



2011 ANNUAL REPORT



MUNICIPAL COUNCIL OF MBABANE



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MUNICIPAL COUNCIL OF MBABANE ANNUAL REPORT 2011

Vision

The City of Mbabane will be the preferred Destination in Southern Africa

Mission

To stimulate economic growth and provide all stakeholders with quality services and good governance

Brand

Responsive Quality Service on Time

ADDRESS

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EXECUTIVE MANAGEMENT



GIDEON MHLONGO
CHIEF EXECUTIVE OFFICER



BONGANI DLAMINI
ACTING CITY SECRETARY



BENEDICT GAMEDZE
ACTING DIRECTOR HUMAN
RESOURCES



NHLANKHALILE VILAKATI
DIRECTOR FINANCE



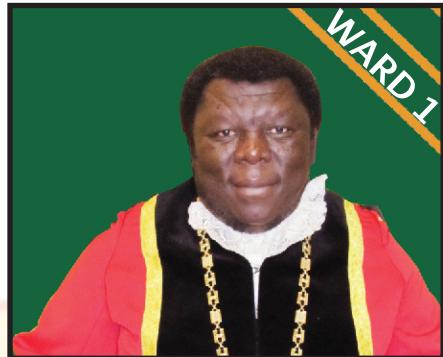
FIKSILE DLAMINI
DIRECTOR PLANNING AND
COMMUNITY DEVELOPMENT



CONSTANCE MAZIYA
ACTING DIRECTOR
ENVIRONMENTAL HEALTH
SERVICES



KENNEDY SHONGWE
DIRECTOR PUBLIC WORKS



**HIS WORSHIP, MAYOR CLR.
ZEPHANIA NKAMBULE**



CLR. THULANI MKHONTA



CLR. BENITO JONES



CLR. GRACE BHEMBE



CLR. ARNOLD DLAMINI



CLR. SIKHATSI DLAMINI



CLR. BHEKI NKAMBULE



VACANT



VACANT



CLR. BENNEDICT BENNETT



CLR. JAMES NCONGWANE



CLR. GEDLE MDLULI

MUNICIPAL COUNCIL OF MBABANE

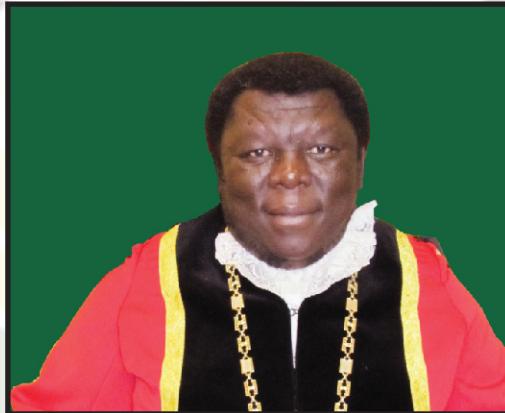
ANNUAL GENERAL MEETING

30TH APRIL 2012

REPORT BY HIS LORDSHIP THE MAYOR, ZEPHANIA NKAMBULE

1. GOVERNANCE

During the year under review, the Council was faced with some political challenges that threatened the Council's ability to remain focused on its main mandate; that of providing municipal services to the people of Mbabane. The protracted recruitment exercise for the Chief Executive Officer, which had its many challenges, resulted in Council getting divided on the modus operandi of the recruitment process itself and the final choice of the candidate. This division had an impact on the operations of Council in general and its image in the public domain. However, this tumultuous era eventually subsided thus allowing Council to re-organise and focus on its main mandate of serving the public.



The Council was able to rekindle its relations with most of its stakeholders, especially the ratepayers. The Council made a deliberate effort to engage its stakeholders in order to get the necessary support and to gain their confidence. Several workshops to properly shape the Council for this challenge were held and their results were immediately evident in the relationships and confidence exhibited by most of the stakeholders by the end of the financial year.

2. ADMINISTRATIVELY

After a protracted and highly publicised recruit process the Council was able to engage a substantive CEO to guide the organisation in implementing Council's mandate and taking the City forward. This was a major milestone since many strategic actions awaited the appointment of a substantive CEO. Further, the Council continued with its good record of timeous implementation of its projects and programmes and dedication to quality services. In this regard, Council's effort went to implementing its capital improvement programme as well as maintenance activities where infrastructure is concerned and implementing its programmes as contained in

its 2019/2012 Annual Operating Plan.

The Council remains indebted to the ratepayers, business community, general public and the employees of Council for having endured the trying times and continued to support the institution.

3. COUNCIL STRATEGY

Service Delivery

Compared to the 2009/2010 financial year, the Council's performance in delivery services increased by at least 15%. This was due to lessened internal strives that engulfed the council in the previous years and better financial stability compared to last year. Though there remained some challenges in service delivery, the Council did provide the much needed services including;

- ❖ Light road maintenance
- ❖ Public safety
- ❖ Leisure Fields and Cemetery Services and Maintenance
- ❖ Sanitation
- ❖ Waste Collection
- ❖ Wastewater Removal System
- ❖ Environmental Pollution Control and Monitoring
- ❖ Building Plan Approval & Building Inspection
- ❖ Food Safety

The Council still faced huge challenges, especially with untarred roads in the City.

Review of Council's Strategic Plan

Council's Strategic Plan 2008 - 2013, the premier policy document of Council, was reviewed to make it more focused and especially SMART. The Vision remains: "*The City Of Mbabane Will Be A Preferred Destination In Southern Africa*" while the Mission Statement also remained "*To Stimulate Economic Growth and Provide All Stakeholders with Quality Services and Good Governance*". Most importantly, the review incorporated a set of new values to guide service delivery in the

organisation. These are: **Communication, Unity, Respect, Customer Focus, and Reliability.**

Annual Operating Plan and Budget

The Strategic Plan acted as a backdrop and main policy document to guide the preparation of the AOP. A record was made in that for the first time in the history of the organisation, Council completed the preparation of the budget in December and was ready for submission to the Honourable Minister for approval. The Honourable Minister for Housing & Urban Development did not disappoint and approved the council's budget before the end of January.

Council is grateful to the Honourable Minister for approving the Council budget before the end of December.

International Cooperation

Council had a fruitful year in that exciting programmes were implemented, especially on the international cooperation side.

Council received visitors from its sister city Fort Worth in Texas, USA, who had come on a general visit but primarily to further charitable projects within the City mainly in education and reaching out to the vulnerable. Old ties were restored and/or maintained and new alliances formed keeping the relationship between the two cities vibrant.

Students from various schools in Mbabane were able to attend the International Leadership Academy (ILA) in Fort Worth in Texas, USA, which has become a yearly event thanks to the generous sponsorship from the BELA Churches in Fort Worth. Here, students gained valuable insight in the process of shaping them to future leaders.

By the end of the year, the Nkwalini Zone 4 Community Health Centre project, implemented jointly with the City of Fort Worth, had already commenced. This followed more than two years of engagement between the parties both for project preparation and securing the funding. The project is funded more or less equally by the Municipal Council of Mbabane and Sister Cities International to the tune of approximately E1.7 million. The centre will cater for the orphaned and vulnerable in nearby communities, offer VCT services and general public health services as well as being a focal point for the community of Nkwalini Zone 4.

Communication with and education

Communications with all stakeholders in matters of interest were enhanced during the financial year. Media debriefing sessions on issues of interest were held and these included press conferences and breakfast meetings. The media needs were also met through swift responses to questionnaires, press releases and reactionary means including press statements. Generally, the media coverage during this period concentrated on the political ebb in the Council caused by, among other issues, the recruitment process of the Chief Executive Officer and differing opinions on certain council matters. Internal communications were also enhanced during the year through the revival of the internal communication processes including periodic consultations with all employees by management, management briefs (internal newsletter) and consultation forums with employees' representative groups. This

communication intervention helped to ease flow of accurate information and reduced the grapevine syndrome.

Public Safety

In order to protect Council property and for proper enforcement of the municipal laws better than in previous years, the Council opted to reinforce its security services by engaging a private security firm. It also downsized its in-house security personnel by reducing the staff compliment by 60% since most of the work had been outsourced to the private security firm. These new arrangements helped the Council to realise better security services provision with more emphasis on sweeping hot spots of illegal street trading, stray livestock, theft of Council property and other illegal activities like public indecency acts.

Bye-laws

In response to the outcry about parking shortages in the City, the Council updated the schedule to the Parking Regulations which would enable the introduction of a parking regulating system. This schedule was gazetted and was still in Parliament awaiting its passing by the close of this financial year. It is hoped that this schedule will be passed in the next financial year to allow the Council to effectively regulate parking in the City. During the same period, the Council further tabled its annual User Fees Bye-laws to the ministry for tabling in Parliament. These bye-laws contained the newly revised fees to be charged by council for services rendered. They were last reviewed about 4 years ago. These will help Council to minimally increase its income.

HUMAN RESOURCES

The organisation enjoyed a year of relative calm with no industrial unrest. Industrial Relations issues were handled without any major incident. Major initiatives on human resources policies were embarked upon to ensure that the organisation is appropriately positioned to deliver services efficiently and effectively.

Staffing Matters

By the end of the year the manpower strength of the Municipal Council of Mbabane was 243 employees. The company lost 13 employees as detailed below:

- ❖ Retirement -3
- ❖ Death -2
- ❖ Resignation-5
- ❖ Dismissals -3

9 new employees were engaged and 1 reinstated.

Negotiations for the Cost of Living Award were concluded with the final award of 7.5% across the board for the year 2010/2011. It was further agreed in principle that non-union and staff association employees pay the agency fee since they benefit from negotiations.

A Climate Survey was conducted by a consultant to determine the following;

1. Working climate within the council,
2. What needs to be done

3. And how.

This was done through interviews with Focus Groups and completion of questionnaires. A comprehensive report was delivered and a sub-committee appointed as champions of this process.

The Job Evaluation and review of Staff Standing orders were embarked on with the aim of being finalised by December 2011.

Employee welfare and social responsibility

This Programme involves the development of staff support systems to ensure that Council employees are fully supported in terms of wellness and all forms of recreational sporting activities, which will promote their wellbeing.

- ❖ The main activities were the Inter Municipal Games (SIGA), which were successfully held in Tzaneen, Limpopo where our soccer teams were awarded Silver. The teams that participated were Soccer, Netball, Volleyball and Pool. The Local Games hosted by the Swaziland Inter-Municipal Games Association (SIGA) were held in July in Siteki where all 12 Swaziland Municipalities participated and Mbabane won Medals. The games greatly boost staff morale in many ways.

A 2011/2012 sports policy was developed after Council requested that a guide should be in place particularly to assist the sports fraternity at council.

Another initiative was the training of employees on management of personal finances which was aimed at reducing the number of garnishee orders served on council employees. The Cleansing and Public Works sections were the first ones to be trained.

In December 2010, Mbabane hosted a municipality from Kuruman in the Northern Cape where Netball and Soccer teams played with the visitors and won.

Finally, the council also arranged a Christmas end-of-year party which was held on 17th December 2010.

Occupational health and safety

The Occupational Health and Safety Section ensures the implementation of the requirements of the Occupational Safety and Health Act, 2001 and any other relevant legislation or rules and regulations which safeguard employee health and safety at work. In the 2010/2011 financial year, the Occupational Health and Safety Office covered the following major areas:

- ❖ In accordance with the Occupational Safety and Health Act Section 16, a functional Safety and Health Committee was set up. This committee met monthly to discuss matters affecting the health and safety of employees in all work sections of the council.
- ❖ Also, all the trained Section Safety Representatives and First Aiders, and the members of the Safety Committee were formally appointed. The Safety Representatives carried out monthly inspections. First Aiders handled all first aid injury on duty cases with regularly replenished first aid kits.
- ❖ A Personal Protective Clothing and Equipment (PPE) Policy & Procedure were also designed to guide on the

procurement and usage of PPE.

- ❖ Sectional safety and health awareness trainings were also conducted which greatly contributed to the decline in workplace injury occurrence during the course of the financial year.

Training:

The department managed to facilitate employee training in the following fields:

- ❖ 2 Officers attended training on Competition Law at Ezulwini.
- ❖ 1 Officer attended training in Arbitration procedures offered by FSE.
- ❖ 3 Secretaries attended a Secretarial Course in Johannesburg, South Africa.
- ❖ 1 employee attended a Conciliation and Mediation process training offered by the Federation of Swaziland Employers and Chamber of Commerce (FSE/CC).

BUILDING CONTROL

There has been a slight decrease in the number of private developments taking place within the Mbabane urban area relative to the same period last financial year (2009/2010). The statistics for submitted, approved building plans and completed buildings for 2010/2011 financial year show a slight decrease, (*refer to table 1.0 and figure 3.0 on number of building plans submitted, approved and completed*). In terms of value, a thorough scrutiny of the values for 2010/2011 financial year show a major increase which can be attributed to new commercial developments such as the Public Service Pension Fund (PSPF) mixed use development (offices and retail or shops) under construction (*refer to table 2.0 for values of building plans submitted, approved and completed*).

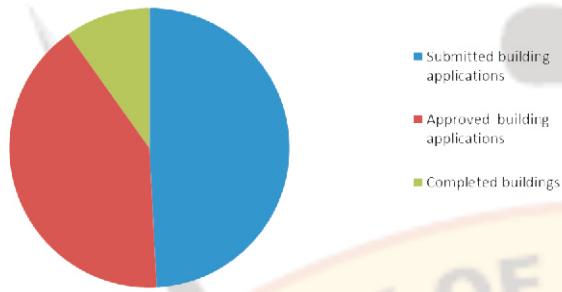
A total of 33 subdivision applications were submitted in the period under review and this figure symbolises a slight decrease in the sense that 38 subdivision applications were submitted in 2009/2010 financial year.

Table 1.0

Categories	2010//2011 FY	2009//2010 FY
Submitted building applications	390	405
Approved building applications	325	384
Completed buildings	78	355

Table 2.0

Categories	2010//2011 FY	2009//2010 FY
Submitted building applications	E 372 498 407.00	E 160 639 337.00
Approved building applications	E120 176 281.00	E 101 894 099.00
Completed buildings	E48 453 324.00	E21 405 480.00

Figure 3.0**Statistics for 2010/2011 Financial Year**

In a nutshell, the department has managed to deal with all building and town planning applications timeously and also positively dealt with public enquiries. This demonstrates a positive sign in terms of service delivery.

LAND USE MANAGEMENT

Council has put up billboards to demarcate the boundaries of the City. The main entrance points at Mnyamatsini, Mhlambanyatsi road past Mahwalala/Nkwalini traffic circle and Nkoyoyo in order to indicate the boundary of Mbabane as well as to welcome people visiting the city.

Urban Development Project Land Sales

Council commenced the land sales process in the beginning of financial year 2010/2011 for the informal settlements upgrading project, namely the Urban Development Project

(UDP); Package 14 and 15 where E43million was spent to provide basic infrastructure services to the residents. The basic services include; surfaced roads, street lighting, access to safe water and sanitation and access to secure land tenure. Due to the fact that the project is cost recovery, each of the saleable plots within the project locale were priced and the prices were communicated to the project beneficiaries.

The project area includes Nkwalini Zone 2 and Zone 4 and Mahwalala Zone 6. The project locale has a total of 2 561 saleable plots. The average plot price costs E18 025 at 536m². Monies collected in the financial year from the land sales process are in the tune of E702 038.23. Thirteen of the residents completed full payment for their plots. Council continues to teach residents about the importance of land ownership and encourage increased sales.

Mbabane Upgrading and Financing Plan

The City continues to invest in the upgrading of informal settlements within the City limits. Layouts designs for the eight remaining informal settlements namely Malagwane and Mangwaneni were prepared and submitted to the Surveyor General for Township registration. The objective is to facilitate the lifting of the building ban through the urgent pegging of the plots in order to allow residents to build proper structures. Implementation of the infrastructure will be done in an incremental fashion.

PUBLIC WORKS

In the 2010/2011 financial year, the Public Works Department commenced and completed a number of programmes and capital improvement projects, including the maintenance of Council infrastructure comprising roads, buildings, recreational facilities, operational vehicles and Plant.

Major achievements in the financial year include the surfacing of the Polinjane, Mhlonhlo and Lidwala Streets, the re-surfacing of Sidwashini North Streets, the construction of a new pedestrian footbridge across the Mbabane River, by the Pick n' Pay eating area and the installation of a new high mast light at Corporation Township.

Improvements were also made to various Council's facilities that include the replacement of timber fencing at the Prince of Wales Stadium with pre-cast concrete panels while toilet facilities were provided at the Eveni Sport field, Selection Park and Msunduza Hall and new children's playing equipment installed at the Fonteyn, Mahwalala, Msunduza and Magwaneni soup kitchens.

A water supply system was installed at the Sidwashini cemetery including toilets for the use and convenience of mourners who have come for burial purposes.

Other day-to-day maintenance works included re-gravelling, drain cleaning, road verge clearing, street and traffic lights maintenance.

Capital improvements completed in the year include the re-construction of the collapsed Mahlokohla Street, while those that commenced and were on-going include the construction of a new bridge to link extension 3 Township and the Mbabane Industrial site and the construction of a Health and Social Centre for the Community of Nkwalini Zone 4.



Work in progress on the old Mahlokohla Bridge



Gravelling of Polinjane Road in preparation for tarring.



Pothole patching in progress



Completed new Mahlokohla Bridge

ENVIRONMENTAL HEALTH SERVICES DEPARTMENT

The objective of the department is to preserve, promote, protect health and enhance the quality of human life and the natural environment. The department performed well during the year under review even though there were challenges bordering on the frequent breakdown of trucks used for the collection of waste.

The following is how each unit performed:

Environmental Management and Pollution Control Unit.

General Litter Control

- ❖ 34 Street litter bins were erected along Gwamile Street including main Traffic Circle. The street is now fully serviced by properly installed and visible litter bins.



- ❖ 14 illegal dumps were reported for the year under review compared to 66 reported in 2009/10. The unit introduced the builder's permit which requires developers to obtain a Council permit. This is done in collaboration with the

Department of Planning on each building application.

- ❖ The Council Major Cleanup campaign continued to attract Council Management and Council Employees including Councillors..

- ❖ 14 Community Self Driven Clean-up Campaigns were conducted and members of the communities actively participate in each.

from breast cancer. Over 62 home-based care clients were visited. Treatment for minor. Treatment for minor ailments was done including palliative treatment. Some clients were referred to other health facilities depending on the illness.

A group of 30 out of school youth was trained on basic life skills, HIV/ AIDS and Sexually Transmitted diseases. A group of marginalised people were trained on income generating projects.

Environmental Sanitation and Occupational Health

The cleanest community competition helped improve the dilapidated state of pit latrines in the informal areas. Most families improved and constructed new ones. 30 toilets were constructed during the period of the competition.

Urban Environment Management

The focus was on aligning all environmental budgeted programmes to the Environment Action Plan (EAP) emanating from the SOER recommendations. Through the Cleanest Community Competition held for all informal areas and the SALO/MBABANE project, waste minimisation initiatives were implemented in schools and on a city wide environment including communities.

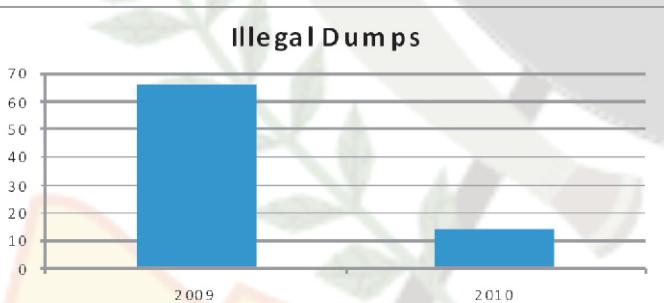
The positive outcomes from the above project attracted individuals and private organisations to support Council efforts towards sound environmental management of Mbabane. Claypotts Trust, Times Group of Companies and SADCPAC donated recycling centres in schools, trees and gardens respectively for the betterment of Mbabane's environment. The tree donations resulted in major cost savings to Council as the budget allocated for reforestation to enhance carbon sequestration and mitigate impacts caused by climate change was re-allocated to other areas.

Other environmental milestones included the production of the first Ground Water Mapping Report. The report will help direct Council future plans on location of ground water sources, quality and quantity of available water source.

2.4 Public Health Nuisance Control

There was a decline in overgrown plots complaints. 52 were received compared to previous year's 92. This was due to developments and owners taking responsibility to clear without being ordered to do so. Only seven scrap cars were served with notice and they all complied with notices served. 14 illegal dumps were reported. This shows a marked decline in previous years and this is due to new builders' permits which require developers to possess a builder's rubble disposal permit on application. 83 builders' rubble permits were issued to new developers to dispose builders' rubble to a designated area.

There were periodic burst sewer pipes due to old SWSC sewer lines and these were attended too promptly by the maintenance section of the SWSC. SWSC is replacing old pipes though at slow pace.



Graph showing comparison between the number of illegal dumps identified during the year under review compared to 2009/10.

Public Health And Nursing Unit

The Municipal Council continued to provide health services within this unit. Almost all council employees were given Hepatitis B vaccine. One case of measles was suspected and later confirmed. Some students from various schools were found to have chicken pox. The schools affected were visited and health education to teachers on control measures were done.

A Public Health Nurse was employed and she joined Council at the beginning of December 2010. 275 clients were screened

2.5 Waste Management

Major milestones were achieved under the waste management activities and were as follows:

- ❖ The Cleanest Community Competition was held successfully and three communities topped all the 11 informal communities and these were: Mangwaneni followed by Nkwalini Zone 4 and Sdwashini was in third position.
- ❖ Successfully launched the Municipal Recycling Programme in Mbabane. The launch itself was a huge success as it attracted the attention of various stakeholders such as the Minister of Housing and Urban Development who officially opened the Msunduza Recycling Centre.
- ❖ The first ever Community Recycling Centre was established in Msunduza and is now in full operation.
- ❖ A total of six school recycling points were established in Msunduza.
- ❖ A new group of volunteers was trained through the SALO/MBABANE project to introduce the RE-USE element of waste management. The group members are from Msunduza and Mbabane West. Together with Environmental Educators, they performed to the delight of spectators during Council's Christmas Party.

3. FOOD SAFETY UNIT

3.1 Routine inspections and the grading of food premises:
Food obtained within Mbabane is generally safe for human consumption. The following table shows how the food premises are fairing in terms of hygiene and grading:

Category of premises	Grading Routine Inspections
Butcheries	There is improvement but some butgeries are still lagging behind. The braai structures continue to present a problem
Restaurants	Restaurants are better than the other premises but there is room for improvement. Most restaurants are in good condition
Supermarkets	The grades are the same as last year. Most supermarkets should put more effort in cleaning the storerooms.
Groceries	Not yet graded. Groceries continue to have structural problems and notices are served accordingly.

A workshop was held for butgeries within the urban area in an effort to ensure that the butgeries comply with the Public Health Act No 5 of 1969.

3.3 Meat Inspection at the Abattoir:

Meat inspection was done at the abattoir and there was noticeable increase on the animals slaughtered. The abattoir was closed at the end of the year to facilitate privatisation of the facility.

3.4 Market Management

Mbabane has three formal markets and about eight street vending sites. Mbabane is, however, faced with a serious problem of illegal vending which concentrated at the city centre. A strategy to deal with this problem was drawn and the consultation process was done.

3.5 Licence Inspections

There was a noticeable increase in the number of premises which were inspected because Government has introduced inspections prior to getting tenders. Over 400 premises submitted applications for inspections for the purpose of getting grants or renewals from the Ministry of Enterprise. Some premises failed to get straight recommendations because of adverse conditions that they had to attend to.

Renewal of licences other than for liquor outlets continue to be a problem because the law does not require a report by the health department before a renewal is granted. For liquor outlets, a report from the health inspectors is a prerequisite.

4. SANITATION UNIT

4.1 Waste Collection

- ❖ One skip master was purchased and this will assist in improving the collection of waste. There are now three skip masters which will greatly reduce complaints on waste collection. There are presently three compactor trucks used in the collection of waste an additional truck is being repaired to act as a standby truck.
- ❖ All complaints received from the public were attended to promptly.

4.2 Waste Water Removal

The vacuum tanker services were provided without problems; applications were serviced timeously.

4.3 Landfill Management

The bomag was repaired and unfortunately due to heavy rains experienced in Mbabane the waste could not be compacted and covered. It is hoped that the rehabilitation of the landfill access roads will be successfully done in winter.

4.4 Public Toilets Management

The toilet management is going on well, however there are people who vandalise the toilets which leads to frequent faults in the toilet. The faults are attended to timeously although the toilets need to be renovated and extended to better deal with the increased figures at the bus rank.

5. LABORATORY UNIT

The laboratory unit continued with analysing food, water, ground water, leachate and milk. The results that were non-conforming were channelled to relevant departments to take appropriate action. Inspections and tests on the Mbabane River show that it is not contaminated by the activities of Mbabane. The laboratory tests showed that the abattoir is cleaned effectively. Only raw milk showed that it is not fit for human consumption and proper action was taken to address this.

AMICAAL

INTRODUCTION

AMICAALL (Mayors Initiative for Community Action on HIV and AIDS at the Local Level) seeks or envisions a healthy and productive urban community in the era of HIV and AIDS. Its mission is to build the capacity of urban communities and the local government to respond to HIV and AIDS. To achieve its objectives, the interventions are in Prevention, Impact Mitigation, Care and Support and Response Management and under each thematic area we have the following programmes:-

A. PREVENTION:

The overall purpose for this programme is to reduce exposure to HIV, probability of transmission when exposed and influence change in societal norms, values and practices that tend to impact on people's ability to adopt key prevention behaviours. Interventions under this programme are designed to address reduction of vulnerability factors including gender based vulnerability, dynamics of sexual and related relationships and idleness amongst young people. Key interventions include:-

Youth Mentors and Peer Education: this intervention aims to encourage urban youth to stay healthy, active and happy by giving them opportunities for personal development and social integration, and empowering them with information and life skills to make good choices and develop into active and responsible members of the community. In the year 2010/11 the programme engaged 2 Youth Mentors and trained 20 Peer educators that had been recommended by councillors of each ward. The city was also involved in the inter-ward Mandela Good Sports tournament in two sporting codes, soccer and netball where Ward 10 were the winners in soccer whilst Ward 2 were the netball champions

School Health Clubs: health clubs were established in 3 high schools and 5 primary schools. The total number of children reached through the health clubs were 5 554. Topics covered in the debates and dialogues included issues of personal development, sexual and reproductive health, HIV/AIDS, Children/Human rights and Child Abuse.

Wellness Programme: PSI was engaged in January to assist with the establishment of a workplace wellness programme. A steering committee comprising 10 members was elected, trained and given their terms of reference. The first draft of the Wellness Policy was produced.

Prevention of Mother to Child Transmission of HIV (PMTCT): the funding for the two field supervisors came to an end within this reporting period which meant the officers were now working without getting any stipend during this period. This had a negative impact on the programme. The programme suffered a further set-back when one of the field supervisors passed away.

Condom distribution: A total of 224 157 male condoms and 7 608 female condoms were distributed within this reporting period. This is 3 046 263 short of the annual target (by AMICAALL) for the city and our major challenge is lack of transport.

Commemoration of Special Days: 2010 Candle Light whose theme was Many Candles for Human Rights was commemorated in collaboration with Zion Back to God church group. The event was graced by the Deputy Mayor and 251 people attended.

The World AIDS Day (WAD) was also commemorated by the Council Employees. The Council Chief Executive Officer (CEO) addressed the employees on HIV/AIDS.

B. IMPACT MITIGATION:

This component seeks to re-dress the social and economic impact of HIV/AIDS on the marginalised groups and PLWHA. Activities under Impact Mitigation included support to Orphaned and Vulnerable Children (OVC) mainly at social centres, care and support to the terminally ill.

Home Based Care: with the growing demand for care for the terminally/chronically ill in the health facilities, the municipality continues to strive to sustain provision of basic care provided to individuals and families within the comfort of their own homes in partnership with Mahwalala Baphalali Swaziland Red Cross and Salvation Army to provide technical support during home visits, and periodic refresher courses on topical issues. We use community volunteers. Within this reporting period a total of 5 236 clients were reached.

Social Centres: To supplement Council's budget, the CEO had mobilised food support from National Disaster and they have been supporting us with 120 x 50kg maize meal, 60 x 50kg beans, soup and vegetable oils every two months for 11 social centres.

Children's Cup, who was our partner at Mangwaneni and Fonteyn ,pulled out from the partnership at Fonteyn. Other partners are:

- ❖ Nkwalini - International Tabernacle
- ❖ Mahwalala -SOS
- ❖ Msunduza -SOS
- ❖ Makholokholo -SOS
- ❖ Cooperation -SDA

Centres where we do not have partners are Sidwashini, Mdzangwini, Sgcumeni, and Fonteyn. A total of 165 beneficiaries received Early Childhood Care and Development (ECCD) and 2 117 children received food and other psychosocial support services including clothing, toys and other recreational equipment. These came from various donors including churches and business people within town.

Health care services: 185 children received growth monitoring; 1 400 de-worming tablets, 17 received immunisation, and 13 children were on ART.

There was a social centre sports day where the children from all the social centres who offer ECCD came together at the Prince of Wales and were engaged in a number of various games such as sack race, athletics, egg spoon race, soccer, netball and tug-of-war. We also had a Christmas party for the social centre beneficiaries where 71 children graduated into Grade 1 of formal education.

Income generating projects for social centres volunteers: 16 social centre volunteers were each given E20.00 per person to go and accumulate the money. After a period of 10 months when the dividends were shared, each person got E1 040.00.

RESPONSE MANAGEMENT:

The Municipal HIV Team (MHT) held its first meeting where 10 organisations indicated that they would be interested in becoming members of the team. A way forward as to how the team will meet and how it will operate in order to strengthen coordination of the HIV/AIDS response within the municipality is still to be discussed in the next meeting. The CEO is the chairman of the MHT by virtue of his position as the CEO of the City.

Coalition of African Cities against Xenophobia, Racism, and Discrimination: the City's stand on its affiliation as a member of the Coalition of African Cities against Xenophobia, Racism, and Discrimination and the 10 commitments made thereafter was revisited. The city was reminded that as a member city, it has an obligation hence there was a need to find out how far it has gone in implementing the 10 point action plan on the above issues.



ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011



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MUNICIPAL COUNCIL OF MBABANE

STATEMENT OF RESPONSIBILITY BY THE COUNCILLORS

for the year ended 31 March 2011

The Councillors are responsible for the preparation, integrity and fair presentation of the financial statements of the Municipal Council of Mbabane. The financial statements presented on pages 5 to 20 have been prepared in accordance with the Council's accounting policies and in terms of section 102(3) of the Urban Government Act, 1969, and include amounts based on judgements and estimates made by management. The Councillors also prepared the other information included in the annual report and are responsible for both its accuracy and its consistency with the financial statements.

The Councillors are also responsible for the Council's system of internal financial control. These are designed to provide reasonable, but not absolute assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of the assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the Councillors to indicate that any material breakdown in the functioning of these controls, procedures and system has occurred during the year under review.

The going concern basis has been adopted in preparing the financial statements. The Councillors have no reason to believe that the Council will not be a going concern in the foreseeable future based on forecasts and available cash resources. These financial statements support the viability of the Council.

The independent accounting firm, PricewaterhouseCoopers, which was given unrestricted access to all financial records and related data, including minutes of the Councillors and committees of the Council, has audited the financial statements. The Councillors believe that all representations made to the independent auditors during their audit are valid and appropriate. PricewaterhouseCoopers' audit report is presented on pages 2 - 3.

The Councilors confirm that the annual financial statements set out on pages 5 to 20 were approved by the Councilors on 27 September 2011 and are signed on their behalf by:

MAYOR

CHIEF EXECUTIVE OFFICER

DIRECTOR OF FINANCE

Independent auditor's report

To the Councillors of the Municipal Council of Mbabane

We have audited the annual financial statements of the Municipal Council of Mbabane, which comprise the Councillors' report, the Statement of financial position as at 31 March 2011, the income statement, the statement of changes in equity, the Statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 5 to 20.

Councillors' Responsibility for the Financial Statements

The Councillors are responsible for the preparation and fair presentation of these financial statements in accordance with Section 102 (3) of the Urban Government Act 1969. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Councillors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Council as of 31 March 2011 and of their financial performance and their

cash flows for the year then ended in accordance with Section 102 (3) of the Urban Government Act 1969.

Supplementary information

The general income and expenditure summary and related schedules set out on pages 21 to 58 do not form part of the annual financial statements and are presented as additional information.

PricewaterhouseCoopers

PricewaterhouseCoopers
Partner: Theo Mason
Chartered Accountant (Swaziland)
Mbabane

Date: 31 OCTOBER 2011

COUNCILLORS, CHIEF OFFICERS, BANK AND PROFESSIONAL ADVISORS
for the year ended 31 March 2011

The following Councillors were in office during the year:

01 April 2010 - 31 March 2011

1. Sikhatsi Dlamini
2. Arnold Dlamini
3. Jones G. Benito
4. Grace Bhembe
5. Bheki B. Nkambule
6. Thulani W. Mkhonta
7. James M. Ncongwane
8. Zephania Nkambule
9. Gedle E. Mdluli
10. Benedict C. L. Bennett

Mayor

Zephaniah Nkambule

Deputy Mayor

Gedle E. Mdluli

Senior Management

Acting Chief Executive Officer	N.Dlamini (1/04/2010 - 31/07/2010)
Chief Executive Officer	G.Mhlongo(1/08/2010 - to date)
Director of Finance	N. Vilakati
Acting Director of Public Works	H.J Dlamini(1/04/2010 -31/12/2010)
Acting Director of Public Works	K. Shongwe(1/01/2011- to date)
Acting Director of Environmental Health Services	C. Maziya
Acting City Secretary	B.A. Dlamini
Director of Planning and Community Development	F. Simelane
Director of Human Resources	C.Ngcobo
Professional Assistant	B. Gamedze
Information Technology Manager	J. Nkambule
Internal Auditor	M.Tshabalala (1/11/2010-to date)

Legal Advisors

Robinson Bertram
Ingcongwane Building
Gwamile Street, Mbabane

Auditors

PricewaterhouseCoopers
Chartered Accountants (Swaziland)
MTN Office Park, Mbabane

Bankers

Standard Bank Swaziland Limited

Registered Office

Civic Offices
Mahlokohla Street
P O Box 1 Mbabane
Telephone: 2409-7000

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

	Notes	2011 E	2010 E
Revenue	1	57 937 804	47 571 053
Other operating income	1	4 846 933	5 237 748
Grants and subvention	1	3 288 000	7 927 784
Total income		66 072 737	60 736 585
Operating expenditure		(58 753 654)	(54 084 427)
Operating surplus	1	7 319 083	6 652 158
Finance income - net	2	1 530 679	652 925
Surplus for the year		8 849 762	7 305 083

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2011

	Notes	2011 E	2010 E
ASSETS			
Non-current assets			
Property, plant and equipment	4	199 343 062	191 873 875
Investments	3	5 636 887	5 901 174
		204 979 949	197 775 049
Current assets			
Inventories	5	528 304	430 566
Trade and other receivables	6	7 767 725	7 779 029
Cash and cash equivalents	13	29 899 221	21 092 208
		38 195 250	29 301 803
Total assets		243 175 199	227 076 852
EQUITY AND LIABILITIES			
Capital and reserves			
Retained Surplus		13 747 603	4 897 842
Revaluation reserve	7	29 345 575	29 345 575
Other reserves	8	180 956 904	174 565 396
Total equity		224 050 082	208 808 813
Non current liabilities			
Borrowings	9	5 951 362	6 461 678
Trust funds	10	5 216 648	3 759 438
		11 168 010	10 221 116
Current liabilities			
Trade and other payables	11	4 706 868	2 304 304
Employee benefits liabilities	12	1 601 094	1 636 750
Borrowings	9	1 649 145	1 693 464
Bank overdraft	14.1	7 957 107	2 412 405
Total liabilities		19 125 117	8 046 923
Total equity and liabilities		243 175 199	227 076 852

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2011

	Urban development project	Government grants/ subvention	Revaluation reserve	Land trust Fund	Revenue contribution To capital Outlay	IBRD grant-UDP	MUFP Project/ Rates income appropriation	Parking space Development Fund	Millennium structure grants (DRC)	Total
Accumulated Surplus	E	E	E	E	E	E	E	E	E	E
Balance at 1 April 2010	4 897 841	86 554 466	56 755 471	29 345 575	1531 780	23 067 621	5 136 600	-	1 490 656	28 802
Surplus for the year	8 849 762	-	-	-	-	-	-	-	-	8 849 762
Additions to capital assets financed from revenue	-	-	-	-	-	-	-	-	-	-
Revaluation reserve	-	-	-	-	-	-	-	-	-	-
Grants Received	-	-	4 354 000	-	-	1 122 198	-	498 394	416 916	6 391 508
Balance at 31 March 2011	13 747 603	<u>86 554 466</u>	<u>61 109 471</u>	<u>29 345 575</u>	<u>1531 780</u>	<u>24 189 819</u>	<u>5 136 600</u>	<u>498 394</u>	<u>1 907 572</u>	<u>28 802</u>
Balance at 1 April 2009	(2 407 242)	84 961 769	50 135 471	29 345 575	1531 780	22 745 977	5 136 600	102 844	1 074 700	28 802
Surplus for the year	7 305 083	-	-	-	-	-	-	-	-	7 305 083
Additions to capital assets financed from revenue	-	-	-	-	-	-	-	-	-	-
Revaluation reserve	-	-	-	-	-	-	-	-	-	-
Grants Received	-	1 592 697	6 620 000	-	-	321 644	-	(102 844)	415 956	8 847 453
Balance at 31 March 2010	4 897 841	<u>86 554 466</u>	<u>56 755 471</u>	<u>29 345 575</u>	<u>1531 780</u>	<u>23 067 621</u>	<u>5 136 600</u>	<u>-</u>	<u>1 490 656</u>	<u>28 802</u>

STATEMENT OF CASH FLOWS
for the year ended 31 March 2011

	Notes	2011 E	2010 E
Cash flow from operating activities			
Cash received from ratepayers and other customers		57 949 107	47 304 606
Cash paid to suppliers and employees		(49 596 199)	(47 039 051)
Cash utilised in operations	14.2	8 352 908	265 555
Interest received		2 232 725	1 087 486
Interest expense		(702 046)	(434 560)
Net cash inflow from operating activities		9 883 587	918 481
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		-	249 500
Acquisition of property, plant and equipment	4	(9 510 538)	(7 750 771)
Withdrawals from investments		264 287	18 391
Net cash outflow from investing activities		(9 246 251)	(7 482 880)
Cash flow from financing activities			
Net Government grants received		9 679 507	16 775 237
Net receipts of trust funds		1 457 210	462 530
Borrowings (repaid)/raised		(554 635)	2 718 615
Net cash inflow from financing activities		10 582 082	19 956 382
Net increase in cash and cash equivalents		11 219 418	13 391 982
Cash and cash equivalents at the beginning of the year		18 679 803	5 287 821
Cash and cash equivalents at the end of the year	14.1	29 899 221	18 679 803

SUMMARY OF ACCOUNTING POLICIES

for the year ended 31 March 2011

1. Basis of presentation

- 1.1 The financial statements have been prepared so as to comply with Section 33 of the Urban Government Financial Regulations Act of 1969.
- 1.2 The financial statements are prepared on an accruals basis under the historical cost convention.
- 1.3 In preparing the financial statements, the following principal accounting policies have been applied which are in accordance with those applied in the previous year, unless otherwise stated.

2. Capital outlay

- 2.1 Capital outlay is stated at historical cost in the Statement of financial position.

Apart from advances from various Council funds and external loans, assets are also acquired through appropriations from revenue, where full cost of the asset forms an immediate and direct charge against revenues of the Council. An amount equivalent to the full cost of the asset is then transferred from the income and expenditure account to the revenue contribution to capital outlay account, which is classified under reserves in the Statement of financial position.

2.2 Government grants

2.2.1 Government capital grants

Government grants for carrying out capital projects are not netted off against the cost of the capital projects but are listed instead and accumulated in a capital grants received account, which is classified under capital discharged in the Statement of financial position.

2.2.2 Government rates revenue grants

Government revenue grants received in respect of rates are offset against Government rates debtors.

2.2.3 Other government revenue grants

These grants are credited to the respective recipient votes.

2.3 Property, plant and equipment

It is not the policy of the Council to provide depreciation on fixed assets with a finite useful life because the full cost of such asset is treated as a direct charge against the revenues of the Council. Other fixed assets are depreciated on the reducing balance basis by reference to the expected useful life of the asset concerned. The principal annual rates, used for their purpose are: -

Furniture and Equipment	10%
Computer Equipment	33%
Motor Vehicles	10% - 25%

2.4 Inventory

Inventories are valued using the lower of cost and net realisable value. Cost for stores and materials are determined using the first in first out basis.

2.5 Leased assets

Leases of property, plant and equipment where the Council assumes substantially all the benefits and risks of ownership are classified as finance leases. Assets leased in terms of the finance lease agreements are capitalised at the estimated present value of the underlying lease payments and are depreciated in accordance with the policies applicable to all items of property, plant and equipment. The corresponding rental obligations, net of finance charges, are included in other long-term payables. Lease charges are amortised over the duration of the leases by the effective interest rate method.

All costs relating to operating leases are charged to income as incurred.

2.6 Rates income

Rates income is recorded based on all rateable properties within the jurisdiction of the Council. The figures are extracted from the master valuation roll and amended from time to time when a supplementary valuation roll is prepared.

2.7 Financial instruments

Financial instruments carried on the Statement of financial position include cash and bank balances, investments, receivables, accounts payables and borrowing. These instruments are generally carried at their estimated fair value. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

2.8 Revaluation Reserve

The revaluation reserve recognised in the Statement of financial position relates to the revaluation of the Council's land and buildings which is revalued every 5 years. In accordance with IAS 16: Property, plant and equipment, the surplus is transferred to retained earnings as the asset is used by the company. The amount of the surplus transferred is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Transfers from revaluation surplus to retained earnings are made through the statement of changes in equity.

2.9 Financial assets

The Council classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

2.10 Comparative figures

Where necessary comparative figures have been adjusted to conform to changes in presentation in the current year.



NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2011

	2011 E	2010 E
1 Operating surplus for the year		
Operating surplus for the year is arrived at after taking into account the following:		
Revenue from:		
- Rates	57 937 804	47 571 053
- Administration department	1 226 977	3 412 007
- Service departments	3 619 956	1 820 740
- Subvention and grants	3 288 000	7 927 784
	66 072 737	60 731 584
Operating expenditure	58 753 654	54 084 427
- Administration department	27 841 331	29 895 511
- Service departments	27 624 323	20 900 916
- Grants	3 288 000	3 288 000
	1 530 679	652 925
2 Finance income - net		
Interest income	2 232 725	1 087 486
Interest expense	(702 046)	(434 561)
	1 530 679	652 925
3 Investments		
Revolving Fund Account - Water Projects	-	71 115
New Mall (Proprietary) Limited - Shares	50	50
Mahwalala Zone 5 Fund Account	-	121 994
New Mall (Proprietary) Limited - Loan	5 636 837	5 708 015
	5 636 887	5 901 174

Council has a 50% shareholding in New Mall (Pty) Ltd. This investment is accounted for at cost (E50) in the books of Council. Council's estimate of its share of the equity of the New Mall (Pty) Ltd as at 31 March 2011 is E5 636 837 (2010: 5 708 015).

The Revolving Fund Account and the Mahwalala Zone Fund Account have been transferred to cash and cash equivalent (Note 13)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2011

4 Property Plant and Equipment

	Land and Building	Office Equipment	Furniture and Fittings	Computer Equipment	Motorvehicle	Roads	Total
Year Ended 31 March 2011							
Opening Book Amounts	178 626 338	1 368 835	591 053	2 257 383	8 400 516	629 750	191 873 875
Additions	352 530	251 563	109 315	620 806	830 824	7 345 500	9 510 538
Disposals	-	(164 597)	-	(872 873)	-	-	(2 041 351)
Depreciation Charge	-	-	(75 606)	-	-	-	-
Closing Net Book Value	178 978 868	1 455 801	624 762	2 005 316	8 303 065	7 975 250	199 343 062
At 31 March 2011							
Cost	178 978 868	2 654 360	1 188 458	6 680 406	20 295 436	7 975 250	217 772 778
Accumulated Depreciation	-	(1 198 559)	(563 696)	(4 675 090)	(11 992 371)	-	(18 429 716)
Net Book Value	178 978 868	1 455 801	624 762	2 005 316	8 303 065	7 975 250	199 343 062
Year Ended 31 March 2010							
Opening Book Amounts	176 228 586	1 369 273	545 661	1 057 946	7 262 207	-	186 463 673
Additions	2 397 751	153 484	102 069	2 319 118	2 148 598	629 750	7 750 770
Disposals	-	(12 804)	(1 019)	(13 689)	(67 502)	-	95 014
Depreciation	-	(141 118)	(55 658)	(1 105 991)	(942 786)	-	(2 245 554)
Closing Net Book Value	178 626 338	1 368 835	591 053	2 257 383	8 400 516	629 750	191 873 875
At 31 March 2010							
Cost	178 626 338	2 402 797	1 079 143	6 059 600	19 464 613	629 750	208 262 240
Accumulated Depreciation	-	(1 033 962)	(488 090)	(3 802 217)	(11 064 096)	-	(16 388 365)
Net Book Value	178 626 338	1 368 835	591 053	2 257 383	8 400 516	629 750	191 873 875

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2011

	2011 E	2010 E
5 Inventory		
Inventory represents consumable goods, raw materials, work in progress and finished goods. Where necessary specific provision is made for obsolete inventory. The Municipal council did not raise any provision in the current year	<u>528 304</u>	<u>430 566</u>
6 Trade and other receivables		
Assessment rates	16 371 931	14 478 313
Provision for doubtful debts	<u>(12 663 386)</u>	<u>(10 357 182)</u>
Staff debtors	310 696	353 512
Sundry debtors	3 270 760	2 852 461
Prepayments	477 724	451 925
	<u>7 767 725</u>	<u>7 779 029</u>
7 Revaluation reserve		
Revaluation of land and buildings	<u>29 345 575</u>	<u>29 345 575</u>
The revaluation reserve results from a surplus on the revaluation of land and buildings in 2008		
8 Other reserves		
Revenue contribution to capital outlay	24 189 819	23 067 621
Government grants	56 448 326	52 094 326
Government grants - Urban Development Project	83 123 001	83 123 001
Government Foreign exchange Subvention	4 661 145	4 661 145
New Mall land reserve	1 531 780	1 531 780
Millennium structure - City of Taipei grant	28 802	28 802
Government contributions	3 431 466	3 431 466
(DBRD) grant - Urban Development Project (UDP)	5 136 600	5 136 600
Coronation Park Grant from Finland	1 720 789	1 303 873
Parking space development fund	186 782	186 782
MUFP Project	498 394	-
	<u>180 956 904</u>	<u>174 565 396</u>
9 Borrowings		
International Bank for Reconstruction and Development		
Loan	2 929 954	3 180 020
Standard Bank of Swaziland - leases	<u>4 670 553</u>	<u>4 966 121</u>
Total borrowings	<u>7 600 507</u>	<u>8 155 141</u>
Less: current portion included in current liabilities	<u>(1 649 145)</u>	<u>(1 693 463)</u>
IBRD loan	259 066	259 066
Standard Bank of Swaziland - leases	<u>1 390 079</u>	<u>1 434 397</u>
Non-current	<u>5 951 362</u>	<u>6 461 678</u>

International Bank for Reconstruction and Development loan:

The loan is payable semi-annually commencing in the year 2001 over a period of 18 years. Interest is at inflation plus 2%. The loan is secured by a guarantee by the Government of Swaziland.

Finance lease agreements:

These are repayable in equal monthly installments over periods ranging between 3 to 5 years at varying interest rates. These are secured by motor vehicles costing E3 318 650.

	2011 E	2010 E	
10 Trust funds			
Swaziland Government Land Sales	3 536 113	3 003 045	
Low cost housing (Rent)	205 075	205 075	
Mahwalala Zone 5 Project	78 914	78 914	
Swazi Plaza and Swaprop Development	192 891	192 891	
Package 14 & 15 deposits	262 662	231 099	
UDP Plot Sales	925 416	48 414	
Nkwalini Zone 4	15 577	-	
	<u>5 216 648</u>	<u>3 759 438</u>	
11 Trade and other payables			
Trade creditors	2 260 069	1 407 012	
Special creditors	2 383 286	731 645	
Accrued interest and commitment fees	39 134	(104 992)	
SNHB POFS	2 780	2 780	
Other	36 028	282 288	
Commissioner of Taxes (PAYE)	(14 429)	(14 429)	
	<u>4 706 868</u>	<u>2 304 304</u>	
12 Employee benefits liabilities			
	Leave pay E	Service gratuity E	Total E
At 1 April 2010	1 411 946	224 804	1 636 750
Used during the year	(35 656)	-	(35 656)
At 31 March 2011	<u>1 376 290</u>	<u>224 804</u>	<u>1 601 094</u>
13 Cash and cash equivalents	2011 E	2010 E	
Cash at bank	29 883 618	21 077 638	
African Alliance Swaziland	15 603	14 670	
	<u>29 899 221</u>	<u>21 092 308</u>	
14 Notes to the Statement of cash flows			
14.1 Cash and cash equivalents			
Cash and cash equivalents included in the cash flow statement comprise the following Statement of financial position amounts:			
Cash and bank balances	29 899 221	21 092 308	
Bank overdraft - Standard Bank Swaziland Limited	-	(2 412 505)	
	<u>29 899 221</u>	<u>18 679 803</u>	
14.2 Reconciliation of the deficit for the year to cash utilised in operations:			
Surplus for the year	8 849 762	7 305 083	
Adjustments:			
Government grants and subventions received	(3 288 000)	(7 927 784)	
Depreciation	2 041 351	2 245 554	
Profit on disposal	-	(154 485)	
Interest received	(2 232 725)	(1 087 485)	
Interest expense	702 046	434 560	
	<u>6 072 434</u>	<u>815 443</u>	

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2011

	2011 E	2010 E
Working capital movement	2 280 474	(549 888)
Decrease in trade and other receivables	11 304	9 274 170
(Increase) in inventory	(97 738)	(188 172)
Increase / (decrease) in trade and other payables	2 402 563	(7 677 132)
(Decrease) in employee benefit liabilities	(35 655)	(1 958 754)
Cash generated from operations	8 352 908	265 555
15 Assessment rates		
	Actual Income 2011 E	Actual Income 2010 E
Rates - private	28 269 117	23 358 166
Rates - Government	27 787 931	22 616 431
	56 057 048	45 974 597
Site valuations as at 1 April 2008 - Residential and Commercial	3 101 241 999	3 101 241 999
Valuations of land are performed once every five years and annual supplementary valuations to include new Properties and modifications on existing properties. The last general valuation came into effect on 1 April 2008.		
16 Councillors' fees		
Fees paid to Councillors during the year	366 535	333 886
17 Auditors' remuneration		
Audit fees - current year	234 758	195 187
18 Appropriations		
Accumulated surplus/(deficit) at the beginning of the year	4 897 841	(2 407 242)
Operating surplus for the year	8 849 762	7 305 083
	13 747 603	4 897 841
19 Retirement benefits		

All Council employees now belong to defined contribution schemes but separately administered by AON Swaziland and Swaziland Employee Benefit Consultants (Proprietary) Limited.

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