



**METROPOLITAN
TRADING
COMPANY**

THE METROPOLITAN TRADING COMPANY SOC LTD
Annual Financial Statements
for the year ended 30 June 2014

These annual financial statements were prepared by:
Imraan Bhamjee
CFO

The Auditor-General of South Africa
Registered Auditor

Am 1 IM
(B) *(A)*

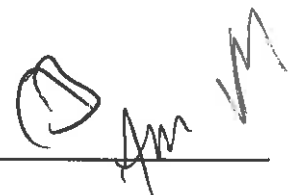
THE METROPOLITAN TRADING COMPANY SOC LTD

(Registration number 1999/011422/07)

Annual Financial Statements for the year ended 30 June 2014

General Information

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
LEGAL FORM OF ENTITY	State Owned Company
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	Dormant
DIRECTORS	Mr A Mabizela (Chairperson) Mr T Hickman Mr MJ Rabodila Mr MM Morojele Ms P Msweli Mr FD Ntombela Mr J Mabaso Mr N Rau Prof A Nevhutanda
CHIEF FINANCE OFFICER (CFO)	Imraan Bhamjee
REGISTERED OFFICE	171 Bree Street Newtown Johannesburg 2113
BUSINESS ADDRESS	171 Bree Street Metro Mall Top Deck Johannesburg 2113
POSTAL ADDRESS	P O Box 870 Newtown Johannesburg 2113
CONTROLLING ENTITY	The City of Johannesburg Metropolitan Municipality
BANKERS	Standard Bank South Africa Ltd
AUDITOR	The Auditor-General of South Africa Registered Auditor
SECRETARY	Ms V Morgan (Acting)
COMPANY REGISTRATION NUMBER	1999/011422/07



THE METROPOLITAN TRADING COMPANY SOC LTD

(Registration number 1999/011422/07)

Annual Financial Statements for the year ended 30 June 2014

Index

The reports and statements set out below comprise the annual financial statements presented to the shareholder:

Index	Page
Directors' Responsibilities and Approval	3
Audit Committee Report	4
Directors' Report	8 - 10
Company Secretary's Certification	11
Statement of Financial Position	12
Statement of Changes in Net Assets	14
Statement of Financial Performance	13
Cash Flow Statement	15
Appropriation Statement	16 - 15
Accounting Policies	16 - 26
Notes to the Annual Financial Statements	27 - 28

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
JPC	City of Joburg Property Company
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)
NPC	Non-profit company
SOC	State-owned company
SCMP	Supply Chain Management Policy

THE METROPOLITAN TRADING COMPANY SOC LTD

(Registration number 1999/011422/07)

Annual Financial Statements for the year ended 30 June 2014

Directors' Responsibilities and Approval

The directors are required by the Municipal Finance Management Act, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the directors to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

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

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The City conducted an institutional review and as a result, it has to be noted that a final decision has been made by the shareholder, the City of Johannesburg, to reintegrate MTC's mandate into the JPC. The integration commenced on the 1st of July 2012 and was completed by 30 June 2013. Taking into account the aforementioned, the annual financial statements are prepared on the discontinued operations basis by means of a transfer in terms of GRAP 105. The entity is to remain dormant.

The external auditor is responsible for independently reviewing and reporting on the entity's annual financial statements. The annual financial statements have been examined by the entity's external auditor and their report is presented on page 5.

The annual financial statements set out on pages 8 to 28, which have been prepared on the discontinued basis, were approved by the directors on 31 August 2014 and were signed on its behalf by:



Mr MJ Mashele
Chief Executive Officer



Mr A Mabizela
Chairperson of the Board



THE METROPOLITAN TRADING COMPANY SOC LTD

(Registration number 1999/011422/07)

Annual Financial Statements for the year ended 30 June 2014

Audit Committee Report

We are pleased to present our report for the financial year 2014 ended 30 June 2014.

Audit committee members and attendance

The audit and risk committee consists of the members listed below and should meet 4 times per annum as per its approved terms of reference. During the current year the committee did not meet as there were no items of discussion for the attention of the audit and risk committee.

Name of member	Number of meetings attended
Mr T Hickman (Chairperson)	-
Mr N Rau (Non-executive director)	-
Mr G Dunnington (Independent member) retired 25/02/2014	-
Mr G Mufana (Independent member) appointed 25/02/2014	-
Mr V Mokwena (Independent member) reappointed 25/02/2014	-
Ms T Molala (Independent member) reappointed 25/02/2014	-

Audit committee responsibility

The audit and risk committee reports that it has complied with its responsibilities arising from section 166(2)(a) of the MFMA.

The audit committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

Evaluation of annual financial statements

The audit and risk committee has:

- reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor-General and the directors;
- reviewed the Auditor-General of South Africa's management report and management's response thereto;
- reviewed changes in accounting policies and practices;
- reviewed the entities compliance with legal and regulatory provisions;
- reviewed significant adjustments resulting from the audit.

The audit committee concur with and accept the Auditor-General of South Africa's report the annual financial statements, and are of the opinion that the audited annual financial statements should be accepted and read together with the report of the Auditor-General of South Africa.

Internal audit

The audit and risk committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the entity and its audits.

Auditor-General of South Africa

The audit committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues.



Chairperson of the Audit Committee

Date: _____

Report of the Auditor-General to the Gauteng Provincial Legislature and Council of the City of Johannesburg Metropolitan Municipality on the Metropolitan Trading Company SOC Limited

Report on the financial statements

Introduction

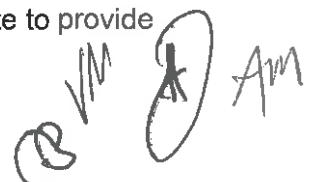
1. I have audited the financial statements of the Metropolitan Trading Company SOC Limited set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2014, the statement of financial performance, statement of changes in net assets, cash flow statement for the year then ended, and 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 the Companies Act of South Africa, 2008 (Act No. 71 of 2008) (Companies Act), 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, (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.

Handwritten signatures and initials in the bottom right corner of the page. There are three distinct marks: a stylized signature that appears to be 'BVM', a signature that appears to be 'A', and the initials 'AM'.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Metropolitan Trading Company SOC Limited as at 30 June 2014, and its financial performance and cash flows for the year then ended in accordance with SA Standards of GRAP and the requirements of the MFMA and Companies Act.

Emphasis of matter

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

Going concern

8. As disclosed in note 7 to the financial statements, the City of Johannesburg Metropolitan Municipality took a decision to re-integrate Metropolitan Trading Company SOC Limited into the City of Joburg Property Company SOC Limited in the previous financial year as the entity ceased trading. The entity is dormant and in the process of deregistration and the financial statements have been prepared on the liquidation basis.

Additional matters

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

Other reports required by the Companies Act

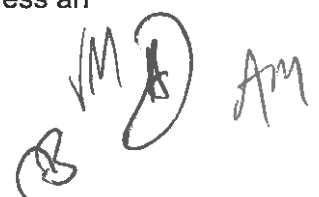
10. As part of our audit of the financial statements for the year ended 30 June 2014, I have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited 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.

Handwritten initials and signatures in the bottom right corner of the page. There are three distinct marks: a circled 'B', a circled 'M' with a signature-like flourish, and the initials 'AM'.

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.

Johannesburg

30 November 2014



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Handwritten initials and signatures: "MM", "B", "A", and "Am".

THE METROPOLITAN TRADING COMPANY SOC LTD

(Registration number 1999/011422/07)

Annual Financial Statements for the year ended 30 June 2014

Directors' Report

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

1. INCORPORATION

The entity was incorporated on 01 March 1999 and obtained its certificate to commence business on the same day.

2. REVIEW OF ACTIVITIES

Main business and operations

The entity is currently dormant.

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

The company incurred a net surplus of R nil (2013: surplus R nil).

3. GOING CONCERN

The annual financial statements have been prepared on the basis of accounting policies applicable to discontinued operations, by means of a transfer in terms of GRAP 105. The entity is to remain dormant.

The City of Johannesburg Metropolitan Municipality has provided an operating subsidy of R nil (2013: R nil). Capital expenditure was funded by the City of Johannesburg Metropolitan Municipality for the current financial year of R nil (2013: R nil).

4. SUBSEQUENT EVENTS

The directors and management are not aware of any matter or circumstance, other, arising since the end of the financial year, to the date of this report in respect of matters which would require adjustments to the annual financial statements.

5. DIRECTORS' INTEREST IN CONTRACTS

The directors of the company have declared that they did not have any personal interest in contracts entered into by the company during the year under review.

6. BORROWING LIMITATIONS

The Metropolitan Trading Company SOC Limited does not have the authority to borrow funds on its own behalf. All external funding is managed under the auspices of the City of Johannesburg Metropolitan Municipality.

7. NON-CURRENT ASSETS

There were no changes in the nature of the non-current assets of the company during the financial year. The moveable assets and immoveable assets on Erf 737 were transferred to JPC on 01 July 2012.

8. DIVIDENDS

No dividends were declared or paid to the shareholder during the year.

Handwritten signatures and initials in black ink, including a large signature, a smaller signature, and the initials 'AM'.

THE METROPOLITAN TRADING COMPANY SOC LTD

(Registration number 1999/011422/07)

Annual Financial Statements for the year ended 30 June 2014

Directors' Report

9. DIRECTORS

Name	Changes in appointment
Mr A Mabizela (Chairperson)	Reappointed 25 February 2014
Mr MJ Rabodila	Appointed 25 February 2014
Mr MM Morojele	Appointed 25 February 2014
Prof A Nevhutanda	Reappointed 25 February 2014
Mr FD Ntombela	Appointed 25 February 2014
Mr T Hickman	Reappointed 25 February 2014
Ms S Childs	Retired 25 February 2014
Ms P Msweli	Appointed 25 February 2014
Dr D Sekhukune	Retired 25 February 2014
Mr N Rau	Reappointed 25 February 2014
Mr J Mabaso	Reappointed 25 February 2014

10. SECRETARY

There was no change to the Company Secretary of MTC for the current financial year. Ms V Morgan is still acting as Company Secretary.

Business address

Top Deck, Metro Mail
171 Bree Street
Newtown
Johannesburg

Postal address

PO Box 870
Newtown
2113

11. CORPORATE GOVERNANCE

General

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

The Metropolitan Trading Company SOC Ltd confirms and acknowledges its responsibility to comply with the Code of Corporate Practices and Conduct ("the Code") laid out in the King Code on Corporate Governance. Where applicable the board of directors discuss the responsibilities of management in this respect at Board meetings and monitor the company's compliance with the Code every three months.

VM *AM*

THE METROPOLITAN TRADING COMPANY SOC LTD

(Registration number 1999/011422/07)

Annual Financial Statements for the year ended 30 June 2014

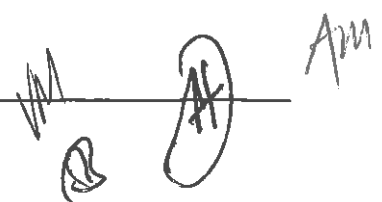
Company Secretary's Certification

Declaration by the company secretary in respect of Section 88(2)(e) of the Companies Act

In terms of Section 268G(9d) of the Companies Act, Act 61 of 1973 (as amended), section 88(2)(e) of the Companies Act 71 of 2008, and the Municipal Finance Management Act, Act 56 of 2003. I certify that the company has, to the best of my knowledge and belief, lodged with the Commissioner all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date.



Ms V Morgan
Acting Company Secretary



THE METROPOLITAN TRADING COMPANY SOC LTD

(Registration number 1999/011422/07)

Annual Financial Statements for the year ended 30 June 2014

Statement of Financial Position as at 30 June 2014

Figures in Rand	Note(s)	2014	2013
Net Assets			
Share capital and share premium	3	163,897,489	163,897,489
Accumulated surplus		(163,897,489)	(163,897,489)
Total Net Assets		<u>-</u>	<u>-</u>

Handwritten signatures and initials:
A signature resembling 'M' or 'W' above a circled signature.
Initials 'AM' to the right.

THE METROPOLITAN TRADING COMPANY SOC LTD

(Registration number 1999/011422/07)

Annual Financial Statements for the year ended 30 June 2014

Statement of Financial Performance

Figures in Rand	Note(s)	2014	2013
-----------------	---------	------	------

Handwritten marks:
A large stylized signature or mark, possibly 'M', with a vertical line through it.
A circled mark containing a vertical line.
The letters 'Ap' written to the right.

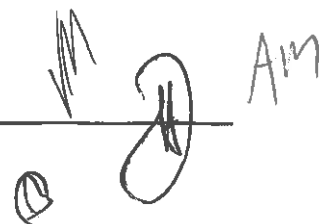
THE METROPOLITAN TRADING COMPANY SOC LTD

(Registration number 1999/011422/07)

Annual Financial Statements for the year ended 30 June 2014

Statement of Changes in Net Assets

Figures in Rand	Share capital and share premium	Share premium	Total share capital	Accumulated surplus	Total net assets
Balance at 01 July 2012	475	163,897,014	163,897,489	(74,853,415)	89,044,074
Changes in net assets					
Loss from transfer of functions between entities under common control	-	-	-	(89,044,074)	(89,044,074)
Net income (losses) recognised directly in net assets	-	-	-	(89,044,074)	(89,044,074)
Total recognised income and expenses for the year	-	-	-	(89,044,074)	(89,044,074)
Total changes	-	-	-	(89,044,074)	(89,044,074)
Balance at 01 July 2013	475	163,897,014	163,897,489	(163,897,489)	-
Balance at 30 June 2014	475	163,897,014	163,897,489	(163,897,489)	-
Note(s)	3	3	3		

Handwritten initials and signatures, including a large stylized signature and the letters 'AM'.

THE METROPOLITAN TRADING COMPANY SOC LTD

(Registration number 1999/011422/07)

Annual Financial Statements for the year ended 30 June 2014

Cash Flow Statement

Figures in Rand	Note(s)	2014	2013
Cash flows from operating activities			
Receipts			
Sale of goods and services		-	(512)
Total receipts		-	(512)
Total payments		-	-
Cash flows from financing activities			
Transfer of funds to entity under common control		-	(1,055)
Net increase in cash and cash equivalents			
		-	(1,567)
Cash and cash equivalents at the beginning of the year		-	1,567
Cash and cash equivalents at the end of the year		-	-

MM
AM

THE METROPOLITAN TRADING COMPANY SOC LTD

(Registration number 1999/011422/07)

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.

These annual financial statements have been prepared on a discontinued operations 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.

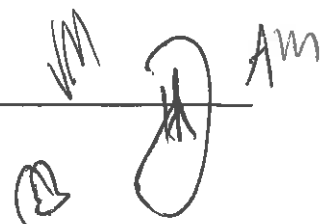
A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

The standards comprise the following:

- GRAP 1 Presentation of Financial Statements
- GRAP 2 Cashflow Statements
- GRAP 3 Accounting Policies, Changes in Accounting Estimates and Errors
- GRAP 13 Leases
- GRAP 14 Events after the reporting date
- GRAP 17 Property, Plant and Equipment
- GRAP 19 Provisions
- GRAP 102 Intangible Assets
- GRAP 105 Transfer of functions of entities under common control

GRAP 105 has been adopted early, on 01 July 2013, by the City of Johannesburg Metropolitan Municipality

These accounting policies are consistent with the previous period.

Handwritten initials and signatures in the bottom right corner of the page, including a large signature and the letters 'AM'.

THE METROPOLITAN TRADING COMPANY SOC LTD

(Registration number 1999/011422/07)

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.1 Transfer of functions between entities under common control

Definitions

An acquirer is the entity that obtains control of the acquiree or transferor.

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.

A merger is the establishment of a new combined entity in which none of the former entities obtains control over any other and no acquirer can be identified.

Transfer date is the date on which the acquirer obtains control of the function and the transferor loses control of that function.

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.

Common control - For a transaction or event to occur between entities under common control, the transaction or event needs to be undertaken between entities within the same sphere of government or between entities that are part of the same economic entity. Entities that are ultimately controlled by the same entity before and after the transfer of functions are within the same economic entity.

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. A function consists of inputs and processes applied to those inputs that have the ability to create outputs. A function can either be a part or a portion of an entity or can consist of the whole entity. Although functions may have outputs, outputs are not required to qualify as a function. The three elements of a function are defined as follows:

- Input: Any resource that creates, or has the ability to create, outputs when one or more processes are applied to it.
- Process: Any system, standard, protocol, convention or rule that when applied to an input or inputs, creates or has the ability to create outputs.
- Output: The result of inputs and processes applied to achieve and improve efficiency. This may be in the form of achieving service delivery objectives, or the delivery of goods and/or services.

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.

1.2 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

THE METROPOLITAN TRADING COMPANY SOC LTD

(Registration number 1999/011422/07)

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.2 Investment property (continued)

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Cost model

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value by equal installments over the useful life of the property, which is as follows:

Item	Useful life
Property - land	indefinite
Property - buildings	6 - 25 years

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

When classification is difficult, the criteria used to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of operations, are as follows:

- Where the owner occupied space is less than 40% of total space, property is classified as investment property.

1.3 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure 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.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

THE METROPOLITAN TRADING COMPANY SOC LTD

(Registration number 1999/011422/07)

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.3 Property, plant and equipment (continued)

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

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
Plant and machinery	3 - 6 years
Furniture and fixtures	6 - 10 years
Motor vehicles	4 - 6 years
Office equipment	3 - 5 years
IT equipment	2 - 5 years

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the entity holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. These assets are not accounted for as non-current assets held for sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

1.4 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

THE METROPOLITAN TRADING COMPANY SOC LTD

(Registration number 1999/011422/07)

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.4 Intangible assets (continued)

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Amortisation of intangible assets begin when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Amortisation ceases when the intangible asset is derecognised.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software	5 - 7 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised.

1.5 Financial instruments

Classification

The entity classifies financial assets and financial liabilities into the following categories:

- Held-to-maturity investment
- Loans and receivables
- Available-for-sale financial assets
- Financial liabilities measured at amortised cost

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.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument.

Regular way purchases of financial assets are accounted for at trade date.

Subsequent measurement

THE METROPOLITAN TRADING COMPANY SOC LTD

(Registration number 1999/011422/07)

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.5 Financial instruments (continued)

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

Held-to-maturity investments are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Available-for-sale financial assets are subsequently measured at fair value. This excludes equity investments for which a fair value is not determinable, which are measured at cost less accumulated impairment losses.

Gains and losses arising from changes in fair value are recognised in equity until the asset is disposed of or determined to be impaired. Interest on available-for-sale financial assets calculated using the effective interest method is recognised in surplus or deficit as part of other income. Dividends received on available-for-sale equity instruments are recognised in surplus or deficit as part of other income when the entity's right to receive payment is established.

Changes in fair value of available-for-sale financial assets denominated in a foreign currency are analysed between translation differences resulting from changes in amortised cost and other changes in the carrying amount. Translation differences on monetary items are recognised in surplus or deficit, while translation differences on non-monetary items are recognised in equity.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Impairment of financial assets

At each end of the reporting period the entity assesses all financial assets, other than those at fair value through surplus or deficit, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the entity, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in surplus or deficit - is removed from equity as a reclassification adjustment and recognised in surplus or deficit.

Impairment losses are recognised in surplus or deficit.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in surplus or deficit except for equity investments classified as available-for-sale.

Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Receivables from exchange transactions

Handwritten marks: "VM", "AM", and a circled "B" with a checkmark.

THE METROPOLITAN TRADING COMPANY SOC LTD

(Registration number 1999/011422/07)

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.5 Financial instruments (continued)

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in surplus or deficit within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

Trade and other receivables are classified as loans and 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.

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the entity's accounting policy for borrowing costs.

1.6 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable surplus will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable surplus will be available against which the unused tax losses and unused STC credits can be utilised.

THE METROPOLITAN TRADING COMPANY SOC LTD

(Registration number 1999/011422/07)

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.6 Tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

1.7 Provisions and contingencies

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of a activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the entity

Handwritten initials and signatures: "AM" and "J" with a circled "A" and other scribbles.

THE METROPOLITAN TRADING COMPANY SOC LTD

(Registration number 1999/011422/07)

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.7 Provisions and contingencies (continued)

No obligation arises as a consequence of the sale or transfer of an operation until the entity is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised.

1.8 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

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

Management fees

Revenue includes only the gross inflows of economic benefits or service potential received and receivable by the entity for its own account.

Cash received in terms of the service level agreement between MTC and the City of Johannesburg Metropolitan Municipality to pay for cleaning and security services for the BRT stations is not recognised as revenue.

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends, or their equivalents are recognised, in surplus or deficit, when the entity's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.9 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

THE METROPOLITAN TRADING COMPANY SOC LTD

(Registration number 1999/011422/07)

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.9 Revenue from non-exchange transactions (continued)

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

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

Municipal grants

Municipal grants are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity,
- the amount of the revenue can be measured reliably, and
- to the extent that there has been compliance with any restrictions associated with the grant.

The entity assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed program may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, whichever is earlier.

When government remit grants on a re-imbursement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

Other grants and donations

Other grants and donations are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with any restrictions associated with the grant.

If goods in-kind are received without conditions attached, revenue is recognised immediately. If conditions are attached, a liability is recognised, which is reduced and revenue recognised as the conditions are satisfied.

1.10 Comparative figures

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

1.11 Unauthorised expenditure

Unauthorised expenditure means:

- overspending
- expenditure not in accordance with the budget.

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.

1.12 Fruitless and wasteful expenditure

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

THE METROPOLITAN TRADING COMPANY SOC LTD

(Registration number 1999/011422/07)

Annual Financial Statements for the year ended 30 June 2014

Accounting Policies

1.12 Fruitless and wasteful expenditure (continued)

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.

1.13 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA 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 PFMA 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.

1.14 Offsetting

Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

Handwritten initials and signatures: "AM", "B", and a large circular signature.

THE METROPOLITAN TRADING COMPANY SOC LTD

(Registration number 1999/011422/07)

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

Figures in Rand	2014	2013
-----------------	------	------

2. New standards and interpretations

2.1 Standards and Interpretations early adopted

In the current year, the entity has early adopted the following standards and interpretations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
<ul style="list-style-type: none"> GRAP 105: Transfers of functions between entities under common control 	01 April 2014	

3. Share capital and share premium

Authorised

Ordinary shares of R1 each

475	475
-----	-----

Reconciliation of number of shares issued:

Reported as at 01 July 2013

475	475
-----	-----

Issued

Ordinary

Share premium

475	475
163,897,014	163,897,014
163,897,489	163,897,489

There were no changes in the authorised or issued share capital of the company during the year under review. The entire shareholding of the company is held by the City of Johannesburg Metropolitan Municipality. Unissued ordinary shares are under the control of the City of Johannesburg Metropolitan Municipality.

4. Taxation

No provision has been made for 2014 tax as the entity has a no taxable income.

5. Related parties

Relationships

Controlling entity

Other members of the group

The City of Johannesburg Metropolitan Municipality
 City Housing Company SOC Ltd
 City of Johannesburg Property Company SOC Ltd
 City Power Johannesburg SOC Ltd
 Johannesburg City Parks NPC
 Johannesburg Development Agency SOC Ltd
 Johannesburg Roads Agency SOC Ltd
 Johannesburg Water SOC Ltd
 Pikitup Johannesburg SOC Ltd
 The Johannesburg Civic Theatre SOC Ltd
 The Johannesburg Fresh Produce Market SOC Ltd
 Joshco JV
 Greater Newtown Development Company SOC Ltd
 Constitutional Hill Development Company SOC Ltd

THE METROPOLITAN TRADING COMPANY SOC LTD

(Registration number 1999/011422/07)

Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

Figures in Rand

2014

2013

6. Risk management

Liquidity risk

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

Interest rate risk

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

7. Going concern

The City conducted an institutional review and as a result, it has to be noted that a final decision has been made by the shareholder, the City of Johannesburg, to reintegrate MTC's into the JPC. The integration commenced on the 1st of July 2012. Taking into account the aforementioned, the annual financial statements are prepared on the discontinued operations basis by means of a transfer in terms of the principles of GRAP 105. The entity is to remain dormant.

8. Transfer of functions of entities under common control (GRAP 105)

The transfer of MTC's functions occurred on 01 July 2012 as per the transfer agreement.

The assets and liabilities of the transfer of functions are the following:

Assets

Property, plant and equipment	927 991
Cash and cash equivalents	1 567
Receivables from exchange transactions	44 132 532
Other Receivables	567 787
Operating Lease Asset	28 147 771
Investment Property	46 193 191

Liabilities

Trade and other payables	30 626 583
Loans from shareholders	250 184

Net Assets

Net assets transferred	89 044 072
------------------------	------------

The net asset value of functions transferred to the following entities are:

JPC - R 12 005 875
COJ Portfolio - R 6 118 150
COJ Core - R 70 920 050

No consideration was paid for the net asset value transferred to the various entities as the transaction has been recorded in equity.

