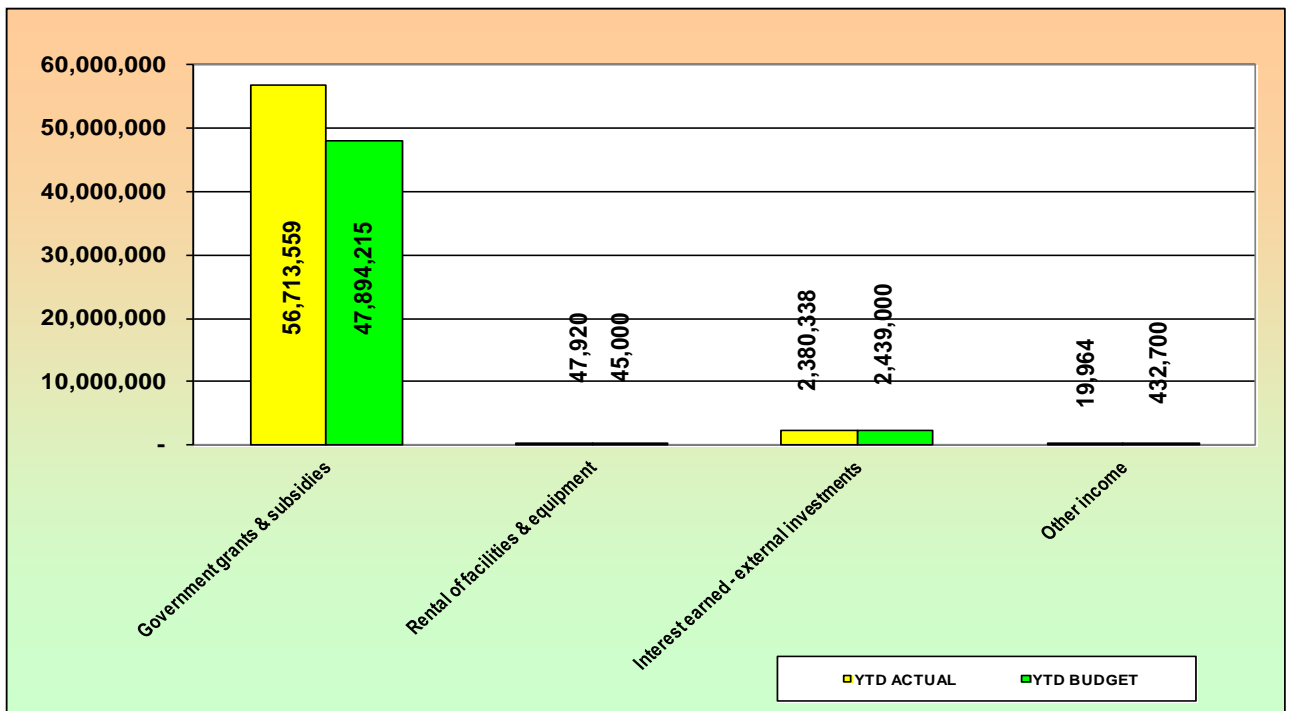


1. FINANCIAL POSITION

<b>FRANCES BAARD DISTRICT MUNICIPALITY</b>			
<b>STATEMENT OF FINANCIAL POSITION</b>	<b>31 December 2011</b>	<b>Jun-11</b>	
	<b>R</b>	<b>R</b>	
<b><u>NET ASSETS AND LIABILITIES</u></b>			
<b>Net Assets</b>	<b>112,751,326</b>	<b>86,187,966</b>	
Capital Replacement Reserve	4,411,867	4,411,867	
Revaluation Reserve	5,828,305	5,828,305	
Accumulated Surplus / (Deficit)	102,511,153	75,947,793	
<b>Non-current Liabilities</b>	<b>32,350,388</b>	<b>32,913,606</b>	
Long-Term Liabilities	12,251,709	12,814,927	
Employee Benefits	20,098,679	20,098,679	
<b>Current Liabilities</b>	<b>18,343,351</b>	<b>13,516,295</b>	
Current Employee Benefits	4,372,654	5,228,584	
Trade Payables	1,222,322	2,267,558	
Unspent Conditional Grants and Receipts	11,455,605	4,727,383	
Operating Lease Liability	-	-	
Current Portion of Long-term Liabilities	1,292,770	1,292,770	
<b>TOTAL: NET ASSETS AND LIABILITIES</b>	<b>163,445,065</b>	<b>132,617,866.71</b>	
<b><u>ASSETS</u></b>			
<b>Non-current Assets</b>	<b>53,497,332</b>	<b>52,185,456</b>	
Property, Plant and Equipment	52,886,181	51,574,304	
Non-Current Assets Held for Sale	-	-	
Investment Property	-	-	
Intangible Assets	611,151	611,151	
Financial Assets	-	-	
Long-term Receivables	-	-	
<b>Current Assets</b>	<b>109,947,733</b>	<b>80,432,411</b>	
Taxes	384,734	1,489,596	
Trade Receivables from Exchange Transactions	-	-	
Trade Receivables from Non-Exchange Transactions	2,791,553	2,184,489	
Operating Lease Asset	9,383	9,383	
Inventory	399,497	370,274	
Current Portion of Long-term Receivables	-	-	
Discontinued Operations	-	344,298	
Current Financial Assets	-	6,218	
Term Deposits	2,900,000	2,900,000	
Cash and Cash Equivalents	103,462,566	73,128,152	
<b>TOTAL: ASSETS</b>	<b>163,445,065</b>	<b>132,617,867</b>	

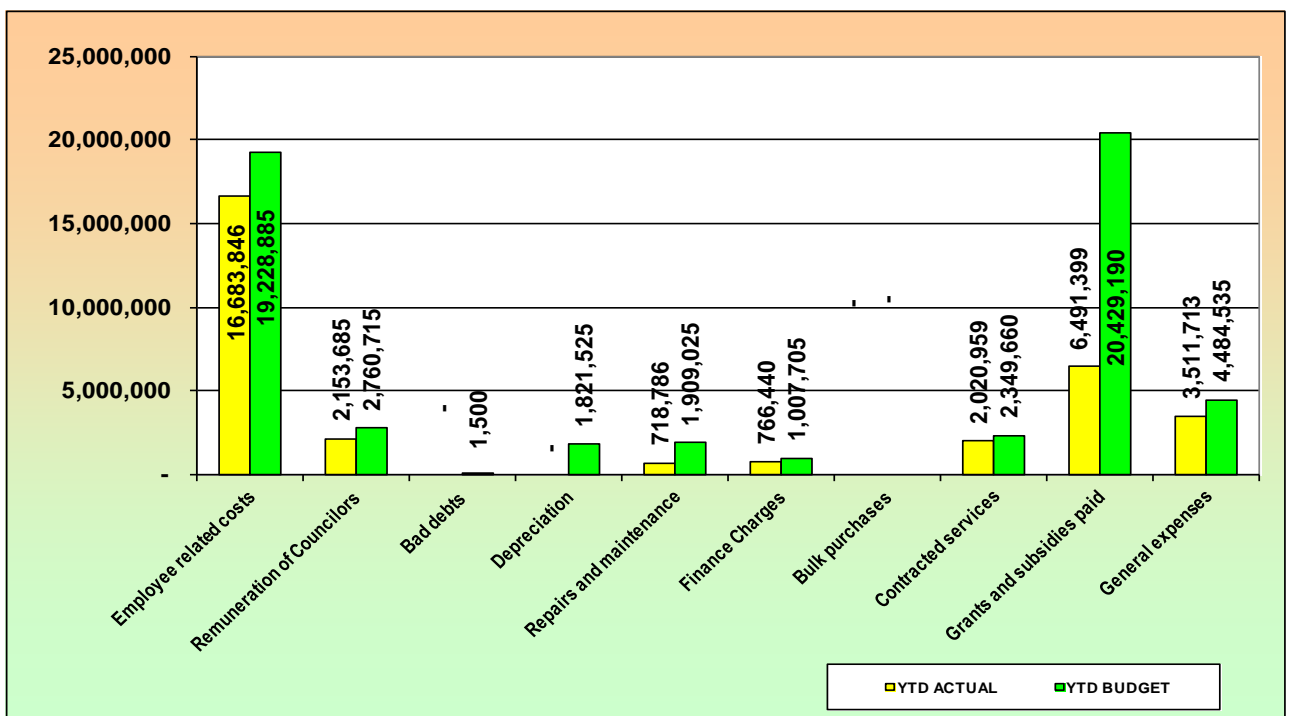
2. **FINANCIAL PERFORMANCE**

**Revenue by Source (YTD):**



The positive variance on Grants and Subsidies is mainly due to the receipt of the equitable share allocation in respect of the first four months of the financial year.

**Expenditure per classification (YTD):**



For this financial year, expenditure is restricted to necessary activities per approved budget & service delivery plans, operating expenditure limit approved by Council and money that we realistically expect to collect. Adequate controls are in place to ensure that overspending does not occur.

**Salaries:** A summary of the actual salaries paid versus the approved budget allocation is as follows:

<i>Salaries &amp; Allowances</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>	<i>Var %</i>
	<b>18,837,531</b>	<b>21,989,600</b>	<b>3,152,070</b>	<b>14%</b>
Councillors Remuneration	2,153,685	2,760,715	607,030	22%
Post-Service Benefits	309,223	397,495	88,272	22%
Personnel Remuneration	16,374,623	18,831,390	2,456,767	13%
<i>Employee Related Costs</i>	13,786,064	15,686,755	1,900,691	12%
<i>Social Contributions</i>	2,372,286	2,666,120	293,834	11%
<i>Compulsory Levies</i>	216,272	478,515	262,243	55%

The positive variance on budgeted remuneration is due mainly to the budgeted number of vacancies on the staff structure not filled accordingly.

**Depreciation:** Currently there is no movement on depreciation, a service provider has been appointed to assist with the unbundling of the assets to get the fair value of the assets so as to comply with GRAP. The information is being downloaded on the financial system and will be reported on in due course.

**Repairs and Maintenance:** Apart from standard service contracts, planned or expected maintenance costs incurred during this financial year are mainly in the area of computer software licenses renewal.

**Grants and Subsidies:** All project payments, whether capital infrastructure or community development in nature, whether funded internally or externally, are included.

Projects that were not completed during the previous year-end have been rolled over to the new financial year for completion from the accumulated surplus / deficit or applicable unspent grant funding accounts.

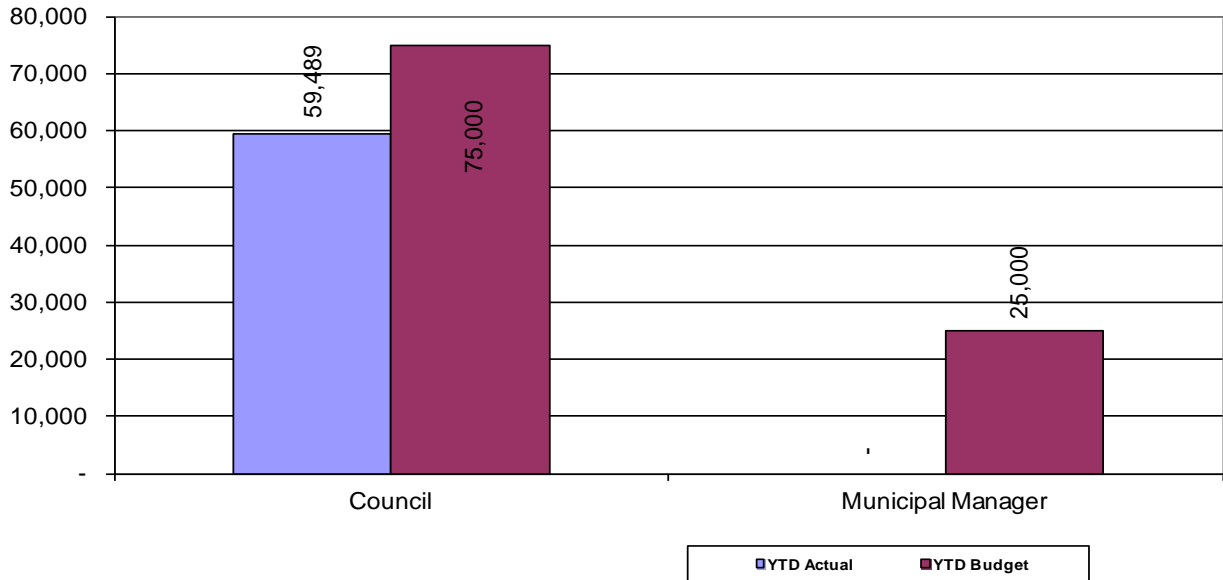
Progress on actual expenditure on infrastructure and development projects, in comparison with the budget, is:

<i>Grants &amp; Subsidies</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>	<i>Var %</i>
	<b>6,491,399</b>	<b>20,429,190</b>	<b>13,937,791</b>	<b>68%</b>
<i>Internal / Administration</i>	4,115,075	5,194,035	1,078,960	21%
<i>External Beneficiaries</i>	2,376,325	15,235,155	12,858,830	84%
<i>State Funded Grants</i>	1,349,587	9,413,155	8,063,568	86%
<i>Reserve Funded Grants</i>	1,026,738	5,822,000	4,795,262	82%
<i>Revenue Funded Grants</i>	-	-	-	

**General Expenses:** Actual expenses are expected to increase as planned activities per service delivery and budget plans gain momentum.

**Legal Costs per Department:** A summary of the actual legal costs paid versus the approved budget is as follows:

#### LEGAL COST PER DEPARTMENT



The actual spending on legal costs reflects mainly for spending needs identification. The total budget allocation for the 2011/12 financial year is R 200 000 with the year to date budgeted amount being R100 000. Reflected on the graph is the actual year to date versus the projected budget amount to end December 2011.

#### **Projected Operating Results:**

Explanation regarding any significant projected positive or negative variances more than 10% versus the approved budget:

*Please refer to next page*

Revenue & Expenditure per classification	YTD Actual 31 December 2011	Estimated Projection: 2011/12	Approved Budget 2011/12	Projected Variance R	Projected Variance %
<b><i>REVENUE BY SOURCE:</i></b>					
Interest Earned - External Investments	2,380,338	4,878,000	4,878,000	-	0.00%
Interest Earned - Outstanding Debtors	-	-	-	-	
Other	19,964	865,400	865,400	-	0.00%
Rental of Facilities & Equipment	47,920	90,000	90,000	-	0.00%
Income for Agency Services	-	-	-	-	
Government Grants & Subsidies	56,713,559	95,788,430	95,788,430	-	0.00%
Transfers From Reserves	-	-	2,214,680	2,214,680	
Gain on disposal of property plant and equipment	-	80,000	80,000	-	0.00%
<b>Total Revenue:</b>	<b>59,161,781</b>	<b>101,701,830</b>	<b>103,916,510</b>	<b>2,214,680</b>	<b>3.74%</b>
<b><i>EXPENDITURE PER VOTE:</i></b>					
<b>Executive and Council</b>	<b>6,608,035</b>	<b>13,369,178</b>	<b>17,241,320</b>	<b>3,872,142</b>	<b>28.96%</b>
Council	3,966,569	7,108,755	8,672,600	1,563,845	
Office of the Municipal Manager	2,641,466	6,260,422	8,568,720	2,308,298	
<b>Finance &amp; Administration</b>	<b>11,566,577</b>	<b>24,702,870</b>	<b>30,354,160</b>	<b>5,651,290</b>	<b>22.88%</b>
Budget & Treasury Office	6,154,911	12,814,835	14,830,090	2,015,255	
Corporate Services	5,411,666	11,888,035	15,524,070	3,636,035	
<b>Planning &amp; Development</b>	<b>9,448,510</b>	<b>36,102,258</b>	<b>46,436,200</b>	<b>10,333,942</b>	<b>28.62%</b>
Planning & Development	4,819,236	14,021,667	14,909,540	887,873	
Technical Services	4,629,274	22,080,591	31,526,660	9,446,069	
Health	2,114,758	3,349,303	3,983,090	633,787	15.91%
Community & Social Services	-	-	-	-	
Public Safety	1,419,159	3,300,280	3,789,840	489,560	12.92%
Housing	1,189,789	3,650,272	4,108,540	458,268	11.15%
<b>Total Expenditure:</b>	<b>32,346,828</b>	<b>84,474,161</b>	<b>105,913,150</b>	<b>21,438,989</b>	<b>20.24%</b>
Transfer to Capital Replacement Reserve	-	1,185,000	1,185,000	-	
Prior year Revenue & Expenditure	-	-	-	-	
<b>NET OPERATING RESULT:- SURPLUS (/ (DEFICIT))</b>	<b>26,814,953</b>	<b>16,042,669</b>	<b>(3,181,640)</b>	<b>(19,224,309)</b>	

***EXPENDITURE PER VOTE:***

Interim results per approved business plans and budget for the financial year under review:

- ***Executive and Council:***

There is serious concern regarding spending trends. Should this continue, funds will be exhausted well before the end of the financial year. Depicted below is an indication of:

- a) what has been spent to end December 2011; and
- b) what is committed for January 2012:

**98% of Vote Printing and Stationery**  
**39 % of Vote Conferences and Seminars**  
**84 % of Vote Accommodation Councillors**  
**67% of Vote Transportation Councillors**  
**99% of Vote Motor Vehicle Usage**  
**32 % of Vote Sundry Expenses**  
**79 % of Vote Entertainment – Council**

**Please note that as per direction from National Treasury, the current budget is based on an increase of 6% of spending capacity on the previous financial years' budget.**

- The annual increase for Councilors' was decided in December 2011 and implemented in terms of the remuneration of Public Office Bearers Act, 1998 in respect of the 2011/2012 financial year which has been budgeted for the full year.

As per request from Council, the following votes will be increased with the Adjustments budget:

❖ **Council:**

- Printing & stationery
- Subsistence Allowance
- Travel & accommodation – Councillors
- Motor Vehicle Usage
- Affiliation fees: SALGA – this increase was due to SALGA increasing their fees after the budget had been approved.

❖ **Committee Services:**

No funds were provided in the 2011/2012 budget, however R30 000 was allocated to this unit for a course for the youth co-ordinators.

❖ **Communication:**

- Travel Expenditure - Accommodation

● **Finance & Administration:**

Expenditure of finance & administration is less than the projected budget by 22% primarily in the areas of interest on external loan; audit fees; maintenance of software, buildings, office equipment grounds & fencing; development of IT governance & service management framework; computer software; Employee Assistance Programme; advertising recruitment; relocation costs and training.

Approved vacant posts of Assistant Accountant, Accountant and Records Manager have to be filled.

**Remedy:** All planned activities are on schedule and are likely to gain momentum as the financial year progresses. Shortfalls will be corrected with the adjustment budget:

- ❖ FMG Capacity building – accommodation for finance interns attending courses was more than expected

- ❖ **SCM:** Consultancy – Extra funds required for bank evaluation

❖ **Motor Vehicle Pool:**

- Motor vehicle repairs – there was an increase in the number of vehicles being sent for repairs
- Motor vehicle fuel – Increase in petrol prices

❖ **Human Resource Management:**

- Employee Wellness – Sports trips still to be undertaken
- Consultant Fees – Review all job levels
- Travel Expenditure – Accommodation

❖ **Office Support Services:**

- Printing & Stationery – under budgeted
- Rental of Equipment – under budgeted

• **Planning & Development:**

Expenditure of planning & development is less than the projected budget by 28% primarily in the areas of computer software maintenance and review and implementation of the IDP. Most MSIG Projects have not started yet.

**Remedy:** Most of the special projects are in the planning phase of implementation.

• **Spatial Planning**

The establishment of a township has yet to start. Invitation to tender for the Environmental Impact Assessment and the Bulk Service Report will occur during the first week of January 2012. Additional funding was requested for the bio-diversity study.

**Remedy:** Appointment of a consultant for the valuation and transfer of property is in progress and is likely to be completed by mid-January 2011.

• **GIS**

Projects' relating to capturing of water infrastructure data has yet to start. There is a pending case against the consultant.

**Remedy:** The case has been referred to the District Municipality's lawyers for non-performance.

The following votes will be increased with the adjustments budget:

- ❖ Maintenance Computer Software – new programmes purchased
- ❖ Stationery – had been under budgeted
- ❖ Accommodation – Serving on Spatial Information Committee which has increased the number of meetings held annually

• **Local Economic Development**

The following additions will be made with the adjustments budget:

- ❖ Contribution to Doringsfees
- ❖ Contribution towards Maloof Money Cup (already took place)

- **Directorate: Infrastructure Services**

The following votes will be increased with the adjustments budget due to under budgeting:

- ❖ Subsistence
- ❖ Accommodation

- **Project Management & Advisory Services**

Most of the infrastructure projects have not started and it is estimated that they will be completed on or before end June 2012.

**Remedy:** All planned activities are on schedule and are likely to gain momentum as the financial year progresses.

The following votes will be increased with the adjustments budget:

- ❖ Magareng refuse truck – under budgeted
- ❖ DMA electricity self build scheme – provision for additional funding by farmers and ESCOM
- ❖ Maloof Skate Park: Ablution facilities – Provision of ablution facilities at venue

- **Roads Maintenance**

The following votes will be increased with the adjustments budget due to under budgeting:

- ❖ Overtime
- ❖ Nights Out
- ❖ Cell phone Allowance
- ❖ Motor vehicle usage

- **Health:**

Expenditure of health is less than the projected budget by 16%.

IWMP awareness programmes are in progress.

The Air Quality Management Plan workshop will take place in February 2012.

Only R50 000 for the maintenance of the recycling project will be needed out of an approved budget of R500 000.

**Remedy:** Shortfalls and savings are to be corrected with the adjustment budget.

- **Community & Social Services:**

No expenditure relating to community development will be reported on as there is no budget relating to community & social service activities.

- **Public Safety:**

Expenditure of public safety is less than the projected budget by 12% primarily in the areas of maintenance of emergency, radio and office equipment as well as special projects.

**Remedy:** All planned activities are on schedule and are likely to gain momentum as the financial year progresses. Certain activities are needs driven.

The following votes will be increased with the adjustments budget:

- ❖ Security services – there was an increase in the cost of services



❖ Disaster management Forum – under budgeted

- **Housing:**

Expenditure of housing is less than the budget by 11% primarily in the areas of consultancy and special projects.

**Remedy:** Expenditure of the housing unit is limited to the actual revenue received year-to-date.

The following votes will be increased with the adjustments budget:

- ❖ Housing Field Workers – remuneration
- ❖ Review Housing Chapters – Additional funding required for 3 Housing Chapters and 3 Housing Sector Plans
- ❖ Consultancy: Professional services – Tender amount more than budget
- ❖ Subsistence – amount budgeted inadequate

**EXPENDITURE ON SPECIAL PROJECTS PER VOTE:**

- **Council & Executive**

	YTD Actual	Budget	% Spending	Remarks
<b><u>Council</u></b>				
Goodwill Fund Projects: Executive Mayor	-	4,000	0.00%	
Commemorative Days	16,609	50,000	33.22%	
11/12: Contribution Maloof Money Cup SA	126,500	-		
<b>Total</b>	<b>143,109</b>	<b>54,000</b>	<b>265.02%</b>	
<b><u>Communications</u></b>				
CFS System	-	4,430	0.00%	Amount paid in full - 2 year contract
PAIA Management	-	12,000	0.00%	To be advertised in 2nd quarter
Branding	9,901	20,000	49.50%	Branding to be addressed when visual standards manual is completed
<b>Total</b>	<b>9,901</b>	<b>36,430</b>	<b>27.18%</b>	

*Please refer to next page*

- **Finance & Administration**

	YTD Actual	Budget	% Spending	Remarks
<b><u>Finance: Directorate</u></b>				
Finanacial System Support (3) LM	426,416	450,000	94.76%	Ongoing
<b>Total</b>	<b>426,416</b>	<b>450,000</b>	<b>94.76%</b>	
<b><u>Finance: Budget Office</u></b>				
Capacity Building & BTO Operation	83,068	90,000	92.30%	Ongoing
<b>Total</b>	<b>83,068</b>	<b>90,000</b>	<b>92.30%</b>	
	YTD Actual	Budget	% Spending	Remarks
<b><u>Information Communication &amp; Technology</u></b>				
Develop IT Governance Framework	-	380,000	0.00%	Tenders have been advertised
Development of ITIL Service Management Framework	-	280,000	0.00%	TOR has been developed
<b>Total</b>	<b>-</b>	<b>660,000</b>	<b>0.02%</b>	
	YTD Actual	Budget	% Spending	Remarks
<b><u>Human Resource Management</u></b>				
Employee Assistance Programme	3,826	100,000	3.83%	Needs driven
Employee Wellness	422,350	450,000	93.86%	Ongoing
HIV VIP Primer	152,828	200,000	76.41%	Needs driven
<b>Total</b>	<b>579,003</b>	<b>750,000</b>	<b>77.20%</b>	

- **Environmental Health**

	YTD Actual	Budget	% Spending	Remarks
<b><u>Environmental Health</u></b>				
Waste Recycling Project	1,378,905	1,546,000	89.19%	Project in completion phase
Awareness Program - Sanitation, HIV and Enviro Days	17,051	50,000	34.10%	Spending according to programmes
Awareness Program IWMP & EMF	3,400	25,000	13.60%	Spending according to programmes
Maint Recycling Project	-	500,000	0.00%	Operation will start in June 2012
Air Quality Management Plan	-	95,000	0.00%	Workshop to take place in February 2012
<b>Total</b>	<b>1,399,356</b>	<b>2,216,000</b>	<b>63.15%</b>	

- **Planning & Development**

	YTD Actual	Budget	% Spending	Remarks
<b><u>Planning &amp; Development Directorate</u></b>				
Dikgatlong Town Plan	-	300,000	0.00%	Project has been advertised, to be awarded soon
Review District Management Plan	-	300,000	0.00%	In consultation phase
Preparation of By-Laws	-	200,000	0.00%	Amount already committed
Establish Water Infrastructure System	-	400,000	0.00%	Project in progress
<b>Total</b>	<b>-</b>	<b>1,200,000</b>	<b>0.00%</b>	
<b><u>IDP / PMS Management</u></b>				
IDP Review and Implementation	-	38,660	0.00%	Will be spent in the 3rd quarter
<b>Total</b>	<b>-</b>	<b>38,660</b>	<b>0.00%</b>	

	YTD Actual	Budget	% Spending	Remarks
<b><u>HOUSING</u></b>				
Housing Consumer Education	-	22,000	0.00%	In process
Housing HDD Field Workers	34,516	120,600	28.62%	
REV. Housing Chapters	20,160	117,000	17.23%	To start 3rd quarter
Development Housing Strategy	-	19,500	0.00%	Completed in-house savings
Housing Register Contractors	-	40,600	0.00%	In consultation with NHBRC
<b>Total</b>	<b>54,676</b>	<b>319,700</b>	<b>17.10%</b>	

	YTD Actual	Budget	% Spending	Remarks
<b><u>LED / Tourism</u></b>				
LED Capacity Building	-	16,000	0.00%	In process - 3rd quarter
LED Social Responsibility / Miners	-	7,000	0.00%	In process
LED Agency	-	70,000	0.00%	In process
LED Forums	3,935	20,000	19.67%	In process
LED - NCTA Support	135,000	135,000	100.00%	Spending completed
TOUR Business Plan Competition	182,777	270,000	67.70%	In process
LED Phokwane Vegetable Plant	80,000	90,000	88.89%	In process - awaiting final document
LED Entrepreneur Program	300	156,000	0.19%	Awaiting appointment of candidates
LED Bokomotso Dikgatlong	-	80,000	0.00%	To be completed in 3rd quarter
LED Kgolosego Phokwane	-	150,000	0.00%	To be completed in 3rd quarter
LED SMME Development	104,096	200,000	52.05%	In process
LED EXPO	193,953	450,000	43.10%	In process
LED Phokwane vegetable Plant	5,031	60,000	8.38%	In process
TOUR Marketing Brochure	-	200,000	0.00%	In process - 3rd quarter
TOUR SAN Community Culture Village	150,000	150,000	100.00%	Spending completed
TOUR Wildebeestkuil Rock Art	100,000	100,000	100.00%	Spending completed
TOUR SMME Registration & Grading	2,877	100,000	2.88%	In process
TOUR Tourism Guide Training	148,305	250,000	59.32%	In process
TOUR Capacity Building	-	120,000	0.00%	3rd quarter
TOUR Capacity Building Phokwane	-	100,000	0.00%	In process
TOUR Product Owners Meeting Grading	52,799	100,000	52.80%	In process
TOUR Indaba Trade EXPO	4,846	120,000	4.04%	In process
TOUR Know Your Region Campaign	-	60,000	0.00%	3rd quarter
TOUR N12 Treasure Route	20,000	20,000	100.00%	Spending completed
TOUR NCTA Marketing Meetings	-	15,000	0.00%	Awaiting invitations
TOUR Association Meetings	3,248	10,000	32.48%	In process
TOUR Advertising	131	270,000	0.05%	In process
TOUR NAT Tourism Day Celebrations	10,000	10,000	100.00%	Spending completed
TOUR PROV Tourism Month Celebration	10,000	10,000	100.00%	Spending completed
TOUR N12 Information Boards	-	100,000	0.00%	3rd quarter
TOUR N12 Promotion	50,000	50,000	100.00%	Spending completed
TOUR Contribution Gariep Festival	100,000	100,000	100.00%	Spending completed
TOUR / LED SMME EXPO	24,748	85,000	29.12%	In process
<b>Total</b>	<b>1,382,046</b>	<b>3,674,000</b>	<b>37.62%</b>	

	YTD Actual	Budget	% Spending	Remarks
<b><i>PROJECT &amp; ADVISORY SERVICES</i></b>				
EQS 11/12 - Magareng: MNT Water Treatment Works	-	300,000	0.00%	Assessment
EQS 11/12 - Magareng: MNT Waste Treatment Works	-	300,000	0.00%	Implementation
EQS 11/12 - Magareng: MNT Electricity Network	-	300,000	0.00%	Procurement
EQS 11/12 - Magareng: MNT Water and Sewer Network	-	250,000	0.00%	Implementation
EQS 11/12 - Magareng: MNT Street & Stormwater Works	81,124	1,650,000	4.92%	Procurement
EQS 11/12 - Phokwane: MNT Water Treatment Works	236,831	400,000	59.21%	Implementation - estimated completion June 2012
EQS 11/12 - Phokwane: MNT Water and Sewer Network	368,540	500,000	73.71%	Procurement - estimated completion April 2012
EQS 11/12 - Phokwane: MNT Electricity Network	49,498	500,000	9.90%	Implementation - estimated completion June 2012
EQS 11/12 - Phokwane: MNT Water and Sewer Network	143,500	250,000	57.40%	Implementation - estimated completion June 2012
EQS 11/12 - Phokwane: MNT Street & Stormwater Works	-	400,000	0.00%	Implementation - estimated completion June 2012
EQS 11/12 - Dikgatlong: MNT Water Treatment Works	67,443	550,000	12.26%	Assessment & Procurement
EQS 11/12 - Dikgatlong: MNT Waste Treatment Works	2,556	400,000	0.64%	Assessment & Procurement
EQS 11/12 - Dikgatlong: MNT Electricity Network	-	150,000	0.00%	Assessment & Procurement
EQS 11/12 - Dikgatlong: MNT Water and Sewer Network	17,330	62,000	27.95%	Assessment & Procurement
EQS 11/12 : Service Private Owned Land Rural	216,389	1,000,000	21.64%	Implementation - estimated completion June 2012
EPWP Unallocated	-	9,882,000	0.00%	
10/11: DWA ASSESS W/W TREATMENT WORKS	68,260	311,000	21.95%	Completed
EPWP 11/12 : Bush Clearance	78,452	185,430	42.31%	Completed
RES: DMA 11/12 - Electricity Selfbuild Roll Over	1,021,650	1,500,000	68.11%	Contractor appointed - Complete March 2012
RES 11/12 : Phokwane: Pave Roads	-	1,400,000	0.00%	Bid adjudication - estimated completion June 2012
REVF 11/12 - SOL: MNT Streets and Stormwater	-	650,000	0.00%	Implementation - estimated completion June 2012
REVF 11/12 - SOL: MNT Platfontein Sewer	-	100,000	0.00%	Implementation - estimated completion June 2012
REVF 11/12 - Dikgatlong: MNT Water and Sewer Network	-	238,000	0.00%	Procurement
REVF 11/12 - Dikgatlong: MNT Street & Stormwater	5,088	700,000	0.73%	Procurement
REVF 09/10: 11/12: Phokwane: Pave Roads	-	2,312,000	0.00%	Bid adjudication - estimated completion June 2012
REVF 09/10: 11/12: Magareng Refuse Truck	-	1,350,000	0.00%	Bid stage - nominated bidders - Adjustment Budget
REVF 09/10: 11/12: Dikgatlong: Water Treatment Works	-	1,412,000	0.00%	Consultant appointed
REVF 09/10: 11/12: Magareng: Electricity Masterplan	-	270,000	0.00%	Consultant appointed
REVF 09/10: 11/12: Dikgatlong: Electricity MasterPlan	-	300,000	0.00%	Planning - advert postponed to include other requirements
<b>Total</b>	<b>2,356,660</b>	<b>27,622,430</b>	<b>8.53%</b>	

**FIRE FIGHTING / DISASTER MANAGEMENT**

	YTD Actual	Budget	% Spending	Remarks
<b><u>FIRE FIGHTING / DISASTER MANAGEMENT.</u></b>				
Assit: Fire Fighting Equipment Maintenance	6,001	90,000	6.67%	Utilised as per request
Volunteers Training	-	62,500	0.00%	Training likley to occur during the beginning of the 3rd Quarter
Volunteers Fire Equipment	1,120	49,380	2.27%	Proucurement likely to occur during the beginning of the 3rd Quarter
Equipment - FF Personnel	-	15,000	0.00%	Proucurement likely to occur during the beginning of the 3rd Quarter
Disaster Management Volunteers Project	12,544	180,000	6.97%	Expenditure as per request
<b>Total</b>	<b>19,664</b>	<b>396,880</b>	<b>4.95%</b>	

**Projected Capital Expenditure Results:**

A detailed projection of capital expenditure per vote as well as variances reflected in rand value and / or percentage follows:

Capital Expenditure per vote	YTD Actual	Estimated Projection: 2011/12	Approved Budget 2011/12	Projected Variance R	Projected Variance %
<b><i>CAPITAL EXPENDITURE PER VOTE:</i></b>					
<b>Executive and Council</b>	<b>32,376</b>	<b>60,000</b>	<b>60,000</b>	<b>-</b>	<b>0.00%</b>
Council	-	-	-	-	-
Office of the Municipal Manager	32,376	60,000	60,000	-	0.00%
<b>Finance &amp; Administration</b>	<b>380,374</b>	<b>743,428</b>	<b>760,600</b>	<b>17,172</b>	<b>2.26%</b>
Budget & Treasury Office	287,272	322,798	323,600	802	0.25%
Corporate Services	93,102	420,630	437,000	16,370	3.75%
<b>Planning &amp; Development</b>	<b>794,957</b>	<b>1,357,730</b>	<b>1,359,680</b>	<b>-1,950</b>	<b>-0</b>
Planning & Development	19,500	110,680	110,680	-	0.00%
Technical Services	775,457	1,247,050	1,249,000	-1,950	-0.16%
Housing	3,088	37,488	39,400	1,912	0.00%
Health	-	-	-	-	0.00%
Community & Social Services	-	-	-	-	0.00%
Public Safety	-	1,200,000	1,200,000	-	0.00%
<b>Total Capital Expenditure:</b>	<b>1,210,796</b>	<b>3,398,646</b>	<b>3,419,680</b>	<b>17,134</b>	<b>0.50%</b>

Expenditure on capital acquisition is 41% as compared to the full year projected budget, with 5.11% being committed at the period of reporting.

**Computer Equipment**

- 21% of computer equipment has been acquired to date as compared to the projected capital budget resulting in an under spending of R435 423.

**Office Equipment**

- No office equipment has been acquired to date resulting in an under spending of R4 400.

**Furniture and Fittings**

- 5% of the furniture and fittings have been acquired to date as compared to the projected capital budget resulting in an under spending to the value of R58 802. Procurement to occur before end of June 2012.

**Motor Vehicles**

- Procurement of a motor vehicle with a towbar, caravan and sliding cover for the double cab is complete. A savings of R19 388 has been realised.

**Plant & Equipment**

- 2% plant & equipment has been acquired to date resulting in an under spending of R1 238 471. Procurement to occur before end of June 2012.

**Buildings & Facilities**

- 57% of buildings & facilities has been spent to date on alteration and renovations resulting in an under spending of R452 401. Alteration of the recreational hall is in progress.

The following has been requested as additional purchases that will be provided for on the Adjustments Budget:

- ❖ **Council** – Fax & Printer
- ❖ **Internal Audit** – Audit Programmes (Intangible)
- ❖ **IT:**
  - Procurement & installation of VMware Licence (Intangible)
  - Replacement of laptops (Council resolution 27 July 2011)
  - Re-hosting of eVenus Server (Intangible)
  - Auto Cad drawing software (Intangible)
  - Mimecast Unified Email Solutions (Intangible)
  - Hard Drive Capacity – additional
  - IT network for new building (Renovation of Recreation Hall)
- ❖ **Project Management & Advisory Services:**
  - Unforeseen expenditure incurred with renovation of Recreation Hall
  - Laptop for Transport Official
- ❖ **Public Safety** – Additional amount required for purchase of Fire Fighting Fire Engine
- ❖ **Housing:**
  - Laptop – additional amount required as under budgeted
  - 3 x White boards
  - Bookcases without doors – additional amount required as under budgeted
  - Digital Camera - additional amount required as under budgeted
  - Schmidt Hammer; Laser level and Dumpy level – as per council resolution

### **Grant Funding:**

External funding account balances reflect transfers to revenue adequate to cover the relevant operating or capital expenditure for which the funds have been received.

Grant funding is reflected as unspent grants where relevant, with revenue transferred to the income statement as expenditure is incurred.

A summary of grant fund movements is set out below:

<b>EXTERNAL FUNDING</b>	<b>Balance Fwd</b>	<b>Received</b>	<b>Applied</b>	<b>Balance</b>
Equitable Share	-	59,461,000	53,632,211	5,828,789
Financial Management Grant	-	1,250,000	312,783	937,217
Municipal Systems Improvement Grant	-	1,200,000	-	1,200,000
Municipal Infrastructure Grant	-	-	-	-
DWAF - Sanitation (Mvula Trust)	1,489,217	-	68,260	1,420,957
Expanded Public Works Program Grant	-	-	-	-
NCPA - Housing Accreditation Grant	1,077,953	1,468,196	1,209,799	1,336,350
District Aids Council	114,682	-	-	114,682
NEAR Control Centre	-	-	-	-
Firefighting Equipment	352,364	-	-	352,364
SETA Skills Grant	-	13,436	-	13,436
Vuna Awards	-	-	-	-
NC TOURISM	-	-	-	-
EPW: Lerato Park	185,421	-	78,452	106,969
Environmental Health Recycling Project	1,427,746	-	1,378,905	48,841
Koopmansfontein Self Build Scheme	80,000	16,000	-	96,000
<b>Total</b>	<b>4,727,383</b>	<b>63,408,631</b>	<b>56,680,409</b>	<b>11,455,605</b>

3. CASH AND INVESTMENT

<b>CASH FLOW REPORT</b>	<b>30-Jun-11</b>	<b>Dec-11</b>
<b>OPERATING FLOWS</b>	<b>(82,575,159)</b>	<b>(42,417,253)</b>
- Salaries, wages and allowances	(39,731,307)	(18,794,933)
- Cash and creditor payments	(55,129,658)	(18,551,205)
- Statutory Payments (incl VAT)	(2,561,407)	-
- Other payments	(122,395)	(10,583,455)
- Revenue receipts	(1,607,683)	-
- Statutory Receipts (incl VAT)	7,376,480	2,631,151
- Capital payments	6,534,246	2,481,945
- Other revenues	2,666,564	399,244
<b>INVESTMENT FLOWS</b>	<b>(11,600,000)</b>	<b>(22,500,000)</b>
- Investments made-OUT	(86,500,000)	(77,000,000)
- Investments redeemed	74,900,000	54,500,000
<b>FINANCING FLOW</b>	<b>96,237,132</b>	<b>62,250,538</b>
- External loans repaid	(1,051,524)	(1,329,658)
- External loans received	-	-
- Utilisation of Overdraft Facility	-	-
- Grants and subsidies	97,288,656	63,580,196
<b>Nett Cash Generated from operating activities</b>	<b>2,061,973</b>	<b>-2,666,715</b>
Increase / (Decrease) in investment activities	10,100,000	31,000,000
<b>Nett increase / (Decrease) in cash and cash investments</b>	<b>12,161,973</b>	<b>28,333,285</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Balance at the end of the Year	78,029,281	106,362,566
Balance at the beginning of the Year	65,867,308	78,029,281
<b>Net increase / (Decrease) in cash and cash equivalents</b>	<b>12,161,973</b>	<b>28,333,285</b>

Cash Flow Statement

Cash flow for the period ended 31 December 2011 reflects a positive amount of R28.3m as a result of receiving Equitable Share Grant for second quarter ending 31 December 2011.

Cash Balances:

The following bank and investment balances were held at the reporting date:

Bank Statement			+	831,546
Minus Unreconciled Cheques				248,734
Minus Unreconciled ACB				623,546.29
Minus: Outstanding Deposits				
Plus: Unreconciled Deposits				
Minus Unreconciled Direct Payments				
Salary Payments				
Creditors Payment				
Investments				
<b>Cash Book Balance</b>			+	<b>-40,734</b>
Adjustment to Bank			-	
<b>Adjusted Cash Book Balance</b>			+	<b>-40,734</b>
* None > 3 Months				
<b>SURPLUS CASH INVESTED</b>				
Absa				31,500,000
Standard Bank				37,000,000
First Rand				11,000,000
Nedcor				24,000,000
Absa [Collateral security - Due 30 June 2011]				500,000
Standard Bank[Leave reserve Due 30 June 2011]				2,400,000
<b>Total Cash Investments</b>				<b>106,400,000</b>
Petty Cash float				3,300
<b>Total Cash on Hand</b>				<b>106,362,566</b>

Surplus cash is invested at approved banking institutions in accordance with current cash and investment policy.

#### 4. REVENUE AND DEBT COLLECTION MANAGEMENT

- **Sundry Debtors:**

Council's debtors consist of three main groups, namely:

- Provincial or Local government bodies for services rendered to or on behalf of these bodies,
- Ex-employees entitled to post-service benefits,
- Other entities by way of service delivery for which costs are to be recovered.

Matters reported below are in respect of debts outstanding in excess of 90 days on the effective reporting date.

- **Provincial and Local Government - Department of Roads**

The roads agency function was terminated on 01 July 2011 and the balance on the Agency Loan Account – Roads is R1 019 926. The matter has been followed up with the Department of Roads & Public Works. Dikgatlong Municipality is in arrears with an amount of R3592.79 for free basic electricity and street lights which the District Municipality previously paid to Eskom for Koopmansfontein indigent households.



- ***Post-Service Benefits***

Debtors are being managed in terms of the approved credit control policy. No significant difficulties are evident at present. Management of these debtors has improved with the aggressive application of the credit control policy. A large portion of the post-service benefits will be recovered from Department of Roads and Public Works and the matter will be finalized in due course.

- ***Sundry Debtors***

No difficulties are experienced due to the fact that strict credit control procedures are applied in terms of Council's Credit Control Policy. The only outstanding debts reflected for more than 90 days as at 31 December 2011 is Department of Safety & Liaison R12 670.94

Debts are continuously monitored and reviewed and adequate controls are in place according to approved policies.

***The DMA has fallen away, transfer of the assets, revenue and expenditure linked to this occurred in October 2011.***

## **5. EXPENDITURE MANAGEMENT**

The expenditure section continued to administer, manage, assess and improve creditors, salaries and sundry payments subject to internal prescriptions.

### **Salary Payment:**

Salary payments are under adequate control and take place according to approved policies and agreement in terms of the Bargaining Council.

Salary increases of 6.08% for staff have been implemented in August 2011 back-dated from July 2011. Staff annual bonuses have been paid at the end of November 2011.

### **Trade Creditors:**

Council purchases and payments to creditors are under adequate control. There are no orders and invoices that are more than 30 days old and unpaid.

*Please refer to next page*

<b>PAYMENTS</b>	
Total value of all payments	<b>R 26,128,090</b>
Electronic transfers	172
Cheques issued	26
<b>STORES</b>	
Value of Stores issued	9,416
<b>SALARIES</b>	
Number of salary beneficiaries	<b>166</b>
Councillors	27
Employees	135
Pensioners	4
<b>Total remuneration paid</b>	
	<b>2,523,164</b>
Councillors	343,169
Employees	2,173,938
Pensioners	6,057

Expenditure controls are continuously being re-evaluated and tightened up to allow closer monitoring of daily purchases, order transactions and the extension of budgetary control over departmental activities.

**Supply Chain Management:**

Although council adopted a new procurement policy effective from 1 January 2008 a number of issues still impact negatively on the effective implementation of the mentioned policy. The following are some of the issues that still need attention in order to ensure full compliance as stipulated in the policy:

- The development and implementation of a new centralized procurement procedure has started and is in line with the SCM policy. Monitoring is on an ongoing basis and as problems arise, they will be dealt with.
- Amendment and procedures with regard to the tender committee system (Specification, Evaluation and Adjudication Committees) still needs attention. Monitoring is on an ongoing basis and as problems arise, they will be dealt with.
- Putting systems in place to monitor and report on supply chain management as required per approved policy has started as from 1 April 2008. Monitoring is on an ongoing basis and as problems arise, they will be dealt with.

As Council reserves its right to maintain oversight over the implementation of the Supply Chain Management Policy and is empowered to make Supply Chain policy within the ambit of the applicable legislation, the following is hereby reported as stipulated in the SCM policy for the period December 2011.

***Implementation of the Approved Supply Chain Management Policy:***

The approved Supply Chain Management Policy of 30 November 2005 as amended on 27 November 2007 is implemented and is maintained by all relevant role players as from 01 April 2008.

***Implementation of the Supply Chain Management Process:***

- Supply Chain Management Training

No training was provided or attended by supply chain personnel for the month of December 2011.

- Demand Management

Bids and quotations were invited in accordance with the Supply Chain Management Policy. Bid documents used were customised, standard bid documents prescribed by National Treasury. All preconditions were enforced during the opening of bids including the verification on Tax Clearance Certificates issued by SARS.

- Acquisition Management

For the period of December 2011, one contract (R200 000+) was awarded by the Bid Adjudication Committee.

- Tshidi Gudlhuza Planners and Associates / Mafmath Consulting JV for the amount R 350 000.00 VAT included.

For the period of December 2011, one written price quotation (R30 000-R200 000) was awarded by the Acting Municipal Manager.

- Supply and delivery of road signs - Woman on Edge: R46 175 VAT included.

The value of orders issued for the period ending 31 December 2011 total R322 404.59 (*See Annexure "A"*)

**Orders per department**

Council and Executive	R27 230.00
Municipal Manager	R17 851.48
Finance	R860.00
Administration	R150 075.22
Planning and Development	R24 046.02
Technical Service	R99 590.80
Stores	R2 751.07

- Disposal Management

No disposals took place for the month of December 2011.

- Deviations

Two deviations were approved by the Acting Municipal Manager.

- Ngaola Leuba Trading Enterprise - extension on Recycling Project: R48 918.54 VAT included.
- Momar - Supply of sanitation chemicals - sole provider: R30 340.53 VAT included.

- Issues from Stores

Total orders issued R9 416.47

Issues per department

Council and Executive	R0.00
Municipal Manager	R1 576.68
Finance	R1 089.51
Administration	R5 616.28
Planning and Development	R0.00
Technical Service	R1 134.00

- List of accredited service providers

The supplier's database is updated daily.

**Internal Provisions:**

Council has internal liabilities related to personnel bonuses, performance bonuses, leave, post-employment health care, pension and long service awards provisions. These liabilities are adequately provided for and are included under Provisions in the Statement of Financial Position and these provisions are properly backed by cash reserves where applicable.

**ASSET AND RISK MANAGEMENT**

**Insurance:**

All Council assets are adequately insured with Alexander Forbes over a 3 year period. The insurance portfolio / costing was reviewed and implemented in July 2011.

**Asset Inventory:**

TAT I-Chain Asset Management System has been implemented. The next asset stock take is scheduled for 3<sup>rd</sup> week of January 2012 as per requirement of Councils' Asset Management Policy.

**Information Backup:**

All shared data on the internet system (*O & P drives only*) is backed up on the server with a further daily tape backup kept on the premises. System users are responsible for ensuring that data backup and maintenance is carried out with regard to their specific usage. General ledger and associated financial system data is backed up on the network server tape system.

The implementation and use of the new "e-Venus" financial system has started on 1 July 2009 with minor hiccups, but the problems identified are being attended to. A daily backup is done as well as a day end procedure to integrate the day's transactions.

A monthly calendar (on the last working day of each month) and financial (a few days after month end to accommodate financial transactions pertaining to the month closed) backup and integration including closing of votes and opening thereof in the new month is done.

The Blueprint System has been fully implemented. The system is an aid to managing projects. Monitoring is enhanced and implementation of projects is accelerated. Because each project has been allocated with different vote numbers, each manager will be responsible for monitoring and reporting on the progress of projects within the ambit of his/her department. This is a total deviation as to the management of projects in the past.

**Motor Vehicles - Utilization Statistics:**

Council operates a pool of 23 vehicles as part of its routine activities.

Statistical information regarding the year-to-date utility for December 2011 is as follows:

	Vehicle Description	Vehicle Allocation	Year Model	Registration Number	Service	License expires	Year End Km Reading	Current Km Reading	YTD Utility
1	Mercedes Benz	Council	2006	FBDM 1 NC	105,000	9/30/2012	55,526	100,175	44,649
2	Citi Golf	Pool	2005	BSM 014 NC	90,000	4/30/2012	73,975	80,531	6,556
3	Volkswagen Microbus	Pool	2001	BMG 088 NC	150,000	9/30/2012	141,486	143,150	1,664
4	Mazda Drifter D/Cab	Pool	2005	BSM 137 NC	210,000	4/30/2012	188,465	198,433	9,968
5	Chevrolet Cruze 1.8 LS	Pool	2010	CBY 226 NC	45,000	11/30/2012	17,529	32,988	15,459
6	Chevrolet Opel Corsa	Disaster Management	2010	CBY 227 NC	30,000	11/30/2012	8,433	19,338	10,905
7	Chevrolet Captiva	Pool	2011	CDM 296 NC	15,000	11/30/2012	68	6,539	6,471
8	Toyota LDV 4x4	Environmental Health	2002	BMT 234 NC	160,000	1/31/2012	143,706	149,912	6,206
9	Isuzu 2.4	Environmental Health	2006	BVC 305 NC	150,000	7/31/2012	136,339	147,119	10,780
10	Isuzu 2.4	Environmental Health	2006	BTT 339 NC	150,000	4/30/2012	129,226	138,122	8,896
11	Nissan D/Cab	Disaster Management	2006	BTT 376 NC	105,000	4/30/2012	83,245	91,423	8,178
12	Toyota Corolla	Pool	2009	BZP 439 NC	75,000	9/30/2012	44,715	60,590	15,875
13	Toyota Corolla	Pool	2009	BZP 440 NC	60,000	9/30/2012	50,068	50,068	-
14	Toyota Condor	Tourism Centre	2001	BLR 461 NC	190,000	6/30/2012	171,370	183,256	11,886
15	Isuzu 2.4	Housing	2009	CBD 761 NC	60,000	2/29/2012	32,138	45,337	13,199
16	Toyota Corolla	Pool	2008	BXL 799 NC	120,000	2/29/2012	97,169	105,710	8,541
17	Nissan LDV	Community Development	2006	BVC 831 NC	120000	7/31/2012	103,365	109,480	6,115
18	Ford Bantam	Finance	2004	BRD 836 NC	90000	1/31/2012	76,985	79,968	2,983
19	Toyota Hilux	PMU	2004	BRF 837 NC	120000	2/29/2012	110,175	117,008	6,833
20	Isuzu KB. 200	Disaster Management	2010	CBY 895 NC	15000	9/30/2012	2,241	7,333	5,092
21	Isuzu KB. 200	Disaster Management	2010	CBY 898 NC	15000	9/30/2012	1,703	6,535	4,832
22	Toyota Condor	PIMSS Centre	2002	BMT 978 NC	160000	2/29/2012	142,110	151,821	9,711

**YEAR TO DATE UTILITY – FULL FLEET**

**214,799**

Toyota corolla registration number BZP 440 NC is in for gearbox repair.

Volkswagen Microbus registration number BMG 088NC and Toyota LDV registration number BMT 234 NC has been disposed.

***Motor Vehicle: Operating Cost***

The actual operating costs of Council motor vehicles incurred for the year to date as required in terms of the newly adopted motor vehicle fleet policy are set out below:

<b>VEHICLE OPERATING COST</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>	<b>VAR %</b>
Depreciation: Motor Vehicles	-	256,990	(256,990)	-100.00%
Insurance	4,470	27,500	(23,030)	-83.75%
MV Administration Levy	9,658	8,000	1,658	20.72%
Fuel	223,998	145,510	78,488	53.94%
Licence	2,280	6,325	(4,045)	-63.95%
Repairs and Maintenance	40,727	23,000	17,727	77.07%
Tyres	8,496	32,300	(23,804)	-73.70%
<b>TOTAL</b>	<b>289,629</b>	<b>499,625</b>	<b>(209,996)</b>	<b>-42.03%</b>

- **Motor Vehicle Damage Report**

No motor vehicle was damaged for the month of December 2011.

### **Motor Vehicle Tracker System**

A new vehicle tracker system was installed on 22 December 2010 in all council's pool vehicles by Altech Netstar. A presentation of the system by Altech was done during the joint management meeting held on 18 February 2011. All staff has been briefed about the system.

## **7. FINANCIAL REPORTING AND BUDGETING**

### **Budget Process:**

The budget process plan in respect of the 2011/12 financial year has been submitted to the Executive Mayor for approval on 27 July 2011 and has also been given to National Treasury.

### **Monthly Reporting**

Monthly financial reporting as per DoRA and MFMA requirements to Council, National & Provincial Departments and other stakeholders have been adequately adhered to for the month under review.

### **Financial Statements for the Year-ended 30 June 2011**

The Annual Financial Statements for the year ended 30 June 2011 was submitted to the Audit Committee and to the Auditor General on 31 August 2011 for Auditing. Audit Committee meeting took place on 29 August 2011 to review and give input on the submission of the 2010/11 Financial Statements. The District Municipality received a **Qualified Audit Opinion** for the 2010/11 Financial Year Audit.

## **8. MFMA IMPLEMENTATION OVERSIGHT**

Council's progress on the implementation of the MFMA proceeds according to set targets and due dates determined for a medium capacity municipality.

A comprehensive oversight report on the progress of implementation and compliance per MFMA requirements is attached as **Annexure "B" and "C"** to this report.

- *Support to Local Municipalities*

No support was rendered to local municipalities.

## 9. PERSONNEL

### Personnel Attendances:

Personnel attendance in the workplace for December 2011 averages 64%. The reason for the deviations is mainly due to study, annual, sick leave and special three days leave granted by council to all employees.

Attendance trends are summarized as follows:

	Senior Management	Middle Management	Supervisory	Clerical
<b>Number of Members</b>	<b>1</b>	<b>4</b>	<b>3</b>	<b>17</b>
Leave	2	7	9	46
Sick Leave	0	0	0	5
Courses / Seminar	0	0	0	25
Meetings	0	0	0	0
Family Responsibility	0	0	0	0
Study	0	0	0	2
Maternity Leave	0	0	0	0
Overtime	0	0	0	0
Absent	0	0	0	0
Special Leave	3	12	9	51
<b>No. of Workdays Attended</b>	<b>14</b>	<b>57</b>	<b>39</b>	<b>194</b>
<b>Total Workdays</b>	<b>19</b>	<b>76</b>	<b>57</b>	<b>323</b>
<b>Percentage attendance per Group</b>	<b>74%</b>	<b>75%</b>	<b>68%</b>	<b>60%</b>
<b>Average</b>	<b>64%</b>			

### Personnel Development:

No training was attended during December 2011.

## 11. INTERNSHIP PROGRAMME

As per National Treasury regulations, five Finance Interns were appointed (four on 15 February 2010 and one on 01 March 2010). The aim of the programme is to capacitate Finance graduates to eventually be able to fill CFO and other financial posts in municipalities. Their appointment is for a period of 24 to 36 months depending on completion of the programme.

They are being assisted in completing a personal development plan (PDP) and a Portfolio of Evidence (POE) as per NT guidelines. Meetings are held regularly with Interns to discuss their progress and problems they may experience.

A training schedule has been drawn up. It is envisaged that they be exposed to all functions within a municipality.

Various financial reconciliations have to be done on an ongoing basis and the Interns have been given this task with various personnel responsible for these reconciliations, as their mentors.

All Interns are attending the Municipal Finance Management Programme and they have completed the MFMA DVD learning programme.

### **CONCLUSION**

According to the results presented above for the period ending 31 December 2011, Council maintains a healthy financial position with respect to its cash and reserves.

**DIRECTOR: FINANCE**