to the department of Finance	(7,300)
• Transfer to Education	(1,000)
• Transfer to Public Works	(1,500)
Total Transfers	(14,735)
Balance	23

**CONTINGENCY RESERVE
(VOTE 14)**

**INCOME STATEMENT (STATEMENT OF FINANCIAL PERFORMANCE)
for the year ended 31 March 2004**

	Note	2003/04 R'000	2002/03 R'000
REVENUE			
Voted funds		23	18,856
Annual Appropriation	1	23	18,856
TOTAL REVENUE		23	18,856
EXPENDITURE		-	-
TOTAL EXPENDITURE		-	-
NET SURPLUS FOR THE YEAR		23	18,856
Reconciliation of Net Surplus			
Voted Funds to be surrendered to the Revenue Fund	3	23	18,856
NET SURPLUS		23	18,856

**CONTINGENCY RESERVE
(VOTE 14)**

**BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
at 31 March 2004**

ASSETS	Note	2003/04 R'000	2002/03 R'000
Current assets		23	18,856
Cash and cash equivalents	2	23	18,856
Non-current assets		-	-
TOTAL ASSETS		23	18,856
LIABILITIES			
Current liabilities		23	18,856
Voted funds to be surrendered to the Revenue Fund	3	23	18,856
Non-current liabilities		-	-
TOTAL LIABILITIES		23	18,856
NET ASSETS/LIABILITIES		-	-

**CONTINGENCY RESERVE
(VOTE 14)**

**CASH FLOW STATEMENT
for the year ended 31 March 2004**

	Note	2003/04 R'000	2002/03 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash flow generated by operating activities	4	23	18,856
Voted funds and Revenue funds surrendered	5	(18,856)	(3,511)
Net cash flow available from operating activities		(18,833)	15,345
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		-	-
Net cash flows from operating and investing activities		(18,833)	15,345
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans		-	-
Net increase/(decrease) in cash and cash equivalents		(18,833)	15,345
Cash and cash equivalents at beginning of period		18,856	3,511
Cash and cash equivalents at end of period	2	23	18,856

**CONTINGENCY RESERVE
(VOTE 14)**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2003**

1 Charge to Provincial Revenue Fund

- 1.1** Included in the above are funds specifically and exclusively appropriated for Provincial Departments (Voted Funds):

Programmes	Total Appropriation 2003/04 R'000	Actual Appropriation Received R'000	Variance over/(under) R'000	Total Appropriation 2002/03 R'000
Contingency Reserve	23	23	-	18,856
TOTAL	23	23	-	18,856

2 Cash and cash equivalents

Paymaster General Account	23	18,856
	<u>23</u>	<u>18,856</u>

3 Voted funds to be surrendered to the Revenue Fund

Opening balance	18,856	3,511
Transfer from income statement	23	18,856
Paid during the year	(18,856)	(3,511)
Closing balance	<u>23</u>	<u>18,856</u>

4 Net cash flow generated by operating activities

	2003/04 R'000	2002/03 R'000
Net surplus as per Income Statement	23	18,856
Net cash flow generated by operating activities	<u>23</u>	<u>18,856</u>

5 Voted funds and revenue funds surrendered

Voted funds surrendered	(18,856)	(3,511)
	<u>(18,856)</u>	<u>(3,511)</u>

**PART 4: REPORTS, FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 MARCH 2005**

**CONTINGENCY RESERVE
VOTE 14**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 MARCH 2005**

Report by the Accounting Officer to the Executive Authority and the Legislature of the North West Province of the Republic of South Africa

1. Aim of Vote

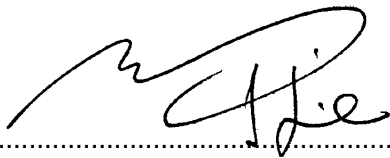
The aim of the Vote is to provide for unforeseen and unavoidable expenditure and also to cater for the unallocated portion of the capital development fund to be allocated during the course of the financial year during preparation of the budget.

2. Events after the accounting date

We are not aware of any matter or circumstances arising since the end of the financial year, not otherwise dealt with in the annual financial statements, which significantly affect the financial position of the Department or the results of its operations.

Approval

The annual financial statements set out on pages 47 to 56 have been approved by the Accounting Officer.



.....
P Tjie
Accounting Officer
28 July 2005

REPORT OF THE AUDITOR-GENERAL TO THE MEMBERS OF THE NORTH WEST PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS OF VOTE 14 – CONTINGENCY RESERVE FOR THE YEAR ENDED 31 MARCH 2005.

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 47 to 56, for the year ended 31 March 2005, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. NATURE AND SCOPE

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to my attention and are applicable to financial matters.

The audit was completed in accordance with Auditor-General Directive No. 1 of 2005.

I believe that the audit provides a reasonable basis for my opinion.

3. AUDIT OPINION

In my opinion, the financial statements fairly present, in all material respects, the financial position of the Contingency Reserve and the results of its operations and cash flows for the year then ended, in accordance with prescribed accounting practice.

4. EMPHASIS OF MATTER

Without qualifying the audit opinion expressed above, attention is drawn to the following matters:

4.1 Restatement of financial statements

A material adjustment to the original financial statements was made and these were

signed and resubmitted on 28 July 2005.

4.2 Financial statements for the years

The annual financial statements of the Contingency Reserve for all the prior years and the Auditor-Generals reports on those financial statements have not yet been tabled in the Provincial Legislature as required in terms of section 65(1) (a) of the PFMA.

5. APPRECIATION

The assistance rendered by the staff of the Department of Finance and Economic Development during the audit is sincerely appreciated.



BMM Madliwa
for Auditor-General

Rustenburg
31 July 2005



AUDITOR - GENERAL

CONTINGENCY RESERVE VOTE 14

ACCOUNTING POLICIES For the year ended 31 March 2005

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

1. Basis of preparation

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

2. Revenue

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

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

3. Current expenditure

Current expenditure is recognised in the income statement when the payment is made.

4. Unauthorised, irregular and fruitless and wasteful expenditure

Unauthorised expenditure means:

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

Such expenditure is treated as a current asset in the Statement of Financial Position until the relevant authority approves it.

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

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

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

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful must be recovered from a responsible official (a debtor account should be raised), or the vote if responsibility cannot be determined. Such expenditure is treated as a current asset in the Statement of Financial Position until such expenditure is recovered from the responsible official or written off as irrecoverable.

5. Comparative figures

Where necessary, comparative figures have been restated to conform to the changes in the presentation in the current year. The comparative figures shown in these financial statements are limited to the figures shown in the previous year's audited financial statements and such other comparative figures that the department may reasonably have available for reporting. Reclassification of expenditure has occurred due to the implementation of the Standard Chart of Accounts.

**Appropriation Statement
for the year ended 31 March 2005**

Appropriation per Programme 2003/04									
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation	Final Appropriation R'000	Actual Expenditure R'000
1. Capital Development Fund	-	-	-	-	-	-	0.0%	23	-
Current payment	-	-	-	-	-	-	0.0%	-	-
Transfers and subsidies	17,527	-	-	17,527	-	17,527	0.0%	-	-
Expenditure for capital assets	-	-	-	-	-	-	0.0%	-	-
2. Unforeseen and unavoidable	1,800	-	-	1,800	-	1,800	0.0%	-	-
Current payment	11,300	-	-	11,300	11,300	-	100.0%	-	-
Transfers and subsidies	-	-	-	-	-	-	0.0%	-	-
Expenditure for capital assets	-	-	-	-	-	-	0.0%	-	-
Subtotal	30,627	-	-	30,627	11,300	19,327	36.9%	23	-
Statutory Appropriation	-	-	-	-	-	-	-	-	-
Current payments	-	-	-	-	-	-	0.0%	-	-
Transfers and subsidies	-	-	-	-	-	-	0.0%	-	-
Payment for capital assets	-	-	-	-	-	-	0.0%	-	-
Total	30,627	-	-	30,627	11,300	19,327	36.9%	23	-
Reconciliation with Statement of Financial Performance									
Prior year unauthorised expenditure approved with funding	-	-	-	-	-	-	-	-	-
Departmental receipts	-	-	-	-	-	-	-	-	-
Local and foreign aid assistance	-	-	-	-	-	-	-	-	-
Actual amounts per Statement of Financial Performance (Total Revenue)	30,627	-	-	30,627	11,300	19,327	36.9%	23	-
Investments acquired and capitalised during the current financial year, but expensed for appropriation purposes	-	-	-	-	-	-	-	-	-
Other payments in Appropriation Statement, not accounted for in the Statement of Financial Performance	-	-	-	-	-	-	-	-	-
Local and foreign aid assistance	-	-	-	-	-	-	-	-	-
Prior year unauthorised expenditure approved	-	-	-	-	-	-	-	-	-
Prior year fruitless and wasteful expenditure condoned	-	-	-	-	-	-	-	-	-
Actual amounts per Statement of Financial Performance Expenditure	-	-	-	-	-	-	-	-	-

**APPROPRIATION STATEMENT
for the year ended 31 March 2005**

Appropriation per Economic Classification 2004/05									
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation	Final Appropriation R'000	Actual Payment R'000
Current payments	-	-	-	-	-	-	0.0%	-	-
Compensation to employees	1,800	-	-	1,800	-	1,800	0.0%	23	-
Goods and services	-	-	-	-	-	-	0.0%	-	-
Transfers & subsidies	-	-	-	-	-	-	-	-	-
Public corporations & private enterprises	11,300	-	-	11,300	11,300	-	100.0%	-	-
Payment on capital assets	17,527	-	-	17,527	-	17,527	0.0%	-	-
Buildings & other fixed structures	-	-	-	-	-	-	-	-	-
Total	30,627	-	-	30,627	11,300	19,327	36.9%	23	-

Detail per programme 1 - Capital Development Fund
for the year ended 31 March 2005

Programme per subprogramme	2004/05						2003/04		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
1.1 Contingency Reserve									
Current payment				-	-	-	0.0%	23	
Transfers and subsidies	17,527			17,527		17,527	0.0%		
Expenditure for capital assets				-		-	0.0%		
Total	17,527	-	-	17,527	-	17,527	0.0%	23	-

Economic classification	2004/05						2003/04		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
Current payments									
Compensation to employees				-	-	-	0.0%	23	
Goods and services				-	-	-	0.0%		
Payments for capital assets	17,527			17,527		17,527	0.0%		
Buildings & other fixed structures									
Total	17,527	-	-	17,527	-	17,527	0.0%	23	-

Detail per programme 2 - Unforeseen and unavoidable
for the year ended 31 March 2005

Programme per subprogramme	2004/05					2003/04				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000	
2.1 Current payment Transfers and subsidies Expenditure for capital assets	1,800			1,800	11,300	1,800	0.0%			
	11,300			11,300		-	100.0%			
	13,100	-	-	13,100	11,300	1,800	86.3%	-	-	
Total										

Economic classification	2004/05					2003/04				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000	
Current Compensation to employees Goods and services Transfers & subsidies Public corporations & private enterprises										
	1,800			1,800		1,800	0.0%			
					11,300	-	100.0%			
	11,300			11,300						
	13,100	-	-	13,100	11,300	1,800	86.3%	-	-	
Total										

North West - Contingency Reserve

Notes to the Appropriation Statement for the year ended 31 March 2005

1. Explanations of material variances from Amounts Voted (after virement):

1.1 Per programme:

	Voted Funds after virement	Actual Expenditure	R'000	%
Capital Development Fund	19,327		19,327	

Funds are appropriated based on unforeseen and unavoidable events.

North West - Contingency Reserve

Statement of Financial Performance for the year ended 31 March 2005

	Note	2004/05 R'000	2003/04 R'000
REVENUE			
Annual appropriation	1	30,627	23
TOTAL REVENUE		<u>30,627</u>	<u>23</u>
EXPENDITURE			
Transfers and subsidies		11,300	-
TOTAL EXPENDITURE		<u>11,300</u>	<u>-</u>
NET SURPLUS/(DEFICIT)		<u>19,327</u>	<u>23</u>
NET SURPLUS/(DEFICIT) FOR THE YEAR		<u><u>19,327</u></u>	<u><u>23</u></u>
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds to be surrendered to the Revenue Fund	3	19,327	23
NET SURPLUS/(DEFICIT) FOR THE YEAR		<u><u>19,327</u></u>	<u><u>23</u></u>

North West - Contingency Reserve

Statement of Financial Position for the year ended 31 March 2005

	Note	2004/05 R'000	2003/04 R'000
ASSETS			
Current assets		19,327	23
Cash and cash equivalents	2	19,327	23
		-	-
TOTAL ASSETS		<u>19,327</u>	<u>23</u>
LIABILITIES			
Current liabilities		19,327	23
Voted funds to be surrendered to the Revenue Fund	3	19,327	23
		-	-
TOTAL LIABILITIES		<u>19,327</u>	<u>23</u>
NET ASSETS		<u>-</u>	<u>-</u>

North West - Contingency Reserve

Cash Flow Statement for the year ended 31 March 2005

	Note	2004/05 R'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		30,627
Annual appropriated funds received		30,627
 Surrendered to Revenue Fund		-23
Transfers and subsidies paid		-11,300
Net cash flow available from operating activities	4	19,304
 Net increase/(decrease) in cash and cash equivalents		19,304
 Cash and cash equivalents at beginning of period		23
Cash and cash equivalents at end of period	3	19,327

North West - Contingency Reserve

NOTES TO THE ANNUAL FINANCIAL STATEMENTS For the year ended 31 March 2005

1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act for Provincial Departments(Equitable Share)

	Final Appropriation R'000	Actual Funds Received R'000	Variance over/(under) R'000	Total Appropriation 2003/04 R'000
Capital Development Fund	17,527	-	17,527	23
Unforeseen and unavoidable	13,100	11,300	1,800	-
Total	30,627	11,300	19,327	23

2. Cash and cash equivalents

Consolidated Paymaster General Account	19,327	23
	<u>19,327</u>	<u>23</u>

3. Voted Funds to be surrendered to the Revenue Fund

Opening balance	23	
Transfer from Statement of Financial Performance	19,327	23
Paid during the year	-23	
Closing balance	<u>19,327</u>	<u>23</u>

4. Reconciliation of net cash flow from operating activities to surplus/(deficit)

	Note	2004/05 R'000
Net surplus/(deficit) as per Statement of Financial Performance		19,327
Non-cash movements		
Increase/(decrease) in current liabilities		19,304
Voted funds not requested/not received		-19,327
Net cash flow generated by operating activities		<u><u>19,304</u></u>

North West - Contingency Reserve

**Annexures to the Annual Financial Statements
for the year ended 31 March 2005**

ANNEXURE 1F STATEMENT OF TRANSFERS TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES									
NAME OF PUBLIC CORPORATION	TRANSFER ALLOCATION			EXPENDITURE				2003/04	
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Funds Transferred %	Capital R'000	Current R'000	Total Available R'000
Public Corporations NW Housing Corporation	11,300			11,300	11,300	100.0%		11,300	
Total	11,300	-	-	11,300	11,300		-	11,300	-