

**STRICTLY CONFIDENTIAL**

**EXECUTIVE SUMMARY**

**SUBMISSION TO** : Mayoral Committee  
**DIVISION REQUESTING THE SUBMISSION** : Finance  
**TITLE OF THE SUBMISSION** : Financial report quarter 2: 2017-2018

**1. SOLUTION REQUIRED**

<b>Approval</b>	
<b>Information</b>	<b>X</b>

**2. BACKGROUND REASON FOR REQUEST**

In terms of the section 52(d) of the Municipal Finance Management Act (Act No.58 of 2003) (MFMA), the mayor of a municipality must within 30 days of the end of each quarter submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality.

Furthermore in terms of section 11(4) (a) of the MFMA, the accounting officer must within 30 days after the end of each quarter table in the municipal council a consolidated report of all withdrawals made in terms of subsection 1(b) to (j) during that quarter.

This report is in terms of the above-mentioned sections of the MFMA and following herewith are the highlights for the **2nd quarter ended 31 December 2017:**

**3. ATTACHMENTS:**

- Annex A – Quarter 2 finance report**
- Annex B – Salaries report at quarter 2**

**4. RECOMMENDATION**

That financial report for **quarter 2; 2017/18** be noted.

## Annexure A

### 5. OVERVIEW OF FINANCIAL PERFORMANCE

#### 5.1 Revenue:

The actual revenue figure at quarter 2 is 1% below the pro rata budget (pro rata budget R371.8m vs. actual R369.m) due to the following main contributing factors:

- Electricity revenue was 19% below budget, as a result of a reduction in billing due to less consumption of electricity by consumers and distribution losses attributable to ageing infrastructure and theft.
- Water revenue was 21% below budget as a result of distribution losses directly attributable to faulty meters and ageing infrastructure.
- Sanitation revenue was 40% below budget

#### Distribution Losses

At Quarter 2, the total distribution losses were as follows:

Water losses were at 22.16% **(R7,310,271)**

Electricity Losses were at 19.8% **(R17,546,235)**

## 5.2 Expenditure:

The total expenditure incurred at quarter 2 amounts to R354.6m against a year to date budget of R365.5 resulting in a variance of R10.8m (3% below budget).

The largest cost drivers for the municipality are the following:

- **Employee Related Costs** – The actual employee costs at midyear year is **R82.6m** (year to date budget R80m) this results in an overspending of R2.5m. This overspending is as a direct result of the notch increase back pay paid to municipal employees and increasing overtime costs.

### Overtime per department at 31 December 2017

Department	Budget	Curr Mth Exp	YTD Movement	Unspent Budget	Perc
Libraries	30,000.00	-	-	30,000.00	-
Cemeteries	50,000.00	7,712.75	68,959.06	18,959.06	137.92
Fire	250,000.00	30,362.13	614,561.99	364,561.99	245.82
Health	15,000.00	-	27,739.83	12,739.83	184.93
Parks	40,000.00	5,135.83	21,814.21	18,185.79	54.54
Social Development	15,000.00	-	-	15,000.00	-
Sports and Recreation	20,000.00	-	7,652.54	12,347.46	38.26
Traffic	900,000.00	24,255.42	894,397.93	5,602.07	99.38
Municipal Manager	70,000.00	-	25,195.82	44,804.18	35.99
Mayor	70,000.00	162,301.81	503,526.93	433,526.93	719.32
Speaker	180,000.00	72,496.29	253,554.40	73,554.40	140.86
Housing	30,000.00	-	-	30,000.00	-
LED	30,000.00	-	-	30,000.00	-
Revenue	100,000.00	13,244.76	145,579.44	45,579.44	145.58
Expenditure	30,000.00	-	5,285.70	24,714.30	17.62
Budget and Reporting	60,000.00	-	26,833.97	33,166.03	44.72
Assets	40,000.00				17.15

Management		-	6,859.83	33,140.17	
SCM	40,000.00	-	1,790.22	38,209.78	4.48
Corporate and Legal	250,000.00	9,825.46	55,707.00	194,293.00	22.28
HR	40,000.00	-	438.00	39,562.00	1.10
ICT	30,000.00	-	1,821.86	28,178.14	6.07
Facilities Management	90,000.00	37,581.45	156,390.14	66,390.14	173.77
Electricity	1,300,000.00	197,716.91	1,007,831.54	292,168.46	77.53
Roads	180,000.00	7,981.06	40,838.82	139,161.18	22.69
Sewer	640,000.00	68,524.50	436,722.63	203,277.37	68.24
Refuse	650,000.00	152,628.76	715,092.45	65,092.45	110.01
Water	700,000.00	100,367.08	639,289.64	60,710.36	91.33

- **Bulk purchases** which amount to R124.4m at quarter 2 against a pro-rata budget of R141.8m
- **Depreciation and Debt impairment** are non-cash items but have a bearing on the quarter 2 figures at R20.8m and R67m respectively.
- **Operational expenditure** at quarter 2 amounts to R14.8m against a pro-rata budget of R49.6m resulting in underspending of R34.8m. This underspending is as a result of implementing cost containment as the municipality is currently experiencing cash flow constraints.
- **Repairs and Maintenance** at quarter 2 amount to R6.6m against a prorated budget of R12.4m resulting in underspending of R5.7m.
- **Capital Expenditure-** The total actual expenditure incurred at quarter 2 amounts to R16.6m (year to date budget:R47m) resulting in underspending of R30.4m.

**List of capital projects and expenditure for the 2nd quarter ending 31 December 2017**

DETAIL REPORT FOR CAPEX AS AT 31 DECEMBER 2017								
GRANT FUNDED PROJECTS								
Project Description	Source of Funding	Entity	Budget	Curr Mth Exp	Commitment	YTD Movement	Unspend Bud	Perc%
UPGRADE OF MUNICIPAL BUILDING	DPSA	Corporate Services - I T	1,200,000.00	-	-	-	1,200,000.00	0
EQUIPMENT	DPSA	Corporate Services - I T	366,000.00	-	-	-	366,000.00	0
LED STREETLIGHTS	EEDG	Electricity	6,000,000.00	3,140,348.42	-	3,140,348.42	2,859,651.58	52.33
ELECTRIFICATION - OBED NKOSI	INEP	Electricity	5,000,000.00	-	-	192,264.82	4,807,735.18	3.84
RFID SECURITY GATES	Libraries Plan	Arts and Culture/Museums	1,700,000.00	-	-	-	1,700,000.00	0
SPORTS FACILITIES	MIG	Sports and Recreation	15,108,000.00	676,071.96	-	676,071.96	14,431,928.04	4.47
HIGHMAST LIGHTS OBED NKOSI	MIG	Electricity	1,050,000.00	482,575.82	-	1,022,753.93	27,246.07	97.4
CONSTRUCTION OF ROADS RATANDA	MIG	Road Transport	6,496,800.00	833,345.90	-	5,668,963.59	827,836.41	87.25
UPGRADE SEWER PLANT DEVON	MIG	Waste Water Management - Sewerage	1,260,200.00	-	-	1,196,700.00	63,500.00	94.96
SUPPLY BULK SEWER	MIG	Waste Water Management - Sewerage	10,000,000.00	1,191,009.90	-	1,191,009.90	8,808,990.10	11.91

INFRASTRUCTURE KWAZENZELE								
WATER RET. UPGRADE WATER FEEDER PIPELINE	MIG	Water Distribution	8,000,000.00	-	-	1,713,446.00	6,286,554.00	21.41
COMPUTER HARDWARE & SOFTWARE	Recapitalisation of Community Grant - Libraries	Arts and Culture/Museums	200,000.00	-	55,920.00	-	200,000.00	0
LIBRARY BOOKS	Recapitalisation of Community Grant - Libraries	Arts and Culture/Museums	800,000.00	-	-	-	800,000.00	0
TOY LIBRARIES - JUNGLE GYM	Recapitalisation of Community Grant - Libraries	Arts and Culture/Museums	60,000.00	-	-	-	60,000.00	0
DUAL PURPOSE LIBRARY-KWAZENZELE	Recapitalisation of Community Grant - Libraries	Arts and Culture/Museums	300,000.00	-	-	-	300,000.00	0
BOOK SECURITY SYSTEM	Recapitalisation of Community Grant - Libraries	Arts and Culture/Museums	300,000.00	-	-	-	300,000.00	0
UPGRADING LIBRARY JAMESON PARK SHALIMAR RIDGE	Recapitalisation of Community Grant - Libraries	Arts and Culture/Museums	844,000.00	-	-	-	844,000.00	0
REPLACEMENT OF ASBESTOS WATER PIPES	WSIG	Water Distribution	16,000,000.00	171,814.50	-	1,067,814.50	14,932,185.50	6.67
UPGRADING RAND WATER FLOATING ROOF RESERVOIR	WSIG	Water Distribution	4,000,000.00	114,543.00	-	338,530.00	3,661,470.00	8.46
<b>Total Grant funded Projects</b>			<b>78,685,000.00</b>	<b>6,609,709.50</b>	<b>55,920.00</b>	<b>16,207,903.12</b>	<b>62,477,096.88</b>	<b>20.60</b>
<b>INTERNAL FUNDED PROJECTS</b>								
<b>Project Description</b>	<b>Source of Funding</b>	<b>Entity</b>	<b>Budget</b>	<b>Curr Mth Exp</b>	<b>Commitment</b>	<b>YTD Movement</b>	<b>Unspend Bud</b>	<b>Perc</b>
PAVING EKUTHULENI	Internal funding	Cemeteries	910,000.00	-	-	-	910,000.00	0

CEMETERIES								
RESCUE EQUIPMENT	Internal funding	Public Safety - Fire	300,000.00	-	91,214.91	171,230.00	128,770.00	57.07
PALISADE FENCE NURSERY	Internal funding	Environmental Protection - Parks	60,000.00	-	-	46,500.00	13,500.00	77.5
BUSH CUTTERS	Internal funding	Sports and Recreation	100,000.00	-	-	83,405.25	16,594.75	83.4
FIRE ARMS	Internal funding	Public Safety - Police	100,000.00	-	79,754.00	-	100,000.00	0
COMPUTER HARDWARE (MSCOA)	Internal funding	Corporate Services - Information Technology	1,880,000.00	-	164,751.67	139,436.23	1,740,563.77	7.41
SOFTWARE	Internal funding	Corporate Services - Information Technology	927,925.00	-	-	-	927,925.00	0
IMPUMELELO OFFICES	Internal funding	Corporate Services - Facilities Management	1,800,000.00	-	-	-	1,800,000.00	0
JAMESON PARK SUBSTATION	Internal funding	Electricity	1,800,000.00	-	-	-	1,800,000.00	0
ROAD RESEALING	Internal funding	Road Transport	5,000,000.00	-	-	-	5,000,000.00	0
ROADS - JAMESON PARK	Internal funding	Road Transport	4,000,000.00	-	-	-	4,000,000.00	0
<b>Total Internal funded Projects</b>			<b>16,877,925.00</b>	-	<b>335,720.58</b>	<b>440,571.48</b>	<b>16,437,353.52</b>	<b>2.61</b>
<b>TOTAL CAPITAL</b>			<b>95,562,925.00</b>	<b>6,609,709.50</b>	<b>391,640.58</b>	<b>16,648,474.60</b>	<b>78,914,450.40</b>	<b>17.42</b>

**GRANT SPENDING AT THE QUARTER ENDING 31 DECEMBER 2017**

<b>Grant Funding</b>	<b>Allocated</b>	<b>Set Off Amount</b>	<b>Roll-Over 16-17</b>	<b>17/18 Amount Received</b>	<b>Total received</b>	<b>Spent</b>	<b>Commitment</b>	<b>Unspent</b>	<b>% unspent</b>
Equitable Share	104,923,000.00	-	-	78,693,000.00	78,693,000.00	78,693,000.00	-	-	0%
MIG	41,915,000.00	-	-	21,000,000.00	21,000,000.00	13,074,597.76	-	7,925,402.24	38%
MSIG	1,365,000.00	-	-	-	-	-	-	-	0%
INEP (Municipal)	5,000,000.00	-	-	4,000,000.00	4,000,000.00	219,181.89	-	3,780,818.11	95%
EPWP COGTA	500,000.00	-	-	500,000.00	500,000.00	356,156.85	-	143,843.15	29%
EPWP NT	1,324,000.00	-	-	926,000.00	926,000.00	881,436.39	-	44,563.61	5%
GRAP 17 Compliance Grant	500,000.00	-	-	500,000.00	500,000.00	500,000.00	-	-	0%
Libraries Plan grant	3,000,000.00	30,000.00	-	2,970,000.00	3,000,000.00	366,205.46	6,890.00	2,633,794.54	88%
Recapitalisation: Communication Library grant	8,484,000.00	-	156,550.28	8,484,000.00	8,640,550.28	2,670,828.35	-	5,969,721.93	69%
FMG	1,550,000.00	-	-	1,550,000.00	1,550,000.00	402,012.16	120,000.00	1,147,987.84	74%
Bontle ke Botho	-	-	26,043.29	-	26,043.29	-	-	26,043.29	100%
DEPARTMENT OF PUBLIC SERVICE AND ADMINISTRATION	3,825,000.00	-	900,000.00	1,625,000.00	2,525,000.00	355,001.65	-	2,169,998.35	86%
WATER SERVICES INFRASTRUCTURE GRANT	20,000,000.00	-	-	16,000,000.00	16,000,000.00	1,119,987.00	-	14,880,013.00	93%
ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT	6,000,000.00	-	-	4,000,000.00	4,000,000.00	3,579,997.20	-	420,002.80	0%
NLDTF - Lotto	-	-	1,327.96	-	1,327.96	-	-	1,327.96	100%
<b>GRAND TOTALS</b>	<b>198,386,000.00</b>		<b>1,083,921.53</b>	<b>140,248,000.00</b>	<b>62,668,921.53</b>	<b>23,525,404.71</b>	<b>126,890.00</b>	<b>39,143,516.82</b>	



**Income and expenditure report at Quarter 2; 2017-28.**

<b>GT423 Lesedi - Financial Performance (revenue and expenditure) - December 2017</b>							
<b>Description</b>	<b>Budget Year 2017/18</b>						
	<b>Original Budget</b>	<b>Adjusted Budget</b>	<b>Monthly actual</b>	<b>YearTD actual</b>	<b>YearTD budget</b>	<b>YTD variance</b>	<b>YTD variance</b>
<b>R thousands</b>							<b>%</b>
<b><u>Revenue By Source</u></b>							
Property rates	104,446	-	8,874	53,306	52,223	1,083	2%
Property rates - penalties & collection charges	-	-	-	-	-	-	
Service charges - electricity revenue	291,261	-	15,750	118,422	145,630	(27,209)	-19%
Service charges - water revenue	104,598	-	9,073	41,394	52,299	(10,904)	-21%
Service charges - sanitation revenue	26,643	-	1,300	7,999	13,321	(5,322)	-40%
Service charges - refuse revenue	30,370	-	2,239	14,071	15,185	(1,114)	-7%
Service charges - other	1,358	-	-	-	679	(679)	-100%
Rental of facilities and equipment	4,842	-	255	1,954	2,421	(466)	-19%
Interest earned - external investments	1,250	-	122	1,236	625	611	98%
Interest earned - outstanding debtors	10,716	-	1,814	10,335	5,358	4,977	93%
Dividends received	-	-	-	-	-	-	
Fines	45,902	-	30	110	22,951	(22,841)	-100%
Licences and permits	60	-	2	22	30	(8)	-28%
Agency services	-	-	-	-	-	-	
Transfers recognised - operational	121,014	-	36,476	82,555	60,507	22,048	36%
Other revenue	1,216	-	6,200	37,612	608	37,004	6086%
Gains on disposal of PPE	-	-	-	-	-	-	
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>743,674</b>	<b>-</b>	<b>82,135</b>	<b>369,015</b>	<b>371,837</b>	<b>(2,821)</b>	<b>-1%</b>
<b><u>Expenditure By Type</u></b>							
Employee related costs	160,143	-	17,412	82,622	80,071	2,551	3%
Remuneration of councillors	10,170	-	768	4,611	5,085	(474)	-9%
Debt impairment	100,373	-	9,701	67,255	50,186	17,069	34%
Depreciation & asset impairment	41,742	-	20,871	20,871	20,871	-	
Finance charges	10,053	-	-	2,230	5,026	(2,796)	-56%
Bulk purchases	283,672	-	208	124,413	141,836	(17,423)	-12%
Other materials	24,797	-	1,844	6,643	12,399	(5,756)	-46%
Contracted services	790	-	7,592	31,157	395	30,762	7788%
Transfers and grants	-	-	-	-	-	-	
Other expenditure	99,247	-	4,455	14,801	49,623	(34,822)	-70%
Loss on disposal of PPE	-	-	-	-	-	-	

<b>Total Expenditure</b>	730,987	-	62,852	354,603	365,493	(10,890)	-3%
<b>Surplus/(Deficit)</b>	12,687	-	19,283	14,412	6,344	8,069	127%
Transfers recognised - capital	82,965	-	-	11,376	41,483	(30,106)	-73%
Contributions recognised - capital	-	-	-	-	-	-	
Contributed assets	-	-	-	-	-	-	
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	95,652	-	19,283	25,789	47,826		
Taxation	-	-	-	-	-	-	
<b>Surplus/(Deficit) after taxation</b>	95,652	-	19,283	25,789	47,826		
Attributable to minorities	-	-	-	-	-		
<b>Surplus/(Deficit) attributable to municipality</b>	95,652	-	19,283	25,789	47,826		
Share of surplus/ (deficit) of associate	-	-	-	-	-		
<b>Surplus/ (Deficit) for the year</b>	95,652	-	19,283	25,789	47,826		

## 6. OVERVIEW OF FINANCIAL POSITION

### 6.1 Current Assets

The net cash balance at mid-year was R25.4m in the municipality's current account and R22.4m ABSA call account and R22.2m Investec call account. (Total R44.6m).

#### Bank Reconciliation at the quarter ending 31 December 2017

<b>Opening cash book balance at 1 December 2017</b>		<b>-R1,324,745.57</b>
<b>Add: Income received</b>		<b>R94,744,860.97</b>
<b>Income</b>	<b>R94,622,584.37</b>	
<b>Interest</b>	<b>R122,276.60</b>	
<b>Less: RD Cheques</b>	<b>-</b>	
<b>Less: Expenditure</b>		<b>-R75,812,119.96</b>
<b>Expenditure</b>	<b>-R75,730,199.94</b>	
<b>Bank charges</b>	<b>-R81,920.02</b>	
<b>Closing cash book balance at 31 December 2017</b>		<b>R17,607,995.44</b>
<b>Add: unprocessed transactions</b>		
<b>Opening bank statement balance C/F</b>		<b>R19,576,426.54</b>
<b>Add: Outstanding cheques</b>		<b>R87,333.80</b>
<b>Add: Outstanding ACB</b>		<b>R4,579,961.62</b>
<b>Minus: Cash on hand</b>		<b>-R324,804.25</b>
<b>Minus: Miscellaneous charges</b>		<b>-R8,472.78</b>
<b>Plus: Deposits</b>		<b>R298,187.99</b>
<b>Transfer</b>		<b>R1,194,379.89</b>
<b>Closing bank balance as per bank statement 31 December 2017.</b>		<b>R25,403,012.81</b>

## 6.2 Debtors Collection

The average collection rate for the quarter ending 31 December 2017 is **(Quarter 1: 84%)**  
**(Budgeted collection rate 85%)**

Months	Billing (R)	Receipts (R)	Collection %
September	49,259,713		
October	43,959,896	45,339,424	92
November	43,481,591	40,604,213	92
December	44,764,212	48,683,381	112
<b>Total excl. Sept.</b>	<b>132,205,699</b>	<b>134,627,018</b>	<b>97</b>

## 6.3 Debtors book

The gross consumer debtors at the quarter ending 31 December 2017 amount to **R555,941,000 (quarter ending 30 September: R554,800,00)**. Our debtors increased by an amount of **R1,141,000** from quarter 1, this is due to indigent debtors being written off in quarter 2 of the financial year and improved revenue collection.

Set out below is a summary of outstanding debtors' age analysis by income source as well as customer group for the quarter ending **31 December 2017**.

The debtor's analysis indicates that the bulk of the outstanding debts owed to the municipality is households, which owe 87% of the total debt book amount, followed by local businesses at 5% and government departments at 3%.

GT423 Lesedi - Aged Debtors – quarter 2 ending December 2017									
Description	Budget Year 2017/18								Total
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	
R thousands									
<b>Debtors Age Analysis By Revenue Source</b>									
Rates	6,794	2,471	1,966	1,765	1,631	1,540	7,029	37,488	60,683
Electricity	17,114	4,766	4,054	3,782	3,509	3,912	17,170	91,849	146,157
Water	11,141	4,793	5,195	4,539	4,325	4,555	22,963	117,110	174,621
Sewerage / Sanitation	2,314	1,403	1,284	1,196	1,150	1,199	5,328	32,065	45,938
Refuse Removal	2,492	1,805	1,601	1,468	1,419	1,778	7,154	49,495	67,212
Housing (Rental Revenue)	–	–	–	–	–	–	–	–	–
Other	1,228	1,316	1,464	952	4,942	872	24,396	26,160	61,330
<b>Total By Revenue Source</b>	<b>41,083</b>	<b>16,553</b>	<b>15,563</b>	<b>13,703</b>	<b>16,976</b>	<b>13,856</b>	<b>84,039</b>	<b>354,167</b>	<b>555,941</b>
<b>Debtors Age Analysis By Customer Category</b>									
Government	2,539	968	697	590	493	520	2,348	10,407	18,561
Business	14,084	1,196	1,224	633	500	405	2,288	6,441	26,769
Households	24,069	14,126	13,390	12,270	11,510	12,687	58,096	336,831	482,980
Other	391	263	252	210	4,474	244	21,308	488	27,631
<b>Total By Customer Category</b>	<b>41,083</b>	<b>16,553</b>	<b>15,563</b>	<b>13,703</b>	<b>16,976</b>	<b>13,856</b>	<b>84,039</b>	<b>354,167</b>	<b>555,941</b>

## 6.4 Current Liabilities

Outstanding accounts payable inclusive of Goods Received Notes without invoices at t ending at **2<sup>nd</sup> quarter 31 December 2017** amounts to **R25.7m (30 September 2017: R35.8m)**

When compared to the quarter 1, accounts payables decreased by **R10.1m**.

Below is the creditor's age analysis at quarter 2 ending 31 December 2017

<b>GT423 Lesedi - Aged Creditors - December 2017</b>									
Description	Budget Year 2017/18								Total
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
R thousands									
<b>Creditors Age Analysis By Customer Type</b>									
Bulk Electricity	14,586	-	-	-	-	-	-	-	14,586
Bulk Water	-	-	-	-	-	-	-	-	-
PAYE deductions	3,124	-	-	-	-	-	-	-	3,124
VAT (output less input)	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	2,343	-	-	-	-	-	-	-	2,343
Loan repayments	-	-	-	-	-	-	-	-	-
Trade Creditors	1,502	405	-	-	-	-	-	-	1,907
Auditor General	-	-	-	-	-	-	-	-	-
Other	1,391	1,951	426	-	-	-	-	-	3,768
<b>Total By Customer Type</b>	<b>22,945</b>	<b>2,356</b>	<b>426</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,728</b>

The current ratio at the quarter ending **31 December 2017 amounts to 1.8 to 1** in lay man's terms it means that for every R1,80 the municipality earns, it has creditors amounting to R1 to pay, this R1 excludes employees' salaries and long term debt obligations or commitments. Although there was a slight improvement in the ratio analyzing current assets to current liabilities, the ratios is still below the norm of 2 to 1.

The debt book must be reduced in order to ensure that the debtors are converted to cash, that will enable the municipality to pay off its current liabilities timeously and reverse the current cash flow problem.

## 6. 5 Loan Account DBSA

The loans with DBSA were acquired in prior years between 2002 and 2004 in order to finance the purchase of municipal infrastructure. The municipality is required to pay an amount of **R4,472,329** bi-annually in June and December for the duration of the loan agreements.

**At the quarter ending 31 December 2017 the total amount owing to DBSA amounted to R56,854,360**

## 6.6 Statement of financial position

Below is the statement of financial position at **quarter 2 ending 31 December 2017**

### GT423 - Financial Position - December 2017

Description	Ref	Budget Year 2017/18			
		Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1				
<b>ASSETS</b>					
<b>Current assets</b>					
Cash		9,666	–	15,796	–
Call investment deposits		–	–	43,693	–
Consumer debtors		133,975	–	(12,933)	–
Other debtors		12,313	–	12,759	–
Current portion of long-term receivables		–	–	–	–
Inventory		3,232	–	276	–
<b>Total current assets</b>		<b>159,186</b>	<b>–</b>	<b>59,592</b>	<b>–</b>
<b>Non current assets</b>					
Long-term receivables		–	–	–	–
Investments		–	–	–	–
Investment property		182,218	–	–	–
Investments in Associate		–	–	–	–
Property, plant and equipment		691,981	–	16,648	–
Agricultural		–	–	–	–
Biological assets		–	–	–	–
Intangible assets		2,385	–	–	–
Other non-current assets		–	–	–	–
<b>Total non current assets</b>		<b>876,583</b>	<b>–</b>	<b>16,648</b>	<b>–</b>
<b>TOTAL ASSETS</b>		<b>1,035,769</b>	<b>–</b>	<b>76,241</b>	<b>–</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>	-				
Bank overdraft		–	–	–	–
Borrowing		3,372	–	–	–
Consumer deposits		10,691	–	1,989	–
Trade and other payables		124,407	–	30,708	–
Provisions		82,249	–	–	–
<b>Total current liabilities</b>		<b>220,719</b>	<b>–</b>	<b>32,697</b>	<b>–</b>
<b>Non current liabilities</b>					
Borrowing		51,894	–	(3,116)	–



<b>Payments</b>								
Capital assets	(95,563)	-	(6,937)	(20,584)	(47,781)	(27,197)	57%	-
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(95,563)</b>	<b>-</b>	<b>(6,937)</b>	<b>(20,584)</b>	<b>(47,781)</b>	<b>(27,197)</b>	<b>57%</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
<b>Receipts</b>								
Short term loans	-	-	-	-	-	-	0%	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	34	1,517	-	1,517	0%	-
<b>Payments</b>								
Repayment of borrowing	(3,372)	-	(1,783)	(3,514)	(1,686)	1,828	-108%	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(3,372)</b>	<b>-</b>	<b>(1,749)</b>	<b>(1,996)</b>	<b>(1,686)</b>	<b>310</b>	<b>-18%</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(3,741)</b>	<b>-</b>	<b>23,272</b>	<b>59,490</b>	<b>(1,871)</b>			<b>-</b>
Cash/cash equivalents at beginning:	13,407	-		-	13,407			-
Cash/cash equivalents at month/year end:	9,666	-		59,490	11,536			-