CITY OF JOHANNESBURG METROPOLITAN MUNICIPALITY
GROUP ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

Draft - 30.09.2010

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2010

General Information

MAYORAL COMMITTEE	
Executive Mayor	Amos Masondo (Chairperson) (1 JULY 2008 - 30 JUNE 2011)
Councillors	(1 JULY 2008 - 30 JUNE 2011) Bafana Sithole (Community Development) Parks Tau (Finance) Bhengeza Mthombeni (Health) Matshidiso Mfikoe (Environment and Corporate Services) Oupa Monareng (Economic Development) Elgina Ndhlovu (Public Safety) Ruby Mathang (Housing) Christine Walters (Infrastructure and Services) Rosslyn Greeff (Development Planning and Urban Management) Rehana Moosajee (Transportation) Nonceba Molwele (Chief Whip) Nkele Ntingane (Speaker of Council)
GRADING OF LOCAL AUTHORITY	The City of Johannesburg Metropolitan Municipality is a Grade Six Local Authority in terms of Item IV of Government Notice R999 of 2 October 2001, published in terms of the Remuneration of Public Office Bearers Act, 1998.
CITY MANAGER	Mavela AV Dlamini
EXECUTIVE DIRECTOR : FINANCE	Mankodi Moitse
REGISTERED OFFICE	Metropolitan Centre, Loveday Street, Johannesburg 2001 Telephone: +27 (0)11 407 - 6111 Facsimile: +27 (0)11 339 - 5704
POSTAL ADDRESS	P O Box 1049 Johannesburg 2000
BANKERS	ABSA Bank Limited
AUDITORS	The Office of the Auditor-General : Gauteng Registered Auditors 61 Central Street Houghton 2198 PO Box 91081 Auckland Park 2006

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ABBREVIATIONS

BESA	Bond Exchange South Africa
CMP	Corporate Media Platforms
COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
DMTN	Domestic Medium Term Note
GAMAP	Generally Accepted Municipal Accounting Practice
GRAP	Generally Recognised Accounting Practice
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
JSE	Johannesburg Stock Exchange
MEC	Member of the Executive Council
ME's	Municipal Entities
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)
PPE	Property, plant and equipment
SA GAAP	South African Statements of Generally Accepted Accounting Practice
SARS	South Africa Revenue Services
SCA	Supreme Court of Appeal
UIF	Unemployment Insurance Fund

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Municipal Manager's approval of the Annual Financial Statements

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

Mavela AV Dlamini
Municipal Manager

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Statement of Financial Position

		GROUP		CJMM	
Figures in Rand thousand	Note(s)	2010	2009	2010	2009
ASSETS					
Current Assets					
Biological assets - held for resale	4	-	3,400	-	-
Inventories	5	178,673	169,866	29,316	28,676
Loans to Municipal Entities	6	-	-	808,809	684,902
Other financial assets	7	37,058	1,000,000	37,058	1,000,000
Current tax receivable		14,463	3,587	-	-
Trade and other receivables	8	1,322,467	1,604,866	1,559,478	1,555,605
VAT receivable	9	337,118	179,216	334,573	171,242
Consumer debtors	10	2,384,490	2,257,301	654,164	436,643
Cash and cash equivalents	11	350,318	697,475	281,105	649,291
		4,624,587	**5,915,711**	**3,704,503**	**4,526,359**
Non-Current Assets					
Biological assets	12	-	5,976	-	-
Investment property	13	1,096,546	1,100,237	1,049,474	1,052,888
Property, plant and equipment	14	33,795,429	30,522,652	22,189,629	19,989,296
Intangible assets	15	1,030,790	344,357	759,207	54,186
Investments in Municipal Entities	16	-	-	271,614	255,413
Investment in joint ventures	17	30,985	31,326	-	-
Investments in associates	18	3,350	2,378	-	-
Loans to Municipal Entities	6	-	-	5,222,596	5,227,632
Other financial assets	7	2,081,510	1,880,944	2,081,510	1,880,944
Deferred tax	19	7,049	94,944	-	-
		38,045,659	**33,982,814**	**31,574,030**	**28,460,359**
Total Assets		**42,670,246**	**39,898,525**	**35,278,533**	**32,986,718**

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Statement of Financial Position

		GROUP		CJMM	
Figures in Rand thousand	Note(s)	2010	2009	2010	2009
LIABILITIES					
Current Liabilities					
Loans and borrowings	21	429,904	1,230,910	348,593	1,175,315
Current tax payable		3,435	47,810	-	-
Finance lease obligation	22	29,739	26,801	22,784	20,232
Trade and other payables	23	6,162,413	5,907,414	5,402,117	5,032,483
VAT payable		300,120	252,286	-	-
Obligations arising from conditional grants and receipts	24	624,340	889,036	577,057	846,141
Provisions	25	4,860	290,042	2,419	282,419
Bank overdraft	11	5,198	51,857	-	-
		7,560,009	**8,696,156**	**6,352,970**	**7,356,590**
Non-Current Liabilities					
Loans and borrowings	21	10,657,879	9,124,096	10,610,098	9,025,321
Finance lease obligation	22	72,756	82,258	65,207	71,111
Retirement benefit obligation	26	1,860,560	1,789,504	1,840,913	1,736,978
Deferred tax	19	8,861	5,421	-	-
Provisions	25	332,350	303,946	-	-
Deferred income	27	44,879	44,222	13,080	13,470
Consumer deposits	28	412,732	383,325	224,511	211,204
		13,390,017	**11,732,772**	**12,753,809**	**11,058,084**
Total Liabilities		**20,950,026**	**20,428,928**	**19,106,779**	**18,414,674**
Net Assets		**21,720,220**	**19,469,597**	**16,171,754**	**14,572,044**
NET ASSETS					
Associated NDR		3,809	2,899	-	-
Accumulated surplus		21,716,411	19,466,698	16,171,754	14,572,044
Total Net Assets		**21,720,220**	**19,469,597**	**16,171,754**	**14,572,044**

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Statement of Financial Performance

		GROUP		CJMM	
Figures in Rand thousand	Note(s)	2010	2009	2010	2009
Revenue					
Property rates	30	4,096,710	3,263,488	4,096,710	3,263,488
Service charges	31	11,704,835	9,858,749	658,331	579,608
Rental facilities and equipment		133,804	119,098	70,155	57,018
Interest received		483,902	679,196	1,172,872	1,383,046
Income from agency services		172,262	173,375	146,816	155,463
Public contributions, Donated and contributed property, plant and equipment		9,198	901	9,198	803
Fines		254,317	389,265	254,317	389,265
Licences and permits		917	1,243	917	1,243
Government grants	32	6,883,377	4,751,315	6,578,998	4,592,746
Other revenue	33	1,414,078	1,255,160	467,367	290,657
Total Revenue		**25,153,400**	**20,491,790**	**13,455,681**	**10,713,337**
Expenditure					
Employee related costs	34	(5,764,796)	(5,101,781)	(3,365,393)	(2,932,005)
Remuneration of councillors	35	(74,439)	(68,657)	(74,439)	(68,657)
Depreciation and amortisation	36	(1,121,078)	(730,772)	(648,459)	(322,651)
Net impairment losses	37	(37,116)	(31,468)	(18,936)	(15,837)
Finance costs		(1,625,863)	(1,252,661)	(1,480,191)	(1,122,535)
Allowance for impairment of current receivables	38	(1,454,074)	(1,475,160)	(376,683)	(697,242)
Repairs and maintenance		(426,474)	(413,559)	(82,483)	(111,370)
Bulk purchases	39	(6,577,530)	(5,428,750)	-	-
Contracted services	40	(1,868,591)	(1,806,616)	(1,070,286)	(1,113,208)
Grants and subsidies paid	41	(180,862)	(361,421)	(2,307,234)	(2,478,917)
Cost of housing sold		(175,876)	(297,178)	-	-
General Expenses	42	(2,844,988)	(2,756,661)	(1,783,255)	(1,690,013)
Total Expenditure		**(22,151,687)**	**(19,724,684)**	**(11,207,359)**	**(10,552,435)**
(Loss)/gain on disposal of property, plant and equipment		10,136	4,227	(1,787)	30,861
Share of deficit of associate accounted for under the equity method		(278)	(402)	-	-
Taxation		(115,033)	(15,492)	-	-
Surplus for the year		**2,896,538**	**755,439**	**2,246,535**	**191,763**

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Group Annual Financial Statements for the year ended 30 June 2010

Statement of Changes in Net Assets

Figures in Rand thousand	Note(s)	Capital replacement reserve	Associated NDR	COID	Total reserves	Accumulated surplus	Total equity
GROUP							
Opening balance as previously reported		104,163	2,701	64,115	170,979	15,111,914	15,282,893
Adjustments							
Change in accounting policy		-	-	-	-	2,704	2,704
Prior year adjustments	46	-	-	-	-	1,691,177	1,691,177
Balance at 01 July 2008 as restated		**104,163**	**2,701**	**64,115**	**170,979**	**16,805,795**	**16,976,774**
Changes in equity							
Contribution to COID Reserve		-	-	30,032	30,032	(30,032)	-
COID claims processed		-	-	(15,606)	(15,606)	15,606	-
Transfer to CRR		11,171	-	-	11,171	(11,171)	-
Unbundling of land		-	-	-	-	438,487	438,487
Net revenue (expenditure) recognised directly in equity		11,171	-	14,426	25,597	412,890	438,487
Surplus for the year		-	-	-	-	755,439	755,439
Total recognised revenue and expenditure for the year		11,171	-	14,426	25,597	1,168,329	1,193,926
PPE purchases from CRR		(30,147)	-	-	(30,147)	30,147	-
Donated/contributed PPE		-	198	-	198	-	198
Assets under construction		-	-	-	-	1,298,699	1,298,699
Total changes		(18,976)	198	14,426	(4,352)	2,497,175	2,492,823
Opening balance as previously reported		85,187	2,899	78,541	166,627	19,322,649	19,489,276
Adjustments							
Change in accounting policy		-	-	-	-	442	442
Prior year adjustments	46	-	-	-	-	(20,121)	(20,121)
Balance at 01 July 2009 as restated		**85,187**	**2,899**	**78,541**	**166,627**	**19,302,970**	**19,469,597**
Changes in equity							
Contribution to COID Reserve		-	-	39,161	39,161	(39,161)	-
COID claims processed		-	-	(15,167)	(15,167)	15,167	-
Transfer to CRR		118,149	-	-	118,149	(118,149)	-
Unbundling of land		-	-	-	-	122,298	122,298
Net revenue (expenditure) recognised directly in equity		118,149	-	23,994	142,143	(19,845)	122,298
Surplus for the year		-	-	-	-	2,896,538	2,896,538
Total recognised revenue and expenditure for the year		118,149	-	23,994	142,143	2,876,693	3,018,836
PPE purchases from CRR		(110,287)	-	-	(110,287)	110,287	-
Equity share in associate		-	910	-	910	-	910
Assets under construction		-	-	-	-	(769,122)	(769,122)
Total changes		7,862	910	23,994	32,766	2,217,858	2,250,624
Balance at 30 June 2010		**93,049**	**3,809**	**102,535**	**199,393**	**21,520,828**	**21,720,221**

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Group Annual Financial Statements for the year ended 30 June 2010

Statement of Changes in Net Assets

Figures in Rand thousand	Note(s)	Capital replacement reserve	Associated NDR	COID reserve	Total reserves	Accumulated surplus	Total equity
CJMM							
Opening balance as previously reported		104,163	-	64,115	168,278	11,164,775	11,333,053
Adjustments							
Change in accounting policy		-	-	-	-	2,704	2,704
Prior year adjustments	46	-	-	-	-	1,307,480	1,307,480
Balance at 01 July 2008 as restated		**104,163**	**-**	**64,115**	**168,278**	**12,474,959**	**12,643,237**
Changes in net assets							
Contribution to COID Reserve		-	-	30,032	30,032	(30,032)	-
COID claims processed		-	-	(15,606)	(15,606)	15,606	-
Transfer to CRR		11,171	-	-	11,171	(11,171)	-
Unbundling of land		-	-	-	-	438,346	438,346
Net revenue (expenditure) recognised directly in equity		11,171	-	14,426	25,597	412,749	438,346
Surplus for the year		-	-	-	-	191,763	191,763
Total recognised revenue and expenditure for the year		11,171	-	14,426	25,597	604,512	630,109
PPE purchases from CRR		(30,147)	-	-	(30,147)	30,147	-
Assets under construction		-	-	-	-	1,298,699	1,298,699
Total changes		(18,976)	-	14,426	(4,550)	1,933,358	1,928,808
Opening balance as previously reported		85,187	-	78,541	163,728	14,406,166	14,569,894
Adjustments							
Change in accounting policy		-	-	-	-	442	442
Prior year adjustments	46	-	-	-	-	1,709	1,709
Balance at 01 July 2009 as restated		**85,187**	**-**	**78,541**	**163,728**	**14,408,317**	**14,572,045**
Changes in net assets							
Contribution to COID Reserve		-	-	39,161	39,161	(39,161)	-
COID claims processed		-	-	(15,167)	(15,167)	15,167	-
Transfer to CRR		118,149	-	-	118,149	(118,149)	-
Unbundling of land		-	-	-	-	122,298	122,298
Net revenue (expenditure) recognised directly in equity		118,149	-	23,994	142,143	(19,845)	122,298
Surplus for the year		-	-	-	-	2,246,535	2,246,535
Total recognised revenue and expenditure for the year		118,149	-	23,994	142,143	2,226,690	2,368,833
PPE purchases from CRR		(110,287)	-	-	(110,287)	110,287	-
Assets under construction		-	-	-	-	(769,122)	(769,122)
Total changes		7,862	-	23,994	31,856	1,567,855	1,599,711
Balance at 30 June 2010		**93,049**	**-**	**102,535**	**195,584**	**15,976,172**	**16,171,756**

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Cash Flow Statement

		GROUP		CJMM	
Figures in Rand thousand	Note(s)	2010	2009	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts					
Sale of goods and services		16,195,064	14,255,930	3,143,227	4,285,725
Grants		6,883,377	4,592,746	6,578,998	4,592,746
Interest income		483,902	679,196	1,078,757	1,222,125
		23,562,343	19,527,872	10,800,982	10,100,596
Payments					
Employee costs		(5,764,796)	(5,101,781)	(3,365,393)	(2,932,005)
Suppliers		(11,610,033)	(8,432,119)	(4,187,567)	(4,078,476)
Finance costs		(1,625,863)	(1,252,661)	(1,480,191)	(1,122,535)
Taxes on surpluses		(115,033)	(15,493)	-	-
		(19,115,725)	(14,802,054)	(9,033,151)	(8,133,016)
Net cash flows from operating activities	43	**4,446,618**	**4,725,818**	**1,767,831**	**1,967,580**
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	14	(4,607,661)	(6,252,161)	(3,218,356)	(4,317,371)
Proceeds from sale of property, plant and equipment	14	88,696	74,322	44,160	(3,612)
Purchase of other intangible assets	15	(448,643)	(91,806)	(288,321)	(9,023)
Investments made		341	(363,123)	-	(347,788)
Investments redeemed		1,079,464	182,016	1,063,263	400,279
(Increase)/decrease in non current receivables		(3,838)	(41,148)	(105,440)	(441,844)
Net cash flows from investing activities		**(4,971,446)**	**(6,310,793)**	**(2,504,694)**	**(4,719,359)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of borrowings		(1,243,201)	(216,018)	(1,231,391)	(176,885)
Proceeds from borrowings		1,993,007	2,720,554	1,993,008	2,701,000
Repayment of provisions		(280,000)	(400,000)	(280,000)	(400,000)
Finance lease payments		(6,564)	59,361	(3,352)	63,007
Repayment of post retirement benefits		(127,212)	(139,154)	(122,895)	(142,047)
Increase/(decrease in consumer deposits		29,407	(4,108)	13,307	8,869
Net cash flows from financing activities		**(384,369)**	**(483,901)**	**368,677**	**2,053,944**
Net increase/(decrease) in cash and cash equivalents		**(300,498)**	**(336,339)**	**(368,186)**	**(697,835)**
Cash and cash equivalents at the beginning of the year		645,618	981,957	649,291	1,347,126
Cash and cash equivalents at the end of the year	11	**345,120**	**645,618**	**281,105**	**649,291**

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Accounting Policies

1. Presentation of Group Annual Financial Statements

The Annual Financial Statements have been prepared in accordance with South African Statements of Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Board in accordance with 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 unless specified otherwise. They are presented in South African Rand.

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

The principal accounting policies adopted in the preparation of these Annual Financial Statements are set out below.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant policy.

1.1 Consolidation

Basis of consolidation

Consolidated Annual Financial Statements are the Annual Financial Statements of the economic entity presented as those of a single entity.

The consolidated Annual Financial Statements incorporate the Annual Financial Statements of the controlling entity and all controlled entities, including special purpose entities, which are controlled by the controlling entity.

Control exists when the controlling entity has the power to govern the financial and operating policies of another entity so as to obtain benefits from its activities.

The results of controlled entities are included in the consolidated Annual Financial Statements from the effective date of acquisition or date when control commences to the effective date of disposal or date when control ceases.

An investment in an entity is accounted for in accordance with the Standard of GRAP on Financial Instruments: Recognition and Measurement from the date that it ceases to be a controlled entity, unless it becomes an associate or a jointly controlled entity, in which case it is accounted for as such. The carrying amount of the investment at the date that the entity ceases to be a controlled entity is regarded as cost on initial measurement of a financial asset in accordance with the Standard of GRAP on Financial Instruments: Recognition and Measurement.

The Annual Financial Statements of the controlling entity and its shareholder loans used in the preparation of the consolidated Annual Financial Statements are prepared as of the same reporting date.

Adjustments are made when necessary to the Annual Financial Statements of the shareholder loans to bring their accounting policies in line with those of the controlling entity.

All inter-entity and intra-entity transactions, balances, revenues and expenses are eliminated in full on consolidation.

Minority interests in the net assets of the economic entity are identified and recognised separately from the controlling entity's interest therein, and are recognised within net assets. Losses applicable to the minority in a consolidated controlled entity may exceed the minority interest in the controlled entity’s net assets. The excess, and any further losses applicable to the minority, are allocated against the majority interest except to the extent that the minority has a binding obligation to, and is able to, make an additional investment to cover the losses. If the controlled entity subsequently reports surpluses, such surpluses are allocated to the majority interest until the minority’s share of losses previously absorbed by the majority has been recovered.

Minority interests in the surplus or deficit of the economic entity is separately disclosed.

Investment in associates

An associate is an entity over which the controlling entity has significant influence and which is neither a controlled entity nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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Accounting Policies

1.1 Consolidation (continued)

An investment in associate is accounted for using the equity method, except when the investment is classified as held-for-sale in accordance with Standard of GRAP on Non-current Assets Held-For-Sale and Discontinued Operations. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost adjusted for post acquisition changes in the economic entity's share of net assets of the associate, less any impairment losses.

Equity method is a method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the economic entity's share of net assets of the investee. The surplus or deficit of the economic entity includes the economic entity's share of the surplus or deficit of the investee.

The economic entity's share of the surplus or deficit of the investee is recognised in surplus or deficit.

The most recent available Annual Financial Statements of the associate are used by the economic entity in applying the equity method. When the reporting date's of the economic entity and the associate are different, the associate prepares, for the use of the economic entity, Annual Financial Statements as of the same date as the Annual Financial Statements of the economic entity unless it is impractical to do so.

When the Annual Financial Statements of an associate used in applying the equity method are prepared as of a different reporting date from that of the economic entity, adjustments are made for the effects of significant transactions or events that occur between that date and the date of the economic entity's Annual Financial Statements. In any case, the difference between the reporting date of the associate and that of the economic entity is more than three months. The length of the reporting periods and any difference in the reporting dates is the same from period to period.

Deficits in an associate in excess of the economic entity's interest in that associate are recognised only to the extent that the economic entity has incurred a legal or constructive obligation to make payments on behalf of the associate. If the associate subsequently reports surpluses, the economic entity resumes recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

Any goodwill on acquisition of an associate is included in the carrying amount of the investment, however, a gain on acquisition is recognised immediately in surplus or deficit.

Surpluses and deficits on transactions between the economic entity and an associate are eliminated to the extent of the economic entity's interest therein.

The controlling entity discontinues the use of the equity method from the date that it ceases to have significant influence over an associate and account for the investment in accordance with the Standard of GRAP on Financial Instruments: Recognition and Measurement from that date, unless the associate becomes a controlled entity or a joint venture, in which case it is accounted for as such. The carrying amount of the investment at the date that it ceases to be an associate is regarded as its cost on initial measurement as a financial asset in accordance with the Standard of GRAP on Financial Instruments: Recognition and Measurement.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the Annual Financial Statements in conformity with GRAP, management is required to make judgements, 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. These estimates and underlying assumtions are reviewed on an ongoing basis.

Significant judgements include:

Held to maturity investments and loans and receivables

The Group assesses its loans and recivables (including trade receivables) and its held to maturity investments at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

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Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Available-for-sale financial assets

The Group follows the guidance of IAS 39 to determine when an available-for-sale financial asset is impaired. This determination requires significant judgment. In making this judgment, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

Allowance for slow moving, damaged and obsolete stock

An allowance for stock to write stock down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the operation surplus note.

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the economic entity is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The economic entity uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the economic entity for similar financial instruments.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the fair value assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The economic entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 25 - Provisions.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

Assumptions were used in determing the provision for rehabilitation of landfill sites. Landfill areas are rehabilitated over years and the assumption was made that the areas stay the same in size for a number of years.

Provision is made for the estimated cost to be incurred on the long term eniviromental obligations, comprising expenditure on polution control and closure over the estimated life of the landfill.

The estimates are discounted at a pre-tax discount rate that reflect current market assessments of the time value of money.

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Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

The increase in the restoration provision due to passage of time is recognised as borrowing cost in the income statement

The cost of ongoing programmes to prevent and control pollution and rehabilitate the enviroment is recognised as an expense when incurred

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

A provision is recognised when:
- the company has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;and
- a reliable estimate can be made of the amount of the obligation

Contingent liabilities

Contingencies disclosed in the current year required estimates and judgements. Additional disclosure of contingent liabilities are included in note 45.

Post retirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

The economic entity determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the economic entity considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based on current market conditions.

Additional information is disclosed in Note 26.

Allowance for doubtful debts

On debtors, an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

1.3 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.

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 economic 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 at no cost or for a nominal cost, its cost is its fair value as at the date of acquisition.

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Accounting Policies

1.3 Investment property (continued)

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 other method - describe over the useful life of the property, which is as follows:

Item	Useful life
Property - Land	indefinite
Property - Buildings	30 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.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

1.4 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 municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Heritage assets, which are culturally significant resources and which are shown at cost, are not depreciated, owing to the uncertainty regarding their estimated useful lives. Land is not depreciated as it is deemed to have an indefinite life.

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 at no cost, or for a nominal cost, 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.

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

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Accounting Policies

1.4 Property, plant and equipment (continued)

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

Item	Average useful life
Land	indefinate
Buildings	30 years
Infrastructure	
• Roads and Paving	30 years
• Pedestrian Malls	30 years
• Electricity	40 - 85 years
• Water Infrastructure	100 years
• Sewerage Infrastructure	100 years
• Housing	30 years
• Landfill Site	16 - 36 years
Community	
• Buildings	30 years
• Recreational Facilities	20 - 30 years
• Security	5 years
Other property, plant and equipment	
• Buildings	30 years
• Other vehicles	5 years
• Furniture and fittings	7 - 10 years
• Watercraft	15 years
• Office Equipment	3 - 7 years
• Specialist plant and equipment	10 - 15 years
• Other items of Plant and equipment	2 - 5 years
• Bins and containers	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.

The depreciation charge for each period is recognised in surplus or deficit.

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 economic 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 statement of changes in net assets.

1.5 Intangible assets

An asset is identified as an intangible asset when it:
- 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, assets or liability; or
- arises from contractual rights or other legal rights, regardless whether those rights are transferable or separate from the economic 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 economic entity; and
- the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

An intangible asset acquired at no or nominal cost, the cost shall be its fair value as at the date of acquisition.

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1.5 Intangible assets (continued)

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

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

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.

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.

Expenditure, which enhances and extends the benefits of computer software programs beyond the original life of the software is capitalised. Computer software development costs recognised as assets are amortised using the straightline method over their useful lives. Costs associated with the maintenance of existing computer software programs are expensed as incurred.

Research and development expenditure is written off as incurred.

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

Item	Useful life
Additional capacity rights	10 years
Servitudes	indefinite
Computer software, internally generated	3 years
Computer software	2 - 8 years

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.

1.6 Investments in Municipal Entities

CJMM group annual financial statements

In the municipality's separate group annual financial statements, investments in municipal entities are carried at cost less any accumulated impairment.

The cost of an investment in a controlled entity is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the municipality; plus
- any costs directly attributable to the purchase of the controlled entity.

1.7 Investments in associates

CJMM group annual financial statements

An investment in an associate is carried at fair value and classified as fair value through surplus or deficit.

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1.7 Investments in associates (continued)

An associate is an entity over which the Municipality is in a position to exercise significant influence, through participation in the financial and operating policy decisions of the investee.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. The carrying value of the investment in associates is adjusted for the municipality's share of operating surpluses/(deficits) less any dividends received.

Where the Municipality or its Municipal Entities transact with an associate, unrealised gains and losses are eliminated to the extent of the Municipality's or its Municipal Entities' interest in the relevant associate, except where unrealised losses provide evidence of an impairment of the asset transferred. When CJMM's share of losses exceeds its interest in an equity accounted investee, the carrying amount of the interest is reduced to nil , and the recognition of further losses is discontinued except to the extent that the CJMM has an obligation or has made payments on behalf of the investee.

Where the Municipality is no longer able to exercise significant influence over the associate the equity method of accounting is discontinued.

The carrying amounts of such investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments.

1.8 Financial instruments

Non-derivative financial assets

The municipality initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the municipality becomes a party to the contractual provisions of the instrument.

The municipality derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the municipality is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the municipality has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The municipality classifies its non-derivative financial assets into the following categories:
- Held-to-maturity financial assets; and
- Loans and receivables.

Held-to-maturity financial assets

If the municipality has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held to maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses. Any sale or reclassification of a more than insignificant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available for sale, and prevent the municipality from classifying investment securities as held to maturity for the current and the following two financial years.

Held-to-maturity financial assets comprise various investments with several financial institutions and these have been presented under "Other financial assets".

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

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1.8 Financial instruments (continued)

Loans and receivables comprise loans to municipal entities, housing scheme loans, trade and other receivables, consumer debtors and cash and cash equivalents.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

Impairment of non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the municipality on terms that the municipality would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the municipality, economic conditions that correlate with defaults or the disappearance of an active market for a security.

Loans and receivables and held-to-maturity investments

The municipality considers evidence of impairment for loans and receivables and held-to-maturity investment securities at both a specific asset and collective level. All individually significant receivables and held-to-maturity investments are assessed for specific impairment.

All individually significant loans and receivables and held-to-maturity investments found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables and held-to-maturity investments that are not individually significant are collectively assessed for impairment by grouping together loans and receivables and held-to-maturity investments with similar risk characteristics.

In assessing collective impairment the municipality uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investments. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through surplus or deficit.

Non-derivative financial liabilities

The municipality initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the municipality becomes a party to the contractual provisions of the instrument.

The municipality derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the municipality has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The municipality classifies non-derivative financial liabilities into the other financial liabilities category.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, bank overdrafts, trade and other payables and consumer deposits.

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Accounting Policies

1.8 Financial instruments (continued)

Bank overdrafts that are repayable on demand and form an integral part of the municipality's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Derivative financial instruments, including hedge accounting

The municipality holds derivative financial instruments to hedge its interest rate risk exposures . Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

On initial designation of the derivative as the hedging instrument, the municipality formally documents the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The municipality makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge are within a range of 80 – 125 percent. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported surplus or deficit.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in surplus or deficit as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect surplus or deficit, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in surplus or deficit.

When the hedged item is a non-financial asset, the amount accumulated in equity is included in the carrying amount of the asset when the asset is recognised. In other cases the amount accumulated in equity is reclassified to surplus or deficit in the same period that the hedged item affects surplus or deficit. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the balance in equity is reclassified in surplus or deficit.

Separable embedded derivatives

Changes in the fair value of separated embedded derivatives are recognised immediately in surplus or deficit.

Other non-trading derivatives

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in surplus or deficit.

1.9 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.

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Accounting Policies

1.9 Leases (continued)

Finance leases - lessor

The economic entity recognises finance lease receivables as assets on the statement of financial position. Such assets are presented as a receivable at an amount equal to the net investment in the lease.

Finance revenue is recognised based on a pattern reflecting a constant periodic rate of return on the economic entity's net investment in the finance lease.

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.

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 return on the remaining balance of the liability.

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

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in the statement of financial performance.

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.

1.10 Inventories

Inventories are initially measured at cost except where inventories are acquired at no cost, or for nominal consideration, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories include consumable stores, maintenance materials, spare parts for plant and equipment, work in progress and land and or property held for sale. Cost is determined by the first-in-first-out method and comprises all costs of purchases, costs of development, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Inventories are stated at the lower of cost and current replacement cost. Current replacement cost represents the cost the municipality would incur to acquire the asset on the reporting date. Where inventories are acquired at cost, or for nominal consideration, their costs are their fair value as at the date of acquisition.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

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Accounting Policies

1.10 Inventories (continued)

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Change in Accounting Policy

During the period ending 30 June 2010 the City of Johannesburg changed its accounting policy with respect to the method used to account for its inventory. The change was from using the first-in-first-out basis to the weighted average method for accounting for inventory. The change in the accounting policy was as a result of a change in the accounting software of the entity which calculates the inventory balances and movements according to the weighted average method. Therefore in order to attain an accurate and complete set of information with regards to the inventory balance and movements, the change was warranted and is in accordance with the GRAP 3 treatment. The application of the change in accounting policy will result in the provision of more reliable and relevant information. This change in accounting policy has been accounted for retrospectively

1.11 Non-current assets held for sale and disposal groups

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale (or disposal group) are measured at the lower of its carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in surplus or deficit.

1.12 Impairment of cash-generating assets

Assets that are subject to impairment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recovered.

An impairment loss is recognised if the recoverable amount of an asset is less than its carrying amount. The impairment loss is recognised as an expense in the consolidated statement of financial performance immediately. The recoverable amount of the asset is the higher of the asset fair value less cost of disposal and its value in use..

The fair value represents the amount obtainable from the sale in an arm's length transaction between knowledgeable, willing parties.

For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the assets belongs. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash flows from other assets or group of assets. An impairment loss is recognised whenever the recoverable amount of a cash-generating unit is less than its carrying amount.

The impairment loss is allocated to reduce the carrying amount of the asset. The carrying amount of individual assets are not reduced below the higher of its value in use, zero or fair value less cost of disposal.

A previously recognised impairment loss related to assets is reversed if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognised in prior periods.

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1.12 Impairment of cash-generating assets (continued)

After the recognition of an impairment loss, any depreciation charge for the asset is adjusted for future periods to allocate the assets' revised carrying amount on a systematic basis over its remaining useful life.

1.13 Impairment of non-cash-generating assets

Non-cash generating assets such as Infrastructure and Community assets are not impaired as no open market value can be obtained and there is no intention to sell these assets as they are for the benefit of the community.

The Group has various maintenance and upgrading programmes to ensure continuous uphold and sustained use of these non-cash generating assets.

1.14 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), 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.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the economic entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Other post retirement obligations

The economic entity provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The economic entity also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

Purchase of service

Certain pension funds allow members to purchase additional service in terms of the fund's rules. This is reflected in the statement of financial performance when the expense is incurred.

Gratuities

The economic entity provides gratuities for qualifying staff members in terms of the relevant conditions of employment. The expenditure is recognised in the statement of financial performance when the gratuity is paid.

Actuarial gains and losses are recognised in full in the period in which they arise as income or expenditure.

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Accounting Policies

1.14 Employee benefits (continued)

Bonus pensionable service and medical boardings

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

1.15 Provisions and contingencies

Provisions are recognised when:
- the economic 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 economic 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.

Additional disclosure of these estimates of provisions are included in note 25 - Provisions.

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 economic entity

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Accounting Policies

1.15 Provisions and contingencies (continued)

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

After their initial recognition contingent liabilities recognised in business 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. Contingencies are disclosed in note 45.

1.16 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.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:
- the economic entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the economic entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- 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 economic entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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 economic 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.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date.

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Accounting Policies

1.16 Revenue from exchange transactions (continued)

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 municipality, 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 municipality'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.

1.17 Investment income

Investment income comprises interest income on funds invested. Investment income is recognised on a time-proportion basis using the effective interest method.

1.18 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:
- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any investment income on the temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the economic entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when all the following conditions have been met:
- expenditures for the asset have been incurred;
- borrowing costs have been incurred; and
- activities that are necessary to prepare the asset for its intended use or sale are undertaken.

When the carrying amount or the expected ultimate cost of the qualifying asset exceeds its recoverable amount or recoverable service amount or net realisable value, the carrying amount is written down or written off in accordance with the accounting policy on Impairment of Assets as per accounting policy number 1.12 and 1.13. In certain circumstances, the amount of the write-down or write-off is written back in accordance with the same accounting policy.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

When the economic entity completes the construction of a qualifying asset in parts and each part is capable of being used while construction continues on other parts, the entity ceases capitalising borrowing costs when it completes substantially all the activities necessary to prepare that part for its intended use or sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.19 Comparative figures

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

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Accounting Policies

1.20 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.

1.21 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.

1.22 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.

1.23 Presentation of currency

These Annual Financial Statements are presented in South African Rand.

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Accounting Policies

1.24 Offsetting

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

1.25 Internal reserves

Capital replacement reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/(deficit) to the CRR. A corresponding amount is transferred to a designated CRR bank or investment account. The cash in the designated CRR bank account can only be utilised to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus/(deficit) is credited by a corresponding amount when the amounts in the CRR are utilised.

Compensation for occupational injuries and diseases (COID) reserve

The Compensation for Occupational Injuries and Diseases Act (Act 130 of 1993) is to provide for payment of medical treatment and compensation for disablement caused by occupational injuries or diseases sustained or contracted by employees in the course of their employment, or for death resulting from such injuries or diseases. The contribution to the COID fund is 0.75% of the salary expense. The municipality is an exempt employer in terms of Section 84 (1) (a)(ii) & (2) and as such does not pay any assessments to the COID Commissioner. In terms of the exempt status the municipality is mandated to establish its own fund and administers this fund in terms of the COID Act.

1.26 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

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	GROUP		CJMM	
Figures in Rand thousand	2010	2009	2010	2009

2. STATEMENT AND INTERPRETATIONS NOT YET EFFECTIVE

At the date of authorisation of these Annual Financial Statements, the following Standards and Interpretations were in issue but not yet effective:

- GRAP 18 - Segment Reporting
- GRAP 21 - Impairment of non-Cash-Generating Assets
- GRAP 23 - Revenue from non-Exchange Transactions (Taxes and Transfers)
- GRAP 24 - Presentation of Budget Information in Financial Statements
- GRAP 25 - Employee benefits
- GRAP 26 - Impairment of Cash-Generating Assets
- GRAP 103 - Heritage Assets
- GRAP 104 - Financial Instruments

3. CHANGES IN ACCOUNTING POLICY

During the current financial year CJMM changed their accounting policy relating to inventory from a first in first out basis to the weighted average.

The change was done to align CJMM's accounting treatment to the rest of the Group.

The aggregate effect of the change in accounting policy is as follows:

Statement of financial position

Inventory				
Previously stated - First in first out (FIFO)	179,136	170,308	29,779	29,118
Adjustment	(463)	(442)	(463)	(442)
Currently stated - Weighted average	**178,673**	**169,866**	**29,316**	**28,676**

Statement of financial performance

Surplus				
Surplus from operating activities before adjustment	2,897,001	755,881	2,246,998	192,205
Adjustment	(463)	(442)	(463)	(442)
	2,896,538	**755,439**	**2,246,535**	**191,763**

Statement of changes in net assets

Accumulated surplus				
Opening accumulated surplus as previously reported	18,820,336	18,711,701	13,925,682	14,380,723
Change in accounting policy in respect of inventory	(463)	(442)	(463)	(442)
Opening accumulated surplus as restated	**18,819,873**	**18,711,259**	**13,925,219**	**14,380,281**
Surplus	2,896,538	755,439	2,246,535	191,763
Closing accumulated surplus	**21,716,411**	**19,466,698**	**16,171,754**	**14,572,044**

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Notes to the Group Annual Financial Statements

	GROUP		CJMM	
Figures in Rand thousand	2010	2009	2010	2009

4. BIOLOGICAL ASSETS HELD FOR RESALE

GROUP	2010			2009		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Stock held for sale	-	-	-	3,400	-	3,400

Reconciliation of biological assets - GROUP - 2010

	Opening Balance	Decreases due to harvest / sales	Transfers	Gains or losses arising from physical changes	Impairment reversal
Stock held for sale	3,400	(13,671)	5,976	470	3,825

Reconciliation of biological assets - GROUP - 2009

	Opening Balance	Decreases due to harvest / sales	Gains or losses arising from physical changes	Impairment reversal	Total
Stock held for sale	3,434	(1,874)	(373)	2,213	3,400

Non – Financial information

Quantities of each biological asset				
Bulls	-	74	-	-
Calves	-	74	-	-
Weaners	-	568	-	-
	-	**716**	**-**	**-**

5. INVENTORIES

Consumable stores	167,712	161,171	29,335	28,896
Spare parts	13,461	13,994	-	-
Water	6,562	5,988	-	-
	187,735	181,153	29,335	28,896
Inventories (write-downs)	(9,062)	(11,287)	(19)	(220)
	178,673	**169,866**	**29,316**	**28,676**

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Notes to the Group Annual Financial Statements

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Figures in Rand thousand	2010	2009	2010	2009

6. LOANS TO MUNICIPAL ENTITIES

Shareholder loans

City Power Johannesburg (Pty) Ltd Terms and conditions: Rate = 16% Maturity = No set date for repayment	-	-	624,793	624,793
Johannesburg Water (Pty) Ltd Terms and conditions: Rate = 15% Maturity = No set date for repayment	-	-	519,933	584,928
	-	**-**	**1,144,726**	**1,209,721**

Conduit and additional loans

City of Johannesburg Property Company (Pty) Ltd Terms and conditions: Rate = 12.21% Maturity = 30 June 2011	-	-	4,312	6,862
City Power Johannesburg (Pty) Ltd Terms and conditions: Rate range = 10.2% to 17.5% Maturity = 30 June 2017	-	-	2,574,415	2,544,585
Johannesburg Metropolitan Bus Services (Pty) Ltd Terms and conditions: Rate = 9% Maturity = 30 June 2017	-	-	107,671	120,277
Johannesburg Roads Agency (Pty) Ltd Terms and conditions: Rate = 12.09% Maturity = 30 July 2010	-	-	331	4,050
Johannesburg Water (Pty) Ltd Terms and conditions: Rate range = 10.2% to 17.5% Maturity = 30 June 2016	-	-	1,875,790	1,707,651
Pikitup Johannesburg (Pty) Ltd Terms and conditions: Rate range = 10.2% to 17.5% Maturity = 30 June 2016	-	-	149,981	154,506
The Johannesburg Fresh Produce Market (Pty) Ltd Terms and conditions: Rate range = 10.2% to 17.5% Maturity = 30 June 2016	-	-	206,475	214,445
	-	-	4,918,975	4,752,376
Less impairment of loans to Pikitup Johannesburg (Pty) Ltd	-	-	(32,296)	(49,563)
	-	**-**	**4,886,679**	**4,702,813**
Non-current assets	-	-	5,222,596	5,227,632
Current assets	-	-	808,809	684,902
	-	**-**	**6,031,405**	**5,912,534**

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Notes to the Group Annual Financial Statements

	GROUP		CJMM	
Figures in Rand thousand	2010	2009	2010	2009

6. LOANS TO MUNICIPAL ENTITIES (continued)

Credit quality of loans to group companies

The credit quality of municipal entities is not determined on an individual basis. The credit rating is done at a group level.

Credit rating				
AA-	-	-	6,031,403	5,912,534

Fair value of loans to and from group companies

The carrying amount is a reasonable approximation of the fair value.

Reconciliation of provision for impairment of loans to group companies

Opening balance	-	-	261,864	277,198
Reversal	-	-	(17,267)	(15,334)
	-	**-**	**244,597**	**261,864**

The creation and release of provision for impaired receivables have been included in operating expenses in the statement of financial performance. No loans are currently past due, all loan repayments were done in terms of the loan agreements.

7. OTHER FINANCIAL ASSETS

Held to maturity investments				
Other financial assets	2,017,616	2,783,830	2,017,616	2,783,830
Loans and receivables				
Housing Selling scheme loans	2,089	40,459	2,089	40,459
Other loans and receivables	100,952	97,114	100,952	97,114
	103,041	137,573	103,041	137,573
Loans and receivables (impairments)/reversal of impairments	(2,089)	(40,459)	(2,089)	(40,459)
	100,952	**97,114**	**100,952**	**97,114**
Total other financial assets	**2,118,568**	**2,880,944**	**2,118,568**	**2,880,944**
Non-current assets				
Held to maturity	1,980,558	1,783,830	1,980,558	1,783,830
Loans and receivables	100,952	97,114	100,952	97,114
	2,081,510	**1,880,944**	**2,081,510**	**1,880,944**
Current assets				
Held to maturity	37,058	1,000,000	37,058	1,000,000
	2,118,568	**2,880,944**	**2,118,568**	**2,880,944**

Held to maturity investments

The held to maturity investments are ring-fenced for the repayment of non-current liabilities.

The total amount of change in fair value is estimated using discounted cash flow analysis.

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Notes to the Group Annual Financial Statements

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Figures in Rand thousand	2010	2009	2010	2009

7. OTHER FINANCIAL ASSETS (continued)

	Amortised Cost	Market Values	Amortised Cost	Market Values
ABSA Investment Maturity - 20.12.2012 Rating - (AAA) Pledged as collateral cannot be sold until the related liability is settled in full	125,960	345,324	125,960	345,324
SMB Long-term Investment Maturity - 31.08.2013 Rating - (A-) Pledged as collateral cannot be sold until the related liability is settled in full	20,306	45,656	20,306	45,656
Investment: RMB - E Maturity - 30.11.2014 Rating - (AAA) Pledged as collateral cannot be sold until the related liability is settled in full	46,079	77,634	46,079	77,634
Investment: RMB - E Maturity - 31.12.2012 Rating - (AAA) Pledged as collateral cannot be sold until the related liability is settled in full	218,194	621,458	218,194	621,458
Investment: RMB R10 Maturity - 30.11.2014 Rating - (AAA) Pledged as collateral cannot be sold until the related liability is settled in full	48,504	81,720	48,504	81,720
STD Bank: (2496) Maturity - 30.11.2011 Rating - (A-) Pledged as collateral cannot be sold until the related liability is settled in full	40,096	185,150	40,096	185,150
INCA & STD Bank Red Maturity - 30.06.2011 Rating - (A-) Pledged as collateral cannot be sold until the related liability is settled in full	16,336	106,021	16,336	106,021
ABSA Sinking Fund 20 Maturity - 05.06.2018 Rating - (BBB+) Pledged as collateral for CJMM Bond redemptions	1,475,167	2,039,490	1,475,167	2,039,490
Fixed Deposit - RMB Maturity - 30.11.2014 Rating - (AAA) Pledged as collateral cannot be sold until the related liability is settled in full	26,974	45,446	26,974	45,446
	2,017,616	**3,547,899**	**2,017,616**	**3,547,899**

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Notes to the Group Annual Financial Statements

		GROUP		CJMM	
Figures in Rand thousand		2010	2009	2010	2009

8. TRADE AND OTHER RECEIVABLES

Loans and receivables					
Fleet Africa		-	33,073	-	33,073
Housing debtors		330,210	556,340	330,210	556,340
Insurance debtor		141,693	239,865	137,331	230,212
Operating lease receivables		29,845	29,646	871	275
Sundry debtor		661,168	567,170	282,273	352,029
Related party debtors		132,027	84,006	787,335	293,034
		1,294,943	**1,510,100**	**1,538,020**	**1,464,963**
Financial assets at fair value through profit or loss					
Derivative trading asset		-	28,326	-	28,326
		-	**28,326**	**-**	**28,326**
Other receivables					
Fruitless and wasteful expenditure to be investigated	49	5,324	19,070	5,324	19,070
Prepayments		22,200	47,370	16,134	43,246
		27,524	**66,440**	**21,458**	**62,316**
Total trade and other receivables		**1,322,467**	**1,604,866**	**1,559,478**	**1,555,605**

9. VAT RECEIVABLE

VAT		337,118	179,216	334,573	171,242

10. CONSUMER DEBTORS

Gross balances					
Rates		2,977,703	2,263,287	2,977,703	2,263,287
Electricity		2,076,035	1,792,925	-	-
Water		4,168,432	3,633,561	-	-
Refuse		563,836	462,898	423,554	325,459
Housing rental		229,574	221,473	229,574	221,473
		10,015,580	**8,374,144**	**3,630,831**	**2,810,219**
Less: Provision for debt impairment					
Rates		(2,398,948)	(1,889,893)	(2,398,948)	(1,889,893)
Electricity		(1,361,685)	(930,988)	-	-
Water		(3,255,885)	(2,777,729)	-	-
Refuse		(395,270)	(345,438)	(358,417)	(310,888)
Housing rental		(219,302)	(172,795)	(219,302)	(172,795)
		(7,631,090)	**(6,116,843)**	**(2,976,667)**	**(2,373,576)**
Net balance					
Rates		578,755	373,394	578,755	373,394
Electricity		714,350	861,937	-	-
Water		912,547	855,832	-	-
Refuse		168,566	117,460	65,137	14,571
Housing rental		10,272	48,678	10,272	48,678
		2,384,490	**2,257,301**	**654,164**	**436,643**

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Notes to the Group Annual Financial Statements

	GROUP		CJMM	
Figures in Rand thousand	2010	2009	2010	2009

10. CONSUMER DEBTORS (continued)

Rates				
Current (0 - 30 days)	556,572	273,755	556,572	273,755
31 - 60 days	143,692	144,456	143,692	144,456
61 - 90 days	165,126	114,153	165,126	114,153
91 - 120 days	111,146	119,427	111,146	119,427
121 - 365 days	717,271	500,584	717,271	500,584
> 365 days	1,283,896	1,110,912	1,283,896	1,110,912
	2,977,703	**2,263,287**	**2,977,703**	**2,263,287**
Electricity				
Current (0 - 30 days)	552,615	664,902	-	-
31 - 60 days	141,926	88,306	-	-
61 - 90 days	88,886	62,735	-	-
91 - 120 days	131,980	67,613	-	-
121 - 365 days	62,366	309,184	-	-
> 365 days	1,098,262	600,185	-	-
	2,076,035	**1,792,925**	**-**	**-**
Water				
Current (0 - 30 days)	487,409	435,587	-	-
31 - 60 days	181,656	204,383	-	-
61 - 90 days	181,595	148,396	-	-
91 - 120 days	188,077	128,262	-	-
121 - 365 days	892,727	769,469	-	-
> 365 days	2,236,968	1,947,464	-	-
	4,168,432	**3,633,561**	**-**	**-**
Refuse				
Current (0 - 30 days)	35,306	101,176	14,261	4,902
31 - 60 days	33,873	32,167	26,904	25,873
61 - 90 days	31,466	21,464	24,514	17,897
91 - 120 days	26,426	19,225	21,893	16,370
121 - 365 days	129,076	100,156	108,168	88,698
> 365 days	307,689	188,710	227,814	171,719
	563,836	**462,898**	**423,554**	**325,459**
Housing rental				
Current (0 - 30 days)	5,913	5,783	5,913	5,783
31 - 60 days	3,496	2,978	3,496	2,978
61 - 90 days	3,022	3,301	3,022	3,301
91 - 120 days	2,943	3,173	2,943	3,173
121 - 365 days	105,855	52,946	105,855	52,946
> 365 days	108,345	153,292	108,345	153,292
	229,574	**221,473**	**229,574**	**221,473**

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to the customer classification and historical information about counterparty default rates.

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Notes to the Group Annual Financial Statements

	GROUP		CJMM	
Figures in Rand thousand	2010	2009	2010	2009

10. CONSUMER DEBTORS (continued)

Summary of debtors by customer classification

Consumers				
Current (0 - 30 days)	992,173	517,063	339,524	129,969
31 - 60 days	348,030	310,582	128,982	99,649
61 - 90 days	325,160	218,841	129,550	72,539
91 - 120 days	315,902	202,807	78,969	70,745
121 - 365 days	995,195	1,206,507	427,365	395,809
> 365 days	3,073,164	3,079,729	723,449	933,915
	6,049,624	5,535,529	1,827,839	1,702,626
Less: Provision for debt impairment	(4,707,436)	(4,417,122)	(1,455,496)	(1,463,807)
	1,342,188	**1,118,407**	**372,343**	**238,819**
Consumers - Past due and impaired				
Current (0 - 30 days)	292,693	8,095	47,920	8,095
31 - 60 days	187,746	86,297	111,971	86,297
61 - 90 days	173,082	67,642	121,874	67,642
91 - 120 days	278,262	196,524	75,458	66,643
121 - 365 days	927,128	1,176,393	372,438	378,474
> 365 days	2,848,525	2,882,171	725,835	856,656
	4,707,436	**4,417,122**	**1,455,496**	**1,463,807**
Consumers - Past due and not impaired				
Current (0 - 30 days)	699,480	508,967	291,604	121,874
31 - 60 days	160,284	224,285	17,011	13,352
61 - 90 days	152,079	151,199	7,677	4,897
91 - 120 days	37,641	6,283	3,511	4,102
121 - 365 days	68,066	30,114	54,927	17,335
> 365 days	224,638	197,559	(2,387)	77,259
	1,342,188	**1,118,407**	**372,343**	**238,819**

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Notes to the Group Annual Financial Statements

	GROUP		CJMM	
Figures in Rand thousand	2010	2009	2010	2009

10. CONSUMER DEBTORS (continued)

Industrial/ commercial				
Current (0 - 30 days)	600,063	834,907	206,720	131,995
31 - 60 days	149,918	142,371	43,469	68,438
61 - 90 days	139,777	117,979	61,015	57,752
91 - 120 days	138,826	122,066	54,079	63,224
121 - 365 days	893,458	448,380	495,720	216,003
> 365 days	1,889,686	791,347	879,649	444,165
	3,811,728	2,457,050	1,740,652	981,577
Less: Provision for debt impairment	(2,862,202)	(1,479,363)	(1,487,343)	(811,011)
	949,526	**977,687**	**253,309**	**170,566**
Industrial/ commercial - Past due and impaired				
Current (0 - 30 days)	73,253	31,963	24,261	3,443
31 - 60 days	62,146	81,500	37,514	59,062
61 - 90 days	69,430	73,869	56,805	53,767
91 - 120 days	107,752	113,792	50,888	59,494
121 - 365 days	824,222	433,826	473,412	208,846
> 365 days	1,725,399	744,413	844,463	426,399
	2,862,202	**1,479,363**	**1,487,343**	**811,011**
Industrial/ commercial - Past due and not impaired				
Current (0 - 30 days)	526,809	802,945	182,459	128,552
31 - 60 days	87,772	60,871	5,955	9,376
61 - 90 days	70,347	44,110	4,210	3,985
91 - 120 days	31,073	8,274	3,191	3,730
121 - 365 days	69,236	14,554	22,308	7,157
> 365 days	164,289	46,933	35,186	17,766
	949,526	**977,687**	**253,309**	**170,566**

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Notes to the Group Annual Financial Statements

	GROUP		CJMM	
Figures in Rand thousand	2010	2009	2010	2009

10. CONSUMER DEBTORS (continued)

National and provincial government				
Current (0 - 30 days)	45,580	129,231	30,502	22,474
31 - 60 days	6,695	19,336	1,641	5,220
61 - 90 days	5,158	13,229	2,096	5,061
91 - 120 days	5,843	12,825	2,934	4,999
121 - 365 days	18,642	77,451	8,210	30,416
> 365 days	72,310	129,493	16,957	57,846
	154,228	381,565	62,340	126,016
Less: Provision for debt impairment	(61,452)	(220,358)	(33,828)	(98,758)
	92,776	**161,207**	**28,512**	**27,258**
National and provincial government - Past due and impaired				
Current (0 - 30 days)	3,580	257	3,580	257
31 - 60 days	1,416	4,631	1,416	4,505
61 - 90 days	1,951	4,850	1,951	4,712
91 - 120 days	4,494	11,905	2,761	4,704
121 - 365 days	16,421	73,263	7,841	29,047
> 365 days	33,590	125,452	16,279	55,533
	61,452	**220,358**	**33,828**	**98,758**
National and provincial government - Past due and not impaired				
Current (0 - 30 days)	42,000	128,974	26,922	22,217
31 - 60 days	5,279	14,705	225	715
61 - 90 days	3,207	8,379	145	349
91 - 120 days	1,350	920	173	295
121 - 365 days	2,221	4,188	369	1,369
> 365 days	38,719	4,041	678	2,313
	92,776	**161,207**	**28,512**	**27,258**

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Notes to the Group Annual Financial Statements

	GROUP		CJMM	
Figures in Rand thousand	2010	2009	2010	2009

10. CONSUMER DEBTORS (continued)

Total				
Current (0 -30 days)	1,637,816	1,481,201	576,746	284,438
31 - 60 days	504,643	472,289	174,092	173,307
61 - 90 days	470,095	350,049	192,661	135,352
91 - 120 days	460,571	337,698	135,982	138,968
121 - 365 days	1,907,295	1,732,338	931,295	642,228
> 365 days	5,035,160	4,000,569	1,620,055	1,435,926
	10,015,580	8,374,144	3,630,831	2,810,219
Less: Provision for debt impairment	(7,631,090)	(6,116,843)	(2,976,667)	(2,373,576)
	2,384,490	**2,257,301**	**654,164**	**436,643**
Less: Provision for debt impairment				
Current (0 - 30 days)	369,526	40,315	75,761	11,795
31 - 60 days	251,308	172,428	150,901	149,864
61 - 90 days	244,463	146,361	180,630	126,121
91 - 120 days	390,508	322,221	129,107	130,841
121 - 365 days	1,767,771	1,683,482	853,691	616,367
> 365 days	4,607,514	3,752,036	1,586,577	1,338,588
	7,631,090	**6,116,843**	**2,976,667**	**2,373,576**
Total debtor past due but not impaired				
Current (0 - 30 days)	1,268,289	1,440,886	500,985	272,643
31 - 60 days	253,335	299,861	23,191	23,443
61 - 90 days	225,633	203,688	12,032	9,231
91 - 120 days	70,064	15,477	6,875	8,127
121 - 365 days	139,523	48,856	77,604	25,861
> 365 days	427,646	248,533	33,477	97,338
	2,384,490	**2,257,301**	**654,164**	**436,643**
Reconciliation of debt impairment provision				
Balance at beginning of the year	(6,116,843)	(7,691,731)	(2,373,576)	(2,786,849)
Contributions to provision	(2,177,147)	(929,250)	(1,003,437)	42,624
Debt impairment written off against provision	377,903	2,342,178	116,639	222,359
Reversal of provision	284,997	161,960	283,707	148,290
	(7,631,090)	**(6,116,843)**	**(2,976,667)**	**(2,373,576)**

Johannesburg Water

A debt impairement is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. Accordingly, an impairment loss is recognised based on the ageing as well as the profile of debtors. The terms of the trade and other receivables have not been renegotiated during the current or prior period. In terms of the prepayment metering project, consumers that met certain criteria with respect to the installation of prepaid meters, had their accumulated debt written off. The amount written off for these consumers amounted to R 282,106 (2009: R 121,343). Poor payment levels in deemed consumption areas are being addressed as part of the company's prepayment meter roll out programme.

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Notes to the Group Annual Financial Statements

	GROUP		CJMM	
Figures in Rand thousand	2010	2009	2010	2009

11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Cash on hand	411	399	131	117
Bank balances	219,201	230,972	153,946	201,583
Call investment deposits	130,706	466,104	127,028	447,591
Bank overdraft	(5,198)	(51,857)	-	-
	345,120	**645,618**	**281,105**	**649,291**
Current assets	350,318	697,475	281,105	649,291
Current liabilities	(5,198)	(51,857)	-	-
	345,120	**645,618**	**281,105**	**649,291**

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings. The amortised cost carrying amount estimates the fair value due the short-term nature of these deposits.

Fixed Deposits STD Bank Rating - (F1+)	1,218	1,027
Fixed Deposits ABSA Rating - (F1+)	355	-
Call Deposits ABSA Rating - (F1+)	4,175	377,745
Call Deposits RMB Rating - (F1+)	1,108	2,275
Call Deposits INVESTEC Rating - (F1)	17,604	56,105
Call Deposits NEDCOR Rating - (F1+)	4,172	2,030
Call Deposits CITY BANK Rating - (F1+)	1,041	1,202
Call Deposits ABN AMRO Rating - (F1+)	-	1,349
Call Deposits DEUTSCHE BK Rating - (F1+)	1,000	1,500
Call Deposits TCTA Rating - (F1+)	1,000	1,000
Call Deposits LANDBANK Rating - (F1+)	1,050	50
Calyon SA Rating - (F1+)	1,084	1,380
Stanlib Call Investment Rating - (F1+)	1,090	1,928
Call Deposits HSBC Rating - (F1+)	92,131	-
	127,028	**447,591**

Cash and cash equivalents that have been ring-fenced for following future expenditure				
Underwriting of COID reserve	56,726	49,200	56,726	49,200
Capital replacement reserve	93,049	85,187	93,049	85,187
Repayment of long-term liabilities	-	300,000	-	300,000
	149,775	**434,387**	**149,775**	**434,387**

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Notes to the Group Annual Financial Statements

	GROUP		CJMM	
Figures in Rand thousand	2010	2009	2010	2009

12. BIOLOGICAL ASSETS

GROUP	2010			2009		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Breeding stock	-	-	-	5,976	-	5,976

Reconciliation of biological assets - GROUP - 2010

	Opening balance	Transfers	Total
Breeding stock	5,976	(5,976)	-

Reconciliation of biological assets - GROUP - 2009

	Opening balance	Disposals	Gains or losses arising from changes in fair value	Other changes, movements	Total
Breeding stock	4,474	(1,116)	1,089	1,529	5,976

Non - Financial information

Quantities of each biological asset				
Breeding stock	-	22	-	-
Cattle/ Sheep	-	263	-	-
Pigs	-	674	-	-
Mammals	663	606	-	-
Aves	699	773	-	-
Reptilia	143	148	-	-
Amphibia	147	74	-	-
Insecta	12	22	-	-
Pisces	146	159	-	-
Arthropoda	14	-	-	-
	1,824	**2,741**	**-**	**-**

Methods and assumptions used in determining fair value

The Johannesburg Zoo recognises animals at R1, not at fair value. Market-determined prices or values are not available due to the lack of a market for the majority of the animals because they are not commodities, as well as restrictions on trade of exotic animals which preclude the determination of a fair value.

Alternative estimates of fair value for zoo animals will be influenced by the age, health, bloodline and other related issues which is arbitrary in nature. Alternative estimates of fair value are not considered to be reliable due to the number of variables involved and the arbitrary nature of the variables.

Therefore, on the basis that many species cannot be valued and that reliable values cannot be obtained for other species, it was considered that any assessment of value would be misleading to the user of the Annual Financial Statements.

The majority of the Zoo's animals are received as donations and transfers from other similar institutions for no consideration, or from procreation. These assets are recorded at a nominal amount, and therefore the zoo animals are not depreciated.

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	GROUP		CJMM	
Figures in Rand thousand	2010	2009	2010	2009

13. INVESTMENT PROPERTY

GROUP	2010			2009		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Investment property	1,175,265	(78,719)	1,096,546	1,178,679	(78,442)	1,100,237

CJMM	2010			2009		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Investment property	1,055,118	(5,644)	1,049,474	1,058,532	(5,644)	1,052,888

Reconciliation of investment property - GROUP - 2010

	Opening balance	Disposals	Transfers	Depreciation	Total
Investment property	1,100,237	(3,377)	(37)	(277)	1,096,546

Reconciliation of investment property - GROUP - 2009

	Opening balance	Unbundling of land	Disposals	Transfers	Depreciation	Total
Investment property	1,103,236	143	(225)	(1,175)	(1,742)	1,100,237

Reconciliation of investment property - CJMM - 2010

	Opening balance	Disposals	Transfers	Total
Investment property	1,052,888	(3,377)	(37)	1,049,474

Reconciliation of investment property - CJMM - 2009

	Opening balance	Unbundling of land	Disposals	Transfers	Depreciation	Total
Investment property	1,055,610	143	(225)	(1,175)	(1,465)	1,052,888

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Notes to the Group Annual Financial Statements

	GROUP		CJMM	
Figures in Rand thousand	2010	2009	2010	2009

13. INVESTMENT PROPERTY (continued)

Fair value

CJMM	2,132,900	2,136,277	2,132,900	2,136,277
The Johannesburg Fresh Produce Market (Pty) Ltd	10,218	3,612	-	-
Metropolitan Trading Company (Pty) Ltd	55,002	55,002	-	-
	2,198,120	**2,194,891**	**2,132,900**	**2,136,277**

A register containing the information for CJMM as required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Metropolitan Trading Company (Pty) Ltd
- Metro Mall Erf 601,602 and 603, Newtown, Extension 1
- Yeoville flats Erf 737, Yeoville

The Johannesburg Fresh Produce Market (Pty) Ltd
- Stand 118 City Deep Extension 2, Johannesburg, Gauteng - comprising of retail shops.

Details of valuation

CJMM

The CJMM valuation is based on the valuation roll and is reviewed every three years.

The Johannesburg Fresh Produce Market (Pty) Ltd

An external, independent valuation entity, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the entity's investment property portfolio annually. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows then is applied to the net annual cash flows to arrive at the property valuation.

Valuations reflect, when appropriate: the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, and the market's general perception of their creditworthiness; the allocation of maintenance and insurance responsibilities between the entity and the lessee; and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices, and when appropriate counter-notices, have been served validly and within the appropriate time

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	GROUP		CJMM	
Figures in Rand thousand	2010	2009	2010	2009

14. PROPERTY, PLANT AND EQUIPMENT

GROUP	2010			2009		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Land and buildings	15,886,685	(1,983,670)	13,903,015	11,705,652	(1,754,803)	9,950,849
Plant and equipment	1,518,507	(500,061)	1,018,446	1,318,201	(437,629)	880,572
Furniture and fittings	480,660	(264,077)	216,583	417,445	(219,433)	198,012
Motor vehicles	15,588	(7,809)	7,779	15,015	(7,347)	7,668
Office equipment	413,498	(241,990)	171,508	365,468	(184,479)	180,989
Computer equipment	353,928	(220,041)	133,887	309,638	(171,452)	138,186
Infrastructure	14,327,734	(2,015,654)	12,312,080	10,618,785	(1,628,387)	8,990,398
Community	619,283	(214,217)	405,066	539,818	(178,226)	361,592
Other	11,754	(6,449)	5,305	11,027	(5,968)	5,059
Bins and containers	212,471	(165,503)	46,968	202,685	(142,568)	60,117
Work in progress	5,206,638	-	5,206,638	9,353,662	-	9,353,662
Landfill sites	181,685	(93,929)	87,756	179,414	(89,572)	89,842
Specialised vehicles	465,265	(285,927)	179,338	495,763	(283,674)	212,089
Heritage assets	109,489	(21,364)	88,125	100,861	(21,382)	79,479
Emergency equipment	25,071	(12,136)	12,935	23,213	(9,075)	14,138
Total	**39,828,256**	**(6,032,827)**	**33,795,429**	**35,656,647**	**(5,133,995)**	**30,522,652**

CJMM	2010			2009		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Land and buildings	14,768,222	(1,512,399)	13,255,823	10,639,811	(1,339,608)	9,300,203
Plant and equipment	173,704	(60,495)	113,209	78,288	(50,162)	28,126
Furniture and fittings	399,307	(222,654)	176,653	336,594	(183,347)	153,247
Motor vehicles	4,297	(3,771)	526	4,280	(3,558)	722
Office equipment	356,223	(212,684)	143,539	308,512	(157,971)	150,541
Computer equipment	166,140	(114,634)	51,506	136,326	(85,485)	50,841
Infrastructure	4,994,514	(1,124,867)	3,869,647	2,838,549	(908,303)	1,930,246
Community	619,283	(214,217)	405,066	539,818	(178,226)	361,592
Other	750	(498)	252	759	(393)	366
Bins and containers	10,510	(3,366)	7,144	10,739	(2,491)	8,248
Work in progress	4,066,797	-	4,066,797	7,913,140	-	7,913,140
Heritage assets	107,896	(21,364)	86,532	99,268	(21,382)	77,886
Emergency equipment	25,071	(12,136)	12,935	23,213	(9,075)	14,138
Total	**25,692,714**	**(3,503,085)**	**22,189,629**	**22,929,297**	**(2,940,001)**	**19,989,296**

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Notes to the Group Annual Financial Statements

Figures in Rand thousand

14. PROPERTY, PLANT AND EQUIPMENT (continued)

Reconciliation of property, plant and equipment - GROUP - 2010

	Opening balance	Additions	Unbundling of land	Disposals	Transfers	Depreciation	Impairment loss	Total
Land and buildings	9,950,849	2,386,135	122,298	(37,682)	1,712,888	(204,079)	(27,394)	13,903,015
Plant and equipment	880,572	49,804	-	(2,387)	172,009	(81,368)	(184)	1,018,446
Furniture and fittings	198,012	23,995	-	(1,447)	43,053	(44,420)	(2,610)	216,583
Motor vehicles	7,668	1,301	-	(4)	2	(1,180)	(8)	7,779
Office equipment	180,989	61,187	-	(6,612)	376	(63,169)	(1,263)	171,508
Computer equipment	138,186	36,673	-	(1,444)	10,218	(49,739)	(7)	133,887
Infrastructure	8,990,398	759,400	-	(10,802)	2,986,330	(409,849)	(3,397)	12,312,080
Community	361,592	36,760	-	-	42,723	(34,756)	(1,253)	405,066
Other	5,059	1,444	-	(710)	-	(488)	-	5,305
Bins and containers	60,117	11,610	-	(112)	9	(24,625)	(31)	46,968
Work in progress	9,353,662	1,223,994	-	-	(5,371,018)	-	-	5,206,638
Landfill sites	89,842	2,270	-	-	-	(4,356)	-	87,756
Specialised vehicles	212,089	9,380	-	(9)	(10)	(42,112)	-	179,338
Heritage assets	79,479	1,701	-	(114)	7,059	-	-	88,125
Emergency equipment	14,138	2,007	-	(100)	-	(2,141)	(969)	12,935
	30,522,652	**4,607,661**	**122,298**	**(61,423)**	**(396,361)**	**(962,282)**	**(37,116)**	**33,795,429**

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Notes to the Group Annual Financial Statements

Figures in Rand thousand

14. PROPERTY, PLANT AND EQUIPMENT (continued)

Reconciliation of property, plant and equipment - GROUP - 2009

	Opening balance	Additions	Unbundling of land	Disposals	Transfers	Depreciation	Impairment loss	Total
Land and buildings	8,856,800	224,715	437,976	(29,422)	630,211	(147,599)	(21,832)	9,950,849
Plant and equipment	604,199	102,881	-	(838)	245,917	(71,403)	(184)	880,572
Furniture and fittings	168,063	26,409	-	(2,046)	17,014	(8,229)	(3,199)	198,012
Motor vehicles	5,699	2,387	-	(80)	500	(836)	(2)	7,668
Office equipment	61,937	53,058	-	(780)	100,060	(33,242)	(44)	180,989
Computer equipment	233,623	33,857	-	(2,264)	(84,986)	(40,913)	(1,131)	138,186
Infrastructure	6,464,646	232,523	-	(22,419)	2,594,181	(274,284)	(4,249)	8,990,398
Community	316,502	35,187	-	-	33,862	(23,817)	(142)	361,592
Other	5,768	1,740	-	(1,899)	-	(550)	-	5,059
Bins and containers	83,992	573	-	-	3	(24,355)	(96)	60,117
Work in progress	7,448,025	5,516,784	-	-	(3,611,147)	-	-	9,353,662
Landfill sites	37,888	59,053	-	(1,714)	-	(5,385)	-	89,842
Specialised vehicles	247,807	9,891	-	(5,223)	13	(40,399)	-	212,089
Heritage assets	79,498	17	-	(36)	-	-	-	79,479
Emergency equipment	11,452	2,588	-	(152)	840	(1)	(589)	14,138
	24,625,899	**6,301,663**	**437,976**	**(66,873)**	**(73,532)**	**(671,013)**	**(31,468)**	**30,522,652**

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Notes to the Group Annual Financial Statements

Figures in Rand thousand

14. PROPERTY, PLANT AND EQUIPMENT (continued)

Reconciliation of property, plant and equipment - CJMM - 2010

	Opening balance	Additions	Unbundling of land	Disposals	Transfers	Depreciation	Impairment loss	Total
Land and buildings	9,300,203	2,339,870	122,298	(36,718)	1,703,703	(146,139)	(27,394)	13,255,823
Plant and equipment	28,126	9,643	-	(88)	86,060	(10,348)	(184)	113,209
Furniture and fittings	153,247	22,606	-	(1,024)	42,805	(38,371)	(2,610)	176,653
Motor vehicles	722	19	-	-	-	(207)	(8)	526
Office equipment	150,541	49,913	-	(948)	63	(55,680)	(350)	143,539
Computer equipment	50,841	29,922	-	10	26	(29,286)	(7)	51,506
Infrastructure	1,930,246	496,692	-	-	1,659,273	(213,167)	(3,397)	3,869,647
Community	361,592	36,760	-	-	42,723	(34,756)	(1,253)	405,066
Other	366	-	-	-	-	(114)	-	252
Bins and containers	8,248	23	-	(16)	9	(1,089)	(31)	7,144
Work in progress	7,913,140	90,425	-	-	(3,936,768)	-	-	4,066,797
Heritage assets	77,886	1,701	-	(114)	7,059	-	-	86,532
Emergency equipment	14,138	2,007	-	(100)	-	(2,141)	(969)	12,935
	19,989,296	**3,079,581**	**122,298**	**(38,998)**	**(395,047)**	**(531,298)**	**(36,203)**	**22,189,629**

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Notes to the Group Annual Financial Statements

Figures in Rand thousand

14. PROPERTY, PLANT AND EQUIPMENT (continued)

Reconciliation of property, plant and equipment - CJMM - 2009

	Opening balance	Additions	Unbundling of land	Disposals	Transfers	Depreciation	Impairment loss	Total
Land and buildings	8,247,452	206,311	437,976	(23,851)	545,438	(91,291)	(21,832)	9,300,203
Plant and equipment	27,942	4,492	-	(202)	200	(4,122)	(184)	28,126
Furniture and fittings	137,926	20,733	-	(1,834)	2,016	(2,626)	(2,968)	153,247
Motor vehicles	589	-	-	(12)	173	(26)	(2)	722
Office equipment	34,264	39,606	-	(34)	99,884	(23,144)	(35)	150,541
Computer equipment	153,161	11,876	-	(893)	(99,260)	(12,969)	(1,074)	50,841
Infrastructure	1,751,073	76,238	-	-	245,051	(137,867)	(4,249)	1,930,246
Community	316,502	35,187	-	-	33,862	(23,817)	(142)	361,592
Other	527	-	-	(11)	-	(150)	-	366
Bins and containers	9,245	27	-	-	3	(931)	(96)	8,248
Work in progress	4,770,084	3,970,088	-	-	(827,032)	-	-	7,913,140
Heritage assets	77,905	17	-	(36)	-	-	-	77,886
Emergency equipment	11,452	2,588	-	(152)	840	(1)	(589)	14,138
	15,538,122	**4,367,163**	**437,976**	**(27,025)**	**1,175**	**(296,944)**	**(31,171)**	**19,989,296**

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

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Notes to the Group Annual Financial Statements

	GROUP		CJMM	
Figures in Rand thousand	2010	2009	2010	2009

14. PROPERTY, PLANT AND EQUIPMENT (continued)

GROUP	2010			2009		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Soccer city	3,138	-	3,138	3,138	-	3,138
Leasehold property	18,086	(12,394)	5,692	17,745	(13,321)	4,424
Motor vehicles	522	(511)	11	1,485	(1,226)	259
Office equipment	128,472	(88,109)	40,363	113,404	(65,174)	48,230
Land	46,364	-	46,364	46,364	-	46,364
Computer equipment	1,684	(600)	1,084	437	(184)	253
Total	**198,266**	**(101,614)**	**96,652**	**182,573**	**(79,905)**	**102,668**

CJMM	2010			2009		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Land	46,364	-	46,364	46,364	-	46,364
Office equipment	114,862	(80,208)	34,654	95,033	(56,334)	38,699
Soccer city	3,138	-	3,138	3,138	-	3,138
Total	**164,364**	**(80,208)**	**84,156**	**144,535**	**(56,334)**	**88,201**

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

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	GROUP		CJMM	
Figures in Rand thousand	2010	2009	2010	2009

15. INTANGIBLE ASSETS

GROUP	2010			2009		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Additional capacity rights	119,521	(14,672)	104,849	119,521	(10,547)	108,974
Servitudes	901	-	901	901	-	901
Computer software, internally generated	1,209	(943)	266	1,209	(654)	555
Computer software	1,409,343	(484,569)	924,774	564,550	(330,623)	233,927
Total	**1,530,974**	**(500,184)**	**1,030,790**	**686,181**	**(341,824)**	**344,357**

CJMM	2010			2009		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software	1,070,423	(311,216)	759,207	248,240	(194,054)	54,186

Reconciliation of intangible assets - GROUP - 2010

	Opening balance	Additions	Disposals	Transfers	Amortisation	Total
Additional capacity rights	108,974	-	-	-	(4,125)	104,849
Servitudes	901	-	-	-	-	901
Computer software, internally generated	555	-	-	-	(289)	266
Computer software	233,927	448,643	(89)	396,398	(154,105)	924,774
	344,357	**448,643**	**(89)**	**396,398**	**(158,519)**	**1,030,790**

Reconciliation of intangible assets - GROUP - 2009

	Opening balance	Additions	Disposals	Transfers	Amortisation	Total
Additional capacity rights	71,569	39,372	-	-	(1,967)	108,974
Servitudes	901	-	-	-	-	901
Computer software, internally generated	418	392	-	-	(255)	555
Computer software	162,980	52,042	(7)	74,707	(55,795)	233,927
	235,868	**91,806**	**(7)**	**74,707**	**(58,017)**	**344,357**

Reconciliation of intangible assets - CJMM - 2010

	Opening balance	Additions	Transfers	Amortisation	Total
Computer software	54,186	427,098	395,084	(117,161)	759,207

Reconciliation of intangible assets - CJMM - 2009

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	69,406	9,023	(1)	(24,242)	54,186

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Notes to the Group Annual Financial Statements

	GROUP		CJMM	
Figures in Rand thousand	2010	2009	2010	2009

16. INVESTMENTS IN MUNICIPAL ENTITIES

Gross investment	% holding 2010	% holding 2009	Carrying amount 2010	Carrying amount 2009
City of Johannesburg Property Company (Pty) Ltd	100 %	100 %	6,236	6,236
City Power Johannesburg (Pty) Ltd	100 %	100 %	112,466	112,466
Johannesburg City Parks	100 %	100 %	28,098	28,098
Johannesburg Development Agency (Pty) Ltd	100 %	100 %	6,623	6,623
Johannesburg Metropolitan Bus Services (Pty) Ltd	100 %	100 %	54,774	54,774
Johannesburg Roads Agency (Pty) Ltd	100 %	100 %	49,058	39,065
Johannesburg Tourism Company	100 %	100 %	17,793	5,585
Johannesburg Water (Pty) Ltd	100 %	100 %	1	1
Metropolitan Trading Company (Pty) Ltd	100 %	100 %	97,972	97,971
Roodepoort City Theatre	100 %	100 %	1,784	1,784
The Johannesburg Fresh Produce Market (Pty) Ltd	100 %	100 %	26,000	32,000
The Johannesburg Zoo	100 %	100 %	1,860	1,860
			402,665	**386,463**

Impairments	Carrying amount 2010	Carrying amount 2009
Johannesburg City Parks	(20,218)	(20,218)
Johannesburg Metropolitan Bus Services (Pty) Ltd	(13,726)	(13,726)
Johannesburg Tourism Company	(1,473)	(1,473)
Metropolitan Trading Company (Pty) Ltd	(95,134)	(95,134)
Roodepoort City Theatre	(500)	(500)
	(131,051)	**(131,051)**

Net investment	Carrying amount 2010	Carrying amount 2009
City of Johannesburg Property Company (Pty) Ltd	6,236	6,236
City Power Johannesburg (Pty) Ltd	112,466	112,466
Johannesburg City Parks	7,880	7,880
Johannesburg Development Agency (Pty) Ltd	6,623	6,623
Johannesburg Metropolitan Bus Services (Pty) Ltd	41,048	41,048
Johannesburg Roads Agency (Pty) Ltd	49,058	39,065
Johannesburg Tourism Company	16,320	4,112
Johannesburg Water (Pty) Ltd	1	1
Metropolitan Trading Company (Pty) Ltd	2,838	2,838
Roodepoort City Theatre	1,284	1,284
The Johannesburg Fresh Produce Market (Pty) Ltd	26,000	32,000
The Johannesburg Zoo	1,860	1,860
	271,614	**255,413**

Investments in ME's includes shareholder loans with no fixed repayment terms and interest.

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Notes to the Group Annual Financial Statements

	GROUP		CJMM	
Figures in Rand thousand	2010	2009	2010	2009

17. INVESTMENT IN JOINT VENTURES

Name of company	% holding 2010	% holding 2009	Carrying amount 2010	Carrying amount 2009
Joshco JV	55.00 %	55.00 %	30,985	31,326

The carrying amounts of Joint ventures are shown net of impairment losses.

Fair value

The fair values are determined annually at end of the reporting period as follows:

- The fair values of listed or quoted investments are based on the quoted bid market price.
- The fair values on investments non-listed or quoted are estimated using the discounted cash flow analysis.

Principal activities and reporting dates of joint ventures

Name of entity	Principal activity	Reporting date	Period of results included
Joshco Madulamoho Joint Venture (JM/JV)	55%	30/06/2010	1 July 2009 to 30 June 2010

The JM/JV is an investment between Joshco and Madulamoho for social rental housing. The separate annual financial statements of the joint venture are available at the registered office of the municipality.

Restrictions on a joint venture to distribute its reserves

The joint venture's ability to distribute its reserves is not restricted.

Joint ventures pledged as security

The JM/JV has not been pledged as security.

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Notes to the Group Annual Financial Statements

	GROUP		CJMM	
Figures in Rand thousand	2010	2009	2010	2009

18. INVESTMENTS IN ASSOCIATES

Name of entity	% holding 2010	% holding 2009	Carrying amount 2010	Carrying amount 2009
Fried shelf 128 (Pty) Ltd	50.00 %	50.00 %	3,350	2,378
Greater Newtown Development Company (Pty) Ltd	23.00 %	23.00 %	-	-
Constitutional Hill Development Company (Pty) Ltd	13.00 %	13.00 %	-	-
			3,350	2,378

The carrying amounts of associates are shown net of impairment losses.

Movements in carrying value

Opening balance	2,378	-
Share of surplus/(deficit)	(316)	-
Share in revaluation reserve	1,470	-
Cost of acquisition	33	-
Other movements	(215)	2,378
	3,350	**2,378**

Fair value

Greater Newtown Development Company (Pty) Ltd and Constitutional Hill Development Company (Pty) Ltd

The assignment of shares agreement between Johannesburg Development Agency (Pty) Ltd and City of Johannesburg Metropolitan Municipality was signed on 30 October 2007. The shareholding in the two development companies was assigned back to the City of Johannesburg Metropolitan Municipality and their relevant investments have been fully impaired.

Associates with different reporting dates

The financial year-end of Fried shelf 128 (Pty) Ltd is the last day of February. The year ends of the two entities are more than three months apart. The entity made adjustments to the accounts of the associate to bring the two year ends in line with each other

The financial year end of Greater Newtown Development Company (Pty) Ltd and Constitutional Hill Development Company (Pty) Ltd is 31 March.

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Notes to the Group Annual Financial Statements

	GROUP		CJMM	
Figures in Rand thousand	2010	2009	2010	2009

19. DEFERRED TAX

Deffered tax asset / (liability)

Accelerated capital allowances for tax purposes	(8)	(21)	-	-
Liabilities for health care benefits accrued	1,466	1,802	-	-
Provisions	795	-	-	-
Tax losses available for set off against future taxable income	(52)	-	-	-
Recognised in equity	105	95	-	-
Fair value and amortised cost adjustments	246	162	-	-
Deferred income	130	-	-	-
Trade and other receivables	133	154	-	-
Leases	51	239	-	-
Property, Plant and Equipment & Intangibles	(1,735)	88,848	-	-
Trade and other payables	950	886	-	-
Temporary difference	(7,066)	(4,506)	-	-
Other deferred tax # 3	3,173	1,864	-	-
	(1,812)	**89,523**	**-**	**-**

Deffered tax asset / (liability)

At beginning of the year	89,523	63,878	-	-
Temporary difference on revaluation of property	-	3,358	-	-
Provisions	1,596	(46,152)	-	-
Increase (decrease) in tax losses available for set off against future taxable income	(13,549)	3,451	-	-
Revaluation reserve	-	(361)	-	-
Recognised in equity	25,722	629	-	-
Trade and other payables	(10,595)	(1,874)	-	-
Prepayments	(3,554)	(6)	-	-
Provision for doubtful debt	(402)	4,030	-	-
Trade and other receivables	-	(195,652)	-	-
Deferred income	-	(322,430)	-	-
Originating temporary difference on tangible fixed assets	(4,961)	572,728	-	-
Movement in temporary timing differences	2,158	(135)	-	-
Temporary difference on retirement benefits	2,392	(350)	-	-
Income received in advance	(134)	(522)	-	-
Leases	(345)	(11,293)	-	-
Fair value and amortised cost adjustment	14	(12)	-	-
Other movements	(89,677)	20,236	-	-
	(1,812)	**89,523**	**-**	**-**

Deferred Tax Summary

Deferred tax assets	7,049	94,944	-	-
Deferred tax liability	(8,861)	(5,421)	-	-
	(1,812)	**89,523**	**-**	**-**

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Notes to the Group Annual Financial Statements

	GROUP		CJMM	
Figures in Rand thousand	2010	2009	2010	2009

20. FINANCIAL ASSETS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

GROUP - 2010

	Loans and receivables	Held to maturity	Total
Current Assets			
Other financial assets	-	37,058	37,058
Trade and other receivables	1,294,943	-	1,294,943
Consumer debtors	2,384,490	-	2,384,490
Call investment deposits	130,706	-	130,706
Bank balances and cash	219,612	-	219,612
Non-Current Assets			
Other financial assets	100,952	1,980,558	2,081,510
	4,130,703	**2,017,616**	**6,148,319**

GROUP - 2009

	Loans and receivables	Fair value through profit or loss	Held to maturity	Total
Current Assets				
Other financial assets	-	-	1,000,000	1,000,000
Trade and other receivables	1,510,100	28,326	-	1,538,426
Consumer debtors	2,257,301	-	-	2,257,301
Call investment deposits	466,104	-	-	466,104
Bank balances and cash	231,371	-	-	231,371
Non-Current Assets				
Other financial assets	97,114	-	1,783,830	1,880,944
	4,561,990	**28,326**	**2,783,830**	**7,374,146**

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Notes to the Group Annual Financial Statements

	GROUP		CJMM	
Figures in Rand thousand	2010	2009	2010	2009

20. FINANCIAL ASSETS BY CATEGORY (continued)

CJMM - 2010

	Loans and receivables	Held to maturity	Total
Current Assets			
Loans to Municipal Entities	808,809	-	808,809
Other financial assets	-	37,058	37,058
Trade and other receivables	1,538,020	-	1,538,020
Consumer debtors	654,164	-	654,164
Call investment deposits	127,028	-	127,028
Bank balances and cash	154,077	-	154,077
Non-Current Assets			
Loans to Municipal Entities	5,222,596	-	5,222,596
Other financial assets	100,952	1,980,558	2,081,510
	8,605,646	**2,017,616**	**10,623,262**

CJMM - 2009

	Loans and receivables	Fair value through profit or loss	Held to maturity	Total
Current Assets				
Loans to Municipal Entities	684,902	-	-	684,902
Other financial assets	-	-	1,000,000	1,000,000
Trade and other receivables	1,464,963	28,326	-	1,493,289
Consumer debtors	436,643	-	-	436,643
Call investment deposits	447,591	-	-	447,591
Bank balances and cash	201,700	-	-	201,700
Non-Current Assets				
Loans to Municipal Entities	5,227,632	-	-	5,227,632
Other financial assets	97,114	-	1,783,830	1,880,944
	8,560,545	**28,326**	**2,783,830**	**11,372,701**

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Notes to the Group Annual Financial Statements

	GROUP		CJMM	
Figures in Rand thousand	2010	2009	2010	2009

21. LOANS AND BORROWINGS

Non Current portion of loans and borrowings				
Structured loans	885,652	938,565	885,652	938,565
Development Bank South Africa	1,449,514	1,093,316	1,430,503	1,073,762
Local Registered Stock Loans	30,000	30,000	30,000	30,000
Municipal bonds	6,580,278	6,592,157	6,580,278	6,592,157
Jozi bonds	55,109	99,817	55,109	99,817
Other loans and borrowings	1,657,326	370,241	1,628,556	291,020
	10,657,879	**9,124,096**	**10,610,098**	**9,025,321**
Current portion of loans and borrowings				
Structured loans	48,726	23,964	48,726	23,964
Development Bank South Africa	136,315	106,098	135,772	106,098
Municipal bonds	20,722	1,008,843	20,722	1,008,843
Other loans and borrowings	224,141	92,005	143,373	36,410
	429,904	**1,230,910**	**348,593**	**1,175,315**
Non-current liabilities				
At amortised cost	10,657,879	9,124,096	10,610,098	9,025,321
Current liabilities				
At amortised cost	429,904	1,230,910	348,593	1,175,315
	11,087,783	**10,355,006**	**10,958,691**	**10,200,636**
Municipal Manager's estimate of fair value of the loans and borrowings				
Structured loans	946,592	962,529	946,592	962,529
Development Bank of Stock Loans	1,197,759	1,179,860	1,197,759	1,179,860
Local Registered Stock Loans	30,000	30,000	30,000	30,000
Municipal bonds	6,708,414	7,643,069	6,708,414	7,643,069
Jozi Bonds	55,530	99,817	55,530	99,817
Other financial liabilities	1,606,030	327,430	1,606,030	327,430
	10,544,325	**10,242,705**	**10,544,325**	**10,242,705**

The fair values of theloans and borrowings were determined as follows:

Listed bonds fair values were calculated using the prices as quoted on bond exchange South Africa (BESA) on 30 June 2010. Retail bonds fair values were calculated using prices quoted on the Johannesburg Stock Echange (JSE) on 30 June 2010.

R2,017,616 million (2009 : R3,083,830 million) has been invested specifically in a ring-fenced account for the repayment of long-term liabilities. Refer to Note 7.

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Notes to the Group Annual Financial Statements

	GROUP		CJMM	
Figures in Rand thousand	2010	2009	2010	2009

22. FINANCE LEASE OBLIGATION

Minimum lease payments due				
- within one year	41,529	35,422	31,528	25,272
- in second to fifth year inclusive	45,235	86,418	37,982	73,389
- later than five years	483,083	-	483,083	-
	569,847	121,840	552,593	98,661
less: future finance charges	(467,352)	(12,781)	(464,602)	(7,318)
Present value of minimum lease payments	**102,495**	**109,059**	**87,991**	**91,343**
Non-current liabilities	72,756	82,258	65,207	71,111
Current liabilities	29,739	26,801	22,784	20,232
	102,495	**109,059**	**87,991**	**91,343**

Registers containing the information for the Group is available for inspection at the respective registered offices of the CJMM and ME's.

23. TRADE AND OTHER PAYABLES

Financial liabilities				
Accrued interest	126,835	127,781	121,812	122,926
Credit balances in consumer debtors	996,565	918,247	604,222	524,856
Engineering fees	209,650	244,534	59,318	57,057
Operating lease payables	10,405	8,570	1,247	944
Other creditors	726,542	1,170,000	402,924	772,684
Retentions	162,256	204,083	45,841	54,799
Trade payables	3,334,079	2,715,582	860,471	695,986
Related party creditor	77,990	83,944	3,001,857	2,552,477
	5,644,322	**5,472,741**	**5,097,692**	**4,781,729**
Financial liabilities at fair value through profit or loss				
Derivative trading liability	-	33,464	-	33,314
	-	**33,464**	**-**	**33,314**
Other liabilities				
Accrued leave pay	330,849	251,245	215,795	159,937
Accrued bonus	154,866	115,512	68,027	39,122
Accrued staff 13th cheques	9,694	6,696	-	-
Payments received in advance	22,682	27,756	20,603	18,381
	518,091	**401,209**	**304,425**	**217,440**
	6,162,413	**5,907,414**	**5,402,117**	**5,032,483**

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Notes to the Group Annual Financial Statements

	GROUP		CJMM	
Figures in Rand thousand	2010	2009	2010	2009

24. OBLIGATIONS ARISING FROM CONDITIONAL GRANTS AND RECEIPTS

Obligations arising from conditional grants and receipts comprises of:

Provincial grants : Capital projects	58,120	280,995	55,394	280,995
Municipal infrastructure grant	28,632	63,822	28,632	50,339
Provincial grants : Operating projects	5,551	12,563	5,551	12,563
Social housing foundation	23,744	18,746	-	-
Ellis park upgrading : 2010	-	8,969	-	8,969
Provincial grant : Soccer city 2010	-	6,166	-	6,166
Gautrain grant	428	579	428	579
Confederation cup	84,496	13,546	84,496	13,546
2010 Public transport (SPTN)	314,254	438,937	314,254	438,937
Neighbourhood development partnership grant	5,408	14,201	5,408	14,201
Expanded Public Works Programme (EPWP)	55,394	-	55,394	-
Department of Water Leak Detection and PRV Grant	4,812	-	-	-
Subtotal	**580,839**	**-**	**549,557**	**828,848**
Obligations arising from public contributions and donations	43,501	30,512	27,500	19,846
	624,340	**889,036**	**577,057**	**846,141**

The nature and extent of government grants recognised in the Annual Financial Statements and an indication of other forms of government assistance from which the economic entity has directly benefited; and unfulfilled conditions and other contingencies attaching to government assistance that has been recognised. These amounts are invested in a ring-fenced investment until utilised.

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Notes to the Group Annual Financial Statements

	GROUP		CJMM	
Figures in Rand thousand	2010	2009	2010	2009

25. PROVISIONS

Reconciliation of provisions - GROUP - 2010

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Escalation on contracts	7,623	2,866	(8,048)	-	2,441
Environmental rehabilitation: Closed landfill site	109,154	-	(10,898)	13,811	112,067
Environmental rehabilitation: Open landfill sites	194,792	7,156	-	18,335	220,283
Pension fund provision	282,419	-	(280,000)	-	2,419
	593,988	**10,022**	**(298,946)**	**32,146**	**337,210**

Reconciliation of provisions - GROUP - 2009

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Escalation on contracts	5,991	4,731	(3,099)	-	7,623
Environmental rehabilitation: Closed landfill site	79,796	21,131	-	8,227	109,154
Environmental rehabilitation: Open landfill sites	133,448	49,189	(1,603)	13,758	194,792
Pension fund provision	650,409	32,010	(400,000)	-	282,419
	869,644	**107,061**	**(404,702)**	**21,985**	**593,988**

Reconciliation of provisions - CJMM - 2010

	Opening Balance	Utilised during the year	Total
Pension fund provision	282,419	(280,000)	2,419

Reconciliation of provisions - CJMM - 2009

	Opening Balance	Additions	Utilised during the year	Total
Pension fund provision	650,409	32,010	(400,000)	282,419
Non-current liabilities	332,350	303,946	-	-
Current liabilities	4,860	290,042	2,419	282,419
	337,210	**593,988**	**2,419**	**282,419**

Pension fund provision

The pension fund provision relates to the change from defined benefit plans to defined contribution plans of the pension funds. The provision is based on the actuarial valuations of the pension funds and agreement reached by management and the trustee's of the pension funds.

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26. RETIREMENT BENEFITS

26.1Post retirement liabilities

Post-Retirement Medical Aid Plan	(1,400,137)	(1,297,892)	(1,377,019)	(1,271,112)
Post-Retirement Housing Subsidy Plan	(4,951)	(7,340)	(3,574)	(7,017)
Retirement Gratuity Plan	(455,472)	(480,989)	(460,320)	(458,849)
	(1,860,560)	**(1,786,221)**	**(1,840,913)**	**(1,736,978)**

26.1.1 Post retirement medical aid plan

City of Johannesburg Metropolitan Municipality has obligations to subsidise medical aid contributions in respect of certain qualifying staff and pensioners and their surviving spouses. Post-retirement medical aid subsidies are provided to pensioners, in the service of the CJMM as at 1 January 2001, and employees 50 years and older on 1 July 2003 whilst contributory members to either LA Health or Munimed medical schemes. The subsidy remains payable only for as long as members remain contributory members to these medical schemes.

Amounts recognised in the Statement of financial position

Present value of unfunded obligation in respect of CJMM employees	1,400,137	1,297,892	1,267,406	1,165,928
In respect of notional accounts for employees of ME's	-	-	109,613	105,184
	1,400,137	**1,297,892**	**1,377,019**	**1,271,112**

Movements for the year

Opening balance	1,297,892	1,192,340	1,165,928	1,082,263
Benefits paid	(89,105)	(109,098)	(86,660)	(106,155)
Net expense recognised in the statement of financial performance	191,350	214,650	188,138	189,820
	1,400,137	**1,297,892**	**1,267,406**	**1,165,928**

Net expense recognised in the statement of financial performance

Current service cost	5,276	5,214	2,685	2,685
Interest cost	109,026	107,875	97,938	98,000
Actuarial (gains) losses	77,048	101,561	87,515	89,135
	191,350	**214,650**	**188,138**	**189,820**

Notional loan account

Opening balance	-	-	105,184	106,608
Interest received	-	-	6,926	9,518
Correction of error	-	-	-	(9,303)
Benefits payments	-	-	(2,497)	(1,639)
Balance at end of year	**-**	**-**	**109,613**	**105,184**

Key assumptions used

The principal actuarial assumptions used were as follows:

Discount rates used	9.00 %	8.40 %	9.00 %	8.40 %
Expected rate of return on assets	9.00 %	8.40 %	9.00 %	8.40 %
Expected rate of return on reimbursement rights	5.90 %	6.80 %	5.90 %	6.80 %
Expected increase in salaries	5.90 %	6.80 %	5.90 %	6.80 %

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26. RETIREMENT BENEFITS (continued)

Other assumptions.

Age of spouse	-	Husbands four years older than wives
Mortality of in-service members	-	In accordance with the SA 85-90 (Light) ultimate table (rated down 3 years for females.
Mortality of pensioners	-	In accordance with the PA(90) ultimate male and female tables.

26.1.2 Post retirement housing subsidy plan

The City of Johannesburg Metropolitan Municipality provides housing subsidies in respect of certain qualifying staff members. In the event that the housing loan that the subsidy related to is not fully repaid at retirement date, the subsidy will continue into the members' retirement. The subsidy amount is based on the subsidy received at the date of valuation. The subsidy amount is assumed to remain constant and to continue for a period of 10 years after retirement.

The above liability is unfunded. However, City of Johannesburg Metropolitan Municipality has undertaken to cover such portion of the liability for the staff of City of Johannesburg Metropolitan Municipality who are entitled to benefits that relates to their service with the City of Johannesburg Metropolitan Municipality since the City of Johannesburg Metropolitan Municipality was established. The amount was determined at 1 July 2003 and has been crystallised in the form of a notional loan account which earned interest and against which the company may claim benefit payments made. This loan does not constitute a plan asset and in terms of IAS 19 cannot be offset against the liability. It has however been included in the assets of the City of Johannesburg Metropolitan Municipality.

Amounts recognised in the Statement of financial position

Present value of unfunded obligation in respect of CJMM employees	4,951	7,341	3,574	5,714
In respect of notional accounts for employees of ME's	-	-	-	1,303
	4,951	**7,341**	**3,574**	**7,017**

The fair value of plan assets includes:

Movements for the year

Opening balance	7,341	8,249	5,714	6,210
Benefits paid	(903)	(1,348)	(922)	(1,372)
Net expense recognised in the statement of financial performance	(1,485)	440	(1,218)	876
	4,953	**7,341**	**3,574**	**5,714**

Net expense recognised in the statement of financial performance

Current service cost	37	36	-	-
Interest cost	667	714	526	526
Actuarial (gains) losses	(2,189)	(310)	(1,744)	350
	(1,485)	**440**	**(1,218)**	**876**

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26. RETIREMENT BENEFITS (continued)

Notional loan account

Opening balance	-	-	1,303	1,679
Interest received	-	-	-	157
Correction of error	-	-	-	(533)
Benefits payments	-	-	(1,303)	-
Balance at end of year	**-**	**-**	**-**	**1,303**

Key assumptions used

Assumptions used on last valuation on 30 June 2010.

Discount rates used	9.00 %	8.40 %	9.00 %	8.40 %
Expected rate of return on assets	9.00 %	8.40 %	9.00 %	8.40 %

26.1.3 Post retirement gratuity plan

City of Johannesburg Metropolitan Municipality provides gratuities on retirement or prior death in respect of certain qualifying staff members who have service with the City of Johannesburg Metropolitan Municipality when they were not members of one of the retirement funds and who meet certain service requirements in terms of City of Johannesburg Metropolitan Municipality's conditions of employment. The gratuity amount is based on 1 month's salary per year of non-retirement funding service.

The above liability is unfunded. However, City of Johannesburg Metropolitan Municipality has undertaken to cover such portion of the liability for the staff of City of Johannesburg Metropolitan Municipality who are entitled to benefits that relates to their service with the City of Johannesburg Metropolitan Municipality since the company was established. This amount was determined at 1 July 2003 and has been crystallised in the form of a notional loan account which earned interest and against which the company may claim benefit payments made. This loan does not constitute a plan asset and in terms of IAS 19 cannot be offset against the liability. It has however been included in the assets of the City of Joahnnesburg Metropolitan Municipality.

Amounts recognised in the Statement of financial position

Present value of unfunded obligation in respect of CJMM employees	455,472	484,271	163,576	164,332
In respect of notional accounts for employees of ME's	-	-	296,744	294,517
	455,472	**484,271**	**460,320**	**458,849**

Movements for the year

Opening balance	484,271	439,830	164,332	130,047
Benefits paid	(37,204)	(28,708)	(14,429)	(17,050)
Other	-	941	-	-
Net expense recognised in the statement of financial performance	8,405	72,208	13,673	51,335
	455,472	**484,271**	**163,576**	**164,332**

Net expense recognised in the statement of financial performance

Interest cost	40,679	40,397	13,803	11,546
Actuarial (gains) losses	(32,274)	31,811	(130)	39,789
	8,405	**72,208**	**13,673**	**51,335**

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26. RETIREMENT BENEFITS (continued)

Notional loan account

Opening balance	-	-	294,517	301,744
Interest received	-	-	19,311	26,238
Correction of error	-	-	-	(17,635)
Benefits payments	-	-	(17,084)	(15,830)
Balance at end of year	**-**	**-**	**296,744**	**294,517**

Key assumptions used

Assumptions used on last valuation on 30 June 2010.

The principal actuarial assumptions used were as follows:

Discount rates used	9.00 %	8.40 %	9.00 %	8.40 %
Expected rate of return on assets	9.00 %	8.40 %	9.00 %	8.40 %
Expected increase in salaries	5.90 %	6.80 %	5.90 %	6.80 %

26.2 Defined contribution plan

Multi employer funds

CJMM and its ME's provide post-employment benefits to all their permanent employees through two defined contribution funds.

1) Joint Municipal Pension Fund

2) Municipal Employees Pension Fund

26.2.1 Joint pension fund

The Joint Municipal Pension Fund is a hybrid pension fund registered in 1986 to provide pension benefits for employees in the Municipal sector. It has been closed to new entrants from the City with effect from 1 January 2002.

In terms of paragraph 7 of IAS 19 (AC116) defined contribution plans are post-employment benefit plans under which an enterprise pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Although the Joint Municipal Pension Fund is a hybrid fund the participating employers have no constructive obligation to pay anything more than the fixed rate of contribution specified in the registered rules.

The rules of the Municipal Employees Pension Fund are very similar to those of the Joint Municipal Pension Fund in so far as the obligations of the local authorities are concerned.

In terms of the rules of this fund the Local Authorities participating in the fund are required, on a monthly basis, to deliver to the Fund:

- The contributions payable by members;
- An amount equal to 22% of the pensionable salaries upon which the members' contributions are based;
- Contributions payable by members whilst on unpaid leave and the equivalent 22% employer contribution thereon;
- Members' contributions in respect of the purchase of past service on rejoining a local authority;
- The equivalent 22% employer contributions in respect of any previously unpaid member contributions;
- Members' contributions in respect of the voluntary purchase of past service.

The rules of the fund also provide that the sources of the fund shall consist of:

- Contributions plus interest paid to the fund in terms of the rules;
- Income derived from the investment of moneys of the fund; and
- Any other money or assets to which the fund may become entitled.

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26. RETIREMENT BENEFITS (continued)

There is no mention of any further contributions being required of participating local authorities in the event of deficits arising. It is therefore concluded that there is no constructive obligation on the part of the City to fund any deficits in this fund. Accordingly we believe that the fund should be regarded as a defined contribution fund for the purposes of IAS 19 (AC116).

In the case of this fund therefore, the contributions paid by the City should be expensed as required in terms of IAS 19 (AC116) for defined contribution funds.

South African Local Authorities Pension Fund

Carrying Value

Present value of unfunded obligation in respect of CJMM employees	(101,341)	(85,882)	(101,341)	(85,882)

Movements for the year

Opening balance	85,882	92,545	85,882	92,545
Net expense recognised in the statement of financial performance	15,459	(6,663)	15,459	(6,663)
	101,341	**85,882**	**101,341**	**85,882**

Net expense recognised in the statement of financial performance

Interest cost	7,858	9,949	7,858	9,949
Actuarial (gains) losses	7,601	(16,612)	7,601	(16,612)
	15,459	**(6,663)**	**15,459**	**(6,663)**

Key assumptions used

Assumptions used on last valuation on 30 June 2010.

Expected rate of return on assets	9.25 %	9.15 %	9.25 %	9.15 %

Other assumptions.

26.2.2 The Municipal Employee Pension Fund

The Municipal Employees Pension Fund is a hybrid pension fund registered in 1988 to provide pension benefits for employees in the Municipal sector. It has been closed to new entrants from the City with effect from 1 January 2002.

In terms of paragraph 7 of IAS 19 (AC116) defined contribution plans are post-employment benefit plans under which an enterprise pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Although the Municipal Employees Pension Fund is a hybrid fund the participating employers have no constructive obligation to pay anything more than the fixed rate of contribution specified in the registered rules.

26.2.3 Soweto City Council Pension Fund

Amounts recognised in the Statement of financial position

Present value of unfunded obligation in respect of CJMM employees	(1,070,886)	(907,531)	(1,070,886)	(907,531)

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26. RETIREMENT BENEFITS (continued)

Movements for the year

Opening balance	907,531	977,943	907,531	977,943
Net expense recognised in the statement of financial performance	163,355	(70,412)	163,355	(70,412)
	1,070,886	**907,531**	**1,070,886**	**907,531**

Net expense recognised in the statement of financial performance

Interest cost	83,039	105,129	83,039	105,129
Actuarial (gains) losses	80,316	(175,541)	80,316	(175,541)
	163,355	**(70,412)**	**163,355**	**(70,412)**

Key assumptions used

Assumptions used on last valuation on 30 June 2010.

Expected rate of return on assets	9.25 %	9.15 %	9.25 %	9.15 %

CJMM and its ME's provide post-employment benefits to all their permanent employees through defined contribution funds. The following employee contributions have been made to the defined contribution plans.

City of Johannesburg Pension Fund			68,251	68,251
eJoburg Retirement Fund			144,239	144,239
Municipal Councillors Pension Fund			6,538	6,538
National Fund for Municipal Workers			2,065	2,065
Soweto City Council Pension Fund			192	192
Municipal Employees Gratuity Fund			23,488	23,488
			244,773	**244,773**

The following employee contributions have been made to the multi-employer plans.

Joint Municipal Pension Fund			2,221	2,221
Municipal Employees Pension Fund			9,271	9,271
			11,492	**11,492**

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27. DEFERRED INCOME

Bond tap				
Balance unspent at beginning of year	13,470	-	13,470	-
Current year receipts	-	13,470	-	13,470
Conditions met - transferred to revenue	(390)	-	(390)	-
Conditions still to be met - transferred to liabilities	**13,080**	**13,470**	**13,080**	**13,470**

The Bond tap is a Bond issued into the life of an existing Bond. The Tap was issued at a premium on the prevailing interest rate at the time of the Tap. The premium is amortised over the maturity of the Bond and released to interest income on an annual basis.

Passenger trips received in advance				
Balance unspent at beginning of year	590	606	-	-
Current year receipts	2,017	56	-	-
Conditions met - transferred to revenue	(56)	(72)	-	-
Conditions still to be met - transferred to liabilities	**2,551**	**590**	**-**	**-**

Deferred income refers to the liability relating to passenger trips sold in advance through the Smartcards Multi-Journey Software. The deferred income is released as and when the passengers present these cards on the buses and the bus operators issue a ticket accordingly.

In the current year Bus Hire fees of R2,017 million which relate to services to be rendered during July 2010 for the World Cup are included in the deferred income.

Joshco Madulamoho Joint Venture (JM/JV) Grant				
Balance unspent at beginning of year	30,162	15,549	-	-
Current year receipts	-	15,527	-	-
Conditions met - transferred to revenue	(914)	(914)	-	-
Conditions still to be met - transferred to liabilities	**29,248**	**30,162**	**-**	**-**

Grant received to finance the acquisition of the investment in the JM/JV joint venture is recognised over the period of JM/JV operating lease. The remaining lease period is (2010:33years and 2009:34 years). Conditions are met as the operating lease is utilised and balance remains in liabilities.

Total deferred income	**44,879**	**44,222**	**13,080**	**13,470**

28. CONSUMER DEPOSITS

Non Current portion of Consumer deposits				
Electricity and water deposits	409,115	380,445	220,894	208,324
Other deposits	3,617	2,880	3,617	2,880
	412,732	**383,325**	**224,511**	**211,204**

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Figures in Rand thousand	2010	2009	2010	2009

29. FINANCIAL LIABILITIES BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

GROUP - 2010

	Financial liabilities at amortised cost	Total
Current Liabilities		
Loans and borrowings	429,904	429,904
Finance lease obligations	29,739	29,739
Trade and other payables	5,644,322	5,644,322
Bank overdraft	5,198	5,198
Non-Current Liabilities	-	-
Loans and borrowings	10,657,879	10,657,879
Finance lease obligations	72,756	72,756
Deferred income	44,879	44,879
Consumer deposits	412,732	412,732
	17,297,409	**17,297,409**

GROUP - 2009

	Financial liabilities at amortised cost	Fair value through profit or loss	Total
Current Liabilities			
Loans and borrowings	1,230,910	-	1,230,910
Finance lease obligations	26,801	-	26,801
Trade and other payables	5,472,741	33,464	5,506,205
Bank overdraft	51,857	-	51,857
Non-Current Liabilities	-	-	-
Loans and borrowings	9,124,096	-	9,124,096
Finance lease obligations	82,258	-	82,258
Deferred income	44,222	-	44,222
Consumer deposits	383,325	-	383,325
	16,416,210	**33,464**	**16,449,674**

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Figures in Rand thousand	2010	2009	2010	2009

29. FINANCIAL LIABILITIES BY CATEGORY (continued)

CJMM - 2010

	Financial liabilities at amortised cost	Total
Current Liabilities		
Loans and borrowings	348,593	348,593
Finance lease obligations	22,784	22,784
Trade and other payables	5,097,692	5,097,692
Non-Current Liabilities		
Loans and borrowings	10,610,098	10,610,098
Finance lease obligations	65,207	65,207
Deferred income	13,080	13,080
Consumer deposits	224,511	224,511
	16,381,965	**16,381,965**

CJMM - 2009

	Financial liabilities at amortised cost	Fair value through profit or loss	Total
Current Liabilities			
Loans and borrowings	1,175,315	-	1,175,315
Finance lease obligations	20,232	-	20,232
Trade and other payables	4,781,729	33,314	4,815,043
Non-Current Liabilities			
Loans and borrowings	9,025,321	-	9,025,321
Finance lease obligations	71,111	-	71,111
Deferred income	13,470	-	13,470
Consumer deposits	211,204	-	211,204
	15,298,382	**33,314**	**15,331,696**

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Figures in Rand thousand	2010	2009	2010	2009

30. PROPERTY RATES

Rates received

Residential	2,011,437	1,823,864	2,011,437	1,823,864
Commercial	2,052,392	1,423,854	2,052,392	1,423,854
State	32,881	15,770	32,881	15,770
	4,096,710	**3,263,488**	**4,096,710**	**3,263,488**

Valuations

Residential	653,452,505	685,946,582	653,452,505	685,946,582

31. SERVICE CHARGES

Sale of electricity	6,978,190	5,475,961	-	-
Sale of water	2,402,611	2,221,141	-	-
Surcharges : Electricity	80,207	63,818	80,207	63,818
Surcharges : Water	24,234	25,398	24,234	25,398
Refuse removal	675,758	680,872	498,853	437,821
Sewerage and sanitation charges	1,463,017	1,304,569	-	-
Other service charges	80,818	86,990	55,037	52,571
	11,704,835	**9,858,749**	**658,331**	**579,608**

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32. GOVERNMENT GRANTS AND SUBSIDIES

Provincial grants : Capital projects	305,201	224,810	10,277	52,922
Municipal infrastructure grant	263,908	455,460	263,229	468,779
Financial management grant	750	2,503	750	2,503
Provincial grants : Operating projects	15,855	13,573	15,855	13,573
Municipal systems improvement grant	-	4,282	-	4,282
Ellis park upgrading : 2010	199,293	-	199,293	-
Provincial grant : Soccer city 2010	562,097	477,417	562,097	477,417
Gautrain grant	151	516	151	516
Confederation cup	33,631	17,582	33,631	17,582
2010 Public transport (SPTN)	1,511,207	-	1,511,207	-
Neighbourhood development partnership grant	91,584	-	91,584	-
Expanded Public Works Programme (EPWP)	25,701	-	25,701	-
Department of Water Leak Detection and PRV Grant	8,776	-	-	-
Ambulance subsidy	77,918	73,513	77,918	73,513
Equitable share and fuel levy	3,512,675	3,100,573	3,512,675	3,100,573
Provincial grants : Top structure of houses	157,663	308,824	157,663	308,824
Provincial health subsidies	76,967	72,262	76,967	72,262
Department of Communication Grant	40,000	-	40,000	-
	6,883,377	**4,751,315**	**6,578,998**	**4,592,746**

Provincial grants : Capital projects

Obligation at beginning of year	280,995	334,029	280,995	334,029
Current year receipts	454,251	208,688	156,601	36,800
Previous years AUC - Capitalised	5,953	-	5,953	-
Accruals reversed	337	-	337	-
Assets under construction	(21,778)	(36,805)	(21,778)	(36,805)
Transferred to debtors	(355,969)	-	(355,969)	-
Repaid to province	(468)	(107)	(468)	(107)
Conditions met - transferred to revenue	(305,201)	(224,810)	(10,277)	(52,922)
Conditions still to be met - transferred to liabilities	**58,120**	**280,995**	**55,394**	**280,995**

These grants are provided to finance Capital Projects in respect of Social Services and Housing.

Municipal infrastructure grant

Obligation at beginning of year	63,822	159,951	50,339	159,951
Current year receipts	532,452	282,833	545,256	282,669
Accruals reversed	13,483	-	13,483	-
Assets under construction	(297,907)	(110,403)	(297,907)	(110,403)
Previouse years AUC - Capitalised	978	214,313	978	214,313
Transferred to debtors	(20,288)	(27,412)	(20,288)	(27,412)
Conditions met - transferred to revenue	(263,908)	(455,460)	(263,229)	(468,779)
Conditions still to be met - transferred to liabilities	**28,632**	**63,822**	**28,632**	**50,339**

This grant is made available to support municipal capital budgets to fund municipal infrastructure and to upgrade existing infrastructure, primarily for the benefit of poor households.

Financial management grant

Obligation at beginning of year	-	1,753	-	1,753
Current year receipts	750	750	750	750
Conditions met - transferred to revenue	(750)	(2,503)	(750)	(2,503)
Conditions still to be met - transferred to liabilities	**-**	**-**	**-**	**-**

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32. GOVERNMENT GRANTS AND SUBSIDIES (continued)

Provincial grants : Operating projects

Obligation at beginning of year	12,563	7,050	12,563	7,050
Current year receipts	8,843	19,150	8,843	19,150
Repaid to province	-	(64)	-	(64)
Conditions met - transferred to revenue	(15,855)	(13,573)	(15,855)	(13,573)
Conditions still to be met - transferred to liabilities	**5,551**	**12,563**	**5,551**	**12,563**

These grants are provided to finance community projects.

Municipal systems improvement grant

Obligation at beginning of year	-	4,282	-	4,282
Conditions met - transferred to revenue	-	(4,282)	-	(4,282)
Conditions still to be met - transferred to liabilities	**-**	**-**	**-**	**-**

This grant is provided to finance the implementation of projects as stated in the activity plan.

Social housing foundation

Obligation at beginning of year	18,746	-	-	-
Current year receipts	16,530	53,527	-	-
Transferred to debtors	(11,532)	(34,781)	-	-
Conditions still to be met - transferred to liabilities	**23,744**	**18,746**	**-**	**-**

Ellis park upgrading : 2010

Obligation at beginning of year	8,969	2,836	8,969	2,836
Current year receipts	616	119,494	616	119,494
Previous years AUC - Capitalised	199,293	-	199,293	-
Assets under construction	(7,642)	(105,975)	(7,642)	(105,975)
Transferred : Other grants	(1,943)	-	(1,943)	-
Transferred to debtors	-	(7,386)	-	(7,386)
Conditions met - transferred to revenue	(199,293)	-	(199,293)	-
Conditions still to be met - transferred to liabilities	**-**	**8,969**	**-**	**8,969**

This grant is provided for the upgrade of Ellis Park.

Provincial grant : Soccer city 2010

Obligation at beginning of year	6,166	1,871	6,166	1,871
Current year receipts	78,514	555,452	78,514	555,452
Assets capitalised	477,417	-	477,417	-
Transferred to debtors	-	(73,740)	-	(73,740)
Conditions met - transferred to revenue	(562,097)	(477,417)	(562,097)	(477,417)
Conditions still to be met - transferred to liabilities	**-**	**6,166**	**-**	**6,166**

This grant is provided for the upgrade of Soccer City for the 2010 soccer world cup.

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32. GOVERNMENT GRANTS AND SUBSIDIES (continued)

Gautrain grant

Obligation at beginning of year	579	1,095	579	1,095
Conditions met - transferred to revenue	(151)	(516)	(151)	(516)
Conditions still to be met - transferred to liabilities	**428**	**579**	**428**	**579**

The purpose of this grant is to provide capacity support for the Gautrain Rapid Rail Link.

Confederation cup

Obligation at beginning of year	13,546	-	13,546	-
Current year receipts	104,874	31,128	104,874	31,128
Transferred : Other grants	(293)	-	(293)	-
Conditions met - transferred to revenue	(33,631)	(17,582)	(33,631)	(17,582)
Conditions still to be met - transferred to liabilities	**84,496**	**13,546**	**84,496**	**13,546**

2010 Public transport (SPTN)

Obligation at beginning of year	438,937	341,471	438,937	341,471
Current year receipts	987,507	1,286,974	987,507	1,286,974
Previous years AUC - Capitalised	1,212,813	-	1,212,813	-
Assets under construction	(813,796)	(1,189,508)	(813,796)	(1,189,508)
Conditions met - transferred to revenue	(1,511,207)	-	(1,511,207)	-
Conditions still to be met - transferred to liabilities	**314,254**	**438,937**	**314,254**	**438,937**

This grant is provided to finance 2010 Public Transport System.

Neighbourhood development partnership grant

Obligation at beginning of year	14,201	7,500	14,201	7,500
Current year receipts	64,836	56,970	64,836	56,970
Deferred income	-	(50,269)	-	(50,269)
Previous years AUC - Capitalised	44,296	-	44,296	-
Assets under construction	(26,341)	-	(26,341)	-
Conditions met - transferred to revenue	(91,584)	-	(91,584)	-
Conditions still to be met - transferred to liabilities	**5,408**	**14,201**	**5,408**	**14,201**

The purpose of this grant is to stimulate and accelerate private sector investment in poor and underserved neighbourhoods.

Expanded Public Works Programme (EPWP)

Current year receipts	84,095	-	84,095	-
Assets under construction	(3,000)	-	(3,000)	-
Conditions met - transferred to revenue	(25,701)	-	(25,701)	-
Conditions still to be met - transferred to liabilities	**55,394**	**-**	**55,394**	**-**

Department of Water Leak Detection and PRV Grant

Current year receipts	13,588	-	-	-
Conditions met - transferred to revenue	(8,776)	-	-	-
Conditions still to be met - transferred to liabilities	**4,812**	**-**	**-**	**-**

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32. GOVERNMENT GRANTS AND SUBSIDIES (continued)

Ambulance subsidy

Current year receipts	77,918	73,513	77,918	73,513
Conditions met - transferred to revenue	(77,918)	(73,513)	(77,918)	(73,513)
Conditions still to be met - transferred to liabilities	**-**	**-**	**-**	**-**

Equitable share and fuel levy

Current year receipts	3,512,675	3,100,573	3,512,675	3,100,573
Conditions met - transferred to revenue	(3,512,675)	(3,100,573)	(3,512,675)	(3,100,573)
Conditions still to be met - transferred to liabilities	**-**	**-**	**-**	**-**

This grant is used to subsidise the provision of basic services to indigent community members.

Provincial grants : Top structure of houses

Current year receipts	157,663	308,824	157,663	308,824
Conditions met - transferred to revenue	(157,663)	(308,824)	(157,663)	(308,824)
Conditions still to be met - transferred to liabilities	**-**	**-**	**-**	**-**

Provincial health subsidies

Current year receipts	76,967	72,262	76,967	72,262
Conditions met - transferred to revenue	(76,967)	(72,262)	(76,967)	(72,262)
Conditions still to be met - transferred to liabilities	**-**	**-**	**-**	**-**

The Municipality renders health services on behalf of the Provincial Government and is refunded approximately 20% of total expenditure incurred. These funds have been used exclusively to fund clinic services. The conditions of the grant have been met. There was no delay or with holding of the subsidy.

Department of Communication Grant

Current year receipts	40,000	-	40,000	-
Conditions met - transferred to revenue	(40,000)	-	(40,000)	-
Conditions still to be met - transferred to liabilities	**-**	**-**	**-**	**-**

33. OTHER REVENUE

Commissions received	195,099	198,567	-	-
Cut off fees	41,617	40,076	-	-
Demand site management levy	205,885	205,456	-	-
Internal recoveries - MEs	-	-	169,941	157,887
Sundry revenue	966,204	766,061	297,426	132,770
Tourism - Miss World	5,273	45,000	-	-
	1,414,078	**1,255,160**	**467,367**	**290,657**

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34. EMPLOYEE RELATED COSTS

Employee related costs : Salaries and wages	4,060,131	3,437,492	2,342,314	1,983,088
Employee related costs : Pension contributions	462,620	391,514	278,041	210,178
Employee related costs : Gratuities	(14,270)	12,761	13,620	23,486
Employee related costs : Medical aid contributions	306,668	266,184	165,603	138,837
Actuarial losses	44,862	133,018	85,641	129,274
Housing benefits and allowances	33,902	40,842	23,059	28,125
Overtime payments	317,891	295,421	146,158	152,527
Bonus	349,661	335,277	174,310	151,034
Travel, motor car, accommodation, subsistence and other allowances	291,187	279,818	203,733	193,781
Less: Employee costs included in other expenses	(87,856)	(90,546)	(67,086)	(78,325)
	5,764,796	**5,101,781**	**3,365,393**	**2,932,005**

Remuneration of the City Manager

Annual Remuneration	1,633	1,374	1,633	1,374
Car Allowance	125	125	125	125
Performance Bonuses	163	121	163	121
Contributions to UIF, Medical and Pension Funds	205	303	205	303
	2,126	**1,923**	**2,126**	**1,923**

Remuneration of the Executive Director : 2010

Annual Remuneration	1,333	1,200	1,333	1,200
Car Allowance	282	282	282	282
Performance Bonuses	136	129	136	129
Contributions to UIF, Medical and Pension Funds	22	20	22	20
	1,773	**1,631**	**1,773**	**1,631**

Remuneration of the Executive Director : Central Planning Unit

Annual Remuneration	906	777	906	777
Car Allowance	110	110	110	110
Performance Bonuses	96	105	96	105
Contributions to UIF, Medical and Pension Funds	143	176	143	176
	1,255	**1,168**	**1,255**	**1,168**

Remuneration of the Chief Information Officer

Annual Remuneration	837	756	837	756
Car Allowance	144	144	144	144
Performance Bonuses	95	38	95	38
Contributions to UIF, Medical and Pension Funds	160	146	160	146
Eminence Allowance	120	120	120	120
	1,356	**1,204**	**1,356**	**1,204**

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34. EMPLOYEE RELATED COSTS (continued)

Remuneration of the Director : External Relations

Annual Remuneration	692	631	692	631
Car Allowance	47	47	47	47
Performance Bonuses	63	-	63	-
Contributions to UIF, Medical and Pension Funds	23	22	23	22
	825	**700**	**825**	**700**

Remuneration of the Executive Director : Comm, Marketing and Events

Annual Remuneration	1,313	1,197	1,313	1,197
Car Allowance	96	96	96	96
Performance Bonuses	117	102	117	102
Contributions to UIF, Medical and Pension Funds	1	1	1	1
	1,527	**1,396**	**1,527**	**1,396**

Remuneration of the Executive Head : Joburg Risk Audit Services

Annual Remuneration	403	659	403	659
Car Allowance	96	386	96	386
Performance Bonuses	-	89	-	89
Contributions to UIF, Medical and Pension Funds	-	1	-	1
Eminence Allowance	-	240	-	240
	499	**1,375**	**499**	**1,375**

Contract was terminated on the 31 December 2008. A new contract was entered into on 1 March 2010.

Remuneration of the Director : Legal and Compliance

Annual Remuneration	746	679	746	679
Car Allowance	82	82	82	82
Performance Bonuses	74	87	74	87
Contributions to UIF, Medical and Pension Funds	61	55	61	55
Eminence Allowance	176	176	176	176
	1,139	**1,079**	**1,139**	**1,079**

Remuneration of the Executive Director : Finance

Annual Remuneration	1,841	1,682	1,841	1,682
Car Allowance	72	72	72	72
Performance Bonuses	162	148	162	148
Contributions to UIF, Medical and Pension Funds	28	27	28	27
	2,103	**1,929**	**2,103**	**1,929**

Remuneration of the Executive Director : Economic Development

Annual Remuneration	1,405	1,278	1,405	1,278
Car Allowance	132	132	132	132
Performance Bonuses	128	46	128	46
Contributions to UIF, Medical and Pension Funds	1	1	1	1
	1,666	**1,457**	**1,666**	**1,457**

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34. EMPLOYEE RELATED COSTS (continued)

Remuneration of the Executive Director : Revenue and Customer Relations Management

Annual Remuneration	1,398	1,274	1,398	1,274
Car Allowance	101	101	101	101
Performance Bonuses	125	117	125	117
Contributions to UIF, Medical and Pension Funds	1	1	1	1
	1,625	**1,493**	**1,625**	**1,493**

Remuneration of the Executive Director : Community Development

Annual Remuneration	1,312	1,293	1,312	1,293
Car Allowance	86	86	86	86
Performance Bonuses	128	117	128	117
Contributions to UIF, Medical and Pension Funds	36	32	36	32
	1,562	**1,528**	**1,562**	**1,528**

Remuneration of the Executive Director : Development Planning and Urban Development

Annual Remuneration	689	1,260	689	1,260
Car Allowance	30	60	30	60
Performance Bonuses	120	113	120	113
Contributions to UIF, Medical and Pension Funds	1	1	1	1
	840	**1,434**	**840**	**1,434**

Position has been vacant since 1 January 2010.

Remuneration of the Executive Director : Environmental Management

Annual Remuneration	1,301	1,185	1,301	1,185
Car Allowance	108	108	108	108
Performance Bonuses	117	35	117	35
Contributions to UIF, Medical and Pension Funds	1	1	1	1
	1,527	**1,329**	**1,527**	**1,329**

Remuneration of the Executive Director : Infrastructure and Services

Annual Remuneration	445	1,320	445	1,320
Car Allowance	51	-	51	-
Performance Bonuses	-	43	-	43
Contributions to UIF, Medical and Pension Funds	1	1	1	1
Eminence Allowance	10	-	10	-
	507	**1,364**	**507**	**1,364**

New acting appointment 1 February 2010.

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34. EMPLOYEE RELATED COSTS (continued)

Remuneration of the Executive Director : Housing

Annual Remuneration	657	1,196	657	1,196
Car Allowance	55	110	55	110
Performance Bonuses	120	73	120	73
Contributions to UIF, Medical and Pension Funds	1	15	1	15
	833	**1,394**	**833**	**1,394**

Position has been vacant since 1 January 2010.

Remuneration of the Chief of Police

Annual Remuneration	936	851	936	851
Car Allowance	102	102	102	102
Performance Bonuses	98	76	98	76
Contributions to UIF, Medical and Pension Funds	141	128	141	128
Eminence Allowance	220	220	220	220
	1,497	**1,377**	**1,497**	**1,377**

Remuneration of the Executive Head : Emergency Management Services

Annual Remuneration	1,068	971	1,068	971
Car Allowance	109	109	109	109
Performance Bonuses	98	99	98	99
Contributions to UIF, Medical and Pension Funds	1	1	1	1
Eminence Allowance	220	220	220	220
	1,496	**1,400**	**1,496**	**1,400**

Remuneration of the Executive Director : Transportation

Annual Remuneration	1,311	1,197	1,311	1,197
Car Allowance	73	73	73	73
Performance Bonuses	55	-	55	-
Contributions to UIF, Medical and Pension Funds	306	181	306	181
	1,745	**1,451**	**1,745**	**1,451**

Remuneration of the Executive Director : Health

Annual Remuneration	1,352	1,232	1,352	1,232
Car Allowance	108	108	108	108
Performance Bonuses	122	111	122	111
Contributions to UIF, Medical and Pension Funds	1	1	1	1
	1,583	**1,452**	**1,583**	**1,452**

Remuneration of the Executive Director : Corporate Services

Annual Remuneration	1,282	1,165	1,282	1,165
Car Allowance	144	144	144	144
Performance Bonuses	122	118	122	118
Contributions to UIF, Medical and Pension Funds	36	32	36	32
	1,584	**1,459**	**1,584**	**1,459**

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34. EMPLOYEE RELATED COSTS (continued)

Remuneration of the Director : Office of the City Manager

Annual Remuneration	-	652	-	652
Car Allowance	-	128	-	128
Contributions to UIF, Medical and Pension Funds	-	1	-	1
	-	**781**	**-**	**781**

Position has been vacant since 1 June 2009.

Remuneration of the Manager Private Office of the Executive Mayor

Annual Remuneration	770	670	770	670
Car Allowance	69	104	69	104
Performance Bonuses	73	76	73	76
Contributions to UIF, Medical and Pension Funds	35	1	35	1
Eminence	91	-	91	-
	1,038	**851**	**1,038**	**851**

35. REMUNERATION OF COUNCILLORS

Executive Mayor	953	898	953	898
Majoral Commitee Members	7,764	7,256	7,764	7,256
Speaker	752	708	752	708
Councillors	57,910	53,257	57,910	53,257
Councillors' pension contribution	7,060	6,538	7,060	6,538
	74,439	**68,657**	**74,439**	**68,657**

Remuneration of the Executive Mayor

Annual Remuneration	645	593	645	593
Car Allowance	170	170	170	170
Contributions to UIF, Medical and Pension Funds	106	97	106	97
Cell Allowance	34	-	34	-
	955	**860**	**955**	**860**

In-kind benefits

The Executive Mayor, Speaker and Mayoral Committee Members are full-time.

Each is provided with an office and secretarial support at the cost of the Council.

The Executive Mayor is entitled to stay at the mayoral residence owned by Council at no cost.

The Executive Mayor has use of a Council owned vehicle for official duties.

The Executive Mayor has two full-time bodyguards. The Speaker has one full-time bodyguard.

36. DEPRECIATION AND AMORTISATION

Property, plant and equipment	962,282	670,616	531,298	296,944
Investment property	277	2,139	-	1,465
Intangible assets	158,519	58,017	117,161	24,242
	1,121,078	**730,772**	**648,459**	**322,651**

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Figures in Rand thousand	2010	2009	2010	2009

37. NET IMPAIRMENT LOSSES

Impairments				
Property, plant and equipment	37,116	31,468	36,203	31,171
Reversal of impairments				
Other loans and borrowings	-	-	(17,267)	(15,334)
Total impairment losses (recognised) reversed	**37,116**	**31,468**	**18,936**	**15,837**

38. ALLOWANCE FOR IMPAIRMENT OF CURRENT RECEIVABLES

Impairments	159,288	894,463	(452)	259,571
Allowance - Trade and other receivables	23,254	821,213	12,823	16,017
Allowance - Consumer debtors	2,177,148	929,250	1,003,441	(20,978)
Impairment loss - Trade and other receivables	(242,716)	1,334,373	(238,783)	813,281
Impairment loss - Consumer debtors	(377,903)	(2,342,179)	(116,639)	(222,359)
Reversal of allowance - Consumer debtors	(284,997)	(161,960)	(283,707)	(148,290)
	1,454,074	**1,475,160**	**376,683**	**697,242**

39. BULK PURCHASES

Electricity	4,776,241	3,752,533	-	-
Water	1,769,720	1,644,447	-	-
Sewer purification	31,569	31,770	-	-
	6,577,530	**5,428,750**	**-**	**-**

40. CONTRACTED SERVICES

Information Technology Services	240,372	266,463	239,315	265,516
Fleet Services	454,036	612,238	42,401	49,871
Operating Leases	179,379	188,059	179,126	187,310
Specialist Services	590,060	587,424	597,742	592,052
Other Contractors	404,744	152,432	11,702	18,459
	1,868,591	**1,806,616**	**1,070,286**	**1,113,208**

Refer to note 44 for future operating lease commitments

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41. GRANTS AND SUBSIDIES PAID

Grants paid to ME's				
City of Johannesburg Property Company (Pty) Ltd	-	-	537	10,516
Johannesburg City Parks	-	-	425,047	423,771
Johannesburg Development Agency (Pty) Ltd	-	-	20,450	29,924
Johannesburg Metropolitan Bus Services (Pty) Ltd	-	-	284,497	265,498
Johannesburg Roads Agency (Pty) Ltd	-	-	405,230	404,003
Johannesburg Social Housing Company (Pty) Ltd	-	-	13,445	17,250
Johannesburg Tourism Company	-	-	26,605	52,475
Metropolitan Trading Company (Pty) Ltd	-	-	40,559	47,635
Pikitup Johannesburg (Pty) Ltd	-	-	846,519	806,682
Roodepoort City Theatre	-	-	8,363	7,769
The Johannesburg Civic Theatre (Pty) Ltd	-	-	17,464	17,259
The Johannesburg Zoo	-	-	36,779	34,714
	-	**-**	**2,125,495**	**2,117,496**
Other subsidies				
Grant paid : Sporting Organisations (Marks Park Sports Club)	1,051	1,000	1,051	1,000
Grant paid : Other	22,049	39,128	22,926	39,128
Grant paid : Housing top structures	157,762	321,293	157,762	321,293
	180,862	**361,421**	**181,739**	**361,421**
	180,862	**361,421**	**2,307,234**	**2,478,917**

Grants paid to MEs are utilised to fund capital and operational expenditure.

The grants paid are based on the approved operating and capital budgeted amounts as approved by Council.

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42. GENERAL EXPENSES

Advertising	46,241	45,007	11,072	14,388
Auditors remuneration	29,051	27,526	10,880	10,492
Bank charges	46,064	41,467	39,202	35,316
Billing and meter reading charges	43,164	40,245	-	-
Cleaning	29,082	23,560	1,220	1,473
Commission paid	38,123	33,944	-	-
Computer expenses	29,691	30,313	-	-
Conferences and seminars	16,102	29,732	7,917	12,359
Consulting and professional fees	108,164	104,495	61,587	73,609
Consumables	98,557	90,267	14,170	15,445
Debt collection	156,032	89,629	155,981	89,530
Free electricity	24,826	25,817	-	-
Hire	11,821	14,916	9,176	13,310
Horticulture	22,713	41,257	-	-
Insurance	188,662	129,403	171,527	115,008
Lease rentals on operating lease	173,644	110,396	146,930	80,342
ME - charges	-	-	244,436	368,017
Marketing	61,900	87,246	28,557	52,826
Motor vehicle expenses	89,703	92,096	-	-
Other expenses	332,752	330,690	217,964	141,012
Placement fees	3,042	2,662	-	-
Post retirement expenses	195,063	188,397	195,063	188,397
Printing and stationery	60,824	64,082	42,668	44,605
Productions	37,082	108,805	-	-
Road maintenance	383,783	348,852	-	-
Security (Guarding of municipal property)	265,013	287,469	147,678	153,324
Software expenses	14,443	37,340	5,880	18,703
Staff welfare	6,061	12,985	742	112
Subscriptions and membership fees	13,438	11,264	10,799	8,536
Telephone and fax	109,063	96,869	42,216	43,008
Training	31,762	47,841	16,132	28,397
Travel - local	11,628	14,314	-	-
Travel - overseas	11,197	14,352	7,970	9,853
Utilities	156,297	133,423	193,488	171,951
	2,844,988	**2,756,661**	**1,783,255**	**1,690,013**

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43. CASH GENERATED FROM OPERATIONS

Surplus	3,011,571	770,931	2,246,535	191,763
Adjustments for:				
Depreciation and amortisation	1,121,078	730,772	648,459	322,651
(Loss) gain on sale of assets and liabilities	(10,136)	(4,227)	(1,787)	30,861
Interest on external borrowings	1,625,863	1,252,661	-	-
Interest earned - external investments	(483,902)	(679,196)	-	-
Interest earned - outstanding debtors	-	-	(94,116)	(160,923)
Impairment deficit	33,291	29,255	18,936	15,839
Debt impairment	1,454,074	1,475,160	376,683	697,242
Movements in operating lease assets and accruals	(470)	(2,245)	-	-
Movements in retirement benefit assets and liabilities	198,270	288,239	226,830	250,473
Movements in provisions	23,222	124,344	-	32,010
Leasehold property received	-	(49,502)	-	(49,502)
Borrowings	(17,029)	(58,572)	(3,562)	(45,015)
Deferred income	657	464,621	(390)	13,470
Equity share in associate	(62)	-	-	-
Grant income not recognised for asset under construction	(769,122)	1,298,699	(769,122)	1,298,699
Investment movement	(313,250)	(240,738)	(313,250)	(240,738)
Inventories	(8,807)	(54,772)	(640)	268
Trade and other receivables	282,399	(409,119)	(3,876)	(430,280)
Consumer debtors	(1,581,263)	(1,579,505)	(500,088)	(434,579)
Trade and other payables	254,998	1,486,781	369,634	495,525
VAT	(110,068)	(67,674)	(163,331)	17,122
Obligations arising from conditional grants and receipts	(264,696)	(50,095)	(269,084)	(37,306)
	4,446,618	**4,725,818**	**1,767,831**	**1,967,580**

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44. COMMITMENTS

Commitments in respect of capital expenditure:

Authorised and not yet contracted for				
• Infrastucture	2,030,438	1,246,392	397,393	342,955
• Community	87,119	134,797	62,019	134,797
• Other	126,248	53,677	37,399	-
• Heritage	50,081	13,305	50,081	13,305
	2,293,886	**1,448,171**	**546,892**	**491,057**
Authorised and contracted for				
• Infrastructure	667,894	1,104,503	288,371	494,958
• Community	56,930	384,050	56,930	383,050
• Other	40,051	546,686	19,400	148,266
	764,875	**2,035,239**	**364,701**	**1,026,274**
	3,058,761	**3,483,410**	**911,593**	**1,517,331**
This expenditure will be financed from:				
External Loans	1,512,000	1,915,001	188,800	853,518
Capital Replacement Reserve	456,510	32,454	220,510	27,194
Government Grants	1,090,251	1,321,319	502,283	636,619
Internal cash	-	96,936	-	-
District Council Grants	-	117,700	-	-
	3,058,761	**3,483,410**	**911,593**	**1,517,331**

Operating leases - as lessee (Fleet)

Minimum lease payments due				
- within one year	336,912	373,599	121,190	130,897
- in second to fifth year inclusive	24,119	387,588	-	142,155
- later than five years	4,659	4,720	-	-
	365,690	**765,907**	**121,190**	**273,052**

Operating leases – as lessee (Buildings)

Minimum lease payments due				
- within one year	167,463	184,766	47,878	54,721
- in second to fifth year inclusive	147,553	281,849	88,633	120,181
- later than five years	35,989	67,942	18,042	34,373
	351,005	**534,557**	**154,553**	**209,275**

Operating leases – as lessor (income)

Minimum lease payments due				
- within one year	6,730	8,241	-	-
- in second to fifth year inclusive	7,857	4,094	-	-
- later than five years	4,845	6,988	-	-
	19,432	**19,323**	**-**	**-**

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45. CONTINGENT LIABILITIES

GROUP

Johannesburg Roads Agency (Proprietary) Limited

These are legal claims that have arisen in the normal course of business and represent the possible amounts that Could be awarded should the claims prove successful. The amounts have been based on attorney's best estimates of the possible amount payable. Refer to cases below:

- Manong & Associates v JRA (Unfair discrimination) Amount involved R 4 million.
- IMATU & SAMWU v UAC's (Demarcation dispute) No direct monetary claim involved.
- Pipe Jack v JRA (Unpaid invoice) Amount involved R 947 000
- Guardrails Technologies (Not placing orders for max contract value) Amount involved R765 594.
- SAMWU National Provident Fund. No direct monetary claim involved.
- Hetta Eiendoms Bpk v JRA (Claim for specific performance). Monetary value still to be quantified.
- Unitrans v JRA (Claim for goods sold and delivered). R 200 000.00
- Hetta Eiendoms Bpk v JRA (Claim for specific performance). Monetary value still to be quantified.

The amounts have not been provided for as management believes the outcome of the cases will be in the company's favour.

The Johannesburg Fresh Produce Market (Proprietary) Limited

Transfer duty

Freehold land and buildings to the value of R 77,582,957 purchased from The City of Johannesburg Metropolitan Municipality in terms of the sale of business agreement, have not as yet been transferred into the name of The Johannesburg Fresh Produce Market (Proprietary) Limited. Transfer duties might be payable by the entity on the transfer of property. The estimated amount of transfer duties payable on the original purchase price of R 77,582,957 amounts to approximately R 7,800,000. This amount excludes any legal costs, penalties or interest that may be payable.

Disputes with suppliers

The entity terminated the agreement for the provision of cleaning services due to poor performance. The case was struck off the court roll, due to plaintiff's court pleadings not being in order. As such, the plaintiff would have to apply for a new trial date.

The entity received a summons based on an agreement for the distribution of fresh produce to various 'Score Supermarket' outlets. The matter is not ready for trial.

The entity terminated the agreement with a service provider that had to provide the entity with IT consulting services after receiving unsatisfactory performance on the agreed upon deliverables. The matter is not ready for trial.

An unsolicited bid was presented to the entity by a service provider alleging that savings could be realized in the utility costs incurred by the entity. There have been no further developments in respect of this case.

The entity received a summons from a plaintiff who claims to have injured herself after she tripped and fell over a net at store 7 at the market. The matter was defended. There are no further developments in the matter.

The entity received a summons after terminating the agreement with the service provider for the provision of CCTV system after poor performance was recorded. The matter was defended. Exchange of court papers have started.

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45. CONTINGENT LIABILITIES (continued)

The entity is disputing an invoice for the provision of specialised cleaning services aimed at the prevention of contamination in trading halls due to the original scope being exceeded. The matter is under investigation.

Disputes with employees

The entity has a total of seven (7) Labour disputes/litigation cases, three (3) of these cases have been lodged with the Bargaining Council while four (4) cases have been lodged with the Labour court.

The entity terminated a contract of employment due to misconduct. However, the plaintiff claims that he was unfairly dismissed during a retrenchment process. The matter is not ready for trial.

City Power (Pty) Ltd

Litigation has been brought against the company by a third party, Argent Industrial Investment. A customer in the debtors book of City Power was refunded an amount of R 357,000. Argent Industrial Investment is disputing the correctness of the refund which according to City Power was paid to the registered customer, namely Excalibur Vehicle.

A contractor working for City Power damaged Transnet pipelines whilst drilling underground. The amount of the claim from Transnet is currently unknown.

Four employees have lodged legal action against the company for alledged unfair dismissal. The outcome could result in a reinstatement of the four employees or damages as a result of dismissal. The legal cost incurred to date amounts to R 32,000. The amount of the claim is as yet unknown.

Johannesburg Development Agency (Pty) Ltd

In 2005, the JDA entered into a contract for the construction of Baragwanath Public Transport Facility, the supplier had FIGB provide a financial guarantee for the contract. On 13 February 2006, the JDA cancelled the contract because the supplier had defaulted: The JDA then turned to the FIGB demanding an amount of R1,400,000. The matter was taken to court, and then judgement was granted in favour of the JDA. In August 2007, FIGB appealed and lost the appeal. The court issued a writ of execution for the judgement of debt but the Sheriff returned the writ with an explanation that she could not find any FIGB assets to meet the judgement. JDA has investigated the location of FIGB assets but was unsucessful and is now considering abandoning the matter. Therefore, the chances of recovering the R1,400,000 are non-existent at this stage. Legal confirmation has subsequently confirmed that the amount of this claim is R1,754,279 plus interest at a rate of 15.5% per annum from 9 March 2006 to date of payment plus costs.

On 20 April 2009, the Johannesburg Development Agency (Pty) Ltd, as one of several respondants cited, received a court application from an applicant, Kent Target Smith, challenging the City Of Johannesburg's decision to implement the Bus Rapid Transit (BRT) system in or around Riverlea Extension, constituting Section 3 of the BRT. The challenge is from various fronts, including, but not limited to, lack of proper Environment Impact Assessment in terms of the National Environment Management Act, requisition for information in terms of Promotion of Access to Information Act and the impact of the BRT in terms of Promotion of Administration Justice Act and the Bill of Rights. It is not clear what type of relief the applicant seeks from the court. The appicant seems to have abandoned the matter as nothing has happened since the JDA submitted its notice of intention to defend.

The JDA has received a claim from one of their former employees, whose contract was not renewed, challenging the JDA's decision not to renew her contract with the CCMA. In case of an adverse finding against the JDA, the JDA would be liable for a maximum amount of 12 months equivalent salary.

Johannesburg Social Housing Company (Pty) Ltd

A contractual dispute between JOSHCO and the SHF occurred during the last quarter of the financial year. However, attorneys have been appointed to represent the Company in the matter and they have advised on the Company’s position. Also, a Counsel’s opinion has been sought which confirms the Company’s position. The matter has now been referred to inter-governmental dispute in terms of the Inter-Governmental Relation Framework Act 13 of 2005.

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45. CONTINGENT LIABILITIES (continued)

The dispute is over the funding of City Deep project, in which the SHF is demanding that Joshco refunds the portion of the unspent conditional grant. The amount involved is approximately R16million plus accrued interest of aproximately R2million. The funds are currently ring-fenced in an interest bearing account and the portion of the unspent grant is reported in the deferred income balances.

Pikitup (Pty) Ltd

Freehold land, buildings and servitudes purchased from The City of Johannesburg Metropolitan Municipality in terms of the sale of business agreement, have not as yet been transferred into the name of Pikitup Johannesburg (Proprietary) Limited. Transfer duties might be payable by the company on the transfer of property. It is not possible to estimate an expected amount.

The company has a contingent liability in respect of the service bonus on gratuity benefits to the value of R 1 821 000. There are litigation claims against the company, the value at this point cannot be reliably estimated.

CJMM

Uninsured claims & litigations

Five Plaintiffs brought action against the Council in the 1990's, arising from major road and other construction works at the Empire Interchange, around the suburbs of Braamfontein, Milpark, Cottesloe, Melville, Parktown West, Emmarentia and Richmond. They allegedly suffered damages as a result of the Council having closed the road. One of the plaintiffs proceeded against the City and a judgment was given which effectively dismissed most of the claim against the City except for the diminution of the value of the property which theoretically can still be claimed against the City, however this potential claim will now be reduced substantially (this claim was originally for R4,146,583.00 the majority of which was for loss of earnings). The approximate amount that the plaintiff could now claim would be in the order of approximately R500,000.00. This contingent liability can now be reduced by R3,000,000.00.

A Court action emanating from the alleged breach of contract of lease by the City for an amount of R15,000,000.00. This matter appears dormant, the plaintiff shows no inclination to proceed.

Claim for compensation issued against the City and the Gauteng Provincial Government emanating from a road widening by the City. The amount claimed for compensation is R1,000,000.00. As at 31 July 2010, the action has been dormant for the last four years.

Claim for compensation against the City in respect of a property expropriated by it in terms of the Better Buildings Programme. The claim amounts to R1,000,000.00. There is a possibility of settling the matter or going to arbitration awaiting all issues from the attorney to prepare report in order to advise on the best way forward.

A claim for damages was instituted by Engen Petroleum as a result of the Grayston fly-over for loss of income. The total claim is in excess of R10,000,000.00 and is not insured. SCA has ruled against the City on the matter of whether the construction amounted to a diversion. Thus the City is likely to be found liable and a settlement may be necessary. Matter has been set down for trial on the merits (which includes quantum of damages suffered) in December.

Claim for payment of medical aid contributions in the amount or R20,000,000.00. The matter went through arbitration; judgment was given against the City. The City is in the process of appealing the arbitration.

Claim for damages for R10,000,000.00 in respect of relocation of homeless people. Home Talk Developments (Pty) Ltd sued the City allegedly because the City relocated homeless people onto the Defendant's property without his consent, making it impossible for him to develop the property. (Insurers said the claim is not covered). We are in the process of expropriating the property.

Default judgment against the City for two amounts (R81,225.00 + R686,580.69) in total R767,806.00 granted on 30 July 2008 for non payment for services rendered. Judgment rescinded on 23 September 2008 and the City was granted leave to defend the matter. Court documents were finalized and a trial date in October 2010 has been allocated.

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45. CONTINGENT LIABILITIES (continued)

Claim relating to the City's alleged unlawful repudiation of contracts. Was dormant but has revived again, claim amounting to R7,000,000.00. Trial took place during May 2010, awaiting judgment.

Claim for repayment of pre-2003 RSC Levies. Pleadings being exchanged R1,500,000.00. Amending papers. As well as requesting authority to approach the commissioner. We are awaiting further instructions in the matter as the matter is to be settled between the municipalities

Claim for payment of 50% (approx. R2,000,000.00) of all amounts already paid to external service provider for upgrading of a hostel. The matter is dormant. Judgment was rescinded.

Claim for damages against the COJ amounting to R11,668,746. The claim is based on an alleged breach of contract in that the City has allegedly failed to use its "best endeavours" to have the property transferred to the plaintiff. We are attempting to settle the matter herein; we are negotiating with the plaintiff.

Claim for an amount of R 216,809,943 from an external service provider for loss of income as result of alleged illegal termination of contract. The Arbitrator awarded the claim against the City. The Arbitration Appeal by the City was dismissed. The City has applied to the High Court for a review of the Arbitrator's Award and the dismissal of the Appeal. The review application is scheduled to be heard in the 2nd half of 2010.

CoJ awaiting report by mine engineer on steps to be taken for rehabilitation of the mine dump. CoJ has been granted an extension of time to file its papers for rescission of order, once clarity is received on steps that must be taken. Mine engineer's report received 21 February 2008. Status unchanged.
No further movement.
As the CoJ is not dominus litis, adopting a wait and see approach.

Claim amounting to R 909,120 for constructive dismissal emanating from sexual harassment.

Claim for R 50,000,000 for services rendered in terms of contract for the provision of red light violation prosecution services. The institution of arbitration proceedings by the plaintiff were suspended to enable the parties to consider a settlement.

Pension Fund Matters

Application not to withdraw from Pension Fund. Mediation may take place. The City withdrew from the Pension Fund. The City is waiting for the Fund to take the case further.

Claim for outstanding contributions ±R14,000,000.00. The City withdrew from the Pension Fund. The city asked for further particulars of the claim and took exception to the summons and particulars of claim. The matter is dormant as the plaintiff has taken no further steps.

Claim for outstanding contributions ±R18,000,000.00. The City withdrew from the Pension Fund. The city asked for further particulars of the claim and took exception to the summons and particulars of claim. The matter is dormant as the plaintiff has taken no further steps.

Claim for outstanding contributions ±R1,000,000.00. The City withdrew from the Pension Fund. The city asked for further particulars of the claim and took exception to the summons and particulars of claim. The matter is dormant as the plaintiff has taken no further steps.

Claim for outstanding contributions ±R2,900,000.00. The City withdrew from the Pension Fund. The city asked for further particulars of the claim and took exception to the summons and particulars of claim. The matter is dormant as the plaintiff has taken no further steps.

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45. CONTINGENT LIABILITIES (continued)

Insured claims

There are a number of possible public liability claims totaling + R4,000,000.00 which are ongoing and which are covered by Insurance.

Guardrisk Contingency Fund. Provision for this liability includes all known liabilities against CJMM and ME's, legally required provision for claims incurred but not yet reported as well as business required provision to support the operational support and operational activities.

Guarantees

On behalf of	Institution	Date provided	Expiry date	Amount
SAPOS (Pty) Ltd	FNB (99453)	20 Mar 1989	None	16
Grove W2 and W3 (Pty) Ltd	FNB (99454)	07 Jul 1994	None	61
Department of Transport	FNB (99455)	13 Nov 1995	None	159
ESKOM	FNB (99456)	Annually	Annually	47
IPG (Property Trading & Development (Pty) Ltd	FNB (129924)	27 Sep 2001	01 Feb 2016	406
SAPOS (Pty) Ltd	ABSA Bank Ltd	05 Oct 2005	None	1,000
SAPOS (Pty) Ltd	ABSA Bank Ltd	05 Oct 2005	None	30
SAPOS (Pty) Ltd	ABSA Bank Ltd	24 Nov 2005	None	100
SAPOS (Pty) Ltd	ABSA Bank Ltd	28 Nov 2005	None	200
Scania South Africa (Pty) Ltd	HSBC Ltd	12 Oct 2009	30 Sep 2010	330,000
Scania South Africa (Pty) Ltd	HSBC Ltd	30 Oct 2009	30 Sep 2010	88,206
Kelvin Power (Pty) Ltd	Nedbank Ltd	30 Jul 2010	31 Jul 2011	167
City Power (Pty) Ltd and SAPOS (Pty) Ltd	FNB (149316)	19 Jul 2001	None	15
JHB Water (Pty) Ltd and SAPOS (Pty) Ltd	FNB (144146)	08 Jun 2001	None	100
JHB Athletics Association	FNB 100407)			28
				420,535

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46. PRIOR PERIOD ERRORS

Statement of financial position

CJMM - Creditors	(1,386)	3,741	(1,386)	3,741
CJMM - Finance lease obligation	-	(23,183)	-	(23,183)
CJMM - Bonus provision	(38,804)	(37,241)	(38,804)	(37,241)
CJMM - Other debtors	41,899	4,684	41,899	4,684
CJMM - Property, plant and equipment	-	19,437	-	19,437
CJMM - Held to maturity investments	-	(470,382)	-	(470,382)
CJMM - VAT	-	7,433	-	7,433
CJMM - WIP : Soccer city 2010	-	1,238,060	-	1,238,060
CJMM - Structured loans	-	94,549	-	94,549
CJMM - Structured loans	-	470,382	-	470,382
JFPM - Trade and other receivables	-	257	-	-
JFPM - Trade and other payables	-	271	-	-
JOSHCO - Accumulated surplus	-	(21)	-	-
JOSHCO - Property, plant and equipment	4,590	24	-	-
JOSHCO - Accumulated depreciation	-	(28)	-	-
JOSHCO - Finance lease obligation	-	(10)	-	-
JOSHCO - Deferred tax	164	5	-	-
JOSHCO - Trade and other payables	-	7	-	-
JOSHCO - Tax	(908)	-	-	-
JOSHCO - Deferred income	(4,590)	-	-	-
JRA - Property, plant and equipment	-	(3,547)	-	-
PIKITUP - Accumulated surplus	(21,335)	(32,995)	-	-
PIKITUP - Tax	-	(1,886)	-	-
PIKITUP - Trade and other receivables	-	2,358	-	-
PIKITUP - Trade and other payables	-	(2,262)	-	-
PIKITUP - Vat accrued	-	(96)	-	-
JPC - Property, plant and equipment - Cost	72	-	-	-
JPC - Accumulated depreciation	39	-	-	-
JPC - Deferred tax adjustment	(31)	(437)	-	-
WATER - Deferred income	-	422,057	-	-
ZOO - Trade and other payables	(82)	-	-	-
ZOO - Deferred liability	237	-	-	-
ZOO - Trade and other receivables	(185)	-	-	-
ZOO - Notional account	199	-	-	-
	(20,121)	**1,691,177**	**1,709**	**1,307,480**

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46. PRIOR PERIOD ERRORS (continued)

Statement of financial performance

CJMM - Grants paid	1,386	-	1,386	-
CJMM - JPC portfolio	-	918	-	918
CJMM - Correction of debtors	(3,087)	33,955	(3,087)	33,955
CJMM - Correction of leases	-	3,746	-	3,746
CJMM - Other	4,389	30	4,389	30
CJMM - Bonus provision	38,804	37,241	38,804	37,241
CJMM - Interest paid	767	(94,071)	767	(94,071)
CJMM - Interest earned	(6,968)	(3,038)	(6,968)	(3,038)
CJMM - Contracted services	-	(3,768)	-	(3,768)
CJMM - VAT adjustments	-	(7,433)	-	(7,433)
CJMM - WIP : Soccer city 2010	-	(1,238,060)	-	(1,238,060)
CJMM - Surplus on sale/disposal of asset	(37,000)	(37,000)	(37,000)	(37,000)
JFPM - Rental facilities and equipment	-	(185)	-	-
JFPM - Bad debts	-	(72)	-	-
JFPM - Other operating costs	-	(271)	-	-
JOSHCO - Depreciation	(4,590)	4	-	-
JOSHCO - Finance costs	-	10	-	-
JOSHCO - Deferred tax expense	(164)	(6)	-	-
JOSHCO - Other Income	-	21	-	-
JOSHCO - Other Expenses	-	(7)	-	-
JOSHCO - Tax expense	908	-	-	-
JOSHCO - Deferred income released	4,590	-	-	-
JRA - Useful life adjustment	-	3,547	-	-
PIKITUP - Revenue	21,335	16,155	-	-
PIKITUP - Expenditure	-	18,727	-	-
JPC - Depreciation	(39)	-	-	-
JPC - Finance charges	(72)	-	-	-
JPC - Deferred tax charge	31	-	-	-
JPC - Taxation 07/08	-	437	-	-
WATER - Other income	-	(422,057)	-	-
ZOO - Actuarial gains/losses	(236)	-	-	-
ZOO - Other Income	(199)	-	-	-
ZOO - Other Expenses	266	-	-	-
	20,121	**(1,691,177)**	**(1,709)**	**(1,307,480)**

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46. PRIOR PERIOD ERRORS (continued)

The correction of the error(s) results in the restatement of comparative figures as follows - GROUP - 2010

City of Joburg Property Company (Proprietary) Limited

During the prior year the cost of the capitalised financed leased asset was incorrectly stated due to fact that escalation on lease payments was not taken into account when calculating the present value.

An amount of R 38 608.19 is shown in the statement of changes in equity as a prior year error. The amount relates to two assets that were owned in the previous financial year and recorded as such in the asset register of that year , but were not disclosed in the financials as an asset. The reason for the amount not disclosing on the financials of the previous year was that the journal from the asset register to the Nicor TB that feeds to case ware file did not pull through to the TB. The system was checked and rechecked this financial year to ensure that all journals pull through as they should.

This relates to deffered tax effect on the adjustment of prior period errors.

Johannesburg Zoo (Proprietary) Limited

Amount of R199 080 relates to an actuarial gains for the last period (2008/2009). After a revised evaluation report by actuaries, an adjustment of R199 080 was made in the current period.

Accounts receivable consists of uncleared balances in general ledger, settlement by customers were credited to sales accounts.

Accounts payable consists of uncleared balances in general ledger, payament to suppliers were were debited to expense accounts.

A deferred liabilty raised in respect of assets found and capitalised is reversed since it does not meet the requirements in terms of GRAP23.

Pikitup Johannesburg (Proprietary) Limited

Retained earnings were incorrectly stated due to expenditure that were not accounted for and the reversal of revenue billed.

Johannesburg Social Housing Company (Proprietary) Limited

NO INFORMATION REGARDING THE PRIOR YEAR ERRORS WAS PROVIDED BY JOSHCO.

The correction of the error(s) results in the restatement of comparative figures as follows - GROUP - 2009

The Johannesburg Fresh Produce Market (Proprietary) Limited

Rental income was raised in error in 2008 and was reversed. Retrospective electricity for RSA was billed in 2008. The factor used was found to be incorrect and an adjustment was made to reduce the charge.

In 2006 the purchase order accrual account was corrected to align the general ledger to the module. In 2009 a detailed reconciliation was performed and all integrity issues resolved leaving the 2006 correction redundant.

A purchase order accrual was raised for security costs for the month of May 2008. The contract expired prior to the financial year end and the purchase order was reversed.

Deposits made in 2006 were not allocated, and subsequent proof has now been recognised.

Johannesburg Social Housing Company (Proprietary) Limited

Finance lease liabilities where recalculated after it was found that the incorrect method was used. This resulted in a prior period error.

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46. PRIOR PERIOD ERRORS (continued)

During 2009 JOSHCO discovered that items which had original cost prices of less than R600 was capitalised as Property, Plant and Equipment. These items should have been written of in full in the year of purchase in terms of the JOSHCO accounting policy. Accelerated depreciation was accounted for these items in order to fairly reflect the carrying value of Property, Plant and Equipment.

The cost of assets which were recognised at an original cost of R1 initially was re-assessed during the year to the current market price of these items and discounted to the purchase date at the average inflation rate. The accumulated depreciation was recognised in order to reflect these assets at their most appropriate carrying values.

Leasehold improvements recognised in JOSHCO as a result of the transfer of leasehold property from CJMM.

Johannesburg Roads Agency (Proprietary) Limited

Property, plant and equipment:

The correction of the prior period relates to the alignment of the fixed assets register to the general ledger.

Pikitup Johannesburg (Proprietary) Limited

The correction of the prior period relates income earned and expenditure incurred by the Entity.

City of Joburg Property Company (Proprietary) Limited

This is as a result of deferred tax being incorrectly reflected as a liability of R437,162 instead of an asset.

Johannesburg Water (Proprietary) Limited

Deferred income:

There was a change in the accounting policy for the treatment of Government Grants . The new accounting policy requires the grant to be recognised as revenue in the year that all conditions relating to the grant have been met. This has resulted in R422,057 being released to the statement of financial performance in the prior financial years. The financial impact of the revised treatment for the year ending 30 June 2010 is a credit of R 101,840 to other income.

The correction of the error(s) results in the restatement of comparative figures as follows - CJMM - 2010

Kelvin Power R 37,000 million
Recognition of Income from the sale of Kelvin Power.

Fruitless and Wasteful Expenditure (R 0,121 million)
Bad Debt written off, regarded as Fruitless and Wasteful Expenditure at COJ Mayoral Committee (15 July 2010).

Adjustment of Debtors (R 0,544 million)
Interest charges previously cleared to debtors, now reversed.

MIG Funding (R 1,386 million)
Re-imbursement of MIG Funds to City Power.

Bad Debts R 0,049 million
Correction to the provision for Bad Debts.

Fleet Africa (R 1,441 million)
Adjustment of the Fleet Africa Debtor account.

VAT Adjustment (R 2,947 million)
Correction of Fleet Africa debtor.

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46. PRIOR PERIOD ERRORS (continued)

Fruitless and Wateful Expenditure (R 0,103 million)
Fruitless and Wasteful expenditure written off during the year.

Bonus provision (R 38,804 million)
Adjustment for Bonus provision

The correction of the error(s) results in the restatement of comparative figures as follows - CJMM - 2009

VAT adjustments - (R 7,433 million)
Input vat from municipal services.

Adjustment of the portfolio account - R 0,918 million
Adjustment of portfolio account due to incorrect billing in the prior years.

Correction of leases - R 3,746 million
Accounting for lease rentals which were not previously recognised in prior years.

Adjustment of the debtors account - R 33,954 million
Correction of interest due on pension fund as a result of the conversion of defined benefit plans to defined contribution plans.

Adjustment of structured loans - R 94,549 million
Correction of interest on a RMB loan as a result of the restructuring of the loan due to a change in the tax treatment of the structure.

Adjustment of Soccer city 2010 - (R 1,238,060 million)
Adjustment due to change in intention from the stadium being built on behalf of the National Department of Sport and Recreation to being leased to CJMM on a 99 year lease.

Kelvin Power R 37,000 million
Recognition of income from the sale of Kelvin Power.

Fruitless and Wasteful Expenditure (R 0,068 million)
Bad Debt written off, regarded as Fruitless and Wasteful Expenditure at COJ Mayoral Committee (15 July 2010).

Adjustment of Debtors (R 0,409 million)
Interest charges previously cleared to debtors, now reversed.

Bonus provision (R 37,241 million)
Adjustment for Bonus provision

47. COMPARATIVE FIGURES

Where items have been reclassified, comparative figures have been restated.

The effects of the reclassification are as follows:

Statement of financial position

Investment in asscociate-classified as Asset held for sale in prior year	3,350	2,378	-	-

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48. RISK MANAGEMENT

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including price risk, interest rate risk, liquidity risk and credit risk). The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group uses derivative financial instruments to hedge certain risk exposures. Financial risk is managed by a CJMM Treasury Department.

CJMM Treasury identifies, quantifies and sets up control measures to manage financial risks in close co-operation with the municipality's operating units. CJMM treasury executes its responsibility in line with approved policies and procedures of the City of Johannesburg's assets and liabilities committee.

Liquidity risk

The Group's risk to liquidity arises mainly due to funding liquidity risk, i.e. the risk that the municipality will not be able to meet payment obligations due to insufficient funds being available. CJMM's Treasury function is to ensure the City meets its liability obligations when they fall due.

The CJMM Treasury manages both the short-term and long-term cash requirements, with surplus funds from operations of the municipality invested short term using liquid money market instruments from the financial institutions, mainly banks.

Long-term liquidity risks arising from capital project initiatives are managed through issuance of long-term debt in the form of COJ bonds. Short-term liquidity constraints are managed through the two main borrowing facilities namely – the Absa Short-term facility of R 400 million and Citi Bank Committed facility of R200 million. Both Short and Long term borrowings are approved under CJMM's domestic medium term note (DMTN) programme.

CJMM's Treasury makes sure that all borrowing facilities utilised within the 2009-2010 financial year are paid up well before the end of the financial year. This is in line with regulations of the Municipal Finance Management Act (MFMA).

Price risk

Although the municipality is not directly exposed to foreign currency risk, certain projects would have foreign exchange risk exposure. CJMM's Treasury acts as an advisor to mitigate such risks.

49. FRUITLESS AND WASTEFUL EXPENDITURE

Reconciliation of fruitless and wasteful expenditure				
Opening balance	19,392	6,843	19,070	3,152
Fruitless and wastefull expenditure current year	6,354	16,330	-	15,918
Approved by Council or condoned	(7,151)	(3,781)	(1,645)	-
Fruitless and wastefull expenditure under investigation	(12,101)	-	(12,101)	-
Transfer to other debtors for verification	**6,494**	**19,392**	**5,324**	**19,070**

GROUP - 2010

1. The Johannesburg Fresh Produce Market (Proprietary) Limited

Interest on late Telkom payments - R2,338.

Court judgement awarded to 3rd party - interest R 68,489.

Court judgement awarded to employee case - interest R 59,670.

Disciplinary steps/criminal proceedings : Verbal warning relating to the interest. No action has been taken with regard to the court judgements.

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49. FRUITLESS AND WASTEFUL EXPENDITURE (continued)

2. City of Johannesburg Property Company (Proprietary) Limited

The penalties and interest reflected in the current financial yearrelates to the clean up process with regards to the late submission of prior years tax returns for the periods 2006/2007 and 2007/2008 as reported in the previous year's audit findings. The events leading to the fruitless and wasteful expenditure was investigated by management and found to be as a result of human error. This has been reported to the board.

Disciplinary steps/criminal proceedings : Corrective action has been taken to ensure that the matter does not recur.

3. Johannesburg City Parks (Proprietary) Limited

Interest on late payment of creditors.

Disciplinary steps/criminal proceedings ; None

4. Johannesburg Roads Agency (Proprietary) Limited

The account was paid late due to the invoice being received late from Telkom and thus paid late.

Disciplinary steps/criminal proceedings ; Procedures have been put into place to receive the invoice electronically and to be paid on time.

5. Johannesburg Metropolitan Bus Services (Proprietary) Limited

Fines disputed by our drivers and roadworthy related penalties.

Disciplinary steps/criminal proceedings : None

6. Metropolitan Trading Company (Proprietary) Limited

Interest on outstanding creditor accounts.

Disciplinary steps/criminal proceedings : None

7. Pikitup (Proprietary) Limited

Penalties and Interest to SARS as a result of non rendition of IRP 6.

Disciplinary steps/criminal proceedings : Procedure in place to address this.

8. Roodepoort City Theatre

The expenditure relates to interest charged on late payment of employee deductions to the pension fund.

Disciplinary steps/criminal proceedings : None

9. Johannesburg Zoo

Interest paid on late payment and submission of statutory returns (VAT and PAYE).

Disciplinary steps/criminal proceedings : None

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49. FRUITLESS AND WASTEFUL EXPENDITURE (continued)

GROUP - 2009

1. The Johannesburg Fresh Produce Market (Proprietary) Limited

Interest was raised for late payments on Telkom bills - R1,392.

Traffic fines was paid in settlement of long outstanding fines. A discount was negotiated - R6,950.

Disciplinary steps/criminal proceedings : No action taken - employees responsible have left the company.

2. City of Johannesburg Property Company (Proprietary) Limited

Interest and penalties was raised by SARS due to the payment of the Executive Manager's bonuse being paid on 17th February 2009 and processed in the January 2009 payroll - R37,650

Disciplinary steps/criminal proceedings : A request is being made to waiver this amount on the basis that JPC has an excellent payment record. No formal documentation has been received from SARS confirming that they will be raising this amount as interest and penalties. Once a formal reply has been received appropriate steps will be taken.

3. Johannesburg Zoo

Interest paid on late payment of VAT - R3,455.

Disciplinary steps/criminal proceedings : None.

4. Johannesburg Metropolitan Bus Services (Proprietary) Limited

Various traffic fines was paid - R266,820.

Disciplinary steps/criminal proceedings : None taken as the cost was transferred to the drivers responsible.

SARS PAYE penalties and interest was paid - R1,053.

Disciplinary steps/criminal proceedings : Employee responsible no longer on our employment.

5. Metropolitan Trading Company (Proprietary) Limited

ARS VAT penalties and interest - R 15,614.

6. Johannesburg City Parks

Interest on late payment of creditors - R 34,000.

7. Pikitup (Proprietary) Limited

SARS PAYE penalties and interest was paid - R 44,682.

8. Roodepoort City Theatre

SARS interest was payable on late payment of PAYE as a result of problems with the SARS efile website. Penalties were waivered by SARS, but the Entity remained liable for the interest - R0,306 million.

Disciplinary steps/criminal proceedings : None.

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49. FRUITLESS AND WASTEFUL EXPENDITURE (continued)

CJMM - 2010

1. Office of the Executive Mayor

Non-attendance of Conferences, Seminars and Training sessions by staff after the relevant bookings and payments has been made - R36,129.15.

Disciplinary steps/criminal proceedings : The matter is still under investigation.

2. Environmental Management

Rental payment for six months before occupation R 1,404,936.00.
Disciplinary steps/criminal proceedings : Report submitted to Mayoral Committee for condonement.

3. Emergency Services, Housing, Development Planning, Corporate and Shared Services, Infrastructure, Transportation, JMPD, Community Development, Rates and Taxes, Office of the Executive Mayor, Office of the Speaker, Economic Development

Interest charged on late payments - 3,883,147.84.

Disciplinary steps/criminal proceedings : Investigations have been made as to the cause of the problem and steps will be taken to prevent a recurrence in the future.

CJMM - 2009

1. Corporate and Shared Services

Penalty paid to SARS relating to late payment of employer/employee contributions - R12,509 million.

Disciplinary steps/criminal proceedings : The matter is still under investigation.

2. Corporate and Shared Services

Payment of negative contribution to E-Joburg and late payment of interest - R704,000.

Disciplinary steps/criminal proceedings : The matter is still under investigation.

3. Health, Emergency services, Housing, Development planning, Corporate and Shared Services, Infrastructure, Revenue and customer relations, Transportation, JMPD, Community Development

Interest raised on late payments - R6,112 million.

Disciplinary steps/criminal proceedings : No negligence has been proved and measures have been put in place to avoid it in future.

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50. UNAUTHORISED EXPENDITURE

Reconciliation of irregular expenditure				
Opening balance	597	-	-	-
Unauthorised expenditure current year	1,731	597	-	-
	2,328	**597**	**-**	**-**

GROUP - 2010

1. Johannesburg Zoo

The operating budget for the current year was exceeded R1 730 565 (3%).

The deficit was dealt with in accordance Section 101 of the MFMA.

GROUP - 2009

1. Johannesburg Property Company (Proprietary) Limited

The irregular expenditure is a result of the Supply Chain Management process that was not followed. An initial quote of R 201 780.00 (inclusive of VAT) was received, but was subsequently revised to R 199 642.50 (to avoid the tender process) and the appointment made in line with the revised quote. The quote was based on an hourly rate in terms of the scope of work provided by JPC.

Disciplinary steps/criminal proceedings : None

51. IRREGULAR EXPENDITURE

Reconciliation of irregular expenditure				
Opening balance	11,858	16,407	-	-
Unauthorised expenditure current year	2,302	15,502	-	-
Approved by Council or condoned	(9,034)	(20,051)	-	-
Transfer to receivables for recovery	(77)	-	-	-
	5,049	**11,858**	**-**	**-**

GROUP - 2010

1. Johannesburg Zoo

Procurement without three quotations.

Disciplinary steps/criminal proceedings : None

GROUP - 2009

1. Johannesburg Social Housing Company (Proprietary) Limited

There was an irregular payment made to Maranatha CC amounting to R2,111,850 by the previous accountant and R1,540,516 of that amount is recoverable from the banks. The corrective measures in terms of the strengthening of the processes regarding delegations have been implemented.

Disciplinary steps/criminal proceedings : The disciplinary action has been taken against the affected staff members.

There was an irregular payment of R255,056 made to a private individual instead of being legally paid to the vendor. The amount which is recoverable from the bank is R178,818.

Disciplinary steps/criminal proceedings : The Forensic company has been appointed to investigate the matter and the appropriate actions will be taken, based on the recommendations by the forensic investigation.

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51. IRREGULAR EXPENDITURE (continued)

2. Johannesburg Zoo

Procurement without three quotations - R456,333.

Disciplinary steps/criminal proceedings : None.

3. Johannesburg Development Agency (Proprietary) Limited

The expenditure of R 1,351,184 relates to expenditure which contravenes the Supply Chain Management Regulations of the MFMA and has been condoned.

The expenditure of R621,739 relates to expenditure which was in contravention of the Supply Chain Management Policy, Regulation 36(1).

Disciplinary steps/criminal proceedings : The Bid Adjudication Committee's request for approval of this ratification was not approved by the Accounting Officer.

4. City of Johannesburg Property Company (Proprietary) Limited

Irregular expenditure incurred relates to Consultant's Fees, being additional hours spent on the completion of a project - R 596,950.

5. Pikitup (Proprietary) Limited

Irregular expenditure relates to the misapplication of MFMA Regulation 32A transpired after the company had been appointed. R 12,041,682

52. IN-KIND DONATIONS AND ASSISTANCE

Community Development received the following:

- Lehae ECD centre from SANZAF worth R500,000.00.
- Scraping and leveling of soccer fields in Braamfischer from Bergland Tuine worth R35,000.00.
- Exhibition Furniture and fixtures to equip the level two West gallery in Museum Africa from Anne and Theresa Bernberg Trust worth R796,119.00.
- Design and construction of exhibition “My Culture” in Museum Africa from Anne and Theresa Bernberg Trust worth R16,514.66.
- New tyres for London Bus from Exec-u-tyre (Boksburg) worth R10,000.00.
- Repairs & Maintenance of museum vehicles from Friends – JHMT worth R30,000.00.
- Lancia Fulvia Motor Car from Mr Mark Patterson worth R15,000.00.
- Indian Brave motorcycle from Friends – JHMT worth R15,000.00.
- Gut Bus – Purchase of vehicles from Friends – JHMT, Bernburg Trust and Mohamid worth R45,000.00, R30,000.00 and R10,000 respectively.
- Books (125 and 169 titles) from Sunday Independent Reviewer, Maureen Isaacson worth R25,094.00 and R26742.34 respectively.
- Books - African classics in indigenous languages – Libraries and one set to African Literature Bookshop (17 titles; 1,441 copies) from National Library of South Africa worth R126,690.00.

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52. IN-KIND DONATIONS AND ASSISTANCE (continued)

- Books (1 title, 360 copies) from SaFm (National Radio Station)20 Years of Breaking News, by Sky News worth R68,400.00.
- Books (1 title, 85 copies) from Author, I. Glauber worth R10,200.00.
- Books (147 titles) from Sunday Independent worth R23,765.18.
- Books & Audiobooks (156 titles, 330 copies) from Booktalk worth R61,050.00.
- Books: 6449 non-fiction, 2527 fiction from Exclusive Books worth R1,031,840.00, R240,065.00 and R1,271,905.00 respectively.

Office of the Executive Mayor Department received the following:

- Cash paid to metro bus for transport for coj employee soccer day at soccer city from Kena media worth R30,000.00.

Environmental Management

- Copenhagen Climate Change Submit from 13 December 2009 till 18 December 2009 from ICLEI worth R30,447.61

Health Department received the following:

- Sewing Machines from Berzack Brothers (Pty) Ltd worth R47,440.85.
- Cash from Pharmaceutical Companies worth R25,000.00.
- Three Singer Chunky Knitter Machines from L van Staden worth R10,500.00.
- Pneumococcal Conjugate Vaccine, Single Dose pre filles syringes * 20 000 from Biovac Institute worth R202,692.00.
- Office Furniture from Kustom Filing Solutions worth R31,000.00.
- Domestic MP1300 Vaccine Refrigerator from Department of Health – Province worth R130,250.00.

Emergency Management Services Department received the following:

- Belgian Shepherd: Name: Radar 3yr old male from Neels De Klerk worth R50,000.00.
- German Shepherd: Name: Zues 3yr old male from Riaan Cloete worth R50,000.00.
- Labrador: Name: Gezina 2yr old female from Theresa De Klerk worth R50,000.00.
- Cross Belgian/German Shepherd: Name Hope 4yr old female from JMPD R50,000.00.

A register of all donations and assistance with a value below R10 000.00 is available for inspection.

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53. ADDITIONAL DISCLOSURE IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

Contributions to organised local government

Council subscriptions	9,100	8,500	9,100	8,500
Amount paid - current year	(9,100)	(26,304)	(9,100)	(26,304)
	-	**(17,804)**	**-**	**(17,804)**

Audit fees

Opening balance	4,453	3,670	648	766
Current year audit fee	28,881	27,276	10,887	10,479
Amount paid - current year	(24,478)	(21,092)	(10,760)	(10,597)
Amount paid - previous years	(4,774)	(5,401)	-	-
	4,082	**4,453**	**775**	**648**

PAYE and UIF

Opening balance	43,926	45,309	30,350	30,141
Current year payroll deductions	872,848	762,244	507,561	447,410
Amount paid - current year	(820,327)	(720,419)	(472,047)	(417,060)
Amount paid - previous years	(41,472)	(43,208)	(30,350)	(30,141)
	54,975	**43,926**	**35,514**	**30,350**

Pension and Medical Aid Deductions

Opening balance	67,674	61,147	59,772	49,568
Current year payroll deductions and council contributions	1,203,733	968,206	779,452	694,647
Amount paid - current year	(1,130,888)	(900,464)	(712,079)	(634,875)
Amount paid - previous years	(67,489)	(61,215)	(59,772)	(49,568)
	73,030	**67,674**	**67,373**	**59,772**

VAT

VAT receivable	337,118	179,216	334,573	171,242
VAT payable	300,120	252,286	-	-
	637,238	**431,502**	**334,573**	**171,242**

VAT output payables and VAT input receivables are shown in note .

All VAT returns have been submitted by the due date throughout the year.

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53. ADDITIONAL DISCLOSURE IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (continued)

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2010. All amounts are disclosed in rands and not rounded to the nearest thousand.

30 June 2010	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Bailey LR	1,053	2,094	3,147
Bovu BD	-	168	168
Dewes DS	5,074	902	5,976
Dhlomo AN	387	2,182	2,569
Dlamini TJ	7,563	33,594	41,157
Dlamini TJ	816	3,509	4,325
Khanyi CJ	750	760	1,510
Lichaba DL	1,371	5,669	7,040
Lutya RN	425	1,515	1,940
Mahlanga JP	1,209	4,813	6,022
Matladi JM	-	125	125
Middlemas-White	101	440	541
Mkhize DS	1,316	1,218	2,534
Mokoena A	-	1,253	1,253
Monareng OE	-	576	576
Mthalane P	45	70	115
Phakathi TZ	1,908	1,470	3,378
Putsoa A	1,429	7,485	8,914
Radebe C	1,179	8,095	9,274
Ramakhula MS	-	206	206
Sabbagh ST	5,467	19,760	25,227
Sabbagh ST	7,490	61	7,551
Seboyane MA	823	84	907
Seefort CM	6,366	5,493	11,859
Van Der Merwe MT	-	3,802	3,802
	44,772	**105,344**	**150,116**

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53. ADDITIONAL DISCLOSURE IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (continued)

The following Councillors had arrear accounts outstanding for more than 90 days as at 30 June 2009. All amounts are disclosed in rands and are not rounded to the nearest thousand.

30 June 2009	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Bapela CB	6,089	1,519	7,608
Botes C	9,167	-	9,167
Bovu BD	168	-	168
Dhlomo AN	1,752	15	1,767
Dlamini TJ	16,025	3,372	19,397
Dlamini TJ	1,539	523	2,062
Dlamini IN	193	15	208
Khanyi CJ	211	323	534
Lichaba DL	2,347	867	3,214
\Lutya RN	723	232	955
Madungandaba BE	15,465	3,511	18,976
Mahlanga JP	1,799	799	2,598
Makhubo MM	47	15	62
Mkhize DS	17,663	919	18,582
Moepi NR	31	15	46
Mokoena A	1,253	-	1,253
Mthalane P	47	15	62
Mtshali EV	11	223	234
Ndlela NM	113	306	419
Putsoa A	4,067	846	4,913
Rakitla JB	8	-	8
Ramadikela G	2,353	937	3,290
Ramakhula MS	630	20	650
Sabbagh ST	662	6,131	6,793
Sabbagh ST	82	6,093	6,175
Seefort SM	916	4,079	4,995
Van Der Merwe	3,802	-	3,802
	87,163	**30,775**	**117,938**

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53. ADDITIONAL DISCLOSURE IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (continued)

During the 2010 year the following Councillors' had arrear accounts outstanding for more than 90 days.

30 June 2010	Highest outstanding amount > than 90 days	Total (rands)	Comments
Bailey LR	2,094	3,147	Arrears 90+days
Bapela CB	6,442	8,080	Arrears 90+days
Bovu BD	168	168	Arrears 90+days
Clarke SNM	4	4,637	Arrears 90+days
Deppe AJ	213	832	Arrears 90+days
Deppe AJ	331	1,436	Arrears 90+days
Dewes DS	902	5,976	Arrears 90+days
Dhlomo AN	2,182	2,569	Arrears 90+days
Dlamini TJ	3,509	4,325	Arrears 90+days
Dlamini TJ	33,594	41,156	Arrears 90+days
Griffin S	2,078	3,026	Arrears 90+days
Grobbelaar C	621	5,309	Arrears 90+days
Khanyi CJ	1,126	1,576	Arrears 90+days
Lichaba DL	5,669	7,041	Arrears 90+days
Louw MA	254	1,015	Arrears 90+days
Lutya RN	1,515	1,940	Arrears 90+days
Madungandaba BE	12,097	13,050	Arrears 90+days
Mahlanga JP	4,813	6,022	Arrears 90+days
Makhubo MM	52	136	Arrears 90+days
Matladi JM	125	125	Arrears 90+days
Mfikoe MAM	147	371	Arrears 90+days
Middlemas-White DJ	440	541	Arrears 90+days
Middlemas-White DJ	23	388	Arrears 90+days
Mkhize DS	17,971	18,922	Arrears 90+days
Moepi NR	57	73	Arrears 90+days
Mohlala NP	2,445	13,212	Arrears 90+days
Mokoena A	1,253	1,253	Arrears 90+days
Monareng OE	576	576	Arrears 90+days
Moosa FH	-	1,528	Arrears 90+days
Msiza SB	52	4,282	Arrears 90+days
Mthalane P	94	110	Arrears 90+days
Mthombeni SB	3,075	3,317	Arrears 90+days
Mtshali EV	355	614	Arrears 90+days
Phakathi TZ	3,842	5,082	Arrears 90+days
Pretorius L	161	733	Arrears 90+days
Putsoa A	7,485	8,914	Arrears 90+days
Radebe C	8,095	9,274	Arrears 90+days
Ramadikela G	2,666	3,653	Arrears 90+days
Ramakhula MS	651	688	Arrears 90+days
Ravid M	-	2,011	Arrears 90+days
Sabbagh ST	19,760	25,228	Arrears 90+days
Sabbagh ST	2,691	9,093	Arrears 90+days
Sabbagh ST	530	7,851	Arrears 90+days
Seboyane MA	84	906	Arrears 90+days
Seefort CM	5,493	11,859	Arrears 90+days
Sithole B	1	3,946	Arrears 90+days
Van Der Merwe MT	3,802	3,802	Arrears 90+days
Volker VT	62,071	66,561	Arrears 90+days
Zondi BD	1,890	8,276	Arrears 90+days
Zulu S	538	984	Arrears 90+days
	224,037	**325,614**	**-**

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53. ADDITIONAL DISCLOSURE IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (continued)

During the 2009 year the following Councillors had arrear accounts outstanding for more than 90 days.

30 June 2009	Highest outstanding amount > 90 days	Total (rands)	Comments
Ancer SLS	102	1,056	Arrears 90+days
Bailey LR	5,267	5,871	Arrears 90+days
Bapela CB	6,089	7,608	Arrears 90+days
Barnes AE	2,444	15,469	Arrears 90+days
Bittkau R	1,221	7,006	Arrears 90+days
Botes C	12,667	12,667	Arrears 90+days
Bovu BD	1,099	1,099	Arrears 90+days
Clarke SNM	161	4,830	Arrears 90+days
Corrigan IM	76	3,788	Arrears 90+days
Da Gama VM	199	199	Arrears 90+days
Dewes DS	2,445	3,547	Arrears 90+days
Dewes DS	6,623	9,298	Arrears 90+days
Dhlomo AN	1,752	1,768	Arrears 90+days
Dlamini TJ	16,278	17,171	Arrears 90+days
Dlamini TJ	1,539	2,062	Arrears 90+days
Dlamini IN	1,183	1,198	Arrears 90+days
Gololo MJ	133	294	Arrears 90+days
Greeff RJ	4,944	13,005	Arrears 90+days
Griffin S	2,984	5,405	Arrears 90+days
Hlomendlini IN	16	36	Arrears 90+days
Khanyi CJ	837	1,171	Arrears 90+days
Kubayi MT	243	642	Arrears 90+days
Lichaba DL	2,347	3,214	Arrears 90+days
Louw MA	1,651	2,386	Arrears 90+days
Lutya RN	723	955	Arrears 90+days
Madungandaba BE	15,465	18,976	Arrears 90+days
Mahlanga JP	1,799	2,599	Arrears 90+days
Makhubo MM	117	136	Arrears 90+days
Manganyi MM	352	3,294	Arrears 90+days
Mayathula-Khoza NP	360	9,789	Arrears 90+days
Mendelsohn JJ	7	1,139	Arrears 90+days
Mkhize DS	30,660	31,592	Arrears 90+days
Moepi NR	1,167	1,220	Arrears 90+days
Mogasi S	2,813	4,166	Arrears 90+days
Mohlala NP	165	4,060	Arrears 90+days
Mokoena A	1,648	4,945	Arrears 90+days
Molope MP	7	346	Arrears 90+days
Mtembu NG	3	10	Arrears 90+days
Mthalane P	47	63	Arrears 90+days
Mtshali EV	280	510	Arrears 90+days
Ndhlovu EM	18,399	20,959	Arrears 90+days
Ndhlovu EM	500	913	Arrears 90+days
Ndlela NM	500	913	Arrears 90+days
Nkomo E	529	757	Arrears 90+days
Nyambe AT	23	79	Arrears 90+days
Ollis IM	3,097	5,401	Arrears 90+days
Phakathi TZ	402	1,623	Arrears 90+days
Phakathi TZ	596	4,915	Arrears 90+days
Pretorius L	1,249	1,805	Arrears 90+days
Putsoa A	9,565	10,418	Arrears 90+days
Putsoa A	66	83	Arrears 90+days
Rakitla JB	8	8	Arrears 90+days

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53. ADDITIONAL DISCLOSURE IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (continued)

Ramadikela G	2,353	3,290	Arrears 90+days
Ramakhula MS	630	650	Arrears 90+days
Ramulifho N	128	2,329	Arrears 90+days
Sabbagh ST	3,635	9,850	Arrears 90+days
Sabbagh ST	1,349	7,633	Arrears 90+days
Seboyane MA	123	1,768	Arrears 90+days
Seefort CM	916	4,995	Arrears 90+days
Shange BV	6,818	8,399	Arrears 90+days
Sithole B	6,153	11,011	Arrears 90+days
Strydom D	1,514	10,039	Arrears 90+days
Sun YH	19	3,572	Arrears 90+days
Sun YH	131	6,724	Arrears 90+days
Sun YH	7	3,049	Arrears 90+days
Tamela ZZ	1,785	24,638	Arrears 90+days
Van Der Merwe MT	3,802	3,802	Arrears 90+days
Van Staden JH	66	2,515	Arrears 90+days
Van Zijl LA	-	3,722	Arrears 90+days
Zitha P	814	1,505	Arrears 90+days
Zondi BD	4,122	11,563	Arrears 90+days
	197,212	**373,518**	**-**

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54. DEVIATION FROM SUPPLY CHAIN MANAGEMENT REGULATIONS

In terms of Section 36 (2) of the supply chain management regulation,

1. Renewal of the lease agreement for the Wilro Park library, Basfour 2296 (Pty) Ltd , R534,367.09
   Reason
   Ratification of the actions of Community Development Officials for using a lease agreement that had expired and request authorization to renew the lease agreement for a period of 3 years from 1 August 2007 to 31 July 2010.

2. Acquisition of a COID electronic business management and data capturing system, Workers Compensation Assistance, R600 000.00
   Reason
   Due to specialized nature of the service required and the urgency to acquire a COID electronic business management and data capturing system, it is considered an exceptional case where it is impractical to follow the normal open bid process.

3. Appointment of a service provider for the human resources shared services telephony system, Gijima AST, R217 932.00
   Reason
   The service provider is a sole supplier of Phillips telephony systems in South Africa.

4. Utilisation of a Service Provider on a expired contract, Mncedisi Ndlovu & Sedumedi Attorneys, R264,906.50
   Reason
   The contract for Legal Services expired on the 30th June 2009, however the department continued to use the service provider after the expiry of the as they were not aware of the new contract.

5. Renewal of the lease agreement for the Wilro Park library, Basfour 2296 (Pty) Ltd , R534,367.09
   Reason
   Ratification of the actions of Community Development Officials for using a lease agreement that had expired and request authorization to renew the lease agreement for a period of 3 years from 1 August 2007 to 31 July 2010.

6. Tender for the interim services on non-governmental and/or Social care organization to manage two facilities to temporarily accommodate displaced persons at cost of the City, Kids Haven and NewLife Centre, R1 700 000.00
   Reason
   The department advertised tender A346 for the management of two centres to house street kids. No responsive bid was received and the department was approached. Two organisations - Kids Haven and New Life Centre to submit quotations for the management of the facility.

7. Licensing and support for the heritage collections databaseated chemical dosing system, Glomas Africa, R436 713.12
   Reason
   Arts, Culture and Heritage Directorate runs a database on specialized software called Cuadre Star used to manage the heritage collection of the City museums and galleries. Glomas Africa is a sole provider of the system and maintenance thereof.

8. Procurement of face value documents, Gauteng Department of roads and works , R 1 044 101.45
   Reason
   The service provider is a sole supplier of face value documents

9. Delay in signing and renewal of a lease agreement with a service provider for the licensing department, 6 Plein Street cc Trading, R500,000.00
   Reason
   Ratification of the actions of the JMPD officials for delaying to renew the lease but continue to use an expired contract.

10. Contract for the maintenance of the electronic monitoring system at Langlaagte testing station, P Cubed, R300,000.00
    Reason
    Sole Supplier for the Electronic Maintenance System

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Notes to the Group Annual Financial Statements

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54. DEVIATION FROM SUPPLY CHAIN MANAGEMENT REGULATIONS (continued)

11. Extension of contract 032/26 for security services for the City of Johannesburg, Bosasa Security, Hlanganani Security, abotwane Security, Sihlangene Security Services , Mjayele Security , SOS Protec , Khayalami Security , Atlie Projects, enus Africa, Mabotwane security, R84,000,000.00
Reason
Due to the Security requirements for the 2010 World Cup, it is desirable to extend the current security contract until the end of the world cup. A new contract for security is currently being evaluated.

12. Appointment of a Service Provider to provide Urban and Regional Planning Training, University of Pretoria , R232,000.00
Reason
No other University is offering this programme except the University of Pretoria.

13. Extension of the appointment of a Service Provider to implement diversity management, R260,000.00
Reason
The panel of Service Providers Contract No A205 had expired but due to escalating racial tension within the department, it was urgent to extend the service of a Service Provider to implement Diversity Management recommendations.

14. Ratification of actions of individuals within the department in appointing a Service Provider, Mtombeni and Associates Attorneys, R200,000.00
Reason
Ratification of the actions of the DPUM Officials for appointing a Service Provider without obtaining three (3) quotations from approved panel of Service Providers.

15. Lehae Phase 2 (Extension 1) Change of scope of the implementing agent, NUWay/MLA Consortium, R646,867,329.00
Reason
Request approval for the extension of scope of work due to the increase in the unit from 3218 to 5344.

16. Direct payment to a Service Provider for the venue of the human settlement Summit for November 2009, Nasrec Expo Centre Double Starts Trading 359, R220,305.00
Reason
Nasrec Expo Centre was the only suitable and available venue during that period

17. Exceeding the contract value of contract number 009/06 for bunkers suits, request to increase the contract value for current purchase and request to pay the supplier the outstanding amount, Lymae , R726,963.12
Reason
Due to usage of the foreign currency, there was a fluctuation that led to the exceeding of a contract value, hence the over expenditure of R726,963.12.

18. Appointment and payment of a service provider, Virtual Buro, R300,000.00
Reason
Due to the severe time constraint and the urgency in facilitating the implementation of the outcome of the findings of the feasibility study as well as outstanding capabilities. Virtual Buro was appointed to undertake this work.

19. Granting of a long term lease to a Service Provider in respect of OASIS in Soweto initiative revenue and customer relation management, Uthongathi Development Corporation (Pty) Ltd, R7,600,000.00
Reason
Due to the urgency to accommodate the 2010 programme it was impractical to follow normal procurement process

20. Appointment of a Service Provider (The Entrepreneurial Growth Generators) as the manufacturing cluster champion for the Soweto Empowerment Zone), Nafcoc Gauteng , Tracoza (EGS), R5,000,000.00
Reason
The Service Provider is a sole supplier of the Soweto Empowerment Zone

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Notes to the Group Annual Financial Statements

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54. DEVIATION FROM SUPPLY CHAIN MANAGEMENT REGULATIONS (continued)

21. Appointment of Wits Enterprise to provide a training programme- specialized project management training for community development practitioners, Wits Enterprise for the Training Programme, R256,500.00
Reason
Wits Enterprise is the only service provider whose specialized management training programme is accredited by the Council on High Education and registered with SAQA

22. Securing of the venue for Stakeholder Summit, Gallagher Convention Centre, R2,288,335.00
Reason
The Summit was originally planned for one thousand (1000) stakeholders but at a later stage it was changed to accommodate five thousand (5000), therefore a bigger venue had to be sourced.

23. Failure to comply with prescribed SCM policies and procedure in the appointment of a service provider, R1,752,148.00
Reason
Due to the unique nature and specific requirements to be provided, it was impractical to follow the competitive bidding process.

24. Extension of the utilisations of the two Service Providers on Contract No 217/08 expiring on the 3rd of March 2010, Saatchi and Saatchi Recruitment advertising (Pty) Ltd, Messrs Human Communication (Pty) Ltd, R450,000.00
Reason
Due to the specialised nature of the service to be provided. It is not possible to request for three quotations on the SCM notice board

25. Temporary appointment of a service provider as a result of cancellation of contract and liquidation of Masana, Dimension Data SA, R18,500,000.00
Reason
Due to the challenges with the Masana contract and the application for liquidation by Masana, the City was faced with an emergency to appoint a new service provider to take over from Masana

26. Payment approval for Gartner Consulting Services, Gartner Consulting Services, R300,960.00
Reason
Service providers contract extended without obtaining authority.

27. Lease of Carlton Centre high site, Multisource Telecoms Pty Ltd, R346,788.00
Reason
The Service Provider is a Sole Supplier for this high site.

28. Extension of the appointment of the technical expert to support the taxi industry for the signing of Bus Operating Company contracts for phase 1A of BRT and to facilitate the implementation of Phase 1B, FOT Consulting, R6,967,569.00
Reason
Extension of contract for the BRT technical experts to continue facilitating the discussion with the taxi industry

29. Appointment of a service provider to attend to the verification, valuation and disposal of 575 Mini Bus Taxi Vehicles on the availability of funds, Tirhani Auctioneers (PTY) Ltd, R2,086,200.00
Reason
Due to the urgency in finalizing the Bus Operating Company negotiations and the removal of the minibus taxi vehicles on phase 1A rout, it was impractical to follow the normal bidding process due to the stringent timelines of BRT activities.

30. Extension of the scope of work in the appointment of service provider for the facilitation of the signing of the bus operating contracts for phase 1A of BRT, StratAlign/Tokiso, R4,587,000.00
Reason
Extension of scope work to finalize the negotiations with the Taxi Industry. An additional facilitator to be appointed and 172 days to be added to the original 60 days facilitation process.

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54. DEVIATION FROM SUPPLY CHAIN MANAGEMENT REGULATIONS (continued)

31. Procurement of the South Africa Transport Solution to Manage Metrobus Fleet for the year 2009 Confederations Cup, SATS, R5,149,800.00
Reason
The Service Provider is a Sole supplier for the Management of Metrobus transport fleet for the 2009 Confederation Cup

32. Extension of the appointment of Service Provider to provide technical support to the taxi industry for the signing of bus operating contracts for phase 1A of the Rea-Vaya, FOT Consulting, R3,163,710.00
Reason
The negotiations were prolonged due to the introduction of a special purpose vehicle (SPV) in September 2009 hence the request for the extension of contract with the Service Provider for the period of three (3) months

33. Extend the appointment of FOT Consulting to provide technical support to the Taxi Industry for the signing of Bus Operating Contracts for Phase 1A of the Rea Vaya, FOT Consulting,R3,201,660.00(excl. VAT)
Reason
The negotiations were prolonged due to the introduction of a special purpose vehicle (SPV) in September 2009 hence the request for the extension of contract with the Service Provider for the period of three (3) months

34. Extend the term of the current inspection Agreement, Reakgona Inspectorate (Pty) Ltd, R144 675.00
Reason
The City is obliged to protect cash received by the Rea Vaya business unit from passengers through the use of an interim paper tickets fare system that is dependent on physical inspection control on buses and that will remain in use during the Phase 1A Rea Vaya operations until November 2010 or such time as the Automatic fare collection system is implemented. Therefore a request to extend to a period of six (6) months plus the right to the City to extend the contract for a further period of three (3) months.

35. Appointment of Kagiso TV and Communications to provide certain communication services in respect of the 2010 Transport Operational Plan, Kagiso TV and Communications, R795,574.06
Reason
Due to extreme time constraint facing the department to communicate information on how to get to Park and Ride and Park and Walk Kagiso TV and Communications were appointed to do the communiqué.

36. To conclude maintenance agreements with Dorma SA (Pty) Ltd and Sandpalm for the maintenance of Rea Vaya station doors, Dorma SA (Pty) Ltd Sandpalm, R1,029,000.00
Reason
The department has commenced with the bidding process to solicit service providers for the maintenance of the Rea Vaya station doors. This process will be for a period of six months hence a to engage Dorma SA (Pty) Ltd and Sandpalm to undertake the maintenance of the doors for the World Cup period until a permanent appointment is made.

37. Amendment, clarification and/or rectification of EAC resolution and condonation of appointment of an additional 10 Reakgona Inspectorate (Pty) Ltd foot inspections from the beginning of May 2010, Reakgona Inspectorate (Pty) Ltd, R144,675.00
Reason
Due to the addition of the complementary and feeder routes for BRT it was found that the existing inspectorate of four (4) inspectors was unable to cope with the increased passenger numbers hence the increase to an additional ten (10) inspectors through the .

38. Extension of lease agreement for Jorissen Place, Office Accommodation for the Executive Director: Finance, MMC and the entire Finance Department, Liberty Life Properties, Office Accommodation for the Executive Director: Finance, MMC and the entire Finance Department R793,000.00
Reason
Extension of the lease period for a further three (3) months to enable JPC and FMMU to draft a strategy on office accommodation for the entire City and JPC to negotiate with Rennie for the possible long term lease and or purchase of the building.

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54. DEVIATION FROM SUPPLY CHAIN MANAGEMENT REGULATIONS (continued)

39. Extention of the appointment of a service provider to provide probity services in the implementation of Rea Vaya bus rapid transport system, Grant Thorton, R2 250 000.00
Reason
Initial appointment to render probity services was approved on 7 June 2008 at a value not exceeding R5 million. Due to the revised project model phase for this project Grant Thorton appointment needed to be extended to cover the new project model.

40. Extension of the appointment of the service provider to include additional work packages for the Extension of the appointment of the service provider to include additional work packages for the Phakama Project, Ernest & Young, R2 334 672
Reason
During the course of the engagement of the service provider several changes were made to the work packaged with a view to reprioritise certain areas of the project and the introduction of additional work packages were treated as additional scope of work which was not costed at the initial brief, hence the to accommodate the additional work.

41 Failure to comply with provisions of the SCM policy and approval of the payment of the Service Provider, Indwe Risk Services, R638,400.00
Reason
Ratification of the actions of the Officials from Risk and Audit Services for exceeding the budgeted contract value of R11,000,000.00 for three (3) years and incurring additional expenditure up to R638,400.00

42 Extension of scope of forensic investigation at emergency management services, Fundudzi Forensic Services (Pty) Ltd, R200,000.00(excl. VAT)
Reason
The Service Provider has all the necessary information and insight on the cases under investigation and therefore it is logical to extend the scope for the continuation and the finalization of the assignment by the same service provider.

43. Extension of Scope Application Review (Project Phakama), Ernst and Young, R435,000.00
Reason
Due to the forthcoming external audit and Auditor General requirements, it has necessitated the application review for Phakama Projects to be brought forward. It is advantageous to appoint the same service provider because it is already conducting an assurance and risk advisory services on project Phakama.

44. Extension of the revenue management contract for the statement printing and distribution report for the City of Johannesburg (contract No: C084/07), Lithotech Afric Mail, R41 000,000.00
Reason
Revenue and Customer Relations Management is in the process of changing the billing system to ensure that the City has a single view of the customer through the Phakama project. This is being done by changing the billing system from Venus to SAP. The current contract for printing of statement expires in February 2010. The City's roll out of the new billing system will only commence on June 2010, hence the to extend the current contract.

45. Appointment of a service provider as implementer of the City's funding plan which led to advisory services pertaining to the origination of the R160 million guarantee facility for the BRT launch, Regiments, R456,000.00
Reason
Due to the unique nature and specialized requirement of the service to be provided, it is an exceptional case where it is impractical or impossible to follow a normal open bid process
International Broadcast Centre. Additional space requirements, Johannesburg Expo Centre (JEC), R6,000,000.00,
Reason
Sole Supplier. Johannesburg Expo Centre was the only appropriate and available venue at the time to host the international Broadcast Centre.

46. Fan Park Procurement, Khemano Matchworld, R14,696,461.00
Reason
The National Lottery Board approved an additional amount of R14,696,461.00 for the two Joburg Fan Fests and as the service provider was already appointed at the end of 2009 to ensure that the two fan fests for Joburg, namely Innes Free Park and Elkha Stadium were fully operational. The additional funds will be used to enhance the entertainment and infrastructure for the fan fests.

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Notes to the Group Annual Financial Statements

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54. DEVIATION FROM SUPPLY CHAIN MANAGEMENT REGULATIONS (continued)

47. Appointment of Adreach Group (Pty) Ltd for the roll out of FIFA 2010 event flags/banners on principal public routes and other areas ahead of and for the 2010 FIFA World Cup South Africa, Adreach Group (Pty) Ltd, R800,000.00
Reason
Adreach Group has a long term contract with the City managed by City Power for the utilisation of certain street poles around the City for placing of advertisements in return for a percentage rental payable to the City. It would have constituted a bridge of the said contract to go through the tender process to seek another contract for the roll-out of the 2010 FIFA branding on the routes identified in terms of the CoJ 2010 By laws as these areas are already contracted to Adreach Group by the City. The 2010 Office together with City Power negotiated that the City pays only 30% of the income that Adreach normally makes from advertisers who had to be removed from these areas to make way for the FIFA branding as required in terms of the Host City Agreement signed with FIFA.

48. Appointment of Consolidated Media Platforms (Pty) Ltd for the roll out of FIFA 2010 event flags/banners on principal public routes and other areas ahead of and for the 2010 FIFA World Cup South Africa, Consolidated Media Platform (Pty) Ltd, R218,400.00
Reason
Consolidated Media Platform (Pty) Ltd (CMP) has a short term contract ending 31 December 2010 with the City for utilising new street poles around various stadia precincts for and on behalf of FIFA Sponsors.This contract was signed as per a sponsorship deal approved by the City where CMP erected the Host City Poster on the façade of the Metro building in return for this short term contract. It would have been a bridge of such contract to issue a tender as this area is already contracted to CMP and hence the need to seek for their appointment to rollout FIFA 2010 Branding around various stadia and training venues as required in terms of the Host City Agreement.

49. Appointment of event food traders to supply food and/or refreshments to City's volunteers and officials during the 2010 FIFA World Cup South Africa, Event Food Vendors, Event Food Vendors, R1,500,000.00, National Stadium South Africa,
Reason
Most of these vendors conduct informal businesses and are therefore not registrable on the City's SCM database and therefore it was important to request via a that they be registered as "One Time Vendors" so that the City can be able to appoint them to provide a service to the 2010 Office during the 2010 FWC.

50. Procurement of flags for the 109 ward councillors, Zemdock CC t/a Sedgars, R350,000.00
Reason
Sedgars were the only company who had sufficient stock, pre pack and could deliver by the 5 June 2010, the 109 flag packs for the 109 ward councillors.

51. Branding of Nelson Mandela Bridge, Ogilvy, R697,500.00
Reason
The 2010 FIFA Local Organising Committee approached the City late with the idea of branding the Nelson Mandela Bridge, due to urgency it was impossible to call for three (3) quotations

52. Mechanism - Sole Service Provider, Not quantified
Reason
Sole Supplier

53. Purchasing of tickets for 2010 World Cup, Match, R9,212,000.00
Reason
The Service Provider is a Sole Supplier for purchasing of tickets for 2010 World Cup

54. Procure training services to train nurses on clinical competency in antiretroviral and tuberculosis treatment (CCART) for anti-retroviral treatment roll-out, JHPIEGO, R210,000.00
Reason
The new Treatment Policy and guidelines were endorsed by the National Health Council (NHC) on the 5th February 2010, it was therefore urgent to train nurses on clinical competency in anti-retroviral roll out to achieve targets set out in the National strategic 2007-2011.

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54. DEVIATION FROM SUPPLY CHAIN MANAGEMENT REGULATIONS (continued)

55. Procure test kits for the roll-out of the HCT Campaign, TItima, R800,000.00
Reason
The National Department of Health in Partnership with South African National Aids Council introduced the HIV Counselling and testing (HCT) campaign, where the National target was to test 15 million people during the period of one year. The City of Johannesburg target is one (1) million people by June 2010 therefore there was an immediate increase in number of materials and stocks required in conducting the HCT campaign.

56. Lease of units 6, 7 and 9, Alphen Square North, Randjespark, Midrand ("the premises"), JT Ross Property Services,
(i) Units 6 & 7, Period: 1 Jan 2007 to 31 May 2012: R3,058,690.20
(ii) Unit 9, Period: 1 July 2008 to 31 May 2010: R1,066,115.50
(iii) Units 6 & 7, Period: 1 June 2010 to 31 Dec 2012: R1,415,516.
Reason
Renewal of lease without obtaining authority.

57. The normal procurement processes of calling for tenders in preparation for the annual budget golf day to be hosted at the Jackal Creek Golf Estate on 21 May 2010, Jackal Creek Golf Club, R660,319.17
Reason
Service providers from the approved panel were requested to provide quotations on specific requirements for the department. Samples were given to enable the service providers to provide the quality of goods required. The service providers who responded, unfortunately provided goods that were not to prescribed specifications, hence Jackal Creek Golf Club was approached urgently at the last minute to provide the required goods.

58. (a) Ratification of approval of a from the official procurement process by the City Manager
(b) Ratification of actions of officials from the shareholders unit in the appointment of KPMG as a service provider, KPMG, R2,700,000.00
Reason
There are cost saving that will be realised by appointing KPMG. KPMG already possesses a substantial amount of knowledge with regards to the CoJ Group and its tax practices. This means that no time would be wasted in doing costly initial groundwork in getting to grips with the CoJ Group and its structures and tax practices.

59. Extension for the utilization of the two service providers on the expired contract A205,MindworkConsulting Cab Holdings, R179,320.60 R109,565.10
Reason
The service for printing of pay slips and simplification of payroll were procured in terms of contract A205 which expired on 20/08/2009. Due to the important nature of the service required, the department continued to utilise the expired contract and engage the two companies pending the finalization and the awarding of the new contract A350.

Other deviations with a value less than R200,000.00 have not been disclosed and total to R2,590,807.21

Reason.

Due to the urgency and limited time available the proper procurement procedures were not followed

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the Annual Financial Statements.

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54. DEVIATION FROM SUPPLY CHAIN MANAGEMENT REGULATIONS (continued)

Johannesburg City Parks

During the year under review, two awards were made to service providers without following the requirements of paragraph 12 (1) (d) 9(i) of Government gazette No. 27636, which provides for the procurement of goods and services by way of a competitive bidding process, namely:

Order No. PO022076.Johannesburg City Parks received a sponsorship with respect to an upgrade to a park in the Diepsloot community. The sponsor appointed the service provider to execute work to the value of R 307 011.60 (VAT exclusive) . Johannesburg City Parks were required to pay the service provider from the proceeds of the sponsorship monies received.Additional text

Order No. PO 021562.A tender had been awarded to a service provider for the construction of roads at Diepsloot cemetery. During the implementation phase of this development, there was a requirement to extend the development by building a parking area and extending certain roads in an amount of R 954,684.30 (VAT exclusive).As the nature of work for the additional requirement was in line with the initial tender, the Bid Adjudication committee awarded the extension to the same service provider who was on site at the time.

Johannesburg Theatre

Sets and costumes for The Boys in the Photograph; minor breaches of the procurement processes of goods and services between July 2009 to October 2009 as listed in deviation approval; goods and services from R2,000 to R5,000 (inclusive of VAT) between November 01st 2009 to January 31st 2010; outsourcing of hospitality services offered by the theatre; appointment of Starcoded Solutions as IT consultant; were procured during the financial year under review and the process followed in procuring those goods deviated from the provisions of paragraph 12(1)(d)(i) as stated above. The reasons for these deviations were documented and reported to the board of directors who considered them and subsequently approved the deviation from the normal supply chain management regulations.

Johannesburg Development Agency

At the recommendation of BAC, the Accounting officer ratified the breach of procurement in the appointment of ORCA contract to continue as JDA Internal Auditors beyond its expiry date.

At the recommendation of BAC, the Accounting officer ratified the breach of procurement process in the appointment of Ekuseni Communications on the basis that the breach was a minor breach.

At the recommendation of BAC, the Accounting officer approved a deviation from normal procurement process for the appointment of Trinity Sessions to manage JDA art work maintenance and appoint the service providers that will undertake the repair work.

At the recommendation of BAC, the Accounting officer approved a deviation from normal procurement process for the appointment of Vela VKE Consulting Engineers over a period of two financial years 2009/2010 to 2010/2011 for the railway underpass Bus Rapid Transit (BRT) Section 3.

At the recommendation of BAC, the Accounting officer approved a deviation from normal procurement process for the appointment of a Development Management Information Systems (DIMS) Specialist in order to assist with the opening of new financial periods on DMIS and provide training to the JDA IT staff including the IT & Systems Manager.

At the recommendation of the BAC the Accounting officer approved a deviation from normal procurement process for the appointment of Development Engineering Consultants (DEC) for the NASREC BRT Link.

At the recommendation of the BAC the Accounting officer approved a deviation from normal procurement process for the appointment Arcus Gibb for the NASREC BRT Link.

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54. DEVIATION FROM SUPPLY CHAIN MANAGEMENT REGULATIONS (continued)

Johannesburg City Power

Legal debt collection services , Mdlulwa Nkuhlu Inc, Twala Attorneys and Conveyancers and Nozuko Attorneys, for the extension of period by additional eight months, The supply and installation of power line modem AMR meters, Rubbytad x-factor AMR (Pty) Ltd to the value of R18,283,595.00.

Labour contracts for the installation and maintenance of Medium and Low Voltage electrical network, by various labour contractors for the extension of period by additional two months.

Provision of physical security on electricity network and protection of ad hoc sites , Protea Coin Security (Pty) Ltd to the value R7,677,490.00.

Provision of physical security personnel for infrastructure and national key point installations, Miliswa Security Consultant (Pty) Ltd , for the extension of period by additional three months.

Provision of physical security for infrastructure and national key point installations, Linda Security CC to the value of R1,500,000.00, and an extension of period by additional three months.

Design, supply , delivery, installation and commissioning of Olivedale 88/11kV outdoor sub-station, Alstom Transmission and Distribution (Pty) Ltd, for extension of period by additional three months.

Johannesburg Property Company

The IT back-up tapes were procured during the financial year under review and the process followed in procuring those goods deviated from the provisions of Municipal Supply Chain Management Regulations. Tfhe reasons for these deviations were documented and reported to the board of directors who considered them and subsequently approved the deviation from the normal supply chain management regulations.

Johannesburg Fresh Produce Market

A deviation was authorized by the CEO to appoint the services of a specialist electrician to repair electrical cable and breaker to a transformer.

A deviation was authorized by the CEO to appoint the services of a financial consulting company to assist JFPM in obtaining a clean audit and as well as to comply with IFRS reporting standards.

A deviation was authorized by the CEO to appoint the services of a consulting company to assist JM with the completion redesigning the JFPM By Laws.

A deviation was authorized by the CEO to supplement the current security component of the service provider with 7 security officers in abeyance of resolving contractual difficulties currently being experienced with the CCTV system service provider.

A deviation for tender confinement was authorized by the CEO to confine tender to forklift manufactures and not dealers. The deviation was authorized by the CEO.

A deviation was authorized by the CEO to purchase money counting machines from GPT on the basis of being sole distributor.

A deviation was authorized by CEO to purchase E-cubes from Superlume on the basis that they are Sole Suppliers of this innovation and this was confirmed by the National Energy Efficiency Agency (NEFA).

A deviation was authorized by CEO to appoint Aurecon SA (Pty) Ltd as consulting engineers and Steelcor Power as the contractor to complete the installation of standby generators due to Genset Marketing failing to complete this project due to being liquidated.

A deviation was authorized by CEO to appoint King Civil Engineering as contractors to complete the New Entrance /Exit project due to H.Boss failing to meet its contractual obligations.

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54. DEVIATION FROM SUPPLY CHAIN MANAGEMENT REGULATIONS (continued)

A deviation was authorized by CEO to appoint the manufacturers of the ammonia plant (Honeywell, Redbase, Baltimore, Klaus Engineering) to service the breakdowns on the basis of them being the manufacturers of the products.

Johannesburg Social Housing Company

The following goods/ services were procured during the financial year under review and the process followed in procuring those goods/services deviated from the provisions of paragraph 12(1)(d)(i) as stated above.

1. Medical screening and testing
2. Training on JBCC contract law
3. Emergency repairs and maintenance on a public holiday
4. Urgent legal services on SHFdispute

The reasons for these deviations were documented and reported to the directors who considered them and subsequently approved the deviation from the normal supply chain management regulations.

Johannesburg Roads Agency

Sand and stone were procured during the financial year under review and the process followed in procuring those goods deviated from the provisions of paragraph 12(1)(d)(i) as stated above. The reasons for these deviations were documented and will be reported to the board at the next board meeting who will consider them and subsequently approve the deviation from the normal supply chain management regulations.

Johannesburg Zoo

In terms of section 16.2.(1)-(5). of the Supply Chain Management Policy of the Zoo (Supply Chain Management 001) adopted from section 111 of the MFMA No. 56 of 2003; it is required that at least 3 written quotations are received from suppliers for the procurement of items above R10,000.00 (incl. VAT) but less than R200,000.00(incl. VAT), unless specific approval is received from the CEO.

Goods and services were procured during the financial year under review and the process followed in procuring those goods deviated from the provisions of paragraph 16.2.(1)-(5) as stated above. The reasons for these deviations were documented and reported to the Chief Executive Officer who considered them and subsequently approved the deviation from the normal supply chain management regulations.

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55. HEDGING ACTIVITIES

The municipality's swap instruments which existed in the 2008 to 2009 financial year were all closed. This was in line with their view of actively monitoring risk exposure as it arises.

The underlying liabilities of which the swaps were taken were redeemed earlier. This left the Swaps without an underlying liability to hedge. As such Treasury sold the swaps to comply with the MFMA regulations.

2009

Instruments	**Total**	**2009**	**2010**	**2011**
SWAP R200M RMB	5,888	4,108	1,569	211
SWAP R300M SCMB	(16,304)	(10,080)	(5,220)	(1,004)
SWAP R319M RMB	(17,009)	(10,549)	(5,423)	(1,037)
SWAP R400M RMB	22,438	13,815	7,226	1,397
Total	**(4,987)**	**(2,706)**	**(1,848)**	**(433)**

Summary	**Total**	**2009**	**2010**	**2011**
Derivative trading liability	(33,313)	(20,629)	(10,643)	(2,041)
Derivative trading asset	28,326	17,923	8,795	1,608
Total	**(4,987)**	**(2,706)**	**(1,848)**	**(433)**

The fair value of financial instruments that are not traded in an active market (for example, trading and available for sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the municipality is the current bid offer price.

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The municipality uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the municipality for similar financial instruments.

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Figures in Rand thousand	2010	2009	2010	2009

55. DEVIATION FROM SUPPLY CHAIN MANAGEMENT REGULATIONS (continued)

The carrying amount of available-for-sale financial assets would be an estimated R 5,714,32 lower or R 610,460.30 higher were the discounted rate used in the discount cash flow analysis to differ by Annual Financial Statements 1% from management's estimates as shown by the table below.

Basis Points	(1.00)	(0.50)	-	0.50	1.00
Profit/ Loss	(5,714)	(5,348)	(4,987)	(4,635)	(4,287)

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the Statement of Financial Performance as they arise as shown in the table below.

SWAP market-to-market as at 30 June 2010

Opening Balance	-	-	(4,987)	(4,191)
Ineffective (loss) / gain	-	-	-	(796)
Close out	-	-	4,987	-
	-	**-**	**-**	**(4,987)**

The below swaps be closed out effective 30 June 2009.

Instrument	Purchase/Sale	Amount	Date entered into
SWAP R319m RMB	Purchase	319,552	03/12/2001
SWAP R300m SCMB	Purchase	300,000	03/12/2001
SWAP R200m RMB	Sale	(200,000)	30/06/2004
SWAP R400m RMB	Sale	(400,000)	30/06/2004

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Figures in Rand thousand

56. STATEMENT OF COMPARATIVE AND ACTUAL INFORMATION

GROUP - 2010

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Virement (i.t.o.council approved)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
FINANCIAL PERFORMANCE									
Property rates	4,202,445	20,000		4,222,445	4,096,710		125,735	97 %	97 %
Service charges	12,165,902	269,681	2,823	12,438,406	11,704,835		733,571	94 %	96 %
Rental of facilities and equipment	146,608	2,816	(400)	149,024	133,804		15,220	90 %	91 %
Interest earned - external investments	348,187	4,787		352,974	483,902		(130,928)	137 %	139 %
Fines, licences and permits	461,690	(65,878)		395,812	255,234		140,578	64 %	55 %
Income from agency services	390,713	23,981		414,694	172,262		242,432	42 %	44 %
Government grants and subsidies - Operational	4,149,018	4,037	16,367	4,169,422	4,149,019		20,403	100 %	100 %
Other revenue	857,173	53,429	14,749	925,351	1,414,078		(488,727)	153 %	165 %
Profit/(Loss) on disposal of property, plant and equipment	37,000	-		37,000	10,136		26,864	27 %	27 %
Total revenue (excluding capital transfers and contributions)	**22,758,736**	**312,853**	**33,539**	**23,105,128**	**22,419,980**		**685,148**	**97 %**	**99 %**

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Employee costs	(5,725,924)	(166,800)	20,654	(5,872,070)	(5,764,796)	-	(107,274)	98 %	101 %
Remuneration of councillors	(67,349)	(8,351)	(470)	(76,170)	(74,439)	-	(1,731)	98 %	111 %
Debt impairment	(1,018,552)	(45,350)	(532)	(1,064,434)	(1,454,074)	-	389,640	137 %	143 %
Depreciation and asset impairment	(1,378,082)	55,704	1,010	(1,321,368)	(1,158,194)	-	(163,174)	88 %	84 %
Finance charges	(1,294,395)	(62,664)	(444)	(1,357,503)	(1,625,863)	-	268,360	120 %	126 %
Materials and bulk purchases	(6,635,837)	(501,953)	-	(7,137,790)	(6,577,530)	-	(560,260)	92 %	99 %
Contracted services	(275)	50	-	(225)	(175,876)	-	175,651	78,167 %	63,955 %
Transfers and grants	(385,510)	180,156	(1,151)	(206,505)	(180,862)	-	(25,643)	88 %	47 %
Contracted services	(2,443,625)	86,819	(8,364)	(2,365,170)	(1,868,591)	-	(496,579)	79 %	76 %
Other expenses	(3,375,420)	306,516	(43,010)	(3,111,914)	(3,271,462)	-	159,548	105 %	97 %
Total expenditure	**(22,324,969)**	**(155,873)**	**(32,307)**	**(22,513,149)**	**(22,151,687)**	**-**	**(361,462)**	**98 %**	**99 %**
Surplus/(Deficit)	**433,767**	**156,980**	**1,232**	**591,979**	**268,293**		**323,686**	**45 %**	**62 %**
Transfers recognised - capital	890,911	1,430,955		2,321,866	2,734,358		(412,492)	118 %	307 %
Contributions recognised - capital and contributed assets	9,000	-		9,000	9,198		(198)	102 %	102 %
Surplus (Deficit) after capital transfers and contributions	**1,333,678**	**1,587,935**		**2,922,845**	**3,011,849**		**(89,004)**	**103 %**	**226 %**
Share of surplus (deficit) of associate	-	-		-	(278)		278	DIV/0 %	DIV/0 %
Taxation	(106,774)	(40,013)		(146,787)	(115,033)		(31,754)	78 %	108 %
Surplus/(Deficit) for the year	**1,226,904**	**1,547,922**	**1,232**	**2,776,058**	**2,896,538**		**(120,480)**	**104 %**	**236 %**

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Figures in Rand thousand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Virement (i.t.o.council approved)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
CAPITAL EXPENDITURE AND FUNDS SOURCES									
Sources of capital funds									
Transfers recognised - capital	1,145,261	1,481,306		2,626,567	2,352,396		274,171	90 %	205 %
Public contributions and donations	9,000	-		9,000	9,198		(198)	102 %	102 %
Borrowing	2,343,244	425,275		2,768,518	2,621,865		146,653	95 %	112 %
Internally generated funds	32,454	46,360	1,232	80,046	72,771		7,275	91 %	224 %
Total sources of capital funds	**3,529,959**	**1,952,941**	**1,232**	**5,484,131**	**5,056,230**		**427,901**	**92 %**	**143 %**

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CJMM - 2010

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Virement (i.t.o.council approved)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
FINANCIAL PERFORMANCE									
Property rates	4,202,445	20,000		4,222,445	4,096,710		125,735	97 %	97 %
Service charges	696,228	(4,673)	2,423	693,978	658,331		35,647	95 %	95 %
Rental of facilities and equipment	45,540	14,809		60,349	70,155		(9,806)	116 %	154 %
Interest earned - external investments	1,031,335	(8,719)		1,022,616	1,172,872		(150,256)	115 %	114 %
Fines, licences and permits	461,690	(65,878)		395,812	255,234		140,578	64 %	55 %
Income from agency services	161,068	-		161,068	146,816		14,252	91 %	91 %
Government grants and subsidies - Operational	4,149,018	4,037	16,367	4,169,422	4,204,703		(35,281)	101 %	101 %
Other revenue	236,415	33,325	14,749	284,489	467,367		(182,878)	164 %	198 %
Profit/(Loss) on disposal of property, plant and equipment	37,000	-		37,000	(1,787)		38,787	(5)%	(5)%
Total revenue (excluding capital transfers and contributions)	**11,020,739**	**(7,099)**	**33,539**	**11,047,179**	**11,070,401**		**(23,222)**	**100 %**	**100 %**

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Employee costs	(3,067,327)	(238,645)	15,015	(3,290,957)	(3,365,393)	-	74,436	102 %	110 %
Remuneration of councillors	(67,349)	(7,511)	-	(74,860)	(74,439)	-	(421)	99 %	111 %
Debt impairment	(295,383)	(50,625)	(217)	(346,225)	(376,683)	-	30,458	109 %	128 %
Depreciation and asset impairment	(817,049)	1,200	835	(815,014)	(667,395)	-	(147,619)	82 %	82 %
Finance charges	(1,238,123)	(62,050)	-	(1,300,173)	(1,480,191)	-	180,018	114 %	120 %
Contracted services	(1,054,775)	(162,321)	16,190	(1,200,906)	(1,070,286)	-	(130,620)	89 %	101 %
Transfers and grants	(2,607,155)	280,457	(1,151)	(2,327,849)	(2,307,234)	-	(20,615)	99 %	88 %
Other expenses	(2,097,238)	244,841	(62,979)	(1,915,376)	(1,865,738)	-	(49,638)	97 %	89 %
Total expenditure	**(11,244,399)**	**5,346**	**(32,307)**	**(11,271,360)**	**(11,207,359)**	**-**	**(64,001)**	**99 %**	**100 %**
Surplus/(Deficit)	**(223,660)**	**(1,753)**	**1,232**	**(224,181)**	**(136,958)**		**(87,223)**	**61 %**	**61 %**
Transfers recognised - capital	881,911	1,430,955		2,312,866	2,374,295		(61,429)	103 %	269 %
Contributions recognised - capital and contributed assets	9,000	-		9,000	9,198		(198)	102 %	102 %
Surplus (Deficit) after capital transfers and contributions	**667,251**	**1,429,202**	**1,232**	**2,097,685**	**2,246,535**		**(148,850)**	**107 %**	**337 %**
Surplus/(Deficit) for the year	**667,251**	**1,429,202**	**1,232**	**2,097,685**	**2,246,535**		**(148,850)**	**107 %**	**337 %**

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	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Virement (i.t.o.council approved)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
CAPITAL EXPENDITURE AND FUNDS SOURCES									
Sources of capital funds									
Transfers recognised - capital	712,623	1,438,655		2,151,278	1,767,142		384,136	82 %	248 %
Public contributions and donations	9,000	-		9,000	9,198		(198)	102 %	102 %
Borrowing	1,156,944	731,659		1,888,603	1,711,223		177,380	91 %	148 %
Internally generated funds	27,194	(1,753)	1,232	26,673	19,115		7,558	72 %	70 %
Total sources of capital funds	**1,905,761**	**2,168,561**	**1,232**	**4,075,554**	**3,506,678**		**568,876**	**86 %**	**184 %**

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	GROUP		CJMM	
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57. RELATED PARTIES

Relationships	
Other members of the group	City Housing Company (Pty) Ltd City of Johannesburg Property Company (Pty) Ltd Johanneburg Social Housing Company (Pty) Ltd City Power Johannesburg (Pty) Ltd Johannesburg City Parks Johannesburg Development Agency (Pty) Ltd Johannesburg Metropolitan Bus Services (Pty) Ltd Johannesburg Roads Agency (Pty) Ltd Johannesburg Tourism Company Johannesburg Water (Pty) Ltd Metropolitan Trading Company (Pty) Ltd Pikitup Johannesburg (Pty) Ltd Roodepoort City Theatre The Johannesburg Civic Theatre (Pty) Ltd The Johannesburg Fresh Produce Market (Pty) Ltd The Johannesburg Zoo
Joint ventures	Refer to note 17 Joshco JV
Associates	Refer to note 18 Fried shelf 128 (Pty) Ltd Greater Newtown Development Company (Pty) Ltd Constitutional Hill Development Company (Pty) Ltd
Members of key management	CJMM - Refer to note 34
Municipal Entities	Directors remuneration-Annexure H

Related party balances

Amounts included in Loans, Trade and other receivables regarding related parties		
Roodepoort City Theatre	1,785	2,260
Johannesburg Social Housing Company (Pty) Ltd	25,844	7,323
Johannesburg Metropolitan Bus Services (Pty) Ltd	137,952	136,429
Pikitup Johannesburg (Pty) Ltd	236,016	198,721
City Power Johannesburg (Pty) Ltd	3,673,600	3,232,473
City of Johannesburg Property Company (Pty) Ltd	42,359	16,496
Johannesburg Water (Pty) Ltd	2,480,326	2,298,520
The Johannesburg Zoo	2,007	7,009
Metropolitan Trading Company (Pty) Ltd	102,499	152,147
Johannesburg Tourism Company	5,657	13,845
The Johannesburg Civic Theatre (Pty) Ltd	10	71
Johannesburg City Parks	30,862	43,560
Johannesburg Development Agency (Pty) Ltd	8	3,575
Johannesburg Roads Agency (Pty) Ltd	65,852	72,355
The Johannesburg Fresh Produce Market (Pty) Ltd	212,615	226,584
City Housing Company (Pty) Ltd	2,039	2,039
Kelvin Power (Pty) Ltd	132,027	84,006
	7,151,458	**6,497,413**

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57. RELATED PARTIES (continued)

Amounts included in Loans, Trade and other payables regarding related parties				
Roodepoort City Theatre			24	-
Johannesburg Social Housing Company (Pty) Ltd			62,551	53,067
Johannesburg Metropolitan Bus Services (Pty) Ltd			23,938	22,217
Pikitup Johannesburg (Pty) Ltd			-	250,830
City Power Johannesburg (Pty) Ltd			1,648,362	802,350
City of Johannesburg Property Company (Pty) Ltd			-	33,400
Johannesburg Water (Pty) Ltd			407,369	416,362
The Johannesburg Zoo			10,781	11,217
Metropolitan Trading Company (Pty) Ltd			11,158	-
Johannesburg Tourism Company			8,023	-
The Johannesburg Civic Theatre (Pty) Ltd			127	451
Johannesburg City Parks			264,806	275,934
Johannesburg Development Agency (Pty) Ltd			425,878	461,811
Johannesburg Roads Agency (Pty) Ltd			108,319	430,149
The Johannesburg Fresh Produce Market (Pty) Ltd			30,290	18,814
Kelvin Power (Pty) Ltd			77,990	83,944
			3,079,616	**2,860,546**

Related party transactions

Revenue from related parties				
Roodepoort City Theatre			47	-
Johannesburg Social Housing Company (Pty) Ltd			-	16,463
Johannesburg Metropolitan Bus Services (Pty) Ltd			6,129	2,436
Pikitup Johannesburg (Pty) Ltd			29,931	155,375
City Power Johannesburg (Pty) Ltd			424,781	509,938
City of Johannesburg Property Company (Pty) Ltd			693	1,566
Johannesburg Water (Pty) Ltd			261,109	314,650
Johannesburg Zoo			226	4,872
Metropolitan Trading Company (Pty) Ltd			64	3,285
Johannesburg Tourism Company			107	310
Johannesburg Civic Theatre (Pty) Ltd			3	3,888
Johannesburg City Parks			5,961	35,534
Johannesburg Development Agency (Pty) Ltd			2,946	2,321
Johannesburg Roads Agency (Pty) Ltd			5,236	14,295
The Johannesburg Fresh Produce Market (Pty) Ltd			30,232	48,452
			767,465	**1,113,385**

Subisdies paid to MOEs				
Roodepoort City Theatre			8,363	7,769
Johannesburg Social Housing Company (Pty) Ltd			13,445	17,250
Johannesburg Metropolitan Bus Services (Pty) Ltd			284,497	265,498
Pikitup Johannesburg (Pty) Ltd			846,519	806,682
City of Johannesburg Property Company (Pty) Ltd			537	10,516
Johannesburg Zoo			36,779	34,714
Metropolitan Trading Company (Pty) Ltd			40,559	47,635
Johannesburg Tourism Company			26,605	22,475
Johannesburg Civic Theatre (Pty) Ltd			17,464	17,259
Johannesburg City Parks			425,047	423,771
Johannesburg Development Agency (Pty) Ltd			20,450	29,924
Johannesburg Roads Agency (Pty) Ltd			405,230	404,003
			2,125,495	**2,087,496**

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Figures in Rand thousand	2010	2009	2010	2009

57. RELATED PARTIES (continued)

Capital Expenditure				
Pikitup Johannesburg (Pty) Ltd *			19,177	9,678
City Power Johannesburg (Pty) Ltd			37,213	46,237
Johannesburg Water (Pty) Ltd			144,140	118,905
			200,530	**174,820**
Operating Expenditure				
Johannesburg Metropolitan Bus Services (Pty) Ltd			1,616	11,135
The Johannesburg Civic Theatre (Pty) Ltd *			2,835	-
Johannesburg Development Agency (Pty) Ltd			1,575	-
Johannesburg Social Housing Company (Pty) Ltd *			5,336	14,630
City of Johannesburg Property Company (Pty) Ltd			266	11,201
Johannesburg Roads Agency (Pty) Ltd			2,700	-
Johannesburg Tourism Company *			7,235	557
The Johannesburg Fresh Produce Market (Pty) Ltd			1,949	35,990
Metropolitan Trading Company (Pty) Ltd			2,747	-
Johannesburg City Parks *			31,589	17,588
Pikitup Johannesburg (Pty) Ltd *			13,770	125,920
City Power Johannesburg (Pty) Ltd			58,016	179,974
Johannesburg Water (Pty) Ltd			34,083	170,238
The Johannesburg Zoo *			534	324
Roodepoort City Theatre *			877	-
			165,128	**567,557**

58. CHANGE IN ESTIMATE

Property, plant and equipment

In terms of GRAP 17, the depreciation method applied to assets shall be reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method shall be changed to reflect the changed pattern.

This resulted in a reduction of useful life of property, plant and equipment and an increase in the accumulated depreciation in the current financial year. The useful life adjustment amounted to R2,5 million and depreciation also increased by R14 million. The average remaining useful life of property, plant and equipments decreased by 7 months from 55 months to 48 months.

Intangible assets

In terms of GRAP 102, the amortisation period and the amortisation method for intangible assets with a finite useful life shall be reviewed at least at each reporting date. If the expected useful life of the asset is different from previous estimates, the amortisation period shall be changed accordingly. If there has been a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the amortisation method shall be changed to reflect the changed pattern.

This resulted in an extension of useful life of intangible assets and a reduction in the accumulated amortisation in the current financial year. The net impact amounted to a R2,6 million reduction in amortisation. The average remaining useful life of intangible assets increased by 5 months from 17 months to 22 months.

59. EVENTS AFTER THE REPORTING DATE

SARS is currently questioning the VAT treatment of BRT infrastructure expenditure. VAT amounting to R338 million was claimed by the CJMM on capital expenditure relating to the BRT and roads infrastructure expenditure. Subsequent to the claim VAT of R181 million which is directly related to the BRT specific infrastructure was reversed from the VAT claim and capitalised during the current financial year. CJMM has made representations to SARS on the VAT relating to the BRT infrastructure and awaiting a response from SARS. Hence there is a possibility of adjusting the adjustments to the infrastructure figures.

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APPENDIX A
EXTERNAL LOANS AS AT 30 JUNE 2010

EXTERNAL LOANS	Loan number	Redeemable	Balance at 30/06/09 R 000	Received during the period R 000	Redeemed R 000	Balance at 30/06/10 R 000
LONG-TERM LOANS						
Loan stock @ 14.70%	121	31-Aug-13	30,000			30,000
Total loan stock			**30,000**	**-**	**-**	**30,000**
STRUCTURED LOANS						
ABSA 16.22%	ABSA Midrand	30-Nov-11	51,070		589	50,481
ABSA 12.27%	ABSA R150m	20-Dec-12	150,000			150,000
Investec 11.77%	Investec R100m	24-Dec-13	59,248		10,667	48,582
RMB 14.53%	RMB R95m	30-Nov-14	116,519	-	277	116,242
RMB 15.56%	RMB R210m	31-Dec-12	331,298	-	4,240	327,058
RMB 16.50%	RMB R100m	30-Nov-14	112,367	-	-955	113,323
SCMB 12.16%	SCMB R200m	30-Sep-18	123,333		13,333	110,000
Ekurhuleni 16.21%	Ekurhuleni	30-Jun-11	18,694		-	18,694
Total structured loans			**962,529**	**-**	**28,151**	**934,378**
TOTAL CARRIED FORWARD			**992,529**	**-**	**28,151**	**964,378**

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APPENDIX A
EXTERNAL LOANS AS AT 30 JUNE 2010 *continued*

EXTERNAL LOANS	Loan Number	Redeemable	Balance at 30/06/09 R 000	Received during the period R 000	Redeemed R 000	Balance at 30/06/10 R 000
TOTAL BROUGHT FORWARD			**992,529**	**-**	**28,151**	**964,378**
						-
DEVELOPMENT BANK OF SOUTH AFRICA						
DBSA @ 13.22%	11984 - 11993	30-Jun-14	46,088		7,024	39,064
DBSA @ 10.43%	102761	1-Jul-29	-	500,000	12,500	487,500
DBSA @ 10.00%	8056/103	30-Sep-11	19,145		7,103	12,042
DBSA @ 10.00%	8250/102	31-Mar-14	4,237		691	3,546
DBSA @ 10.00%	9005/103	31-Mar-13	143,277		30,769	112,508
DBSA @ 10.00%	9337/101	30-Sep-14	17,541		2,532	15,009
DBSA @ 10.00%	9637/102	31-Mar-14	2,071		338	1,733
DBSA @ 10.00%	10295	30-Jun-16	1,151		120	1,030
DBSA @ 9.39%	13541/1	30-Sep-20	113,744		10,111	103,633
DBSA @ 16.55%	12716	31-Dec-12	154		36	118
DBSA @ 16.55%	12717	31-Dec-12	286		66	220
DBSA @ 16.15%	12032	31-Dec-10	178		114	64
DBSA @ 16.67%	12033	31-Dec-11	426		150	276
DBSA @ 16.67%	12034	31-Dec-11	229		81	148
DBSA @ 15.26%	12035	31-Dec-11	68		24	44
DBSA @ 15.26%	12036	31-Dec-11	317		113	204
DBSA @ 15.26%	12037	31-Dec-12	901		212	689
DBSA @ 15.26%	12038	31-Dec-12	211		50	161
DBSA @ 15.26%	12388	31-Dec-12	1,072		252	819
DBSA @ 15.74%	12208	31-Dec-09	610		610	-
DBSA @ 12.00%	9726/104	30-Sep-14	2,033		74	1,958
DBSA @ 16.50%	11064/102	31-Mar-20	1,773		244	1,529
DBSA @ 10.63%	11073/101	30-Sep-13	6,129		1,362	4,767
DBSA @ 10.63%	11073/2	30-Sep-13	18,220		4,049	14,171
DBSA @ 11.37%	103345/1	30-Jun-29	600,000		30,000	570,000
DBSA @ 6.75%	103345/2	30-Jun-29	200,000		4,959	195,041
DBSA @ 8.5%	103963/1 (Joshco)	30-Jun-29	7,822			7,822
DBSA @ 8.5%	103963/2 (Joshco)	30-Jun-29	11,732			11,732
Total Development Bank of South Africa			**1,199,414**	**500,000**	**113,585**	**1,585,829**
BONDS						
Bond @ 11.95%	COJ01	13-Apr-10	1,000,000		1,000,000	-
Bond @ 11.90%	COJ02	30-Jun-16	1,000,000			1,000,000
Bond @ 9.70%	COJ03	26-Apr-13	700,000			700,000
Bond @ 12.105%	COJ05	5-Jun-23	2,268,000			2,268,000
Bond @ 12.105%	COJ06	5-Jun-23	900,000			900,000
Bond @ 9.0%	COJ04	5-Jun-18	1,733,000			1,733,000
			7,601,000	**-**	**1,000,000**	**6,601,000**
Jozi Bond @ 12.38%	JOZI 01	21-Jun-09	8,843		8,843	-
Jozi Bond @ 12.58%	JOZI 02	21-Jun-10	20,722			20,722
Jozi Bond @ 12,78%	JOZI 03	21-Jun-12	70,252		35,865	34,387
			99,817	**-**	**44,708**	**55,109**
Total bonds			***7,700,817***	**-**	***1,044,708***	***6,656,109***
OTHER LOANS						
ABSA 8.90%	ABSA Springfield	29-Aug-15	910		130	780
Calyon French Loan @9,379%	Calyon	2-Jul-18	326,520		36,280	290,240
IGF Loan 1 @ 11.14%	IGF001			74,869	7,274	67,594
IGF Loan 2 @ 11.11%	IGF002			14,517	1,409	13,107
IGF Loan 3 @ 10.95%	IGF003			18,994	1,226	17,769
IGF Loan 4 @ 11.03%	IGF004			10,773	714	10,058
IGF Loan 5 @ 10.78%	IGF005			8,829	582	8,247
IGF Loan 6 @ 10.72%	IGF006			12,188	412	11,777
IGF Loan 7 @ 10.37%	IGF007			14,413	483	13,931
IGF Loan 8 @ 10.35%	IGF008			9,770		9,770
IGF Loan 9 @ 10.26%	IGF009			13,654		13,654
Nedbank R1 billion	Nedbank R1 billion	31-Mar-18		1,000,000		1,000,000
Nedbank R315 million	Nedbank R315 mill	21-Apr-15		315,000		315,000
INCA @ 14.59%	JMBS-00-0001	31-Dec-11	134,816		25,278	109,538
			462,246	**1,493,007**	**59,432**	**1,881,466**
TOTAL EXTERNAL LOANS			**10,355,006**	**1,993,007**	**1,245,875**	**11,087,783**

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Appendix B
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT

	Cost						Accumulated Depreciation						
	Opening Balance	Additions	Founds	Disposals	Transfers	Closing Balance	Opening Balance	Disposals	Transfers	Depreciation	Impairment deficit	Closing Balance	Carrying Value
	R000	R000	R000	R000	R000	R000	R000	R000	R000	R000	R000	R000	R000
Land and Buildings													
Land	5,899,052	30,320	122,298	(37,249)	67,616	6,082,037	(47,502)	713	-	-	-	(46,789)	6,035,248
Buildings	5,806,600	2,355,815	-	(3,140)	1,645,373	9,804,648	(1,707,301)	1,994	(101)	(204,079)	(27,394)	(1,936,881)	7,867,767
	11,705,652	**2,386,135**	**122,298**	**(40,389)**	**1,712,989**	**15,886,685**	**(1,754,803)**	**2,707**	**(101)**	**(204,079)**	**(27,394)**	**(1,983,670)**	**13,903,015**
Infrastructure													
Roads, pavements, bridges & storm water	2,368,922	458,273	-	-	1,555,111	4,382,306	(793,409)	-	-	(191,449)	(2,446)	(987,304)	3,395,002
Water nerwork	1,838,516	176,434	-	-	234,971	2,249,921	(169,197)	-	-	(48,923)	-	(218,120)	2,031,801
Gas	5,312	-	-	-	-	5,312	(3,730)	-	-	(113)	(1)	(3,844)	1,468
Electricity mains	4,944,750	44,897	-	(38,056)	1,114,424	6,066,015	(490,101)	27,254	(1,275)	(139,549)	(443)	(604,114)	5,461,901
Sewerage purification & reticulation	1,461,285	79,796	-	-	83,099	1,624,180	(171,950)	-	-	(29,815)	(507)	(202,272)	1,421,908
	10,618,785	**759,400**	**-**	**(38,056)**	**2,987,605**	**14,327,734**	**(1,628,387)**	**27,254**	**(1,275)**	**(409,849)**	**(3,397)**	**(2,015,654)**	**12,312,080**
Community assets													
Parks, gardens, sport fields & recreation	422,325	8,182	-	(8)	41,063	471,562	(99,278)	8	-	(18,828)	(1,198)	(119,296)	352,266
Other	117,493	28,578	-	(10)	1,660	147,721	(78,948)	10	-	(15,928)	(55)	(94,921)	52,800
	539,818	**36,760**	**-**	**(18)**	**42,723**	**619,283**	**(178,226)**	**18**	**-**	**(34,756)**	**(1,253)**	**(214,217)**	**405,066**
Heritage assets													
Historic buildings	86,592	1,606	-	(114)	6,683	94,767	(8,724)	-	-	-	-	(8,724)	86,043
Artwork	14,269	95	-	(18)	376	14,722	(12,658)	18	-	-	-	(12,640)	2,082
	100,861	**1,701**	**-**	**(132)**	**7,059**	**109,489**	**(21,382)**	**18**	**-**	**-**	**-**	**(21,364)**	**88,125**
Specialised vehicles													
Buses	495,763	9,380	-	(39,858)	(20)	465,265	(283,674)	39,849	10	(42,112)	-	(285,927)	179,338
	495,763	**9,380**	**-**	**(39,858)**	**(20)**	**465,265**	**(283,674)**	**39,849**	**10**	**(42,112)**	**-**	**(285,927)**	**179,338**
Other assets													
Other motor vehicles	15,015	1,301	-	(775)	47	15,588	(7,347)	771	(45)	(1,180)	(8)	(7,809)	7,779
Furniture and fittings	417,445	23,995	-	(3,833)	43,053	480,660	(219,433)	2,386	-	(44,420)	(2,610)	(264,077)	216,583
Bins & containers	202,685	11,610	-	(1,833)	9	212,471	(142,568)	1,721	-	(24,625)	(31)	(165,503)	46,968
Emergency equipment	23,213	2,007	-	(149)	-	25,071	(9,075)	49	-	(2,141)	(969)	(12,136)	12,935
Other plant & equipment	1,318,201	49,804	-	(21,925)	172,427	1,518,507	(437,629)	19,538	(418)	(81,368)	(184)	(500,061)	1,018,446
Computer Equipment	309,638	36,673	-	(3,298)	10,915	353,928	(171,452)	1,854	(697)	(49,739)	(7)	(220,041)	133,887
Other office equipment	365,468	61,187	-	(13,533)	376	413,498	(184,479)	6,921	-	(63,169)	(1,263)	(241,990)	171,508
Other land and buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Landfill sites	179,414	2,270	-	-	1	181,685	(89,572)	-	(1)	(4,356)	-	(93,929)	87,756
Work in progress	9,353,662	1,223,994	-	-	(5,371,018)	5,206,638	-	-	-	-	-	-	5,206,638
Other	11,027	1,444	-	(717)	-	11,754	(5,968)	7	-	(488)	-	(6,449)	5,305
	12,195,768	**1,414,285**	**-**	**(46,063)**	**(5,144,190)**	**8,419,800**	**(1,267,523)**	**33,247**	**(1,161)**	**(271,486)**	**(5,072)**	**(1,511,995)**	**6,907,805**
Total Property, Plant and Equipment	**35,656,647**	**4,607,661**	**122,298**	**(164,516)**	**(393,834)**	**39,828,256**	**(5,133,995)**	**103,093**	**(2,527)**	**(962,282)**	**(37,116)**	**(6,032,827)**	**33,795,429**
Total Intangible Assets	686,181	448,643	-	(240)	396,390	1,530,974	(341,824)	151	8	(158,519)	-	(500,184)	1,030,790
Total Investment Properties	1,178,679	-	-	(3,377)	(37)	1,175,265	(78,442)	-	-	(277)	-	(78,719)	1,096,546
Total	**37,521,507**	**5,056,304**	**122,298**	**(168,133)**	**2,519**	**42,534,495**	**(5,554,261)**	**103,244**	**(2,519)**	**(1,121,078)**	**(37,116)**	**(6,611,730)**	**35,922,765**

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Appendix C
SEGMENTAL ANALYSIS PROPERTY PLANT AND EQUIPMENT

	Cost						Accumulated Depreciation						
	Opening Balance	Additions	Founds	Disposals	Transfers	Closing Balance	Opening Balance	Disposals	Transfers	Depreciation	Impairment deficit	Closing Balance	Carrying Value
	R000	R000	R000	R000	R000	R000	R000	R000	R000	R000	R000	R000	R000
Economic Development	19,380	18,422	-	(78)	-	37,724	(2,730)	60	-	(1,507)	(150)	(4,327)	33,397
Environmental Protection	12,643	533	-	(78)	-	13,098	(3,711)	29	-	(2,115)	(19)	(5,816)	7,282
Infrastructure and Services	6,805	733	-	(11)	-	7,527	(5,136)	8	-	(526)	(19)	(5,673)	1,854
Transportation	1,889,647	1,240,467	-	(67)	-	3,130,047	(1,383)	32	-	(44,336)	(10)	(45,697)	3,084,350
Community Development	1,629,048	82,816	-	(1,188)	-	1,710,676	(426,185)	783	-	(62,876)	(4,294)	(492,572)	1,218,104
Health	145,871	13,212	-	(424)	-	158,659	(66,390)	257	-	(12,179)	(607)	(78,919)	79,740
Executive Mayor and City Manager	3,837,326	1,314,935	-	(213)	-	5,152,048	(146,854)	139	-	(85,343)	(2,836)	(234,894)	4,917,154
Speaker: Legislative Arm of Council	237,512	8,973	-	(106)	-	246,379	(90,431)	60	-	(4,229)	(163)	(94,763)	151,616
Finance	211,064	1,691	-	(813)	-	211,942	(141,822)	557	-	(22,546)	(141)	(163,952)	47,990
Revenue and Customer Relations	512,432	4,109	-	(1,656)	-	514,885	(133,229)	1,006	-	(80,409)	(3,429)	(216,061)	298,824
Corporate and Shared Services	169,282	5,239	-	(190)	-	174,331	(101,314)	130	-	(14,696)	(995)	(116,875)	57,456
Housing	1,893,473	286,155	-	(958)	-	2,178,670	(642,719)	856	-	(59,544)	(1,313)	(702,720)	1,475,950
Development Planning & Urban Management	1,611,111	235,313	-	(479)	-	1,845,945	(288,852)	329	-	(68,317)	(552)	(357,392)	1,488,553
Emergency Management Services	140,670	2,049	-	(154)	-	142,565	(73,838)	50	-	(7,622)	(1,570)	(82,980)	59,585
Johannesburg Metropolitan Police Department	197,649	6,855	-	(138)	-	204,366	(133,554)	89	-	(9,463)	(5,026)	(147,954)	56,412
Agencies	11,722,158	285,176	122,298	(40,234)	-	12,089,398	(881,551)	29	-	(172,753)	(15,078)	(1,069,353)	11,020,045
Total	**24,236,071**	**3,506,678**	**122,298**	**(46,787)**	**-**	**27,818,260**	**(3,139,699)**	**4,414**	**-**	**(648,461)**	**(36,202)**	**(3,819,948)**	**23,998,312**
City of Johannesburg Property Company (Pty) Ltd	16,930	3,613	-	(1,443)	-	19,100	(3,878)	1,033	-	(1,191)	-	(4,036)	15,064
City Power Johannesburg (Pty) Ltd	6,046,879	802,024	-	(41,017)	1,963	6,809,849	(682,260)	29,288	(1,963)	(172,821)	-	(827,756)	5,982,093
Johannesburg City Housing Company	10,396	-	-	-	-	10,396	(233)	-	-	-	-	(233)	10,163
Johannesburg City Parks	75,375	8,660	-	(1,642)	-	82,393	(26,221)	1,328	-	(9,949)	-	(34,842)	47,551
Johannesburg Development Agency (Pty) Ltd	9,837	257	-	(57)	-	10,037	(2,140)	29	-	(1,278)	-	(3,389)	6,648
Johannesburg Social Housing Company (Pty) Ltd	5,356	1,875	-	-	-	7,231	(2,840)	-	-	(714)	-	(3,554)	3,677
Johannesburg Metropolitan Bus Services (Pty) Ltd	571,933	15,223	-	(43,599)	-	543,557	(320,395)	42,843	-	(46,169)	-	(323,721)	219,836
Johannesburg Roads Agency (Pty) Ltd	160,160	10,911	-	(2,366)	-	168,705	(52,263)	-	-	(10,559)	-	(62,822)	105,883
Johannesburg Tourism Company	10,947	7	-	(12)	-	10,942	(3,833)	6	-	(2,936)	(914)	(7,677)	3,265
Johannesburg Water (Pty) Ltd	5,286,462	647,301	-	(2,284)	399	5,931,878	(840,471)	1,456	(399)	(164,879)	-	(1,004,293)	4,927,585
Metropolitan Trading Company (Pty) Ltd	124,488	636	-	-	-	125,124	(75,230)	-	-	(1,252)	-	(76,482)	48,642
Pikitup Johannesburg (Pty) Ltd	616,723	38,987	-	(21,111)	-	634,599	(343,869)	18,861	-	(46,776)	-	(371,784)	262,815
Roodepoort City Theatre (Pty) Ltd	3,281	416	-	(12)	-	3,685	(1,248)	12	-	(358)	-	(1,594)	2,091
The Johannesburg Civic Theatre (Pty) Ltd	6,913	170	-	-	157	7,240	(4,220)	-	(157)	(278)	-	(4,655)	2,585
The Johannesburg Fresh Produce Market (Pty) Ltd	328,602	18,177	-	(7,237)	-	339,542	(50,644)	3,507	-	(12,398)	-	(59,535)	280,007
The Johannesburg Zoo	11,154	1,369	-	(566)	-	11,957	(4,817)	467	-	(1,059)	-	(5,409)	6,548
Total	**13,285,436**	**1,549,626**	**-**	**(121,346)**	**2,519**	**14,716,235**	**(2,414,562)**	**98,830**	**(2,519)**	**(472,617)**	**(914)**	**(2,791,782)**	**11,924,453**
Total for Group	**37,521,507**	**5,056,304**	**122,298**	**(168,133)**	**2,519**	**42,534,495**	**(5,554,261)**	**103,244**	**(2,519)**	**(1,121,078)**	**(37,116)**	**(6,611,730)**	**35,922,765**

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Appendix D
SEGMENTAL FINANCIAL PERFORMANCE

	CONSOL R'000	CORE R'000	RCIVIC R'000	JFPM R'000	SOCH R'000	MBUS R'000	PIKITU R'000	POWER R'000	PROPTY R'000	WATER R'000	ZOO R'000	MTRADE R'000	TOURIS R'000	JRA R'000	JCIVIC R'000	PARKS R'000	JDA R'000
Revenue	25,952,852	12,986,527	-	24,206	39,556	-	1,072,484	7,125,665	537	4,107,801	2,556	84,416	24,105	32,749	4,565	427,235	20,450
Other income	2,550,215	467,367	10,407	199,644	20,882	418,966	14,607	448,625	88,990	143,325	53,387	15,762	17,215	458,080	43,539	100,365	49,054
Total Revenue	28,503,067	13,453,894	10,407	223,850	60,438	418,966	1,087,091	7,574,290	89,527	4,251,126	55,943	100,178	41,320	490,829	48,104	527,600	69,504
Expenses	(25,747,199)	(11,207,359)	(10,319)	(183,117)	(63,460)	(417,465)	(1,222,806)	(7,107,335)	(56,252)	(4,058,976)	(58,835)	(99,634)	(45,080)	(578,707)	(56,334)	(516,846)	(64,674)
Net surplus/ (deficit) for the year	2,755,868	2,246,535	88	40,733	(3,022)	1,501	(135,715)	466,955	33,275	192,150	(2,892)	544	(3,760)	(87,878)	(8,230)	10,754	4,830
Taxation	(115,034)	-	-	(12,394)	1,045	-	(89,742)	-	(11,383)	-	-	-	-	-	2,127	-	(4,687)
Aggregated GROUP Surplus for the year	**2,640,834**	**2,246,535**	**88**	**28,339**	**(1,977)**	**1,501**	**(225,457)**	**466,955**	**21,892**	**192,150**	**(2,892)**	**544**	**(3,760)**	**(87,878)**	**(6,103)**	**10,754**	**143**
GROUP Adjustments																	
Eliminating journals	255,704																
Consolidated GROUP surplus for the year	2,896,538																

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APPENDIX E - BANK BALANCES AND CASH AS AT 30 JUNE 2010

Description	Account Number	Bank statement balance			Cash book balance		
		30 June 2008 R000	30 June 2009 R000	30 June 2010 R000	30 June 2008 R000	30 June 2009 R000	30 June 2010 R000
Bank accounts:							
Absa: Primary Bank Account	40-5439-4859	443,309	94,780	114,389	443,309	94,780	114,389
Absa Ordinary Bank Account	40-5439-8227	-	-	-	(33,807)	(31,046)	(16,980)
Absa Stores Bank Accounts	40-5439-8308	-	-	-	-	-	-
Absa Traffic Bank Account	40-5439-8332	-	-	-	238	565	(7,744)
Absa Licensing Bank Account	40-5439-8405	-	-	-	2,338	38,093	2,432
Absa Internal Collection Bank Account	40-5439-8421	-	-	-	-	-	-
Absa Civil Contracts Bank Account	40-5439-8455	-	-	-	-	-	-
Absa Elec. Payments Bank Account	40-5439-8463	12,544	18,683	23,221	12,544	18,683	23,221
Absa 3rd Party Banking Bank Account	40-5439-8489	-	-	-	125	17	8,846
Absa Elec. Payments Costs Bank Account	40-5439-8497	-	-	-	-	-	-
Absa R/D Bank Account	40-5439-8502	-	-	-	-	-	-
Absa R/D Ordinary Bank Account	40-5439-8578	-	-	-	-	-	-
Absa Elec. Payment R/D Bank Account	40-5442-3511	-	-	-	-	-	-
Absa Collections Bank Account	40-5442-3561	-	-	-	15,939	31,645	19,274
Absa Traffic R/D Bank Account	40-5715-4521	-	-	-	-	-	-
Absa Licensing R/D Bank Account	40-5715-4652	-	-	-	-	-	-
Absa Bank Charges Ordinary Bank Account	40-5715-4791	-	-	-	-	-	-
Absa Licensing Bank Charges Bank Account	40-5877-9813	-	-	-	-	-	-
Absa Traffic Bank Charges Bank Account	40-5877-9994	-	-	-	-	-	-
Absa Danida Bank Account	40-5987-0765	97	-	-	218	-	-
Absa Addis Ababa Bank Account	40-6052-5145	102	112	-	102	112	119
Absa BRT Rea Vaya	40-7460-1995	-	-	392	-	-	1,667
Absa COJ 2010 WCT	40-7531-4797	-	-	16	-	-	-
Absa Traffic Aarto Bank Account	40-7315-2034	-	48,734	5,717	-	48,734	5,717
Absa City of Johannesburg Disaster Fund	40-7357-5353	-	-	-	-	-	-
Absa JMPD: Sites Deposits Account	40-7466-9153	-	-	540	-	-	3,005
Absa Joburg Open Golf Tournament	40-7489-6271	-	-	-	-	-	-
ABSA	405-853-6762	6	6	6	6	6	6
ABSA	405-853-6005	4	4	4	4	4	4
ABSA	911-288-7111	16	17	17	17	17	17
NEDBANK	151-106-3270	90	99	99	99	99	99
NEDBANK	146-909-5971	252	363	363	363	363	363
Nedbank	128-402-5993	5,845	735	9,236	5,845	1,325	9,450
ABSA: Deposit Bank Account	405-439-4655	19,599	21,364	11,518	18,442	21,898	13,101
ABSA: Business Bank Account	405-439-4663	-	-	-	(2)	(221)	(355)
ABSA: Trust Bank Account	405-442-3252	-	-	-	-	-	-19
ABSA: Salary Bank Account	405-439-4671	24	-	-	24	-	-
ABSA: Unpaid Bank Account	405-439-4689	366	162	81	366	162	81
FNB: Business Bank Account	620-1247-1257	78	1,275	350	78	1,275	350
ABSA	407-197-2149	-	1,943	-	-	1,943	-
Salary account.	405-990-8162	-	2	13,120	-	2	13
ABSAOPERATING	405-439-8803	-	-	-	-	(49,885)	(3,120)
ABSATRUST	405-439-8772	-	-	-	-	-	42,503
ABSASALARIES	405-439-8811	-	-	-	-	(1,982)	1,675
ABSA - Main Account	405-439-4833	-	-	-	(2,077)	66	331
Absa Special Savings	909-938-4175	137	1,161	722	137	1,161	1,161
Nedbank 32 Day Notice Investment	485-4837	41	45	-	41	45	45
Absa Current	570-142-348	18	104	34	18	104	104
Nedbank Current	190-509-2075	19	-	-	19	-	-45
Absa Special Savings	909-733-5459	2	-	-	2	-	-71
Absa Computicket	570-147-854	6	-	-	6	-	-439
ABSA	405-794-5928	5,586	-	-	5,586	1,085	(5,161)
DEPOSIT ACCOUNT	405-440-0460	-	-	-	105,434	54	(37)
MAX TRUST ACCOUNT	406-874-5070	-	11,090	1,101	-	11	1
Cash on hand							
Petty cash and float accounts					165	399	411
TOTAL		**488,141**	**200,679**	**180,926**	**575,579**	**179,514**	**214,414**

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CITY OF JOHANNESBURG METROPOLITAN MUNICIPALITY

DIRECTORS' REMUNERATION - 2010

	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16
	Johannesburg Fresh Produce market (Pty) Ltd	Johannesburg Civic Theatre (Pty) Ltd	Johannesburg Zoo	Johannesburg Property Company (Pty) Ltd	Johannesburg Development Agency (Pty) Ltd	Metropolitan Trading Company (Pty) Ltd	City Power Johannesburg (Pty) Ltd	Johannesburg Water (Pty) Ltd	Pikitup Johannesburg (Pty) Ltd	Johannesburg Roads Agency (Pty) Ltd	Johannesburg City Parks	Johannesburg Social Housing Company (Pty) Ltd	Johannesburg Tourism Company	Johannesburg Metropolitan Bus Services (Pty) Ltd	Roodepoort City Theatre
	R 000s	R 000s	R 000s	R 000s	R 000s	R 000s	R 000s	R 000s	R 000s	R 000s	R 000s	R 000s	R 000s	R 000s	R 000s
Non-Executive Directors	1,021	314	784	923	803	833	1,596	962	2,723	985	756	738	331	0	545
Directors' fees	1,021	314	784	923	803	833	1,555	962	2,723	985	756	738	331		545
Travel	-				0		41								
Chief Executive Officer	1,408	1,587	1,096	1,102	1,281	1,259	2,480	1,953	1,676	1,398	1,635	1,246	1,148	1,426	928
Annual remuneration	1,077	1,254	931	852	1,221	1,259	2,017	1,307	1,523	1,047	1,478	1,076	1,148	988	790
Performance bonus	153	237	70		0		216	139	128	92	125	95		96	71
Car allowance	-			250	60		129	330		103	32	75		324	66
Contributions to UIF, medical and pension funds	178	96	95		0		118	177	25	156				18	1
Chief Finance Officer	912	652	634	738	872	703	1,184	1,333	1,183	850	1,161	694	672	1,116	341
Annual remuneration	727	502	538	584	832	703	956	941	727	601	1,018	495	672	875	312
Performance bonus	51	48	40	58	0		44	96	91		95	91		76	
Car allowance	-			96	40		121	144	210	174	48	34		25	28
Contributions to UIF, medical and pension funds	134	102	56		0		63	152	155	75		74		140	1
Other Executive Directors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual remuneration	-				0										
Performance bonus	-				0										
Car allowance	-				0										
Contributions to UIF, medical and pension funds					0										
Senior Management	3,244	2,966	4,178	3,019	4,489	3,079	6,320	3,132	9,429	3,966	5,797	3,643	560	5,158	2,432
Annual remuneration	2,568	2,335	3,545	2,516	3,969	3,079	5,007	2,090	7,848	3,561	4,975	2,629	560	3,940	2,049
Performance bonus	317	198	253	195	520		474	299	629	147	430	259		371	147
Car allowance	359			308	0		482	539	936	252	392	650		695	223
Contributions to UIF, medical and pension funds	-	433	380		0		357	204	16	6		105		152	13

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CITY OF JOHANNESBURG METROPOLITAN MUNICIPALITY

DIRECTORS' REMUNERATION - 2009

	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15
	Johannesburg Fresh Produce market (Pty) Ltd	Johannesburg Civic Theatre (Pty) Ltd	Johannesburg Zoo	Johannesburg Property Company (Pty) Ltd	Johannesburg Development Agency (Pty) Ltd	Metropolitan Trading Company (Pty) Ltd	City Power Johannesburg (Pty) Ltd	Johannesburg Water (Pty) Ltd	Pikitup Johannesburg (Pty) Ltd	Johannesburg Roads Agency (Pty) Ltd	Johannesburg City Parks	Johannesburg Social Housing Company (Pty) Ltd	Johannesburg Tourism Company	Johannesburg Metropolitan Bus Services (Pty) Ltd	Roodepoort City Theatre
	R 000s	R 000s	R 000s	R 000s	R 000s	R 000s	R 000s	R 000s	R 000s	R 000s	R 000s	R 000s	R 000s	R 000s	R 000s
Non-Executive Directors	646	181	609	639	631	1,039	1,420	1,100	762	863	871	795	395	965	452
Directors' fees	646	181	609	639	631	1,039	1,381	1,100	762	863	871	795	395	965	452
Travel	0	0	0	0	0	0	39	0	0	0	0	0	0	0	0
Chief Executive Officer	1,257	438	999	85	1,206	912	2,436	2,430	1,554	1,106	1,579	1,234	1,053	1,062	887
Annual remuneration	958	111	850	63	1,059	727	2,093	1,204	1,350	691	1,353	982	860	720	719
Performance bonus	134	212	87	0	87	0	214	727	182	60	194	177	0	0	102
Car allowance	0	72	0	22	60	111	129	330	0	94	32	63	156	324	66
Contributions to UIF, medical and pension funds	165	43	62	0	0	74	0	169	22	261	0	12	37	18	0
Chief Finance Officer	1,381	656	553	0	772	671	511	1,313	948	643	1,168	1,041	666	905	414
Annual remuneration	1,072	504	482	0	677	501	450	877	631	480	834	671	497	647	333
Performance bonus	125	80	36	0	72	0	0	157	0	0	259	181		78	49
Car allowance	0	38	0	0	23	144	61	144	188	65	75	79	72	12	32
Contributions to UIF, medical and pension funds	184	34	35	0	0	26	0	135	129	98	0	110	97	168	0
Other Executive Directors	0	0	0	0	0	409	0	0	0	0	0	0	0	0	0
Annual remuneration	0	0	0	0	0	329	0	0	0	0	0	0	0	0	0
Performance bonus	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Car allowance	0	0	0	0	0	75	0	0	0	0	0	0	0	0	0
Contributions to UIF, medical and pension funds	0	0	0	0	0	5	0	0	0	0	0	0	0	0	0
Senior Management	2,942	2,449	3,095	3,916	4,865	3,491	8,329	3,584	7,963	1,846	5,635	4,216	2,045	2,583	1,137
Annual remuneration	2,326	1,591	2,519	3,103	3,836	1,559	6,905	2,428	6,423	1,541	4,449	3,251	1,343	1,978	957
Performance bonus	289	229	313	349	329	0	540	284	546	0	760	266	0	169	48
Car allowance	0	447		464	700	130	884	608	878	234	426	574	280	298	132
Contributions to UIF, medical and pension funds	327	182	263	0	0	1,802	0	264	116	71	0	125	422	138	0

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