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Johannesburg Tourism Company NPC
Annual Financial Statements
for the year ended 30 June 2014

These annual financial statements were prepared by:
Victor Changwa
Financial Accountant

Johannesburg Tourism Company NPC

(Registration number 2003/0089973/08)

Annual Financial Statements for the year ended 30 June 2014

General Information

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	Establishing and Developing Tourism in the City of Johannesburg
REGISTERED OFFICE	Ground Floor, Grosvenor Corner 195 Jan Smut Avenue Parktown North Johannesburg
BUSINESS ADDRESS	Ground Floor, Grosvenor Corner 195 Jan Smut Avenue Parktown North Johannesburg 2012
POSTAL ADDRESS	PO Box 1293 Parklands 2012
AUDITORS	The Auditor General of South Africa
COMPANY REGISTRATION NUMBER	2003/0089973/08
PREPARER	The annual financial statements were internally compiled by: Victor Changwa Financial Accountant

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Abbreviations

COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)
JTC	Johannesburg Tourism Company NPC

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Municipal Manager's approval of the Annual Financial Statements

I am responsible for the preparation of the Annual Financial Statements in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

The Annual Financial Statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.



Accounting Officer
Municipal Manager

Report of the auditor-general to Gauteng Provincial Legislature and the council of the city of Johannesburg Metropolitan Municipality on the Johannesburg Tourism Company NPC

Report on the financial statements

Introduction

1. I have audited the financial statements of Johannesburg Tourism Company NPC set out on pages ... to ..., which comprise, the statement of financial position as at 30 June 2014, the statement of financial performance, statement of changes in net assets, the cash flow statement, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. 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 management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Johannesburg Tourism Company NPC as at 30 June 2014, and its financial performance and cash flow statement for the year then ended in accordance with SA Standards of GRAP and the requirements of the MFMA.

Emphasis of matters

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Going concern

8. As disclosed in note 11 to the financial statements, The City of Johannesburg conducted an institutional review and as a result, the City of Johannesburg has reintegrated

Johannesburg Tourism Company's operations back into the City of Johannesburg. The company has not traded during the year or the preceding financial year. The company received no income and incurred no expenditure and therefore made neither profit nor loss

Additional matters

9. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Other reports required by the Companies Act

10. As part of our audit of the financial statements for the year ended 30 June 2014, I have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports I have not identified material inconsistencies between the reports and the audited financial statements. I have not audited the reports and accordingly do not express an opinion on them.

Unaudited disclosure notes

11. In terms of section 125(2) (e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

Report on other legal and regulatory requirements

12. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings relevant to the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters

Predetermined objectives

13. I did not audit performance against predetermined objectives, as the entity is not required to prepare a report on its performance against predetermined objectives. There are no matters to report, as the entity was dormant for the year under review.

Compliance with legislation

14. I performed procedures to obtain evidence that the entity has complied with applicable legislations regarding financial matters, financial management and other related matters.
15. I did not identify any instances of material non-compliance with specific matters in key applicable legislations as set out in the general notice issued in terms of the PAA.

Internal control

16. I considered internal control relevant to my audit of the financial statements and compliance with legislation. I did not identify any significant deficiencies in internal control.

Auditor General

Johannesburg

30 November 2014



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Johannesburg Tourism Company NPC

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Accounting Officer's Report

The Directors submit their report for the year ended 30 June 2014.

1. INCORPORATION

The entity was incorporated on 16 April 2003 and obtained its certificate to commence business on the same day.

2. REVIEW OF ACTIVITIES

Main Business and Operations

The entity is an investment and management entity with trading controlled entities engaged in establishing and developing tourism in the city of Johannesburg. The entity operates principally in South Africa.

The company has not traded during the year or the preceding financial year. During these years, the company received no income and incurred no expenditure and therefore made neither profit nor loss.

The operating results and state of affairs of the entity are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

Net surplus of the entity was Rnil (2013: deficit R 17,604,351). The company is exempt from income tax.

3. DIRECTORS PERSONAL FINANCIAL INTEREST IN CONTRACTS

The Directors of the company did not have any interest in contracts entered into by the company.

4. ACCOUNTING POLICIES

The Annual Financial Statements were prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

5. BORROWING LIMITATIONS

In terms of the Articles of Association of the entity, the directors may exercise all the powers of the entity to borrow money, as they consider appropriate, but this is subject to the approval of the City of Johannesburg Metropolitan Municipality.

6. GOING CONCERN

As a result of the institutional review process by the City of Johannesburg leading to the integration of Johannesburg Tourism Company operations into the City of Johannesburg Municipality on 31 May 2013, the Annual Financial Statements are prepared on a discontinued operations basis.

7. CORPORATE GOVERNANCE

General

The Directors are committed to business integrity, transparency and professionalism in all its activities. As part of this commitment, the directors supports the highest standards of corporate governance and the ongoing development of best practice.

The entity confirms and acknowledges its responsibility to total compliance with the Code of Corporate Governance and Conduct ("the Code") laid out in the King III Report. The directors discussed the responsibilities of management in this respect, at Board meetings and monitored the entity's compliance with the code on a regular basis.

The salient features of the Entity's adoption of the Code are outlined below:

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Accounting Officer's Report

Board of Directors

The Board:

- retains full control over the entity, its plans and strategy;
- acknowledges its responsibilities as to strategy, compliance with internal policies, external laws and regulations, effective risk management and performance measurement, transparency and effective communication both internally and externally by the entity;
- is of a unitary structure comprising:
 - 4 Non-executive directors, all of whom are independent directors as defined in the Code; and
 - 1 Executive director.

Chairperson and chief executive Officer

The Chairperson is an Independent Non-Executive and Director (as defined by the Code).

The roles of Chairperson and Chief Executive are separate, with responsibilities divided between them, so that no individual has unfettered powers of discretion.

Remuneration

The upper limits of the remuneration of the Chief Executive Officer, and the Chief Financial Officer are determined by the City of Johannesburg, and the Directors will determine the remuneration within the above mentioned limits.

Board Meetings

The Directors have met on 2 separate occasions during the financial year.

Non-executive directors have access to all members of management of the entity.

Name	Board Meeting	Audit Committee Meeting
Nomvuyiso Antoinette Batyi	2	-
Karen Parirenyatwa	2	1
Albert Torres	2	1
Hendrik Wessel Roodt	2	-

Risk and Audit Committee

The Risk and Audit Committee is responsible for ensuring that all the activities of the company are subject to independent review. It also monitors on behalf of the Board, the company's financial affairs and its relationship with its auditors.

The committee has the following responsibilities:

1. Monitoring the quality, integrity and reliability of the company's compliance with the relevant legislation and ensuring that an appropriate system of internal control is maintained to protect the assets of the company.
2. The evaluation of the independence, objectivity and effectiveness of the external and internal auditors, considering the accounting and auditing policies and addressing concerns, identified by the auditors.
3. Promoting the accuracy, reliability and credibility of financial reporting and reviewing the annual financial statements and annual report of the company for recommendation for approval by the Board.
4. Risk management and the implementation and monitoring of risk management programmes and internal control systems on behalf of the Board.

The Audit and Risk Committee was chaired by an independent member, Albert Torres. The chairman attends Board meetings in order to give feedback on the work of the committee. The committee is assisted by one independent member appointed by the City of Johannesburg; she is Karen Parirenyatwa.

Internal Audit

The Internal Auditors have conducted a close out internal audit and have been mandated to monitor the wind up and integration process.

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Accounting Officer's Report

8. CONTROLLING ENTITY

The entity's controlling entity is the City of Johannesburg Metropolitan Municipality..

9. AUDITORS

The Auditor General of South Africa will continue in office in accordance with the Public Audit Act No 25, section 92 of the Municipal Finance Management Act No 56 of 2003 and Act 71 of 2008 of the Companies Act.

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Statement of Financial Position as at 30 June 2014

Figures in Rand	Note(s)	2014	2013
LIABILITIES			
NET ASSETS			
Accumulated capital / contributed capital		20,477,939	20,477,939
Accumulated deficit		(20,477,939)	(20,477,939)
Total Net Assets		-	-

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Statement of Financial Performance

Figures in Rand	Note(s)	2014	2013
Revenue			
Other income	5	-	48,739
Interest received - Investment	5	-	343,641
Total revenue		-	392,380
Expenditure			
Personnel	7	-	(5,060,056)
Depreciation and amortisation	8	-	(952,712)
Finance costs	9	-	(42,302)
Repairs and maintenance		-	(154,613)
Operating Expenses	6	-	(11,781,025)
Total expenditure		-	(17,990,708)
Operating deficit		-	(17,598,328)
Loss on disposal of assets and liabilities		-	(6,023)
Deficit for the year		-	(17,604,351)

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Statement of Changes in Net Assets

Figures in Rand	Note(s)	Contributed Capital	Accumulated deficit	Total equity
Balance at 01 July 2013		19,279,409	(1,970,633)	17,308,776
Changes in net assets				
Transfer of Shareholder loan		1,198,530	-	1,198,530
Transfer of functions to City of Johannesburg		-	(902,955)	(902,955)
Reversal of impairment losses on revalued capital assets		1,198,530	(902,955)	295,575
Deficit for the year		-	(17,604,351)	(17,604,351)
Total changes		1,198,530	(18,507,306)	(17,308,776)
Balance at 01 July 2013		20,477,939	(20,477,939)	-
Balance at 30 June 2014		20,477,939	(20,477,939)	-

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Cash Flow Statement

Figures in Rand	Note(s)	2014	2013
Cash flows from operating activities			
Receipts			
Interest income		-	343,641
Other receipts		-	2,967,969
			<u>3,311,610</u>
Payments			
Employee costs		-	(4,218,430)
Finance costs		-	(36,871)
Other payments		-	1,080,555
			<u>(3,174,746)</u>
Net cash flows from operating activities	11	-	<u>136,864</u>
Cash flows from investing activities			
Cash flows from financing activities			
Finance lease payments		-	<u>(139,611)</u>
Net increase/(decrease) in cash and cash equivalents		-	<u>(2,747)</u>
Cash and cash equivalents at the beginning of the year		-	<u>2,747</u>
Cash and cash equivalents at the end of the year		-	<u>-</u>

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Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Transfer of functions between entities under common control

Definitions

Carrying amount of an asset or liability is the amount at which an asset or liability is recognised in the statement of financial position.

Control is the power to govern the financial and operating policies of another entity so as to benefit from its activities.

A function is an integrated set of activities that is capable of being conducted and managed for purposes of achieving an entity's objectives, either by providing economic benefits or service potential.

Transfer date is the dates as agreed to per the transfer agreement 31 May 2013.

A transfer of functions is the reorganisation and/or the re-allocation of functions between entities by transferring functions between entities or into another entity.

A transferor is the entity that relinquishes control of a function.

Identifying the acquirer and transferor

Determining the acquirer includes a consideration of, amongst other things, which of the entities involved in the transfer of functions initiated the transaction or event, the relative size of the entities, as well as whether the assets or revenue of one of the entities involved in the transaction or event significantly exceed those of the other entities. If no acquirer can be identified, the transaction or event is accounted for in terms of the Standard of GRAP on Mergers.

Determining the transfer date

The acquirer and the transferor identify the transfer date, which is the date on which the acquirer obtains control and the transferor loses control of that function.

All relevant facts and circumstances are considered in identifying the transfer date.

Assets transferred and liabilities relinquished

The derecognition of assets and liabilities, is subject to the following conditions:

The assets transferred and the liabilities relinquished are part of what had been agreed in terms of the binding arrangement.

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Accounting Policies

1.1 Transfer of functions between entities under common control (continued)

Accounting by the entity as transferor

Derecognition of assets transferred and liabilities relinquished

As of the transfer date, the entity derecognises from its annual financial statements, all the assets transferred and liabilities relinquished in a transfer of functions at their carrying amounts.

Until the transfer date, the entity continues to measure these assets and liabilities in accordance with applicable Standards of GRAP.

The consideration received from the acquirer can be in the form of cash, cash equivalents or other assets. If the consideration received is in the form of other assets, the entity measures such assets at their fair value on the transfer date in accordance with the applicable Standard of GRAP. The difference between the carrying amounts of the assets transferred, the liabilities relinquished and the consideration received from the acquirer is recognised in accumulated surplus or deficit.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Provisions

Provisions are recognised as liabilities when they are present obligations and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligations.

Useful lives of fixed assets

The company's management determines the estimated useful lives and related depreciation charges for the fixed assets. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

1.3 Property, plant and equipment

Property, plant and equipment are tangible non-current assets that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Leasehold property	5 Years

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Accounting Policies

1.3 Property, plant and equipment (continued)

Motor vehicles	7 Years
Office equipment	10 Years
IT equipment	5 Years

1.4 Financial instruments

Classification

The entity classifies financial assets and financial liabilities into loans and receivables.

Classification depends on the purpose for which the financial instruments were obtained and takes place at initial recognition.

Initial recognition and measurement

Financial instruments are recognised initially when the entity becomes a party to the contractual provisions of the instruments.

The entity classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Loans to shareholders, directors, managers and employees

These financial assets are classified as loans and receivables.

Receivables from exchange transactions

Trade and other receivables are classified as receivables.

Payables from exchange transactions

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

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Accounting Policies

1.5 Leases (continued)

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.6 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.7 Revenue from exchange transactions

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

1.8 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.9 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

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Accounting Policies

1.10 Irregular expenditure

Irregular expenditure as defined in section 1 of the MFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the MFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

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Notes to the Annual Financial Statements

Figures in Rand

2014
R

2013
R

2. Property, plant and equipment

Reconciliation of property, plant and equipment - 2014

Reconciliation of property, plant and equipment - 2013

	Opening balance	Disposals	Transfers	Depreciation	Total
Leasehold property	255,042	-	(156,825)	(98,217)	-
Motor vehicles	158,728	-	(125,096)	(33,632)	-
Office equipment	1,444,973	-	(1,151,972)	(293,001)	-
Computer equipment	575,550	(6,023)	(367,730)	(201,797)	-
Total	2,434,293	(6,023)	(1,801,623)	(626,647)	-

The following leased assets are included in Property, Plant and Equipment listed above

	2014			2013		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Land	-	-	-	46,364	-	46,364
Office equipment	-	-	-	139,345	(107,282)	32,063
Soccer city	-	-	-	3,138	-	3,138
Specialised vehicles	-	-	-	306,414	(186,559)	119,855
Total	-	-	-	495,261	(293,841)	201,420

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Figures in Rand

2014

2013

3. Intangible assets

Reconciliation of intangible assets - 2014

Reconciliation of intangible assets - 2013

	Opening balance	Disposals	Transfers	Amortisation	Impairment loss	Total
Computer software	529,732	-	(380,896)	(148,836)	-	-
Other intangible assets	766,337	-	(589,108)	(177,229)	-	-
	1,296,069	-	(970,004)	(326,065)	-	-

4. Revenue

Other revenue	-	48,739
Interest received - Investment	-	343,641
	-	392,380

The amount included in revenue arising from exchanges of goods or services are as follows:

Other income	-	48,739
Interest received - Investment	-	343,641
	-	392,380

5. Other income

Other income	-	48,739
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6. Operating expenses

Accounting fees	-	32,514
Advertising and destination marketing	-	2,184,955
Auditors remuneration	-	483,750
Bank charges	-	45,933
Cleaning	-	100,359
Computer expenses	-	104,165
Consulting and professional fees	-	558,519
Small office replacements	-	3,536
Entertainment	-	19,610
Insurance	-	72,222
Exhibitions and conferences	-	4,134,613
IT expenses	-	70,670
Lease rentals on operating lease	-	1,134,138
Motor vehicle expenses	-	96,567
Postage and courier	-	103,815
Printing and stationery	-	121,524
Security	-	15,002
Staff welfare	-	22,954
Subscriptions and membership fees	-	163,655
Telephone and fax	-	379,766
Training	-	76,061
Tourism development	-	1,583,956
Sundry cost	-	22,952
Rental operational cost	-	249,789
	-	11,781,025

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7. Personnel costs

Basic cost: Salaries and wages	-	5,504,528
Bonus	-	(717,697)
Leave pay provision charge	-	183,613
Short term benefit (UIF and SDL)	-	89,612
	-	5,060,056

All employees of JTC were transferred to CoJ on 30 November 2013 as was detailed in the transfer agreement.

Remuneration of Chief Finance Officer

Annual Remuneration	-	388,652
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Remuneration of Executive Director

Annual Remuneration	-	410,263
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Remuneration of Non Executive Directors

Annual Remuneration	-	1,145,020
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The Non Executive Directors Fees include the retainer fees for 2010/11, 2011/12 and 2012/13 financial years recognised in the 2012/13 Financial year.

8. Depreciation and amortisation

Property, plant and equipment	-	626,646
Intangible assets	-	326,066
	-	952,712

Depreciation amount relates to non current assets depreciated up to 31 May 2013 which were subsequently transferred to the City Of Johannesburg. Please refer to Note 33.

9. Finance costs

Trade and other payables	-	5,431
Finance leases	-	36,871
	-	42,302

10. Auditors' remuneration

Fees	-	483,750
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11. Cash generated from operations

Deficit	-	(17,604,351)
Adjustments for:		
Depreciation and amortisation	-	952,712
Gain on sale of assets and liabilities	-	6,023
Finance costs - Finance leases	-	36,871
Changes in working capital:		
Trade and other receivables	-	17,936,389
Prepayments	-	(109,687)
Payables from exchange transactions	-	(1,633,348)
VAT	-	552,255
	-	136,864

12. Related parties

Relationships	
Controlling entity	City of Johannesburg Metropolitan Municipality
Entities under common control	City of Johannesburg Housing Company City of Johannesburg Property Company SOC Ltd City Power Johannesburg SOC Ltd Johannesburg City Parks NPC Johannesburg Development Agency SOC Ltd Johannesburg Metropolitan Bus Services SOC Ltd Johannesburg Roads Agency SOC Ltd Johannesburg Water SOC Ltd Pikitup Johannesburg SOC Ltd The Johannesburg Civic Theatre NPC Ltd The Johannesburg Fresh Produce Market SOC Ltd The Johannesburg Zoo NPC Johannesburg Social Housing Company SOC Ltd

Related party transactions

Sales to related parties

City of Johannesburg Metropolitan Municipality (Municipal grant / Interest)	-	343,641
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13. Going concern

The City of Johannesburg conducted an institutional review and as a result, the City of Johannesburg has reintegrated JTC's operations back into the City of Johannesburg.

The company has not traded during the year or the preceding financial year. During these years, the company received no income and incurred no expenditure and therefore made neither profit nor loss.

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14. Irregular expenditure

Details of irregular expenditure

- Kwinana & Associates	-	150,480
- Absolute HR Services and Support	-	42,575
- Boomtown Brand Strategic Agency	-	1,116,583
- Globalflight Worldwide Express SA	-	94,060
	-	63,475
	-	29,993
	-	80,179
	-	138,590
	-	184,691
	-	190,000
	-	94,050
	-	112,860
	-	100,000
	-	87,005
	-	62,846
	-	99,950
	-	11,400
	-	1,044,949
	-	1,520,760
	-	647,661
	-	27,634
Less: Irregular expenditure condoned	-	-
	-	5,899,741

The irregular expenditure relates to the services rendered by the said suppliers to the Johannesburg Tourism Company in the last Financial year.

15. Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure

Opening balance	-	105,314
Fruitless and wasteful expenditure current year	-	15,885
	-	121,199

The last year's fruitless and wasteful expenditure relates to interest paid to suppliers for late payments. Telkom invoice received late due to the delay in postage amounting to R1 824.52 and R10 453.20 relates to over payments made to employees due to salary increases incorrectly calculated. Furthermore interest on PAYE amounted to R3 606.68

16. Reconciliation between budget and statement of financial performance

Reconciliation of budget surplus/deficit with the surplus/deficit in the statement of financial performance:

Adjusted for:

Revenue	-	(392,380)
Operating expenditure	-	3,554,731
Net surplus per approved budget	-	3,162,351

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Figures in Rand	2014	2013
17. TRANSFER OF OPERATIONS TO COJ		
ASSETS		
	-	1,801,623
	-	452
	-	1,132,652
	-	970,005
	-	373,602
	-	-
	-	4,278,334
LIABILITIES		
	-	(2,386,556)
	-	(76,310)
	-	(912,515)
	-	(3,375,381)
NET ASSETS		
	-	(902,952)

As a result of the institutional review process by the City of Johannesburg leading to the integration of JTC's operations into the City on 31 May 2013, the Annual Financial Statements are prepared on a discontinued operations basis and significant adjustments were passed in 2012/13 to account for the integration process.