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Johannesburg City Parks NPC
Annual Financial Statements
for the year ended 30 June 2011

The Auditor - General of South Africa
Issued 31 August 2011

Johannesburg City Parks NPC

(Registration number 2000/028782/08)
Annual Financial Statements for the year ended 30 June 2011

General Information

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	The company is a municipal entity and has been appointed as the greening, conservation and cemetery management agency for the City of Johannesburg Metropolitan Municipality. The company's mandate is to provide and manage parks, open spaces, environmental conservation services and cemeteries. During the period under review, there were no changes to this mandate. The operating results and state of affairs of the company are fully set out in the attached financial statements.
CHIEF FINANCE OFFICER (CFO)	R Clements
DIRECTORS	MS Bahula* (Chairperson) DR Mokhobo* V Ramsingh* R Rawat* D Westgate* G Karim* M Dolamo* S Bogatsu* P Johnson Sparrow* G Cooke (Acting Managing Director) * Non-executive
REGISTERED OFFICE	40 De Korte Street Braamfontein 2017
BUSINESS ADDRESS	40 De Korte Street Braamfontein 2017
POSTAL ADDRESS	P.O Box 2824 Johannesburg 2000
BANKERS	ABSA Limited
AUDITORS	The Auditor - General of South Africa
SECRETARY	B Maduka
COMPANY REGISTRATION NUMBER	2000/028782/08
ATTORNEYS	Mcedisi Ndlovu & Sedumedi Attorneys Ningiza Horner Incorporated

Index

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

INDEX	PAGE
Directors' Responsibilities and Approval	3
Audit Committee Report	4 - 5
Directors' Report	6 - 10
Company Secretary's Certification	11
Statement of Financial Position	12
Statement of Financial Performance	13
Statement of Changes in Net Assets	14
Cash Flow Statement	15
Accounting Policies	16 - 33
Notes to the Annual Financial Statements	34 - 63
Appendixes:	
Appendix E(1): Actual versus Budget (Revenue and Expenditure)	64

ABBREVIATIONS

GRAP	Generally Recognised Accounting Practice
IAS	International Accounting Standards
ME's	Municipal Entities
MFMA	Municipal Finance Management Act

Directors' Responsibilities and Approval

The directors are required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the directors to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

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

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

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

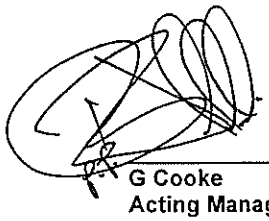
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial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

The directors have reviewed the entity's cash flow forecast for the year to 30 June 2012 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

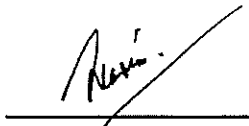
Although the directors are primarily responsible for the financial affairs of the entity, they are supported by the entity's external auditors.

The external auditors are responsible for independently reviewing and reporting on the entity's annual financial statements. The annual financial statements have been examined by the entity's external auditors and their report is presented on page 6.

The annual financial statements are set out on pages 6 to 63



G Cooke
Acting Managing Director



Director

Audit Committee Report

We are pleased to present our report for the financial year ended 30 June 2011. The report is presented as recommended by the King III Report on Corporate Governance. We perform our functions in accordance with section 94(7)(f) of the MFMA and Companies Act 71 of 2008.

Audit committee members and attendance

The audit committee consists of the members listed hereunder and should meet 4 times per annum as per its approved terms of reference. During the current year 5 meetings were held.

Name of member	Number of meetings attended
DR Mokhobo (chairperson)*	4
AM Dolamo*	5
A Kanana"	5
GC Dunnington"	4
K Govender"	4
* non executive director	" Independent audit committee member

Audit committee responsibility

We report that we have adopted appropriate formal terms of reference in our charter in line with the requirements of the MFMA. The charter was approved by the board of directors in October 2010. We further report that we have conducted our affairs in compliance with this charter. The charter is reviewed on an annual basis by the board and the audit committee and aligned with King III Report and other relevant legislation.

We have:
- reviewed the accounting practices adopted by the entity;
- reviewed and recommended disclosed financial information for adoption by the board;
- considered the programmes introduced to improve the overall ethics of the entity and reviewed reports from management and internal auditors relating to material issues;
- monitored ethical conduct by the entity, its executives and senior management;
- monitored the entity's compliance with all applicable legislation and regulations, including without limitation, the Companies Act, the MFMA and Treasury Regulations and
- reported on items of unauthorised, fruitless, wasteful and irregular expenditure in terms of MFMA.

The effectiveness of internal control

The system of internal controls applied by the entity over financial and risk management is effective, efficient and transparent. In line with the MFMA and the King III Report on Corporate Governance requirements. Internal audit provides the audit committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the internal auditors, the audit report on the annual financial statements, and the management letter of the Auditor-General South Africa, it was noted that no matters were reported that indicate any material deficiencies in the system of internal control or any deviations therefrom. Accordingly, we can report that the system of internal control over financial reporting for the period under review was efficient and effective and can be relied on in:
- meeting strategic objectives of the company;
- evaluating and mitigating key risks facing the company;
- ensuring compliance with applicable laws and regulations;
- ensuring the entity's assets are safeguarded and
- ensuring that transactions undertaken are correctly recorded in the entity's accounting records.

We are satisfied with the content and quality of monthly and quarterly reports prepared and issued by the internal auditors of the entity during the year under review.

Evaluation of annual financial statements

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

Audit Committee Report

We consider that the annual financial statements complies, in all material aspects, with the requirements of the MFMA; the Companies Act; the Public Audit Act and GRAP.

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

Internal audit

We are satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the entity and its audits. We have considered all material forensic reports and established where appropriate corrective action was taken by management and made recommendations to the board regarding the corrective actions to be taken as a consequence of the audit findings.

Assessment of financial function

We have assessed the financial function of the entity as required by the King III Report on Corporate Governance. We are satisfied with the expertise and adequacy of the resources within the financial function and with the experience of senior members of management responsible for the financial function.

Chairperson of the Audit Committee

Date: 30 - 11 - 2011

Directors' Report

The directors submit their report for the year ended 30 June 2011.

1. Incorporation

The entity was incorporated on 15 November 2000 and obtained its certificate to commence business on the same day.

2. Review of activities

Main business and operations

The company is a municipal entity and has been appointed as the greening, conservation and cemetery management agency for the City of Johannesburg Metropolitan Municipality. The company's mandate is to provide and manage parks, open spaces, environmental conservation services and cemeteries. During the period under review, there were no changes to this mandate. The operating results and the state of affairs of the company are fully set out in the attached financial statements. The company operates in South Africa.

3. Going concern

We draw attention to the fact that at 30 June 2011, the company had accumulated surpluses of R 118 446 000 and that the company's total assets exceed its liabilities by R 146 544 000.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the company to continue as a going concern is dependent on continued funding of its operations by the City of Johannesburg Metropolitan Municipality. The financial statements are prepared on the basis that the City of Johannesburg Metropolitan has neither the intention nor the need to liquidate or curtail materially the scale of the company's operations.

4. Subsequent events

The directors are not aware of any matter or circumstance arising since the end of the financial year. However, there is a HAWKS investigation that is currently being conducted and a report has not been finalised at the date of this report.

5. Directors' personal financial interest in contracts

The directors of the company did not have any personal financial interest in the contracts entered into by the company.

6. Accounting policies

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

7. Shareholder's loan on incorporation

There were no changes to this loan during the year under review.

8. Non-current assets

There were no major changes in the nature of the non-current assets of the company during the year.

The company acquired minor plant at a cost of R2 136 000 (2010 - R3 011 000).

There were no changes in the policy relating to the use of non-current assets during the year.

Directors' Report

9. Directors

The directors of the company during the year and to the date of this report are as follows:

Name	Nationality	Changes
G Zabala*	South African	Resigned 17 March 2011
MS Bahula* (Chairperson)	South African	
DR Mokhobo*	South African	
V Ramsingh*	South African	
R Rawat*	South African	
D Westgate*	South African	
G Karim*	South African	
M Dolamo*	South African	
S Bogatsu*	South African	
P Johnson Sparrow*	South African	
G Cooke (Acting Managing Director)	South African	

* Non-executive

Directors' Report

10. Member and executive managers emoluments

	Salary or Fee	Bonuses and performance related payments	Other	Total package 2011	Total package 2010
Non-executive members					
MS Bahula	155	-	-	155	108
G Zabala	73	-	-	73	144
A Carolissen	-	-	-	-	161
H Kasan	-	-	-	-	100
DR Mokhobo	93	-	-	93	70
V Ramsingh	56	-	-	56	80
V Lennon	-	-	-	-	34
R Rawat	68	-	-	68	44
D Westgate	52	-	-	52	39
G Karim	96	-	-	96	50
M Dolamo	69	-	-	69	45
S Bogatsu	100	-	-	100	49
P Johnson Sparrow	71	-	-	71	39
	833	-	-	833	963
Executive members					
LL Williamson	-	-	1 230	1 230	1 636
G Cooke	1 136	157	215	1 508	-
	1 136	157	1 445	2 738	1 636
Executive managers					
R Clements	1 102	149	48	1 299	1 110
A Buzo-Gqoboka	974	140	72	1 186	1 087
G Cooke	-	-	-	-	1 222
HH Fouche	859	123	91	1 073	954
P Meyer	1 065	142	30	1 237	1 101
K Molale	726	100	45	871	712
M Sayed Hassan (Resigned 30/04/2010)	-	-	-	-	514
B Njingolo	598	63	195	856	-
B Maduka (Appointed 01/05/2010)	690	107	156	953	128
	6 014	824	637	7 475	6 828
	7 983	981	2 082	11 046	9 427

Directors' Report

11. Corporate governance

General

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

The entity confirms and acknowledges its responsibility to total compliance with the Code of Corporate Practices and Conduct ("the Code") laid out in the King Report III on Corporate Governance for South Africa. The directors discuss the responsibilities of management in this respect at board meetings and monitor the company's compliance with the code on a three monthly basis.

The salient features of the entity's adoption of the Code is outlined below:

Board of directors

The board:

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

Chairperson and managing director

The chairperson is a non-executive and independent director (as defined by the Code).

The roles of chairperson and managing director are separate, with responsibilities divided between them, so that no individual has unfettered powers of discretion.

Remuneration

The upper limits of the remuneration of the managing director, who is the only executive director of the entity, is determined by the controlling entity, and the directors determine the remuneration within the above mentioned limits.

Directors' Report

Directors meetings

The directors met on 10 separate occasions during the financial year under review. The directors planned to meet at least 4 times per annum.

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

Name	Board meeting	Audit Committee meeting	Strategy, Performance and Remuneration committee meeting	Operations Committee meeting	Human Resources Committee meeting
Total number of meetings held	10	5	1	3	4
G Zabala	5	-	1	-	1
MS Bahula (Chairperson)	10	-	1	-	-
DR Mokhobo	5	4	1	-	-
V Ramsingh	4	-	-	-	1
R Rawat	8	-	-	-	3
D Westgate	6	-	-	2	-
G Karim	10	-	1	3	-
M Dolamo	6	5	-	-	-
S Bogatsu	10	-	1	-	4
P Johnson Sparrow	8	-	-	3	-
G Cooke (Acting Managing Director)	8	2	1	2	3

Audit and risk committee

For the current financial year the chairperson of the audit and risk committee was Mr RD Mokhobo, who is a non-executive director. The committee met 5 times during the financial year to review matters necessary to fulfil its role.

12. Controlling entity

The entity's controlling entity is the City of Johannesburg Metropolitan Municipality incorporated in South Africa.

13. Bankers

ABSA Limited

The management of the treasury function within the company is managed within the auspices of the City of Johannesburg Metropolitan Municipality Assets and Liabilities Committee and Treasury department.

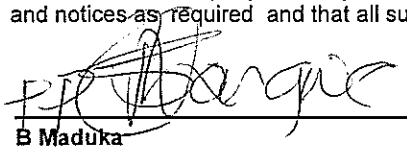
14. Auditors

The Auditor - General of South Africa will continue in office for the next financial period.

Company Secretary's Certification

Declaration by the company secretary in respect of Section 268G (d) of the Companies Act

In terms of Section 268 G(d) of the Companies Act, Act 61 of 1973 as amended, section 88(2)(e) of the companies act, Act 71 of 2008 as amended and the Municipal Finance Management Act , Act 56 of 2003, I certify that, to the best of my knowledge and belief, the company has lodged and/or filed, for the financial year ended 30 June 2011, with the Registrar all such returns and notices as required and that all such returns and notices are true, correct and up to date.



B Maduka
Company secretary

Johannesburg City Parks NPC
31 August 2011

Johannesburg City Parks NPC

(Registration number 2000/028782/08)
Annual Financial Statements for the year ended 30 June 2011

Statement of Financial Position

Figures in Rand thousand	Note	30 June 2011	30 June 2010
ASSETS			
Current Assets			
Inventories	4	2 929	1 190
Loans to shareholder	5	207 724	234 579
Trade and other receivables	6	93 138	39 792
VAT receivable	7	657	1 527
Cash and cash equivalents	9	54	50
		304 502	**277 138**
Non-Current Assets			
Property, plant and equipment and intangible assets	10	41 613	42 066
Intangible assets	11	4 764	5 484
Loans to shareholder	5	66 832	68 743
		113 209	**116 293**
Total Assets		**417 711**	**393 431**
LIABILITIES			
Current Liabilities			
Finance lease obligation	12	811	524
Trade and other payables	13	186 019	170 618
Provisions	14	13 526	16 313
		200 356	**187 455**
Non-Current Liabilities			
Finance lease obligation	12	592	563
Retirement benefit obligation	8	70 219	79 653
		70 811	**80 216**
Total Liabilities		**271 167**	**267 671**
Net Assets		**146 544**	**125 760**
NET ASSETS			
Shareholder's loan on incorporation	15	28 098	28 098
Accumulated surplus		118 446	97 664
Total Net Assets		**146 544**	**125 762**

Johannesburg City Parks NPC

(Registration number 2000/028782/08)
Annual Financial Statements for the year ended 30 June 2011

Statement of Financial Performance

Figures in Rand thousand	Note	Year Ended 30 June 2011	Restated Year Ended 30 June 2010
Revenue			
Rental facilities		1 827	2 188
Municipal subsidy	17	469 596	425 047
Cemetery fees		19 575	18 724
External services		88 438	60 190
Other non- exchange revenue	18	1 012	965
Other exchange revenue	18	12 632	1 930
Interest received - loan to shareholder	22	15 308	18 555
Total Revenue		**608 388**	**527 599**
Expenditure			
Employee related costs	20	(327 205)	(297 186)
Depreciation and amortisation	23	(11 066)	(9 949)
Fair value adjustments	24	(638)	(9)
Finance costs	25	(7 257)	(7 097)
Bad debts	21	(8 162)	(13 920)
Repairs and maintenance		(19 737)	(13 050)
General Expenses	19	(213 105)	(174 454)
Total Expenditure		**(587 170)**	**(515 665)**
Loss on disposal of assets and liabilities		(436)	(160)
Surplus for the year		**20 782**	**11 774**

Johannesburg City Parks NPC

(Registration number 2000/028782/08)
Annual Financial Statements for the year ended 30 June 2011

Statement of Changes in Net Assets

Figures in Rand thousand	Note(s)	Shareholder loan	Accumulated surplus	Total equity
Balance at 01 July 2009		**28 098**	**85 890**	**113 988**
Changes in net assets				
Surplus for the year (refer to note 32)		-	11 774	11 774
Total changes		-	11 774	11 774
Balance at 01 July 2010		**28 098**	**97 664**	**125 762**
Changes in net assets				
Surplus for the year		-	20 782	20 782
Total changes		-	20 782	20 782
Balance at 30 June 2011		**28 098**	**118 446**	**146 544**

Cash Flow Statement

Figures in Rand thousand	Note	Year Ended 30 June 2011	Restated Year Ended 30 June 2010
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Sale of goods and services		64 010	72 857
Municipal subsidy		469 596	425 047
Interest income		15 308	18 555
		548 914	516 459
Payments			
Employee costs		(327 205)	(297 187)
Suppliers		(223 767)	(153 064)
Finance costs		(7 257)	(7 097)
		(558 229)	(457 348)
Net cash flows from operating activities	27	**(9 315)**	**59 111**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment and intangible assets	10	(9 195)	(6 028)
Proceeds from sale of property, plant and equipment and intangible assets	10	2	154
Purchase of other intangible assets	11	(1 136)	(2 631)
Movement on shareholder loan		28 766	(47 264)
Net cash flows from investing activities		**18 437**	**(55 769)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Movements in retirement benefit liabilities		(9 434)	(4 155)
Finance lease receipts		316	821
Net cash flows from financing activities		**(9 118)**	**(3 334)**
Net increase in cash and cash equivalents		**4**	**8**
Cash and cash equivalents at the beginning of the year		50	42
Cash and cash equivalents at the end of the year	9	**54**	**50**

Accounting Policies

1. Presentation of Annual Financial Statements

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

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

Unless otherwise stated, all figures have been rounded to the nearest thousand rand.

A summary of the significant accounting policies, which have been consistently applied, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

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

Trade receivables

The entity assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus makes judgments 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 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.

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 useful life and market value assumptions 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 entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. 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. They are significantly affected by a number of factors including technological obsolescence, together with economic factors such as interest and inflation rates.

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 14 - Provisions.

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.

Accounting Policies

1.1 Significant judgements and sources of estimation uncertainty (continued)

The 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 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 8 - Employee benefit obligations.

Effective interest rate

The entity used the prime interest rate to discount future cash flows.

Allowance for doubtful debts

On receivables 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 receivables carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

1.2 Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets 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 and intangible assets is recognised as an asset when:
- it is probable that future economic benefits or service potential associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Property, plant and equipment and intangible assets is initially measured at cost.

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

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and intangible assets 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 and intangible assets, the carrying amount of the replaced part is derecognised.

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

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

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

Accounting Policies

1.2 Property, plant and equipment and intangible assets (continued)

Item	Average useful life
Buildings	30 years
Leasehold property	
• Leasehold improvements	5 years
Plant and machinery	
• Mobile plant	2 years
• Minor plant	5 years
• Grass-cutting equipment	2 years
• Playground equipment	5 years
Office equipment	
• Furniture& fittings	5 years
• Other office equipment	5 years
IT equipment	3 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 unless it is included in the carrying amount of another asset.

Items of property, plant and equipment and intangible assets 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 and intangible assets 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 and intangible assets is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

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

1.3 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 company or from other rights and obligations.

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

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.

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

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

Accounting Policies

1.3 Heritage assets (continued)

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

Item	Useful life
Computer software	3 years

1.4 Financial instruments

Classification

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

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through surplus or deficit, which shall not be classified out of the fair value through surplus or deficit category.

Financial assets classified as at fair value through surplus or deficit which are no longer held for the purposes of selling or repurchasing in the near term may be reclassified out of that category:
- if the asset met the definition of loans and receivables and the entity has the intention and ability to hold the asset for the foreseeable future or until maturity.

No other reclassifications may be made into or out of the fair value through surplus or deficit category.

A financial asset classified as available-for-sale that would have met the definition of loans and receivables may be reclassified to loans and receivables if the entity has the intention and ability to hold the asset for the foreseeable future or until maturity.

Initial recognition and measurement

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

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

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

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

Transaction costs on financial instruments at fair value through surplus or deficit are recognised in surplus or deficit.

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

Subsequent measurement

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

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the entity establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Accounting Policies

1.4 Financial instruments (continued)

Impairment of financial assets

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

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

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

Impairment losses are recognised in surplus or deficit.

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

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

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

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

Loans to (from) economic entities

These include loans to and from controlling entities, fellow controlled entities, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

Loans to economic entities are classified as loans and receivables.

Loans from economic entities are classified as financial liabilities measured at amortised cost.

Trade and other receivables

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

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

Trade and other receivables are classified as loans and receivables.

Accounting Policies

1.4 Financial instruments (continued)

Trade and other payables

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

Cash and cash equivalents

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

Bank overdraft and borrowings

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

Financial liabilities and equity instruments

Financial liabilities are classified according to the substance of contractual agreements entered into. Trade and other payables are stated at their nominal value. Equity instruments are recorded at the amount received, net of direct issue costs.

Gains and losses

A gain or loss arising from a change in a financial asset or financial liability is recognised as follows:

- A gain or loss on a financial asset or financial liability classified as at fair value through surplus or deficit is recognised in surplus or deficit;
- A gain or loss on an available-for-sale financial asset is recognised directly in net assets, through the statement of changes in net assets, until the financial asset is derecognised, at which time the cumulative gain or loss previously recognised in net assets is recognised in surplus or deficit; and
- For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, and through the amortisation process.

Derecognition

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the entity retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the entity has transferred its rights to receive cash flows from the asset and either
  has transferred substantially all the risks and rewards of the asset, or
  has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the entity has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the entity's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the entity could be required to repay. Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the entity's continuing involvement is the amount of the transferred asset that the entity may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Accounting Policies

1.4 Financial instruments (continued)

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in surplus or deficit.

1.5 Leases

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

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.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

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 - lessee

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

1.6 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 are measured at the lower of cost and current replacement cost where they are held for;
- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

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.

Current replacement cost is the cost the entity will incur to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

Accounting Policies

1.6 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.

1.7 Impairment of cash-generating assets

Cash-generating assets are those assets held by the company with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation/amortisation is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

The recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The entity assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the entity estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the entity applies the appropriate discount rate to those future cash flows.

Basis for estimates of future cash flows

In measuring value in use the entity:

Accounting Policies

1.7 Impairment of cash-generating assets (continued)

- base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
- base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and
- estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the entity recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the entity determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the entity use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

Accounting Policies

1.7 Impairment of cash-generating assets (continued)

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Reversal of impairment loss

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

1.8 Impairment of non-cash-generating assets

Cash-generating assets are those assets held by the entity with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

Accounting Policies

1.8 Impairment of non-cash-generating assets (continued)

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation/amortisation is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The entity assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of an asset is the present value of the asset's remaining service potential.

The present value of the remaining service potential of an asset is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the entity would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

Accounting Policies

1.8 Impairment of non-cash-generating assets (continued)

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the entity recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.9 Shareholder's loan on incorporation

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.10 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 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 company's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected unit credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Accounting Policies

1.10 Employee benefits (continued)

Consideration is given to any event that could impact the funds up to the end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

To the extent that, at the beginning of the financial period, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in surplus or deficit over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the company is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduced by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

Other post retirement obligations

The 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 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.

1.11 Provisions and contingencies

Provisions are recognised when:

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

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

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

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

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the company 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.

Accounting Policies

1.11 Provisions and contingencies (continued)

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

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

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

Provisions are not recognised for future operating deficits.

If the 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 the entity:

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

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

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

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

1.12 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 entity 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.

Rendering of services

Accounting Policies

1.12 Revenue from exchange transactions (continued)

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

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

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. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

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 company, and
- the amount of the revenue can be measured reliably.

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

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

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

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

1.13 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the entity can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Accounting Policies

1.13 Revenue from non-exchange transactions (continued)

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting entity.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

1.14 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all deficits 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, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

1.15 Investment income

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

Accounting Policies

1.16 Borrowing costs

It is inappropriate to capitalise borrowing costs when, and only when, there is clear evidence that it is difficult to link the borrowing requirements of an entity directly to the nature of the expenditure to be funded i.e. capital or current.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.17 Comparative figures

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

1.18 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.

1.19 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.

1.20 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.21 Offsetting

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

1.22 Gratuities

The 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.

1.23 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the entity 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.

1.24 Budget information

The entity is typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the annual financial statements as an annexure.

Accounting Policies

1.25 Related parties

A related party is a person or entity that is related to the entity.
(a) A person or a close member of that person's family is related to the entity if that person:
(i) has control or joint control over the entity;
(ii) has significant influence over the entity; or
(iii) is a member of the key management personnel of the entity or of a parent of the entity.

(b) An entity is related to the entity if any of the following conditions applies:
(i) the entity and the company are members of the same group.
(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(iii) both entities are joint ventures of a third party.
(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third party.
(v) the entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the entity. If the entity is itself such a plan, the sponsoring employers are also related to the entity.
(vi) The entity is controlled or jointly controlled by a person identified in (a).
(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of the parent of the entity).

Transactions with related parties are entered into and disclosed at arm's length.

1.26 Foreign exchange gains and losses

Initial measurement

All transactions that are undertaken in a foreign currency are translated into South African rands. A foreign currency transaction is recorded on initial recognition in rands by applying to the foreign currency amount the spot exchange rate between the rands and the foreign currency at the date of the transaction. The date of transaction is the date on which the transaction first qualifies for recognition.

Subsequent measurement

Subsequent Treatment of Monetary Items:

Monetary items held in a foreign currency shall be translated into the functional currency in the Statement of Financial Position at the closing rate. In instances where a monetary asset or liability has a rate of exchange that is fixed under the terms of the relevant contract, it cannot be used to translate the monetary assets and liabilities as this is a form of hedge accounting.

Subsequent Treatment of Non-Monetary Items:

Non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency shall be translated using the exchange rate at the date when the fair value was determined.

Recognition of Foreign Exchange Differences

Foreign exchange gains and losses arising from the settlement of such transactions or from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Financial Performance.
When a gain or loss on a non-monetary item is recognised directly in equity, any exchange rate component of that gain or loss shall be recognised directly in equity. Conversely, when a gain or loss on a non-monetary item is recognised in the Statment of Financial Performance, any exchange rate component of that gain or loss shall also be recognised in the Statement of Financial Performance.

Figures in Rand thousand	2011	2010

2. General - new Companies Act

The Companies Act, 2008 (Act 71 of 2008) became effective on 1 May 2011 as per proclamation R.32 published in Government Gazette 34239 on 26 April 2011. The Companies Act, 2008, repealed the whole of the Companies Act, 1973 (Act 61 of 1973, except for Chapter 14 in as far as it deals with the liquidation and winding-up of insolvent companies).

In terms of Item 4(1)(a) of Schedule 5 (Transitional Arrangements) to the Companies Act, 2008, the company is deemed to have amended its Memorandum of Incorporation as of the general effective date to expressly state that it is a non-profit company, and to have changed its name in so far as required to comply with section 11 (3). Therefore, as from 1 May 2011, the name of the company is Johannesburg City Parks NPC.

All references to the Companies Act in these annual financial statements are to the Companies Act, 2008, unless otherwise indicated.

3. New standards and interpretations

3.1 Standards and interpretations effective and adopted in the current year

In the current year, the entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

IGRAP 1: Interpretation of GRAP: Applying the Probability Test on Initial Recognition of Exchange Revenue

An entity assesses the probability of each transaction on an individual basis when it occurs. Entities shall not assess the probability on an overall level based on the payment history of recipients of the service in general when the probability of revenue is assessed at initial recognition.

The full amount of revenue will be recognised at initial recognition. Assessing impairment is an event that takes place subsequently to initial recognition. Such impairment is an expense. Revenue is not reduced by this expense.

The effective date of the interpretation is for years beginning on or after 01 April 2010.

The entity has adopted the interpretation for the first time in the 2011 annual financial statements.

The impact of the interpretation is not material.

GRAP 26: Impairment of cash-generating assets

Cash-generating assets are those assets held by an entity with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

An entity assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, an entity estimates the recoverable amount of the asset. When estimating the value in use of an asset, an entity estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and an entity applies the appropriate discount rate to those future cash flows.

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit. Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, an entity determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

Notes to the Annual Financial Statements

Figures in Rand thousand

3. New standards and interpretations (continued)

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, an entity uses management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, an entity estimates the recoverable amount of that asset.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2012.

The entity expects to adopt the standard for the first time in the 2013 annual financial statements.

It is unlikely that the standard will have a material impact on the entity's annual financial statements.

GRAP 23: Revenue from Non-exchange Transactions

Revenue from non-exchange transactions arises when an entity receives value from another entity without directly giving approximately equal value in exchange. An asset acquired through a non-exchange transaction shall initially be measured at its fair value as at the date of acquisition.

This revenue will be measured at the amount of increase in net assets recognised by the entity.

An inflow of resources from a non-exchange transaction recognised as an asset shall be recognised as revenue, except to the extent that a liability is recognised for the same inflow. As an entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it will reduce the carrying amount of the liability recognised and recognise an amount equal to that reduction.

This Standard has been approved by the Accounting Standards Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2012.

The entity has early adopted the standard for the first time in the 2011 annual financial statements.

Notes to the Annual Financial Statements

Figures in Rand thousand

3. New standards and interpretations (continued)

The adoption of this standard has not had a material impact on the results of the entity, but has resulted in more disclosure than would have previously been provided in the annual financial statements.

GRAP 25: Employee benefits

The objective of GRAP25 is to prescribe the accounting and disclosure for employee benefits. The Standard requires an entity to recognise:

- a liability when an employee has provided service in exchange for employee benefits to be paid in the future; and
- an expense when an entity consumes the economic benefits or service potential arising from service provided by an employee in exchange for employee benefits.

GRAP25 must be applied by an employer in accounting for all employee benefits, except share based payment transactions.

GRAP25 defines, amongst others, the following:

- Employee benefits as all forms of consideration given by an entity in exchange for service rendered by employees;
- Defined contribution plans as post-employment benefit plans under which an entity 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;
- Defined benefit plans as post-employment benefit plans other than defined contribution plans;
- Multi-employer plans as defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that:
  - pool the assets contributed by various entities that are not under common control; and
  - use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned;
- Other long-term employee benefits as employee benefits (other than post-employment benefits and termination benefits) that is not due to be settled within twelve months after the end of the period in which the employees render the related service;
- Post-employment benefits as employee benefits (other than termination benefits) which are payable after the completion of employment;
- Post-employment benefit plans as formal or informal arrangements under which an entity provides post-employment benefits for one or more employees;
- Short-term employee benefits as employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service;
- State plans as plans other than composite social security programmes established by legislation which operate as if they are multi-employer plans for all entities in economic categories laid down in legislation;
- Termination benefits as employee benefits payable as a result of either:
  - an entity's decision to terminate an employee's employment before the normal retirement date; or
  - an employee's decision to accept voluntary redundancy in exchange for those benefits;
- Vested employee benefits as employee benefits that are not conditional on future employment.

The standard states the recognition, measurement and disclosure requirements of:

- Short-term employee benefits;
  - all short-term employee benefits;
  - short-term compensated absences;
  - bonus, incentive and performance related payments;
- post-employment benefits: Defined contribution plans;
- other long-term employee benefits and
- termination benefits.

The standard states for post-employment benefits: Distinction between defined contribution plans and defined benefit plans:

- Multi-employer plans;
- Defined benefit plans where the participating entities are under common control;

Notes to the Annual Financial Statements

Figures in Rand thousand

3. New standards and interpretations (continued)

- State plans;
- Composite social security programmes;
- Insured benefits.

The standard states, for Post-employment benefits: Defined benefit plans, the following requirements:

- Recognition and measurement;
- Presentation;
- Disclosure;
- Accounting for the constructive obligation;
- Statement of financial position;
- Asset recognition ceiling;
- Asset recognition ceiling: When a minimum funding requirement may give rise to a liability;
- Statement of financial performance.

The standard prescribes recognition and measurement for:

- Present value of defined benefit obligations and current service cost:
  - Actuarial valuation method;
  - Attributing benefits to periods of service;
  - Actuarial assumptions;
  - Actuarial assumptions: Discount rate;
  - Actuarial assumptions: Salaries, benefits and medical costs;
  - Actuarial gains and losses;
  - Past service cost.
- Plan assets:
  - Fair value of plan assets;
  - Reimbursements;
  - Return on plan assets.

The standard also deals with Entity combinations and Curtailments and settlements.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2012.

The entity has early adopted the standard for the first time in the 2011 annual financial statements.

The impact of the standard is not material.

3.2 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 July 2011 or later periods:

GRAP 18: Segment Reporting

Segments are identified by the way in which information is reported to management, both for purposes of assessing performance and making decisions about how future resources will be allocated to the various activities undertaken by the entity. The major classifications of activities identified in budget documentation will usually reflect the segments for which an entity reports information to management.

Segment information is either presented based on service or geographical segments. Service segments relate to a distinguishable component of an entity that provides specific outputs or achieves particular operating objectives that are in line with the entity's overall mission. Geographical segments relate to specific outputs generated, or particular objectives achieved, by an entity within a particular region.

Notes to the Annual Financial Statements

Figures in Rand thousand

3. New standards and interpretations (continued)

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

Directive 2 - Transitional provisions for public entities, municipal entities and constitutional institutions, states that no comparative segment information need to be presented on initial adoption of this Standard.

Directive 3 - Transitional provisions for high capacity municipalities states that no comparative segment information need to be presented on initial adoption of the Standard. Where items have not been recognised as a result of transitional provisions under the Standard of GRAP on Property, Plant and Equipment, recognition requirements of this Standard would not apply to such items until the transitional provision in that Standard expires.

Directive 4 – Transitional provisions for medium and low capacity municipalities states that no comparative segment information need to be presented on initial adoption of the Standard. Where items have not been recognised as a result of transitional provisions under the Standard of GRAP on Property, Plant and Equipment and the Standard of GRAP on Agriculture, the recognition requirements of the Standard would not apply to such items until the transitional provision in that standard expires.

The effective date of the standard is to be determined by the Minister of Finance.

The entity expects to adopt the standard for the first time in the financial year following the year in which it became effective.

The adoption of this standard is not expected to impact on the results of the entity, but may result in more disclosure than is currently provided in the annual financial statements.

GRAP 21: Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

An entity assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, an entity estimates the recoverable service amount of the asset.

The present value of the remaining service potential of a non-cash-generating asset is determined using one of the following approaches:

- Depreciated replacement cost approach
- Restoration cost approach
- Service units approach

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit. Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, an entity estimates the recoverable service amount of that asset.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

Notes to the Annual Financial Statements

Figures in Rand thousand

3. New standards and interpretations (continued)

The effective date of the standard is for years beginning on or after 01 April 2012.

The entity expects to adopt the standard for the first time in the 2013 annual financial statements.

It is unlikely that the standard will have a material impact on the entity's annual financial statements.

GRAP 104: Financial Instruments

The standard prescribes recognition, measurement, presentation and disclosure requirements for financial instruments. Financial instruments are defined as those contracts that result in a financial asset in one entity and a financial liability or residual interest in another entity. A key distinguishing factor between financial assets and financial liabilities and other assets and liabilities, is that they are settled in cash or by exchanging financial instruments rather than through the provision of goods or services.

One of the key considerations in initially recognising financial instruments is the distinction, by the issuers of those instruments, between financial assets, financial liabilities and residual interests. Financial assets and financial liabilities are distinguished from residual interests because they involve a contractual right or obligation to receive or pay cash or another financial instrument. Residual interests entitle an entity to a portion of another entity's net assets in the event of liquidation and, to dividends or similar distributions paid at management's discretion.

In determining whether a financial instrument is a financial asset, financial liability or a residual interest, an entity considers the substance of the contract and not just the legal form.

Where a single instrument contains both a liability and a residual interest component, the issuer allocates the instrument into its component parts. The issuer recognises the liability component at its fair value and recognises the residual interest as the difference between the carrying amount of the instrument and the fair value of the liability component. No gain or loss is recognised by separating the instrument into its component parts.

Financial assets and financial liabilities are initially recognised at fair value. Where an entity subsequently measures financial assets and financial liabilities at amortised cost or cost, transactions costs are included in the cost of the asset or liability.

The transaction price usually equals the fair value at initial recognition, except in certain circumstances, for example, where interest free credit is granted or where credit is granted at a below market rate of interest.

Concessionary loans are loans either received by or granted to another entity on concessionary terms, e.g. at low interest rates and flexible repayment terms. On initial recognition, the fair value of a concessionary loan is the present value of the agreed contractual cash flows, discounted using a market related rate of interest for a similar transaction. The difference between the proceeds either received or paid and the present value of the contractual cash flows is accounted for as non-exchange revenue by the recipient of a concessionary loan in accordance with Standard of GRAP on Revenue from Non-exchange Revenue Transactions (Taxes and Transfers), and using the Framework for the Preparation and Presentation of Financial Statements (usually as an expense) by the grantor of the loan.

Financial assets and financial liabilities are subsequently measured either at fair value or, amortised cost or cost. An entity measures a financial instrument at fair value if it is:

- a derivative;
- a combined instrument designated at fair value, i.e. an instrument that includes a derivative and a non-derivative host contract;
- held-for-trading;
- a non-derivative instrument with fixed or determinable payments that is designated at initial recognition to be measured at fair value;
- an investment in a residual interest for which fair value can be measured reliably; and
- other instruments that do not meet the definition of financial instruments at amortised cost or cost.

Derivatives are measured at fair value. Combined instruments that include a derivative and non-derivative host contract are accounted for as follows:

Notes to the Annual Financial Statements

Figures in Rand thousand

3. New standards and interpretations (continued)

- Where an embedded derivative is included in a host contract which is a financial instrument within the scope of this Standard, an entity can designate the entire contract to be measured at fair value or, it can account for the host contract and embedded derivative separately using GRAP 104. An entity is however required to measure the entire instrument at fair value if the fair value of the derivative cannot be measured reliably.
- Where the host contract is not a financial instrument within the scope of this Standard, the host contract and embedded derivative are accounted for separately using GRAP 104 and the relevant Standard of GRAP.

Financial assets and financial liabilities that are non-derivative instruments with fixed or determinable payments, for example deposits with banks, receivables and payables, are measured at amortised cost. At initial recognition, an entity can however designate such an instrument to be measured at fair value.

An entity can only measure investments in residual interests at cost where the fair value of the interest cannot be determined reliably.

Once an entity has classified a financial asset or a financial liability either at fair value or amortised cost or cost, it is only allowed to reclassify such instruments in limited instances.

An entity derecognises a financial asset, or the specifically identified cash flows of an asset, when:

- the cash flows from the asset expire, are settled or waived;
- significant risks and rewards are transferred to another party; or
- despite having retained significant risks and rewards, an entity has transferred control of the asset to another entity.

An entity derecognises a financial liability when the obligation is extinguished. Exchanges of debt instruments between a borrower and a lender are treated as the extinguishment of an existing liability and the recognition of a new financial liability. Where an entity modifies the term of an existing financial liability, it is also treated as the extinguishment of an existing liability and the recognition of a new liability.

An entity cannot offset financial assets and financial liabilities in the statement of financial position unless a legal right of set-off exists, and the parties intend to settle on a net basis.

GRAP 104 requires extensive disclosures on the significance of financial instruments for an entity's statement of financial position and statement of financial performance, as well as the nature and extent of the risks that an entity is exposed to as a result of its annual financial statements. Some disclosures, for example the disclosure of fair values for instruments measured at amortised cost or cost and the preparation of a sensitivity analysis, are encouraged rather than required.

GRAP 104 does not prescribe principles for hedge accounting. An entity is permitted to apply hedge accounting, as long as the principles in IAS 39 are applied.

This standard has been approved by the Accounting Standards Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2012.

The entity expects to adopt the standard for the first time in the 2013 annual financial statements.

It is unlikely that the amendment will have a material impact on the entity's annual financial statements.

GRAP 20

The standard ensures that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

The effective date of the standard is to be determined by the Minister of Finance.

Notes to the Annual Financial Statements

Figures in Rand thousand

3. New standards and interpretations (continued)

The entity expects to adopt the standard for the first time in the financial year following its effective date.

It is unlikely that the standard will have a material impact on the entity's annual financial statements.

4. Inventories

Consumable stores	642	537
Tree inventory	2 287	653
	2 929	**1 190**

5. Loans to shareholder

City of Johannesburg Metropolitan Municipality - Notional loans The above loans are unsecured and have no fixed terms of payment. They bear interest at rates determined annually by actuarial valuations, based on market yields of government bonds.	66 832	68 743
City of Johannesburg Metropolitan Municipality - Sweeping account The above loan is unsecured and has no fixed terms of payment. The loan bears interest at rates determined from time to time by the City of Johannesburg Treasury , based on average call rates of banks.	207 724	234 579
	274 556	**303 322**

There was no default during the period of principal, interest, sinking fund or redemption terms of loans receivable.

There was no renegotiation of the terms of the loans during the period under review.

The loans to shareholder are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method.

Non-current assets	66 832	68 743
Current assets	207 724	234 579
	274 556	**303 322**

Fair value of loans to and from shareholder

Loans to shareholder	274 556	303 322

Notional loans

Loans at beginning of the year	68 743	69 483
Receipts	(5 673)	(5 305)
Interest	3 762	4 565
	66 832	**68 743**

No portion of the loans was pledged as security for any liabilities.

Notes to the Annual Financial Statements

Figures in Rand thousand	2011	2010

5. Loans to shareholder (continued)

Sweeping account

Loans at beginning of the year	234 579	186 575
Loan repaid by shareholder	(619 848)	(475 999)
Additional loan to shareholder	581 447	510 013
Interest received	11 546	13 990
	207 724	**234 579**

6. Trade and other receivables

Trade debtors	39 910	13 823
Prepayments	1	881
Fuel deposits	207	207
Dishonoured cheques	1	4
Allowance for bad debts	(10 963)	(13 843)
Related party debtors	64 696	38 831
Fair value adjustment of debtors	(714)	(111)
	93 138	**39 792**

Trade and other receivables pledged as security

No trade and other receivables were pledged as security at the end of the year.

Credit quality of trade and other receivables

Trade receivables comprise two main categories: government (including group companies) and corporate. Management evaluates credit risk relating to the customers on an ongoing basis. The assessment takes into account the financial position, past experiences and other factors.

Revenue within the cemetery fee environment is recognised on a cash basis, as the economic benefit of the service passes when the funds have been received. Returned cheques within this environment result in the blacklisting of the undertaker concerned. Revenue within the external services environment is exclusively with government, including group companies.

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

Trade and other receivables are non-interest bearing and are generally repayable between 30 and 90 days.

None of the financial assets that are fully performing have been renegotiated in the last year.

No security is held for any of the trade and other receivables.

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 30 June 2011, R 23 604 (2010: R 6 920) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

1 month past due	2 214	1 465
2 months past due	2 781	1 600
+3 months past due	18 609	3 855

Notes to the Annual Financial Statements

Figures in Rand thousand	2011	2010

6. Trade and other receivables (continued)

Trade and other receivables impaired

During the period under review, the following debtors defaulted on the stated amounts. The amounts were written off to bad debts. Debtors who are not related parties had their cases referred to the legal department:

Brenthurst Service Station	-	1
CJMM	548	17
City Power	426	-
Events income	1	-
Ingwe Communications	-	33
Johannesburg Concerts	-	8
Johannesburg Road Agency	-	3
Johannesburg Social Housing Company	181	-
Studio Epsilon	-	11
Unisa	6	-
Willowcrest Service Station	-	5

7. VAT receivable

VAT	657	1 527

VAT receivable represents a net input tax amount receivable from SARS.

Figures in Rand thousand	2011	2010

8. Employee benefit obligations

8.1 Defined benefit plan

Post-retirement liability		
Post-retirement medical aid plan	(12 512)	(22 778)
Post-retirement housing subsidy plan	(26)	(27)
Retirement gratuity plan	(57 681)	(56 848)
	(70 219)	**(79 653)**

8.1.1 Post retirement medical aid plan

The entity has obligations to subsidise medical aid contributions in respect of certain qualifying staff and pensioners and their surviving spouses. Only pensioners and employees who were aged 50 or over and were members of Lamaf (previously called Jomed) and Munimed medical schemes on 1 July 2003 are eligible for benefits. The amount of the subsidy is 60% for pensioners and members older than 55 on 1 July 2003 and 60% for other qualifying employees and is subject to a maximum of R 1 953 per month. The maximum increases annually on 1 July in accordance with the general 'cost of living' salary increase in the City of Johannesburg Metropolitan Municipality.

The above liability is unfunded. However, the City of Johannesburg Metropolitan Municipality has undertaken to cover such portion of the liability for staff of the entity who are entitled to benefits that relate to their service with the City of Johannesburg Metropolitan Municipality before the entity was established. This amount was determined as at 1 July 2003 and has been crystallised in the form of notional loan accounts which earn interest and against which the Company may claim benefit payments made. This loan account 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 statement of financial position of the entity as an asset.

Movements for the year

Opening balance	(22 778)	(22 690)
Benefits paid	384	325
Net expense recognised in the statement of financial performance	9 882	(413)
	(12 512)	**(22 778)**

Net expense recognised in the statement of financial performance

Current service cost	(608)	(787)
Interest cost	(2 059)	(1 906)
Actuarial gains	12 549	2 280
	9 882	**(413)**

Notional loan account

Opening balance	17 725	16 605
Interest received	991	1 120
Balance at end of year	**18 716**	**17 725**

Key assumptions used

Assumptions used on last valuation on 26 July 2011 done by Independent Actuarial Consultants.

Discount rates used	8,60 %	9,00 %
Expected rate of return on assets	8,60 %	9,00 %
Expected increase in salaries	5,60 %	5,90 %

Notes to the Annual Financial Statements

Figures in Rand thousand	2011	2010

8. Employee benefit obligations (continued)

8.1.2 Post retirement housing subsidy plan

The entity provides housing subsidies in respect of certain qualifying staff. In the event that the housing loan that the subsidy relates to is not fully paid at retirement date the subsidy will continue in the member's retirement. The subsidy amount is based on the subsidy being received at the date of the valuation. It is assumed to remain constant and to continue for a period of 10 years after retirement.

The above liability is unfunded. However, the City of Johannesburg Metropolitan Municipality has undertaken to cover such portion of the liability for staff of the entity who are entitled to benefits that relate to their service with the City of Johannesburg Metropolitan Municipality before the entity was established. This amount was determined as at 1 July 2003 and has been crystallised in the form of notional loan accounts which earn interest and against which the company may claim benefit payments made. This loan account 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 statement of financial position of the entity as an asset.

Movements for the year

Opening balance	(27)	(19)
Benefits paid	-	(1)
Net expense recognised in the statement of financial performance	1	(7)
	(26)	**(27)**

Net expense recognised in the statement of financial performance

Current service cost	(1)	(2)
Interest cost	(2)	-
Actuarial gains (losses)	4	(5)
	1	**(7)**

Key assumptions used

Assumptions used on last valuation on 26 July 2011 done by Independent Actuarial Consultants.

Discount rates used	8,60 %	9,00 %
Expected rate of return on assets	8,60 %	9,00 %
Expected increase in salaries	5,60 %	5,90 %

8.1.3 Post retirement gratuity plan

The Company provides gratuities on retirement or prior death (i.e. for those members that have died prior to retirement date) in respect of employees who have service with the City of Johannesburg Metropolitan Municipality or the Company when they were not members of one of the retirement funds and who meet certain service requirements in terms of the City of Johannesburg Metropolitan Municipality's conditions of employment. The gratuity amount is based on 1 (one) month's salary per year of non-retirement funding service and a bonus of 1 (one) month's salary for every 5 (five) completed years of non-retirement funding service.

The above liability is unfunded. However, the City of Johannesburg Metropolitan Municipality has undertaken to cover such portion of the liability for staff of the Company who are entitled to benefits that relate to their service with the City of Johannesburg Metropolitan Municipality before the Company was established. This amount was determined as at 1 July 2003 and has been crystallised in the form of notional loan accounts which earn interest and against which the Company may claim benefit payments made. This loan account 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 Statement of Financial Position of the Company as an asset.

Notes to the Annual Financial Statements

Figures in Rand thousand	2011	2010

8. Employee benefit obligations (continued)

Movements for the year

Opening balance	(56 848)	(61 099)
Benefits paid	5 673	5 381
Net expense recognised in the statement of financial performance	(6 506)	(1 130)
	(57 681)	**(56 848)**

Net expense recognised in the statement of financial performance

Interest cost	(5 139)	(5 132)
Actuarial gains (losses)	(1 367)	4 002
	(6 506)	**(1 130)**

Notional loan account

Opening balance	51 018	52 859
Interest received	2 771	3 445
Payments against account	(5 673)	(5 286)
Balance at end of year	**48 116**	**51 018**

Key assumptions used

Assumptions used on last valuation on 26 July 2011 done by Independent Actuarial Consultants .

Discount rates used	8,60 %	9,00 %
Expected rate of return on assets	8,60 %	9,00 %
Expected increase in salaries	5,60 %	5,90 %

8.2 Defined contribution plan

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.

The total economic entity contribution to such schemes	19 806	18 508
The amount recognised as an expense for defined contribution plans is	19 806	18 508

Included in defined contribution plan information above, is the following plan(s) which is (are) a Multi-Employer Funds and is (are) a Defined Benefit Plans, but due to the fact that sufficient information is not available to enable the entity to account for the plan(s) as a defined benefit plan(s). The entity accounted for this (these) plan(s) as a defined contribution plan(s):

Notes to the Annual Financial Statements

Figures in Rand thousand	2011	2010

8. Employee benefit obligations (continued)

Defined contribution funds

- City Power Retirement Fund
- E-Joburg Retirement Fund
- Meshawu National Local Authorities Retirement Fund
- Municipal Councilors Pension Fund
- Municipal Employees Gratuity Fund
- Municipal Gratuity Fund
- National Fund for Municipal Workers
- South African Municipal Workers' Union Provident Fund

In the case of these defined contribution funds, the contributions paid have been expensed as required in terms of IAS 19.

Defined benefits funds

- City of Johannesburg Pension Fund
- Diepmeadow Pension Fund
- Johannesburg Municipal Pension Fund
- South African Local Authorities Pension Fund
- Soweto City Council Pension Fund

Hybrid funds

- Joint Municipal Pension Fund
- Municipal Employees Pension Fund

Management, as a result of insufficient information of the multi-employer plans being available, could not determine the appropriate share of the obligation, plan assets and associated costs of any of the defined benefits funds. Accordingly, all funds have been accounted for using a defined-contribution basis at the municipal entity level.

However, full-defined benefit accounting has been applied at the group level in the accounts of the Group for the City of Johannesburg Pension Fund, Johannesburg Municipal Pension Fund, South African Local Authorities Pension Fund and Soweto City Council Pension Fund. The City of Johannesburg Metropolitan Municipality has undertaken to carry all pension obligations up to 30 June 2011.

Contributions to the Deapmeadow Pension Fund were ceased for the group with effect from 31 July 2003. Benefits have been paid and will accumulate for members on a defined contribution basis.

9. Cash and cash equivalents

Cash and cash equivalents consist of:

Petty cash	54	50

No cash and cash equivalents were pledged as security.

Figures in Rand thousand	2011	2010

9. Cash and cash equivalents (continued)

The entity had the following ABSA bank accounts

Cheque account number	Bank statement balances			Cash book balances		
	30 June 2011	30 June 2010	30 June 2009	30 June 2011	30 June 2010	30 June 2009
4054428422	-	-	-	(32 553)	(40 022)	(22 024)
4054428391	-	-	-	-	-	1
Total	**-**	**-**	**-**	**(32 553)**	**(40 022)**	**(22 023)**

10. Property, plant and equipment and intangible assets

	2011			2010		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Buildings	23 044	(2 259)	20 785	22 595	(1 501)	21 094
Finance lease assets	2 704	(1 238)	1 466	1 866	(768)	1 098
IT equipment	10 405	(8 923)	1 482	9 924	(7 131)	2 793
Land	2 240	-	2 240	2 240	-	2 240
Leasehold improvements	3 998	(1 133)	2 865	1 209	(783)	426
Minor plant	23 800	(15 163)	8 637	22 551	(12 134)	10 417
Office equipment	8 438	(5 660)	2 778	7 256	(4 619)	2 637
Park facilities	591	(592)	(1)	591	(416)	175
Spare parts	1 361	-	1 361	1 186	-	1 186
Total	**76 581**	**(34 968)**	**41 613**	**69 418**	**(27 352)**	**42 066**

Reconciliation of property, plant and equipment and intangible assets - 2011

	Opening balance	Additions	Disposals	Depreciation	Total
Land	2 240	-	-	-	2 240
Buildings	21 094	449	-	(758)	20 785
Office equipment	2 637	1 283	(12)	(1 130)	2 778
IT equipment	2 793	1 254	(150)	(2 415)	1 482
Leasehold improvements	426	2 789	-	(350)	2 865
Finance lease assets	1 098	1 109	(27)	(714)	1 466
Minor plant	10 417	2 136	(249)	(3 667)	8 637
Park facilities	175	-	-	(176)	(1)
Spare parts	1 186	175	-	-	1 361
	42 066	**9 195**	**(438)**	**(9 210)**	**41 613**

Figures in Rand thousand	2011	2010

10. Property, plant and equipment and intangible assets (continued)

Reconciliation of property, plant and equipment and intangible assets - 2010

	Opening balance	Additions	Disposals	Depreciation	Total
Land	2 240	-	-	-	2 240
Buildings	21 847	-	-	(753)	21 094
Office equipment	3 112	584	(6)	(1 053)	2 637
IT equipment	4 237	1 041	(227)	(2 258)	2 793
Leasehold improvements	384	148	-	(106)	426
Finance lease assets	318	1 035	-	(255)	1 098
Minor plant	11 517	3 011	(81)	(4 030)	10 417
Park facilities	175	-	-	-	175
Spare parts	977	209	-	-	1 186
	44 807	**6 028**	**(314)**	**(8 455)**	**42 066**

Pledged as security

None of the company's assets are pledged as security except for finance lease assets with a carrying value of R 1 466 (2010: R1 098).

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

Assets subject to finance lease (Net carrying amount)

Leasehold improvements	2 865	426
Finance lease assets	1 466	1 098
	4 331	**1 524**

Details of properties

Land and buildings comprise of property situated at 40 De Korte Street, in the township of Braamfontein, Johannesburg, Registration Division I.R, The Province of Gauteng; measuring in the extent of 995 square metres, and held by deed of transfer No. T 043009/07. The property was purchased at a consideration of R12 882 and was transferred in to the name of Johannesburg City Parks on 2007/08/06.

The leased property, plant and equipment is secured as described in note 12 .

There was no impairment of property, plant and equipment during the financial year under review, (2010: Nil).

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 company.

11. Intangible assets

	2011			2010		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	14 134	(9 370)	4 764	12 997	(7 513)	5 484

Notes to the Annual Financial Statements

Figures in Rand thousand	2011	2010

11. Intangible assets (continued)

Reconciliation of intangible assets - 2011

	Opening balance	Additions	Amortisation	Total
Computer software	5 484	1 136	(1 856)	4 764

Reconciliation of intangible assets - 2010

	Opening balance	Additions	Amortisation	Total
Computer software	4 347	2 631	(1 494)	5 484

Pledged as security

No intangible assets were pledged as security.

12. Finance lease obligation

Minimum lease payments due		
- within one year	857	559
- in second to fifth year inclusive	697	658
	1 554	1 217
less: future finance charges	(151)	(130)
Present value of minimum lease payments	**1 403**	**1 087**
Present value of minimum lease payments due		
- within one year	811	524
- in second to fifth year inclusive	592	563
	1 403	**1 087**
Non-current liabilities	592	563
Current liabilities	811	524
	1 403	**1 087**

It is entity policy to lease certain office equipment under finance leases.

The average lease term is 3 years and the average effective borrowing rate is 9% (2010: 10%).

Interest rates are fixed at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

No restrictions other than for transfer or disposal of leased property have been imposed by the lessor.

The entity's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer note 10.

Notes to the Annual Financial Statements

Figures in Rand thousand	2011	2010

13. Trade and other payables

Trade payables	74 215	86 032
Amounts received in advance	38	208
Amounts received in advance for capital developments and other items	2 364	1 176
Amounts held in trust	76 623	57 301
Accrued leave pay	12 723	13 260
Accrued payroll cost	344	256
Other accrued expenses	12 536	6 134
Related party creditor	7 176	6 286
Fair value adjustment	-	(35)
	186 019	**170 618**

Trade and other payables are carried at amortised cost.

Trade and other payables are non-interest bearing and are normally settled on 30 day terms.

The entity has not defaulted on any of the accounts payable .

None of the terms attached to the accounts payable were re-negotiated in the period under review.

14. Provisions

Reconciliation of provisions - 2011

	Opening Balance	Additions	Utilised during the year	Total
Performance bonus and staff 13th cheques	15 334	13 526	(15 334)	13 526
Salaries backpay	979	-	(979)	-
	16 313	**13 526**	**(16 313)**	**13 526**

Reconciliation of provisions - 2010

	Opening Balance	Additions	Utilised during the year	Total
Performance bonus and Staff 13th cheques	10 867	15 334	(10 867)	15 334
Salary backpay	-	979	-	979
	10 867	**16 313**	**(10 867)**	**16 313**

The entity intends to pay performance bonuses and staff 13th cheques to its employees based on their performance for services rendered during the current financial year.

15. Shareholder's loan on incorporation

Shareholder's loan	28 098	28 098

The Shareholder's loan was advanced on incorporation. The loan has no fixed repayment terms and does not bear interest.

Notes to the Annual Financial Statements

Figures in Rand thousand	2011	2010

16. Revenue

Rental of facilities & equipment	1 827	2 188
Municipal subsidy	469 596	425 047
Cemetery fees	19 575	18 724
External services	88 438	60 190
Other revenue	1 012	965
Miscellaneous other revenue	12 632	1 930
	593 080	**509 044**
The amount included in revenue arising from exchanges of goods or services are as follows:		
Rental of facilities & equipment	1 827	2 188
Cemetery fees	19 575	18 724
External services	88 438	60 190
Other revenue	12 632	1 930
	122 472	**83 032**
The amount included in revenue arising from non-exchange transactions is as follows:		
Municipal grants	469 596	425 047
Other revenue	1 012	965
	470 608	**426 012**

17. Municipal grants and subsidies

Municipal subsidy	469 596	425 047
Municipal infrastructure grant		
Current year receipts	20 000	12 357
Conditions met - transferred to utilised	(20 000)	(12 357)
Conditions still to be met - transferred to liabilities	-	-

Notes to the Annual Financial Statements

Figures in Rand thousand	2011	2010

18. Other revenue

The amount included in other revenue arising from exchanges of goods or services are as follows:		
Tender receipts	259	161
Bad debts recovered	10 856	8
Insurance recoveries	624	991
Project Admin Fee	154	189
Community Infrastructure Development project revenue	59	-
Recycling income	2	1
Rental income	639	580
Foreign exchange	39	-
	12 632	**1 930**
The amount included in other revenue arising from non-exchange transactions is as follows:		
SETA grant	855	923
Donations received	157	42
	1 012	**965**

Notes to the Annual Financial Statements

Figures in Rand thousand	2011	2010

19. General expenses

Advertising	886	337
Animal Costs	-	5
Auditors remuneration	914	921
Bank charges	149	133
Cleaning	497	500
Conferences and seminars	1 200	745
Consulting and professional fees	4 015	3 891
Consumables	773	560
Cost of sales rendering of services	67 620	42 165
Electricity	12 672	11 162
Entertainment	557	296
Fleet costs	46 018	43 768
Fruitless and wasteful expenditure	-	9
Fuel and oil	2 160	2 145
Gas	106	92
Gifts	68	128
Hire of equipment	501	546
Horticulture	23 260	22 338
IT expenses	2 572	2 175
Insurance	3 877	4 173
Magazines, books and periodicals	46	49
Marketing	4 012	3 585
Other sundry expenses	66	493
Pest control	224	52
Placement fees	125	560
Postage and courier	3	5
Printing and stationery	2 217	1 873
Project maintenance costs	7	38
Refreshments	669	501
Refuse	980	935
Rental of equipment and cemetery	524	1 673
Security (guarding of municipal property)	15 707	12 091
Sewerage and waste disposal	548	352
Software expenses	1 674	663
Subscriptions and membership fees	181	184
Telephone and fax	2 596	2 282
Training	1 159	1 185
Travel - local	421	258
Travel - overseas	652	33
Uniforms	1 523	1 539
Water	11 926	10 014
	213 105	**174 454**

Notes to the Annual Financial Statements

Figures in Rand thousand		2011	2010
20. Employee related costs			
13th Cheques		10 452	9 696
Bonus		4 192	9 730
Car allowance		8 121	8 468
EPWP labour costs		86 092	58 909
Employee funeral insurance		488	495
Employee wellness		757	1 027
Housing benefits and allowances		4 783	4 800
Leave pay provision charge		128	4 417
Other employee costs		292	229
Other payroll levies		42	173
Overtime payments		5 127	4 409
Pension and provident fund contributions	8	21 672	14 314
Salaries and wages		179 600	175 648
Skills Development Levy		2 101	1 867
Unemployment Insurance Fund		1 722	1 538
Workmens Compensation Act Insurance		1 636	1 466
		327 205	**297 186**
Remuneration of executive directors			
Salary		1 136	1 478
Travelling allowance		80	32
Performance bonuses		157	126
Acting allowance		135	-
Compensation for loss of office		1 230	-
		2 738	**1 636**
Remuneration of non executive directors			
Fees		833	963
21. Debt impairment			
Bad debts provision		7 000	-
Bad debts written off		1 162	13 920
		8 162	**13 920**
22. Investment revenue			
Interest revenue			
Loans to shareholder		15 308	18 555

The amount included in Investment revenue arising from non-exchange transactions amounted to R 11 546.

23. Depreciation and amortisation			
Property, plant and equipment and intangible assets		11 066	9 949

Notes to the Annual Financial Statements

Figures in Rand thousand	2011	2010

24. Fair value adjustments

Fair value adjustments to trade payables	35	33
Fair value adjustments to trade receivables	603	(24)
	638	**9**

25. Finance costs

Finance leases	56	57
Interest on employee benefit obligations	7 201	7 040
	7 257	**7 097**

Total interest expense, calculated using the effective interest rate, on financial instruments not at fair value through surplus or deficit amounted to R32(2010: R68).

26. Auditors' remuneration

Fees	914	921

27. Cash (used in) generated from operations

Surplus	20 782	11 774
Adjustments for:		
Depreciation and amortisation	11 066	9 949
Gain on sale of assets	436	160
Fair value adjustments	638	9
Bad debts	8 162	13 920
Movements in provisions	(2 787)	5 446
Other non-cash items	2	(5)
Changes in working capital:		
Inventories	(1 774)	(709)
Trade and other receivables	(53 949)	4 437
Other current assets	(8 162)	(13 920)
Trade and other payables	15 401	31 003
VAT	870	(2 953)
	(9 315)	**59 111**

Notes to the Annual Financial Statements

Figures in Rand thousand	2011	2010

28. Commitments

Commitments in respect of capital expenditure:

Authorised and not yet contracted for		
• Property, plant and equipment	6 250	6 250
• Parks and road islands	20 500	14 000
• Cemeteries	19 700	11 100
• Software	750	750
	47 200	**32 100**
This expenditure will be financed from:		
Government grants	40 200	25 100
Internal cash	7 000	7 000
	47 200	**32 100**

Operating leases – fleet

Minimum lease payments due		
- within one year	(39 930)	(37 777)
- in second to fifth year inclusive	(25 230)	(23 870)
- later than five years	(4 925)	(4 659)
	(70 085)	**(66 306)**

Operating lease payments represent rentals payable by the entity for certain vehicles. Leases are negotiated for an average term of five years and rentals are linked to the prime interest rate. No contingent rent is payable.

29. Contingent Liability

There is a possible claim against the company from a number of employees with regard to the payment of accumulated sick leave.

Figures in Rand thousand	2011	2010

30. Related parties

Relationships	
Controlling entity	City of Johannesburg Metropolitan Municipality
Other members of the group	City of Johannesburg Property Company SOC Ltd
	City Power Johannesburg SOC Ltd
	Johannesburg Development Agency SOC Ltd
	Johannesburg Metropolitan Bus Services SOC Ltd
	Johannesburg Roads Agency SOC Ltd
	Johannesburg Tourism Company NPC
	Johannesburg Water SOC Ltd
	Metropolitan Trading Company SOC Ltd
	Pikitup Johannesburg SOC Ltd
	Roodepoort City Theatre NPC
	The Johannesburg Civic Theatre NPC
	The Johannesburg Fresh Produce Market SOC Ltd
	The Johannesburg Zoo NPC
	Johannesburg Social Housing Company SOC Ltd

Related party balances

Amounts included in Loans, Trade and other receivables regarding related parties		
City Power Johannesburg SOC Ltd	17 740	4 916
City of Johannesburg Metropolitan Municipality	46 071	30 525
City of Johannesburg Property Company SOC Ltd	125	106
Johannesburg Roads Agency SOC Ltd	636	1 589
Johannesburg Social Housing Company SOC Ltd	-	1 040
Johannesburg Tourism Company NPC	-	4
Johannesburg Water SOC Ltd	80	615
Pikitup Johannesburg SOC Ltd	32	36
The Johannesburg Zoo NPC	12	-
	64 696	**38 831**
Amounts included in Loans, Trade and other payables regarding related parties		
City Power Johannesburg SOC Ltd	155	1 091
City of Johannesburg Metropolitan Municipality	4 481	2 539
Johannesburg Roads Agency SOC Ltd	1 044	648
Johannesburg Water SOC Ltd	1 174	1 519
Pikitup Johannesburg SOC Ltd	290	451
The Johannesburg Civic Theatre SOC Ltd	1	2
The Johannesburg Zoo NPC	31	36
	7 176	**6 286**

Figures in Rand thousand	2011	2010

30. Related parties (continued)

Related party transactions

Income from related parties		
City Power Johannesburg SOC Ltd	25 842	28 437
City of Johannesburg Metropolitan Municipality	511 598	456 636
City of Johannesburg Property Company SOC Ltd	554	500
Johannesburg Roads Agency SOC Ltd	565	1 806
Johannesburg Social Housing Company SOC Ltd	219	1 526
Johannesburg Tourism Company NPC	25	20
Johannesburg Water SOC Ltd	1 000	544
Johannesburg Zoo	47	-
Pikitup Johannesburg SOC Ltd	28	52
	539 878	**489 521**
Purchases from related parties		
City Power Johannesburg SOC Ltd	1 580	2 843
City of Johannesburg Metropolitan Municipality	22 317	22 094
Johannesburg Civic Theatre SOC Ltd	22	27
Johannesburg Metropolitan Bus Services SOC Ltd	-	4
Johannesburg Social Housing Company SOC Ltd	2 452	2 400
Johannesburg Water SOC Ltd	1 831	1 920
Pikitup Johannesburg SOC Ltd	1 004	1 203
	29 206	**30 491**
Remuneration of independent audit committee members		
K Govender	30	-
H Moolla	-	59
GC Dunnington	35	30
CD Kneale	-	45
AL Nel	-	40
A Kanana	79	35
	144	**209**

In terms of Regulation 45 of the Municipal Supply Chain Management Regulation of 2005, the company must disclose any awards of more than R2000 to a person who is a spouse, child or parent in the service of the state. The following suppliers have declared their related parties as follows:

Supplier	Name of family member	Capacity of employment	Amount of award 2011	2010
AA Van Duuren	M van Duuren	Office Manager	0	10
Maawu Radebe	LY Maawu	Teacher	967	813
Makwenzeke Grass Cutting	P Sibiya	HR Officer	165	51
N & H Demolishing & Earthworks	R Maharaj	Traffic Officer	3 718	2 516
Phuti Trading Supply	PA Mabure	Teacher	225	252
Site Office & Stationery Supplies	J Masitenyane	Teacher	49	7

31. Prior period errors

The correction of the errors resulted in adjustments as follows for 2010:

VAT not claimed on insurance	1 019

Notes to the Annual Financial Statements

Figures in Rand thousand	2011	2010

31. Prior period errors (continued)

Surplus as previously reported	-	10 755
Prior year errors as stated above	-	1 019
Surplus restated	-	11 774
Statement of financial position		
VAT	-	(1 019)
Statement of financial performance		
General expenses	-	(1 019)

32. Comparative figures

Certain comparative figures have been reclassified. Refreshments of R669 (2010: R501), local travel of R421 (2010: R258) and overseas travel of R652 (2010: R33) were previously classified as employee related costs. They have been reclassified as general expenses. The reclassification was done to result in fairer presentation.

The effects of the reclassification are as follows:

Statement of Financial Performance		
Employee related cost	(1 742)	(792)
General expenses	1 742	792

33. Risk management

Capital risk management

The entity's objectives when managing capital are to safeguard the entity's ability to continue as a going concern. This allows the company to maintain an optimal capital structure from which to leverage and increase service delivery to stakeholders.

Consistent with others in the industry, the entity monitors capital on the basis of the debt: equity ratio.

Debt is considered to be current and non-current liabilities, and equity as net assets as noted in the statement of financial position .

The entity's strategy is to maintain a debt: equity ratio of 60 to 40.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

The debt: equity ratio at 2011 and 2010 respectively were as follows: 67:33 and 68:32.

Financial risk management

The company's overall risk management strategy is done in conjunction with the central treasury department within the City of Johannesburg Metropolitan Municipality. The treasury department identifies, evaluates and hedges financial risk in co-operation with the company.

Liquidity risk

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

The following is a summary of the contractual maturity of the company's financial liabilities. The amounts reflected are the contractual undiscounted cash flows.

Figures in Rand thousand	2011	2010

33. Risk management (continued)

At 30 June 2011	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Shareholder's loan	-	-	-	28 098
Trade and other payables: government	7 176	-	-	-
Trade and other payables: corporates	74 215	-	-	-
Other payables	28 005	76 623	-	-

At 30 June 2010	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Shareholder's loan	-	-	-	28 098
Trade and other payables: government	5 686	-	-	-
Trade and other payables: corporates	86 032	-	-	-
Other payables	21 599	57 301	-	-

Interest rate risk

The entity has significant interest-bearing assets. This has direct bearing on the entity's income and operating cash flows. The asset subject to the above is the sweeping account with the City of Johannesburg Metropolitan Municipality.The following table highlights the likely cashflow risk to the entity in the event of an interest rate fluctuation. The current interest rate is 5.24%

	2011	2010
Interest rate		Sweeping account
4.24%	(2 078)	(1 227)
5.24%		
6.24%	2 078	1 227.

The company has significant interest-bearing liabilities. This has direct bearing on the company's expenditure and operating cash flows. The liability subject to the above is the operating lease held with Fleet Africa for the vehicle fleet. The following table highlights the likely cashflow risk to the company in the event of an interest rate fluctuation. The current interest rate is 7.0%.

	2011	2010
Interest rate		Fleet Cost
8.0%	(371)	(402)
7.0%		
6.0%	371	(402)

Credit risk

Credit risk consists mainly of cash equivalents and trade receivables. The cash resources are swept on a daily basis via the City of Johannesburg Metropolitan Municipality treasury department. Trade receivables comprise two main categories: government and corporate. Management evaluates credit risk relating to customers on an ongoing basis. The assessment takes into account the financial position, past experience and other factors.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2011	2010
Shareholder's loan	207 724	234 579
Trade and other receivables	100 138	39 794

Notes to the Annual Financial Statements

Figures in Rand thousand	2011	2010

33. Risk management (continued)

Price risk

The entity is exposed to international commodity price risk relating to oil/price of fuel. The impact of the fuel price changes on the operating costs of the entity is highlighted in the following sensitivity analysis:

	2011	2010
Fuel price per litre	Cost	Cost
+R0.50	(540)	(575)
Current	-	-
-R0.50	540	575

34. Events after the reporting date

Management is not aware of any events that require adjusting after the reporting date. However, there is a HAWKS investigation that is currently being conducted and a report has not been finalised at the date of the presentation of these annual financial statements.

35. Unauthorised expenditure

There was no unauthorised expenditure in the year under review.

36. Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure		
Opening balance	9	34
Expenditure current year	-	9
Approved by Council or condoned	(9)	(34)
	-	**9**

No criminal or disciplinary steps have been taken as a consequence of above expenditure.

The interest was incurred as a result of late receipts of certified invoices and supplier statements by the accounts payable department.

2011

Interest on late payment of creditors - 0

2010

Interest on late payment of creditors - 9

37. Irregular expenditure

2011

There was no irregular expenditure in the period under review.

38. Additional disclosure in terms of Municipal Finance Management Act

Audit fees

Current year fee	914	921
Amount paid - current year	(914)	(921)
	-	**-**

Notes to the Annual Financial Statements

Figures in Rand thousand	2011	2010

38. Additional disclosure in terms of Municipal Finance Management Act (continued)

PAYE and UIF

Current year expenditure	33 857	29 393
Amount paid - current year	(33 857)	(29 393)
	-	-

Pension and medical aid deductions

Current year expenditure	43 711	41 053
Amount paid - current year	(43 711)	(41 053)
	-	-

VAT

VAT receivable	657	1 527

VAT input receivables are shown in noteo 7.

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

Supply chain management regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the supply chain management policy needs to be approved/condoned by the City Manager and noted by Council. The expenses incurred as listed hereunder will be submitted for condoning

Incident		
Sponsorship funds as per note 39	-	307
Diepsloot Park as per note 39	-	955
	-	**1 262**

39. Actual operating expenditure versus budgeted operating expenditure

Refer to Appendix E1 for the comparison of actual operating expenditure versus budgeted expenditure.

40. Deviation from supply chain management regulations

During the year under review there were no deviations exceeding R200 000, from 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.
During the 2010 financial year two awards were made 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.
1. 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 was required to pay the service provider from the proceeds of the sponsorship monies received.
2. 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 City Parks NPC
APPENDIX E(1) for the ended 30 June 2011

	Actual Balance (000's)	Original Budget (000's)	Variance (000's)	Explanation of Significant Variances greater than 10% versus Budget
Revenue				
Rental facilities and equipment	1 827	1 440	387	Bookings of events higher than anticipated
Government grants	469 596	469 596	-	
Cemetery fees	19 575	19 554	21	
External services revenue	88 438	35 038	53 400	Orders from COJ and City Power
Miscellaneous other revenue	12 632	2 073	10 559	Bad debts recovered
Revenue 1	1 012	788	224	
	593 080	528 489	64 591	
Other income				
Interest received - investment	15 308	14 812	496	Interest on employee benefit investments - not in budget. Low sweeping account interst rate due to low prime rate.
	15 308	14 812	496	
Cost of sales	(67 621)	(29 755)	(37 866)	In line with sales that exceeded budget
Gross Profit	540 767	513 546	27 221	
Expenses				
Employee related costs	(327 205)	(324 568)	(2 637)	Spent on EPWP salaries for service delivery
Bad debts	(8 162)	(528)	(7 634)	Provided for external services debtors
Depreciation	(11 066)	(10 349)	(717)	
Repairs and maintenance	(19 737)	(17 960)	(1 777)	Spent on buildings, playground equipment and roads and pathways.
Finance costs	(7 257)	(60)	(7 197)	On employee benefits obligation - not in budget
General expenses	(145 486)	(159 855)	14 369	Horticultural development and tree planting deferred and saving on fleet cost
Impairments	(638)	-	(638)	
Loss on disposal of property, plant, plant and equipment	(436)	(227)	(209)	
	(519 987)	(513 547)	(6 440)	
Operating profit	20 780	(1)	20 781	
Net surplus/ (deficit) for the year	20 780	(1)	20 781	