

REPORT TO THE EXECUTIVE MAYOR
OFFICE OF THE ACCOUNTING OFFICER

STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE
2008/2009 BUDGET FOR THE PERIOD ENDING 31 JANUARY 2009

1. BACKGROUND

In terms of Section 71(1), (2) and (3) of the MFMA No 56, 2003 Chapter 8, the Accounting Officer of a municipality must by no later than 10 working days after the end of each month submit to the Mayor of the municipality and the relevant provincial treasury a statement on the financial performance of that municipality.

2. STATEMENT OF FINANCIAL PERFORMANCE

The Statement of Financial Performance presented below, compares the expenditure and revenue on accrual basis against budget for the period ending 31 January 2009.

Table 1: Statement of Financial Performance for the period ending 31 January 2009

BUFFALO CITY MUNICIPALITY					
STATEMENT OF FINANCIAL PERFORMANCE					
		2008/09 ANNUAL BUDGET	2008/09 YTD BUDGET	2008/09 YTD ACCRUED INC / EXP	2008/09 VARIANCE
STATEMENT OF FINANCIAL PERFORMANCE	Note	R	R	R	%
OPERATING INCOME					
Property Rates		359,453,670	240,879,986	241,361,746	0.20
Service Charges	1	1,052,913,454	609,240,334	601,375,351	(1.29)
Rental of Facilities and Equipment		9,604,292	5,602,504	4,056,080	(27.60)
Interest Earned - External Investments		18,318,834	10,685,987	44,086,135	312.56
Interest Earned - Outstanding Debtors		33,878,313	19,762,349	21,053,221	6.53
Dividends Received		49,867	29,089	33,328	14.57
Fines		8,021,879	4,679,429	4,192,989	(10.40)
Licences and Permits		11,585,596	6,758,264	7,012,501	3.76
Government Grants and Subsidies	2	348,165,556	211,846,412	198,005,753	(6.53)
Other Income	3	128,016,564	74,676,329	65,425,998	(12.39)
Operating Project Grants		204,913,939	119,533,131	55,137,328	(53.87)
Total Operating Revenue		2,174,921,964	1,303,693,815	1,241,740,429	(4.75)
OPERATING EXPENDITURE					
Employee Related Costs	4	679,114,422	396,150,080	380,887,494	(3.85)
Bad Debts		42,283,339	24,665,281	24,665,281	0.00
Collection Costs		10,140,294	5,915,172	6,669,798	12.76
Depreciation		186,058,475	108,534,110	108,534,110	0.00
Repairs and Maintenance	5	137,658,846	80,300,994	52,643,428	(34.44)
Bulk Purchases	6	458,883,573	270,543,800	281,894,495	4.20
Contracted Services		6,846,154	3,993,590	1,785,233	(55.30)
Grants and Subsidies Paid		4,857,652	2,833,630	667,000	(76.46)
General Expenses - Other	7	423,371,193	246,966,529	213,460,361	(13.57)
Operating Projects	8	204,913,939	119,533,131	55,137,328	(53.87)
Total Operating Expenditure		2,154,127,887	1,259,436,317	1,126,344,528	(10.57)
Transfer to/from Leave Reserves		(20,361,751)	(11,877,688)	(3,484,114)	
OPERATING SURPLUS/(DEFICIT)		432,326	32,379,810	111,911,788	

The method of estimating the Year-to-Date (YTD) Budgets is:

- Grants, rates and service charges – historical income trends
- Other Income – seven months of the Annual Budget
- Electricity and Water bulk purchase – seasonal trends
- Expenditure (excluding Electricity and Water Bulk purchases) – seven months of the Annual Budget.

The Year-to-Date (YTD) percentage Variance is calculated by comparing the Year-to-Date (YTD) Accrual Income/Expenditure with the Year-to-Date (YTD) Budget.

The debtor's collection ratio for the seven months ending 31 January 2009 is 93.73%.

Comments on Revenue and Expenditure with reference to "Table 1"

Note 1: Service Charges

Service Charges	2008/2009 Annual Budget R	2008/2009 YTD Budget R	2008/2009 YTD Expenditure R	2008/2009 Variance R	YTD Variance %
Electricity Service	604,173,373	349,877,832	343,606,921	6,270,911	(1.79)
Water Service	196,809,224	109,048,388	103,477,830	5,570,558	(5.11)
Refuse Service	119,414,425	66,915,643	73,268,985	(6,353,342)	9.49
Sewerage Service	132,516,432	83,398,471	81,021,615	2,376,856	(2.85)
TOTAL	1,052,913,454	609,240,334	601,375,351	7,864,983	(1.29)

The total service charges billing income indicates a negative variance of 1.29% (R7.86 million) for the period ending 31 January 2009. The annual budget will be revised through the 2nd adjustment budget to adjust Revenue and Expenditure estimates downwards as there is a material under collection on Water Services Revenue during the first 7 months of the current financial year.

Note 2: Government Grant income

The Grant Income received as at 31 January 2009 includes the equitable share grant allocation of R 180.98 million which is an unconditional grant.

Note 3: Other income

Other income which is made up of numerous miscellaneous items reflects a cash inflow of R65.43 million as against an estimated budget of R74.68 million.

Note 4: Employee Related Costs

Employee Related Costs	2008/2009 Annual Budget R	2008/2009 YTD Budget R	2008/2009 YTD Expenditure R	2008/2009 Variance R	YTD Variance %
Officials Remuneration	659,247,385	384,560,975	369,170,889	15,390,085	(4.00)
Councillors Remuneration	19,867,037	11,589,105	11,716,605	(127,500)	1.10
TOTAL	679,114,422	396,150,080	380,887,494	15,262,585	(3.85)

The Basic Salaries and Wages were under spent by 3.85%. This is due to vacant funded posts that

are not yet filled by the various Directorates and is well within the norm. The savings will be utilised to fund the Job evaluation/new tasks grading to be implemented in the third quarter of the current financial year as well as the councillors remuneration.

Note 5: Repairs and maintenance

Repairs and maintenance expenditure efficiency ratio for the period ending 31 January 2009 is 65.56% (R52.64 million). The repairs and maintenance indicate a decrease in the expenditure pattern when compared to the same period in the previous financial year (2007/2008: 74.82%). It is anticipated that this will increase in third and fourth quarter of the current financial year.

Note 6: Bulk Purchases

Bulk Purchases	2008/2009	2008/2009	2008/2009	2008/2009	YTD
	Annual Budget R	YTD Budget R	YTD Expenditure R	Variance R	Variance %
Electricity Bulk Purchases	366,774,586	220,079,346	219,608,755	470,591	(0.21)
Water Bulk Purchases	92,108,987	50,464,454	62,285,740	(11,821,286)	23.42
TOTAL	458,883,573	270,543,800	281,894,495	(11,350,695)	4.20

The bulk purchases indicate an over expenditure of 4.20% (R11.35 million). The budget for the Bulk Water Purchases will be revised in the 2nd adjustment budget to address the over expenditure.

Note 7: General expenses

General expenditure efficiency ratio for the period ending 31 January 2009 is 86.43% (R213.46 million). The general expenses indicate a decrease in expenditure pattern when compared to the same period in the previous financial year (2007/2008: 92.83%).

Note 8: Operating Projects

Operating Projects expenditure for the period ending 31 January 2009 is R55.14 million which is 26.91% of the 1st adjustment budget. The current year’s expenditure has decreased when compared to the same period in the previous financial year (2007/2008: 29.05%). Comments on the under expenditure will be disclosed in the detailed report to the Council.

3. CAPITAL EXPENDITURE

The total capital expenditure as at 31 January 2009 amounts to R107.06 million which is 12% of the approved budget and the 1st adjustment budget for the 2008/09 financial year. The capital expenditure indicates a decrease in expenditure pattern when compared to the same period in the previous financial year (2007/2008: 17%). The expenditure is anticipated to increase in the second half of the current financial year. (Refer to annexure 3)

Table 2: Capital Expenditure for the period ending 31 January 2008/09, 2007/08 and 2006/7

Financial Year	Approved Budget	Adjusted Budget	YTD Actual Exp	YTD Exp/Approved Budget	YTD Exp/Adjusted Budget
	<u>R'million</u>	<u>R'million</u>	<u>R'million</u>	<u>%</u>	<u>%</u>
2008/09	902.09	862.09	107.06	12%	12%
2007/08	372.33	472.82	82.02	22%	17%
2006/07	475.96	384.63	95.45	20%	25%

4. Restructuring Grant Milestones

The restructuring grant projects are progressing well. The expenditure efficiency ratio for the period ending 31 January 2009 is 28% (R1.6 million). This expenditure ratio is low due to the fact that the directorates were engaged in the procurement phase of their projects in the first quarter of the financial year. The expenditure ratio is expected to improve drastically in the second half of the financial year. (Refer to annexure 4)

CONCLUSION

- The actual operating expenditure is well within the allocated budget for the period ending 31 January 2009.

Recommendation

It is recommended that -:

- The statement of financial performance and the implementation of the 2008/2009 budget for the period ending 31 January 2009 be adopted in terms of the MFMA.
- The budget Water Services be revised accordingly in the 2nd adjustment budget to address the under collection of revenue and the over expenditure incurred.

V.R. LWANA
ACTING ACCOUNTING OFFICER

E.L.L. MNQONYWA
ACTING CHIEF FINANCIAL OFFICER

ANNEXURE:

- 1 Revenue Projections by Source
- 2 Year to date Summary Projection of Revenue and Expenditure by Function
- 3 Capital Expenditure
- 4 Schedule of Restructuring Grant funded Projects
- 5 Schedule of Borrowings

ANNEXURE 1

REVENUE PROJECTIONS BY SOURCE

Table 1: Revenue projections by source for the period ending 31 January 2008

Source	YTD January 2009 Projected Revenue	YTD January 2009 Accrued Revenue
	R'million	R'million
Assessment rates	241	241
Electricity	350	344
Sanitation	83	81
Water	109	103
Refuse removal	67	73
Grants & subsidies	212	198
Conditional Grants	120	55
Fines	5	4
Other	118	142
Total Revenue	1,304	1,242

Table 1 above depicts the Accrued Revenue collected as compared to the Projected Revenue for the seven months ending 31 January 2009.

ANNEXURE 2

**YEAR TO DATE SUMMARY PROJECTIONS OF REVENUE AND EXPENDITURE BY
FUNCTION**

Projections of Revenue and Expenditure per Function 31 January 2008

Vote / Function	YTD 'Jan - '09 Projected			YTD 'Jan - '09 Actuals			Feb '09 - 'June '09		
	Opex R'000	Capex R'000	Rev R'000	Opex R'000	Capex R'000	Rev R'000	Opex R'000	Capex R'000	Rev R'000
Executive Mayor									
Vote : Executive & Council	21,270		3,075	18,654		10,328	15,193		2,066
Vote : Finance & Admin - IT	1,584	146	1,010	1,170	39	361	1,131	104	679
Vote : Finance & Admin - Other	27,389	50,443	10,797	18,704	885	3,637	19,563	36,031	7,259
Vote : Planning & Development	4,680		1,258	2,563		1,548	3,343		846
TOTAL	54,923	50,589	16,139	41,091	925	15,873	39,231	36,135	10,849
Municipal Manager									
Vote : Finance & Admin - Internal Aud	1,984		61	1,262		1,831	1,417		41
Vote : Finance & Admin (Other)	8,050			10,081		8,587	5,750		
Vote : Other				26,638		18,547			
Vote : Planning & Development									
TOTAL	10,035		61	37,981	-	28,965	7,168		41
Chief Operations Officer									
Vote : Finance & Admin (Other)	2,624	158	2,042		221		1,874	113	1,458
Vote : Planning & Development	8,687		8,687				6,205		6,205
Vote : Housing	51,104	16,274	46,700		737		36,503	11,625	33,357
TOTAL	62,414	16,432	57,428		959		44,582	11,737	41,020
Financial Services									
Vote : Finance & Admin (finance)	134,271	3,938	374,899	103,494	2,959	344,908	95,908	2,813	251,922
TOTAL	134,271	3,938	374,899	103,494	2,959	344,908	95,908	2,813	251,922
Corporate Services									
Vote: Executive & Council									
Vote : Finance & Admin (HR)	10,059	167		19,069	12	16,288	7,185	119	2,001
Vote : Finance & Admin (IT)	11,927	2,368	2,975	7,263		8,215	8,519	1,691	201
Vote : Finance & Admin (Other)	18,704	2,083	299	11,205	626	8,693	13,360	1,488	
TOTAL	40,690	4,617	3,274	37,537	638	33,196	29,064	3,298	2,202
Engineering Services									
Vote : Finance & Admin (Other)	15,269	46,667	1,729	13,304	10,224	22,942	10,907	33,333	1,161
Vote : Waste Water Management	78,423	70,061	109,848	77,749	19,271	99,586	56,017	50,044	73,808
Vote : Road Transport	65,465	89,346	5,237	65,639	22,095	23,704	46,761	63,819	3,519
Vote : Water	127,816	40,282	145,066	123,245	20,643	139,565	91,988	28,773	97,480
Vote : Electricity	295,074	63,754	347,481	286,691	6,664	332,132	198,113	45,539	233,455
Vote : Other (Vehicles)									
TOTAL	582,047	310,110	609,361	566,629	78,897	617,928	403,785	221,507	409,423
Planning & Development									
Vote : Finance & Admin (Other)	11,340	2,115	456	9,717	1,216	9,182	8,100	1,511	306
Vote : Planning & Development	47,377	54,651	16,530	40,158	11,458	8,902	33,841	39,037	11,117
Vote : Housing	394		354	416		351	282		238
Vote : Other (Bus & BCMET)	10,389	1,108	10,000	13,425	32	9,251	7,421	792	6,725
TOTAL	69,501	57,875	27,340	63,715	12,706	27,686	49,643	41,339	18,387
Public Health and Public Safety									
Vote : Finance & Admin (Other)	2,079			1,763	48	2,022	1,485		
Vote : Health	29,329	1,831	22,004	33,754	545	13,446	20,949	1,308	14,786
Vote : Public Safety	66,019	16,613	46,003	64,882	125	46,245	47,156	11,867	30,912
Vote : Other (Dog Tax)	420		607	326		532	300		408
TOTAL	97,847	18,444	68,614	100,725	718	62,245	69,891	13,174	46,106
Community Services									
Vote : Finance & Admin (Other)	3,312		777	2,357	60	126	2,366		522
Vote : Community Services	34,639	9,722	7,482	29,774	2,282	10,123	24,742	6,944	5,028
Vote : Sports & Recreation	24,349	5,417	1,795	22,801	1,753	1,872	17,392	3,869	1,206
Vote : Environmental Protection	35,825	5,915	1,926	33,140	898	3,561	25,590	4,225	1,294
Vote : Waste Management	104,736	43,159	108,912	87,100	4,263	95,257	74,812	30,828	73,184
TOTAL	202,861	64,213	120,891	175,172	9,256	110,940	144,901	45,866	81,234
Total by Function	1,254,588	526,219	1,278,008	1,126,344	107,057	1,241,740	884,171	375,870	861,183

Note: The table above indicates the comparative of the projected and actual expenditure incurred and revenue earned for the period ending 31 January 2008.

ANNEXURE 3

CAPITAL EXPENDITURE

The total capital expenditure as at 31 January 2009 amounts to R107.06 million which is 12% of the approved budget and the 1st adjustment budget for the 2008/09 financial year. The capital expenditure indicates a decrease in expenditure pattern when compared to the same period in the previous financial year (2007/2008: 17%).

The year to date expenditure per funding source is reflected in table 1 below.

Table 1: Capital Expenditure per Funding Source

Funding	Approved 2008/2009 R	1st Adjusted Budget 2008/2009 R	Expend. 2008/2009 R	YTD Exp/ Approved Budget 2008/2009 %	YTD Exp/ Adjusted Budget 2008/2009 %
Contribution to Accumulated Surpluses	650,000	2,150,000	470,105	72%	22%
Capital Replacement Reserve	128,633,052	139,051,726	24,896,496	19%	18%
DBSA (Loan)	250,000,000	250,000,000	7,506,679	3%	3%
External Financing Fund / DBSA	65,902,688	66,122,688	13,954,004	21%	21%
Total Own Funding	445,185,740	457,324,414	46,827,284	11%	10%
Buffalo City Metropolitan Transport	14,659,997	14,650,240	1,092,596	7%	7%
Department of Sports Recreation Arts & Culture	50,000,000	50,000,000	0	0%	0%
Department of Land Affairs	2,953,025	2,894,882	766,084	26%	26%
Department of Local Government & Housing	27,968,398	26,505,359	531,858	2%	2%
Department of Water Affairs & Forestry	281,394	260,094	0	0%	0%
Development Bank of South Africa Grant	51,078	51,078	0	0%	0%
Department of Science & Technology	4,266,008	4,266,008	387,927	9%	9%
Disaster Management Fund	368,170	340,914	28,191	8%	8%
Eastern Cape Development Corporation	344,272	344,272	0	0%	0%
European Commission	53,261,212	54,054,377	4,309,024	8%	8%
Integrated National Electricity Provider	35,453,971	34,345,725	4,107,531	12%	12%
Leiden Platform	18,822	1,500,000	1,178,533	0%	79%
MSIG	100,161	12,774	0	0%	0%
Municipal Infrastructure Grant	202,150,279	187,877,480	46,552,377	23%	25%
Neighbourhood Development Partnership Grant	41,100,000	9,300,000	0	0%	0%
Other (Lotto)	432,549	432,549	87,994	20%	20%
PUBLIC	8,000,000	8,000,000	0	0%	0%
Public Transport Infrastructure & Systems Grant	8,592,000	8,592,000	1,175,946	14%	14%
Restructuring Grant	6,728,170	1,166,726	11,933	0%	1%
Swedish International Development Agency	173,701	173,701	0	0%	0%
Total Grant Funding	456,903,207	404,768,179	60,229,993	13%	15%
Total Capital Budget - All Funding Sources	902,088,947	862,092,593	107,057,276	12%	12%

The actual capital expenditure for the month of January 2009 has increased when compared to the same periods in 2007/2008 and 2006/2007.

BCM Actual Capex for period ending July 2006 to July 2009

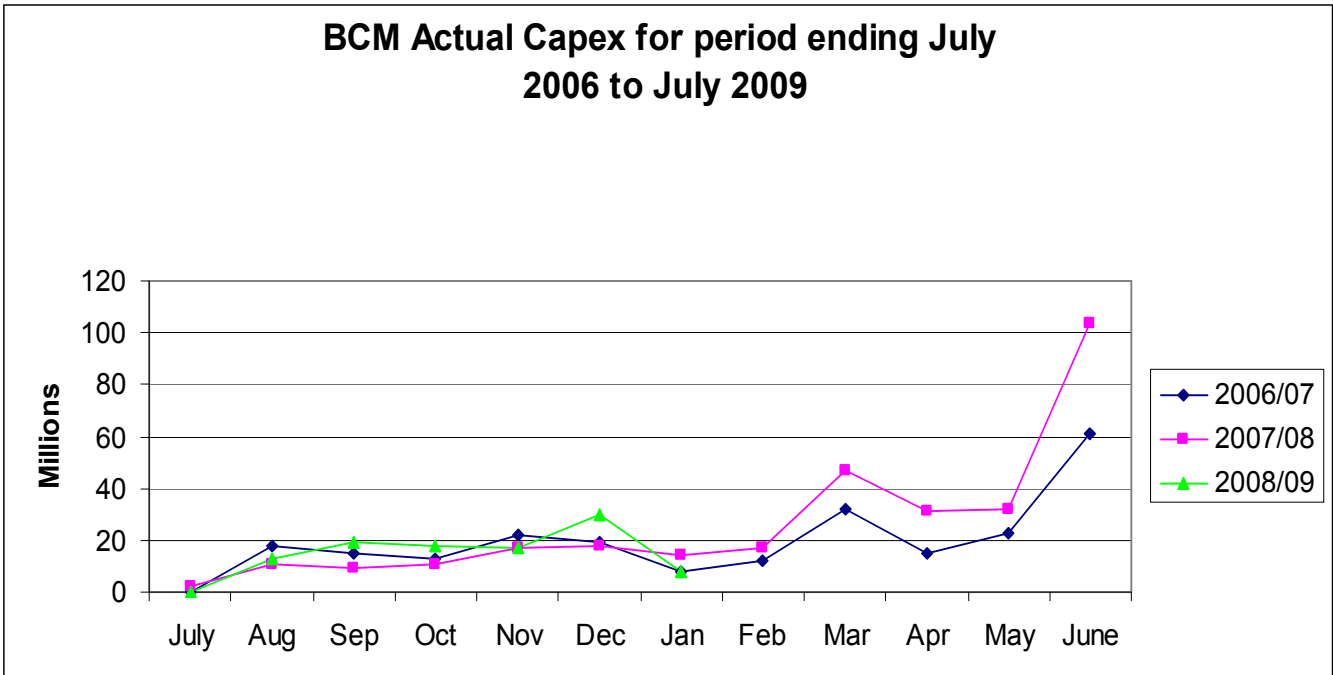


Table 2 identifies the actual Capital Expenditure per Directorate against budget.

Table 2: Actual Expenditure per Directorate against Budget

<u>Capital Budget Per Directorate</u>	Approved 2008/2009 R	1st Adjusted Budget 2008/2009 R	Expend. 2008/2009 R	YTD Exp/ Approved Budget 2008/2009 %	YTD Exp/ Adjusted Budget 2008/2009 %
Executive Support Services	86,907,279	86,921,279	924,748	1%	1%
Chief Operations Officer	28,336,398	28,228,795	958,549	3%	3%
Directorate of Finance	5,721,655	12,579,680	2,958,563	52%	24%
Directorate of Corporate Services	8,022,961	7,378,733	638,130	8%	9%
Directorate of Engineering Services	531,766,842	490,177,768	78,896,679	15%	16%
Directorate of Development Planning	99,251,083	89,648,882	12,706,324	13%	14%
Directorate of Health & Public Safety	31,853,274	33,949,554	718,350	2%	2%
Directorate of Community Services	110,229,455	113,207,902	9,255,935	8%	8%
Total Capital Budget – Per Directorate	902,088,947	862,092,593	107,057,276	12%	12%

Table 3 below gives a breakdown of the spending per Service.

Table 3: Spending per Service

<u>Capital Budget Per Service</u>	Approved 2008/2009 R	1st Adjusted Budget 2008/2009 R	Expend. 2008/2009 R	YTD Exp/ Approved Budget 2008/2009 %	YTD Exp/ Adjusted Budget 2008/2009 %
Water	68,555,136	65,403,529	20,621,522	30%	32%
Waste Water	120,105,414	114,441,651	19,270,561	16%	17%
Electricity	109,292,609	101,384,569	6,653,587	6%	7%
Roads and Storm Water	153,164,683	141,854,019	22,094,849	14%	16%
Housing	27,968,398	26,710,795	737,292	3%	3%
Transport Planning	85,342,000	62,936,479	11,396,390	13%	18%
Cleansing	73,987,213	73,174,658	4,262,634	6%	6%
Amenities	25,951,645	30,642,676	4,035,191	16%	13%
Environmental Services	5,874,589	4,962,060	509,837	9%	10%
Health Services	3,138,371	3,288,371	545,244	17%	17%
Public Safety	28,479,903	30,426,183	124,755	0%	0%
Support Services	102,855,807	106,291,669	4,844,070	5%	5%
Other	97,373,179	100,575,934	11,961,344	12%	12%
Total Capital Budget Per Service	902,088,947	862,092,593	107,057,276	12%	12%

Schedule of Restructuring Grant funded Projects

DIR	VOTE/PROJ.No.	PROJECT TITLE	Adj. Annual Budget 08/09	YTD Adj. Budget 08/09	YTD Exp 08/09	YTD Exp/YTD Adj. budget
ESS	1050051770105	2010 World Cup: Est. Ancillary Costs	84,185	48,827		0%
ESS	1050051770105	2010 Operational Requirements	1,300,000	754,000	557,801	74%
ESS	1050201770105	Ward Development Projects	26,370	15,295		0%
ESS	1050301770105	Special Programmes Focal Areas	139,120	80,690	92,457	115%
ESS	1100151770105	CDS Implementation	808,049	468,668		0%
ESS	1200101770105	Computer Software	51,939	30,125	30,702	102%
MM	2150051770105	Institutional Performance Audit	12,572	7,292		0%
DOF	3150051770105	Credit Rating of BCM	109,460	63,487		0%
DOF	3150051770105	Audit Amount for National Treasury	431,507	250,274		0%
DOF	3150051770105	Predictive Planning	12,113	7,026		0%
DOF	3200051770105	GRAP Implementation	293,848	170,432	293,848	172%
DOF	3200051770105	Fixed Asset Management System	181,847	105,471	179,189	170%
DOF	3200101770105	Supply Chain Management	25,287	14,666		0%
DOF	3300051770105	General Valuations C/O	226,306	131,257	145,016	110%
DOF	3300201770105	Customer Incentive Scheme	655,100	379,958	1,500	0%
DCS	4150251770105	BCM : IT Strategy	24,051	13,950		0%
DCS	4200201770105	Councillor Training	64,247	37,263	55,621	149%
DCS	4200201770105	Employee Wellness - HIV/AIDS	1,526	885		0%
DES	5200051770105	BCM Water Service Authority Investigation	1,921,355	1,114,386	101,721	9%
DES	5250251770105	Surfacing of Roads	1,170,829	679,081	47,180	7%
DDP	6150951770105	Painting of City Hall & Gonubie House	13,313	7,722		0%
DDP	6150951770105	Renovations City Hall	111,657	64,761	12,123	19%
DDP	6350051770105	Assessment of the Tourism Function in BCM	7,188	4,169		0%
DDP	6350051770105	Formalization and empowerment of Comm. Tourism Organisations	6,924	4,016		0%
DDP	6350051770105	SMME DATA BASE AND PROFILE -C/O	3,421	1,984		0%
DDP	6350051770105	Broad Based Black Economic Empowerment (BBBEE) Monitor	2,250	1,305		0%
DDP	6350051770105	Integrated Agriculture and Rural Development Strat - C/O	130,412	75,639		0%
DDP	6350051770105	Dimbaza Wall of Fame c/o	127,605	74,011	1,633	2%
DDP	6350051770105	Trade and Investment Promotion	11,404	6,614		0%
DDP	6350051770105	Ward Based Agriculture	100,000	58,000		0%
DDP	6350051770105	Economic Development Strategy	65,167	37,797	11,011	29%
DDP	6350051770105	Section 78(1) Assessment	200,000.00	116,000		0%
DDP	6050051770105	Civic Centre - Preliminary Cost	9,726.00	5,641		0%
DCOM	7500101770105	20 Refuse Skips	8,624.00	5,002		0%
DCOM	7500101770105	Section 78 Studies for the Zoo, Aquarium	179,298.00	103,993		0%
DCOM	7500101770105	NE Expressway - Cut Grass/Environ. Maint.	4,626.00	2,683		0%
DCOM	7650101770105	Viability Study on Market of Sports - C/O	79,463.00	46,089	40,000	87%
DCOM	7650251770105	Masterplan EL Zoological Gardens - C/O	60,731.00	35,224		0%
DOF	3150056539001	Computer Requirements	6,131	3,556		0%
DOF	3300056539002	General Valuations	461,334	267,574		0%
DOF	3300056539003	General Valuations	589,472	341,894		0%
DCS	4050106539004	Document Management	26,291	15,249		0%
DCS	4150256539006	BCM IT Equipment	8,419	4,883		0%
DCS	4200056539007	Employee Wellness Programme	26,283	15,244	11,933	78%
DES	5200256539009	Amahleke Water Supply - Upgrading	48,796	28,302		0%
			9,828,246.00	5,700,362.68	1,581,734.67	28%

SCHEDULE OF BORROWINGS AS AT 31 JANUARY 2009

EXTERNAL LOANS						Balance at	Received	Redeemed	Balance at
Local Registered Stock						01/01/2009	during the	or written off	31/01/2009
Issued	Int Rate	Loan No.	Ref No.	Redeemable	Source	R	year	during the	R
								year	
09/02/1990	16.50%	72	SC 13121/ELL110M-S	30/06/2010	CMB & OLD MUTUAL	8,000,000			8,000,000
19/12/1990	17.05%	73	AC 27451/ELL110M-S	31/12/2011	OLD MUTUAL	10,000,000			10,000,000
14/06/1990	17.90%	5/90	AA/256/12/14/5/90	30/06/2010	VULCAN COMMODITIES	160,000			160,000
						18,160,000			18,160,000
EXTERNAL LOANS									
Annuity Loans						Balance at	Received	Redeemed	Balance at
Received	Int Rate	Loan No.	Ref No.	Redeemable	Source	R	during the	or written off	31/01/2009
							year	during the	
Brought forward						18,160,000			18,160,000
Annuity Loans									
09/02/2006	13.95%	INCA	BFF-00-0001	31/12/2020	INCA	114,311,179		1,723,036	112,588,143
01/06/2001	10.83%	13717	13717	30/06/2021	DBSA	54,736,842		2,105,263	52,631,579
01/06/2002	11.40%	100124	100124	30/06/2023	DBSA	137,857,803		1,779,709	136,078,094
09/06/2004	10.15%	100783	100783	30/09/2009	DBSA	6,000,000			6,000,000
29/06/2004	12.56%	101058	101058	31/12/2023	DBSA	53,517,168		574,883	52,942,285
01/12/1979	9.50%	CJPF 5	GNB109M-S	30/06/2009	INCA	17,004		8,305	8,699
30/03/2007	9.80%	102531	1 - 5	VARIOUS	DBSA	150,213,808	9,802,421	5,013,736	155,002,493
* DBSA facility available R 250,000,000									
Sub Total Annuity Loans						516,653,804	9,802,421	11,204,933	515,251,292
Sub Total Annuity & Stock Loans						534,813,804	9,802,421	11,204,933	533,411,292
Financial Leases									
Various		Various		Various		2,614,286			2,614,286
Sub Total Annuity, Stock Loans & Financial Leases						537,428,090	9,802,421.37	11,204,933	536,025,578
GRAND TOTALS						537,428,090	9,802,421	11,204,933	536,025,578