

**CITY OF JOBURG METROPOLITAN TRADING COMPANY
(SOC)LIMITED**
Registration No: 1999/011422/07



2013/14 Annual Report

(In terms of Section 121 of the
Municipal Finance Management Act, 2003 and Section 46 of the Municipal Systems Act, 2000)

CITY OF JOBURG PROPERTY (SOC) LIMITED

COMPANY INFORMATION:

Registration number:	1999/011422/07
Registered address:	171 Bree Street Newtown Johannesburg 2113
Postal address:	PO Box 870 Newtown Johannesburg 2113
Telephone number:	(011) 833-7344
Fax number:	(011) 833-7355
Website:	www.metrotrading.co.za
Bankers:	Standard Bank South Africa
Auditors:	Auditor-General South Africa

Vision

To be the leading integrated passenger and consumer facilities manager in Johannesburg

Mission

To create shareholder value by managing world class, safe and eco-friendly facilities that provide development opportunities for small business operators and convenience for our passengers and consumers.

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CHAPTER ONE

CORPORATE PROFILE & OVERVIEW



Section 4:

**FOREWORD BY MEMBER OF THE MAYORAL COMMITTEE
COUNCILLOR RUBY MATHANG**



Councillor Ruby Mathang
MMC Economic Development

One of the major purposes of the integration was to ensure efficient allocation of resources and streamlining of similar strategic objectives conducted by the various MOE's. In the process JPC and MTC were merged and one company was established.

During the period under review MTC was dormant and all reporting was diligently done through JPC as all budget and financial matters were transferred to JPC by the end on June 2012.

It was a long journey since the announcement was made by the mother body, however we saw the journey through and currently both companies are integrated. A couple of hurdles were overcome by a dedicated team that worked hard throughout the transition period.

The integration process of JPC and MTC was closely monitored to ensure harmonisation of the conditions of employment for the employees of the new entity.

I would like to that the Board of Directors, Management and all the employees for a stellar performance in ensuring that the transition process was efficiently and effectively executed.

Councillor Ruby Mathang
MMC Economic Development

Section 5:

CHAIRPERSON'S REVIEW



The Metropolitan Trading Company (MTC), a municipal-owned entity that was established in 1999, takes care of informal traders and taxis, giving developmental support to the sector and managing the facilities the City has set aside for micro retailers and taxi operators. MTC, as always, is committed to the strategic priorities of its shareholder, the City, to ensure efficient and effective service delivery. In achieving the same the City began an institutional review process of its various departments and municipal entities. On 21 August 2012 the City through a Mayoral Committee resolution resolved to transfer MTC's facilities management functions to JPC and to transfer the BRT portion of MTC operations to the City's Transportation Department. The operations of MTC were shut down due to the merger with JPC and therefore no financial and performance information is available in that regard as the company was merely a shell.

Correspondence was received from the Shareholders regarding the appointment of MTC Board of Directors and Independent Audit Committee. A decision was taken by the City to retain the shell of this entity for its other business.

Mr Andile Mabizela

Chairperson
Board of Directors

Section 6:

ACTING CHIEF EXECUTIVE OFFICER'S REVIEW



The entity was dormant for the reporting period and therefore no performance information or financial performance information is available.

Section 7:
CHIEF FINANCIAL OFFICER'S REVIEW

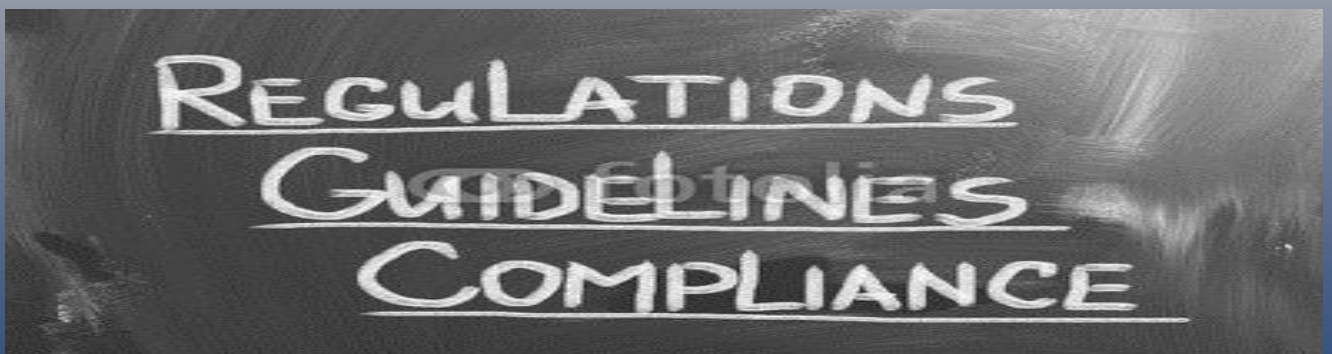


The Metropolitan Trading Company became dormant as of 1 July 2012.

On the 1st of July 2013 MTC was fully integrated with MTC therefore the company's budget and financial matters were dormant from the stated date, furthermore chapter 3 to chapter 6 of the MTC annual report could not be reported on due to the fact that all reporting was consolidated into one report from the third quarter of the 2012/2013 financial year.

The financials for the year ended 30 June 2014 were completed and are attached for ease of reference.

CHAPTER TWO
GOVERNANCE



Section 1: Corporate Governance Statement

CORPORATE GOVERNANCE STATEMENT

MTC confirms and acknowledges its responsibility to comply with the Code of Governance Principles ("the Code") as laid out in the King III Report on Corporate Governance for South Africa 2010. The Board of Directors discuss the responsibilities of management in this respect at Board meetings and monitor the company's compliance with the code on an annual basis.

All of the directors bring to the Board a wide range of expertise as well as significant financial, commercial and technical experience and, in the case of the non-executive directors, independent perspectives and judgment. The Board is responsible for setting the direction of the JPC through the establishment of strategic objectives and key policies. It monitors the implementation of strategies and policies through a structured approach to reporting on the basis of agreed performance criteria and defined written delegations to management for the detailed planning and implementation of such objectives and policies.

The Board retains full and effective control over MTC, in light of the integration no quarterly meetings were held as required by the MFMA and the governance codes of good practice.

The Board is responsible for monitoring the activities of executive management within the MTC and ensuring that decisions on material matters are considered by the Board. The Board approves all the terms of reference for the various sub-committees of the Board, including special committees tasked to deal with specific issues.

While the Executive Director is involved with the day-to-day management of the MTC, the non-executive Directors are not, nor are they employees of the MTC. The directors have a responsibility to become acquainted with all of their duties, as well as with the issues pertaining to the operations and business of the MTC. The Board operates in a field which is technically complex and the directors are continually exposed to information which enables them to fulfil their duties.

CODE OF ETHICS

The CoJ has requested compliance by all the MOEs in adopting a Code of Ethics specific to each entity, which would direct the manner in which employees and directors execute their duties.

The Code of Conduct for Municipal Staff Members as in Schedule 2 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), and the Code of Conduct for Councillors are also respectively applicable to all employees and directors of the MTC as an MOE of the CoJ. Prior to the integration MTC had a code of conduct which encompassed all the employees' and directors' duties in line with the code of ethics.

CONFLICT OF INTEREST

According to the Board Charter, Board members were required to declare any interest that they might have in the business of the MTC. The Board members were required to sign a "Declaration of Interest" form on an annual basis.

BREACH OF GOVERNANCE PROCEDURE

MTC confirms and acknowledges its responsibility to comply with the Code of Governance Principles ("the Code") as laid out in the King III Report on Corporate Governance for South Africa 2010. For the year under review, the MTC adhered to the Code of Governance Principles as set out in the King III report on Corporate Governance. The Board of Directors discussed the responsibilities of management in this respect, at Board meetings, and monitored the company's compliance with the Code on an annual basis.

The Board of Directors and Management recognise and are committed to the principles of openness, integrity and accountability advocated by the Code. Through this process, shareholders and other stakeholders may derive assurance that the entity is being ethically managed according to prudently determined risk parameters in compliance with generally accepted corporate practices. Part of the mandate of the Audit and Risk Committee is the monitoring of the entity's compliance with relevant legislation and the Code. The entity endeavours to be fully compliant at all times.

Regulatory issues

The MTC is governed primarily by the Municipal Systems Act (as amended) and Municipal Finance Management Act No 56 of 2003 (MFMA) and its various regulations. The primary objective of the Act is to ensure sound and sustainable management of the Council and its various entities.

MTC is bound by the Companies Act, No 71 of 2008 and the JPC shall ensure compliance with this act.

The company was dormant during the period under review.

Section 2: Board of Directors

BOARD OF DIRECTORS

Correspondence was received that the JPC Board members were appointed as the Board of MTC with effect from 25 February 2015.

Mzela Mashele
Acting CEO



Specialist in small and micro business development; facilities management; informal economy development; project management; strategy and policy development; infrastructure.

Qualifications: MSc in Development Planning

Andile Mabizela
(Chairperson) –
Non-Executive Director



A lawyer with an economics background, Andile Mabizela has worked in financial services (HSBC Corporate Finance and Stanlib Asset Management). He has also been involved in commercial executive roles in logistics and transport at SAA and Afrilog South Africa, where he is a director responsible for new markets. He has served on several parastatals and corporate boards.

Qualifications: BSc (Economics) (Hons) LLB

Jabu Mabaso
Non-Executive Director



An attorney registered with the Law Society of South Africa, Jabu Mabaso is a LLB graduate from the University of Witwatersrand (Wits) who is currently the Executive Director of DSK Development Advisory Services. He is an experienced executive who has worked in various companies including Shell, ACSA, Mvelaphanda Holdings, Afric Oil and Spornet. He is a keen debater, music lover and sportsman.

Qualifications: BProc and LLB.

Professor Alfred Nevhutanda
Non-Executive Director



Professor Nevhutanda is a Professor of Environmental Sciences from the Eco Energy Academy in Azerbaijan. He has participated in various structures of both the public and private sector, including

Mpheti Morojele
Non-Executive Director



Mr Mphethi Morojele is the owner and founder of MMA Architects, an award winning design studio based in Johannesburg. He was previously appointed as a lecturer and studio master at the University of the Witwatersrand. He has extensive experience in both the private and public sector. He is the past president of the Gauteng Institute of Architects. He has won a SAPOA award for innovative Excellence in Property Development and numerous other awards.

Qualifications: Bachelor of Architecture and Master of Science in Architecture.

Floyd Ntombela
Non-Executive Director



Mr Floyd Ntombela is National Head Business Development and Client Liaison at NBC Holdings. Mr Ntombela is passionate and has extensive experience in the field of retirement

being the current chairperson of the National Lotteries Board, former Convener of the Social Transformation Committee of the Limpopo Province (ANC), and Board member of the Institute of Directors (SA) and the International Aviation Services Council of the National Department of Transport (SA).

Qualifications: Professor of Environmental Sciences, Diploma in Management, MBA, Masters of Music, Doctor of Music, Masters in Education, Doctor of Education

Moeketsi Rabodila
Non-Executive Director



Mr Moeketsi Rabodila is the former Municipal Manager of Merafong City Local Municipality as well as the former Director General of Mpumalanga Provincial Government. He has a strong executive management experience with a track record of success in both the Public and Private Sector. He is strategically oriented and has an ability to initiate, integrate and implement complex programmes for the attainment of business objectives.

funds. Mr Ntombela has a high level of management experience and a great appreciation of strategy development and implementation.

Qualifications: Bachelor of Arts, Certificate of Proficiency: Basics of Retirement Funds; Certificate in Insurance Business Leadership; Post Graduate Diploma in Retirement Funds Management and Insurance Assessor Training.

Thomas Hickman
Non-Executive Director



Thomas Hickman is a Chartered Accountant (CA SA) and a MBA graduate of the University of Stellenbosch. He is the former Managing Director of Pep Manufacturing Pty Ltd and former Managing Director of the Colibri Group of companies. He is an experienced financial and strategic leader with a passion for turning struggling entities into successful groups.

Qualifications: CA (SA), MBA.

Qualifications: Bachelor of Arts and an MBA.

Phumelele Msweli
Non-Executive Director



Ms Phumelele Msweli is a Real Estate Practitioner with over 15 years' experience in the Built Environment.. She has plied with her trade in both public and private sectors. She is also a registered Professional property Valuer and a Master Practitioner in Real Estate.

Qualifications: BSc (HONs) Applied Biology and Msc. Real Estate

Imraan Bhamjee
Executive :
Finance Director



Financial management; auditing; risk; process and control mapping; management consulting; product management; relationship management.

Qualifications: BCompt – Honours; Accreditation as Registered Government Auditor (RGA); Advance Certificate in Auditing; Leadership Management; CTA.

Neren Rau
Non-Executive Director



Mr Neren Rau is the CEO of the South African Chamber of Commerce and Industry (SACCI). He is the former head of the Reserve Bank's Financial Safety Net Division in the Financial Stability Department. He also serves as an Independent Member of the Audit Committee of the Johannesburg Tourism Company and was recently appointed to the Consumer Affairs Committee by the Minister of Trade and Industry.

Qualifications: B Comm; B Comm Honours; MCOM (equivalent of an MBA).

Changes in the composition of the board during the current year:

Correspondence was received that the JPC Board members were appointed as the Board of MTC with effect from 25 February 2015. The Board consisted of (9) Non-Executive Directors namely: Mr A Mabizela (Chairperson); Mr N Rau; Mr J Mabaso; Prof A Nevhutanda; Mr M Morejele; Mr M Rabodila; Mr F Ntombela; Mr T Hickman and Ms P Msweli.

National Treasury policy requires that the parent municipality should appoint further members of the entity's audit committee who are not directors of the entity to fulfil responsibilities provided for in section 166 of the Municipal Finance Management Act. MTC has 1 independent audit committee members who all serve on the Audit and Risk Committee all are appointed with effect from 25 February 2015.

GOVERNANCE STRUCTURES

The Sections below refers to the Governance structures in place.

Board of Directors – composition and information

The Board consists of six (9) Mr A Mabizela (Chairperson); Mr N Rau; Mr J Mabaso; Prof A Nevhutanda; Mr M Morejele; Mr M Rabodila; Mr F Ntombela; Mr T Hickman and Ms P Msweli.

The Board retained full control over the company. The Board remained accountable to the CoJ, the sole member and its stakeholders, the citizens of Johannesburg.

The roles of the Chairperson and Acting Chief Executive Officer are separate, with responsibilities divided between them. The Chairperson has no executive functions.

The Board is responsible for setting the direction of the JPC through the establishment of strategic objectives and key policies. It monitors the implementation of strategies and policies through a structured approach to reporting on the basis of agreed performance criteria and defined written delegations to management for the detailed planning and implementation of such objectives and policies.

Members have unlimited access to the Company Secretary, who acts as an advisor to the Board and its committees on matters including compliance with Company Rules and Procedures, statutory regulations and best corporate practices. Directors are also entitled to seek independent professional advice concerning the affairs of MTC at MTC's expense, should they believe that such course of action undertaken would be in the best interests of MTC.

No meetings were held in the period under review and the Financials were approved by round robin.

Section 3: Board Committees

Board Committees

Subsequent to the AGM the company only had one Board Sub-Committee, i.e. Audit and Risk Committee.

Audit and Risk Committee

The Audit and Risk Committee consisted of three (3) members, made up of two Non-Executive Directors i.e. Mr Tom Hickman (Chairperson) and Mr Neren Rau (Non-Executive Director) and Mr George Mufana (Independent Audit Committee Members).

The role of the Audit and Risk Committee is to assist the Board by performing an objective and independent review of the functioning of the organisation's finance and accounting control mechanisms. The Committee exercises its functions through close liaison and communication with management and the internal and external auditors.

The Committee has been delegated the task of overseeing the quality, integrity and reliability of the company's risk management function. In terms of its mandate, it reviews and

assesses the integrity and the quality of risk control systems and ensures that risk policies and strategies are effectively managed.

The Audit and Risk Committee operates in accordance with written terms of reference authorised by the Board, and provides assistance to the Board with regard to:

- Ensuring compliance with applicable legislation and the requirements of regulatory authorities;
- Matters relating to financial accounting, accounting policies, reporting and disclosures;
- Internal and external audit policy;
- Activities, scope, adequacy and effectiveness of the internal audit function and audit plans;
- Review/approval of external audit plans, findings, problems, reports and fees;
- Risk Management;
- Compliance with the Code of Corporate Practices and Conduct; and
- Compliance with the Code of Ethics.

The Committee considered the Annual Financial Statements by way of Round Robin Resolution.

Section 4

Directors Remuneration

No payments were made in respect of the Directors as there were no meetings held.

EXECUTIVE MANAGEMENT

During the period under review, the following individuals constituted the management team under the leadership of the Managing Director.

Mzela Mashele
Acting CEO



Specialist in small and micro business development; facilities management; informal economy development; project management; strategy and policy development; infrastructure.

Qualifications: MSc in Development Planning

Verusha Morgan
Executive Manager (Acting)
Asset Management



Legal advice; drafting of legal documents; court experience: civil and criminal matters; negotiation skills; customer care; policy and claims inquiries.

Imraan Bhamjee
Executive :
Finance Director



Financial management; auditing; risk; process and control mapping; management consulting; product management; relationship management.

Qualifications: BCompt – Honours; Accreditation as Registered Government Auditor (RGA); Advance Certificate in Auditing; Leadership Management; CTA.

Qualifications: LLB; Certificate in Management; various certificates obtained; practical legal training with the Law Society; Conveyancing and Admitted Attorney of the High Court of South Africa. MBA (Masters of Business Administration)



Senior Management Remuneration

JOB TITLE	REMUNERATION (CASH)	TRAVEL ALLOWANCE	PERFORMANCE BONUS	TOTAL COST TO COMPANY (Exclusive of company contribution to EJoburg)	OTHER (Company Contribution towards E-Joburg Pension Fund at 15% of pensionable salary)
Acting Chief Executive Officer	NIL	NIL	NIL	NIL	NIL
Chief Financial Officer (CFO)	NIL	NIL	NIL	NIL	NIL
Company Secretary	NIL	NIL	NIL	NIL	NIL



Section 5:
COMPANY SECRETARY FUNCTION

Members have unlimited access to the Company Secretary, who acts as an advisor to the Board and its committees on matters including compliance with Company Rules and Procedures, statutory regulations and best corporate practices. Directors are also entitled to seek independent professional advice concerning the affairs of MTC, should they believe that course of action would be in the best interests of MTC.

Register of declarations of interest

MTC is committed to upholding good Corporate Governance in all of its business dealings in respect of its shareholder and other stakeholders. MTC has an approved Board Charter regulating how MTC's business is conducted by its Board of Directors. The said Board Charter is based on the principles of Good Corporate Governance and in line with the framework proposed by the Shareholder.

According to the Board Charter, Board members are required to declare any interest that they might have in MTC business. The Board members are required to sign a "Declaration of Interest" form on an annual basis. They also fill in a register in every seating of the Board or any of its sub-committees.

Irregular, fruitless and wasteful expenditure
None

Disposal of capital assets
None

Delegation of authority
None

Internal Audit
None

Section 6
JPC Risk Management

There were no activities in this regard.

Section 7:
Internal Audit Function

No Internal Auditors were appointed to the company due to the dormant status

CHAPTER THREE
SERVICE DELIVERY PERFORMANCE



Section 1

Data pertaining to service delivery performance is not included due to the company being dormant; furthermore the information is accounted for under JPC. This data was omitted to prevent double reporting.

CHAPTER FOUR

HUMAN RESOURCES AND ORGANISATIONAL MANAGEMENT



Section 1

Data pertaining to human resources and organisational management is not included due to the company being dormant; furthermore the information is accounted for under JPC. This data was omitted to prevent double reporting.

CHAPTER FIVE

FINANCIAL PERFORMANCE

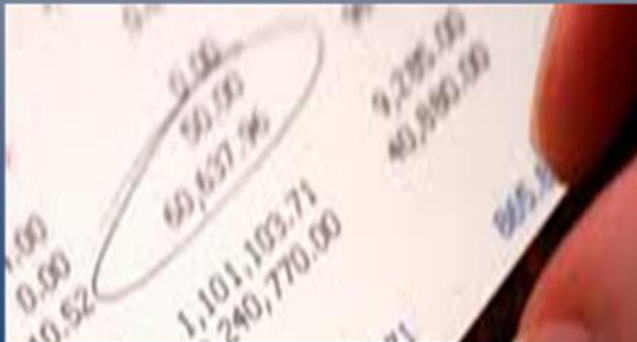


Section 1

All information regarding the financial performance of the company can be found in the Annual Financial Statements which are attached for ease of reference.

CHAPTER SIX

AUDITOR-GENERAL AUDIT FINDINGS



Section 1

Information regarding all the Auditor General's Findings is contained in the Signed Annual Financial Statements which are attached for ease of reference. These can be found on the pages after page 4 (Audit Committee Report) of the Financials.

ACRONYMS AND ABBREVIATIONS

TERM	DETAIL
ATR	Annual Training Report
CBO	Community Based Organisation
CoJ	City of Johannesburg
CAPEX	Capital Expenditure
FMMU	Facilities Management and Maintenance Unit
DPUM	Department of Planning and Urban Management
JMPD	Johannesburg Metro Police Department
GDS	Growth and Development Strategy
GIS	Geographic Information System
GIAMA	The Government Immovable Asset Management Act
IDP	Integrated Development Plan
JRA	Joburg Roads Agency
JPC	City of Joburg Property Company (SOC) Ltd
JoshCo	Joburg Social Housing Company
MFMA	Municipal Finance Management Act
MOE	Municipal Owned Entity
NGO	Non Government Organisation
LIS	Land Information System
OPEX	Operational Expenditure
PIMS	Property Information Management System
POWA	People Opposing Women Abuse
RFP	Request for Proposal
SAPOA	South African Property Owners Association
SMME	Small Medium Micro Enterprise
WSP	Workplace Skills Plan