

**PROPERTY MANAGEMENT TRADING ENTITY
ANNUAL FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011**

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PROPERTY MANAGEMENT TRADING ENTITY

ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2011

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The annual financial statements for the six months ended 30 September 2011 set out on pages 2 to 19, which have been prepared on the going concern basis, were approved by the department on 31 October 2011.

Director General

PROPERTY MANAGEMENT TRADING ENTITY

ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2011

STATEMENT OF FINANCIAL POSITION

	Notes	2012 R '000	2011 (Restated) R '000	2010 (Restated) R '000
ASSETS				
CURRENT ASSETS				
Trade and other receivables	3	3 678 858	2 035 134	2 238 045
Cash and cash equivalents	4	1	2 158	8 997
		3 678 859	2 037 292	2 247 042
ACCUMULATED FUNDS AND LIABILITIES				
Accumulated loss		(287 194)	(404 674)	(363 339)
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	5	2 204 229	1 187 203	934 936
Bank overdraft	4	1 761 824	1 254 763	1 675 445
		3 966 053	2 441 966	2 610 381
Total Accumulated funds and Liabilities		3 678 859	2 037 292	2 247 042

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STATEMENT OF COMPREHENSIVE INCOME

		30 SEPTEMBER 2011	
	Note(s)	2012 R '000	2011 R '000
REVENUE			
Revenue	8	2 700 966	4 755 326
OTHER INCOME			
Other income		5 278	-
Interest received	9	60 548	123 657
		65 826	123 657
OPERATING EXPENSES			
Other operating expenses		21 747	(392 416)
Impairment reversal		-	76 192
Gardening services		(39 610)	(67 238)
Cleaning services		(14 248)	(129 312)
Property maintenance		(925 694)	(812 909)
Lease rentals on operating lease		(1 484 936)	(3 011 552)
Municipal rates and taxes		(206 571)	(583 083)
		(2 649 312)	(4 920 318)
Profit (loss) for the 6 months		117 480	(41 335)
Other comprehensive income		-	-
Total comprehensive income (loss)		117 480	(41 335)
TOTAL COMPREHENSIVE INCOME/ (LOSS)			
ATTRIBUTABLE TO:			
Government		117 480	(41 335)

PROPERTY MANAGEMENT TRADING ENTITY

ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2011

STATEMENT OF CHANGES IN EQUITY

	Accumulated loss R '000	Total equity R '000
Opening balance as previously reported	(342 472)	(342 472)
Adjustments		
Prior period adjustments	(20 867)	(20 867)
Balance at 01 April 2010 as restated	(363 339)	(363 339)
Changes in equity		
Total comprehensive loss for the 6 months	(41 335)	(41 335)
Total changes	(41 335)	(41 335)
Opening balance as previously reported	(266 558)	(266 558)
Adjustments		
Prior period adjustments	(138 116)	(138 116)
Balance at 01 April 2011 as restated	(404 674)	(404 674)
Changes in equity		
Total comprehensive income for the 6 months	117 480	117 480
Total changes	117 480	117 480
Balance at 30 September 2011	(287 194)	(287 194)

Note

PROPERTY MANAGEMENT TRADING ENTITY

ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2011

STATEMENT OF CASH FLOWS

		30 SEPTEMBER 2011	
		2012	2011
	Notes	R '000	R '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts and government grants		2 698 205	2 961 249
Cash paid to suppliers and employees		(3 267 971)	(2 671 064)
Cash used in operations	10	(569 766)	290 185
Interest income		60 548	123 657
Net cash from operating activities		(509 218)	413 842
CASH FLOWS FROM INVESTING ACTIVITIES			
CASH FLOWS FROM FINANCING ACTIVITIES			
Total cash movement for the 6 months		(509 218)	413 842
Cash at the beginning of the 6 months		(1 252 605)	(1 666 448)
Total cash at end of the 6 months	4	(1 761 823)	(1 252 606)

PROPERTY MANAGEMENT TRADING ENTITY

ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2011

ACCOUNTING POLICIES

1. BASIS OF PREPARATION

The annual financial statements have been prepared on the going concern basis utilising the historical cost concept. The annual financial statements have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practice and in the manner required by the Public Finance Management Act, 1 of 1999, and the Division of Revenue Act, Act 2 of 2006.

1.1 TRADE RECEIVABLES

Trade and other receivables are initially recognised at fair value and subsequently at amortised cost. The carrying amount of trade receivables is net of the provision for impairment. The provision for impairment on receivables is calculated based on available information which indicate that the amount receivable are impaired, e.g. liquidation of the debtor. In addition, the amounts outstanding for longer than 3 years are considered to be impaired and the whole amount greater than 3 years is considered as the provision.

Receivables are assessed for impairment at each balance sheet date.

1.2 TRADE AND OTHER PAYABLES

Trade and other payables are initially recorded at fair value and then subsequently recorded at amortised cost.

1.3 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are carried at fair value. For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, and deposits held on call with banks and investments in money market instruments, net of bank overdrafts. Amounts held with Property Management Trading Entity bankers in favour of its service providers are also included in cash and cash equivalent.

1.4 REVENUE RECOGNITION

Revenue represents the gross inflow of economic benefits during the period arising in the course of the ordinary activities when those inflows result in increase in equity/reserves. The following specific recognition criteria must also be met before revenue is recognised:

Management fees

Management fees are earned from the administrative services rendered on behalf client departments. The services entail the payment of municipal charges on behalf of client department. A management fee of 5% is computed on the municipal charge paid on behalf of client department. The management fee is recognised on payment of the municipal charges on behalf of client departments.

Government grant

Government grant is recognised at fair value when there is reasonable assurance that the PMTE will comply with the conditions attached to the grants will be received. The Grant is income received from DPW to Enable PMTE to deliver its mandate of property management.

Accommodation Charges

Accommodation charges is collected on both government owned buildings rented to client departments and privately owned buildings rented on behalf of client departments from private landlords. Accommodation charges is recognized when PMTE becomes entitled to the income in terms of the lease entered into between PMTE and the respective client departments.

1.5 OPERATING LEASES

Lease where significant portion of the risk and rewards are retained by the lessor are classified as operating lease. Payments made under operating lease are charged to the income statement on a straight line basis over the period of the lease.

PROPERTY MANAGEMENT TRADING ENTITY

ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2011

ACCOUNTING POLICIES

1.6 IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

Irregular, fruitless and wasteful expenditure is recognised as expenditure in the statement of comprehensive income. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

1.7 CONTINGENT LIABILITIES

Contingent liabilities are included in the financial statements when it is possible that economic benefits will flow from the entity, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

1.8 CONTINGENT ASSETS

Contingent assets are included in the financial statements when it is possible that an inflow of economic benefits will flow to the entity.

1.9 COMMITMENTS

Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of comprehensive income but are included in the financial statements as further disclosure.

1.10 COMPARATIVE FIGURES

Comparative figures have been adjusted to conform to changes in presentation and classification in the current year. Comparatives were also adjusted as a result of the change from modified cash basis of accounting to use of the South African Statements of Generally Accepted Accounting Practice. The impact of the change is disclosed in note 10 below.

1.11 FUNCTIONAL CURRENCY

The entity uses South African Rand as its functional currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss.

1.12 FINANCE COST

Finance cost comprises interest payable on borrowings and interest resulting from the unwinding of discount on liabilities. Borrowing costs which are not capitalised are recognised in profit or loss using the effective interest method.

1.13 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the entity's accounting policies, which are described in note 1, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

PROPERTY MANAGEMENT TRADING ENTITY

ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2011

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. NEW STANDARDS AND INTERPRETATIONS

2.1 STANDARDS AND INTERPRETATIONS EFFECTIVE AND ADOPTED IN THE CURRENT 6 MONTHS

No new standards became effective during the reporting period.

2.2 STANDARDS AND INTERPRETATIONS EARLY ADOPTED

The entity has not chosen to early adopt any standards and interpretations.

2.3 STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

The entity has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2012 or later periods:

2.4 STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE OR RELEVANT

The following standards and interpretations have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2012 or later periods but are not relevant to its operations:

First time adopters of IFRS may measure exploration and evaluation assets and assets in the development or production phase (for oil and gas properties) at the amount determined in accordance with their previous GAAP at date of transition. However, these assets should be tested for impairment in accordance with IAS 36 (AC 128) Impairment of Assets at the date of transition to IFRS and, if necessary, reduced. If the exemption for oil and gas assets is applied, then any decommissioning, restoration and similar liabilities at the date of transition shall be determined in accordance with IAS 37 (AC 130) Provisions, Contingent Liabilities and Contingent Assets. The difference between that amount and the amount recognised under previous GAAP shall be recognised directly in retained earnings.

Another exemption provides for first-time adopters who made the same determination of whether an arrangement contains a lease in accordance with previous GAAP as required by IFRIC 4 (AC 437) Determining Whether an Arrangement Contains a Lease, but at a date other than that required by IFRIC 4, the first time adopter need not reassess that determination when it adopts IFRS.

The effective date of the amendment is for years beginning on or after 01 January 2010.

The company does not envisage the adoption of the standard until such time as it becomes applicable to the company's operations.

It is unlikely that the amendment will have a material impact on the company's annual financial statements.

PROPERTY MANAGEMENT TRADING ENTITY

ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2011

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2012 R '000	2011 R '000	2010 R '000
3. TRADE AND OTHER RECEIVABLES			
Claims recoverable	83 386	113 515	577 047
Claims recoverable - PACE	291 670	216 595	742 696
Claims recoverable - CA	207 439	143 911	267 459
Disallowances	302 604	220 313	199 890
Debtor operating lease	1 303 447	443 059	119 224
Accommodation debtors - State owned	109 436	57 296	63 966
Accommodation debtors - Private leases	855 385	515 267	381 089
Debtors - Municipal services	739 018	539 070	179 040
Municipal deposits	6 770	6 404	4 122
Provision for impairment	(220 296)	(220 296)	(296 488)
	3 678 858	2 035 134	2 238 045

Receivables ageing 30 September 2011

	Less than 1 year	1 to 3 years	Older than 3 years	Total
Claims recoverable	83 386	-	-	83 386
Claims recoverable - PACE	291 670	-	-	291 670
Claims recoverable - CA	146 160	61 279	-	207 439
Disallowances	302 604	-	-	302 604
Debtors operating lease	1 303 447	-	-	1 303 447
Accommodation debtors - State owned	82 933	3 483	23 020	109 436
Accommodation debtors - Private leases	421 956	350 408	83 021	855 385
Debtors - Municipal services	284 562	413 312	41 143	739 018
Municipal deposits	6 770	-	-	6 770
Provision for impairment	(18 166)	(148 279)	(53 851)	(220 296)
	2 905 322	680 203	93 333	3 678 858

Receivables ageing 31 March 2011

	Less than 1 year	1 to 3 years	Older than 3 years	Total
Claims recoverable	113 515	-	-	113 515
Claims recoverable - PACE	216 595	-	-	216 595
Claims recoverable - CA	143 911	-	-	143 911
Disallowances	18 183	190 497	11 633	220 313
Debtors operating lease	443 059	-	-	443 059
Accommodation debtors - State owned	31 627	11 907	13 762	57 296
Accommodation debtors - Private leases	221 955	241 101	52 211	515 267
Debtors - Municipal services	360 030	179 040	-	539 070
Municipal deposits	2 282	4 122	-	6 404
Provision for impairment	(18 166)	(148 279)	(53 851)	(220 296)
	1 532 991	478 388	23 755	2 035 134

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ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2011

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2012 R '000	2011 R '000	2010 R '000	
3. TRADE AND OTHER RECEIVABLES (continued)				
Receivables ageing 2010				
	Less than 1 year	1 to 3 years	Older than 3 years	Total
Claims recoverable	-	68	-	68
Claims recoverable - PACE	742 696	-	-	742 696
Claims recoverable - CA	210 221	57 238	-	267 459
Claims recoverable - Disallowances	112 033	66 223	21 634	199 890
Debtors operating lease	119 224	-	-	119 224
Accommodation debtors - State owned	37 927	13 753	12 286	63 966
Accommodation debtors - Private leases	218 199	129 329	33 561	381 089
Debtors - Municipal services	346 246	409 773	-	756 019
Municipal deposits	4 122	-	-	4 122
Provision for impairment	(199 890)	(30 770)	(65 828)	(296 488)
	1 590 778	645 614	1 653	2 238 045

Provision for impairment

Opening balance	220 296	296 488	130 471
Movement for the period	-	(76 192)	166 017
	220 296	220 296	296 488

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and balances with banks:

Bank balances	1	2 158	8 997
Bank overdraft	(1 761 824)	(1 254 763)	(1 675 445)
	(1 761 823)	(1 252 605)	(1 666 448)
Current assets	1	2 158	8 997
Current liabilities	(1 761 824)	(1 254 763)	(1 675 445)
	(1 761 823)	(1 252 605)	(1 666 448)

5. TRADE PAYABLES

Trade creditors	1 800 962	904 640	578 115
Amount received in advance	2 100	572	5 786
Accruals	394 661	279 074	351 035
Suspense account	6 506	2 917	-
	2 204 229	1 187 203	934 936

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ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2011

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2012 R '000	2011 R '000	2010 R '000
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6. FINANCIAL ASSETS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

2011

	Loans and receivables	Fair value through profit or loss	Held to maturity investments	Non financial assets	Available for sale
Cash and cash equivalents	1	-	-	-	

2011

	Loans and receivables	Fair value through profit or loss	Held to maturity investments	Non financial assets	Available for sale
Cash and cash equivalents	2 158	-	-	-	

7. FINANCIAL LIABILITIES BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

2011

	Financial liabilities at amortised cost	Financial liabilities at amortised cost	Fair value through profit or loss - designated	Total
Trade and other payables	2 204 229			2 204 229

2011

	Financial liabilities at amortised cost	Financial liabilities at amortised cost	Fair value through profit or loss - designated	Total
Trade and other payables	1 187 203			1 187 203

8. REVENUE

Accommodation charges - State Owned	1 318 797	948 403
Accommodation charges - Private Leases	1 016 616	3 058 138
Government grants	315 095	612 967
Management fees	50 458	135 818
Other operating revenue	5 278	-
	2 706 244	4 755 326

The amount in revenue includes:

Income collected from immovable properties which are disclosed under the Department of Public Works	1 318 797	948 403
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9. INTEREST RECEIVED

Bank	60 548	123 657
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ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2011

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2012 R '000	2011 R '000
10. CASH USED IN OPERATIONS		
Profit before taxation	117 480	(41 335)
Adjustments for:		
Interest received	(60 548)	(123 657)
Changes in working capital:		
Trade and other receivables	(1 643 724)	202 911
Trade payables	1 017 026	252 266
	(569 766)	290 185

11. LOSSES THROUGH CRIMINAL CONDUCT OR UNAUTHORISED, IRREGULAR OR FRUITLESS AND WASTEFUL EXPENDITURE

Reconciliation of fruitless and wasteful expenditure

Opening balance	6 772	6 772
Less: Amounts condoned	(11)	-
Current	9 093	-
Current	15 854	6 772
Fruitless and wasteful expenditure awaiting condonement	-	-
Analysis of awaiting condonement per economic classification	-	-
Current	-	-
	15 854	6 772

Reconciliation of irregular expenditure

Opening balance	364 049	264 180
Add: Irregular expenditure relating to current year	367 335	138 637
Less: Amounts condoned	(104)	(38 768)
Irregular expenditure awaiting condonation	731 280	364 049

12. COMMITMENTS

Other commitments

Current	105 287	172 050
Capital	2 063 014	9 303 385
	2 168 301	9 475 435

Capital commitments represent contractual commitments made with third party service providers for capital projects. The capital projects are undertaken on behalf of different client departments. The capital projects involves the construction and maintenance of facility structures and projects.

Operating leases – as lessee (expense)

Minimum lease payments due

- within one year	2 573 018	2 861 090
- in second to fifth year	5 778 024	5 889 510
- later than five years	3 968 750	3 771 280
	12 319 792	12 521 880

Operating leases – as lessor (income)

Minimum lease payments due

PROPERTY MANAGEMENT TRADING ENTITY

ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2011

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2012 R '000	2011 R '000
12. COMMITMENTS (continued)		
- within one year	2 573 018	2 861 090
- in second to fifth year	5 778 024	5 889 510
- later than five years	3 968 750	3 771 280
	12 319 792	12 521 880

13. CONTINGENT LIABILITIES

	2011 R'000	2010 R'000	2009 R'000
Claims against the entity	85 694	129 436	70 276

The contingent liability is made up of claims against PMTE arising from capital projects with different third party service providers. The entity's legal advisors are handling claims on behalf of PMTE.

PROPERTY MANAGEMENT TRADING ENTITY

ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2011

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2012 R '000	2011 R '000				
14. RELATED PARTIES						
The following are the related parties of PMTE:						
- National Department of Public Works						
- Other National Departments and Public Entities reporting to the National Departments because they are subject to common control. National Departments operate together to achieve a common objective determined by Cabinet/Provincial Legislature.						
Related party balances						
Department	Accom- modation charge	Private lease	Municipal charges	Project Accelerated expenses	Current assets	2011 Total debt
	R'000	R'000	R'000	R'000	R'000	R'000
Agriculture, Forest and Fish	393	9 973	56 846	3 597	1	70 810
Arts and Culture	-	10 634	10 663	33 253	-	54 550
BCIP	-	-	-	-	912	912
Communications	125	9 152	2 118	-	-	11 395
Correctional Services	-	16 031	44 011	83 071	(6 440)	136 673
Defence	-	2 405	119 120	73 229	162 464	357 218
Coop govt and traditional affairs	-	10 373	2 893	-	206	13 472
Environmental Affairs & Tourism	4 980	2 284	5 124	-	1 507	13 895
Inter relation and coop	7 258	(437)	16 547	-	59 899	83 267
Inter relations and coop (Gallagher Estate)	-	34 047	-	-	-	34 047
Pan African Parliament	-	-	-	-	-	-
Gender Equality Commission	-	6 134	2 023	-	14	8 157
Government Communications	-	427	135	-	(10)	552
Government Printing	-	-	-	-	49 279	49 279
Higher Education and Training	105	12 556	4 032	-	875	17 568
Health	43 238	33 980	8 713	2 634	-	88 555
Home Affairs	8 019	81 951	41 475	2 970	(605)	133 810
Human Settlement	-	5 274	1 128	-	-	6 402
Human Rights Commission	-	4 058	483	-	-	4 541
Independent Complaints Directorate	-	34 688	860	-	393	35 941
Justice and Constitutional	9 070	157 352	131 460	32 538	(4 422)	325 998
Labour	-	52 522	13 672	1 679	2 661	70 534
Minerals Resources	4 011	41 954	-	-	1 843	47 808
Minerals and Energy	-	-	9 636	-	-	9 636
National Prosecuting Authority	-	29 002	3 275	-	2 655	34 932
National Treasury	1 463	23 030	8 854	-	-	33 347
Parliament	-	1 459	-	-	4 902	6 361
Public Enterprises	-	1 043	961	-	-	2 004
Public Protector	-	8 645	1 658	-	43	10 346
Public Service and Admin	37	4 239	1 918	-	-	6 194
Public Service Commission	-	(123)	277	-	-	154
Public Works	-	22 670	107 278	185 593	2 310	317 851
Rural Development and land reform	1	-	9 658	6 933	1 970	18 562
SAMDI/PALAMA	-	6 060	3 967	-	-	10 027
SA Police Services	-	(17 087)	263 226	93 531	(470)	339 200
SARS	-	-	4 955	-	(456)	4 499
SASSA	-	62 345	5 460	-	99	67 904
Science and Technology	-	1 439	101	-	-	1 540

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

					2012 R '000	2011 R '000
14. RELATED PARTIES (continued)						
Social Development	68	6 971	1 248	-	-	8 287
Sports and Recreation	-	11 367	8 170	-	-	19 537
Statistics SA	176	119 793	3 574	-	(70)	123 473
Tourism	-	9 872	753	-	-	10 625
Trade and Industry	24	2 482	1 200	-	(44)	3 662
Transport	-	9 144	555	-	(1)	9 698
Water and Environmental Affairs	33 429	45 909	19 363	-	(589)	98 112
Financial and Fiscal Commission	-	2 677	1 484	-	-	4 161
SAMAF	-	558	-	-	-	558
Presidency	-	-	-	-	697	697
SITA	-	-	3 097	-	-	3 097
Women and Children and People with Disabilities	-	1 675	-	-	-	1 675
No Projects	-	-	-	-	(16 950)	(16 950)
SUB-TOTAL	112 397	878 527	921 970	519 027	260 828	2 692 749

Department	Accom- modation charge	Private lease	Municipal charges	Project Accelerated expenses	Current assets	2010 Total debt
	R'000	R'000	R'000	R'000	R'000	R'000
Agriculture, Forest and Fish	393	4 457	21 000	-	-	25 850
Arts and Culture	-	6 190	1 509	18 375	-	26 074
BCIP	-	-	-	-	912	912
Communications	-	351	1 388	-	-	1 739
Correctional Services	-	8 114	14	18 209	-	23 337
Defence	-	2 247	88 690	6 107	81 663	178 707
Coop govt and traitional affairs	-	3 018	2 180	-	9 455	14 653
Education	77	10 761	3 192	-	875	14 905
Environmental Affairs & Tourism	2 459	1 432	2 836	-	2 987	9 714
Inter relations and coop	7 258	-	13 941	-	59 614	80 814
Inter relations and coop (Gallagher Estate)	-	-	-	-	-	-
Pan African Parliament	-	-	-	-	-	-
Gender Equality Commission	-	5 483	1 740	-	14	7 237
Government Communications	-	7 301	54	-	-	7 355
Government Printing	-	-	-	-	48 549	48 549
Health	30 251	32 151	3 910	2 634	-	68 946
Home Affairs	8 020	69 138	40 480	-	-	117 638
Human Settlement	-	469	142	-	-	611
Human Rights Commission	-	3 701	252	-	-	3 953
Independent Complaints Commission	-	29 796	680	-	393	30 868
Justice and Constitutional	9 070	51 506	9 221	146 306	99 354	299 103
Labour	-	24 224	8 819	1 740	(67)	34 716
Land Affairs	1	-	(74)	-	1 648	1 575
Minerals and Energy	3 620	42 985	8 903	-	-	55 508
National Prosecuting Authority	-	18 821	2 193	-	1 133	22 147
National Treasury	-	12 324	5 223	-	-	17 547
National Treasury SARS	-	-	5 153	-	86	5 239
Parliament	-	1 542	-	-	3 881	5 423
Public Enterprises	-	-	624	-	-	624

PROPERTY MANAGEMENT TRADING ENTITY

ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2011

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

					2012 R '000	2011 R '000
14. RELATED PARTIES (continued)						
Public Protector	-	8 360	1 185	-	43	9 588
Public Service and Admin	-	7 671	690	-	-	8 361
Public Service Commission	-	-	-	-	-	-
Public Works	-	42 417	28 375	23 129	4 569	98 500
SAMDIPALAMA	-	4 951	3 079	-	-	8 030
SA Police Services	-	284	174 806	154 430	-	333 519
SASSA	-	85 775	3 594	-	-	89 369
Science and Technology	-	1 439	101	-	-	1 540
Social Development	-	129	477	-	-	606
Sports and Recreation	9	11 084	5 480	-	-	16 573
Statistics SA	130	37 961	2 397	-	-	40 488
Trade and Industry	19	1 794	848	-	-	2 661
Transport	-	11 145	403	-	44	11 592
Water and Environmental Affairs	-	-	9 123	-	-	9 123
Financial and Fiscal Comm	-	2 305	1 210	-	-	3 515
SAMAF	-	-	-	-	-	-
Presidency	-	-	-	-	77	77
SITA	-	-	2 232	-	-	2 232
TOTAL	61 306	551 336	539 070	374 929	215 425	1 742 066

Related party transactions

Management fees transactions

Agriculture ,forestry & fisheries	359	860
Arts and Culture	511	1 156
Communications	34	110
Correctional Services	12 822	28 127
Defence	12 077	28 063
Higher Education	74	184
Environmental Affairs	250	556
Financial & Fiscal Commission	11	18
International Relations	190	352
Gender Equality Commission	12	18
Government Communications (GCIS)	16	49
Health	207	591
Home Affairs	1 149	2 311
Human Settlements	94	69
Human Rights Commission	11	15
Independent Complaints Directorate	39	92
Justice and Constitutional Development	3 716	8 109
Labour	530	1 333
Rural Development and Land Reform	505	1 029
Minerals Resources	49	157
National Prosecuting Authority	187	345
National Treasury	301	644
Parliament	1	2
Cooperate Gov & Trade Affairs	152	307
Public Enterprises	23	51
Public Protector	42	112
Public Service & Administration	105	176
Public Works	2 871	7 388
PALAMA	35	45
South African Revenue Services	109	424
South African Social Security Services	249	400
Social Development	59	95
South African Police Services	12 599	26 257

PROPERTY MANAGEMENT TRADING ENTITY

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	2012 R '000	2011 R '000
14. RELATED PARTIES (continued)		
Sport & Recreation South Africa	31	124
Statistics South Africa	270	561
The Presidency	200	353
Trade and Industry	17	34
Transport	7	56
Tourism	14	-
Water Affairs	440	1 010
TOTAL	50 368	111 583

Accommodation State Owned Revenue

Agriculture , forestry & fisheries	24 682	13 752
Arts and Culture	10 044	5 596
Communications	125	139
Correctional Services	360 252	200 718
Defence	631 794	352 010
Education	209	117
Environmental Affairs	5 043	2 810
International Relations	-	-
Government Communications	8	4
Health	35 965	11 864
Home Affairs	12 032	6 704
Human Settlement	64	71
Independent Complaints Directorate	67	75
Justice and Constitutional Dev	128 845	71 787
Labour	14 138	3 841
Rural Development & Land Reform	6 894	435
Mineral Resources	781	815
National Treasury	1 463	4 617
National Treasury - SARS	8 287	14 413
Public Service and Administration	74	41
Public Works	15 869	8 742
SA Police Services	426 240	237 483
Social Development	136	76
Sport & Recreation	1	2
Statistics SA	352	196
Trade and Industry	5	5
Water Affairs and Forestry	33 429	18 625
TOTAL	1 716 622	948 403

Private Leases

Agriculture ,forestry & fisheries	19 423	59 098
Arts and Culture	4 444	19 650
Communications	3 636	10 301
Correctional Services	30 162	82 013
Defence	72 677	188 583
Cooperative Governance & Traditional Affairs	7 355	24 951
Higher Education	3 836	25 210
Environmental Affairs	3 515	21 128
Financial & Fiscal Comm	371	1 122
International Relations	9 308	53 470
International Relations (PAP)	34 047	-
Gender Equality Commission	652	1 799
Government Communications	3 765	14 240
Health	1 829	29 504
Home Affairs	59 645	173 453

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ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2011

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2012 R '000	2011 R '000
14. RELATED PARTIES (continued)		
Human Settlements	4 805	17 163
Human Rights Commission	358	578
Independent Complaints Directorate	6 604	40 627
Justice and Constitutional Dev	105 846	263 939
Labour	28 298	122 865
Rural Development & Land Reform	33 177	88 839
Mineral Resources	3 523	18 589
National Prosecuting Authority	11 360	29 744
National Treasury	10 706	30 554
Parliament	40	244
Public Enterprises	2 472	4 263
Public Protector	1 312	4 018
Public Service and Administration	6 445	30 964
Public Service Commission	2 602	6 278
Public Works	64 167	183 319
PALAMA	5 007	14 384
SA Police Services	268 988	837 162
SAMAF	558	744
SARS	-	-
SASSA	26 014	77 737
Social Development	6 842	19 860
Sports and Recreation	2 160	6 913
Statistics SA	106 750	95 901
Trade and Industry	687	3 130
Transport	7 913	14 851
Tourism	9 872	504
Women and Children and People with Disabilities	1 675	-
Water Affairs	45 909	116 590
TOTAL	1 018 751	2 734 305

	2011 R'000	2010 R'000	2009 R'000
Government Grants			
Department of Public Works	315 095	612 967	588 326

Related parties	Nature of Relationship	Amount R'000	Balance at 30 September 2011 R'000
1. Musa Matthews Makhubele	Member of senior management	4 358 880	186 470
	0	-	-
	0	-	-
	0	-	-

15. RISK MANAGEMENT

Financial risk management

The entity's activities expose it to a variety of financial risks: credit risk and liquidity risk.

Liquidity risk

PROPERTY MANAGEMENT TRADING ENTITY

ANNUAL FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2011

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2012 R '000	2011 R '000
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15. RISK MANAGEMENT (continued)

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, entity treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the entity's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 March 2012	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	2 204 229	-	-	-
At 31 March 2011	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	1 187 203	-	-	-

Interest rate risk

As the entity has no significant interest-bearing assets, the entity's income and operating cash flows are substantially independent of changes in market interest rates.

Credit risk

Credit risk consists mainly of trade debtors.

Trade receivables comprise of receivables from different government departments. Management evaluated credit risk relating to customers on an ongoing basis. As all the client departments are government entities, credit risk arising from such exposures is minimal.