**ANNEXURE A: FINANCIAL HEALTH RATIOS AND TRENDS**

The ratios and trends on which the financial health analysis and discussion in *PART D – FINANCIAL HEALTH* under *SECTION 3: SPECIFIC FOCUS AREAS* is based are set out below.

|  |  |
| --- | --- |
|  | **Indicates information obtained from the "Financial sustainability" sheet in the Excel version of the 2011-12 trading entity financial statements specimen.** |
|  | **Indicates information on which the assessment of the financial health indicators is based.** |

**BUDGETS**

|  |  | **Indicator reference** |  | **Financial statements amounts** |  | **Adjustments for material uncorrected misstatements** |  | **Financial statements amounts after adjustments for material uncorrected misstatements** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  | **2011/12** |  | **2011/12** |  | **2011/12** |
|  |  |  |  | **R'000** |  | **R'000** |  | **R'000** |
| Approved operating / current expenditure budget[[1]](#footnote-1) |  |  |  | 4 658 661 |  | - |  | 4 658 661 |
| Operating / current expenditure |  |  |  | 6 853 500 |  | (16 415) |  | 6 837 085 |
| Under/(over) spending of the approved operating / current expenditure budget |  |  |  | 47% |  | - |  | 47% |
|  |  |  |  |  |  |  |  |  |
| Approved capital budget[[2]](#footnote-2) |  |  |  | - |  | - |  | - |
| Under/(over) spending of the approved capital budget |  |  |  | - |  | - |  | - |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  | **2011/12** |
|  |  |  |  |  |  |  |  | **%** |
| **Percentage under/(over) spending of the approved operating / current expenditure budget** |  | **1.i** |  |  |  |  |  | **47%** |
| **Percentage under/(over) spending of the approved capital budget** |  | **1.ii** |  |  |  |  |  | **Not applicable** |

**EXPENDITURE MANAGEMENT**

|  |  | **Indicator reference** |  | **Financial statements amounts** |  | **Adjustments for material uncorrected misstatements** |  | **Financial statements amounts after adjustments for material uncorrected misstatements** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  | **2011/12** |  | **2011/12** |  | **2011/12** |
|  |  |  |  | **R'000** |  | **R'000** |  | **R'000** |
| Material losses through criminal conduct |  |  |  | - |  | - |  | - |
| Forex losses |  |  |  | - |  | - |  | - |
| PPE written-off |  |  |  | - |  | - |  | - |
| Intangible assets written-off |  |  |  | - |  | - |  | - |
| Investments written-off |  |  |  | - |  | - |  | - |
| Loan receivables written-off |  |  |  | - |  | - |  | - |
| Accounts receivable written-off |  |  |  | - |  | - |  | - |
| Other financial assets written-off |  |  |  | - |  | - |  | - |
| Other losses |  |  |  | - |  | - |  | - |
| **Material losses** |  |  |  | - |  | - |  | - |
|  |  |  |  |  |  |  |  |  |
| Total revenue for the year |  |  |  | 7 100 219 |  | (649 367) |  | 6 450 852 |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  | **2011/12** |
|  |  |  |  |  |  |  |  | **%** |
| **Material losses as a percentage of total revenue for the year** |  | **2.i** |  |  |  |  |  | **-** |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  | **2011/12** |  | **2011/12** |  | **2011/12** |
|  |  |  |  | **R'000** |  | **R'000** |  | **R'000** |
| Accounts payable[[3]](#footnote-3) |  |  |  | 279 074 |  | 12 840 |  | 291 914 |
| Total credit purchases |  |  |  | 6 853 500 |  | (16 415) |  | 6 837 085 |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  | **2011/12** |
|  |  |  |  |  |  |  |  | **Days** |
| **Creditor-payment period** (Accounts payable ÷ Total credit purchases x 365) |  | **2.ii** |  |  |  |  |  | **15** |

**REVENUE MANAGEMENT**

|  |  | **Indicator reference** |  | **Financial statements amounts** |  | **Adjustments for material uncorrected misstatements** |  | **Financial statements amounts after adjustments for material uncorrected misstatements** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  | **2011/12** |  | **2011/12** |  | **2011/12** |
|  |  |  |  | **R'000** |  | **R'000** |  | **R'000** |
| Accounts receivable (before impairment) |  |  |  | 4 120 012 |  | 187 808 |  | 4 307 820 |
| Debtors impairment provision at year-end |  |  |  | 415 455 |  | 15 680 |  | 431 135 |
| Total revenue for services rendered on credit for the year |  |  |  | 7 100 219 |  | (649 367) |  | 6 450 852 |
| Debtors written-off for the year |  |  |  | - |  | - |  | - |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  | **2011/12** |
|  |  |  |  |  |  |  |  | **Days** |
| **Debtor-collection period (Days)** (Accounts receivable [before impairment] ÷ Total revenue for services rendered on credit x 365) |  | **3.i** |  |  |  |  |  | **241[[4]](#footnote-4)** |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  | **2011/12** |
|  |  |  |  |  |  |  |  | **%** |
| Debtors impairment provision at year-end as a percentage of accounts receivable |  | **3.ii** |  |  |  |  |  | **10** |
| Debtors written-off for the year as a percentage of total revenue for services rendered on credit for the year |  | **3.iii** |  |  |  |  |  | **-** |

**ASSET AND LIABILITY MANAGEMENT**

|  |  | **Indicator reference** |  | **Financial statements amounts** |  | **Adjustments for material uncorrected misstatements** |  | **Financial statements amounts after adjustments for material uncorrected misstatements** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | **2011/12** |  | **2011/12** |  | **2011/12** |
|  |  |  |  | **R'000** |  | **R'000** |  | **R'000** |
| Total revenue and other income for the year |  |  |  | 7 191 355 |  | (76 216) |  | 7 115 139 |
| Total expenditure for the year |  |  |  | 6 853 500 |  | (15 874) |  | 6 837 626 |
| Surplus / (deficit) for the year |  | **4.i** |  | 337 855 |  | (60 342) |  | 277 513 |
|  |  |  |  |  |  |  |  |  |
| Total current assets |  |  |  | 3 766 893 |  | 421 849 |  | 4 188 742 |
| Total current liabilities |  |  |  | 3 547 189 |  | 235 910 |  | 3 783 099 |
| Net current assets / (liabilities) |  | **4.ii** |  | 219 704 |  | 185 939 |  | 405 643 |
|  |  |  |  |  |  |  |  |  |
| Total assets |  |  |  | 3 766 893 |  | 421 849 |  | 4 188 742 |
| Total liabilities |  |  |  | 3 547 189 |  | 235 910 |  | 3 783 099 |
| Net assets / (liabilities) |  | **4.iii** |  | 219 704 |  | 185 939 |  | 405 643 |
|  |  |  |  |  |  |  |  |  |
| **Cash and cash equivalents / (Bank overdraft)** |  | **4.iv** |  | (1 102 491) |  | (152 497) |  | (1 254 988) |
|  |  |  |  |  |  |  |  |  |
| Year-end carrying amount of the category(ies) of PPE that were subject to write-off |  |  |  | - |  | - |  | - |
| Year-end carrying amount of the category(ies) intangible assets that were subject to write-off |  |  |  | - |  | - |  | - |
| Year-end carrying amount of investments that were subject to write-off |  |  |  | - |  | - |  | - |
| Year-end carrying amount of loan receivables that were subject to write-off |  |  |  | - |  | - |  | - |
|  |  |  |  | **-** |  | **-** |  | **-** |
|  |  |  |  |  |  |  |  |  |
| PPE written-off for the year |  |  |  | - |  | - |  | - |
| Intangible assets written-off for the year |  |  |  | - |  | - |  | - |
| Investments written-off for the year |  |  |  | - |  | - |  | - |
| Loan receivables written-off for the year |  |  |  | - |  | - |  | - |
|  |  |  |  | **-** |  | **-** |  | **-** |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  | **2011/12** |
|  |  |  |  |  |  |  |  | **%** |
| **PPE & intangible assets, investments and loans written-off for the year as a percentage of the carrying amount of the category(ies) of PPE & intangible assets, investments and loans subject to write-off** |  | **4.v** |  |  |  |  |  | **-** |

1. Per approved ENE [↑](#footnote-ref-1)
2. PMTE does not budget or reflect capital expenditure on its statement of financial performance, it is capitalised to debtors (client departments). [↑](#footnote-ref-2)
3. Accrual figure was utilised as remaining trade and other payables do not relate to expenditure incurred. [↑](#footnote-ref-3)
4. Despite the ratio indicating that the debtor-collection period amounts to 241 days we are actually unable to calculate this ratio in a meaningful way due to the fact that not all debtors is made up of revenue items, but rather capitalised expenditure. In addition, it was noted that the ageing analysis prepared by the entity was misstated. Therefore it will be indicated as a limitation of scope in the executive summary to the management report. [↑](#footnote-ref-4)