

REPUBLIC OF MALAYSIA
MINISTRY OF FINANCE
BERSEKUTU MELAKSANAKAN TRANSFORMASI



FINANCIAL STATEMENTS

Part 7

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2002

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FINANCIAL STATEMENTS

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

MANAGEMENT REPORT FOR THE YEAR ENDED 31 MARCH 2002.

1. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

The KwaZulu-Natal Department of Transport is responsible for the management and operation of the transportation system in KwaZulu-Natal. This includes:

- The construction, upgrading, maintenance and control of the provincial road network;
- The regulation, subsidization and overall control of public transport operations;
- The registration and licensing of vehicles and drivers;
- The regulation of traffic on provincial roads;
- Road safety; and
- The management of the provincial vehicle fleet.

This responsibility is mandated in terms of the following Acts:

- KZN Provincial Minibus Taxi Act
- KZN Provincial Roads Act
- Administrative Adjudication of Road Traffic Offences Act
- Cross-border Act
- National Road Traffic Act
- KZN Procurement Act
- KZN Road Traffic Act
- National Land Transport Transitions Act
- National Roads Act
- Preferential Procurement Policy Framework Act
- Public Finance Management Act

VISION

The KwaZulu-Natal Department of Transport's vision is **"PROSPERITY THROUGH MOBILITY"**.

This means that all the activities of the department and the manner in which the department delivers services to communities will increase the wealth and quality of life of all the citizens of the province.

MISSION STATEMENT

We will provide the public with an integrated and accessible road and public transport infrastructure, promote road and public transport safety and ensure that, in delivering on our mandate, we meet the developmental needs of our province.

We will promote transparent and accountable government, plan in accordance with the needs of our customers, and ensure effective, efficient and transparent delivery of services through the appropriate involvement of the public and through regular and accurate reporting.

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

STRATEGIC OBJECTIVES

The strategic objectives of the department are as follows:

- Developing the people, the economy and the infrastructure of KwaZulu-Natal;
- Improving and ensuring road and public transport safety;
- Institutionalising public participation and strengthening democratic governance;
- Facilitating rural development, reducing poverty and inequality by ensuring an infrastructure balance;
- Facilitating the growth and development of the road construction industry in KwaZulu-Natal, so as to be fully representative of the demographic profile of the province; and
- Ensuring financial accountability, value based resource management and development of integrated management systems.

INITIATIVES FOR ATTAINING OBJECTIVES

A number of initiatives are in place that will ultimately guide the department to attaining its stated goals and targets.

- ***Integrated management initiative***
To ensure policy correlation within the business units and linking budget spending to actual delivery and performance standards.
- ***Road infrastructural development and maintenance initiative***
Commit the department to the Provincial Growth and Development Strategy, to implement maintenance programmes and provide access roads to communities to unlock economic potential and to promote community development.
- ***Effective communication and information resource initiative***
To review and upgrade the systems currently used by the department and to establish and build appropriate systems interfaces, to develop appropriate business plans on a project basis in consultation with the community and local government. To develop a communication plan based on the established service standards.
- ***Integrated road safety initiative***
Facilitate road safety campaigns and measures and to develop policy in consultation with all relevant authorities charged with the responsibility for road safety structures. To encourage participation of all in road safety initiatives and awareness programmes.
- ***Drive towards good governance***
Encourage professional approach to work methods and procedures, enhance fairness in regard to the handling of personnel matters and other related matters, promote respect for individual integrity and the protection of departmental integrity in line with the Batho Pele principals. To provide cost efficient services by professionally skilling staff with reference to the skills need audit, and in conjunction with the CETA and “community partners”.

OPERATING ENVIRONMENT

The Department operated in an environment that was affected by an adverse rand/dollar exchange rate, globalisation, skills shortage and a declining availability of natural gravels.

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

The Department and indeed the construction industry in South Africa is reliant on imported plant and heavy equipment. The sharp decline of the rand against the dollar and other major currencies increased the price of the replacement plant and spares beyond that budgeted for. Further, the Department is a heavy user of diesel and petrol. The price of diesel and petrol escalated sharply with the decline in the rand/dollar exchange rate. Construction and maintenance units, as well as Road Traffic Inspectorate patrol vehicles, experienced considerable difficulties in meeting their planned outputs in terms of budgets allocated.

The reserves of good natural gravels in KwaZulu-Natal are inadequate to meet the regravelling needs of the provincial gravel road network. The inefficiencies associated with the use of the inferior gravels, together with the haulage costs associated with appropriate but uneconomic gravel resources, now make it economically sound for the department to consider low cost blacktop surfacing of sections of the gravel road network that accommodated only 200 vehicles per day. Currently, only roads that carry in excess of 500 vehicles per day are under consideration for blacktop surface.

2. SERVICE RENDERED BY THE DEPARTMENT

2.1 CORE FUNCTIONS

Turning the vision of the Department into a reality can only be achieved by focusing the attention and energy of all employees and relevant stakeholders on the performance of core functions that are to produce results. The core functions of the department are:

- **Road construction, reconstruction, maintenance & repair**

The construction of new roads, maintenance of existing roads and the repair of damaged roads.

- **Road Transportation**

The planning and provision of urban and rural public transport facilities, conducting transport studies, the control of road transportation, provision of transport planning frameworks and the management of public transport services and the public road network.

- **Road Traffic**

The registration and licensing of vehicles and drivers, the regulation of traffic on public roads, the maintenance and provision of visible road traffic signs and the implementation of road safety campaigns and awareness programmes.

To effectively perform these core functions and to effectively deliver and provide services to the public, the department needs technical and/ or professional support in the following areas:

- Human Resource Management and Development
- Financial Management
- Communication
- Monitoring and Evaluation

2.2 TARIFF POLICY

The main revenue sources for the department include the registration and licensing of motor vehicles and fines income from Road Traffic infringements. This accounts for some 95% of the total revenue collected by the department and the tariff levied are governed by the Road Traffic Act.

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

2.3 FREE SERVICES

No free services were rendered by the Department.

3. UNDER/OVER SPENDING**3.1 PROGRAMME 1: ADMINISTRATION**

The purpose of this programme is to conduct the overall management of the department. The aim of this programme is to ensure policy correlation within the business units, and link budget spending to actual delivery and performance standards. There are two sub-programmes contained within this programme:

- Minister – Policy formulation by the Minister and the department's management, and
- Administration – Organising the department, managing its personnel and financial administration, determining working methods and procedures and exercising control and rendering administrative services.

The savings of R12, 269 million were mainly due to the alterations to the Head Office building complex, incorporating the department's Technology Transfer Centre, not commencing during the financial year, due to unforeseen technical specification and architectural problems.

3.2 PROGRAMME 2: ROADS

The purpose of this programme is to conduct the overall management and administration of roads in the Province of KwaZulu-Natal. The programme is aimed at determining the need for infrastructure, implementing maintenance and promoting community development and eco-tourism.

This programme consists of six sub-programmes, namely:

- Technical Support Services;
- Construction;
- Community Access Roads;
- Maintenance;
- Subsidies; and
- Mechanical.

The objectives of these six sub-programmes are:

- The planning and designing of provincial roads;
- The departmental/contractual construction of provincial roads;
- The provision of access roads to rural communities;
- The departmental/contractual maintenance of provincial roads;
- Assistance in respect of the fencing of main roads;
- The elimination of high frequency accident spots in urban areas;
- Assistance to local authorities in respect of the maintenance of main roads, and traffic signals on provincial roads within local authorities; and
- The repair and preventative maintenance of departmental plant and equipment.

The over-expenditure of R11, 838 million was mainly due to the adverse Rand/Dollar exchange rate during the year, which affected the cost of hired plant and the fuel price. The programme performance targets for the year were not adversely affected by the adverse exchange rate.

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3.3 PROGRAMME 3: ROAD TRAFFIC

The purpose of this programme is to regulate road traffic. The department's integrated road safety programme is aimed at facilitating road safety campaigns and measures, developing policy in consultation with all relevant authorities charged with the responsibility for road safety structures, and encouraging participation of all in road safety initiatives and awareness programmes. This programme consists of five sub-programmes:

- Transport Engineering;
- Law Enforcement;
- Vehicle Registration; and Licensing;
- Road Safety Education; and
- Grants-in-aid.

The services rendered by these sub-programmes are as follows:

- To render technical services relating to mass measuring bridges, and to conduct analysis and re-engineering of hazardous locations;
- To conduct road traffic law enforcement;
- To register and licence vehicles; and
- To develop road safety educational programmes and train educators in traffic safety.

The under-expenditure of R1, 379 million was mainly attributable to the non-filling of vacant posts in the Chief Directorate: Public Safety and Communication, pending the finalisation of the structure of this component, and consequential vacancies in the Road Traffic Inspectorate. The expenditure in the Law Enforcement sub-programme was adversely affected by the dramatic increases in the fuel price during the financial year, this however did not materially affect the performance of this activity.

3.4 PROGRAMME 4: PUBLIC TRANSPORT

The purpose of this programme is the planning and regulation of public transport, the monitoring of bus subsidy contracts and payments.

The over expenditure of R3,034 million, was mainly due to the extension of the Taxi Commission, appointed by the Provincial Cabinet during the 2000/1 financial year, to investigate the violence in the taxi industry. The Department is currently awaiting the final report from this commission.

3.5 PROGRAMME 5: AUXILIARY and ASSOCIATED SERVICES

This programme is for the rendering of auxiliary services and services associated with the Department of Transport. The following three sub-programmes are contained therein:

- Radio Communication Services;
- Standard Stock Account; and
- Provincial Motor Transport.

The services rendered by these sub-programmes are the:

- Provision and maintenance of radio communication services;
- Capital augmentation; and
- The purchase of vehicles for departmental use.

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4. CAPACITY CONSTRAINTS

The shortage of technically qualified manpower especially at senior levels continues to constraint the ability of the department to deliver on its mandate. A number of engineering and technician positions have remained unfilled for years. This has not only hampered service delivery in the affected areas, but has also resulted in an over-reliance on consultants.

To alleviate this situation in the medium to long term, the department is actively involved in nurturing prospective technical employees by providing scholarships to civil engineering students attending both universities and technikons, implementing mentorship programs for young technical graduates and encouraging study in technical fields by supporting high school programs that stimulate interest in maths and science.

The shortage of maintenance plant and equipment is another factor that impacts negatively on service delivery. Years of under investment on new equipment has resulted in an aging fleet of plant that requires large sums of money to maintain but whose availability is generally low. In many districts plant operators do not have plant to operate for a number of months in each year, compromising the effectiveness of maintenance operations.

Outsourcing of maintenance operations and hiring of plant has alleviated some of the department's own lack of plant. However there is a general shortage of plant in KwaZulu-Natal. Plant hire charges levied to emerging contractors, are very high. The Department in conjunction with Provincial Treasury and the private sector are evaluating various options to address the problem.

5. UTILISATION OF DONOR FUNDS

No donor funds were received for year ending 31 March 2002.

6. PUBLIC ENTITIES

There are two Public Entities listed on Schedule 3 of the Public Finance Management Act that report to the KwaZulu-Natal Minister of Transport.

6.1 KwaZulu-Natal Public Transport Licensing Board (Formerly the KwaZulu-Natal Local Roads Transportation Board)

The Public Transport Licensing Board was established by the Road Transportation Act, 1977 (Act 74 of 1977) with the main objective of receiving applications for the granting of Road Transportation permits. The office consists of two sub-components being:

- Officials, responsible for the administrative functions of the Public Transport Licensing Board; and
- Board members responsible for the adjudication of public transport permits.

The Public Transport Licensing Board is currently dealing with permits as required under the legalisation and legitimization processes required by the National and Provincial Department of Transport.

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Financial Arrangements

The financial and administration costs are undertaken by the Department of Transport officials. All payments for services rendered by the Board are made by the Department of Transport.

6.2 KwaZulu-Natal Taxi Council (Formerly KwaZulu-Natal Taxi Task Team)

A democratically elected Provincial Taxi Council has been established to replace KwaZulu-Natal Taxi Task Team. The main objectives of the committee are to achieve the following:

- To shape the taxi industry into an economically viable and reliable public transport.
- To facilitate the diversification of the taxi industry into other business sectors.
- To serve as a consultative structure and a collective voice of the taxi industry in this dealings with government and other institutions.
- To support the Department of Transport in achieving its goals of formalising and restructuring of the taxi industry.

Financial Arrangements

The financial and administration costs are undertaken by the Department of Transport officials. All payments for services rendered by the Board are made by the Department of Transport.

7. OTHER ORGANIZATIONS TO WHERE TRANSFER PAYMENTS HAVE BEEN MADE

Transfer payments are made for the following purposes:

- **Fencing Subsidies:** Payments are made to adjacent landowners on Provincial Main Roads for maintenance and upkeep of fencing to prevent livestock from entering the road thereby improving Road Safety.
- **Local Municipalities:** Maintenance of Provincial Roads that traverse built up areas with the Local Municipality
- **Local Roads:** Paid to various organizations and farmers for maintenance of certain local roads.

8. PUBLIC PRIVATE PARTNERSHIP

No Public Private Partnerships have been entered into by the Department during the financial year under review.

9. CORPORATE GOVERNANCE ARRANGEMENTS

Given the KwaZulu-Natal Department of Transport's commitment to participatory democracy and people centred development, it was logical to restructure the Department on a customer/client/contractor model. Customer needs are prioritised both through our own structures such as Rural Road Transport Forums, Community Road Safety Councils, Emerging Contractor Associations and Commuter Associations and through our commitment to enhance co-operative government between all spheres of government. The client role reflects the vision of the Department to secure the objectives of equity, enhancement of democracy and the social and economic empowerment of disadvantaged populations and communities in all aspects of transport planning. The contractor role, on the other hand, is essentially to act as the implementing agent of the Department's vision. It does not have a policy-making responsibility as we have separated out policy (client role) and implementation (contractor role) in the best interests of transparency and accountability.

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The introduction of an internal client/contractor relationship within KwaZulu-Natal Department of Transport has created a matrix management system with clear lines of responsibility and accountability. It has also been instrumental in making the change from an input based to an output based budgeting process with measurable targets. Indeed, one of the most pleasing advances made during this financial year has been the involvement of our Rural Road Transport Forums, which includes representation from the district councils, in the prioritisation of work on our provincial road network and not just on local or community access roads. In as much as 74,8% of our entire KwaZulu-Natal Department of Transport budget is allocated towards roads, it is a considerable achievement to report confidently that we know precisely - and the public knows precisely - how 74,8% of our budget will be spent. We know and they know what roads will be upgraded, what new construction will be initiated and how roads will be maintained. We know and they know what work will be done by Departmental construction and maintenance units and what work will be outsourced to established and emerging contractors. The business plans for the road projects and the community road safety programmes have, in the 2002/3 financial year been extended to include the IDP managers.

9.1 RISK MANAGEMENT

In terms of section 27.2.1 of the Treasury Regulations, read in conjunction with Sections 51(1)(a)(ii) and 76(4)(b) and (e) of the PFMA, the department together with the Provincial Internal Audit Unit, produced a risk assessment report. This report is being used by the Department to determine the material risks to which it is exposed and to establish a strategy for managing those risks. The strategy is being used to direct the internal audit effort and priority, and the skills required to manage these risks.

9.2 FRAUD PREVENTION

In terms of section 3.2.2 of the Treasury Regulations, the department has developed a fraud prevention plan.

9.3 PROVINCIAL INTERNAL AUDIT

The Provincial Cabinet resolved that the Internal Audit function would be centralised under the control of Provincial Audit Committee. Various meetings were held during the financial year with the Internal Audit Unit to discuss the audit requirements of the department and to implement the recommendation made by them.

10. DISCONTINUED ACTIVITIES/ACTIVITIES TO BE DISCONTINUED

The department made no financial contribution and has discontinued all funding to Umthombo Investments (Pty) Ltd and the Minister of Transport has resolved to make no further financial contributions to this entity.

11. NEW/PROPOSED ACTIVITIES

During the financial year the department took responsibility for the Major and Minor works undertaken within the Department of Transport. This budget was previously controlled by the Provincial Department of Works.

12. EVENTS SUBSEQUENT TO THE ACCOUNTING DATE

Several large capital projects in the Eastern Cape and the neighbouring countries, especially Mozambique have resulted in a shortage of plant available in the province for use on Road Construction and Maintenance, this situation is expected to worsen during the financial year.

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This shortage together with the fluctuating Rand/Dollar exchange rate and the abnormal increase in fuel costs will result in higher than anticipated road construction and maintenance costs. As a result of these fluctuations it will be difficult to predict the precise effects on the “value for money” outputs of the departments.

13. PROGRESS WITH FINANCIAL MANAGEMENT IMPROVEMENTS

The following financial management improvements initiations were implemented during the financial year: -

- Finalisation of the timetable for the phased implementation of the Public Finance Management Act.
- The appointment of the Chief Financial Officer as the chairman of the Tender Award Committee.
- The implementation of Monthly Management Accounts Reporting model as prescribed by Provincial Treasury. This model fulfils the financial reporting requirements of the accounting officer in terms of Public Finance Management Act.
- Performance based budgeting and reporting by Responsibility Manager and co-ordinated by Directorate Monitoring and Evaluation.
- Risk assessment workshops were held to identify high-risk areas.
- The appointment of a budget committee to review business plans for each directorate. Finalisation of Finance component of the department and appointment of appropriate financial staff.

APPROVAL

The attached annual financial statements have been approved by the accounting officer.



DR K.B. MBANJWA
HEAD: TRANSPORT
31 MAY 2002

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

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 National/Provincial Revenue Fund.

3. Expenditure

Capital and 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, authorised by Parliament, 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:

- 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 not condoned by the KwaZulu-Natal Central Procurement Committee, 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.

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5. Debt write-off policy

Debts are written off when identified as irrecoverable. The value of debts considered to be irrecoverable but not yet written off are disclosed as a note to the financial statements. These amounts are not recognised in the balance sheet as a liability or as expenditure in the income statement.

6. 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. The value of assets are not accounted for on the balance sheet.

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.

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 National Revenue Fund or another party.

9. Recoverable Revenue

Recoverable revenue represents payments made and recognised in the income statement as an expense in previous years, which have now become recoverable from a debtor due to non-performance in accordance with an agreement. Repayments are transferred to the Revenue Fund as and when the repayment is received.

10. Investments

Investments held by the department are disclosed as a note to the financial statements. These payments are not recognised in the balance sheet as an asset as the financial statements are prepared on the cash basis of accounting.

11. 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 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.

12. Lease commitments

Lease commitments for the period remaining from the accounting date until the end of the lease contract are disclosed as a note to the financial statements. These commitments 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.

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13. 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 National 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.

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

14. 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.

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KWAZULU-NATAL DEPARTMENT OF TRANSPORT

INCOME STATEMENT for the year ended 31 March 2002

| | Notes | 2002 R'000 | 2001 R'000 |
|--|-------|------------------|------------------|
| REVENUE | | | |
| Voted funds | | 1,113,716 | 935,007 |
| Conditional grants | 1 | 96,485 | 112,473 |
| Portion of Equitable Share | | 1,016,705 | 822,047 |
| Statutory appropriation | 2 | 526 | 487 |
| Non voted funds | | 405,539 | 386,736 |
| Sales of goods and services | 3 | 364,959 | 359,087 |
| Other receipts | 4 | 40,580 | 27,649 |
| TOTAL REVENUE | | <u>1,519,255</u> | <u>1,321,743</u> |
| EXPENDITURE | | | |
| Personnel | 5 | 289,345 | 273,950 |
| Administrative expenditure | | 56,099 | 52,288 |
| Inventories | | 67,748 | 58,744 |
| Equipment | 6 | 65,707 | 51,686 |
| Land and buildings | 7 | 18,307 | 2,762 |
| Professional and special services | 8 | 616,576 | 458,268 |
| Transfer payments | 9 | 600 | 5,189 |
| Miscellaneous | 10 | 969 | 2,962 |
| Special functions: authorised losses | 11 | 2,281 | 2,196 |
| TOTAL EXPENDITURE | | <u>1,117,632</u> | <u>908,045</u> |
| NET SURPLUS/(DEFICIT) | | 401,623 | 413,698 |
| Add back unauthorised, irregular, and fruitless & wasteful expenditure disallowed | 12.2 | 15,283 | - |
| NET SURPLUS/(DEFICIT) FOR THE YEAR | | <u>416,906</u> | <u>413,698</u> |
| ANALYSIS OF NET SURPLUS/(DEFICIT) FOR THE PERIOD | | | |
| Voted funds to be surrendered to Revenue Fund | 17 | 11,367 | 26,962 |
| Revenue to be surrendered to Revenue Fund | 18 | 405,539 | 386,736 |
| | | <u>416,906</u> | <u>413,698</u> |

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

BALANCE SHEET as at 31 March 2002

| | Notes | 2002 R'000 | 2001 R'000 |
|---|-------|---------------|---------------|
| ASSETS | | | |
| Current assets | | 74,497 | 60,819 |
| Unauthorised, irregular, fruitless and wasteful expenditure | 12 | 19,328 | 2,450 |
| Cash and cash equivalents | 13 | 173 | 171 |
| Receivables | 14 | 51,864 | 55,667 |
| Inventories | 15 | 3,132 | 2,531 |
| Total assets | | <u>74,497</u> | <u>60,819</u> |
| LIABILITIES | | | |
| Current liabilities | | 74,497 | 60,819 |
| Voted funds to be surrendered | 17 | - | - |
| Revenue to be surrendered | 18 | - | - |
| Payables | 19 | 2,882 | 9,496 |
| Provincial Treasury | 16 | 71,615 | 51,323 |
| Total liabilities | | <u>74,497</u> | <u>60,819</u> |

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CASH FLOW STATEMENT for the year ended 31 March 2002

| | Notes | 2002 R'000 | 2001 R'000 |
|---|-------|---------------|---------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net cash flow generated by operating activities | 21 | 953,752 | 772,332 |
| Cash generated (utilised) to (increase)/ decrease working capital | 22 | (20,290) | (32,657) |
| Voted funds surrendered | 17 | (11,367) | (26,962) |
| Revenue funds surrendered | 18 | (405,539) | (386,736) |
| Net cash flow available from operating activities | | 516,556 | 325,977 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| | | (536,846) | (358,634) |
| Purchase of equipment | 21 | (61,779) | (48,119) |
| Purchase of land and building | 21 | (12,061) | (2,721) |
| Capital expenditure - professional and special services | 21 | (480,076) | (316,784) |
| Capital expenditure - miscellaneous expenditure | 21 | (1) | (1,088) |
| Proceeds from sale of equipment | 21 | 12,245 | 8,556 |
| Proceeds from sale of inventory | 21 | 4,826 | 1,522 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | | (20,290) | (32,657) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | | (51,152) | (18,495) |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 23 | (71,442) | (51,152) |

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2002

1. Conditional grants

| Received from | Purpose | 2002 | 2002 | 2002 |
|---|---------------------------|---------------|---------------|--------------|
| | | R'000 | R'000 | R'000 |
| | | Total | Actual | Variance |
| | | Allocation | Expenditure | over/(under) |
| National Treasury | Provincial infrastructure | 68,179 | 68,179 | - |
| National Treasury | Flood disaster | 26,962 | 26,962 | - |
| Own Funds (as a result of partial roll-over of funds from the prior financial year) | Flood disaster | 1,344 | 1,344 | - |
| TOTAL | | 96,485 | 96,485 | - |

| Received from | Purpose | 2001 | 2001 | 2001 |
|--|---------------------------|----------------|---------------|---------------|
| | | R'000 | R'000 | R'000 |
| | | Total | Actual | Variance |
| | | Allocation | Expenditure | over/(under) |
| National Treasury | Provincial infrastructure | 45,442 | 45,442 | - |
| Own Funds (as a result of underspending in prior financial year) | Provincial infrastructure | 6,400 | 6,400 | - |
| National Treasury | Flood disaster | 60,631 | 32,325 | 28,306 |
| TOTAL | | 112,473 | 84,167 | 28,306 |

An application was made for the roll-over of unspent Road Maintenance conditional grant funds as at 31 March 2001. A roll-over of R26 962 was granted leaving a balance of R1 344 to be funded by the Department.

| | 2002 | 2001 |
|--------------|-------|-------|
| | R'000 | R'000 |
| Notes | | |

2. Statutory Appropriation

Appropriation for remuneration and other payments to Executive Authority and Legislature not under the control of the department.

| | | |
|--|-----|-----|
| | 526 | 487 |
|--|-----|-----|

3. Sales of goods and services

| | | |
|-------------------------------------|----------------|----------------|
| Abnormal load permits | 2,626 | 6,387 |
| Board and lodging | 206 | 213 |
| Registration, tuition and exam fees | 228 | 128 |
| Road traffic act | 361,899 | 352,359 |
| TOTAL | 364,959 | 359,087 |

FINANCIAL STATEMENTS

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2002 (continued)

| | 2002 R'000 | 2001 R'000 |
|--|---------------|---------------|
| | Notes | |
| 4. Other receipts | | |
| Domestic services | 614 | 635 |
| Fines and forfeiture | 16,947 | 11,477 |
| Interest on receivables | 236 | 378 |
| Loss control | 3,817 | 2,402 |
| Other | 529 | 370 |
| Proceeds from sale of equipment | 12,245 | 8,556 |
| Proceeds from sale of land, buildings and structures | 177 | 375 |
| Proceeds from sale of inventory | 4,826 | 1,522 |
| Refunds previous year | 105 | 39 |
| Rental of property | 798 | 687 |
| Salaries overpaid previous financial year | 19 | 57 |
| Study loans | 77 | 33 |
| Subsidised motor scheme and subsidised transport | 189 | 1,116 |
| Transport of officers | 1 | 2 |
| | <u>40,580</u> | <u>27,649</u> |

No gifts, donations and sponsorships were received by the department during the period under review.

No gifts, donations and sponsorships were received in kind by the department during the period under review.

5. Personnel

| | | |
|--|----------------|----------------|
| Appropriation to Executive and Legislature | 526 | 487 |
| Basic salary costs | 198,295 | 189,443 |
| Pension contributions | 29,465 | 27,933 |
| Medical aid contributions | 14,083 | 12,641 |
| Other salary related costs | 46,976 | 43,446 |
| | <u>289,345</u> | <u>273,950</u> |
| Average number of employees | <u>4,639</u> | <u>4,727</u> |

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2002 (continued)

| | 2002 R'000 | 2001 R'000 |
|--|---------------|---------------|
| | Notes | |
| 6. Equipment | | |
| Current (Rentals, maintenance and sundry) | 3,928 | 3,567 |
| - Rentals | 3,703 | 3,517 |
| - Sundry | 225 | 50 |
| Capital | 61,779 | 48,119 |
| - Computer equipment | 5,733 | 7,425 |
| - Furniture and office equipment | 3,672 | 2,870 |
| - Mechanical plant (purchased & hired for use on construction projects) | 37,030 | 25,043 |
| - Other sundry equipment | 937 | 743 |
| - Road traffic equipment | 4,105 | 3,189 |
| - Transport (official vehicles) | 10,302 | 8,849 |
| | <u>65,707</u> | <u>51,686</u> |
| 7. Land and buildings | | |
| Current expenditure | 6,246 | 41 |
| - Maintenance | 1,237 | 40 |
| - Leasehold improvements | - | - |
| - Rental | 5,009 | 1 |
| Capital expenditure | 12,061 | 2,721 |
| - Land | 755 | 189 |
| - Dwellings | - | 2,150 |
| - Non-residential buildings | 9,948 | 382 |
| - Other structures | 1,358 | - |
| | <u>18,307</u> | <u>2,762</u> |

FINANCIAL STATEMENTS

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2002 (continued)

| | 2002 R'000 Current | 2002 R'000 Capital | Notes | 2002 R'000 | 2001 R'000 |
|---|--------------------------|--------------------------|-------|---------------|---------------|
| 8. Professional and special services | | | | | |
| Auditors' remuneration | 1,238 | - | | 1,238 | - |
| Contractors | 45,276 | 427,551 | | 472,827 | 345,674 |
| Consultants and advisory services | 79,558 | 37,479 | | 117,037 | 83,338 |
| Commissions and committees | 593 | 2,996 | | 3,589 | 12,261 |
| Computer services | 5,296 | 7,681 | | 12,977 | 8,991 |
| Other | 4,539 | 4,369 | | 8,908 | 8,004 |
| | 136,500 | 480,076 | | 616,576 | 458,268 |

9. Transfer payments

Transferee and purpose

Other transfers

| | | | | | |
|-------------------|-----|---|--|-----|-------|
| - Subsidies | 600 | - | | 600 | 922 |
| - Public entities | - | - | | - | 4,267 |
| | 600 | - | | 600 | 5,189 |

Included in the Standard Item expenditure stated above are the following amounts which were paid on behalf of the two public entities:

| | | | | | |
|-------------------------------------|-------|---|--|-------|--|
| - Personnel | 1,069 | - | | 1,069 | |
| - Administrative | 852 | - | | 852 | |
| - Inventory | 81 | - | | 81 | |
| - Equipment | 199 | - | | 199 | |
| - Professional and special services | 2,205 | - | | 2,205 | |
| | 4,406 | - | | 4,406 | |

10. Miscellaneous

| | | | | | |
|--|-----|---|------|-----|-------|
| Claims against the State | 348 | - | | 348 | 471 |
| Gifts, donations and sponsorship made | 109 | - | 10.1 | 109 | 4 |
| Levies: Drivers application fees | 399 | - | | 399 | 328 |
| Remissions, refunds and payments made as an act of grace | 104 | - | 10.2 | 104 | 58 |
| Stabilisation fund | 8 | 1 | | 9 | 2,101 |
| | 968 | 1 | | 969 | 2,962 |

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2002 (continued)

| | 2002 R'000 Current | 2002 R'000 Capital | Notes | 2002 R'000 | 2001 R'000 |
|---|--------------------------|--------------------------|-------|---------------|---------------|
| 10.1 Gifts, donations and sponsorship paid in cash and kind by the department (items expensed during the current year) | | | | | |
| <i>Nature and purpose</i> | | | | | |
| Gifts for overseas conference | - | - | | - | 4 |
| Computers purchased for Bhekzizwe | | | | | |
| HP School resource centre | 81 | - | | 81 | - |
| Kwanaloga sponsorship | 28 | - | | 28 | - |
| | <u>109</u> | <u>-</u> | | <u>109</u> | <u>4</u> |

10.2 Remissions, refunds and payments made as an act of grace

Nature and purpose

| | | | | | |
|---|------------|----------|--|------------|-----------|
| Losses incurred by emerging contractor due to unseasonal flooding | 100 | - | | 100 | - |
| Interest on late pension payout | - | - | | - | 52 |
| Other | 4 | - | | 4 | 6 |
| | <u>104</u> | <u>-</u> | | <u>104</u> | <u>58</u> |

11. Special functions : authorised losses

| | | | | | |
|-----------------------------------|--------------|----------|------|--------------|--------------|
| Debts written off | 175 | - | 11.1 | 175 | 101 |
| Other material losses written off | 2,106 | - | 11.2 | 2,106 | 2,095 |
| | <u>2,281</u> | <u>-</u> | | <u>2,281</u> | <u>2,196</u> |

11.1 Debts written off

Nature

| | | | | | |
|-------------------------------|------------|----------|--|------------|------------|
| Breach of contract | 9 | - | | 9 | - |
| Bursary and study loan | - | - | | - | 19 |
| Other staff related write-off | 75 | - | | 75 | 38 |
| Salary overpayments | 66 | - | | 66 | 40 |
| Tax debt | 25 | - | | 25 | 4 |
| | <u>175</u> | <u>-</u> | | <u>175</u> | <u>101</u> |

FINANCIAL STATEMENTS

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2002 (continued)

| | 2002 R'000 | 2002 R'000 | 2002 R'000 | 2001 R'000 |
|---|---------------|---------------|---------------|---------------|
| | Current | Capital | Notes | |
| 11.2 Other material losses written off in income statement in current period | | | | |
| <i>Nature</i> | | | | |
| Firearms | 6 | - | 6 | 3 |
| Land and buildings | 1 | - | 1 | 15 |
| Miscellaneous | 11 | - | 11 | 5 |
| Removal | 38 | - | 38 | 37 |
| Supplies and equipment deficits | 201 | - | 201 | 110 |
| Vehicle collisions and damages | 1,340 | - | 1,340 | 1,653 |
| Vehicle theft | 509 | - | 509 | 272 |
| | 2,106 | - | 2,106 | 2,095 |
| 12. Unauthorised irregular, fruitless and wasteful expenditure | | | | |
| Unauthorised expenditure current year | | | 12.2 | 15,283 |
| Thefts and losses awaiting approval | | | 12.3 | 4,045 |
| | | | | 19,328 |
| | | | | 2,450 |
| 12.1 Reconciliation of movement in account balance | | | | |
| Opening balance | | | | 2,450 |
| Transfer from income statement | | | | 15,283 |
| Transfer to receivables for recovery | | | | 1,595 |
| | | | | 19,328 |
| Closing balance | | | | 2,450 |
| 12.2 Unauthorised expenditure, current year | | | | |
| <i>Incident</i> | | | | |
| Overspending of Programme 2: Roads | | | | 11,838 |
| Overspending of Programme 4: Public Transportation | | | | 3,034 |
| Overspending of Programme 5: Auxiliary and Associated Services | | | | 411 |
| | | | | 15,283 |
| | | | | - |

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2002 (continued)

| | Notes | 2002 R'000 | 2001 R'000 |
|--|-------|---------------|---------------|
| 12.3 Thefts and losses awaiting approval | | | |
| <i>Case type</i> | | | |
| Vehicle collisions and damage | | 2,036 | 1,993 |
| Vehicle thefts and losses | | 334 | 2 |
| Supplies and equipment losses | | 256 | 147 |
| Claims by the State | | 1,154 | 214 |
| Other | | 265 | 94 |
| | | 4,045 | 2,450 |
| 13. Cash and cash equivalents | | | |
| Cash on hand | | | |
| - Official Imprest and petty cash | | 173 | 171 |
| | | 173 | 171 |
| 14. Receivables - current | | | |
| Amounts owing by other departments | 20.2 | 49,623 | 52,913 |
| Staff debtors | 14.3 | 1,946 | 1,961 |
| Other debtors | 14.4 | 295 | 793 |
| | 14.2 | 51,864 | 55,667 |
| 14.1 Amounts of R30,960 million (2001: R32,859 million) included above may not be recoverable, but have not been written off in the income statement. | | | |
| 14.2 Age analysis - receivables current | | | |
| Less than one year | | 19,105 | 15,003 |
| One to two years (List material amounts) | | 969 | 4,021 |
| More than two years (List material amounts) | | | |
| - Amount due from National Department of Transport for the maintenance of national roads | | 24,491 | 24,491 |
| - Amount due from National Department of Transport for national projects implemented | | 6,469 | 8,368 |
| - Other - debtor debts | | 830 | 624 |
| | | 51,864 | 52,507 |

FINANCIAL STATEMENTS

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2002 (continued)

| | 2002 R'000 | 2001 R'000 |
|---|---------------|---------------|
| | Notes | |
| 14.3 Staff debtors | | |
| Contract Breach: Study | 92 | 57 |
| Debt : BOC 100% Housing | 37 | 191 |
| Debt Control Bursary | (11) | - |
| Debt Control Persal Other | 250 | 282 |
| Debt Control State Guarantee | (3) | (1) |
| Debt Control Tax Debt | 58 | 42 |
| Debt Control Telephone | (8) | - |
| Debt Control Vehicle Accident | (9) | - |
| Debt: Employee Miscellaneous | 309 | 901 |
| Debts : Personal | 137 | 199 |
| Debtor Debt (new debtor system) | 967 | - |
| Deduction Disallowance Accounts | 28 | 24 |
| Housing Guarantee Payment | 291 | 148 |
| Other Staff Debts | - | 11 |
| Pension Receipts | (756) | (296) |
| Persal Disallowance Control : Current | 21 | 28 |
| Persal Disallowance Control : Previous | (27) | (1) |
| S&T Control Account | 182 | 135 |
| Salary Reversal Control Account | 388 | 241 |
| | 1,946 | 1,961 |
| 14.4 Other debtors | | |
| Abnormal Load Permits | 4 | 342 |
| Dishonoured Cheques | 198 | 95 |
| Inter Responsibility Clearing Account | 1 | 342 |
| Receipts Suspense | 89 | - |
| Subsidised Transport Insurance | 2 | 2 |
| Suppliers Disallowance Control | 1 | - |
| Transport KZNPA | - | 12 |
| | 295 | 793 |
| 15. Inventories | | |
| Value of inventories on hand | 6,993 | 5,181 |
| (Profit) / Loss on stores issues for the year | 41 | 1,252 |
| less: Capital funds from Provincial Treasury | (3,902) | (3,902) |
| Stock - Transport | 3,132 | 2,531 |

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2002 (continued)

| | Notes | 2002 R'000 | 2001 R'000 |
|--|-----------------------------------|---------------|---------------|
| 16. Provincial Treasury | | | |
| This balance represents the department's portion of the centrally controlled accounts. | | 71,615 | 51,323 |
| 17. Voted funds to be surrendered | | | |
| Opening balance | | - | - |
| Transfer from income statement | | 11,367 | 26,962 |
| Paid during the year | | (11,367) | (26,962) |
| Closing balance | | - | - |
| 18. Revenue to be surrendered | | | |
| Opening balance | | - | - |
| Transfer from income statement for revenue to be surrendered | | 405,539 | 386,736 |
| Paid during the year | | (405,539) | (386,736) |
| Closing balance | | - | - |
| 19. Payables - current | | | |
| Amounts owing to other departments | 20.3 | 291 | 4,222 |
| Advances received | 19.1 | 2,272 | 3,792 |
| Other payables | 19.2 | 319 | 1,482 |
| | | 2,882 | 9,496 |
| 19.1 Advances received | | | |
| <i>From</i> | <i>Purpose</i> | | |
| National Department of Transport | National overloading control fund | 1,748 | 3,160 |
| National Department of Transport | Arrive Alive | 524 | 632 |
| | | 2,272 | 3,792 |
| 19.2 Other payables | | | |
| Abnormal Load Permit Deposits | | 319 | 1,451 |
| Receipts suspense | | - | 31 |
| | | 319 | 1,482 |

FINANCIAL STATEMENTS

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2002 (continued)

| | 2002 R'000 | 2001 R'000 |
|---|---------------|---------------|
| | <i>Notes</i> | |
| 20. Transactions with other departments | | |
| 20.1 Receipts | | |
| <p>Included in the department's revenue, are amounts received for the payment of motor vehicle registration and licensing fees, received from other departments. This revenue which would be reflected in the other department's financial statements as expenditure should be eliminated on preparation of the provincial consolidated financial statements.</p> | | |
| Motor vehicle licences and registrations paid by other Provincial Departments | 4,589 | |
| 20.2 Owing by other Departments | | |
| <i>Name of department</i> | | |
| Central Statistical Services | 4 | - |
| Commission for Administration | 28 | 28 |
| Dept of Agriculture | 14 | 919 |
| Dept of Correctional Services | 1,631 | - |
| Dept of Environment Affairs | 5 | 45 |
| Dept of Finance | 655 | 656 |
| Dept of Foreign Affairs | 4 | - |
| Dept of Home Affairs | 310 | 315 |
| Dept of Justice | 600 | - |
| Dept of Local Govt and National Housing | 3 | - |
| Dept of Manpower | 75 | 56 |
| Dept of Mineral and Energy Affairs | 16 | - |
| Dept of National Education | - | 53 |
| Dept of National Health and Population Dev | 98 | 128 |
| Dept of National Transport Bus Subsidies | 1,769 | 15,215 |
| Dept of National Transport Maintenance of national roads | 24,491 | 24,491 |
| Dept of National Transport NaTIS maintenance | 4,434 | - |
| Dept of National Transport Removals | 1,288 | 310 |
| Dept of National Transport National projects implemented | 6,469 | 8,368 |
| Dept of National Transport SANRA | 1,135 | 562 |
| Dept of National Transport Other | 60 | 1,139 |
| Dept of Public Works | 377 | 217 |
| Dept of Regional and Land Affairs | 47 | 68 |
| Dept of Trade and Industry | 4 | - |
| Dept of Water Affairs and Forestry | 123 | 122 |
| Durban Metropolitan Council Road construction on Main Road 5 | 5,000 | - |
| Gauteng Provincial Administration | 19 | 19 |
| Office of the State President | 72 | 72 |
| Other | - | 23 |
| PVB Undertaking and Privatisation | 44 | 43 |
| SA Communication Services | 2 | 28 |
| Provincial Parliament | 781 | - |
| South African Police Services | 43 | 18 |
| Western Cape Prov. Admin | 22 | 18 |
| | 49,623 | 52,913 |

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2002 (continued)

| | 2002 R'000 | 2001 R'000 |
|---|---------------|---------------|
| Notes | | |
| 20.3 Owing to other Department | | |
| <i>Name of department</i> | | |
| Department of Justice | - | 315 |
| Art Cult Science & Tech | 235 | 430 |
| Dept of Correctional Services | - | 3,477 |
| Department of National Education | 56 | - |
| | 291 | 4,222 |
| 21. Net cash flow generated by operating activities | | |
| Net surplus as per Income Statement | 416,906 | 413,698 |
| Adjusted for items separately disclosed | 536,846 | 358,634 |
| Proceeds from sale of equipment | 4 (12,245) | (8,556) |
| Proceeds from sale of inventory | 4 (4,826) | (1,522) |
| Purchase of equipment | 6 61,779 | 48,119 |
| Purchase of land and buildings | 7 12,061 | 2,721 |
| Capital expenditure - professional and special services | 8 480,076 | 316,784 |
| Capital expenditure - miscellaneous expenditure | 10 1 | 1,088 |
| Net cash flow generated by operating activities | 953,752 | 772,332 |
| 22. Cash generated (utilised) to (increase)/decrease working capital | | |
| (Increase) / decrease in irregular expenditure | (16,878) | (195) |
| (Increase) / decrease in receivables - current | 3,803 | (35,078) |
| (Increase) / decrease in inventories | (601) | (535) |
| Increase /(decrease) in payables | (6,614) | 3,151 |
| | (20,290) | (32,657) |
| 23. Cash and cash equivalents ends of period | | |
| Cash and cash equivalents | 173 | 171 |
| Provincial Treasury (If an Asset) | - | - |
| Provincial Treasury (If a Liability) | (71,615) | (51,323) |
| | (71,442) | (51,152) |

FINANCIAL STATEMENTS

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2002 (continued)

| | 2002 R'000 Current | 2002 R'000 Capital | 2002 R'000 Notes | 2001 R'000 |
|--|--------------------------|--------------------------|------------------------|---------------|
| 24 Subsequent payments not recognised in income statement | | | | |
| 24.1 Listed by standard item | | | | |
| Personnel | | | 36 | 1 |
| Administration | | | 602 | 695 |
| Stores and Livestock | | | 34 | 31 |
| Equipment | | | 498 | 23 |
| Professional and special services | | | 914 | 322 |
| Miscellaneous | | | 1 | - |
| | | | 2,085 | 1,072 |
| 24.2 Listed by programme level | | | | |
| Programme 1: Administration | | | 374 | 394 |
| Programme 2: Roads | | | 501 | 243 |
| Programme 3: Road Traffic | | | 1,122 | 414 |
| Programme 4: Public Transportation | | | 88 | 21 |
| | | | 2,085 | 1,072 |

25. Commitments

| | | | |
|---------------------------------|-------|--------|--------|
| Approved and contracted | 1,606 | 6,462 | 8,068 |
| Approved but not yet contracted | - | 22,500 | 22,500 |
| | 1,606 | 28,962 | 30,568 |

The commitments "approved but not contracted" for excludes any amounts approved by the Department of Works, as it was found that the information making up these amounts was not reliable.

Information not provided for the previous year as it was not a reporting requirement.

26. Lease commitments

| | Property |
|------------------------------------|----------|
| Payable within 1 year | 108 |
| Payable between 1 year and 5 years | 539 |
| | 647 |

Information not provided for the previous year as it was not a reporting requirement.

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2002 (continued)

| | Notes | 2002 R'000 | 2001 R'000 |
|---|-------|---------------|---------------|
| 27. Short term employees benefits | | | |
| Leave entitlement | | 65,692 | |
| Thirteenth cheque | | 8,967 | |
| | | <u>74,659</u> | |
| Information not provided for the previous year as it was not a reporting requirement. | | | |
| 28. Contingent liabilities | | | |
| Motor vehicle guarantees | 28.1 | 192 | 379 |
| Housing loan guarantees | 28.2 | 3,716 | 3,962 |
| Claims | 28.3 | 5,759 | 8,183 |
| | | <u>9,667</u> | <u>12,524</u> |
| 28.1 Motor vehicle guarantees | | | |
| Stannic | | 192 | 379 |
| | | <u>192</u> | <u>379</u> |
| 28.2 Housing loan guarantees | | | |
| ABSA Bank Limited | | 1,046 | 1,094 |
| BOE Bank Limited | | 551 | 648 |
| Cash Bank | | 16 | 16 |
| FBC Fidelity Bank Limited | | 30 | 30 |
| FNB a division of Firststrand Bank Limited | | 518 | 533 |
| Ithala Limited | | 7 | 7 |
| Nedbank Limited | | 85 | 108 |
| Permanent Bank a division of Nedcor Bank Limited | | 611 | 602 |
| Saambou Bank Limited | | 381 | 444 |
| Standard Bank of Southern Africa Limited | | 471 | 480 |
| | | <u>3,716</u> | <u>3,962</u> |

FINANCIAL STATEMENTS

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2002 (continued)

| | | 2002 | 2001 |
|---------------------------|---|--------------|--------------|
| | | R'000 | R'000 |
| | Notes | | |
| 28.3 Claims | | | |
| <i>Claimant</i> | <i>Reason</i> | | |
| Mr R. Caine | Accident due to sinkhole in the road | 1,600 | 1,600 |
| Messers Keel and O'Connor | Accident due to sinkhole in the road | 1,368 | 1,368 |
| Mr D. Nell | Accident due to cow on the Old Main Road | - | 614 |
| Woodhead, Bigby & Irving | Overtaken vehicle due to construction on the road | - | 500 |
| Other | Various | 2,791 | 4,101 |
| | | 5,759 | 8,183 |

29. Controlled entities

Related parties exist between the Department and the two public entities reporting to the Department, namely the KwaZulu-Natal Public Transport Licensing Board and the KwaZulu-Natal Taxi Council.

All purchasing and selling transactions with related parties are concluded at arm's length.

30. Related party transactions

All transactions with related parties are concluded on an arm's length basis on terms and conditions reasonably expected from the Department.

31. Key management personnel

Remuneration

The aggregate remuneration of the key management of the department 7,171

The number of individuals receiving remuneration within this category 19

Information not provided for the previous year as it was not a reporting requirement.

Other remuneration and compensation provided to key management

The total amount of all other remuneration and compensation provided to key management during the reporting period showing separately the aggregate amounts provided to:

| | |
|-----------------------------------|-----|
| - Minister | 55 |
| - Head: Transport | - |
| - Other members of key management | 307 |
| | 362 |

Loans that are not widely available (and/or widely known) to persons outside the key management

No loans, which are not widely available, were advanced to key management during the financial year.

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

APPROPRIATION STATEMENT for the year ended 31 March 2002

| | 2002 | | | | 2001 | | | |
|--------------------------------------|---------------------------|-------------------|------------------------|---------------|--------------------|-------------------|------------------------|-------------|
| | Adjustment estimate R'000 | Expenditure R'000 | Savings (Excess) R'000 | % | Amount Voted R'000 | Expenditure R'000 | Savings (Excess) R'000 | % |
| PROGRAMMES | | | | | | | | |
| 1. Administration | 88,656 | 76,387 | 12,269 | 14% | 66,500 | 66,500 | - | 0% |
| 2. Roads | 839,258 | 851,096 | (11,838) | (1%) | 682,845 | 654,539 | 28,306 | 4% |
| 3. Road Traffic | 159,929 | 158,550 | 1,379 | 1% | 157,103 | 156,247 | 856 | 1% |
| 4. Public Transportation | 16,670 | 19,704 | (3,034) | (18%) | 17,914 | 17,914 | - | 0% |
| 5. Auxiliary and Associated Services | 8,677 | 9,088 | (411) | (5%) | 10,158 | 10,158 | - | 0% |
| Special Functions | - | 2,281 | (2,281) | 100% | - | 2,200 | (2,200) | 100% |
| Statutory Allocation | 526 | 526 | - | 0% | 487 | 487 | - | 0% |
| TOTAL EXPENDITURE | 1,113,716 | 1,117,632 | (3,916) | (0.4%) | 935,007 | 908,045 | 26,962 | 2.9% |

ECONOMIC CLASSIFICATION

| | | | | | | | | |
|-------------------------------|------------------|------------------|----------------|---------------|----------------|----------------|---------------|-------------|
| Current | 354,907 | 351,864 | 3,043 | 1% | 339,688 | 370,397 | (30,709) | (9%) |
| Personnel | 172,900 | 149,057 | 23,843 | 14% | 160,635 | 154,258 | 6,377 | 4% |
| Transfer payments | 1,400 | 600 | 800 | 57% | 1,276 | 922 | 354 | 28% |
| Other | 180,607 | 202,207 | (21,600) | (12%) | 177,777 | 215,217 | (37,440) | (21%) |
| Capital | 758,809 | 765,768 | (6,959) | (1%) | 595,319 | 537,648 | 57,671 | 10% |
| Personnel | 121,703 | 140,288 | (18,585) | (15%) | 125,478 | 121,360 | 4,118 | 3% |
| Acquisition of capital assets | 637,106 | 625,480 | 11,626 | 2% | 469,841 | 416,288 | 53,553 | 11% |
| TOTAL EXPENDITURE | 1,113,716 | 1,117,632 | (3,916) | (0.4%) | 935,007 | 908,045 | 26,962 | 2.9% |

STANDARD ITEMS

| | | | | | | | | |
|-----------------------------------|------------------|------------------|----------------|---------------|----------------|----------------|---------------|-------------|
| Personnel | 294,603 | 288,819 | 5,784 | 2% | 284,881 | 273,463 | 11,418 | 4% |
| Administrative | 63,133 | 56,099 | 7,034 | 11% | 50,821 | 52,288 | (1,467) | (3%) |
| Inventories | 67,313 | 67,748 | (435) | (1%) | 50,442 | 58,744 | (8,302) | (16%) |
| Equipment | 58,034 | 65,707 | (7,673) | (13%) | 68,410 | 51,686 | 16,724 | 24% |
| Land and buildings | 32,550 | 18,307 | 14,243 | 44% | 5,129 | 2,762 | 2,367 | 46% |
| Professional and special services | 594,944 | 616,576 | (21,632) | (4%) | 465,867 | 458,268 | 7,599 | 2% |
| Transfer payments | 1,400 | 600 | 800 | 57% | 3,588 | 5,189 | (1,601) | (45%) |
| Miscellaneous | 1,213 | 3,250 | (2,037) | (168%) | 5,382 | 5,158 | 224 | 4% |
| Statutory allocation | 526 | 526 | - | 0% | 487 | 487 | - | 0% |
| TOTAL EXPENDITURE | 1,113,716 | 1,117,632 | (3,916) | (0.4%) | 935,007 | 908,045 | 26,962 | 2.9% |

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2002

Explanation of material variances

1.1 Programme 1: Administration

The savings were mainly due to the alterations to the Head Office building complex not commencing during the financial year, due to unforeseen technical specification and architectural problems.

Programme 2: Roads

The over-expenditure was due to the adverse Rand / Dollar exchange rate during the year which affected the cost of hired plant and the fuel price.

Programme 3: Road Traffic

The under-expenditure is due to the non-filling of vacant posts in the Chief Directorate: Public Safety and Communication, pending the finalisation of the structure of this component, and the consequential vacancies in the Road Traffic Inspectorate.

Programme 4: Public Transport

The over-expenditure was mainly due to the extension of the Taxi Commission, appointed by the Provincial Cabinet during the 2000/1 financial year, to investigate the violence in the taxi industry. The commission's appointment was extended into the 2001/2 financial year and the department is currently awaiting a final report from the commission.

Programme 5: Auxiliary and Associated Services

The over-expenditure was due to the additional radio communication needs of the road traffic inspectorate.

1.2 Per standard item:

Personnel

The under-expenditure was due to the moratorium placed on the filling of vacant posts during the early part of the year, as a result of the restructuring of the department's middle and lower management.

Administrative expenditure

The lower than expected expenditure was as a result of the unfilled posts during the early parts of the year, as mentioned under Personnel.

Inventories

The expenditure on inventories was as per the budget expectation.

Equipment

As a result of the adverse Rand / Dollar exchange rate, plant and vehicle costs were higher than were budgeted for.

Land and buildings

The under-expenditure relates to the alterations to the Head Office complex which did not commence during the financial year due to unforeseen technical specification problems.

Professional and special services

The over-expenditure relates to the increased fuel and other costs incurred due to the effect of the adverse Rand / Dollar exchange rate on the department's suppliers.

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

Transfer payments

The under-expenditure on transfer payments relates to the move by the department to reduce the amount of transfer payments made.

Miscellaneous

The over-expenditure relates to the thefts and losses approved during the year, this expenditure is not budgeted for, as it is purely a book entry.

| | Actual 2002 R'000 | Actual 2001 R'000 |
|--|----------------------------------|----------------------------------|
| 2. Reconciliation of appropriation statement to income statement: | | |
| Total revenue per income statement | 1,519,255 | 1,321,743 |
| Less: Non voted funds | (405,539) | (386,736) |
| Less: Local and foreign aid assistance (including RDP funds) | - | - |
| | <hr/> | <hr/> |
| Amount voted per appropriation statement | <u>1,113,716</u> | <u>935,007</u> |
| Total expenditure per income statement | 1,117,632 | 908,045 |
| Less: Amount spent on local and foreign aid assistance (including RDP funds) | - | - |
| | <hr/> | <hr/> |
| Total expenditure per appropriation statement | <u>1,117,632</u> | <u>908,045</u> |

DEPARTMENT OF TRANSPORT
KWAZULU-NATAL
UMNYANGO WEZOKUTHUTHA



FINANCIAL STATEMENTS

ANNEXURE A

Part 7

KWAZULU-NATAL PUBLIC TRANSPORT LICENSING BOARD

ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2002

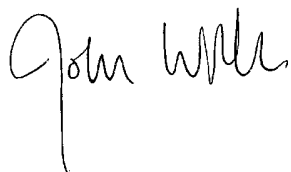
| | |
|---------------------------|---|
| COMMITTEE | Mr G.J.N. Meyer Mr I.E. Patel (appointed 1 January 2002) Mr J. Wills (Chairman) (appointed 1 January 2002) Mr W. Kuboni (appointed 1 January 2002) Mr Z.C. Ngidi (appointed 1 January 2002) Mr F.E. Hlatshwayo (not re-appointed) Mr A.M. Shaikh (not re-appointed) Mr R.J. Draper (not re-appointed) Mr V.I. Khoza (not re-appointed) |
| NATURE OF BUSINESS | Regulate, formalise, restructure and legalise minibus taxi services |
| AUDITORS | Auditor General |
| REGISTERED OFFICE | 3rd Floor, Commercial City Commercial Road DURBAN 4001 |

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APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The annual financial statement have been approved by the committee on 31 May 2002.

Signed on behalf of the committee by:



J Wills (Chairman)

FINANCIAL STATEMENTS

KWAZULU-NATAL PUBLIC TRANSPORT LICENSING BOARD

INCOME STATEMENT for the year ended 31 March 2002 (Statement of Financial Performance)

| | NOTE | 2002 R | 2001 R |
|---|------|------------------|------------------|
| INCOME | | 2,420,768 | 2,291,746 |
| Funds received from Department of Transport | | 2,179,685 | 2,179,486 |
| Receipts in respect of permits issued | | 241,083 | 112,260 |
| EXPENSES | | 2,050,245 | 2,151,032 |
| Personnel expenditure | 2 | 1,068,820 | 1,181,617 |
| Administrative expenditure | 3 | 203,218 | 253,396 |
| Inventory | 4 | 72,481 | 81,821 |
| Equipment | 5 | 65,287 | 33,976 |
| Professional and special services | 6 | 640,439 | 588,262 |
| Miscellaneous | 7 | - | 11,960 |
| Net Surplus before transfer to Provincial Revenue Fund | | 370,523 | 140,714 |
| Transfer of income to Provincial Revenue Fund | 8 | (241,083) | (112,260) |
| NET SURPLUS FOR THE YEAR | | 129,440 | 28,454 |

KWAZULU-NATAL PUBLIC TRANSPORT LICENSING BOARD

STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2002

| | Retained Surplus 2002 R | Retained Surplus 2001 R |
|------------------------------|--|--|
| Balance at beginning of year | 28,454 | - |
| Net Surplus for the year | 129,440 | 28,454 |
| Balance at end of year | <u>157,894</u> | <u>28,454</u> |

FINANCIAL STATEMENTS

KWAZULU-NATAL PUBLIC TRANSPORT LICENSING BOARD

BALANCE SHEET at 31 March 2002 (Statement of Financial Position)

| | Note | 2002 R | 2001 R |
|-------------------------------------|------|----------------|---------------|
| ASSETS | | | |
| Non-current assets | | | |
| Equipment | 9 | 157,894 | 28,454 |
| Current assets | | | |
| Accounts receivable | 10 | 19,123 | 15,708 |
| Total Assets | | <u>177,017</u> | <u>44,162</u> |
| EQUITY and LIABILITIES | | | |
| Equity | | | |
| Retained surplus | | 157,894 | 28,454 |
| Current liabilities | | | |
| Accounts payable | 11 | 19,123 | 15,708 |
| Total Equity and Liabilities | | <u>177,017</u> | <u>44,162</u> |

KWAZULU-NATAL PUBLIC TRANSPORT LICENSING BOARD

CASH FLOW STATEMENT for the year ended 31 March 2002

| | 2002 | 2001 |
|---|-------------|-------------|
| Note | R | R |
| CASH FLOWS FROM OPERATING ACTIVITIES | 172,681 | 37,388 |
| Cash paid to suppliers and employees | (2,007,004) | (2,142,098) |
| Transfer payments received | 2,420,768 | 2,291,746 |
| Transfer to Provincial Revenue Fund | (241,083) | (112,260) |
| Movement on receivables and payables | - | - |
| CASH FLOWS FROM INVESTING ACTIVITIES | (172,681) | (37,388) |
| Purchase of equipment | (172,681) | (37,388) |
| Net increase / (decrease) in cash and cash equivalents | - | - |
| Cash and cash equivalents at beginning of period | - | - |
| Cash and cash equivalents at end of period | - | - |

FINANCIAL STATEMENTS

KWAZULU-NATAL PUBLIC TRANSPORT LICENSING BOARD

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2002

1. Basis of accounting

The financial statements have been, unless otherwise indicated, prepared on the historical cost basis in accordance with the under mentioned policies which have been applied consistently in all material respects.

1.1 *Underlying assumptions*

The financial statements have been prepared on the accrual basis of accounting except where stated otherwise. Under the accrual basis of accounting transactions and other events are recognised as and when they occur.

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 the Act).

The financial statements have been prepared on the historical cost basis and reliance is placed upon the fact that the Entity is a going concern.

1.2 *Revenue*

Revenue comprises transfer payments received from the Department of Transport and income received from the issue of permits and is recognised in the period which the transaction giving rise to the revenue occurs.

1.3 *Expenditure*

Expenditure includes both current and capital expenditure and these are recognised when incurred.

1.4 *Equipment*

Equipment is capitalised when it is purchased and is depreciated on the straight line basis over its estimated useful life at the following annual rates :

| | |
|------------------------|---------|
| Computer Equipment | - 33.3% |
| Furniture and Fittings | - 15% |

KWAZULU-NATAL PUBLIC TRANSPORT LICENSING BOARD

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2002 (continued)

| | Note | 2002 R | 2001 R |
|--------------------------------------|------|-----------|-----------|
| 2. Personnel | | | |
| <i>Description</i> | | | |
| Basic Salary Costs | | 759,455 | 852,258 |
| Pension Contributions | | 122,239 | 127,884 |
| Medical Aid Contributions | | 82,444 | 71,422 |
| Other salary related costs | | 104,682 | 130,054 |
| | | 1,068,820 | 1,181,617 |
| 3. Administrative Expenditure | | | |
| <i>Description</i> | | | |
| Subsistence | | 4,802 | 2,168 |
| Travel | | - | 80,717 |
| Private Transport | | 95,951 | 6,495 |
| Public Transport | | 13,755 | 27,381 |
| Transport KZNPA | | 9,708 | 22,918 |
| Telephone | | 38,874 | 89,361 |
| Postage | | 13,182 | 18,700 |
| Advertisements | | 7,941 | - |
| Regional Council Levies | | 4,485 | 4,289 |
| Training | | 14,520 | 1,367 |
| | | 203,218 | 253,396 |
| 4. Inventory | | | |
| <i>Description</i> | | | |
| Stationery | | 22,242 | 15,139 |
| Publications | | 39,914 | 55,672 |
| Maintenance Material and Parts | | 2,056 | 1,410 |
| Other Consumables | | 8,269 | 9,600 |
| | | 72,481 | 81,821 |

FINANCIAL STATEMENTS

KWAZULU-NATAL PUBLIC TRANSPORT LICENSING BOARD

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2002 (continued)

| | Note | 2002 R | 2001 R |
|--|------|-----------|-----------|
| 5. Equipment | | | |
| <i>Description</i> | | | |
| Audio Visual Equipment | | - | 941 |
| Hire : Other Equipment | | 20,416 | 24,101 |
| Consumables | | 1,630 | - |
| Depreciation - Computer Equipment | | 40,817 | 7,076 |
| Depreciation - Furniture and Fittings | | 2,424 | 1,858 |
| | | 65,287 | 33,976 |
| 6. Professional and special services | | | |
| <i>Description</i> | | | |
| Consultants and advisory services | | 292,267 | 163,884 |
| Board and committee members | | 328,172 | 424,378 |
| Other | | 20,000 | - |
| | | 640,439 | 588,262 |
| 7. Miscellaneous | | | |
| <i>Description</i> | | | |
| Stabilisation fund [Terminates after 2001] | | - | 11,960 |
| 8. Income transferable to Provincial Revenue Fund | | | |
| <i>Description</i> | | | |
| Receipts in respect of permits issued | | 241,083 | 112,260 |

KWAZULU-NATAL PUBLIC TRANSPORT LICENSING BOARD

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2002 (continued)

9. Equipment

| Description | Cost | Accumulated Depreciation | Book Value 2002 | Book Value 2001 |
|------------------------|---------|--------------------------|-----------------|-----------------|
| Furniture and fittings | 16,160 | (4,282) | 11,878 | 14,302 |
| Computer equipment | 193,909 | (47,893) | 146,016 | 14,152 |
| | 210,069 | (52,175) | 157,894 | 28,454 |

Made up as follows:

| | Book Value at beg. of year | Additions | Depreciation | Book Value at end of year |
|------------------------|----------------------------|-----------|--------------|---------------------------|
| 2002 | | | | |
| Furniture and fittings | 14,302 | - | (2,424) | 11,878 |
| Computer equipment | 14,152 | 172,681 | (40,817) | 146,016 |
| | 28,454 | 172,681 | (43,241) | 157,894 |
| 2001 | | | | |
| Furniture and fittings | - | 16,160 | (1,858) | 14,302 |
| Computer equipment | - | 21,228 | (7,076) | 14,152 |
| | - | 37,388 | (8,934) | 28,454 |

| | 2002 R | 2001 R |
|--------------------------------|--------|--------|
| 10. Accounts Receivable | | |
| Department of Transport | 19,123 | 15,708 |
| 11. Accounts Payable | | |
| Various suppliers | 19,123 | 15,708 |

DEPARTMENT OF TRANSPORT
KWAZULU-NATAL
UMNYANGO WEZOKUTHUTHA



FINANCIAL STATEMENTS

ANNEXURE B

Part 7

KWAZULU-NATAL TAXI COUNCIL

ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2002

| | | |
|------------------|--|--|
| COMMITTEE | MJ Lekokotla SG Manyathi LT Mtumi T Ndabana BC Ngiba (Chairman) VL Gumede SO Kubheka AM Mzelemu M E Mkhize MJ Mthiyane (appointed 1 April 2001) A Sangweni (appointed 1 April 2001) BB Zondi (appointed 1 April 2001) MC Cele (appointed 1 April 2001) HR Majola (appointed 1 April 2001) PE Gumede (appointed 1 April 2001) BV Molefe (appointed 1 April 2001) | MP Ndimande (not re-appointed) ME Ndlozi (not re-appointed) BJD Ntombela (not re-appointed) AS Dube (not re-appointed) ML Nxumalo (not re-appointed) G Ngwenya (not re-appointed) SN Chili (not re-appointed) TN Alwar (not re-appointed) BP Cele (not re-appointed) S Dladla (not re-appointed) TJ Gumbi (not re-appointed) JR Hlela (not re-appointed) GJ Mabaso (not re-appointed) NN Mkhize (not re-appointed) M Mvelase (not re-appointed) |
|------------------|--|--|

NATURE OF BUSINESS Control and monitor the affairs of the taxi industry

AUDITORS Auditor General

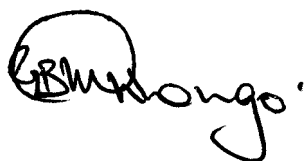
REGISTERED OFFICE 8 Arbuckle Road
DURBAN
4000

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| Cash Flow Statement | 149 |
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APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been approved by the committee on 31 May 2002.

Signed on behalf of the committee by:



B.G. Mhlongo
General Manager

FINANCIAL STATEMENTS

KWAZULU-NATAL TAXI COUNCIL

INCOME STATEMENT for the year ended 31 March 2002 (Statement of Financial Performance)

| | NOTE | 2002 R | 2001 R |
|---|------|------------------|------------------|
| INCOME | | 2,384,725 | 2,129,399 |
| Funds received from the Department of Transport | | 2,384,725 | 2,129,399 |
| EXPENSES | | 2,384,725 | 2,129,399 |
| Administrative expenditure | 2 | 656,519 | 206,139 |
| Inventory | 3 | 1,729 | 4,395 |
| Equipment | 4 | 224 | - |
| Professional and special services | 5 | 1,726,255 | 1,918,865 |
| NET SURPLUS / (DEFICIT) FOR THE YEAR | | - | - |

KWAZULU-NATAL TAXI COUNCIL

BALANCE SHEET at 31 March 2002
(Statement of Financial Position)

| | Note | 2002 R | 2001 R |
|----------------------------|-------------|-------------------------|-------------------------|
| ASSETS | | | |
| Current assets | | | |
| Accounts receivable | 6 | 180,563 | 26,034 |
| Total Assets | | <u>180,563</u> | <u>26,034</u> |
| LIABILITIES | | | |
| Current liabilities | | | |
| Accounts payable | 7 | 180,563 | 26,034 |
| Total Liabilities | | <u>180,563</u> | <u>26,034</u> |

FINANCIAL STATEMENTS

KWAZULU-NATAL TAXI COUNCIL

CASH FLOW STATEMENT for the year ended 31 March 2002

| | 2002 | 2001 |
|---|-------------|-------------|
| | R | R |
| CASH FLOWS FROM OPERATING ACTIVITIES | - | - |
| Cash paid to suppliers and employees | (2,384,725) | (2,129,399) |
| Funds received from the Department of Transport | 2,384,725 | 2,129,399 |
| Movement on receivables and payables | - | - |
| Net increase / (decrease) in cash and cash equivalents | - | - |
| Cash and cash equivalents at beginning of period | - | - |
| Cash and cash equivalents at end of period | - | - |

KWAZULU-NATAL TAXI COUNCIL

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2002

1. Basis of accounting

The financial statements have been, unless otherwise indicated, prepared on the historical cost basis in accordance with the under mentioned policies which have been applied consistently in all material respects.

1.1 Underlying assumptions

The financial statements have been prepared on the accrual basis of accounting except where stated otherwise. Under the accrual basis of accounting transactions and other events are recognised as and when they occur.

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 the Act.

The financial statements have been prepared on the historical cost basis and reliance is placed upon the fact that the Entity is a going concern.

1.2 Revenue

Revenue comprises transfer payments received from the Department of Transport and is recognised in the period in which the transaction giving rise to the revenue occurs.

1.3 Expenditure

Expenditure includes both current and capital expenditure and these are recognised when incurred.

| | 2002 | 2001 |
|--------------------------------------|---------|---------|
| | R | R |
| 2. Administrative expenditure | | |
| <i>Description</i> | | |
| Subsistence and Transport | 509,440 | 205,244 |
| Telephone repairs | - | 895 |
| Private motor transport | 4,850 | - |
| Departmental entertainment | 9,130 | - |
| RSC Levies | 2,491 | - |
| Training courses/ seminars | 130,608 | - |
| | 656,519 | 206,139 |

3. Inventory

Description

| | | |
|------------|-------|-------|
| Stationery | 1,729 | 4,395 |
|------------|-------|-------|

FINANCIAL STATEMENTS

KWAZULU-NATAL TAXI COUNCIL

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2002

| | 2002 | 2001 |
|---|------------------|------------------|
| | R | R |
| 4 Equipment | | |
| <i>Description</i> | | |
| Hire: Other Equipment | <u>222</u> | <u>-</u> |
| 5. Professional and special services | | |
| <i>Description</i> | | |
| Consultants and advisory services | 898,830 | 1,702,599 |
| Other - Security | - | 216,266 |
| Board and committee members | 827,425 | - |
| | <u>1,726,255</u> | <u>1,918,865</u> |
| 6. Accounts receivable | | |
| Department of Transport | <u>180,563</u> | <u>26,034</u> |
| 7. Accounts payable | | |
| Various suppliers | <u>180,563</u> | <u>26,034</u> |