

Key Financial Indicators

Financial Indicators	Basis of Calculation	MTREF					Medium Term Revenue & Expenditure Framework		
		2004/2005	2005/2006	2006/2007	Current Year 2007/2008		2008/2009	2009/2010	2010/2011
		Audited Actual	Audited Actual	Audited Actual	Approved Budget	Adjustment Budget	Budget Year	Budget Year	Budget Year
Borrowing Management									
Borrowing to Asset Ratio	Total Long Term Borrowing / Total Assets								
Capital Charges to Opex. Expenditure	Interest & Principal paid / Operating Expenditure								
Safety of Capital									
Debt to Equity	Loans, Accounts Payable O/Draft & Tax Provision / Funds & Reserves								
Gearing	Funds & Reserves / Long Term Borrowing								
Liquidity									
Current Ratio	Current Assets less Consumer Debtors >1yr / Current Liabilities								
Liquidity Ratio	Monetary Assets / Current Liabilities								
Revenue Management									
Annual Debtors Collect. Rate (Payment Level %)	Last 12 mths Receipts / Last 12 mths Billing								
Arrear Debtors to Revenue	Total Arrear Debtors / Annual Revenue								
Greater than 90 days Debtors Reduction due to Recovery	Debtors > 12 mths old Recovered / Total Debtors > 12 mths old								
Creditors Management									
Creditors System Efficiency	% of creditors paid within 30 days (sect. 65e of the MFMA)								
Funding of Provisions									
% of Provisions not Funded (e.g Provisions for Employee Benefits)	Unfunded Provisions / Total Provisions as a %								
Other Indicators									
Electricity Distribution Losses Percentage Value	(Total Units purchased less Total Units sold) / Total units purchased								
Water Distribution Losses Percentage Value	(Total Units purchased less Total Units sold) / Total units purchased								