INTEGRATED ANNUAL REPORT 2015/16

Custodians of Joburg's green heritage

Joburg
a world class African city

Joburg City Parks

Joburg ZOO

Contents

1 ABOUT THE INTEGRATED REPORT..... 2

2 LEADERSHIP AND CORPORATE PROFILE..... 7

3 GOVERNANCE..... 22

4 SERVICE DELIVERY PERFORMANCE..... 45

5 HUMAN RESOURCES AND ORGANISATIONAL MANAGEMENT..... 68

6 FINANCIAL PERFORMANCE..... 77

7 AUDITOR- GENERAL FINDINGS..... 142

8 ANNEXURES..... 148

ABOUT THE INTEGRATED REPORT

Statutory annual reporting process

The Municipal Finance Management Act (MFMA) (*56 of 2003)* and the Municipal Structures Act Section 46 require Johannesburg City Parks and Zoo, as a municipal entity of the City of Johannesburg to prepare an annual report for each financial year. This Integrated Annual Report is a complete reporting version as required by the Acts, National Treasury Guidelines, and City of Johannesburg internal guidelines and integrated reporting best practice. The report is structured as follows:

- About the Integrated Report
- Leadership and Corporate Profile
- Governance
- Service Delivery Performance
- Human Resources and Organisational Management
- Financial performance
- Auditor-General Findings
- Annexures

This report presents Johannesburg City Parks and Zoo's 2015/16 Integrated Annual Report for the period 1 July 2015 to 30 June 2016.

Performance commentary

Commentary on the performance of the Company is indicated throughout the report by means of the following

Human and Social Development Cluster

Good Governance

Green and Blue Economy

Financial Sustainability and Resilience

SMME and Entrepreneurship Support

Sustainable Human Settlements

Referencing content online

The JCPZ 2015/16 Integrated Annual Report is available on the JCPZ website as a downloadable document: *www.jhbcityparks.com* and on the parent Company site *www.joburg.org.za*. Where applicable in this report, for purposes of brevity, more detailed information is referenced on the Company's website using the icon displayed below.

Scope and boundary of the Integrated Report

The Johannesburg City Parks and Zoo (JCPZ) Integrated Annual Report for the 12 months ended 30 June 2016 provides a review of the financial, social, environmental and governance performance of JCPZ. Through the use of an integrated reporting format, and application of globally recognised governance and sustainability reporting frameworks, this report aims to offer stakeholders a clear view of how JCPZ strategy, governance, performance and prospects – in the context of its external environment – lead to the creation of value over the short, medium and long term. The boundary of this report is limited to financial and non-financial performance reporting as it relates to JCPZ during the 2015/16 financial year. The integrity of the integrated annual report was overseen by the Board of Directors in conjunction with its Committees. This was achieved by setting up appropriate teams, structures and processes to undertake the integrated reporting process and then performing a thorough review of the resulting document. The Board of the JCPZ approved this Integrated Report on the 30th of November 2016.

Reporting philosophy

Integrated approach to reporting

JCPZ subscribes to Integrated Annual Reporting. As such, the report aims to reflect its commitment to a measured and integrated approach to its strategy and operational practices, as well as the reporting of its economic, social and environmental impacts.

Aligning with leading practice frameworks

JCPZ compiled this report using stakeholder feedback, as well as the input of reporting professionals and its own internal review process. The reporting structure allows the Company to meet the requirements of the Municipal Finance Management Act, Municipal Structures Act, National Treasury and City of Johannesburg Guidelines, as well as, as far as possible, the guidelines provided by the International

Integrated Reporting Council (IIRC) and the reporting priorities outlined in the King Code of Governance for South Africa.

In producing this report, the Company has also remained mindful of the key economic, social and environmental sustainability disclosures outlined in the Global Reporting Initiative (GRI-G4) and has started to progressively use the "materiality principle" as proposed by both the IIRC and the GRI-G4 guidelines to report on the Company's performance. As part of this progressive development, JCPZ has included "Standard Disclosures" from the GRI Sustainability Reporting Guidelines. A list of Standard Disclosures and their location in the report is available online at www.jhbcityparks.com. As the Company's integrated reporting progresses and matures over time, JCPZ will continue to refine its sustainability reporting according to the GRI-G4 guidelines.

Key features of this report

Key features of this year's report include:

- Illustrating how JCPZ derives "material issues" and how they inform Company strategy;
- Introducing a diagrammatic representation of Company's sustainability-driven business model to demonstrate the visible links between strategy and sustainability priorities;
- Harnessing the principle of 'materiality' to inform report content;
- Linking, as far as possible, JCPZ's material risks to strategy and material issues, as well as providing mitigation activities to manage risk exposure;
- Presenting a high-level diagrammatical representation of the linkages between the Company's business model, operational structure, strategic objectives, capital inputs and business outcomes to demonstrate the connectivity between strategy, operations and performance;
- Using icons as a navigation feature of this report. These icons highlight key strategic areas and guide the reader to related content both within the report and to online resources on the Company's website.

SAFE CITY

Engaged and Active Citizenry

Green and Blue Economy

Sustainable Human Settlements

Human and Social Development Cluster

Good Governance

Locate reporting indices online

The GRI-G4 Reporting Index associated with this report is located online at www.jhbcityparks.com as a downloadable PDF document.

Feedback

JCPZ aims to establish and maintain constructive and informed relationships with its stakeholders. Accordingly, Stakeholders are invited to actively participate by sending questions, comments and concerns to the JCPZ head office.

Assurance

Assurance on the Integrated Annual Report was facilitated through engagements with JCPZ Audit Committee and the JCPZ Board. The City, through the Municipal Public Accounts Committee, will consider this report as part of Council's oversight process between February and March 2017. The JCPZ's Integrated Annual Report will be subjected to the City's annual reporting oversight and monitoring framework as represented by Annexure … attached to this report. This report will be available to all JCPZ and City stakeholders. The Auditor-General (South Africa) has also audited the Company's performance.

JCPZ will continue to refine its approach to integrated reporting in future annual reports to further align with international reporting standards and to promote consistency, accessibility and accountability with respect to its multi-faceted role in creating and sustaining value for all citizens of Johannesburg.

Approval of the Integrated Report

The JCPZ Board acknowledges its responsibility to ensure the integrity of the 2015/16 Integrated Annual Report. The Board confirms having collectively reviewed the content of the Report and agree that it addresses issues that are material and that it provides a fair representation of the integrated performance of JCPZ for the period 1 July 2015 to 30 June 2016.

Contact Johannesburg City Parks and Zoo

Johannesburg City Parks
City Parks House
40 De Korte Street
Braamfontein, 2017

PO Box 2824
Johannesburg
South Africa
2000

Telephone number: (011) 712-6600
Fax number: (011) 712-6796
Website : www.jhbcityparks.com

Integrated Approach to Strategic Value Creation

Vision

A green, clean, conserved and active, world-class African city

The vision statement explained:

- **Green**: relates to sustainability and resilience. JCPZ's commitment to the green goals, including management of waste, energy, water saving, low carbon emissions etc.
- **Clean**: relates to well landscaped, fresh, safe, healthy and well managed open spaces and facilities. And clean governance.
- **Conserved**: focusses on issues related to animal and plant conservation, environmental management and the preservation of eco-systems.
- **Active**: relates to promotion of healthy lifestyles through the use of open spaces and facilities by communities while they are involved in environmental and conservation Programmes and projects.

Mission

To develop, maintain and conserve public open spaces, cemeteries and animal life for present and future generations.

- **Public Open Spaces**: relates to management and maintenance of both developed and undeveloped public spaces; including parks, reserves, sanctuaries, nature trails, botanical gardens, rivers, wetlands, dams, lakes, recreation and leisure facilities, green heritage of street verges and pavements.
- **Cemeteries**: relates the provision of committal and burial options in the city, the provision and maintenance of cemeteries, crematoria and memorial gardens.
- **Animal Life**: refers protection, preservation and conservation of fauna and related habitats in the city.

Values

The Company practises responsible leadership, characterised by the values of responsibility, accountability, fairness and transparency. To support and drive its core strategy, JCPZ appreciates that values identify the principles for the conduct of the institution in carrying out its mission; and in this regard, institutional values are derived in conjunction with the JCPZ mission. JCPZ values define a citizen-oriented approach for producing and delivering its services in line with the Batho-Pele principles. To support and drive its core strategy, JCPZ appreciates that values identify the principles for the conduct of the institution in carrying out its mission; and in this regard, institutional values are derived in conjunction with the JCPZ mission. The JCPZ values define a citizen-oriented approach for producing and delivering its services in line with the Batho-Pele principles, and are presented in the following framework:

Rietfontein Nature Reserve - is 26.2 kilometres north of the city centre in the suburb of Paulshof. This 25-hectare indigenous green space with its quartzite koppie evokes in all visitors a feeling of being in the country. As the bush is completely indigenous there is a marvellous array of birdlife. It offers some great small game sightings with blesbok, mountain reebok, duiker, klipspringer and steenbok abounding, as well as smaller creatures such as mongoose, tortoise and genet.

Indigenous plant life at Rietfontein Nature Reserve

Florida Lake - Large, cool shade-bearing trees dot the lakeside of this popular Roodepoort nature spot. Numerous small craft can be seen on the water over weekends while people from Joburg's flatlands come to soak up the sun, turning the dam and its embankments into a colourful canvas of outdoor living. Besides taking part in water sports such as sailing and canoeing, residents use the park for picnics, braais or simply taking their dogs for a quick walk. For the birding enthusiast there is a wide range of aquatic birds to delight in as the dam is situated next to a bird sanctuary, with the dam serving as a natural habitat.

Visitors enjoying public open space

Performance Highlights

- Sixty (60) primary cooperatives developed and supported at a cost of R6.5m
- Realised a surplus of R50m
- Annual budget of R855.8million.
- Cost savings of R35.1million

•Aachieved overall 76% of its targets

- 96% of service delivery targets
- R64.4 million CAPEX Spend
- 503 009 visitors to the Zoo
- 68 612 – the number of beneficiaries reached
- R107.3million – amount of revenue generated
- 3 071 job opportunities created
- 19 859 learners and teachers reached
- 29 458 Masibambisane beneficiaries
- 7 561 trees planted
- 3 787 fruit trees distributed
- Unqualified Audit Opinion 2014/2015
- Green Award
- Meadowlands Park Launch

Johannesburg City Parks and Zoo (JCPZ) is a non-profit Company duly registered and incorporated in accordance with the Company Laws of the Republic of South Africa under registration number: 2000/028782/08. The merger is a result of the institutional review process of the City of Johannesburg.

JCPZ is mandated by the City of Johannesburg to manage the following products and services: Urban parks, recreation and leisure facilities; Johannesburg Zoo; Zoo conservation and research farm; Cemeteries and crematoria; Botanical services; Nature reserves, including bird sanctuaries, nature trails, dams and lakes; Environmental education; Biodiversity and conservation management; Eco-tourism products and services and Trees and arboriculture services.

Approximately
3.2 million Trees

6 603.3 ha
of developed parks and arterials

7 500 ha
of pavements

174 ha
of water surfaces

15 bird
sanctuaries on 366 hectares

35 cemeteries
on 1 088 ha

22 nature reserves
on 1 203 ha

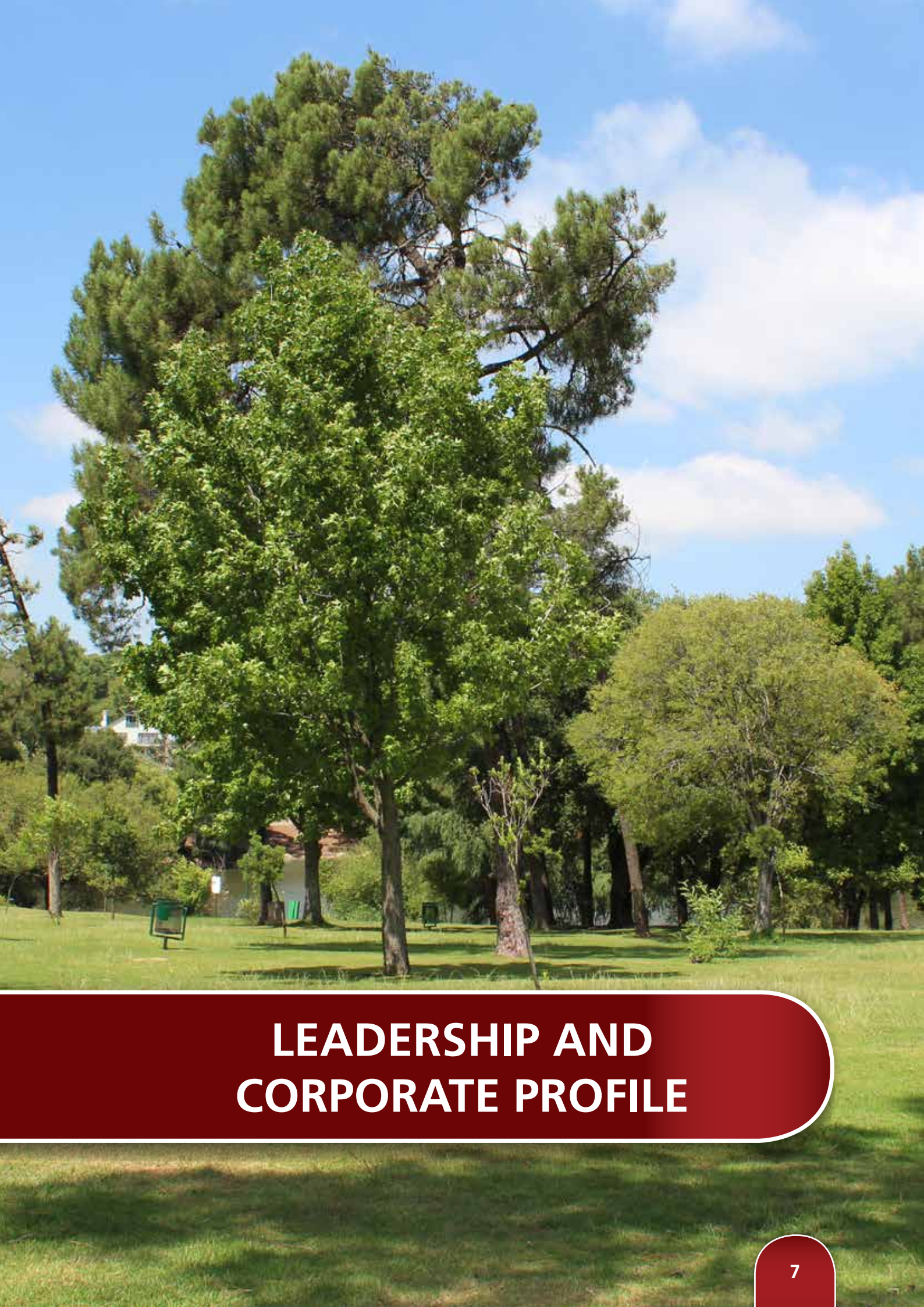
2 343 parks

1 302 specimens

CAPEX R87m
R855.8m OPEX

1 445 permanent employees

121 non permanent staff



LEADERSHIP AND CORPORATE PROFILE

Cllr Nonhlanhla Sifumba Member of the Mayoral Committee Community Development

MMC Foreword

The 2015-2016 financial year was another successful year as the service delivery targets were met. Budget cuts meant that available resources were stretched and emergency funding assisted with service delivery so that Johannesburg City Parks and Zoo (JCPZ) could make a difference.

JCPZ continues to contribute to community development through development and upgrading of parks and horticultural maintenance of public open spaces. In 2015-2016 the entity spent a capital budget of R64.4 million. JCPZ created over 3 071 EPWP jobs and 60 cooperatives benefited from its enterprise development Programme.

New Non-Executive Directors and Independent Audit Committee Members were appointed, who will provide leadership as stipulated by the Companies Act 71 of 2008, until the end of 2016-2017 financial year.

The 2015 Staff Awards ceremony was held in December 2015 to acknowledge and motivate staff. This was a memorable event, and the next staff awards event is eagerly anticipated.

Highlights of the year included:

- A children's book, "The big show", written by Daniel Browde and published by Play Africa, launched in June;
- A mountain biking event hosted in May, with commendable participation by the executives; and
- A Mother's Day concert hosted at the Zoo, attended by the Executive Mayor and other dignitaries.

The Zoo's education Programme, where schoolchildren handle amphibians, reptiles and mammals, is ongoing.

The above highlights were achieved with good leadership, governance and financial management at all management levels. JCPZ is committed to rendering services on behalf of City of Johannesburg Metropolitan Council, and expects to improve service delivery significantly in 2016-2017.

Cllr Nonhlanhla Sifumba
Member of the Mayoral Committee Community Development

Johannesburg Botanical Gardens

Advocate J Mabaso

Chairperson's Foreword

It gives me great pleasure to present JCPZ's Annual Integrated Report for the financial year ended 30 June 2016. The Board and management have made great efforts to ensure provision of service delivery and good governance in the entity.

The Board revisited the Company's strategy during the course of the year to ensure alignment to the COJ's strategic direction as encapsulated in the Growth and Development Strategy (GDS). Furthermore, that is, alignment to the delivery of COJ's flagship programmes as identified in the Integrated Development Plan (IDP), which include: Healthy Living, The Corridors of Freedom, Jozi@work, Green and Blue Economy, Smart City initiatives and acceleration of service delivery. This strategy seeks to ensure that JCPZ is positioned to sustainably deliver on its mandate and improve the lives of the people of Johannesburg through sound financial management, efficient systems and processes, pursuit of sustainable additional revenue streams and capital efficiency.

During the fourth quarter, the Board received the Chief Financial Officer's resignation. The Managing Director has ensured financial operations continue despite receipt of the resignation. Despite the financial constraints as a result of budget cuts, a reasonable performance in achieving IDP and Business Plan targets can be reported for this financial year.

It is worth noting the contributions made by the Company in respect of Small Medium and Micro Enterprises (SMME's) and entrepreneurial support and inclusion of Women, Youth and Disabled persons (WYD) in the supply chain processes. Sixty (60) primary cooperatives were developed and supported throughout the various regions of the City. Twenty per cent (20%) of the Opex budget was spent on WYD whilst the Company met its target of spending fifteen per cent (15%) of Capex budget on WYD.

The Company remained in a sound financial position during the financial year, with both liquidity and solvency ratios of above 1. The Company's net asset value exceeded its liabilities in both the current and non-current categories. The revenue generation target of R98 million was exceeded by 9%.

The financial performance of the Company for the year under review was good, having realised a surplus of R50.0m against the allocated annual budget of R855.8million. This was as a result of revenue over-recovery of R14.7m and cost savings of R35.1million across various expenditure categories.

In conclusion, the new financial year brings new dynamics to the Company due to the recent local government elections held, however, this will not distract the commitment of the Company continuing with carrying out its mandate and providing excellent service to all residents of Johannesburg.

Advocate J Mabaso
Chairperson

Delta Park

Mr Bulumko Nelana
Managing Director

Managing Director's Report

The imperatives as defined in the Growth and Development Strategy, Integrated Development Plan, the City of Johannesburg Priority programmes, the Johannesburg City Parks and Zoo Corporate Strategy and the 2015/16 Business Plan, set the tone and path within which JCPZ operated and executed service delivery. I am proud to present the Company's progress and performance during the 2015/16 financial year.

Performance assessment

JCPZ has achieved overall 76% of its targets as per the corporate scorecard of the 2015/16 Business Plan. In terms of service delivery, 96% achievement has been realised during the period under review.

Capital Development

Capital Infrastructure projects include development priorities for the broader COJ, guided by the regional and ward-based demarcation and strategic priorities; i.e. Growth Development Strategy (GDS), Integrated Development Plan (IDP), the Business Plan and Municipal Financial Management Act. The scope of work addresses the gaps in public open space development, provisioning, and the basic needs of communities, including burial space.

The Capital budget allocation afforded to the organisation for the 2015/16 financial year through the various city funding sources totals R95 million; however, adjustments in the mid-term resulted in the budget being reviewed to R87 million. At the end of the financial year the actual Capex that was spent was R64.4 million, which equates to 74% spend. The balance is mainly made up of deferred completion of part of the Olifantsvlei Cemetery project to the 2016/17 financial year. Applications have been made to roll-over R21.6million of the R25million that was allocated to the project.

Zoo Visitors

Visitor numbers at the Zoo were tracked throughout the year. At the end of June 2016 the year to date number of visitors was 503 009, which is lower than the year to date target of 594 000.

Environmental Education

During the reporting period, a total of 19 859 beneficiaries were reached through school programmes; 21 856 reached through food production education; and 26 897 through the Masibambisane programme, resulting in an overall total number of 68 612 beneficiaries being reached.

Revenue

Revenue generation for the 2015/16 financial year amounted to R107.3million, against the annual target of R98 million.

Flagship Programmes

In terms of the flagship programmes the following progress can be reported.

SMART CITY

Smart City Project - The programme's key objective is to ensure alignment to the City's eradication of the digital divide objective. Wi-Fi installation is one of the initiatives geared at aligning to the strategic intent of the City and JCPZ. The installation of free Wi-Fi, where feasible, in open public spaces is key for the public; JCPZ ICT worked with COJ Group ICT to ensure alignment to the objectives. JCPZ submitted a list of parks to the City during the 2014/15 financial year and again during the 2015/16 financial year. Group Strategy and ICT have engaged JCPZ and are willing to support the implementation financially. Implementation Plan was delayed from the City and the June 2016 target for 5 parks was not feasible. Site inspections were conducted in May 2016 to assess infrastructure availability in the provisioning of Wi-Fi in open spaces as envisioned in the GDS under smart cities. Year to date there are two Parks with Wi-Fi namely Tladi park and the Zoo.

Corridors of Freedom – All the COF projects have reached the implementation phase after delays were experienced during the year; the Patterson Park project has been deferred to 2016-17 (FY) due to the City's budget prioritisation and mid-term review processes. All COF projects are expected to reach practical completion mid-August 2016 and final closure end September 2016.

Jozi@work - Jozi@work is a newly established programme which has been rolled out by the City of Joburg (Mayoral Programme). The programme is a platform for start-up businesses that have little to no experience. The main objective of the programme is to give opportunity to start-up enterprises and create job opportunities, which is addressing the unemployment crisis. Preference is given to the poorest areas within Johannesburg. These enterprises are utilised by all MOEs and aim to utilise enterprises residing in their

communities as far as possible, meaning work is regional based. JCPZ has partnered with Small Enterprise Businesses who will assist cooperatives in accessing grants to the value of R360k, so they are able to purchase the necessary tools to execute their services effectively. To date 19 cooperatives havesubmitted applications for funding. A target of 704 job opportunities was exceeded in the financial year 2015-16 by an actual figure of 1 027.

Green and Blue Economy

Green and Blue Economy – In the third quarter of 2015-16, the Bio-gas programme was terminated due to non-performance by the service provider. Alternative methods to execute targets set were investigated utilising the remaining available budget (R1.1mil). The year to date status of the project is as follows:-

- Additional funding (R3mil) granted by COJ's Environment and Infrastructure Services Department for the establishment of a bio-gas plant, Service Level Agreement (SLA) in place.
- A new tender was issued for installation of a bio-gas plant at Olifantsvlei Cemetery through the turnkey methodology and a service provider was appointed.
- This is a CAPEX phase which will continue from research done with CAE.
- A project plan has been formulated, ground works to commence mid-August 2016 and practical completion is planned for end-March 2017.
- Jobs Fund Application with Treasury retracted in order to meet all set requirements; a new submission will be done in the next round of submission later in the year.

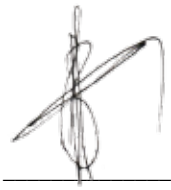
Service Delivery – Over and above the day-to-day operations of the organisation, additional activities and programmes have been developed to improve strategic areas within COJ. Various wards under the Priority Wards - Ntirhisano and Bua-Lesechaba programmes were prioritised. Year to date an average of 80% has been attained and only 20% of the projects are still underway with plans in place to conclude upon approved integrated processes.

Game changer – Communication

Fourteen advertising campaigns namely Building an Urban Forest, Green Winter Initiatives, Alternative Burial Methods, Fight against Invasive Species, 2 x Clean & Green, Outdoor Splendour, Eternal Rest and Mother's Day Concert, were flighted during the 2015/16 financial year. The campaigns aimed to raise awareness of JCPZ and services and to build a positive image so that the City is perceived to deliver services and to be accountable. The campaigns communicated JCPZ facilities & services, priority programmes and events. The adverts were memorable and managed to capture the attention of the intended audience. The campaigns were spread throughout the year to ensure consistency in communication.

Conclusion

As we close the 2015/16 financial year, it is critical to note that the year has not been without its own challenges such as budget re-prioritisation and the implementation of the capital development programme. Despite all these, JCPZ has endeavoured to excel in its service delivery with a view to changing the lives of the communities we operate within.



Mr Bulumko Nelana
Managing Director

The Wilds

Maphefo Sedite: Chief Financial Officer

Chief Financial Officer's Report

The Company's budget allocation for the 2015/16 financial year was originally R855.5 million and there was no major adjustment during the mid-term budget adjustment with the budget having been increased by R0.3million to R855.8 million. Capital expenditure budget allocation was, however, reduced by R8m from R95.0million to R87.0million due to deferral of projects or major parts thereof to the 2016/17 financial year.

The performance of the entity as reflected within this report represents the actual versus budget for the months 01 July 2015 to 30 June 2016 year to date. An overall surplus of R50.0 million was recorded against a budgeted nil surplus. Further details of the financial information have been included in other parts of this report.

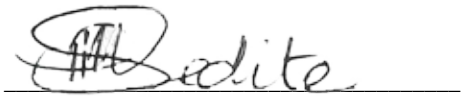
The Company spent R64.4 million (74%) of its capital expenditure budget of R87.0 million during the period under review against a target of 95%. The Company does not yet hold investments with external entities except for notional loans with the City of Johannesburg Metropolitan Municipality representing employee benefits investments. The loans are unsecured and have no fixed terms of repayment. They bear interest at rates determined annually by actuarial valuations, based on market yields of government bonds. The average interest rate applied during the year is 8.74% (2015 - 6%) per annum. The book value is R49.5million.

In terms of contingent liabilities the Company is a defendant on various claims amounting to R79.5 million relating to contractual disputes with the service providers.

In respect of contingent assets the Company is currently pursuing claims amounting to R3.3 million relating to contractual disputes with the service providers. JCPZ is a beneficiary to the land donated from a deceased estate. The process is ongoing; neither the value nor the date of transfer is currently known.

The following table reflects three year financial information. Refer to applicable sections of this report for detailed explanations:

Three year financial information	2014/2015 (Audited) R'000	2015/2016 Actual R'000	2015/2016 Budget R'000	2016/2017 Budget R'000
Revenue	773 222	870 771	855 807	839 891
Expenditure	774 790	820 738	855 807	839 891
Surplus/(Deficit)	(1 568)	50 033	0	0
Capital and project expenditure	159 455	64 472	87 000	82 970



Maphefo Sedite
Chief Financial Officer

Thokoza Park

Company Secretary's Certification

In terms of Section 88 (2) (e) of the Companies Act 71 of 2008, as amended, I certify that the Company has lodged with the Commissioner all such returns as are required of a Public Company in terms of the Companies Act and that all such returns are true, correct and up to date.

Company Secretary: Ayanda Shongwe

Signature:.....

Flamingo's at the Johannesburg Zoo

Figure 1: Values of JCPZ

Service Excellence	• Conduct our work in an efficient, effective, professional and accountable manner; • At all times render the quickest, most responsive and best service to our customers; and • Work with a commitment to quality and high performance.
Ubuntu (Care & Concern for people)	• Work with care, empathy, respect and consideration for the well-being of our staff, customers and stakeholders; • Maintain a safe and healthy work environment, and promote care and concern for assets and facilities; and • Focus on people development, growth and work / life balance.
Teamwork	• Focus on collaboration and working together to achieve more; and • Promote an environment of sharing knowledge and information.
Ownership and commitment	• Take responsibility for our actions and "do it right the first time"; • Act with integrity and in a transparent, ethical and honest manner; • Work with pride, passion and discipline; and • Demonstate a focus on customer service and satisfaction and in the best interests of the city.
Innovation	• Listen to and understand needs and create new approaches to what we do nd • Focus on cutting edge, best in class and "outside the box" approaches and solutions.

The Company focusses on appropriate targeted management interventions to ensure values are visible and lived.

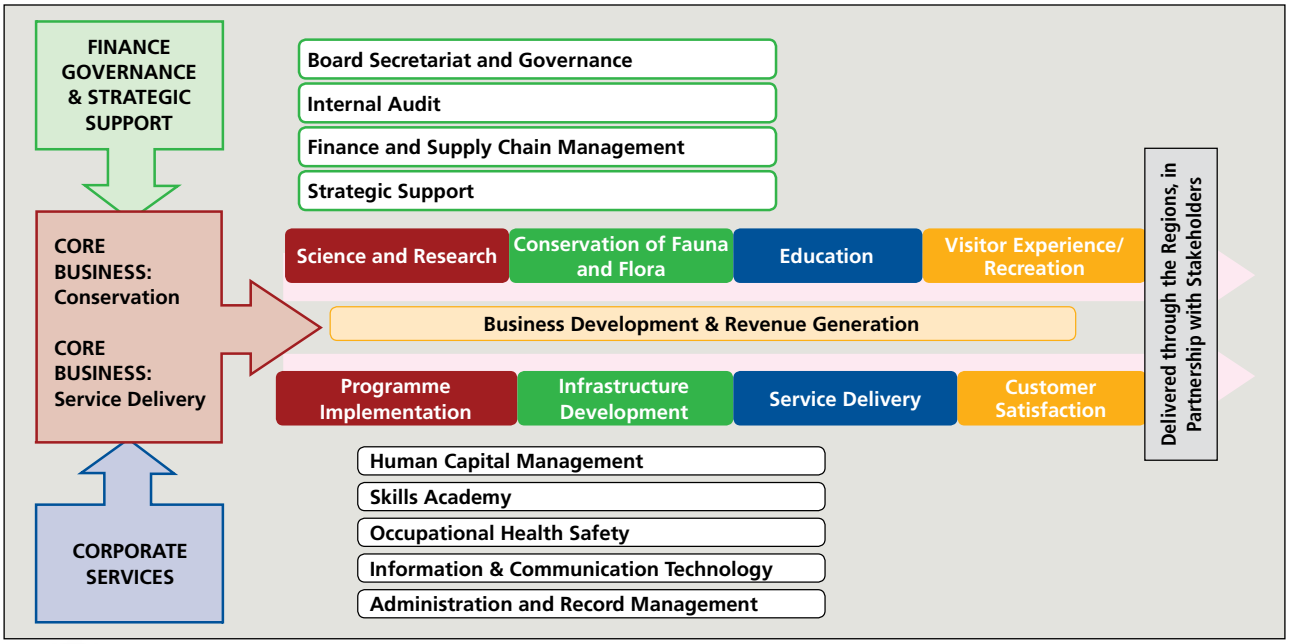
Value Creation Process

In terms of the shareholder agreement between the City of Johannesburg and JCPZ is for "the provision, preservation and management of open spaces, biodiversity, environmental and conservation services through education, research, direct conservation action and recreation with a focus on the zoo, parks and cemeteries."
In order to create value in line with the above framework, JCPZ:

- Ensures the equitable provision of developed public open spaces and facilities;
- Manages and conserves protected areas, including the Zoo, nature reserves, botanical gardens, cemeteries, wetlands and water bodies;
- Maintains public open spaces, trees and street verges to the highest standards;
- Makes provision for dignified burial options for all communities;
- Involves the community in all aspects of open spaces management and conservation;
- Is responsive to customer needs, complaints and queries;
- Has a highly skilled workforce;
- Increases its resource base to supplement the COJ subsidy; and
- Promotes and communicates its services and achievements to create brand visibility and equity.

Figure 2 below provides an overview of the Company's 'value creation process' and shows how its various relevant capital inputs (i.e. financial, human, intellectual, relationship and environmental) are transformed into financial returns as well as non-financial sustainability outcomes.

Figure 2: JCPZ Value Creation Model



JCPZ is committed to the City's long-term aspirations of a resilient, sustainable and liveable Johannesburg by 2040. The Company contributes to this aspiration through quality service delivery provision of an environment that supports healthy and sustainable living and by providing enabling support that drives economic growth. JCPZ promotes optimal management of the City's natural resources and encourages careful consideration for the environment. The Company bases this on a strong commitment to sound financial management and governance.

JCPZ is well positioned to achieve sound financial management, efficient systems and processes, pursuit of sustainable additional revenue streams and capital efficiency. This, JCPZ, does through engaging all relevant stakeholders and responding to stakeholder needs with a content and productive workforce. JCPZ achieves this while maintaining conservation, biodiversity and enhanced ecosystem functioning within the City.

Defining Material Issues

JCPZ periodically reviews its material issues against the changing context of the operating environment, and their relative significance to its business and to the Company's stakeholders. The Company has therefore determined the relevance of issues to address and report on, mindful of their significance to both the business and its stakeholders.

Understanding and prioritising the issues that matter to the business and its stakeholders enable the Company to address the right issues and report on them effectively. This allows the Company to evolve its strategy and tailor its reporting so it is aligned with the interests and needs of the Company's stakeholders, as well as those of the Company.

JCPZ defines issues to be material to its business in terms of:

- The degree to which an issue is aligned with the Company's vision and purpose, brand portfolio and geographic location;
- The potential impact of the issue on the Company's operations, or on its consumers;
- The extent of JCPZ's influence on the issue.
- The importance of an issue to the Company's key stakeholders.

Our Approach to Materiality

JCPZ's purpose as a business is to contribute positively to the GDS 2040 objective of creating a liveable, resilient and sustainable Johannesburg. The GDS 2040 is the blueprint for achieving the Company's vision of growing the business, whilst decoupling the environmental impact from the business' growth and increasing its positive social impact. JCPZ has undertaken an in-depth materiality assessment to determine the issues to include, set targets for and report on. JCPZ Business Plan is the central focus of the Company's

sustainability strategy and reporting. However, the Company also reports on issues that are not contained in its Business Plan but are of interest to its stakeholders. JCPZ keeps these under regular review and aims to be as responsive as possible to stakeholder needs.

Assessing JCPZ material issues

JCPZ periodically reviews its material issues against the changing context of the business, stakeholder feedback, and emerging trends. The Company also ensures that its reporting continues to reflect the critical issues for stakeholders as they arise.

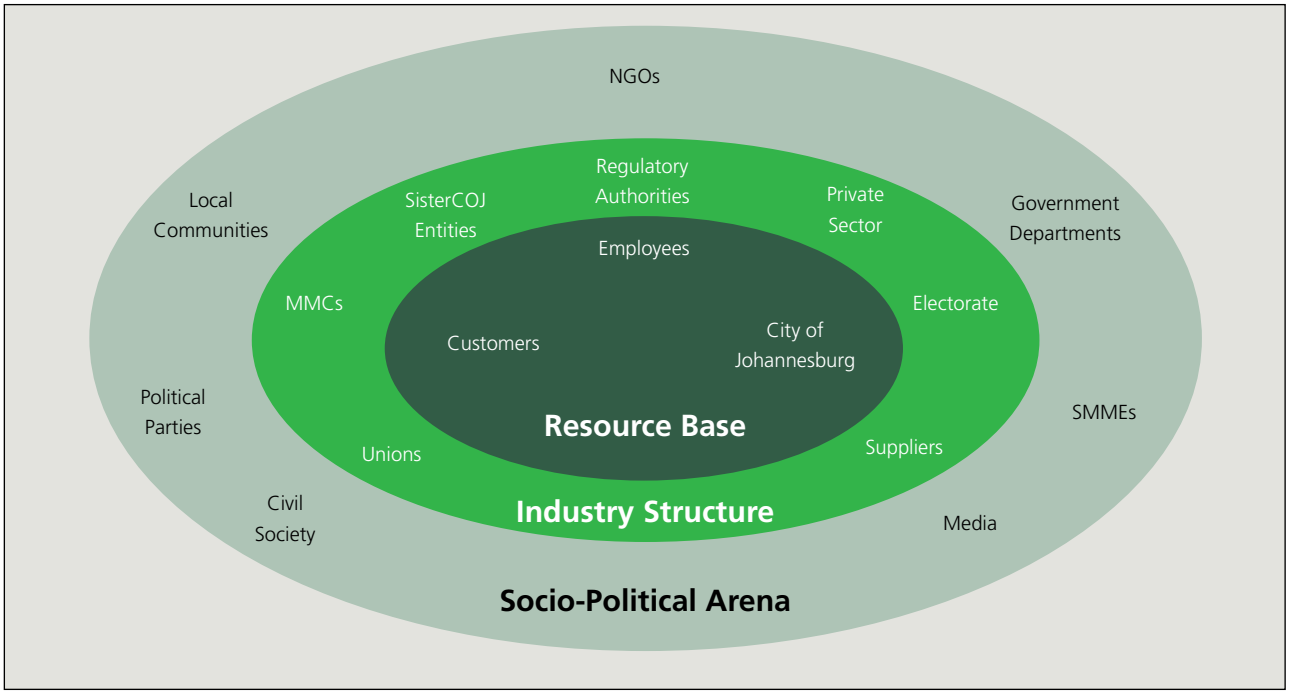
The following are JCPZ's top material issues:

- Vandalism and theft
- Rollout of Wi-Fi in select public open spaces.
- Vagrancy and crime at facilities
- Improved communication with councillors and community based planning
- External revenue generation opportunities
- Inclusive business models – Improved support for small to medium scale businesses
- Clean governance
- Customer centricity
- Leverage reputation to attract investments

Stakeholder Management

The Company's stakeholders are a critical component of the business's planning and operations. JCPZ's strategic and operational plans are developed based on an assessment of the Company's stakeholder needs. In conjunction with the City, JCPZ undertakes a participatory approach to its strategic planning processes. In fulfilling its strategic intent, JCPZ manages stakeholder relations and collaborative partnerships. These address both stakeholders identified in terms of the shareholder agreement and GDS mandate, and others that may influence the achievement of the organisation's vision and mission, and must include an enhanced focus on relations with Academia and Private Sector partners.

Figure 3: JCPZ Stakeholder Map



JCPZ places its stakeholders at the centre of its strategic thinking and resultant planning; and stakeholder priorities are a critical consideration in the development of Company Strategic Plans. Below are key stakeholder considerations and programmes considered that influenced Company plans as raised by communities during the Human and Social Development ward cluster engagements, many of which influence JCPZ strategic planning processes:

- Drug abuse and its effect on youth
- Collaboration between JJohannesburg Metropolitan Police Department (JMPD), South African Police Service (SAPS) and community policing forums in combatting crime in communities
- Need for more recreational facilities
- Learnerships and employment opportunities
- Social dialogues to deal with xenophobia and other forms of discrimination
- Lack of proper functioning ambulances and clinics

Beyond the City-wide process JCPZ also engages its internal and external stakeholders to establish their needs, which the Company uses to inform its strategic planning processes. Key issues that emerged from stakeholders and how the Company responded to them in 2015/16 are identified in the Table 1 below.

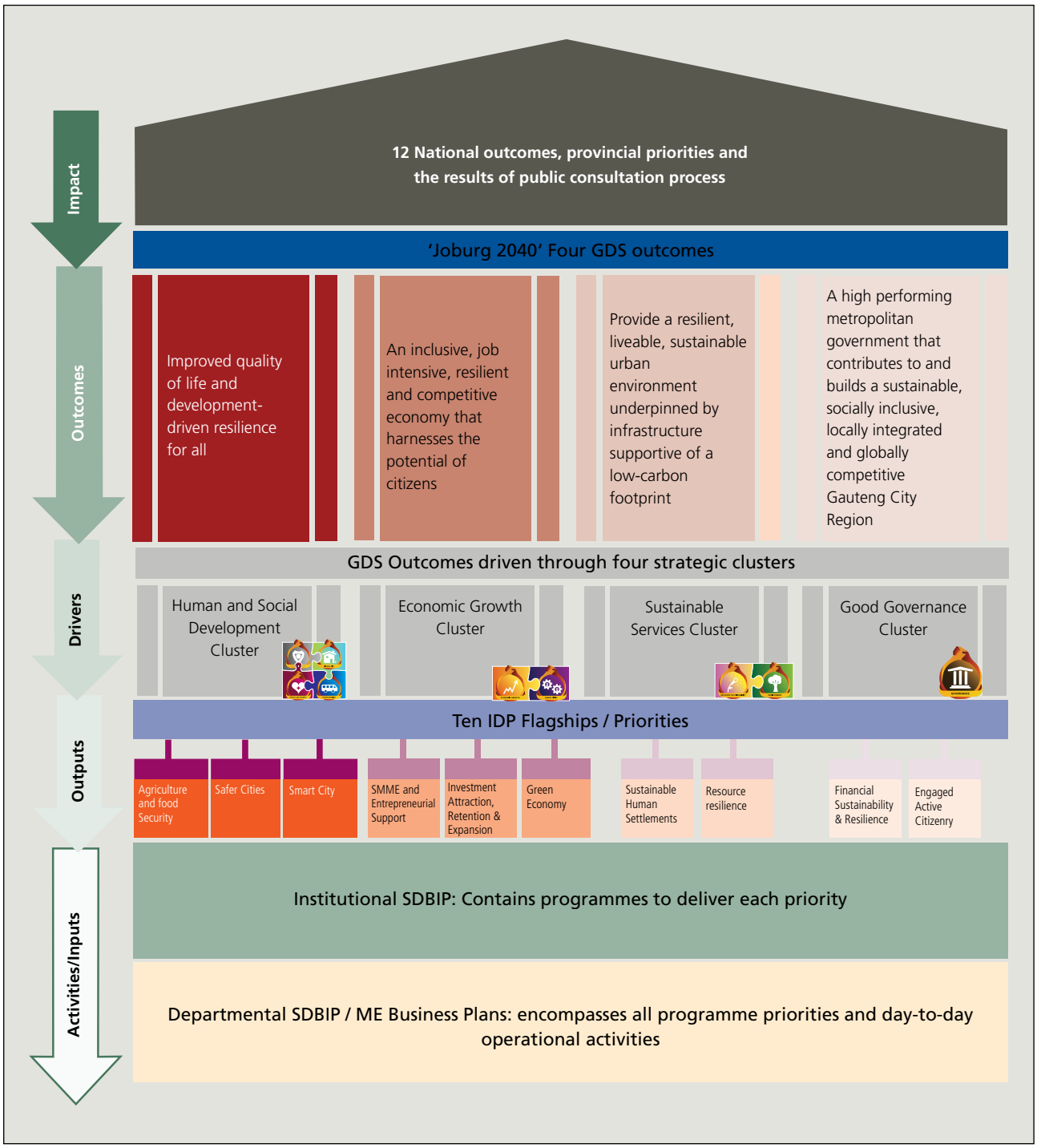
Table 1: Stakeholder Engagement Matrix

Key Stakeholder Group	Issue	How JCPZ addresses the Issue
Beneficiaries and Communities	Lack of rapid development of parks in historically disadvantaged communities; Improved maintenance and enhancement of established facilities.	Development of parks in historically disadvantaged areas; Clean, attractive and safe facilities; Brixton, Inner City, OHS Park, Stretford Park. Upgrades to JHB Botanical Gardens, Kliprivier Nature Reserve, Zoo, Zoo farm and pioneer park; prioritising focus on youth and women development programmes; incubating youth projects around procurement and addressing youth unemployment. Identify and implement township economy programmes.
Government Departments / Spheres (National and Provincial)	Intergovernmental relations (IGR)	Awareness of national and provincial programmes and linkages to COJ; Meaningful participation in relevant IGR fora; Alignment of programmes to policies and strategies; Enhanced collaboration and joint programmes.
Vested Interest Groups (e.g. SPCA, NGOs, CDOs)	Civic education and partnerships	Identify and implement programmes in partnership with vested groups - consultation with and engagement in programmes; proactively communicate project initiatives.
Professional and International Bodies	International competitiveness and comparability	Compliance with relevant international industry standards; implement programmes that give effect to agreements; ISO 14001, Environmental Management Standards.
Education Sector (including SETAs)	Research and development	Partnerships around the Green Academy – and the expansion of the service it provides internally and externally; Explore opportunities to partner on internships, learnerships and skills development programmes; Joint research programmes and opportunities; Operational programmes in collaboration with Academic Partners.
Funding Partners / Business	Generating additional revenue	Identify strategic partners for public-private partnerships (PPPs) to support delivery of mandate; Proactive engagement of potential funders.
Professional service providers, contractors and suppliers	Support for small to meduim businesses	Focus on regional suppliers/contractors; Strengthen enterprise development focus and support; improve contract negotiation, management and reporting; fair supply chain management (SCM) processes. Timeous payment for work done. Implement contract management programme.
Media	Improved communication	Enhance communication of programmes and opportunities; proactively package and communicate project initiatives.
Shareholder / Executive Authority / Council	Improved strategic alignment	Improve operationalisation of strategic priorities in IDP; Focus on high-visibility "flagship programmes". Participate in central planning processes of the City.
Board	Clean Governance	Execute the JCPZ mandate; Sound and defensible Performance Reporting; Sound Corporate Governance. Strive for Clean Audit
Employees and employee representatives	Improved customer services	Implement and monitor the "living" of the Corporate Values; Investigate and re-align the structure in line with the strategy of JCPZ; Streamline various administration processes. Ensure reward systems in place, mentorship programme, training, etc. Good communication; Good conditions of employment; Employee personal growth. Create a challenging and dynamic working environment.

JCPZ also strives to achieve strong alignment with the City of Johannesburg's strategic focus as outlined below

Broader City's Strategic Model

Figure 4: COJ Strategic Model

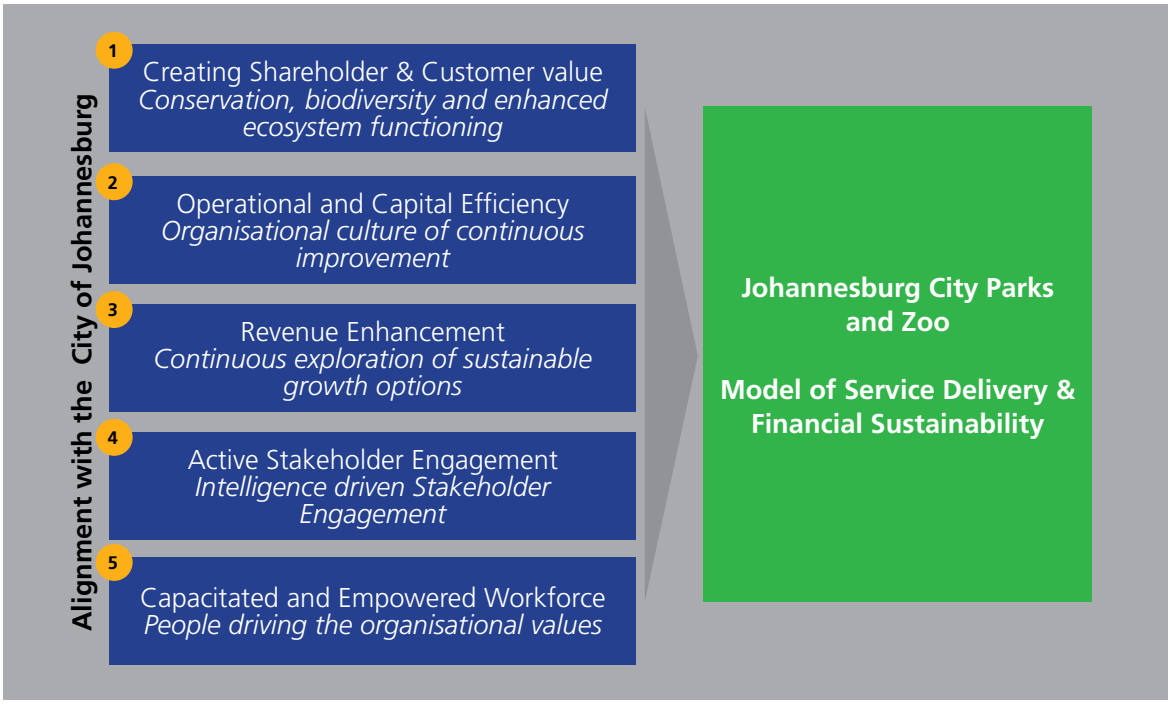


This broad strategic framework informs the Company's strategic objectives.

JCPZ Strategic Objectives

Our strategic objectives fit into the broader strategic focus of the City of Johannesburg. Using the identification of material issues, an understanding of stakeholder needs as well as informed by the broad strategic direction of the City of Johannesburg, the Company was able to identify its strategic objectives. Figure 5 below summarises the Strategic Objectives of JCPZ. The strategy allows the Company to achieve its objectives in an economically and environmentally sustainable manner.

Figure 5: JCPZ Strategic Objectives

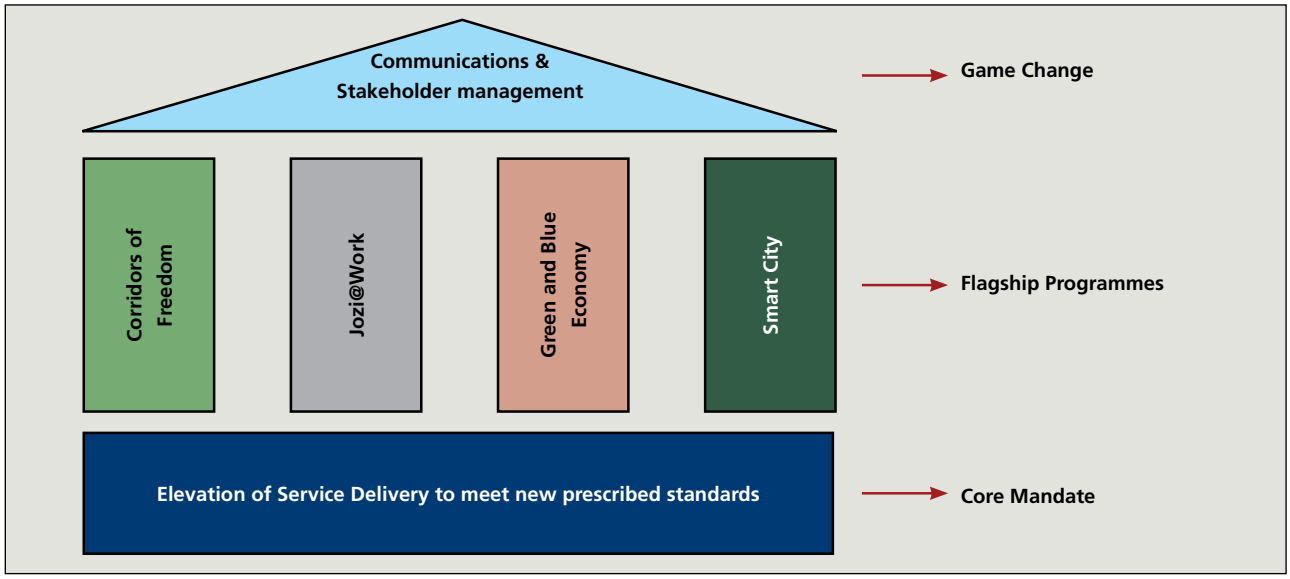


- To create shareholder and customer value the Company is a thought leader through focus on: conservation, environmental protection, climate change, open space framework, credibility, branding, global recognition, quality, and timeous service delivery.
- The Company achieves operational and capital efficiency through: institutional knowledge management, strong strategic management and leadership, good clean governance and innovation.
- To enhance revenue for a financially sustainable organisation, JCPZ focusses on: financial controls, revenue enhancement and generation, accessing other available grants, investment attraction, donation-driven investment, cost savings, and community and business entity partnerships.
- To achieve a customer-centred Company with active stakeholder engagement JCPZ focusses on: partnerships, customer relations, internal stakeholders, stakeholder, driving COJ priorities.
- To achieve a capacitated and empowered workforce of high performing organisation JCPZ focusses on; learning and development, capacitating the workforce as well as ownership/Buy-In

2015/16 Business Plan

In 2014/15 and 15/16 the City identified and elevated critical components of its strategy, identifying 4 pillars as flagship programmes: Smart City, Jozi@Work, Green and Blue Economy and Corridors of Freedom. Communications and stakeholder management was identified as a critical game changer while service delivery was elevated to be the foundation of meeting stakeholder requirements. Figure 6 below illustrates the City's strategic prioritisation.

Figure 6: 2015/16 strategic prioritisation



The game changer, namely Communications and stakeholder management, and the four flagship programmes informed JCPZ operational plan (Business Plan), which prioritised the following programmes and performance indicators. The performance against these programmes is explained in the service delivery performance section on page 45.

Table 2: Programme Alignment

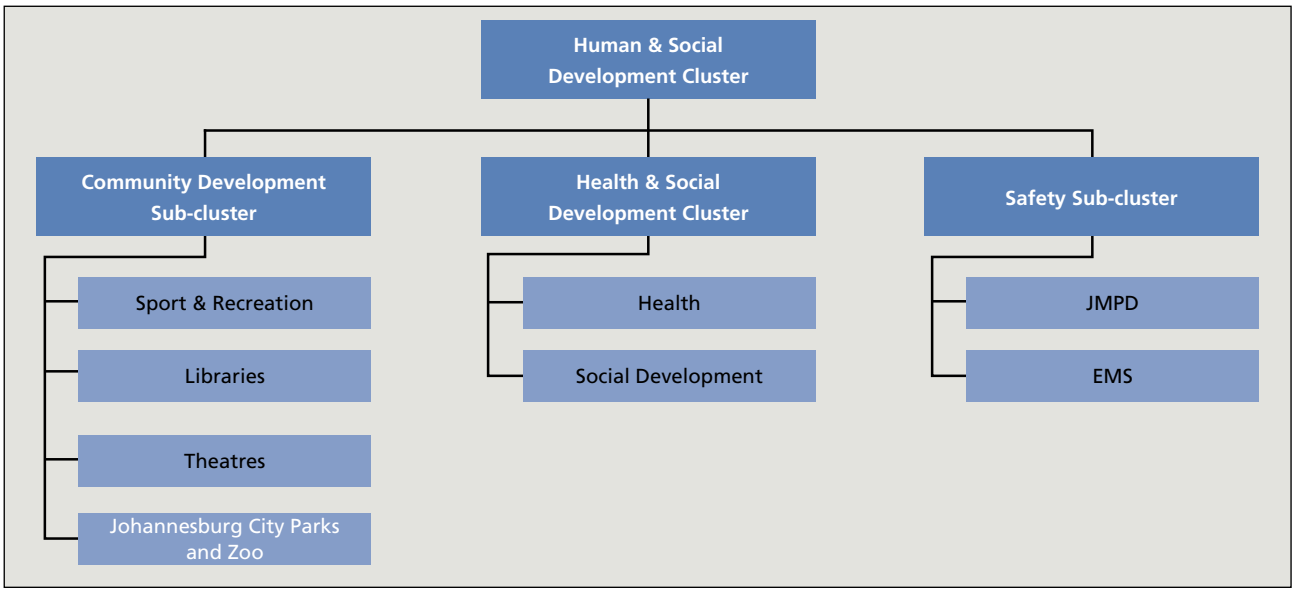
COJ Key Priority	IDP Programme	Key Performance Indicator aligned to COJ Key priority
Financial sustainability	New Revenue sources	1) Rand Value of revenue generation
Active and Engaged Citizenry	Citizen participation, empowerment and citizen / customer care	2) Number of outreach programmes.
Sustainable human settlements	Transit Oriented Development - Priority areas (corridors / nodes)	3) Development of Capital projects
SMME and entrepreneurial support	SMME and Entrepreneurial Development	4) Number of SMME Business Support Seminars conducted
SMME and entrepreneurial support	SMME and Entrepreneurial Development	5) Number of EPWP job opportunities created
SMME and entrepreneurial support	Enterprise development and job creation through optimised preferential procurement and contractor management	6) Number of Primary cooperatives developed and supported
SMME and entrepreneurial support	Enterprise development and job creation through optimised preferential procurement and contractor management	7) Number of Capacity building and training seminars of primary cooperatives
Jozi@Work	Jozi@Work	9) Number of jobs created through Jozi@Work
SMME and economic development	Blue Economy	10) Development of Biogas programme
Smart City	Smart City	11) Number of parks with Wi-Fi
Communications and Stakeholder Management	Communications and Stakeholder Management	12) Number of green city and service delivery advertising campaigns

To enable delivery on this operational plan the Company is situated in the Human and Social Development Cluster, clustered together with other departments and entities that contribute to the cluster objectives.

High-level Organisational Structure

To enable delivery on the strategic agenda, JCPZ is located in the Human and Social Development Cluster, which deals with matters of community development, health and social development and public safety. This allows for improved coordination and integration of the implementation of City Programmes. The following structure reflects JCPZ's relation to the Human and Social Development Cluster and Community Development Sub-cluster.

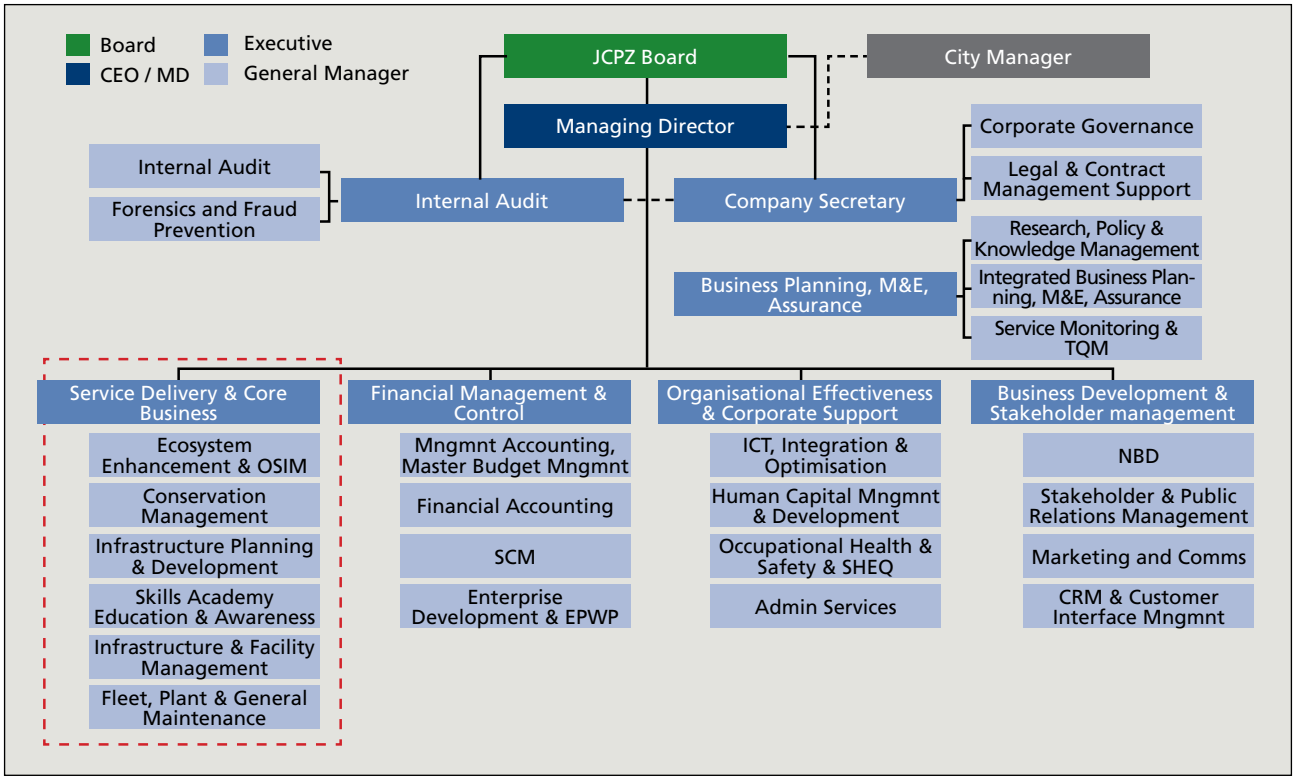
Figure 7: Location of JCPZ in Human and Social Development Cluster



Executive Management and Company Structure

Administratively JCPZ is led by the Managing Director under the supervision of JCPZ Board. The Board is the Accounting Authority in terms of the Municipal Finance Management Act (MFMA). The Board provides strategic direction, leadership and oversight so as to enhance shareholder value and ensure JCPZ's long-term sustainability, development and growth. In fulfilling its responsibilities, the Board is supported by the Managing Director and the executive team ensuring good corporate governance practices.

Figure 8: Organogram of JCPZ



JCPZ has ensured a capable and effective leadership team to ensure that the Company is able to deliver on its mandate. The current staff complement stands at 1 641 employees. The Company is working to ensure that the capacity within the lower levels of the organisation is unlocked through skills development of current staff as well as recruitment of new staff.

GOVERNANCE

Emmarentia Dam and Johannesburg Botanical Gardens -The combined area of the dam and its gardens is over 100 hectares, which is fortunate as this glorious emerald of a park, with its contrasting areas of activity and serenity, draws an inordinate number of visitors on a daily basis. The park is only six kilometres from the city centre.

Emmarentia Dam

Corporate Governance Statement

JCPZ has comprehensive governance structures, systems, policies and procedures – underpinned by a sound set of values and ethics to support the Company's operations. These structures enable a clear separation of policy making, regulation and implementation. JCPZ is part of the City's objective to create focused, specialised and non-bureaucratic processes for efficient service delivery.

The Board of JCPZ ensures that high standards of Corporate Governance throughout Johannesburg City Parks and Zoo are upheld for the delivery of the Company's strategic objectives, shareholder value and the long-term protection of stakeholder interests.

JCPZ is committed to the highest standards of business integrity, ethics and professionalism. Good corporate governance is an integral part of the Company's operations. Accordingly, the Board and Management of JCPZ are committed to maintaining high standards of corporate governance. It is imperative that thr Company's governance processes and practices are reviewed on a regular basis to ensure that same are in line with best practices. The entity works closely with the Shareholder's Group Governance Division to ensure compliance with all material aspects of corporate governance. The Company is therefore committed to fulfilling its mandate in a manner that is in keeping with governance best practices and in particular with regard to accountability, transparency, fairness and integrity as advocated by the King Report on Corporate Governance (King III). The principles as enunciated in King III are entrenched in the internal controls, policies and procedures governing corporate conduct. The Board is satisfied that every effort is made by Management to comply with all material aspects of King III.

Ethical Leadership

The Board provides effective leadership based on a principled foundation and the entity subscribes to high ethical standards. Responsible leadership, characterised by the values of responsibility, accountability, fairness and transparency, has been a defining characteristic of the entity since the Company's establishment in 2001. The Board provides effective leadership under the guidance of the Chairperson of the Board. The Non-Executive Directors that serve on the Board as a collective provide a wide range of experience and professional skills to the Board.

JCPZ as a Company places great emphasis on sound ethical behaviour and integrity. In order to achieve this, the Board adopted a Code of Conduct which seeks to emphasise the principles and fundamental ethical standards that all its employees and Directors should embrace and advocate in their day-to-day business roles. In addition, the Company subscribes wholly to the Code of Conduct for Municipal Staff Members as prescribed in the Systems Act 32 of 2000. The fundamental objective has always been to do business ethically while building a sustainable Company that recognises the short and long term impact of its activities on the economy, society and the environment. In its

deliberations, decisions and actions, the Board is sensitive to the legitimate interests and expectations of the Company's stakeholders.

Corporate Governance

Corporate Governance within JCPZ is managed and monitored by a Board of Directors, assisted by its Board Committees as well as the Executive Management and its Sub-Committees.

The entity complies with the principles incorporated and enunciated in the Code of Corporate Practices and Conduct, as set out in the King Reports. The Board acknowledges that maintaining good corporate governance is an ongoing process and closely monitors the Company's application of King III.

Corporate governance structures in the Organisation have been established with the aim of promoting consistency in business practices, improving accountability and enhancing good corporate governance practice within the Company. The Board and its Committees are established in line with the Companies Act 71 of 2008 as well as King III. Of importance is that these structures are properly constituted with due consideration to statutory provisions in order that they can fully function, contribute towards organisational effectiveness and in turn enhance stakeholder confidence in the Organisation.

The Board of Directors has incorporated the City of Johannesburg's (COJ) Corporate Governance Protocol in its Board Charter, which inter alia regulates its relationship with the City of Johannesburg as its sole member and parent municipality in the interest of good corporate governance and good ethics.

The Protocol is premised on the principles enunciated in (King III). The Company steadfastly consolidated its position in respect of adherence to the King III report on Corporate Governance. The entity practices are, in most material instances, in line with the principles set out in the King III Report. Ongoing steps are however taken to align practices with the Report's recommendations and the Board continually reviews the Company's progress to ensure that it improves its Corporate Governance. During the year under review the Company entrenched its risk management reviews and reporting and compliance assessments were conducted in terms of the Companies Act and the Municipal Finance Management Act (MFMA).

The Board assessment and the Audit Committee assessment are conducted by the COJ on an annual basis. The purpose of the assessment is to establish insight into how well the Board is meeting its objectives and where the performance efficiencies of the Board can be improved or enhanced.

Corporate Citizenship

The Board and Management recognise that the entity is formed under a political structure. As such, it has a social and moral standing in society with all the attendant responsibilities. The Board is therefore responsible for ensuring that the entity protects, enhances and invests in the well-being of the economy, society and natural environment, and pursues its activities within the limits of the social, political and environmental responsibilities outlined in international conventions on human rights.

Compliance with Laws, Rules, Codes and Standards

The Board as the overall oversight body of the entity is responsible for ensuring that the entity complies with applicable laws and considers adhering to non-binding rules, codes and standards. The Company Secretary has certified that all statutory requirements have been submitted to the Registrar of Companies. Compliance with the requirements of the Companies Act and the MFMA has been maintained to favourable levels. The records of the Company are maintained in compliance with the relevant legislative and statutory frameworks. The Company is required to submit the Compliance Profile Assessment Tool and Evidence to the City of Johannesburg as the Shareholder on a quarterly basis.

Board of Directors

The Board assumes ultimate accountability and responsibility for the performance and affairs of the Company and in so doing effectively represents and promotes the legitimate interests of the Company. The Board, at all times, retains full and effective control over the Company and directs and supervises the business affairs of the Company. The Board essentially has an oversight role over the operations of the Company and provides leadership in ensuring that the Company's business imperatives are met. The Board is collectively responsible for the long-term success of the Organisation.

In addition, the Board has a responsibility to the broader stakeholders, which include, inter alia, the present and potential beneficiaries of JCPZ's services, suppliers, funders, the share member, employees and the wider community, to achieve the objectives of the Company. Board Members carry full fiduciary responsibility and owe a duty of care and skill to JCPZ in terms of common law and the code of ethics.

Composition of Board of Directors

JCPZ has a Board structure chaired by a Non-Executive Director (NED), Advocate J Mabaso. In line with the policy on Directorships, the City of Johannesburg, the sole Shareholder of JCPZ, announced the changes to the Directors of the Company at the Annual General Meeting (AGM) held on the 15th March 2016. While some NEDs and Independent Audit Committee members (IACs) were retained others were retired. The Board of Directors now consists of nine (9) NEDs and two (2) Executive Directors. Three (3) Independent Audit Committee members were appointed to serve on the Audit Committee of the Company. The following is the composition of the members of the Board as well as the appointed IAC members.

Board members

Advocate J Mabaso (51)
Chairperson of the Board

Qualifications

Adv. J Mabaso is a practising advocate and member of the Johannesburg Society of Advocates and the Benmore Group of Advocates. He obtained his B Proc and LLB degrees from the University of Witwatersrand. After completing his articles and practising in a human rights law firm, he branched into the Corporate Sector. In a career spanning over 20 years he has extensive experience in Property Development, Facilities Management, Aviation, Project, Oil Trade, Project Finance and Corporate Governance. He served on various Boards: Raindrop, EDC (Experience Delivery Company), Cellsaf, and Joburg Property Company and is the Current Chairman of the Board of the Johannesburg City Parks and Zoo.

Experience

Cheadle Thompson and Haysom Attorneys – Candidate Attorney: Spoornet in the Western Cape – Industrial Relations Officer specialising in labour work, labour consultancy and development law.
Shell Oil SA Pty Ltd - Retail Property Manager; Retail Territory Manager;
Franchise Implementation Manager
Africa Oil SA - Retail Manager
ACSA (Airports Company South Africa) - Group Manager Commercial Operations responsible for all non-aeronautic and unregulated revenues and commercial contracts.
TFMC (Total Facilities Management Company) - Operations Executive for TFMC Customised Solutions
Executive Commercial and Investment
JPC (Johannesburg Property Company) - Non-Executive Director: Chairperson of the Transformation Board Committee and member of the Transactions Committee.
Majestic Silver Construction Project Managers
Non-Executive Director – Development Advisor in Construction

Mr Musa Simelane (63)
Previous Social and Ethics Committee Chairperson

Qualifications

BSc. Prod Eng.; MSc. in Ind. Tech. (Western Carolina University); FTC (Mech. Eng.)

Experience

1981-1987: Lecturer (Thermodynamics) at Swaziland College of Technology; 1987-1989: Vice Principal at Swaziland College of Technology; 1989-1998: Director at Skillshare International (a British Development Agency) for the Swaziland office; 1994-1997: Part Time Lecturer (in Operations Management) at University of Swaziland; 1998-2001: Regional Projects Manager at Skillshare International; 2009-2012: NED at Johannesburg Roads Agency; 2001-to date: Director/owner at Qualipros Management Development Systems
Mr Simelane served as a Non-Executive Director on the Board of Johannesburg City Parks and Zoo from the 24th April 2012 and retired on the 15 March 2016.

Mr Victor Leketi (54)
Social and Ethics Committee Chairperson

Qualifications

BA Economics (UNISA), Management Advancement Programme (Wits Business School) Certificate in Local Government (University of Pretoria), Diploma Advanced Projects Management (Cranefield College)

Experience

Chairman of Protec Soweto/Ithuba Camp Committee; Group Leader at Protec Soweto/Ithuba Camp Committee; President SRC; President of Economic Sciences Student Council, UNISA
Mr Leketi has served as a Non-Executive Director on the Board of Johannesburg City Parks and Zoo from 25th February 2014 to date.

Mr Alli Rajah (62)
Human Resources Committee Chairperson

Qualifications

Certificate in Local Government (University of Pretoria), Diploma Advanced Projects Management (Cranefield College)

Experience

Former Treasury General and Executive Committee Member of A.C.O (Sanco Alex), Negotiator and Representatives at Northern Joint Negotiations Forum. Chairman of former Northern Alliance – ANC. Negotiator ACO/CAJ at Wits Metro Chamber on Local Government. Chairman of working Committee at Wits Metro Chamber for Finance and Services. Former Councillor of the COJ (1994 -2011). Serving on the following Section 59 and Section 60 Committees – Deputy Chairman Sports, Art, Culture and Recreation; Planning and Development; Housing and Urbanisation; Finance and Services; Town Planning; Chairperson Inner City Committee. Part time consultant and Director for Zenzele Consultants focusing on facilitation, town planning, project management, community liaison and communication.

Mr Rajah has served as a Non- Executive Director on the Board of Johannesburg City Parks and Zoo from 25th February 2014 to date.

Ms Thuli Mashanda (47)
Previous Audit Committee Chairperson

Qualifications

Chartered Accountant (SA); Certificate in theory in Accounting; Bachelor of Arts in Accounting Studies (honours), Thames Valle University (London, UK); A Levels, Tresham College Kettering Northamptonshire (UK).

Experience

Ms Mashanda is a highly successful Chartered Accountant with 20 years invaluable experience in audit and financial disciplines covering a broad variety of industries from start-up business to listed companies and Company closures. She is a competent, decisive and dedicated executive financial professional poised to deliver results according to accounting and auditing standards. She has a rich mix of skills in the technical accounting area, operations, analytical skills and leadership talents. As a change agent, she has been acknowledged for balanced judgement, stability, and capacity to steer consensus among core business disciplines with diverse agendas and vision.

Ms Mashanda served as a Non-Executive Director on the Board of Johannesburg City Parks and Zoo from 11th March 2013 and retired on the 15th March 2016.

Mr Makoko Makgonye (40)
Operations Committee Chairperson

Qualifications

B Com UNISA; B-TECH Degree in Education Management, Tshwane University of Technology; Practical Project Management, UNISA SBL

Experience

Mr Makgonye commands a wealth of experience in Education, training and development; conflict resolution; Stakeholder Relations, Labour Relations; Policy development and Planning; Fundraising; Financial management and Supply Chain Management. He is currently a Project Manager at South Zambezi Engineering. Mr Makgonye has served as a Non-Executive Director on the Board of Johannesburg City Parks and Zoo from 11th March 2013 to date.

Ms Ntikile Sandlana (53)
Risk and ICT Governance Committee Chairperson

Qualifications

Diploma in Management (Bophuthatswana University);
B Comm (Vista University, Bloemfontein);
Higher Education Diploma (Fort Hare University);
B Comm Acc (Hons) (UNISA);
Master of Business Administration (University of Witwatersrand);
Certificate in Quality Assessment (IIA);
Certificate in Control Assessment (CCSA) (IIA)
Certificate Internal Audit (CIA)

Experience

2010-date: Director at SizweNtsalubaGobodo; 2007-2010: Senior Manager – Assistant Director at PricewaterhouseCoopers; 2003-2007: Senior Manager at Ernst and Young; 2001-2003: Audit Manager at KPMG; 2000-2001: Internal Audit Manager at AngloGold; 1999-2000: Senior Internal Auditor at AngloGold; 1995-1998: Audit Supervisor at Arthur Andersen (Johannesburg); 1994: Assistant Accountant part time at Witwatersrand University; 1994: Administrator (Part Time) at Stanbic; 1989-1992: Audit Supervisor at Anglo American – Western Deep Levels; 1989-1991: Trainee Accountant. Ms Sandlana has served as a Non-Executive Director on the Board of Johannesburg City Parks and Zoo from October 2014 to date.

Mr Aubrey September (55)
Risk and ICT Governance Committee Member

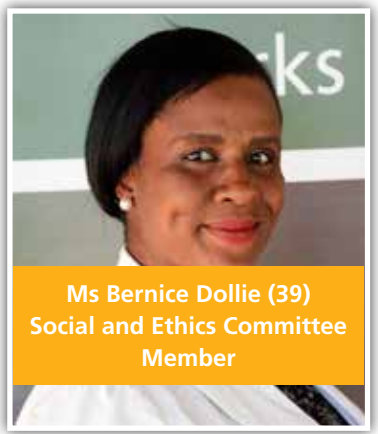
Qualifications

Disaster Management, Practical Marketing, Diploma in Theology and Accredited Facilitation Certificate.

Experience

Writing for Radio and presentation broadcasting engineering and cool edit; Ethics in media and worldview; Sales and Marketing; News: reporting and editorial basic production and live radio; Drama, use of music and interviewing. 1980-1992: Machine Operator at Litho Savers printing Company; 1999-2013: Founder and Director; Founder and member of: Civic Association, Task team member that brought Mr Mandela to Ennerdale in 1990, Region G Federation of Churches/linked with City of Johannesburg; FBO's Executive Board member, Traunchy Officer for Local Schools, Deputy Chairperson of the Griqua Royal House / Adam Kok V, Metro Khoisan Chief City of Johannesburg and Adam Kok V, Hosted the President, Premier, MEC, MMC and HOD and all other officials.

Mr September has served as a Non-Executive Director on the Board of Johannesburg City Parks and Zoo from the 3rd February 2015 to date.



Ms Bernice Dollie (39)
Social and Ethics Committee Member

Qualifications

Computer Course, Call Centre Certificate

Experience

1998 – 2014 Sales Manager at Moloko Group Holdings; Ms Dollie has served as a Non-Executive Director on the Board of Johannesburg City Parks and Zoo from the 3rd February 2015 to date.

Mr Joel Sihle Ngubane (44)
Risk and ICT Governance Committee Member
Social and Ethics Committee Member

Qualifications

National Diploma in Information Technology (IT) (ML Sultan Technikon – Now DIT)
National Diploma in Ministry (His People Bible School)

Experience

Telkom Pty (Ltd) Pretoria; 2002 - 2005 DBA Manager at UNISA (University of South Africa) (Pretoria - Muckleneuk Main Campus); 2005 - 2006 Ops Manager at Telkom Pty (Ltd) Pretoria - NNOC in Centurion; 2006 - 2007 Senior Manager at Vodacom SA (Pty) Ltd Midrand; 2007 - 2008 Senior Manager at WayMark InfoTech, Lynwood; 2008 - 2010 Senior Principal Consultant/ Senior Solutions Architecture at Oracle SA (Pty) Ltd; 2010 - 2011 Executive Director at Advance Apps IT Consulting (Pty) Ltd; 2012 - to date – Executive Director at Sizavox (Pty) Ltd, Midrand; Directorships : - J and B Consulting - An ICT and an Engineering Organisation, - Zedek Trading 627 - An Engineering Organisation in Electrical Engineering, Mechanical Engineering, Civil Engineering and Geotech Engineering; Usizo Renal Care (Pty) Ltd - A Hospital business specialising in Renal Dialysis; South African Post Office (SAPO) - Non-Executive Director; Oracle SA (Pty) Ltd - Woodmead - Non-Executive Director. Mr Ngubane has served as a Non-Executive Director on the Board of Johannesburg City Parks and Zoo from the 15th March 2016 to date.

Ms Nicky Francinah Mogorosi (51)
Audit Committee Member

Qualifications

Master of Commerce – Financial Management (University of Johannesburg) (RAU)
Honours Bachelor of Accounting Science (CTA) (University of South Africa)
Bachelor of Commerce (University of Witwatersrand)

Experience

2016 to date Chief Financial Officer at Independent Development Trust (IDT); 2015 Chief Executive Officer at Mpumalanga Tourism and Parks Board; 2014 – 2015 Chief Executive Officer/Founder at Nicshema Consulting Services (Pty) Ltd; 2013 – 2014 Associate Director at Kabela Consulting (Pty) Ltd; 2008 – 2013 Financial Manager at Koorfontein Mines (Pty) Ltd; 2006 – 2007 Commercial Manager at South Deep Mine – Gold Fields; 2005 – 2006 Chief Financial Officer & Executive Director at Arivia-kom (Pty) Ltd trading as arivia.kom; 2004 – 2005 Group Financial Manager at Ariviakom (Pty) Ltd. trading as arvial.kom; 2000 – 2004 Information & Communication Technology; 1998 – 2000 Financial Manager at Viamax Logistics (Pty) Ltd (Viamax Distribution (Pty) Ltd) 1997 – 1998 Financial Manager at SDS Express Services – Transnet; 1996 – 1997 Financial Manager at Moribo Investments – Sports Division; 1990 – 1991 Trainee Accountant – Senior Assistant at Deloitte & Touch; 1994 –1996 Trainee Accountant – Senior Assistant at Deloitte & Touch; Served as a Non-Executive Director on the Board of Johannesburg City Parks and Zoo from the 15th March 2016 to date.

A formal induction programme for the JCPZ Board of Directors was held on the 2nd April 2016. The orientation programme included an introductory programme on the entity and its operations. New Directors have settled in well following the induction which ensured that new Directors are empowered with the Company's policies, processes and practices. The City of Johannesburg's induction of the Board of Directors across all entities was held on the 12th May 2016 where Directors were taken through the City's expectations and priorities for the upcoming financial year 2016/2017.

The City of Johannesburg ensures that Directors are rotated on a regular basis as this ensures that the Board remains dynamic and desists from being inert in terms of its thinking and abilities. It is imperative that the rotation of the Directors is handled in such a way that it does not lead to the disruption in the operations of the business. Further, the Board must remain balanced in terms of expertise, skills and demographics.

The Non-Executive Directors that serve on the Board provide an independent view to matters under consideration. Board meetings are held on a quarterly basis wherein the Board considers inter alia the Company's quarterly reports, policies and other matters of importance. Additional meetings are convened when necessary to address specific issues.

In terms of Group Policy on the Shareholder Governance of Boards of Directors of Municipal Entities, the Board is responsible for the appointment of the Chief Financial Officer (CFO). On the 23rd May 2016, the CFO resigned are after consideration of same the Board resolved that the Managing Director accept the resignation on behalf of the Board. The last working day of the CFO was 30th June 2016.

Forensic Investigations

As previously reported in the 2014/15 Annual Report, the forensic investigation is still underway and the matter is being handled by the Special Investigation Unit.

Merger Process

For various commercial and business reasons, which include, amongst others, the streamlining of the group structure and to reduce financial and administrative costs, the COJ undertook an institutional review process which culminated in a decision to merge the Johannesburg Zoo and Johannesburg City Parks in terms of Sections 113 and 116 of the Companies Act. Johannesburg City Parks and Zoo merged and have operated as a combined entity effective 1st January 2013.

The City of Johannesburg's position regarding the de-registration of the Johannesburg Zoo is that the entity should remain a shelf since all its functions were transferred to Johannesburg City Parks. Johannesburg City Parks is now trading as Johannesburg City Parks and Zoo (JCPZ). JCPZ has been advised that should the need arise the City will effect a change to the merger/transfer agreement to reflect the status of the de-registration of the Zoo. The rationale for this position is that in future the City may want to utilise the Johannesburg Zoo.

In light of the above, JCPZ will continue to pay the annual returns for the Johannesburg Zoo to Companies and Intellectual Property Commission (CIPC) each year, as and when they fall due and the Company will remain active on its records, albeit that it will be dormant.

Business Plan and Corporate Strategy

In preparation for the 2016/2017 financial year as well as outer years, the Board approved the Business Plan (2016/2017) as well as the Corporate Strategy to ensure that JCPZ has aligned itself in the delivery of the COJ's flagship programmes.

Code of Conduct

JCPZ is legally obliged to comply with provisions of legislation and subscribes to good governance practices at all times. The Board of Directors is bound by the Code of Conduct, which includes a declaration of interest contained in the Municipal Systems Act, Act 32 of 2000.

Directors and Executives were requested to declare their financial interest during the year. The register is compiled and kept by the Company Secretary to ensure that officials are not in breach of Schedule 2 of the Municipal Systems Act as well as the provisions of the Municipal Finance Management Act 56 of 2003.

Board Committees

All Board Committees operate under Board approved terms of reference, which are updated regularly to stay abreast of developments in corporate law and governance best practice. The Board Committees of the entity include the Audit Committee; the Human Resources Committee; the Operations Committee, the Social and Ethics Committee and the Risk and ICT Governance Committee. These Committees assist the Board in carrying out its responsibilities. The Committees provide the Board with recommendations and reports which ensure transparency and full disclosure of the Committees' activities. An independent Non-Executive Director serves as a Chairperson in each Committee.

Table 3: Board Committees' Composition

Committee	Membership
Audit Committee	Mr J Maboa ((IAC) (Chairperson), Ms N Sandlana; Ms N Mogorosi; Mr G Dunnington (IAC); Mr H Moolla (IAC)
Social and Ethics Committee	Mr V Leketi (Chairperson); Mr A Rajah; Mr S Ngubane; Ms B Dollie; Managing Director; Chief Financial Officer
Risk and ICT Committee	Ms N Sandlana (Chairperson); Mr A September; Mr S Ngubane; Mr M Makgonye; Ms N Mogorosi; Managing Director Chief Financial Officer
Human Resources Committee	Mr A Rajah (Chairperson); Ms N Mogorosi; Mr V Leketi; Ms A September; Managing Director; Chief Financial Officer
Operations Committee	Mr M Makgonye (Chairperson); Mr V Leketi; Mr A Rajah; Ms B Dollie; Managing Director; Chief Financial Officer

Audit Committee

The Audit Committee consists of Non-Executive Directors (NEDs) and Independent Audit Committee members (IACs). The role of the Audit Committee is to assist the Board by performing an objective and independent review of the functioning of the organisation's finance and accounting control mechanisms. The Audit Committee exercises its functions through close liaison and communication with corporate management and the internal and external auditors. The Committee met seven (7) times during the year under review, including special meetings. The Audit Committee operates in accordance with a written Charter authorised by the Board, and provides assistance to the Board with regard to:

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

The Audit Committee addressed its responsibilities properly in terms of the approved Charter , which was approved during the year under review. The Charter is reviewed on an annual basis.

The Annual Financial Statements (AFS) have not yet been reviewed by the Audit Committee to determine whether they are a fair representation of the entity's financial position and of the results of its operations, changes in equity and cash flow in accordance with GRAP and the Companies Act. The AFS of the Company are yet to be finalised and will be reviewed by the Audit Committee in its special sitting scheduled for 29 August 2016.

Social and Ethics Committee

The Social and Ethics Committee is a statutory Board Sub-committee prescribed by Regulation 43 of the Company's Act 71 of 2008. The Committee is constituted as a Committee of the Board of Directors of Johannesburg City Parks and Zoo and is thus accountable to the Board.

The Board of Directors delegated functions of monitoring inter alia corporate accountability to the Social and Ethics Committee. The nature of delegation is benchmarked against the Companies Act, corporate governance principles, codes and best practices.
The Social and Ethics Committee met twice times during the year under review and it reports on the following areas:

- Marketplace (Economic Development; Corruption Prevention; Broad-Based Black Economic Empowerment - BBBEE)
- Workplace (Employment Equity; Decent work; Employee safety and health; Education of Employees)
- Social Environment (Community Development; Donations and Sponsorships; Public Health and Safety; Consumer Protection; Consumer Relations)
- Natural Environment (Environmental Impact)

Risk Management Committee

The King III report recognises that Information Communication Technology (ICT) has become an integral part of doing business today, as it is fundamental to the support, sustainability and growth of organisations. ICT cuts across all aspects, components and processes in business and is therefore not only an operational enabler for a Company, but an important strategic asset which can be leveraged to create opportunities and to gain competitive advantage.

As well as being a strategic asset to the Company, ICT also presents organisations with significant risks. The strategic asset of ICT and its related risks and constraints should be well governed and controlled to ensure that ICT supports the strategic objectives of the Organisation.

King III stipulates that, in exercising their duty of care, Directors should ensure that prudent and reasonable steps have been taken with respect to ICT governance.

Corporate governance now requires active consideration of ICT governance. Due to the critical nature of ICT in enabling business processes, and the intellectual property and other information resources that are exposed through technology channels, ICT governance is an essential component in ensuring the efficient and secure operation of the business.

In light of the above the Board took a decision to elevate ICT governance.

The Charter of this Committee was amended to include the ICT governance in line with the King III Report. The primary objective of the Committee is to assist the JCPZ Board of Directors in fulfilling its oversight responsibilities in respect of the risk management processes and ICT governance.

The existence of the Risk and ICT Governance Committee ensures that the Audit Committee exercises independent assurance over the activities of this Committee, without possible conflict of interest. The Committee ensures that JCPZ is aligned to the COJ as the oversight role for the risk function at the COJ is exercised by the Group Risk Management Committee (GRMC), which exists independently from the Group Audit Committee (GAC). The Committee met five (5) times during the year under review, including special meetings.

Human Resources Committee

The Committee was established with the goal of considering matters relating to the conditions of service and the employer-employee relationship.

The Human Resources Committee advises the Board on inter alia remuneration policies, remuneration packages and all other matters relating to human resources and /or labour in the entity. The Committee also provides recommendations to the Board on matters relating to, inter alia, general staff policy remuneration, Executive remuneration, and retirement funds. The Committee met eight (8) times during the year under review including special meetings.

Operations Committee

The Committee has been established with the goal of considering and recommending to the Board matters relating to the Company's operational activities, marketing initiatives, policies, service delivery and finance matters. The Committee met four (4) times during the year under review.

Director's Remuneration

JCPZ Non-Executive Directors Remuneration for the 12 month period 1 July 2015 to 30 June 2016 is set out in Table 4.

Table 4: Remuneration of Non-Executive Directors

Other: Subsistence/Travel Allowance.
Directors are also paid for attending COJ Meetings.
Directors were also paid for Special In-Committee Meetings held in the period under review.

NON-EXECUTIVE DIRECTORS REMUNERATION						
	Name	Designation	Meeting Fee R	Other R	Retainer R	Total R
1	Mr JB Mabaso	NED	209 204.00	2 471.00	19 010.83	230 685.83
2	Ms N Sandlana	NED	132 334.00		15 201.67	147 535.67
3	Mr A September	NED	101 548.00		9 506.00	111 054.00
4	Ms NF Mogorosi	NED	15 974.00			15 974.00
5	Mr M Makgonye	NED	116 382.00		22 816.00	139 198.00
6	Mr JS Ngubane	NED	15 974.00			15 974.00
7	Mr V Leketi	NED	141 483.00		22 816.00	164 299.00
8	Ms B Dollie	NED	87 850.00		9 506.00	97 356.00
9	Mr B Rajah	NED	147 197.00		22 816.00	170 013.00
10	Ms SR Bogatsu	NED			15 210.67	15 210.67
11	Ms AM Dolamo	NED			15 210.67	15 210.67
12	Mr MJ Simelane	NED	104 982.00		22 816.00	127 798.00
13	Ms MD Madumise	NED			30 417.00	30 417.00
14	Ms TN Mashanda	NED	155 160.00		22 816.00	177 976.00
TOTAL			**1 228 088.00**	**2 471.00**	**228 142.84**	**1 458 701.84**

Table 5: Independent Audit Committee Members' Remuneration

The Director's Emoluments were taxed according to the South African Revenue Services guidelines.

INDEPENDENT AUDIT COMMITTEE MEMBERS REMUNERATION						
	Name	Designation	Meeting Fee R	Other R	Retainer R	Total R
1	Mr H Moolla	IAC	51 336.00		22 816.00	74 152.00
2	Mr G Dunnington	IAC	45 632.00		22 816.00	68 448.00
3	Mr J Maboa	IAC	39 928.00		22 816.0	62 744.00
TOTAL			**136 896.00**		**68 448.00**	**205 344.00**

Senior Management Remuneration

Table 6: Remuneration of Senior Managers

Name	Designation	Salary	Pension	Medical Aid	Cell Phone	Travel	Accommodation	Subsistence	Housing	Leave Pay	Insurance	Bonus	Total
B Nelana	Managing Director	1 785 777.96				94 068.00		16 339.28			79 332.16	191 019.49	2 166 536.89
PM Sedite	Chief Financial Officer	1 499 113.92				60 000.00					18 400.00	207 289.61	1 784 803.53
BP Njingolo	Chief Operations Officer	1 512 912.96				131 952.00		3 530.00				218 690.51	1 867 085.47
ZN Makhoba	Executive Manager: Corporate Services	1 350 294.48	80 652.63			72 483.00					55 700.00	198 383.56	1 757 513.67
O Van Heerden	Executive Manager Strategic Support	1 492 127.64						16 036.92				56 681.02	1 564 845.58
B Mahlaba	Executive Manager: Business Development	1 411 465.92				88 080.00		14 937.72				199 369.83	1 713 853.47
MM Dube	Executive Manager JHB Zoo	86 220.92											86 220.92
NA Shongwe	Company Secretary	1 088 684.28	45 569.48									146 750.45	1 281 004.21
FW Mqhavule	General Manager Internal Audit	1 160 810.28				60 000.00							1 380 542.48
Total		**11 387 408.36**	**126 222.11**			**506 583.00**		**50 843.92**			**153 432.16**	**159 732.20**	**13 602 406.22**

Register of Meetings

Table 7: Meeting Attendance Register

*Non-Executive Director # Independent Audit Committee Member "Retired 15 March 2016 $ Appointed 15 March 2016
Mr J Maboa was appointed as the Audit Committee Chairperson with effect from the 20th April 2016.
Mr Maboa is required to present the activities of the Audit Committee at the Board meeting.

Non-Executive Directors, Executive Directors and Independent Audit Committee Members	Board	Audit Committee	Operations Committee	Human Resources Committee	Social and Ethics committee	Risk and ICT Governance Committee	Annual General Meeting
No. of meetings held	10	7	4	8	2	5	1
Adv J Mabaso*	9/10	n/a	n/a	n/a	n/a	n/a	1/1
M Simelane"	8/8	n/a	3/3	7/7	2/2	n/a	Apology
F Leketi*	9/10	n/a	4/4	8/8	n/a	4/4	1/1
A Rajah*	10/10	n/a	3/4	8/8	2/2	n/a	1/1
T Mashanda"	7/8	6/6	n/a	n/a	n/a	4/4	Apology
M Makgonye*	8/10	n/a	4/4	1/1	1/2	5/5	1/1
N Sandlana*	9/10	5/7	n/a	n/a	n/a	5/5	1/1
A September*	9/10	n/a	n/a	1/1	n/a	5/5	1/1
B Dollie*	10/10	n/a	1/1	n/a	2/2	n/a	1/1
N Mogorosi*$	2/2	0/1	n/a	1/1	n/a	-	1/1
S Ngubane*$	1/2	n/a	n/a	n/a	-	1/1	1/1
B Nelana	10/10	4/7	2/4	2/8	1/2	2/5	n/a
M Sedite	10/10	7/7	4/4	4/8	2/2	4/5	n/a
G Dunnington (IAC) #	n/a	7/7	n/a	n/a	n/a	n/a	1/1
H Moolla (IAC) #	n/a	7/7	n/a	n/a	n/a	n/a	1/1
J Maboa (IAC)#	1/1	4/7	n/a	n/a	n/a	n/a	1/1

Company Secretarial Function

Members of the Board and management have access to the Company Secretary, who acts as an advisor to the Board and its Committees on matters including compliance with Company rules and procedures, statutory regulations and sound corporate governance.

The Company Secretary is responsible for the following areas of Johannesburg City Parks and Zoo's business:

- Corporate Governance
- Legal
- Contracts Management

Risk Management and Internal Controls

Johannesburg City Parks and Zoo (JCPZ) Board of Directors regards risk management as a fundamental process in pursuit of the Company's strategic objectives and enabler in achieving its vision of being a green, clean , conserved and active world-class African City. JCPZ embraces and implements an enterprise-wide risk management model aligned to the Shareholder, City of Johannesburg. Risk management is integrated during strategic planning and implementation processes and is entrenched at all levels of the organisation.
The Board has overall oversight over the enterprise risk management within the Company and this responsibility has been sub delegated to the ICT & Risk Committee, sub-committee of the Board. During the course of the year, the Board, through the ICT & Risk Committee, duly approved the Risk management policy; Business Continuity Management Policy and Risk Management Plan.

Section 95 (c) (i) of the Municipal Finance Management Act 56 of 2003 compels the Accounting Officer to take all reasonable steps to ensure that the entity has and maintains effective, efficient and transparent systems of financial and risk management and internal control.

Management is responsible for the implementation of the risk management process, which comprises the identification, evaluation, prioritisation, mitigation

and monitoring of risks Company wide. A structured, comprehensive and strategically aligned approach is undertaken that ensures effective management of risks at strategic and operational level. Risk categories include strategic, operational, financial and compliance risks. The Company supports an entrenchment of a positive risk culture where risks are discussed regularly at management meetings and either accepted as a necessary part of conducting business or actively managed to prevent or reduce the severity of disruptions or impacts on business objectives.

A strategic risk assessment was conducted with the Board and Management at the strategic review workshop held in January 2016 which resulted in thirteen (13) strategic risks being identified and assessed as potentially having a strategic impact on the overall attainment of JCPZ strategic objectives. The following have been identified and assessed as key top five risks of the Company:

#	Risk Description	Mitigation Strategies
R1	Failure of the ICT Infrastructure and systems	1. Carry out feasibility study on implementation of Wi-Fi Technologies in public facilities and Report on initiatives implemented
		2. Review ICT Strategy and funding requirements, report on interventions implemented
		3. Review Departmental structure and make recommendations for improved resourcing of the function
R2	Insufficient funds to meet service delivery mandate	1. Implement SMME and Cooperatives development programmes in accordance with approved 2015/16 Strategy and business plan
		2. Monitor implementation of the Revenue Sourcing and Management strategy; report on implementation thereof
		3. Review, realign and update business model, strategy and structure of JCPZ in accordance with business needs and institutional requirements
		4. Undertake regular monitoring and evaluation of organisational service delivery performance, report on interventions implemented
		5. Implement of the recommendations from organisational review report.
		6. Develop quality management framework and report on implementation thereof
		7. Review and Implement of service delivery standards for JCPZ in alignment to COJ framework
R3	Criminal incidents affecting safety and security of open public facilities	1. Review of security management plan and report on improvements implemented
		2. Review and Capacitation of the Park Rangers Unit in alignment with Company requirements
		3. Investigate the possibility of converting Park Rangers into peace officers and report on steps taken to implement
		4. Develop an integrated Safety Management Plan for Parks and other Designated Open Spaces and report on implementation
		5. Undertake risk-based benchmark and Research project on Safety and Management Parks and Designated Public Open Spaces
R4	Unavailability of land for key infrastructure programmes and projects	1. Develop intensive communication and awareness around alternative means of burials within the city
		2. Undertake executive intervention and submit to the City, for identification and set aside of land for green initiatives as well as burial space
R5	Inadequate contracting and contract management	1. Company-wide communication and roll-out of the Contract Management framework and Policy
		2. Review and update applicable contract-related policies and procedures to ensure compliance by all role players
		3. Undertake creation of a Central repository/ register of all contracts within the office of Company Secretary and ensure applicable document management procedures are adhered to
		4. Comprehensive review/due diligence against existing contracts across the Company and report on issues/corrective measures implemented
		5. Undertake human resources capacity review and capacitate Department accordingly
		6. Training of staff on contracts management
		7. Contracts to be vetted for Legal & Risk compliance before being concluded
		8. Tender Documents to be vetted for Legal & Risk issues prior to publication
		9. Undertake Awareness and Education around Delegation Of Authority policy and processes

Below is the JCPZ risk heat map.

Figure 9: JCPZ risk heat Map

Risk Likelihood							
	5	Almost certain	Low	Moderate	High (R1, R2, R3, R4, R5, R5, R7)	Very High	Very High
	4	Likely	Low	Moderate	High	High	Very High
	3	Possible	Low	Moderate	Moderate **(R8, R9, R10, R11, R12)**	High	High
	2	Unlikely	Low	Low **R13**	Moderate	Moderate	Moderate
	1	Rare	**Low**	Low	Low	Low	Low
	Numeric Rating	Rating Description	Insignificant	Minor	Moderate	major	Catastrophy
	Risk Impact						

In line with the Risk Management Policy and Framework, the Risk Management Unit undertakes continuous monitoring and reporting on implementation of risk improvement action plans stated in the Register. In compliance thereto, all Executives, as action owners provide the necessary updates in terms of progress towards implementation of the agreed risk improvement action plans. Management has made reasonable efforts to implement some of the mitigations as stated in the risk register. However, due to financial constraints some could not be completely addressed.

Internal Audit Function

The internal audit function has a specific mandate from the Audit Committee to independently appraise the adequacy and effectiveness of the entity's risk management process, internal controls, and governance processes – reporting its findings to the Divisional Management, Executive Committee, the Audit Committee, and Board of Directors. JCPZ has in-house Internal Audit function and the head of the internal audit function, General Manager: Internal Audit, reports functionally to the Audit Committee and administratively to the Managing Director.

In line with the corporate governance requirements in King III, the General Manager: Internal Audit has a standing invitation to attend Executive Committee meetings but is not an executive manager. The mandate of the internal audit function is documented in the approved Internal Audit Charter. A three year rolling internal audit plan which was informed by key risks facing JCPZ as identified from the corporate risk assessments, the IDP, the business plan of JCPZ and identified control deficiencies by assurance providers was developed.

The plan for 2015/16 was duly approved by the Audit Committee in July 2015. The plan is updated annually based on the risk assessment and other factors that may impede the planned execution. As a result, quarterly reports are prepared for the Audit Committee detailing performance against the annual internal audit coverage plan to allow for effective monitoring and possible intervention.

The internal audit projects were completed by the end of 2015/16. Two reports were outstanding waiting for the Executive Manager and were subsequently completed in July 2016. Two planned audits were deferred and communicated to the audit committee (AC) for various reasons. One was replaced in quarter two by a Physical Security Management audit. In the same, the AC requested three ad-hoc , which were duly performed and reported accordingly. The AC had exercised its oversight responsibility by continuously monitoring the timely resolution of the outstanding issues raised by both the Internal Audit and the AG.

Internal Audit also completed the Key Controls Dashboard, which is a tool used to assess the financial, performance and compliance status of the organisation on a quarterly basis. The assessment revealed some immediate interventions required from management within the ICT environment and Record keeping. These weaknesses were communicated to management to take action. Internal Audit also played a vital advisory role in different operational committee meetings.

Internal Control Environment

As required by principle 7.3 and related recommended practices of King III, the internal audit function provided quarterly written assessment on the effectiveness of the Company's system of internal controls, risk management and

internal financial controls. The internal audit function noted an improvement in the internal controls, risk management and financial controls of JCPZ. Overall, the JCPZ's systems were rated as marginally effective. Governance was assessed as effective.

Anti-corruption and Fraud

JCPZ has set itself a strategic goal of being a credible and well governed organisation. JCPZ therefore aligns to the principles and is committed to entrenching the culture of good corporate governance to all its stakeholders. In fulfilling this strategic intent, an anti-fraud and whistle blowing strategy which outlines JCPZ's stance, plans and activities for dealing with and addressing the issues of fraud and corruption was developed and implemented.

Part of the strategies was awareness of the various policies, which were communicated to employees for awareness, and training sessions on ethics and anti-fraud were held in the financial year. The Board has approved an updated and revised Fraud Prevention Policy. Additional to the above, JCPZ continued marketing the central "Tip Off line" and made it accessible to both internal and external stakeholders in all the facilities, on the JCPZ website with the Anti-fraud handbook.

JCPZ will not tolerate fraudulent or corrupt activities, whether internal or external to the MOE, and will vigorously pursue and prosecute any parties, by all legal means available, which engage in such practices or attempt to do so. As such JCPZ had various disciplinary processes to respond to the various investigations. Where it was required, JCPZ opened cases with the SAPS.

The strategic risk register identified "fraudulent and corrupt activities" as a strategic risk within the MOE. Other key strategic risks on the strategic risk register also identify fraud and/or corruption as a root cause that can potentially give rise to strategic risks. The strategic risk register sets out specific future actions to mitigate these risks, including conducting regular fraud risk assessments and creating fraud risk awareness. In the financial year, JCPZ responded well in combatting the scourge of fraud.

In areas where control deficiencies and risks were identified in the internal control processes recommendations were made to management for implementation of the improved controls.

Corporate Ethics and Organisational Integrity

Sections 121(2) (c) of the MFMA, and 18(1) (d) of the Municipal Systems Act (MSA), as applicable to municipal entities, require that information on matters of governance should be communicated to communities The provisions stated ensure accountability and governance arrangements are in place. This should, according to Sections 65(1) (a) of the MFMA and 46 of the MSA, be undertaken through the compilation and publication of the Annual Report. The purpose of such an annual report is to promote accountability to communities for decisions taken by the Council and matters relating to administrative structures, throughout a financial year.

Application of King III

The entity applies the governance principles contained in King III and continues to further entrench and strengthen recommended practices in its governance structures, systems, processes and procedures. The Board of Directors and Executives recognise and are committed to the principles of openness, integrity and accountability advocated by the King III Code on Corporate Governance. Through this process, shareholders and other stakeholders may derive assurance that the entity is being ethically managed according to prudently determined risk parameters in compliance with generally accepted corporate practices.

Monitoring the entity's compliance with the King III Code on Corporate Governance forms part of the Shareholder mandate of the audit committee. The entity has complied with the Code in all respects during the year under review.

The Board of Directors has incorporated the City of Johannesburg's Corporate Governance Protocol in its Board Charter, which inter alia regulates its relationship with the City of Johannesburg as its sole member and parent municipality in the interest of good corporate governance and good ethics.

The Protocol is premised on the principles enunciated in the King III Report for Corporate Governance for South Africa 2009 (King III).The Company steadfastly consolidated its position in respect of adherence to the King III Report on Corporate Governance. The entity practices are, in most material instances, in line with the principles set out in the King III Report. Ongoing steps are, however, taken to align practices with the Report's recommendations and the Board continually reviews its progress to ensure that the Company improves its Corporate Governance.

During the year under review the Company entrenched its risk management reviews and reporting and compliance assessments were conducted in terms of the Companies Act, the MSA and the MFMA. The annual Board assessments and evaluations are conducted by the parent municipality on an annual basis in accordance with section 121 of the MFMA.

Group's Governance Framework

The City's Governance Framework assists the City as a group to better understand the governance structure and principles required to ensure effectiveness and accountability. The Framework clarifies governance roles and responsibilities,

and enhances oversight, monitoring and evaluation within the Group Functions in the City.

The Framework also aims to improve the capacity and capability of the Board of Directors of the MEs to effectively manage the entities and efficiently account to the City as a shareholder. This indicates that the conception of the City as a "Holding Company" with "Subsidiaries" is reinforced and the alignment and consistency of the City Group policies are achieved through setting of consistent performance standards. There are systems in place that enable employees to declare conflicts of interests as well as gifts received. These registers are constantly monitored by Company Secretariat office.

Systems are in place for Directors and Executives declare their financial interests on a regular basis. The register is compiled and kept by the Company Secretary to ensure that Officials are not in breach of Schedule 2 of the MSA Act as well as the provisions of the MFMA.

Ethical Leadership

The Board provides effective leadership based on a principled foundation and the entity subscribes to high ethical standards. Responsible leadership, characterised by the values of responsibility, accountability, fairness, innovation and transparency, has been a defining characteristic of the entity since the Company's establishment in 2000.

The fundamental objective has always been to do business ethically while building a sustainable Company that recognises the short- and long-term impact of its activities on the economy, society and the environment. In its deliberations, decisions and actions, the Board is sensitive to the legitimate interests and expectations of the Company's stakeholders.

JCPZ as a Company places a great emphasis on sound ethical behaviour and integrity. In order to achieve this, the Board adopted a Code of Conduct which seeks to emphasise the principles and fundamental ethical standards that all its employees, directors should embrace and advocate in their day-to-day business roles. In addition, the Company subscribes wholly to the Code of Conduct for Municipal Staff Members as prescribed in the Systems Act.

Stakeholder Management and Engagement

The Stakeholder Unit worked closely with Environmental Education to secure representatives from non-governmental organisations (NGOs), greening bodies, resident associations and community members to attend the various events and activations in parks.

Environment

JCPZ recognises that it has a responsibility to the environment and will strive to take positive steps to avoid or minimise the negative impact of its policies and business processes on the environment by means of the continuous improvement of its environmental performance to the extent feasible and practicable, in a manner that is consistent with its overall mission and goals.

JCPZ supports the principles of sustainable development and will manage environmental risks effectively and seek to realise the opportunities arising from the positive management of its ecological, economic and social responsibilities. Johannesburg City Parks and Zoo is committed to:

- Creating and conserving a natural environment that is rich in biodiversity and is managed and maintained according to sound ecological principles;
- Promoting environmental awareness and responsibility amongst all its stakeholders through training, development, education and communication;
- Incorporating environmental considerations into all operational activities, processes, policies and strategies of JCPZ; and
- Developing, maintaining and implementing an environmental management system (EMS) based on the ISO 14001 and other applicable internationally recognised best practice systems.

The entity has aligned itself to all laws that govern the protection, conservation, greening, and enhancement of the ecosystem and biodiversity in the environment within which it operates for the survival of the current and future generations. The alignment is strengthened by the entity's ISO 14001 Environmental Management System (EMS) certification, which is continuously improved through the following interventions:

- Environmental law training: Senior and middle managers at all levels are planned to undergo this training intervention which will enhance knowledge of core requirements of environmental legislation that inform the core business of the entity;
- ISO 14001 EMS implementation: Middle management, supervisors and employees planned for this intervention to enable them understand how to comply with the environmental legislation through EMS implementation;
- EMS review sessions by senior management;
- Legal Compliance Audits: To continuously identify and close gaps in relation to environmental management legislation;
- Annual internal and external EMS audits: To continuously improve on the EMS for sustainable environmental management;
- Monthly environmental law updates and
- General enterprise wide risk management systems embedded within service offerings and products of the Company.

Public Safety

The Company has comprehensive security controls that have been put in place to ensure public safety. The Park Rangers Unit is a vital element of such initiatives which also, including patrols mostly concentrated on flagship parks, developed parks, conservation areas and cemeteries. During patrols park rangers engage park users and educate them on the by-laws and also monitor any infringements which are then reported to JMPD.

Customer Relations

JCPZ utilise various channels such as Joburg Connect, emails, website, telephone, referral and walk-ins for customer complaints and queries. The Company strives to maintain the standard to resolve the queries within a reasonable period effectively and in an efficient customer centric manner.

ICT Governance

The JCPZ Board recognises that Information Communication Technology (ICT) is an important support component for the business to operate efficiently. The JCPZ sustainability and growth depends on ICT ensuring that there are optimal business processes and systems in place in line with the relevant legislation and strategic imperatives. ICT as a strategic enabler to the business aims to maximise business productivity and ensure enhanced service delivery through improvement of existing technologies. This can be achieved through the deployment of new and improved solutions in line with technological advancements and industry relevant best practices.

During the financial year the ICT Strategy was developed and approved by the Board for adoption and implementation. Although there has been very limited investment in the ICT environment over an extended period of time, there has been an improvement in certain areas of the business. The ICT environment is operating on aged infrastructure, legacy applications, outdated technology which impacts negatively on the transformation programme which includes introduction of integrated business processes and systems. The ICT environment remains a high risk for the organisation as it is prone to failures leading to longer business downtimes and the non-availability of services.

Although ICT is a strategic asset, it can also pose a high risk to business if not aligned to the business strategy, in addition to poor governance. The challenges are vast and do require strategic focus to ensure JCPZ is not exposed, not excluding the lack of adequate skills to support the business end-to-end.

To ensure alignment to best practices, industry standards and guiding principles (e.g. COBIT, KING III, DPSA's CGICTPF) the enterprise-wide ICT Governance Framework was developed and approval was granted. The Governance framework is important in ensuring the following:

- Establishment of clear responsibilities and accountability regarding ICT;
- Improved ICT enablement of business, quality, responsiveness and reliability of ICT services;
- Making performance against business requirements transparent;
- Organising its activities into a generally accepted process model;
- Identifying the major resources to be leveraged, improve return on investment;
- Improving stakeholder communication;
- Lowering costs; improved alignment of investment to strategic goals;
- Ensuring that ICT risks are managed in line with the priorities and appetite of JCPZ;
- Ensuring appropriate security measures are effected to protect the organisational and employee information (POPI Act 4 of 2013);
- Improving the management of information by ensuring that it is managed on the same level as other resources such as people, finance and materials; and
- Improved Service Delivery.

ICT will on an ongoing basis monitor compliance and alignment to the governance framework as part of its day-to-day decisions taken in relation to ICT matters. The Control Objectives for Information and related Technology (COBIT) is a framework designed to guide ICT functions relating to the management and governance of ICT. The importance of managing the strategic value of ICT, the alignment to the business strategy and ensuring the right architecture is in place cannot be ignored. JCPZ ICT endeavours to ensure that the services rendered are aligned to the business strategy and that there are policies and procedures in place to enforce governance and ensure compliance.

The overarching ICT Security Policy was reviewed as part of the annual plan in addition to the development of additional required procedures to ensure an improvement of internal controls within the ICT environment. The integrity of data and information within JCPZ remains a critical asset and every effort is being made to ensure that these remain secure and available to business at all times.

The King III report on corporate governance recognises that information technology (IT) has become an integral part of doing business today. IT cuts across all aspects, components and processes in business and is therefore not only an operational enabler for a Company but an important strategic asset.

The ICT Steering Committee was productively operational throughout the year to ensure continued compliance to all relevant governance frameworks and served as a reliable advisory committee to the Executive Management of JCPZ.

A concern which remains relates to the lack of adequate skills in-house to provide an optimal service to the business stakeholders. The limited financial resources prevent the implementation of current up to date technology and integration of various business processes.

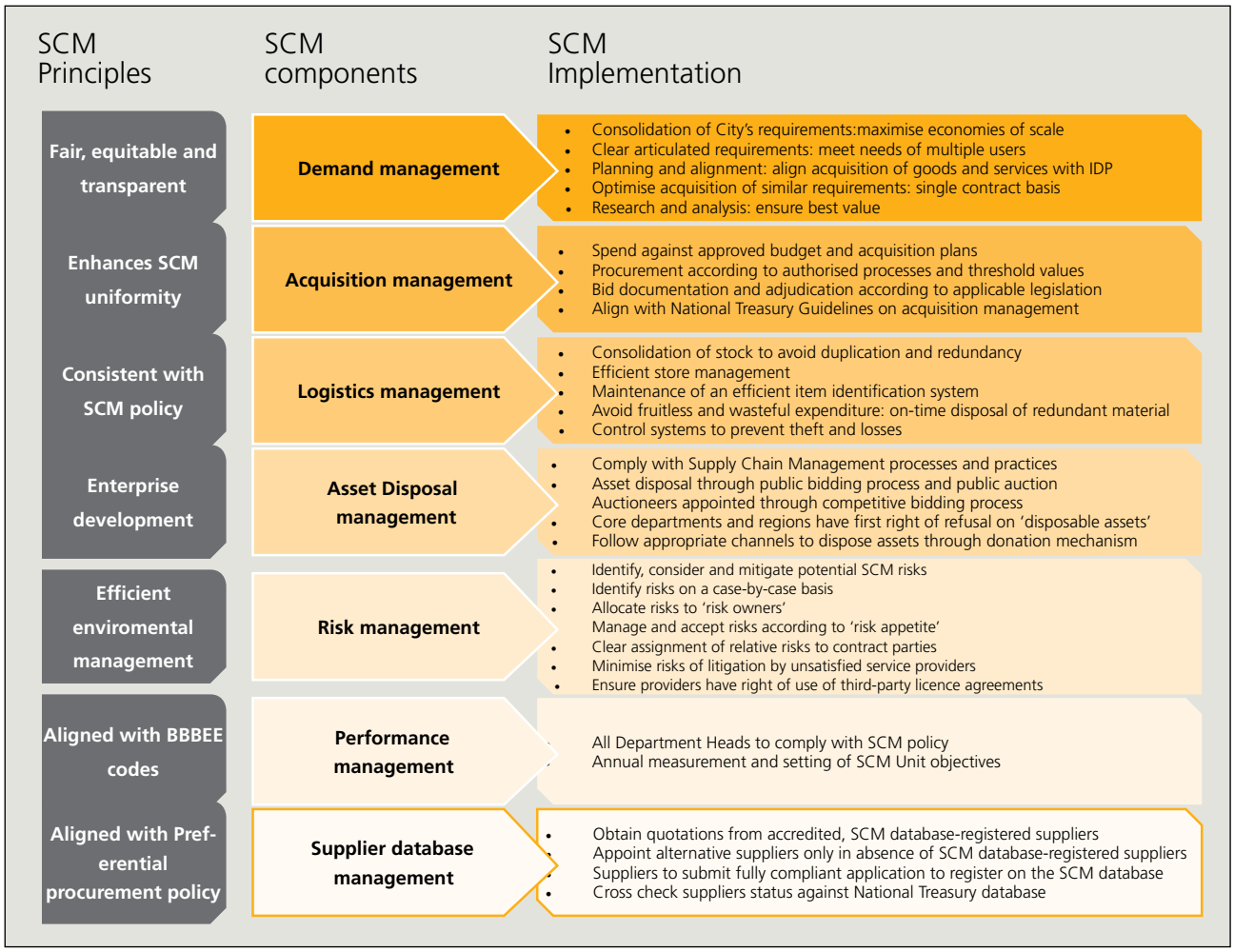
Supply Chain Management

JCPZ's Supply Chain Management (SCM) is governed by an SCM Policy which regulates all SCM practices within the City. The Policy regulates SCM practices as envisaged by the Act and its Regulations. All employees are compelled to adhere to, implement and observe the provisions and requirements of the Policy.

The SCM Policy ascribes to a procurement system which:

1. Is fair, equitable, transparent, competitive and cost effective in terms of Section 217 of the Constitution of South Africa No 108 of 1996;
2. Enhances uniformity in Supply Chain Management systems between organs of state in all spheres;
3. Is consistent with the Supplier Management and Development Policy;
4. Is consistent with the enterprise development programmes as approved by the City which are not limited to EPWP, Indigents Policy, job pathway and other policies and programmes that seek to aggressively advance the empowerment of the SMMEs and previously disadvantaged communities;
5. Embraces the principles of efficient environmental management;
6. Is consistent with the Broad Based Black Economic Empowerment Act 53 of 2000 and any Codes promulgated thereunder in the Government Gazette; and
7. Is consistent with the Preferential Procurement Policy Framework Act 5 of 2000 and its Regulations as promulgated.

Figure 10 provides an overview of the core aspects of the SCM system and policy



The Procurement Policy for the Company was reviewed, approved and implemented in May 2015. Its pillars are the various pieces of legislation, such as the Preferential Procurement Policy Framework Act of 2000, the Preferential Procurement Regulations of 2011, the Broad-Based Black Economic Empowerment Act of 2003 and the acCompanying Strategy and Draft Codes of Practice, and the Municipal Finance and Management Act (MFMA). A Board Supply Chain Management Framework has been approved by the Executive Committee which incorporates

the provisions of Section 111 of the MFMA, the National Treasury: Municipal Supply Chain Management Regulations of 2005, and the Construction Industry Development Board Act (CIDB).

The Company has set a Broad-Based Black Economic Empowerment (BBBEE) procurement target of 95% for opex and 62% for capex for the financial year.

Table 8: BBBEE Spend

Transactions excluded from above budgets:

NB: Opex figures exclude salaries, lease charges, bank charges, donations, insurance, rental & telecomm charges, water, sanitation, electricity, depreciation, directors' fees, seminars, fines, licence fees, refuse removal & subscriptions.

	Annual Budget	YTD Committed Spend	June 2016 Committed Spend
Opex	234 913	258 515	44 267
Capex	95 000	120 253	60 116
Total	329 913	378 768	104 383

% on BEE Spend with Targets

R'000

Description	YTD	
Black suppliers	**Opex**	**Capex**
	185 561	87 435
Women Owned	43 263	29 283
JV	-	-
Total BEE	228 824	116 718
%Total BEE Achieved	91%	97%
% Women Owned Achieved	17%	24%
% Total BEE Target	95%	62%
% Women Target	30%	30%
Traditional	23 700	3 535
Total JCPZ (excluding COJ & MOEs)	252 524	120 253
COJ & MOE	5 991	-
	258 515	120 253
Total JCPZ	**228 824/252 524*100/1**	**116 718/120 253*100/1**
	43 263/252 524*100/1	**29 283/120 253*100/1**
%Total BEE Achieved		
% Women Owned Achieved		

Total % BEE Spend Excluding COJ and MOE's

Item Description	YTD BEE R'000	YTD Traditional R'000	Total R'000	BEE YTD % Target	BEE YTD % Actuals
Opex Committed Expenditure	228 824	23 700	252 524	95	91
Capex Committed Expenditure	116 718	3 535	120 253	62	97
Total	345 542	27 235	372 777		93
% OPEX YTD BEE Calculations % CAPEX YTD BEE Calculations					228 824/252 524 * 100/1
Total					116 718/120 253 * 100/1 345 542/372 777 * 100/1

Green Procurement

Green procurement means the affirmative selection and acquisition of products and services that most effectively minimise negative environmental impacts over their life cycle of manufacturing, transportation, use and recycling or disposal.

- Grass Cutting internal and external services
- Street Tree maintenance
- Seeds and plants
- Horticultural development
- Animal Feed

NB: Differences in total figures are due to cancellations of purchase orders

Table 9: Green Expenditure

Month	Amounts R'000	% Targets	% Actuals
July 2015	R981 / 14 105	5%	7%
August 2015	R2 878/39 944	5%	7%
September 2015	R2 121/19 782	5%	11%
Total	**R5 980/73 831**	**5%**	**8%**
October 2015	R8 839/27 295	15%	32%
November 2015	R7 795/27 364	15%	29%
December 2015	R6 855/26 534	15%	25%
Total	**23 489/81 193**	**15%**	**29%**
January 2016	R7 262/19 929	25%	36%
February 2016	R2 993/16 617		18%
March 2016	R4 386/28 154		16%
Total	**R14 641/64 700**	**25%**	**23%**
YTD Total	**R87 436/378 768**	**30%**	**23%**
	% Green Procurement		87 436/378 768 * 100/1

NB: Differences in total figures are due to cancellations of purchase orders

SCM section 36 deviations – Preliminary report 2015/15

Table 10 below reflects the preliminary report on deviations.

Table 10: Deviations in terms of Section 36

Item No.	Department	Description	Purchase Order	Date	Amount
1.	CID	Exhibition stand	PO050097	'2015-08-31	R48 600.00
2.	CID	Animal- White Pelican	PO049037	'2015-06-12	R72 000.00
3.	CID	Animals - Flamingos	PO052341	2016-01-27	R25 000.00
4.	CID	Animal - Water Buffalo	PO050908	2015-10-22	R200 000.00
5.	CID	Animals - Reptiles	PO052340	2016-01-27	R24 200.040
6.	CID	Animals	PO053076	2016-03-17	R12 500.00
7.	CID	Animals – African Buffalo	PO053078	2016-03-17	R350 000.00
8.	CID	Animals - Rhino	PO053177	2016-03-30	R700 000.00
9.	CID	Animals	PO053595	2016-04-25	R21 650.00
10.	CID	Animals - Nigripes	PO053592	2016-04-25	R50 000.00
11.	CID	Animals - Zebra	PO053918	2016-05-17	R25 000.00
12.	CID	Animal - Bontebuck	PO053927	2016-05-17	R280 000.00
13.	CID	Animals - Hornbill	PO053919	2016-05-17	R64 105.00
14.	CID	Animals - Kudu	PO053917	2016-05-17	R42 500.00
15.	CID	Animals	PO054629	2016-06-15	R38 000.00
16.	CID	Animals	PO054628	2016-06-15	R27 000.00

Zoo Lake and Hermann Eckstein Park - Zoo Lake is a favourite of Joburg residents and is the venue for the annual Jazz on the Lake and Carols by Candlelight events. It is also the monthly venue for the Artists under the Sun open air art exhibition. It also boasts the Coronation Fountain, a Johannesburg heritage symbol. Zoo Lake is a popular spot for picnicking, walking your dog or taking a leisurely boat ride.

Zoo Lake

Sustainability Report

Environmental Issues

Section 24 of the Constitution of the Republic of South Africa, Act No 108 of 1996 affords every person the right to an environment which is not harmful to their health and well-being. The Act further stipulates that this right can be achieved through other legislative measures such as the National Environmental Management Act (NEMA) which informs the mandate of the entity to develop, maintain and conserve green open spaces and cemeteries in the City of Johannesburg (COJ).

In light of the above, the entity committed itself to implementing the recently updated ISO 14001 (2015) Environmental Management Standard. In an effort to ensure the efficient and effective implementation and continuous improvement of the revised global Environmental Management Standard, the entity has developed and communicated a broad Environmental Management System (EMS) implementation plan which is aligned to the COJ's Growth and Development Strategy (GDS), the Integrated Development Plan (IDP) and the related key priorities applicable to the 2016 to 2020 financial years. The plan outlines all EMS related activities, roles, responsibilities and authorities at each level of the organisational structure.

JCPZ has, in an effort to demonstrate its compliance obligation as the core requirement of the revised Environmental Management Standard, identified, developed, documented and communicated the environmental legal framework and procedures applicable to its activities and processes to the relevant officials and service providers. Internal and external EMS audits are conducted annually to identify compliance gaps, non-conformities to the EMS and to update the legal register which is a tool that depicts the entity's compliance trend.

Health and Safety

The entity recognises the right of every employee, visitors and other stakeholders to an environment which is safe, healthy and without risks as per section 8 of the Occupational Health and Safety Act, Act 85 of 1993 (OHSA). In an effort to provide a healthy and safe environment to stakeholders other than employees, the entity further aligned itself to the COJ's SMME Entrepreneurial Support priority by engaging in a contractor management programme. This contractor management programme is informed by among others the Construction Regulations 2014 as amended and which stipulates the duties of the client (the entity), the principal contractor, sub-contractor and other organisations doing construction related business on behalf of the entity.

JCPZ is currently implementing the historic NOSA Safety Health and Environment (SHE) integrated system which is informed by both the OHS Act and the JCPZ Health and Safety policy which are aligned to the COJ's key priorities. The NOSA SHE integrated system as well as the EMS are reviewed annually by the entity's leadership to assess management's commitment to the implementation of the two systems (SHE and EMS), closure of non-conformances and for continuous improvement.

The entity also strives to minimise its incidents by monitoring and investigating safety related incidents and responding to them with appropriate mitigation measures where appropriate. JCPZ further aligns itself to the City's Disabling Injury Frequency Rate (DIFR) management programme and endeavours to remain below the benchmark of 4%. In order to minimise safety related incidents the following health and safety initiatives have been effected: toolbox talks, training of employees and management on different health and safety topics, legal appointments, health and safety audits and inspections of the entity's facilities, internal teams and contractors, risk assessments and legal compliance audits. The entity also evaluates its playground equipment and park development to provide patrons with safety assurance. At the end of the 2015/16 financial year, the entity achieved an annual DIFR of 1, 65% which is below the benchmark and within the COJ target rate of 4%.

As part of the long-term strategy, the entity prioritised obtaining its certification to the ISO 14001 (2015) Environmental Management Standard and the development and implementation of an internationally recognised integrated SHEQ management system by the year 2020. This integration involves the entity's decision to adopt and commit to the implementation of the three international standards, namely the ISO 14001 (2015); ISO 9001 and OSHAS 18001.

Corporate Social Responsibility Report

Business Enterprise Development Programmes

The enterprise development programme focuses on the development of cooperatives in both business acumen and technical skills (on the ground experience). The objective of the programme is to ensure that cooperatives are exposed to the JCPZ environment; they are able to have a better understanding of the organisation's needs and the skills that are required. The programme further ensures that cooperatives are skilled in brush cutting, leadership principles, basic financial management, basic end user computers and health and safety training. These tools will direct the cooperatives in the right path allowing cooperatives to run sustainable businesses.

For the Financial Year 2015-16, R6.5m was utilised and sixty

(60) cooperatives were supported through the programme in various fields (horticultural maintenance, catering, training, carpentry, field rangers, minor plant repairs, cemetery maintenance, plant propagation and care, recycling, video making etc. Megatong cooperatives (plant propagation & care coop) has secured partnerships with the private sector and is looking at producing and supplying various herbs to the surrounding restaurants in the Linden area in the Financial Year 2016-17. They also have produced pot plants from recyclable material and they supplied them for the "JURA" event that took place at Marks Park. The Carpentry programme assisted ten (10) unemployed youth in obtaining carpentry skills. They built six (6) park benches and three (3) eating villas which were placed at the Johannesburg Zoo. These unemployed youth have now formed a cooperative.

EPWP

The objective of the EPWP programme is to skill the previously disadvantaged people in labour intensive activities so they can become marketable. The programme is utilised through the JCPZ outsourcing model. The programme provides short-term/ temporary work opportunities. In the Financial Year 2015-16, 3 071 job opportunities were created, reaching the required target of 3 000. An incentive grant of R1.5m was received and utilised. In the coming financial year R5.5m was awarded to JCPZ and is expected to be implemented in September 2016.

Environmental Awareness, Food Production and Capacity Building Programmes and Projects

A total of 21 856 beneficiaries were reached in the year through programmes such as exhibitions, youth programmes, environmental theme day's celebrations, clean-up campaigns and community environmental workshops. Through environmental awareness and capacity building programmes, citizens become more environmentally literate as they are engage in activities that promote positive attitudes and behaviour towards the environment thereby contributing to decreasing their carbon footprint. Community members take shared responsibility for their environment resulting in better environmental management among communities.

School Programmes at Education Centres

A total of 19 859 learners and educators were reached through school programmes. School programmes were conducted at JBG EE Centre, The Wilds EE Centre, and Dorothy Nyembe EE Centre, Klipriviersberg Nature Reserve and at Rietfontein Nature Reserve. Some programmes were also conducted as outreach programmes in schools. Amongst the themes for the school programmes were: Water Elements, compounds, mixtures and solutions, matter and materials, biodiversity and autumn. Other themes included acids, bases and pH value, Life-cycles, money and measurement and recycling, plants and photosynthesis, water and energy conservation.

The impact of the schools programmes is that they are linked to the school curriculum and as such enhance environmental learning as well as environmental sustainability. The environmental literacy level of learners is increased and reinforced through these varied theme based educational activities.

The Masibambisane Programme

The Masibambisane programme which is supportive of the schools outreach programmes attained a total of 29 458 beneficiaries being realised for the fiscal year, exceeding the target of 16 000. Schools and communities that participate in these theme days are part of visitors reached through the Masibambisane programme as they are provided with free buses to the zoo.

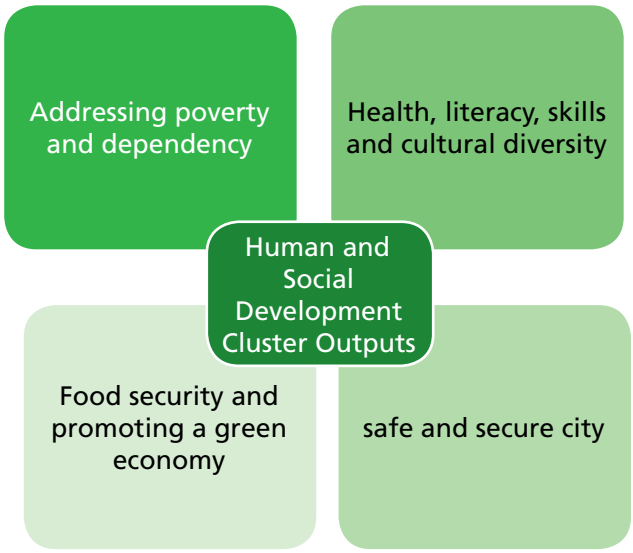
Young child using playground equipment

SERVICE DELIVERY PERFORMANCE

In this context, the mandate of JCPZ is set out in the Shareholder Agreement with the COJ and is defined as:
"The provision, preservation and management of open spaces, bio-diversity, environmental and conservation services through education, research, direct conservation action and recreation with a focus on the zoo, parks and cemeteries."

Delta Park

JCPZ is located within the Human and Social Development Cluster. Primary focus of the cluster is linked to priorities related to support for SMMEs, job creation through Expanded Public Works programme, Jozi@Work and other job creation interventions, the green/blue economy biogas project, access to Wi-Fi in city parks, low carbon emissions through a green city campaign, clean governance as represented by a clean audit as well as strong financial management, revenue generation, outreach programmes and implementation of capital infrastructure projects. The HSD Cluster deals with the following issues and priorities:



Highlights and Achievements

- An unqualified audit opinion for the 2014/15 financial year.
- The Regional Maintenance & Ecosystem Management Team successfully hosted the Arbor City Awards adjudicators during the competition site inspections which resulted in Joburg receiving the Green Award.
- Night Tour Shadows advertisement won 3 award at the 2015 Loerie Awards held in August: Gold for art direction, silver for indoor posters and bronze for creative use of paper.
- Meadowlands Park launch, Region D.
- The Gauteng Premier visited Region C & D through the Ntirisano Campaign as part of accelerated service delivery initiative during the quarter; additionally he and the Mayor of Johannesburg (JHB) thereafter launched the newly developed Leratong Park in Region C.
- A partnership with the WITS University School of Animals, Plants Environmental Science was established to review and implement the developed Ecological Management Plans for nature reserves.
- Two of JCPZ, Zoo based venues have been officially star graded by the Tourism Grading Council of South Africa (TGCSA). The AngloGold Ashanti conference venue was awarded Four Star Grading and the Old Elephant House conference and event venue was graded as Three Star venue.
- Outputs from the Breeding programme in the quarter included the birth of the first generation buffalo bull calf; two (2) sable calves and two (2) wattle crane birds which were successfully paired together.
- Joint clean-up campaigns including invasive plant with the Provincial Government Offices were executed in Region D, E & G.
- The 24th Kaya FM and Spar Mother's Day Concert took place yet again. 10 000 Patrons attended the event and the event generated R1.5 m media value and R600 000 PR value. Patrons were entertained by songbirds Sibongile Khumalo and Zonke and the Johannesburg Philharmonics Orchestra.
- Veterinary hospital Zoo Trot fundraiser attracted 1 142 runners and raised R68 513.00.

Day to Day Operation of the Organisation

Horticulture Maintenance

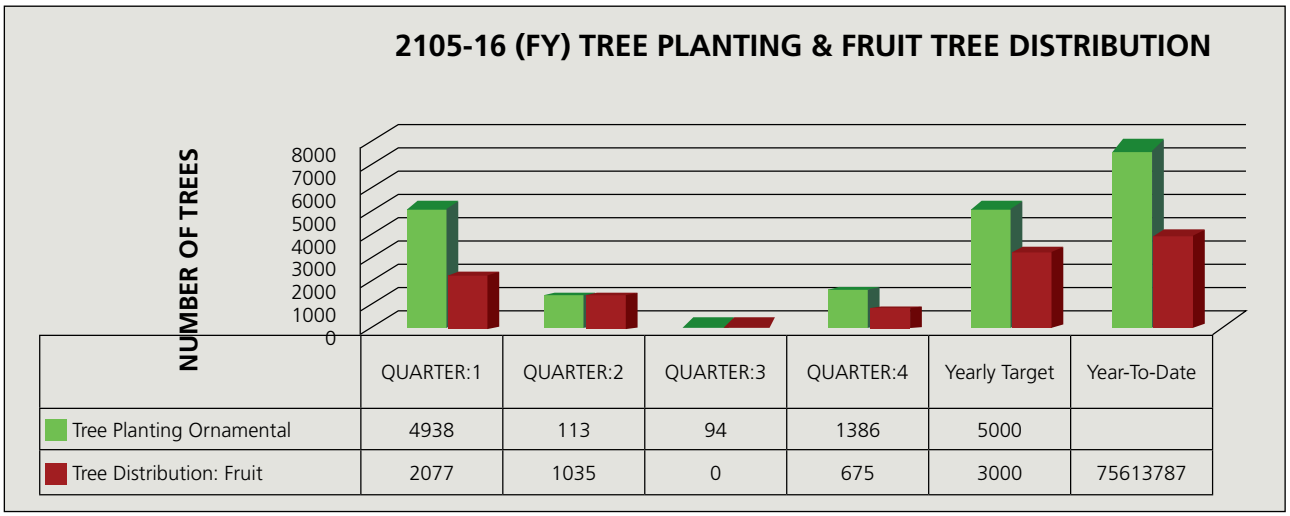
The attainment of horticulture maintenance set targets for the period under review was achieved above 98% on all categories i.e. flagship, developed, undeveloped parks,

main arterials and cemeteries (active & passive) this is largely attributed to the cash injection of R15mil received from the Community Based programme (CBP) in the 4th quarter focused on improving strategic areas within COJ where various wards were targeted regionally for the roll-out of the Priority Wards; Ntirhisano and Bua-Lesechaba Projects; an average of 80% was attained and only 20% of the projects are still underway with plans in place to conclude upon approval integrated processes.

Tree planting

In the period under review a total 7 561 ornamental trees were planted against a target of 5 000; fruit tree distribution totalled 3 787 against a set target of 3 000 as outlined in the graph below.

Figure 11: Tree planting and distribution summary



	QUARTER:1	QUARTER:2	QUARTER:3	QUARTER:4	Yearly Target	Year-To-Date
Tree Planting Ornamental	4938	113	94	1386	5000	
Tree Distribution: Fruit	2077	1035	0	675	3000	75613787

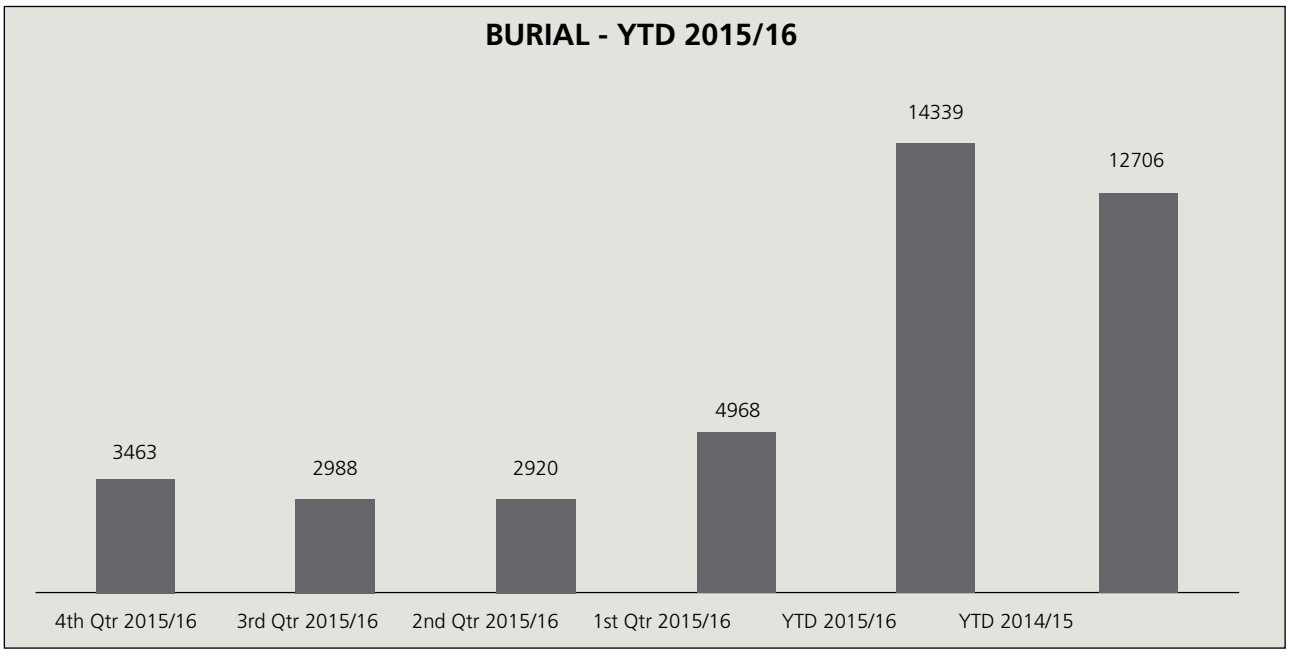
Cemeteries & Crematoriums Management

Burials

A total amount of 14 339 burials were undertaken in the financial year compared to 12 706 for the same period in the previous financial year. The increase could be attributed to the lack of burial space and the burial costs in the neighbouring municipalities.

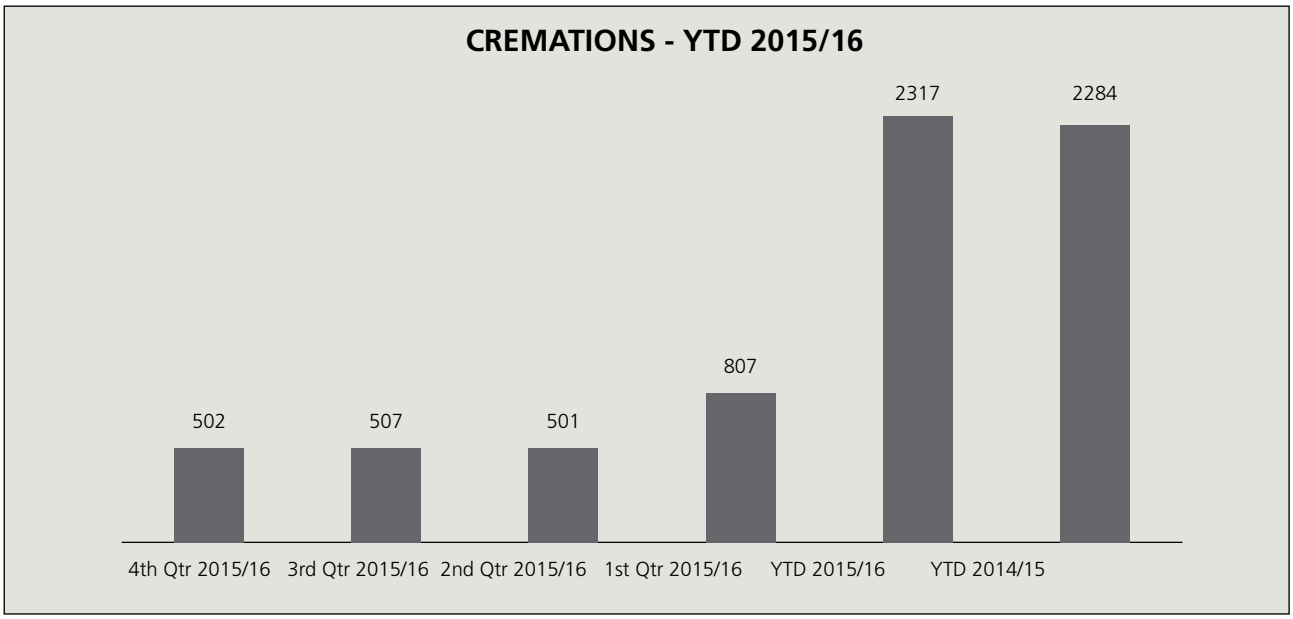
Outlined below is the graphical display of the aforementioned activities:

Figure 12: Burials Summary



Cremations

Figure 13: Cremations summary



In the period under review, a total of 2 317 cremations were carried out compared to 2 284 for same comparative period of 2014/15 financial year.

Ecological Maintenance

The below table is a summary of the outputs for ecological maintenance for the 2015-16 (FY):

Table 11: IDP outputs summary

Month	2015/16 Performance Target	Actual
Number of wetlands rehabilitated	5 wetlands	10 wetlands (Kaalspruit and Mogase View); Vorna Valley); Mofolo & Dorothy Nyembe; Queens
Number of areas reeds controlled	4 areas	10 areas Mogase view and Kaalspruit; Mofolo Wetland & Strubenvalley Wetland; Dube & Lenasia; Oupafats Mofolo, Dube; Blue dam and Volstruin spruit
Number of hectares of river trails cleaned/ rehabilitated	240 ha	437 ha
Number of areas alien invasive plants from water bodies (mainly water lilies and hyacinth)	4 areas	10 areas Witkoppen & Lonehill; Dam Blue & Emmerentia; Dam Florida lake 7; Witkoppen, Lonehill dam; Blue demand
Number of hectares cleaned from alien vegetation	50 ha	369 ha

Johannesburg Zoo

The Zoo was ring-fenced as a Business Unit from the 01st of April 2015. The General Manager Conservation Management was appointed as the Acting Head of the Zoo until the recruitment of Executive Zoo has been been completed. The other critical functions were seconded to the Zoo, to ensure that the operations run effectively and efficiently. The Acting: Head of the Zoo is responsible for Animal Welfare and Management, Horticultural Management, Research and Veterinary Services, Technical Services and Maintenance, Education and Marketing as well as Finance and Customer Service. Acting head of the Zoo reports directly to the Managing Director and is a member of the Executive Committee.

During the 2015/16 financial year the Zoo acquired the following animals for educational purposes and to improve genetic diversity in the animal population in line with approved Animal Management Plan: Cheetah

(Male), Demoiselle Crane, two male Wilddogs, male and female Cheetah, Sable Antelope, Various Birds including a Demosile Crane, Great white pelican , Siberian Tiger, 30 Blue Accara fish, male Springbok, Black Rhino, Kudu and few Fish and Reptile species. All animals received underwent quarantine as part of preventative medicine programme, others have already been introduced into the population for breeding purpose. Clinical cases for various species have been attended to by the Veterinarians as well as the Pest Control and Hygiene inspection followed by corrective action to control vermin around the Zoo. The Research and Veterinary Services continues to implement a comprehensive preventative medicine programme for all species in the Zoo and Conservation and Research Farm in Parys.

Various events took place during period under review, the key events being Biodiversity Day, Halloween, Mothers Day concert etc. Some of the programmes were for educational purpose while others are to promote healthy lifestyle in line with strategic objective of City of Johannesburg outline in GDS 2040. The Zoo successfully hosted the Ground Hornbill AGM as part of involvement in in situ conservation projects.

The Zoo continues to implement the internal Zoo Recovery programme. This programme was developed after PAAZA suspension. This is to align the operation of the Zoo with Policies and Legislation governing the management of captive animal population as well as to improve internal control environment. The Zoo continues with infrastructure upgrade as well as Horticultural Maintenance and upgrade to ensure that Zoo provides a healthy and safe environment for visitors. Various CID project have been implemented to enhance visitor service as well as improve animal health and welfare.

JCPZ participated in 26th PAAZA Annual Conference and 2015 AGM hosted by uShaka Sea World. In that conference JCPZ presented to PAAZA Council the request for PAAZA to consider lifting the membership of JCPZ and accreditation suspension. JCPZ has reapplied for PAAZA membership. The Zoo will undergo full PAAZA Operational Standard Audit before being admitted as PAAZA Institutional member. . This process will be done in 2016/17 Financial Year.

At the end of June 2016, the total number of Zoo visitors was 503 027 which is a decrease on the 527 152 visitors during the comparative period in 2015. This may be contributed to the reconstruction of the parking area. Below is a comparative table with visitor numbers for the last three financial years. The numbers are driven largely by events such as the Mother's Day Concert, family fun days and the extensive children's marketing programmes.

Table 12: Number of Zoo visitors

Month	2013/14 Actual	2014/15 Actual	2015/16
July	28 893	39 738	28 166
August	44 047	41 240	33 886
September	61 125	64 565	52 824
October	38 885	57 612	56 856
November	36 349	46 208	38 582
December	61 502	59 781	58 075
January	31 968	31 651	28 428
February	19 450	21 070	18 458
March	35 970	39 128	44 211
April	61 967	40 738	64 250
May	53 985	58 812	51 673
June	37 396	26 609	27 618
Total	**511 537**	**527 152**	**503 009**

Financial Performance

The report presents the actual performance of the Company against the budget for the ten months period ending 30 June 2016. The following table reflects the summarised financial performance of the Company for the period under review. Detailed analysis is included elsewhere in the report. The financial results reflect a surplus of R50.9million against a budgeted nil surplus.

Table 13: Finance table

Year to date	2016 Year to date actual R'000	2016 Year to date budget R'000	Variance
Revenue and other income	870 771	855 807	14 964
Expenditure	820 739	855 807	35 068
Surplus/(Deficit)	50 965	0	50 032
Capital and project expenditure	64 472	87 000	(22 528)

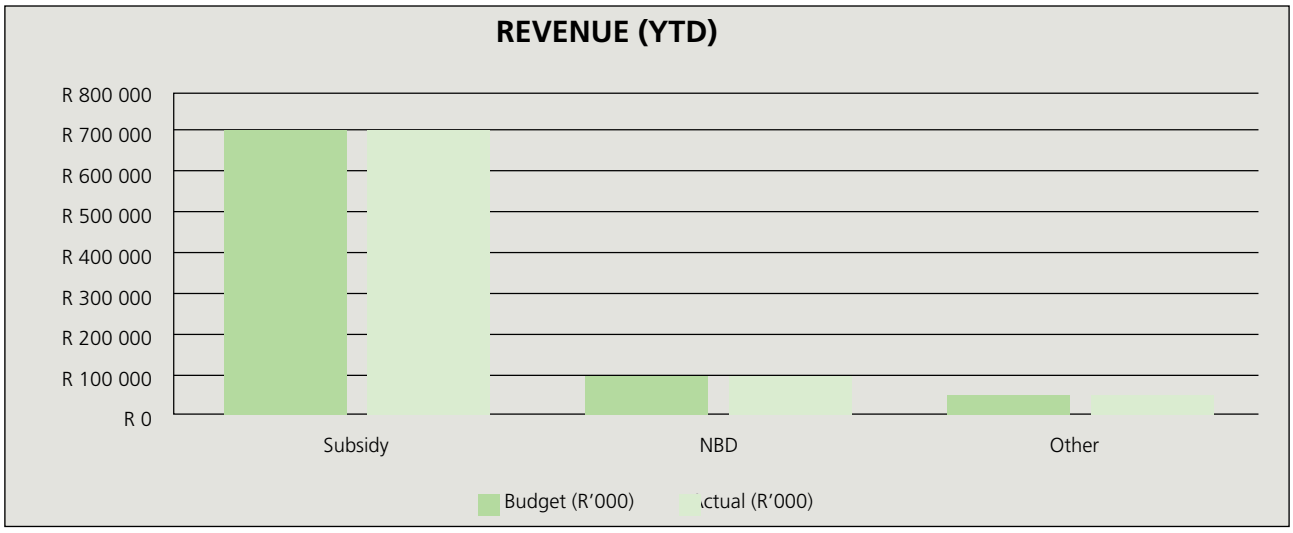
Revenue

Revenue for the year as at 30 June 2016 was 2% above budget. The following table provides a breakdown of the total revenue generated.

Table 14: Revenue Table

Description	Actual	Budget	Variance	% Variance	Previous Year YTD	Annual budget
	R'000	R'000	R'000		R'000	R'000
COJ Subsidy	711 957	711 957	0	0%	644 389	711 957
NBD Revenue	107 353	98 779	8 574	9%	96 173	R98 779
Other Income	51 461	45 071	6 390	14%	40 785	R45 071
Total Revenue	R870 770	R855 807	14 964	2%	R781 348	R855 807

Figure 14: Revenue composition



Westpark Cemetery

NBD REVENUE

Table 15: New business development revenue

Description	Actual	Budget	Variance	% Variance	Previous Year YTD	Annual budget
	R'000	R'000	R'000		R'000	R'000
Cemetery Fees	21 175	22 622	(1 447)	(6%)	19 725	22 622
External Services	55 396	46 229	9 167	20%	44 000	46 229
Admissions	18 373	17 719	654	4%	17 302	17 719
Facilities Hire	3 403	4 737	(1 334)	(28)%	4 001	4 737
Rentals	2 246	1 764	482	27%	2 148	1 764
Parking	304	231	73	31%	569	231
Miscellaneous	6 454	5 476	978	18	8 428	5 476
Total Revenue	**R107 353**	**R98 779**	**R8 574**	**9%**	**R96 173**	**R98 779**

NBD REVENUE

New Business Development revenue was R8.6million above the budget.
Cemetery Fees earned were less than the budgeted amount by R1.4 million in the period under consideration which translates to an adverse 6% variance. The revenue generated for this stream depends on the volume of grave bookings by the members of the public which was less than budgeted for. The City of Johannesburg and its Municipal Owned Entities placed a high volume of External Services in the last months of the financial year. This relates mainly to grass cutting and tree pruning in open spaces maintained by the City of Johannesburg. Despite an adverse variance that materialised in the earlier months of the financial year due to the relatively dry weather experienced, the Company was able to recover and post revenue which exceeded budget by 20% (R9.2millon).

Facilities Hire has been showing a decline in performance in the last five months as opposed to good performance in the earlier months of the financial year. The shortfall (R1.3million) was however offset by the good performance in gate taking at the zoo as shown in the admissions revenue (R0.6million). Miscellaneous revenue was also above target mainly due to donations received by the Company which were R1.8million above budget.

OTHER REVENUE (YTD)

Other revenue generated was 15% above budget. The following table shows the breakdown.

Table 16: Other revenue

Description	Actual	Budget	Variance	% Variance	Previous Year YTD	Annual budget
	R'000	R'000	R'000		R'000	R'000
Sweeping interest	31 347	31 106	241	1%	19 012	31 106
Bad debts recovered	13 404	8 558	4 847	57%	1 010	8 558
Actuarial gains	3 568	1 262	2 306	183%	0	1 262
Grants	1 500	1 500	0	0%	5 273	1 500
Insurance recoveries	1	3	(2)	(67%)	56	3
Project admin fee	876	1 413	(536)	(37%)	2 094	1 413
Miscellaneous	764	1 230	(466)	(38%)	8 282	1 230
Total Revenue	**R51 461**	**R45 071**	**R6 389**	**14%**	**R40 785**	**R45 071**

Actuarial gains and interest was above budget by R2.3million. These amounts were earned on notional employee benefits investment balances as reflected in the actuarial evaluation report.
Bad debts recovered - the Company is continuing with its effort to collect debts that were previously recorded as irrecoverable or impaired. There is an over-recovery of R4.8million in this regard as the Company's efforts yielded positive results.

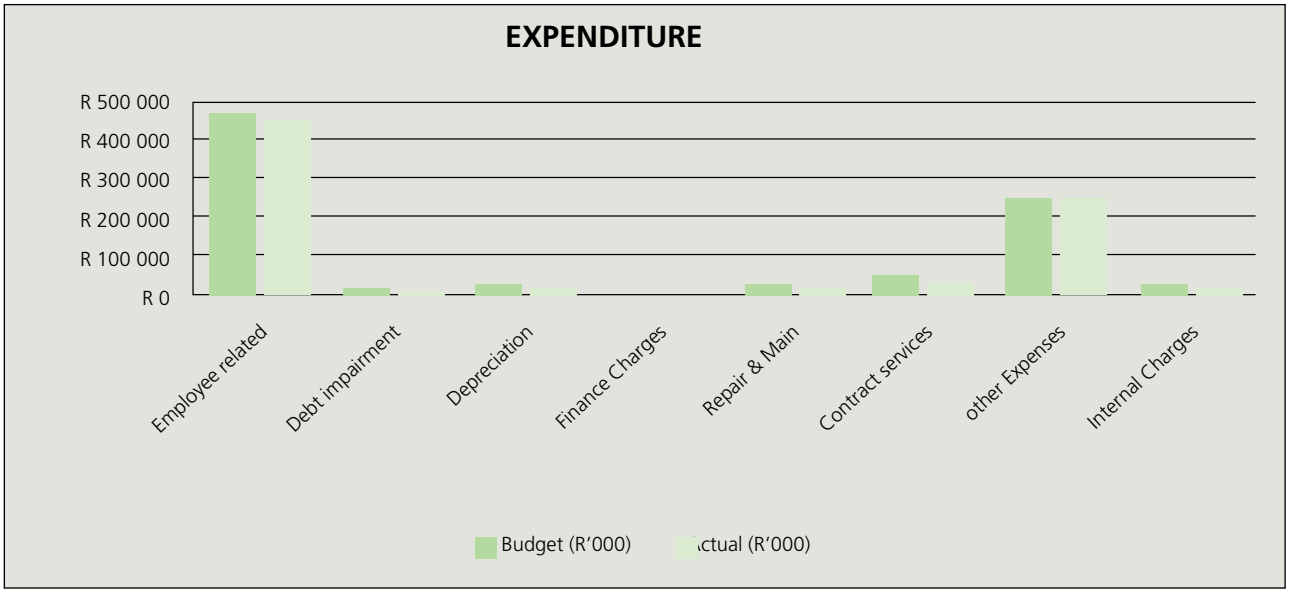
EXPENDITURE (YTD)

A favourable variance of 3% against the budget was realised for the current period under review.

Table 17: Expenditure breakdown

Description	Actual	Budget	Variance	% Variance	Previous Year YTD	Annual budget
	R'000	R'000	R'000		R'000	R'000
Employee Related costs	451 238	469 667	18 429	4%	493 546	469 667
Debt Impairment	5 518	8 866	3 348	38%	14 513	8 866
Repairs and Maintenance	24 694	30 921	6 227	20%	14 725	30 921
Depreciation	23 768	26 850	3 081	13%	20 536	26 850
Finance Charges		149	149	100%	0	149
Contracted Services	42 105	48 669	6 563	14%	39 655	48 669
Other Expenditure	259 702	254 976	(4 726)	(2%)	189 277	254 976
Internal Charges	13 713	15 709	1 996	13%	10 680	15 709
Total Expenditure	**R820 739**	**R855 807**	**R35 068**	**4%**	**R782 933**	**R855 807**

Figure 15: Expenditure composition



Expenditure analysis

Employee Related Costs – The favourable variance of R18.4million under employee related cost relates to overestimation for leave pay budget (R5.2million), Leave encashment (R.5.5million) and actuarial losses on post retirement employee benefit obligations (R5.3million). There was little or no expenditure incurred under these items in the period under review although about R15.0million had been provided.

Repairs and Maintenance expenditure was incurred according to plan as R5millon of the budget was transferred to general expenses to cover shortfalls in the latter category.

Other expenditure – The bulk of the R4.3million adverse variance is comprised of R11.2m over-expenditure in the security budget offset by savings in various accounts as follows:

- Consulting (0.8million), Conferences and Seminars (R1.2million), IT Expenses (R0.6million), Customer Relations (R1.7million), Staff Training (R2.2million) and Seeds & Plants (R2.9million).
- Seeds and plants were purchased and put in stock to be expensed in September during the Arbour month.
- Security expenses were incurred to improve security on the Company's facilities after occurrence of serious security incidences that included murder.

Internal Charges relates mainly to the saving on operating lease charges due to capitalisation. R5million of the amount has been planned to offset the overspending in security together with part of the Repair and Maintenance budget in order to cover shortfall in the general expenses.

Depreciation budget provided was also above budget by R3.0million due to prudent estimation and budget provision.

Capital Projects

As at 30 June 2016 the Company has actually spent 74% of its capital expenditure budget and committed 99%. The following table shows details of the expenditure. The adjustment budget shows an R8million reduction from R95million to R87million in the budget with Patterson Park (R6m) wholly deferred to the next financial year and part of Westdene Dam Park reduced by R2m due to deferral.

Summarised Review by Project type

Description	Actual spent	Committed	Actual spent + Committed	Annual Budget	Available Budget	% Actual	% Committed
Parks and Gardens	31 661	1 141	32 802	32 500	(302)	97%	101%
Cemeteries	3 892	20 716	24 608	25 500	892	15%	97%
Zoo Parking	12 000	0	12 000	12 000	0	100%	100%
Other Zoo Infrastructure	10 500	0	10 500	10 500	0	100%	100%
Nature Conservation	2 000	0	2 000	2 000	0	100%	100%
Zoo Animal Purchase	1 934	4	1 938	2 000	62	97%	97%
Operational Capital Expenditure	2 485	7	2 492	2 500	8	99%	100%
Total	**R64 471**	**R21 868**	**R86 340**	**R87 000**	**660**	**74%**	**99%**

Total by project

Table 18: Capital projects

Description	Region	Ward	Project Scope	Actual spent	Com-mitted	Actual spent + Committed	Annual Budget	% Actual	% Com-mitted
Brixton Park	B	82	Park development	2 813	7	2 821	3 000	94%	94%
IT Equipment (COJ)	Various	Various	IT Equipment	1 526	7	1 534	1 500	102%	102%
Buildings (COJ)	Various	Various	Buildings	228	0	228	650	35%	35%
Furniture & Office Equipment (COJ)	Various	Various	Furniture & Office Equipment	730	0	730	350	209%	209%
Inner City Parks (COJ)	F	Various	Park development	4 000	154	4 154	4 000	100%	104%
JHB Botanical Gardens (COJ)	B	82	Infrastructure upgrade	3 380	27	3 407	4 000	85%	85%
Kliprivier Nature Reserve (COJ)	F	125	Infrastructure upgrade	2 000	0	2 000	2 000	100%	100%
Strettford Park	C	127	Park development	2 969	244	3 212	3 000	99%	107%
Olifantsvlei Cemetery (USDG)	F	N/a	Cemetery development	3 392	20 716	24 108	25 000	14%	96%
OHASA Parks upgrade	Various	Various	Park upgrade	1 999	38	2 037	2 000	100%	102%
Lenasia Cemetery	D&G	11	Infrastructure upgrade	500	0	500	500	100%	100%
Pioneer Park	F	124	Park development	8 500	561	9 061	8 500	100%	107%
Westdene Park	B	82	Park development	8 000	111	8 111	8 000	100%	101%
ZOO – Animal Hospital	F	67	Park development	3 500	0	3500	3 500	100%	100%

Description	Region	Ward	Project Scope	Actual spent	Com-mitted	Actual spent + Committed	Annual Budget	% Actual	% Com-mitted
Zoo - Animal Purchases (	B	117	Procurement of animal stock	1 934	4	1 938	2 000	97%	97%
Zoo - Parking Area Development	B	117	Infrastructure upgrade	12 000	0	12000	12 000	100%	100%
Zoo - Buildings (Infrastructure)	B	117	Infrastructure upgrade	5 000	0	5000	5 000	100%	100%
Zoo – Conservation and Research Farm	N/a	N/a	Infrastructure upgrade	2 000	0	2 000	2 000	100%	100%
Total				**R64 471**	**R21 868**	**R86 340**	**87 000**	**74%**	**99%**

Capital Infrastructure Development

Capital Infrastructure projects include development priorities for the broader COJ, guided by the regional and ward based demarcation and strategic priorities i.e. Growth Development Strategy (GDS), Integrated Development Plan (IDP), the Business Plan and Municipality Financial Management Act. The scope of work addresses the gaps in public open space development, provisioning and the basic level needs of communities including burial space. Capital projects were categorised as follows;

Table 19: Project categorisation

DEVELOPMENT	APPROVED	AREAS
Park upgrades	4	Brixton, Innercity parks, OHS parks, Stretford park
Building upgrade	1	City Parks House
Key facilities upgrades	5	Johannesburg Botanical Gardens, Kliprivier Nature Reserve, Zoo Upgrades, Zoo farm, Pioneers Park
Cemetery development/upgrade		
	2	Lenasia & Olifantsvlei Cemetery
Dam rehabilitation (Park Development)	1	Westdene dam
Animals	1	Animal Purchase
TOTAL	**14**	

The table below outlines the status of each project funded through the COJ & USDG funding sources for the current Financial Year totalling R85.5m; the below projects are expected to reach practical completion mid-August 2016 and final completion end-September 2016.

Table 20: Project status

PROJECT DESCRIPTION	REGION&WARD	BUDGET R'000	AREAS
Brixton Park	B,69	3 000	Implementation Phase
Olifantsvlei Eco-Cemetery	G, 119	25 000	Implementation phase
Pioneer Park	F,124	8 500	Phase 1& 2: Implementation Phase
Westdene Dam	B,69	8 000	Implementation Phase
Inner-city Parks	F,63-62	4 000	Implementation phase
City Parks House building Upgrade	F,60	1 000	Implementation phase
Patterson Park	E,73	(6 000)	Budget Reversed by COJ
Johannesburg Botanical Gardens	B,82	4 000	Implementation phase
Kliprivier Nature Reserve	F,125	2 000	Implementation phase
Stretford Park	G,1	3 000	Implementation phase
Lenasia Cemetery	D,11	500	Project completed

PROJECT DESCRIPTION	REGION&WARD	BUDGET R'000	AREAS
Upgrade Existing Parks to OHASA Standards (COJ)	Various	2 000	Implementation phase
Zoo Parking	B,117	12 000	Phase 1: Practical Completion
Phase 2: Implementation Phase			
Zoo – Animal Purchase		2 000	Project Completed
Zoo – Animal Hospital		3 500	Practical Completion
Zoo - Conservation Farm		2 000	Project Completed
Zoo Buildings (Infrastructure upgrades)		5 000	Implementation Phase 3 sub-projects reached practical completion phase in 3rd quarter
TOTAL	**85 500**		

*MEASURES TO ENSURE FULL EXPENDITURE AT THE END OF THE NEXT FINANCIAL YEAR

The following measures are to be put in place to ensure full expenditure by the end of the next financial year:

- Initiate the following year's design process in the current financial year;
- Award of multi-year projects in the current year;
- Utilization of the City of Johannesburg panel of contractors and
- Updated procurement plan, which will ensure that all projects will be in the implementation phase or in the final stages of the procurement phase by the end of the 1st quarter leaving the three last quarters for the implementation of the projects.

Performance against Scorecard

JCPZ Service Delivery Budget Implementation Plan Scorecard

The Corporate Scorecard of JCPZ was approved as part of the 2015/16 Business Plan by the Board of directors and by the City of Johannesburg. The scorecard has three pertinent performance areas namely: Priority programme KPIs, Other KPIs and Service Delivery KPIs. The Priority Programme KPIs are directly linked to the COJ top ten priorities while the Other KPIs are mainly internal focused priority areas and internal control measurements. The Service Delivery KPIs are linked to the mandate of the entity.

In terms of the performance against predetermined objectives, JCPZ achieved 76% of the KPIs. Going forward JCPZ strives for service delivery excellence, in order to meet the customer expectations, and contribute to the COJ priorities in order to make a difference in the lives of the citizens of Johannesburg.

Table 21: Performance summary

KPIs	Number of KPIs measured	Number of KPIs achieved	Percentage achieved
Priority Programme KPIs	11	8	73%
Other KPIs	23	13	57%
Service Delivery KPIs	26	25	96%
TOTAL	60	46	76%

JCPZ alignment to COJ Priority Programmes

Key Performance Indicator	Target 2015/16 financial year	Means of verification	2015/16 Actual	Measures taken to improve performance (reasons for over achievement of performance)
1) Rand Value of revenue generation	R96m	Financial report	R107m Target achieved	
2) Number of outreach programmes.	60 outreach programmes	List Of Beneficiaries; Attendance Registers; Pictures; Reports	76 outreach programmes Target achieved	(Additional programmes have been added to the curriculum and can also accommodate learners in higher education and this increased the demand of the Zoo Schools and Zoo to You.)
3) Development of Capital projects	14 Capital developments including the 4 CoF projects	List of approved capex projects CID checklist	2 Projects Practical Completion 3 Projects=Completed Target not achieved	The following measures are to be put in place to ensure full expenditure by the end of the next financial year: Initiate the following year's design process in the current financial year; Award of multi-year projects in the current year; Utilization of the City of Johannesburg panel of contractors; and Updated procurement plan, which will ensure that all projects will be in the implementation phase or in the final stages of the procurement phase by the end of the 1st quarter leaving the three last quarters for the implementation of the projects.
4).Number of SMME Business Support Seminars conducted	4 Seminars	Attendance register, Invitation, programme	4 Seminars Target achieved	
5).Number of EPWP job opportunities created	3 000 EPWP job opportunities created	EPWP job opportunity report, quarterly report	3 071 EPWP job opportunities created Target achieved	
6).Number of Primary cooperatives developed and supported	60 Primary cooperatives developed and supported	List of cooperatives, EPWP/ Jozi@work report	60 Primary cooperatives developed and supported Target achieved	
7).Number of Capacity building and training of primary cooperatives	10 Capacity building and training of primary cooperatives	Attendance register, breakdown of programme	10 capacity building and training Target achieved	
8)Number of jobs created through Jozi@Work	704 jobs	Jozi@work report with beneficiary template, report from CSA	1 027 jobs created Target achieved	(More job opportunities were created due to the short duration of projects)

Key Performance Indicator	Target 2015/16 financial year	Means of verification	2015/16 Actual	Measures taken to improve performance (reasons for over achievement of performance)
9)Development of Biogas programme	Phase 1 and 2 of biogas production programme developed	Plan Completion Certificate	Research documents & analysis in place; site development underway Target not achieved	Ensuring the running of the test site, develop full environmental compliance for the full scale plant. Develop Master plan for the fully fledged biogas plant
10)Number of parks with Wi-Fi	5 parks with Wi-Fi	Planning Reports, Work Schedules, Order, Invoices, GRN's.	2 parks with Wi-Fi Tladi park and the Zoo Target not achieved	This KPI has been removed from the 2016/17 Business Plan and replaced with the Number of smart benches installed in designated public open space.
11) Number of green city and service delivery advertising campaigns	4 green city and service delivery advertising campaigns	Campaign Artwork	14 green city and service delivery advertising campaigns Target achieved	(9 of the 14 advertising campaigns implemented were run more than once. 2 advertising campaigns were done with partners.)

Other JCPZ Key Performance Indicators

Key Performance Area	Key Performance Indicator	Means of verification	Target 2015/16 financial year	2015/16 Actual	Measures taken to improve performance (reasons for over achievement of performance)
Finance	1).Clean audit attained	AG audit report	Clean Audit attained	Unqualified audit opinion attained for the 2015/16 financial year	
	2) % Actual Capex spend vs. budget	Budget report	100%	74% Target not achieved	The following measures are to be put in place to ensure full expenditure by the end of the next financial year: Initiate the following year's design process in the current financial year; Award of multi-year projects in the current year; Utilization of the City of Johannesburg panel of contractors and Updated procurement plan, which will ensure that all projects will be in the implementation phase or in the final stages of the procurement phase by the end of the 1st quarter leaving the three last quarters for the implementation of the projects.
	3) % Adverse variance on Opex Budget	Budget Report	Less than 2% overspending	4% underspent Target achieved	

Key Performance Area	Key Performance Indicator	Means of verification	Target 2015/16 financial year	2015/16 Actual	Measures taken to improve performance (reasons for over achievement of performance)
Procurement	4) Percentage of Women owned companies supported	Monthly / Quarter reports and print out of companies supported from GP	30% of Women owned companies supported	20% of Women owned companies supported Target not achieved	JCPZ will invite all the ***women owned companies,*** and create an internal data base that will be distributed to all departments/regions for utilisation. This will be monitored on a monthly basis to ensure that these companies are utilised so as not only to improve Company's performance but also to empower these groups economically.
	5) Percentage Physically Challenged Individual companies supported	Monthly / Quarter reports and print out of companies supported from GP	0.5% Physically Challenged Individual companies supported	0.06% Physically Challenged individuals Target not achieved	JCPZ will invite all the ***companies owned by disabled persons***, and create an internal data base that will be distributed to all departments/regions for utilisation. This will be monitored on a monthly basis to ensure that these companies are utilised so as not only to improve the Company's performance but also to empower these groups economically.
Procurement	6) Percentage of companies and cooperatives with youth shareholding supported	Monthly / Quarter reports and print out of companies supported from GP	5% of companies and cooperatives with youth shareholding	5% Youth Owned Companies and cooperatives with youth shareholding Target achieved	
	7) Percentage contractor utilising green practices	Monthly / Quarter reports and print out of companies supported from GP	30%	27% Green procurement Target not achieved	JCPZ will sensitize departments like EOD, to utilise such suppliers and ensure that there's an increased number of purchases from such suppliers.
Internal Business Processes	8) Implementation of Zoo reformation plan	Zoo reformation implementation plan	Implementation of Zoo reformation plan	100% Implementation of Zoo Target achieved	
	9) Implementation of an Environment Management System (EMS) in order to obtain accreditation with quality management body ISO14001	Reports on System Status.	ISO 14001 Accreditation obtained and maintained	% Closed findings:- 66% Target not achieved	This KPI has been removed from the 2016/17 Business Plan and replaced with An audit certified ISO14001 Environmental management system 2015 (EMS)
Internal Business Processes	10) No of business processes improved	Planning Documentation, Reports, Orders, Invoices and GRN's.	5 business processes improved	9 business processes improved Target achieved	

Key Performance Area	Key Performance Indicator	Means of verification	Target 2015/16 financial year	2015/16 Actual	Measures taken to improve performance (reasons for over achievement of performance)
Safe working environment	11) Percentage Recordable Case Rate	SHEQ Reports	Equal or Less than 2.5% Recordable Case Rate achieved	3.3% Recordable Case Rate achieved Target not achieved	This KPI has been removed from the 2016/17 corporate scorecard and taken to the respective divisional scorecard
Customer Satisfaction	12) Percentage Customer Satisfaction	Customer Satisfaction report	70% Customer Satisfaction	76% Customer Satisfaction Target achieved	
Zoo Visitors	13)No. of annual visitors to the Zoo	Zoo visitor report	594 000 visitors	503 009 Visitors to the Zoo Target not achieved	The plan is to run more programmes that bring public engagement and enhance marketing strategy. In addition the Company is in the process of having an advertising for public engagement on digital TV (plan in progress).
Research	14) Number of industry studies &research projects completed	Research reports; Attendance register for results feedback;	6 industry studies &research projects	6 industry studies &research projects Target achieved	
	15) Number of joint research programmes established		2 joint research programmes established	4 joint research programmes established Target achieved	
Risk Management	16) Percentage Risk Containment addressed as per risk register	Risk Register	100%	100% Target achieved	
Education and Learning	17) Number of learners reached through Environmental education in environmental education centres	List Of Beneficiaries; Attendance Registers; Pictures; Reports	12 000 learners	19 859 learners Target achieved	(Target over achieved due to sponsorships, collaborative programmes and learnership which provide financial and human resources for educational programmes)
	18) Number of learners/people reached through food production education programme, environmental awareness and capacity building	List Of Beneficiaries; Attendance Registers; Pictures; Reports	12 000 learners	21 856 learners Target achieved	(Over achievement is attributed to additional resources received through sponsorships, learnerships and partnerships. This enabled the unit to acquire additional human resources to assist with implementation of programmes)
Education and Learning	19) Number of learners through the Masimbambisane (outreach programme)	List Of Beneficiaries; Attendance Registers; Pictures; Reports	16 000 learners	29 458 learners Target achieved	(There is an overachievement because of the high demand from disadvantaged schools to visit the Zoo and also the added Sponsorship that enable learners to come to the Zoo for the Biodiversity events for free.)

Key Performance Area	Key Performance Indicator	Means of verification	Target 2015/16 financial year	2015/16 Actual	Measures taken to improve performance (reasons for over achievement of performance)
Long and healthy life for all	20) Number of opportunities to walk in a safe, friendly environment in order to promote a healthy lifestyle to the citizens of the COJ	Event advert Zoo Visitor Report Application form and attendance report	24 walks	25 walks Target achieved	
Development of organisational culture	21) Facilitate the development of an organisational culture	Planning Documentation and Reports.	Implementation of organisational culture Plan	Supply chain process completed Target not achieved	This KPI has been removed from the 2016/17 corporate scorecard
Training and development initiatives undertaken as per training and development plan	22) Number of training intervention implementation as per WSP	Training Reports, Attendance Registers Course Invites and Results.	60 training interventions	80 training interventions Target achieved	(17 additional training interventions were implemented without additional cost to JCPZ)
	23) Facilitate organisational skills audit	Planning Documentation and Reports.	New KPI	Supply chain process underway Target not achieved	This KPI has been removed from the 2016/17 corporate scorecard

JCPZ Core Business

Service Delivery day-to-day activities

Day to Day operations	Projects	Key Project Performance Indicators	Means of verification	2015/16 Performance Target	2015/16 Actual	Measures taken to improve performance (reasons for over achievement of performance)
Greening	Fruit tree distribution	Number of fruit trees distributed	Signed register GIS Verification Report	3 000 trees	3 787 trees Target achieved	(More trees were planted as part of the arbour initiatives)
	Ornamental tree distribution and planting	Number of ornamental trees distributed and planted	Signed Distribution list	5 000 trees	7 561 trees Target achieved	
Conservation areas maintenance	Conservation areas maintenance	Maintenance of Johannesburg Botanical Gardens (JBG)	System generated maintenance schedule Attainment report	7 day cycle	7 day cycle Target achieved	
		Maintenance of The Wilds Number of maintenance cycles done for all nature reserves	Completed job cards list Orders\invoices\ completion certificates (as and where applicable)	7 day cycle Off Peak season 0 Day cycle. Peak season 7 day cycle	7 day cycle Target achieved	(Over attainment of target is attributed to the additional funding received in the later part of the 2015-16 (FY) from COJ's EISD & Community Based programme.)

Day to Day operations	Projects	Key Project Performance Indicators	Means of verification	2015/16 Perfor-mance Target	2015/16 Actual	Measures taken to improve performance (rea-sons for over achievement of performance)
		Number of fire-breaks conducted		1 cycle	1 cycle Target achieved	
		Number of main-tenance cycles done for ridges, koppies	System generated maintenance schedule Attainment report Completed job cards list	Off Peak season 0 Day cycle Peak season 7 day cycle	7 day cycle Target achieved	(Over attainment of target is attributed to the additional funding received in the later part of the 2015-16 (FY) from COJ's EISD & Community Based rogramme.)
		Maintenance of bird sanctuaries	Orders\invoices\ completion certificates (as and where applicable	Off Peak season 30 Day cycle Peak season 14 day cycle	Target achieved as per cycles 30 Day cycle in the off peak and 14 days in the peak season	
Conservation areas main-tenance	Conservation areas maintenance	Maintenance of the conservation & research farm		Off Peak season 0 Day cycle Peak season 7 day cycle	7 day cycle Target achieved	(Over attainment of target is attributed to the additional funding received in the later part of the 2015-16 (FY) from COJ's EISD & Community Based Programme.)
Conservation areas main-tenance	Conservation areas maintenance	Number of wet-lands rehabili-tated		5 wetlands	10 wetlands Target achieved	(Over attainment of target is attributed to the additional funding received in the later part of the 2015-16 (FY) from COJ's EISD & Community Based Programme.)
		Number of areas reeds controlled		4 areas	10 areas Target achieved	(Over attainment of target is attributed to the additional funding received in the later part of the 2015-16 (FY) from COJ's EISD & Community Based Programme.)
		Number of hectares of river trails cleaned/ rehabilitated		240ha	437ha Target achieved	(Over attainment of target is attributed to the additional funding received in the later part of the 2015-16 (FY) from COJ's EISD & Community Based Programme.)

Day to Day operations	Projects	Key Project Performance Indicators	Means of verification	2015/16 Performance Target	2015/16 Actual	Measures taken to improve performance (reasons for over achievement of performance)
Conservation areas maintenance	Conservation areas maintenance	Number of areas alien invasive plants from water bodies (mainly water lilies and hyacinth)	System generated maintenance schedule Attainment report Completed job cards list	4 areas	10 areas Target achieved	(Over attainment of target is attributed to the additional funding received in the later part of the 2015-16 (FY) from COJ's EISD & Community Based Programme.)
		Number of hectares cleaned from alien vegetation	Orders\invoices\ completion certificates (as and where applicable)	50 ha	369ha Target achieved	(Over attainment of target is attributed to the additional funding received in the later part of the 2015-16 (FY) from COJ's EISD & Community Based Programme.)
Horticulture maintenance				**New Cycle: Peak Season (Oct – May) New Cycle: Off Peak Season (June – Sept)**		
Parks maintenance		Flagship	System generated maintenance schedule Attainment report Completed job cards list Orders\invoices\completion certificates (as and where applicable)	7 days cycle	6 days cycle average Target achieved	
		Developed Park		21 days cycle	21 days cycle average Target achieved	
		Undeveloped Park		60 days cycle	42 days cycle average Target achieved	
		Main Arterials		30 days cycle	25 days cycle average Target achieved	
		Landscaped Islands and town entrance		14 days cycle	10 days cycle average Target achieved	

Day to Day operations	Projects	Key Project Performance Indicators	Means of verification	2015/16 Performance Target	2015/16 Actual	Measures taken to improve performance (reasons for over achievement of performance)
Cemetery maintenance		Maintenance of active cemeteries		7 day cycle	7 day cycle average Target achieved	
		Maintenance of passive cemeteries		Peak = 30 day cycle Off-peak= 60 day cycle	24 day cycle average Target achieved	
Zoo Maintenance Zoo		Zoo Maintenance	Zoo Maintenance Schedule, Invoices, Pictorials, Job card	7 day cycle	7 day cycle average Target achieved	
Removal of fallen trees	Removal of fallen trees	Turnaround time of fallen trees removed	System generated report	Within 10 hours of logged call	Not Measured Not achieved	Mobile application design completed from JCPZ side; QA testing is underway from the COJ's side; the project is managed together with the ICT Department. Delays with the interface are attributed to the lack of payment of SAP system licence by COJ. COJ has completed the development and testing phase; other phases that have been completed include the User Acceptance Testing by both parties; project implementation is expected in the 1st quarter of 2016-17(FY);
Maintenance of playground equipment	Maintenance of playground equipment	Percentage of playground equipment painted as per schedule	System generated maintenance schedule Attainment report Completed job cards list Orders\invoices\ completion certificates (as and where applicable)	80%	115% Target achieved	

Day to Day operations	Projects	Key Project Performance Indicators	Means of verification	2015/16 Performance Target	2015/16 Actual	Measures taken to improve performance (reasons for over achievement of performance)
Animal husbandry Zoo	Animal husbandry	Percentage adherence to animal management practices	Monitoring list	100% adherence to animal management practices	100% adherence to pathology services Target achieved	
Pathology Services Zoo	Veterinary Services	Percentage Adherence to pathology services	Clinical (sick/ill) preventative (deworming & vaccination & annual health checks) & post mortem or autopsy recorded cases	100% Adherence to pathology services	100% Adherence to pathology services Target achieved	

Assessment of Arrears on municipal taxes and service charges

The table below shows an assessment of municipal taxes and service charges owed by JCPZ

Table 22: Assessment of arrears on charges owed by JCPZ.

Name of Entity	Amount Owed R'000	Status	Comments
City of Johannesburg Metropolitan Municipality	6 379	Confirmation being finalised-	Combination of current and older items
City Power Johannesburg (Pty) Ltd	43	Confirmed with City Power	Current
Johannesburg Roads Agency (Pty) Ltd	919	Confirmed with JRA	Current
Johannesburg Civic Theatre (Pty) Ltd	2 007	Confirmation being finalised	Current
City of Johannesburg Metropolitan Municipality	6 379	Confirmation being finalised-	Combination of current and older items
City Power Johannesburg (Pty) Ltd	43	Confirmed with City Power	Current

The table below reflects amounts owed to JCPZ for service charges.

Name of Entity	Amount Owed R'000	Status	Comments
City of Johannesburg Metropolitan Municipality	120 479	Confirmed with the municipality	Mainly current
City Power Johannesburg (Pty) Ltd	14 155	Confirmed with Power	Current
City of Johannesburg Property Company (Pty) Ltd	60	Confirmed with JPC	Current
Pikitup	3	Confirmed with Pikitup	Current
Johannesburg Roads Agency (Pty) Ltd	4 757	Confirmed with JRA	Mainly current
Johannesburg Water (Pty) Ltd	313	Confirmed with Water	Current

Assessment of Directors' and Senior Managers' municipal accounts

Table 23: Assessment of directors' and senior managers' municipal accounts

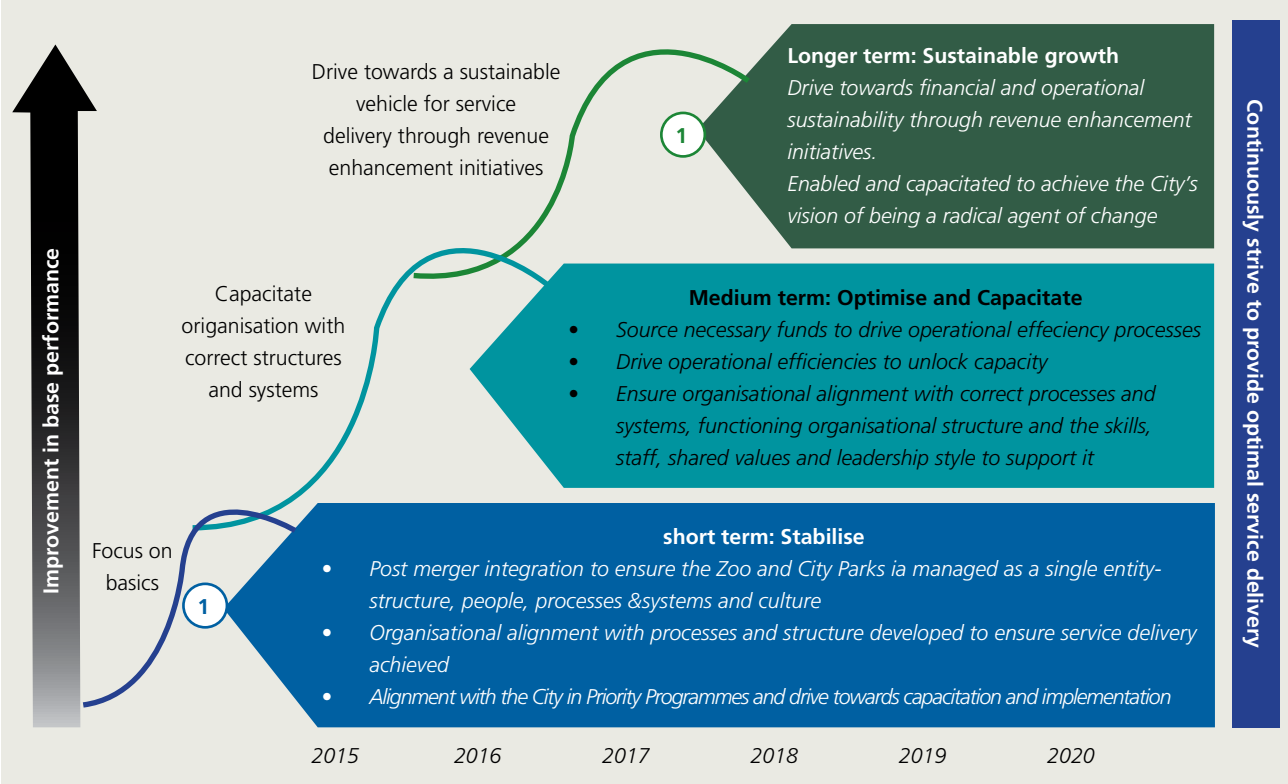
Name of Director/ Senior Manager	Designation	Name of Municipality	Account Status
J Mabaso	Chairperson of the Board (effective 03/02/2015 to date)		Currently none as house sold. However, queries still addressed with COJ Rates and Taxes.
Ms N Mogorosi	Non-Executive Director		In-order
J Makgonye	Non-Executive Director	Johannesburg	In-order
Mr S Ngubane	Non-Executive Director	Johannesburg	In-order
V Leketi	Non-Executive Director		Information not available at time of reporting.
Ms N Sandlana	Non-Executive Director	Johannesburg	In-order
A Rajah	Non-Executive Director	Johannesburg	In-order
Ms B Dollie	Non-Executive Director	Johannesburg	In-order
A September	Non-Executive Director	Johannesburg	In-order
M Simelane	Non-Executive Director	Tshwane	In-order
T Mashanda	Non-Executive Director	Johannesburg	In-order
B Nelana	Managing Director	Tshwane	In-order
M Sedite	Chief Financial Officer	Johannesburg Tshwane	In-order
BP Njingolo	Chief Operations Officer	Johannesburg	In-order
N Makhoba	Executive Manager: Corporate Services	N/A	N/A
NA Shongwe	Company Secretary	Johannesburg	In-order
B Mahlaba	Executive Manager: Business Development	Johannesburg	In-order
F Mqhavule	General Manager: Internal Audit	Johannesburg	In-order
Dr O van Heerden	Executive Manager: Strategic Support	Johannesburg	In-order
Dr M Dube	Executive Manager: Zoo		Information not available at time of reporting.

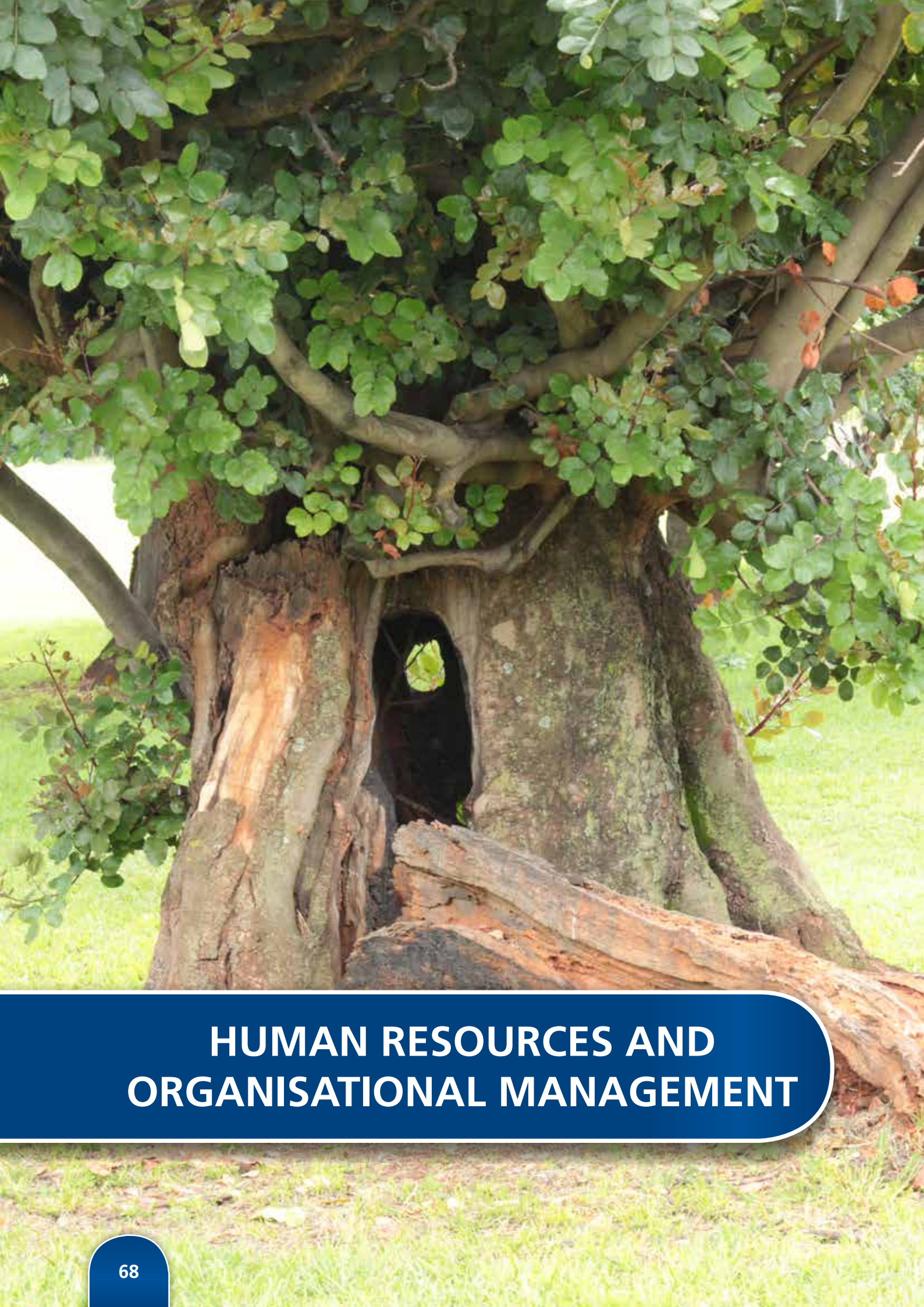
Johannesburg Zoo

Recommendations and Plans for the next financial year

- Development of capital Programmes to the value of R82.9 million. Capital infrastructure development including the Corridors of Freedom projects;
- Revenue generation to the value of R101million;
- The implementation of 60 outreach Programmes which includes the Masibambisane project, Environmental Education and Education on Food Gardens;
- The creation of 1 450 EPWP job opportunities which will contribute towards alleviating poverty, increase social cohesion and also decrease criminal activity;
- The creation of 733 Jozi@work jobs which will contribute towards alleviating poverty;
- The installation of 4 smart benches in designated public open space as part of the Smart City Programme;
- To have 5 advertising campaigns to promote products and services of JCPZ;
- The developed and support of 60 Primary cooperatives which will assist with decreasing unemployment rate. This programme would assist unemployed people to start businesses and become self-employed. This would have a positive impact on the economy especially in the financial and security field; and
- Service delivery will be carried out by way of day to day operational activities as outlined in the 2016/17 Business Plan.

Figure 16: Short, medium and long term goals





HUMAN RESOURCES AND ORGANISATIONAL MANAGEMENT

Mofolo Regional Park - On any given day Sowetans can be seen making the most of this park, but it's probably best known and loved for the number of music concerts held in the Cultural Bowl. This striking venue with its attractive rainbow paintwork has hosted a number of jazz festivals, gospel choirs and well-known local and international musicians and artists. The large grounds are also perfect for major sporting events, with many a cycle or road race beginning or ending here. Strengthening the bond with the community it serves, various projects like the Remembrance Garden project - involving tree planting in memory of local heroes are linked to the park

Human Resource Management

The Human Capital Management (HCM) has developed its HCM Strategy and Business Plan to set clear objectives for Human Capital within (JCPZ). There has been material progress made against the set targets in the Departmental Business Plan in spite of resource constraints. The strategy implementation will proceed into the new financial year where the Company aspires to conclude on the 2016/17 targets.

The total staff complement at the end of the 2015/16 financial year was one thousand five hundred and sixty six (1 566) including temporary staff. The impact of natural attrition is reflected in the decreasing staff numbers which is a cause for concern, especially since the JCPZ workforce is directly responsible for service delivery due to the nature of its business.

JCPZ has actively engaged in implementing new staffing strategies to remedy the decreasing number of 'productive' (employees engaged directly in service delivery) employees. The Company has been engaging youth on Learnerships through JCPZ Green Skills Academy where they are taught the basics of Horticulture and Arboriculture theory for a period of six (6) months and where after they engage in on-the-job experiential training and assessments for a further six (6) months at various JCPZ depots and facilities. A number of the successful youth are engaged on a permanent basis post this training period.

JCPZ has also engaged learners and interns in various departments e.g. Internal Audit, Marketing and Facilities Management to provide them with the necessary skills development opportunities which would increase their employment potential in the marketplace.

The Company also consulted with key stakeholders on critical positions and having determined a list of forty three (43) positions, the recruitment process for the filling of these posts was initiated.

The training provided for the financial year 2015/16 was focused on compliance together with Artisan Training which is aligned to the training requirements received from various departments for compilation of a Workplace Skills Plan (WSP) for 2015/2016.

A total of fifty seven (57) training interventions were undertaken for eight hundred and twenty three (823) beneficiaries for the financial year 2015/16 and this includes beneficiaries of the subsidised education scheme. The Company's efforts towards improving the education and skill levels of employees for the semi and unskilled levels within the organisation are reflected in the higher number of interventions which addressed Labourers and Machine Operators.

Since the capacitation of the Organisational Development (OD) Unit with the appointment of an OD Specialist in the second quarter, a number of initiatives have been identified towards improving the Organisational Culture and becoming a High Performing Organisation. The OD Specialist has also been tasked with driving the implementation of the Performance Management Policy and the Business Process Re-engineering exercise which is placing immense strain on this one resource.

The Quality of Work Life (QWL) Unit focussed and delivered on a number of activities in line with the Wellness Plan for the financial year 2015/16. The plan included sponsored activities and those funded by JCPZ. The Unit convened a number of meetings with various stakeholders to obtain support, sponsorships and donations towards the planned activities. The Stakeholders consulted with included Health and Wellness service providers to solicit support in providing services to employees at no cost to JCPZ.

During the year the QWL Unit issued information on medical conditions as per the National Health Calendar, vaccinated employees against the winter flu at no cost to the employees or JCPZ, and conducted blood pressure testing, diabetes screening, cholesterol testing and cancer clinics amongst others.

During this financial year, the employer employee relationship shifted from stable to tense. This situation has evolved from the memorandum of demands submitted to management by employees late last year. These were responded to by management but the employees were not satisfied with the feedback.

Management are maintaining an open line of communication with organised labour through the Local Labour Forum (LLF) where employee representatives meet with Management on a regular basis to address labour related issues and negotiate on the proposed JCPZ Conditions of Service.

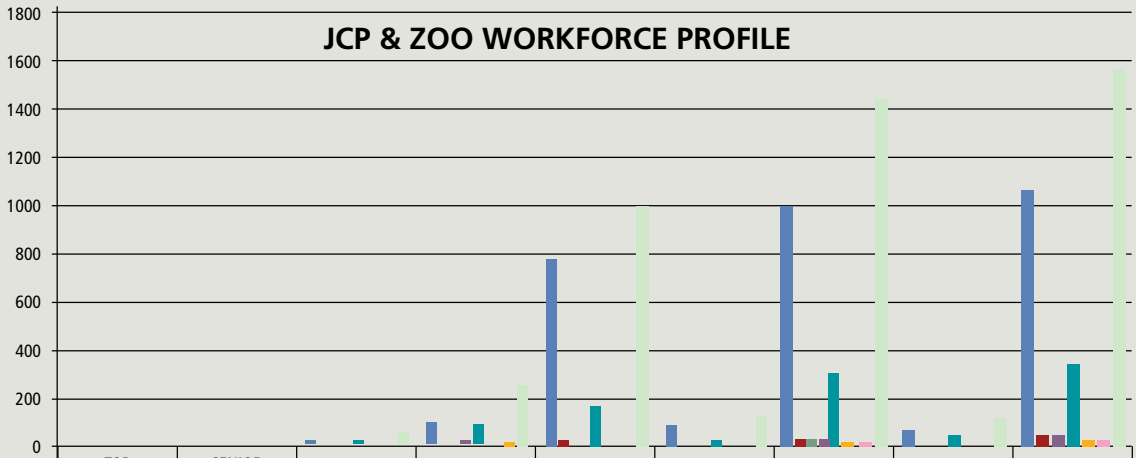
The City has agreed with Organised Labour for negotiations on some matters to be centralised at the City for the City and all its entities. The agreement ring-fenced all those matters that may have monetary implications to the central negotiation forum in the City of Johannesburg. This approach has increased tensions between local employee representatives who are unable to make progress in negotiations with management on these matters. The lack of trust between the employer and employees has been further impacted by management's inability to respond to all the matters raised in the memorandum which have been centralised at the City.

Employment Equity

In line with JCPZ's drive to create a diverse workforce which is truly representative of the demographics of Gauteng and one which continues to empower marginal groups in the workplace, the Company recruits in line with equity requirements. There are twenty (20) differently abled persons employed by JCPZ. The category is comprised of eleven (11) female and eight (9) male employees who form 1,38% of the total workforce.

The following figure reflects the Company workforce profile as at June 2016.

Figure 17: Zoo workforce profile



	TOP MANAGE-MENT	SENIOR MANAGE-MENT	PROFES-SIONAL	SKILLED/ TECHNICAL	SEMI SKILLED	UNSKILLED	PERMANENT	NON PERMANENT	GRAND TOTAL
Male African	1	1	29	103	781	91	1006	64	1070
Male Coloured	0	1	3	8	19	3	34	4	38
Male Indian	0	0	2	6	3	1	12	1	13
Male White	0	0	7	24	6	1	38	1	39
Female African	0	5	18	89	168	28	308	48	356
Female Coloured	0	0	1	10	7	0	18	1	19
Female Indian	0	0	2	7	0	0	9	0	9
Female White	0	0	4	12	4	0	20	2	22
Total	1	7	66	259	988	124	1445	121	1566

JCPZ has established a Skills Development and Employment Equity Committee in response to the requirements of the Employment Equity Act. The Committee members have been officially appointed and trained on the mandate of the Committee. The Terms of Reference for the Committee have been developed and adopted. The committee meets bi-annually.

Skills Development and Training

The entity is committed to the maintenance of standards by supporting and training staff through its world-class skills development Programmes. These Programmes aim to develop PIVOTAL skills required in terms of the municipal key performance areas such as basic service delivery and infra-

structure, good governance, municipal transformation with institutional development and municipal financial viability and management. JCPZ skills development Programmes are in line with the requirements of the Skills Development Act and workplace plan (WSP) is aligned to the business plan. Focus is placed on accredited occupational specific Programmes and statutory training together with management development Programmes.

In the 2016/17 financial year, training will focus on the development of specific competencies relating to the future strategy for the entity i.e. Corporate Governance, Strategic Leadership programmes, Risk Management, Monitoring and Evaluation together with Financial Management training. The following skills development Programmes were implemented and are discussed below:

- Adult Education and Training (AET)
- Artisan Development Programme
- Learnership Programme in National Certificate: Environmental Management, NQF Level 4,
- Subsidised Education programme

Beneficiaries of Training by Occupational Category

A total of fifty seven (80) different programmes were facilitated during the year and eight hundred and twenty three (823) employees benefitted from the training interventions. The cost of these training interventions was R 1,256,785.35.

The following table reflects the beneficiary profiles of the training Programmes.

Figure 24: Beneficiaries trained per occupational category

Equity Category	Black		Coloured		Indian		White		Total		Total
	M	F	M	F	M	F	M	F	M	F	
Managers	13	18							13	18	31
Professionals	30	16		7	3		3	1	36	24	60
Technical Associate Professionals	84	33	1		1		1		87	33	120
Clerks	46	88	1		1	1		2	48	91	139
Sales Workers and Supervisors	-	-	-	-	-	-	-	-	-	-	-
Agriculture Workers	7	7							7	7	14
Craft & related Trade	12	2							12	2	14
Plant Machine Operator	107	21	1						108	21	129
Labourers	108	67	1	_	_	_	_	_	109	67	176
Total	407	252	4	7	5	1	4	3	420	263	683
Non-Permanent	59	80						1	59	81	140
Grand total	466	332	4	7	5	1	4	4	479	344	823

Adult Education & Training (AET)

Adult Basic Education and Training or ABET, referred to as AET or Adult Education and Training, is training adults in skills that they need as a foundation. AET is not about literacy or numeracy. It is training adults in essential skills that they need for all other learning in South Africa. Without this foundational training people, and therefore communities, cannot develop further, grow economies nor sustain themselves. Adult Education and Training equips the individual with critical problem-solving and communication skills which "kick-start" the journey of learning. In line with the above, JCPZ also has an AET Programme that caters for the majority of JCPZ's semi-skilled and unskilled employees.

A total number of thirty (30) learners were registered on various levels of the AET Programme facilitated by Project Literacy. Six (6) learners were declared competent for the final exams in November 2015 and are currently being prepared for the final level which will be written in November 2016 through the Independent Examinations Board. The learners will be writing Communications and Literacy as well as Numeracy NQF1 (level 4). The remaining learners will continue their development on the Programme.

Artisan Development Training

Eleven (11) male employees are currently on an Artisan Development Programme to assist them in acquiring qualifications in line with Section 13 of the Manpower Training Act. The skills areas that are being addressed include plumbing, electrical, diesel mechanics, bricklaying and painting. The objective of the Programmes is to respond to the artisans' skills shortage in South Africa and ensure effective performance within the entity.

Learnership Programme in National Certificate: Ornamental Horticulture

The Programme was implemented for learners as an introductory Programme which is funded by the entity. The Programme consists of 30 learners who attend the JCPZ Green Skills Academy for theoretical training and are placed at various depots where they are exposed to horticultural practices. This Programme started on 01 August 2015 and ends on 31 July 2016. The successful candidates from this Programme are offered permanent employment and are absorbed into the workforce subject to there being vacancies and the availability of budget to fund the employment costs.

Work Integrated Programme (N6 & N3) Learnership

The Discretionary Grant approvals received from the LGSETA was for the implementation of a Learnership Programme in Work Integrated Learnership for durations of 18 and 24 months which ended on 31 January 2016. This Programme is geared towards providing graduates and other suitably qualified individuals with work experience which will capacitate them for the world of work and make them more employable in the eyes of prospective employers. Where possible JCPZ will seek to appoint suitable candidates into vacancies within the organisation post this period.

Mandatory and Discretionary Grant

A mandatory grant to the value of R 744 302.47 was received from the LGSETA based on the revised 20% of the total salary bill as per the amended Skills Development Levies Act. The table below reflects the approved Programmes and the number of learners, which have been implemented since 1 August 2014 and ended 31 January 2016. The Programmes duration ranged from 12 to 24 months. The LGSETA owed JCPZ an amount of R2 789 000, of which the Company received an amount of R R356 400. At the end of the financial year 2015/16, JCPZ was still owed R2 432 600 by the LGSETA in lieu of Discretionary Grants.

Table 25: Discretionary grant funded Programmes

Name of the Programme	Duration of the Programme	Value	No. of Learners
Internship	12 Months	R2 530 000.00	55
Learnership	16 Months	R450 000.00	15
Work Integrated Programme (NCV)	12 Months	R54 000.00	3
Work Integrated Programme (N6)	18 Months	R594 000.00	22
Work Integrated Programme (N3)	24 Months	R 36 000.00	1
Total		**R3 664 000.00**	**96**

An application for Discretionary Grants 2016/17 was submitted in February 2016. The application is for the implementation of various skills development Programmes such as Apprenticeships, Internships, Learnerships, Work Integrated Learning (WIL) and bursaries. The Company is still awaiting feedback from LGSETA.

Workplace Skills Plan 2016/17

The Workplace Skills Plan for the financial year 2016/17 was concluded and submitted timeously to LGSETA.

Statutory Training Programme

Statutory Programmes were implemented as indicated below with a total number of twenty three (23) interventions which were implemented at a total cost of R752, 115.56 for one hundred and sixty two (162) employees.

Delta Park playground equipment

Table 26: Breakdown of learning Programmes

No	Name of the Learning Programme	No of Employees Attended
1	Invasive Species	5
2	Environmental System Implementation (ISO 14001)	12
3	Truck and Crane Acclimatisation	5
4	Municipal Financial management Unit Standard 116363	1
5	Cherry picker Novice/Aerial platform	8
6	Fire Marshalls and Evacuation	16
7	Bandsaw training	1
8	Forklift Re-certification	3
9	Tractor loader backbone	4
10	Various Amended legislative training	22
11	Aquarium and Scientific Diving	2
12	Information technology /Cyber law	1
13	Construction Regulations	2
14	Veld management	5
15	Introduction to SAMTRAC	1
16	SHE Representative Programme	21
17	ISO 14001: 2015	11
18	POPI Compliance for HR	1
19	Nebosh (National Examination Board in Occupational Safety and Health)	9
20	COID	1
21	Environmental Law	3
22	Peer educators training	30
23	Municipal Financial Management Unit Standard 116364	1
Total		**165**

Subsidised Education

The Subsidised Education (financial assistance scheme) has awarded 39 employees financial assistance for furthering their studies with a tertiary institution at a total cost of five hundred and thirty four thousand, nine hundred and sixty rand (R 534 960). The number of female employees receiving Sub-Ed assistance is nineteen (19) which equates to 48% indicating an improvement in terms of women empowerment within the entity.

All employees on the Programme have signed Memorandum of Agreements (MOA's) and were issued with copies for their own records. The study and examination leave was uploaded at the beginning of the academic year to ensure that employees do not use more than the maximum leave as per Approved Leave policy. Payments of the tuition fees were made after the MOA's were signed by all parties.

Performance Management

The JCPZ's performance management system is aligned to that of the City of Johannesburg (COJ). The COJ, as the parent municipality, has set the framework and policies in this regard. Performance reviews take place through informal and formal sessions at periodic intervals during the Performance Cycle. These are aimed at assessing the level of performance against scorecard performance targets.

Since the capacitation of the OD Specialist, the Company, hs provided additional training on the Performance Management System, orientation on the policy requirements and reminders of submissions and activities at regular intervals.

The organisation has completed the 2015/16 financial year performance management cycle. The process of performance reviews for the previous financial year (2015/16) is being undertaken through line management while performance targets for the current financial year (2016/17) are being agreed to and will be signed off by the relevant line management and employees.

Healthy and Productivity Management

The Health and Productivity Management focus area is an

area of converged efforts to promote the general health of employees through awareness campaigns, education, and the provision of support services for managers and employees in order to mitigate the impact and effect of communicable and non-communicable diseases on the productivity and quality of life of members of staff. This area seeks to promote the general health of employees through awareness campaigns, education, conducting health assessments and the provision of support services for managers and employees.

During the period under review there were major projects implemented to address the management of chronic illnesses within the workplace. The Wellness month from the 31st May to 30 June 2016 was aimed at addressing the issue. Various assessments were done to detect different illnesses that employees may not have been aware of, such as Hypertension, high cholesterol levels, Diabetes, loss of eyesight and loss of hearing, amongst others.

Peer Educators Programme

Peer education is an approach to health promotion, in which community members are supported to promote health-enhancing change among their peers. The idea behind peer education is that ordinary lay people are in the best position to encourage healthy behaviour in each other. Peer education concentrates on the teaching and/or sharing of health information, values and behaviour in educating others who may share similar social backgrounds or life experiences.

During the 2015/16 financial year, training was conducted to empower thirty (30) newly appointed Peer Educators in order that they may better understand their role and better respond to the needs of employees. This training was a collaborated effort between the Learning and Development and the Quality of Worklife Units. The training was aimed at educating and equipping the Peer Educators with the necessary skills and knowledge to be able to deliver on their mandate and to be able to make informed decisions for referrals relating to Employee Wellness Programmes. All the Peer educators have been declared competent after submission of their Portfolios of Evidence and will be receiving their certification shortly. The Learning and Development Unit provides assistance to the delegates in the completion of their Portfolios of Evidence for submission.

The Peer Educators attend monthly meetings to ensure alignment to the annual Peer Educators Plan; they facilitate interventions, the distributions of pamphlets in agreed upon areas, and help monitor the condom distribution system. Activities that are identified by the group are initiated and members are elected to liaise with representatives of the Unions and the SHEQ department in different depots to ensure that they conduct presentations in those forums.

HIV Counselling and Testing (HCT)

A wellness campaign was conducted within the Company and the activities included education on health matters, and testing for lifestyle diseases such as HIV, diabetes, cholesterol and high blood pressure. Seven hundred and fifty six (756) employees participated in the campaign by volunteering to be tested. The service provider will provide the employer with a summary of the statistical results due to privacy concerns, in an effort to capacitate the employer to plan and to provide appropriate disease management interventions for the workforce. Employees who disclose their status openly or confidentially will have this information maintained in confidence. Employees will be provided with appropriate interventions and support to ensure proper disease management, counselling and support. Awareness Programmes will continue to be presented throughout the Company to ensure proper awareness and education with regard to the HIV and AIDS pandemic.

Condoms are still seen as one of the most effective barriers to the transmission of HIV and Aids. The QWL Unit hosts a Condom Week Campaign annually which aims to empower employees with information regarding Sexual Transmitted Infections. The unit embarked on the condom distribution week from the 22nd to the 26th of February 2016.Various depots within the Company were visited. The activities conducted included advice on condom use, demonstrations as well as presentations. During the 2015/16 financial year, a total of three thousand, six hundred and fifty two (3 652) female and male condoms were distributed in various depots within the Company.

Diseases Management information articles

The Unit produces information articles on various health and wellness topics. These are distributed within the Company to further contribute and consistently remind employees on health related issues throughout the year. During this 2015/16 financial year, articles on the following topics were distributed through the internal newsletter:

- Bone Marrow Stem Cell,
- Mental Health,
- Cervical Cancer awareness,
- Reproductive Health Breast Cancer,
- Multiple sclerosis, and
- Flu vaccination.

In addition to the above initiatives, an awareness workshop was conducted as part of a disease management, awareness and prevention initiative where employees were sensitised to various health concerns which they may be more susceptible to; based on their daily work activities, e.g. being in the sun lowers blood pressure, issues with their backs from carrying heavy machinery for extended periods, etc.

Cancer Campaign and Social Responsibility Project

During the 2015/16 financial year, the QWL Unit embarked on a Cancer Awareness Campaign which was held on the 15th and 16th October 2015 at Pioneer Park. The activities of the event were more on information sharing and consultation with service providers with more emphasis on cancer. Other tests that were conducted include HIV and AIDS. The Unit was also part of the social responsibility project organised by the marketing department on distribution of Feminine Care that was scheduled for 29th October 2015 at Pholosho Secondary School in Alexandra.

Wellness Management

Wellness Management covers a range of psychosocial stressors in the workplace in order to enhance individual and organisational wellness and ultimately productivity. Wellness management recognises that the health and wellness of employees directly impact on the productivity of the Company. There are personal and workplace factors that influence wellness and employee performance. The aim of this focus area is to assist employees to be productive at their optimal level. There are four strategic areas of focus which are listed below.

- Employee Assistance Programme (which addresses the psycho-social aspects of Individual Wellness)
- Individual physical health and wellness
- Organisational wellness
- Work life balance.

Metropolitan Health was appointed to render services in support of the wellness management pillar. The services which they provide include face to face counselling, telephonic counselling, incapacity management, absenteeism management as well as HIV and AIDS management and support services. This initiative was taken to enhance the capacity of dealing with Health and Wellness issues at the workplace.

Employee Wellness

Thriving organisations rely on healthy, motivated employees who are productive both at home and at work and who have a sense of wellbeing. The reality of life is that it is not always possible to maintain a healthy and well balanced lifestyle, as employees have to deal with illnesses, trauma, stress and many other unforeseen or unplanned for daily occurrences.

Human capital is a valuable asset which should be well managed with as much focus as any other strategic business development. JCPZ understands the effect that individual health and wellness has on business. Through the support given by the Company through the engagement of Metropolitan Health, employees are able to maintain a healthy way of life that has a direct bearing on reduced absenteeism rates, increased productivity, performance and staff retention.

Individual Health and Wellness.

This aspect focuses on the fitness and physical health of employees. The Programme covers aspects to help employees identify potential health risks through screening and testing, and educate employees about health risks such as high blood pressure, smoking, poor diet and stress in order to encourage employees to adopt a healthy life style through regular exercise, good nutrition and health monitoring.

The following initiatives and Programmes were provided at JCPZ towards achieving the objectives of developing and maintaining a healthy workforce.

- Flu Vaccinations offered at no cost to Employees
- Participation in the COJ Employee Games
- Participation in the 702 Walk the Talk
- Hollard Jo'burg Urban Run Adventure (JURA)
- Hollard Jo'burg Urban Mountain Bike Adventure (JUMA)

Interventions – Individual cases (Employee Assistance Programme)

As part of managing the QWL Programmes, the Unit ensures proper interventions on various psycho-social issues that affect the productivity of employees at the workplace. The issues include challenges that are environmental in nature as well as workplace related issues. The Unit provides interventions and support through individual communication and group sessions.

A service provider, Metropolitan Health has been contracted to provide further professional support to the Unit and employees of JCPZ. The services of Metropolitan Health are beneficial for employees who prefer a level of confidentiality in their matters and who are concerned that by engaging the employer on their personal issues it may impact their employment. Metropolitan offers specialised services on Employee Health and Wellness.

During the 2015/16 financial year the QWL Unit was responsible for providing assistance in five hundred and forty three cases.

- Three Hundred and fifty seven (357) cases were handled by staff members within the QWL Unit.
- One hundred and eight (108) cases were referred to Metropolitan Health for further intervention.
- Seventy eight (78) employees contacted Metropolitan Health directly during the financial year.

Table 27: Employee benefits

Pension Fund	AS AT END OF JUNE 2016
	Total Employees
City of Jhb Pension Fund	365
E-Joburg Retirement Fund	786
Municipal Employee Gratuity Fund	119
Municipal Employee Pension Fund	30
Joint Municipal Employee Pension Fund	7
Zoo Liberty Life Pension Fund	79
Total	**1 386**
Medical Aid	**Total Employees**
Bonitas	234
La Health	156
Key Health	32
Samwumed	106
Hosmed	72
Sizwe Medical	7
Day One Health	539
Total	**1146**

Other Staff Remuneration

Category	No Of Staff	Salary	Pension	Medical Aid	Cell Phone	Travel	Subsistence	Housing	Leave Pay	Insurance	Bonus	Total
Senior Management	22	21 807 733.90	718 966.12			1 021 455.24	68 490.64		136 529.20	5 949.52	3 122 284.53	26 881 409.15
Management	46	31 852 390.87	1 143 389.83	87 084.00	360 800.00	2 973 718.31	44 337.40	13 584.00	344 116.96	12 226.56	4 246 170.15	41 077 818.08
Professional	123	51 668 952.53	3 392 030.61	1 170 718.60		4 356 993.99	36 644.00	79 864.28	510 762.94	28 574.20	6 323 382.40	68 241 823.55
Technical Skilled	142	38 376 765.88	4 635 198.30	1 658 483.86	673 900.00	597 780.60	4 908.00	271 317.34	396 919.10	29 368.50	4 088 782.74	50 458 124.32
Skilled/Semi Skilled	1008	146 453 002.66	27 392 543.95	8 731 965.43	398 600.00	149 408.25	39 342.00	2 418 027.43	1 790 902.16	258 724.81	12 211 599.74	199 691 076.43
Unskilled	219	14 958 671.12	2 350 831.06	877 575.00	245 560.00			224 074.40	102 836.55	45 683.44	843 782.82	19 403 454.39
Total	1566	305 117 516.96	39 632 959.87	12 525 826.89	1 678 860.00	9 099 356.39	193 722.04	3 006 867.45	3 282 066.91	380 527.03	30 836 002.38	405 753 705.92

FINANCIAL PERFORMANCE

General Information

Financial Statements for the year ended 30 June 2016

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 as well as the preservation and management of biodiversity through direct conservation, education, research and recreation. The operating results and state of affairs of the Company are fully set out in the attached financial statements.
CHIEF FINANCE OFFICER (CFO)	Sedite M
DIRECTORS	Dollie B* Leketi FV* Mabaso JJ*(Chairperson) Makgonye MJ* Mogorosi N* Nelana B (Managing Director) Ngubane S* Rajah AA* Sandlana N* September A* *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
CONTROLLING ENTITY	City of Johannesburg Metropolitan Municipality incorporated in South Africa
BANKERS	Standard Bank of South Africa Limited
AUDITORS	The Auditor - General of South Africa
SECRETARY	Shongwe NA
Company REGISTRATION NUMBER	2000/028782/08

Index

Financial Statements for the year ended 30 June 2016

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

INDEX	PAGE
Directors' Responsibilities and Approval	80
Audit Committee Report	81
Director's Report	82-84
Company Secretary's Certification	85
Statement of Financial Position	86
Statement of Financial Performance	87
Statement of Changes in Net Assets	88
Statement of Cash Flows	89
Statement of Comparison of Budget and Actual Amounts	90-91
Appropriation Statement	92
Accounting Policies	93-112
Notes to the Financial Statements	113-140

ABBREVIATIONS

GRAP	Generally Recognised Accounting Practice
IAS	International Accounting Standards
ME's	Municipal Entities
MFMA	Municipal Finance Management Act
CJMM	City of Johannesburg Metropolitan Municipality

Directors' Responsibilities and Approval

Financial Statements for the year ended 30 June 2016

The directors are required by the Municipal Finance Management Act (Act 56 of 2003) and the Companies Act (Act 71 of 2008), to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is the responsibility of the directors to ensure that the financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the financial statements and were given unrestricted access to all financial records and related data.

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

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

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

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

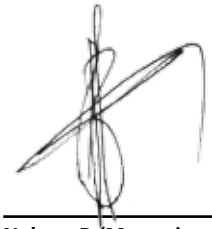
The directors have reviewed the entity's cash flow forecast for the year to 30 June 2017 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The entity is largely dependent on the City of Johannesburg Metropolitan Municipality for continued funding of operations. The financial statements are prepared on the basis that the entity is a going concern and that the City of Johannesburg Metropolitan Municipality has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

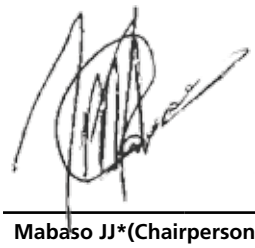
Although the directors are primarily responsible for the financial affairs of the entity, they are supported by the entity's internal auditors.

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

The financial statements are set out on pages 5 to 69.



Nelana B (Managing Director)



Mabaso JJ*(Chairperson)

Audit Committee Report

Financial Statements for the year ended 30 June 2016

We are pleased to present our report for the financial year ended 30 June 2016. The report is presented as recommended by the King III Report on Corporate Governance. We perform our functions in accordance with section 166(2)(a) of the MFMA and the 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 Charter. During the current year 7 meetings including Special Committee meetings were held.

Dunnington GC"	7
Maboa MJ" (Chairperson - April 2016)	4
Mashanda TN* (Chairperson) - (Resigned - 15/03/2016) Mogorosi	6
N* (Appointed - 15/03/2016)	0
Moolla H"	7
Sandlana N*	5
* Non-executive director	" Independent audit committee member

Audit committee responsibility

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

The effectiveness of internal control

Evaluation of financial statements

The audit committee has:

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

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

Internal audit

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

Assessment of financial function

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

Chairperson of the Audit Committee

Director's Report

Financial Statements for the year ended 30 June 2016

The directors submit their report for the year ended 30 June 2016.

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 as well as the preservation and management of biodiversity through direct conservation, education, research and recreation. 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 2016, the entity had accumulated surpluses of R 142 473 000 (2015: R 92 444 000) and that the entity's total assets exceed its liabilities by R 172 431 000 (2015: R 122 402 000).

The 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 entity 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. 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.

5. Accounting policies

The 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.

6. Shareholder's loan on incorporation

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

7. Non-current assets

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

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

8. Directors

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

Name	Nationality	Changes
Dollie B*	South African	
Leketi FV*	South African	
Mabaso JJ*(Chairperson)	South African	
Makgonye MJ*	South African	
Mashanda TN*	South African	Resigned 15 March 2016
Mogorosi N*	South African	Appointed 15 March 2016
Nelana B (Managing Director)	South African	
Ngubane S*	South African	Appointed 15 March 2016
Rajah AA*	South African	
Sandlana N*	South African	
Sedite M (Chief Financial Officer) September A*	South African	
Simelane MJ*	South African	Resigned 15 March 2016

*Non-executive , Independent Audit Commitee Member (IAC)

9. 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 entity'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 directors.

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, is determined by the controlling entity, and the directors determine the remuneration within its limits.

Directors meetings

The directors met on 10 separate occasions during the financial year under review. The directors are required 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	Social and Ethics Committee meeting	Operations Committee meeting	Human Resources Committee meeting	Risk Committee meeting
Total number of meetings held	10	7	2	4	8	5
Dollie B*	10					
Leketi FV*	9			4	8	4
Mabaso JJ*	9					
Makgonye M*			1	4	1	5
Mashanda TN*	7	6				4
Mogorosi N*	2				1	
Nelana B (Managing Director)	10	4	1	2	2	2
Ngubane S*	1					1
Rajah A*	10		2	3	8	
Sandlana N*	9	5				5
Sedite M (Chief Financial Officer)	10	7	2	3	4	4
September A*						
Simelane MJ*	9				1	5
J Maboa (IAC)	8		2	3	7	
H Moolla (IAC)	1	4				
G Dunnington (IAC)		7				
* Non-executive. Independent		7				
Audit Commitee Member (IAC)						
	-	-	-	-	-	-

Audit committee

For the current financial year the chairperson of the audit committee was Ms TN Mashanda for period July 2015 to 15 March 2016. Effective from the April 2016 Mr J Maboa was appointed as the Chairperson of the Audit commitee. He is a Independent audit commitee member of the Company. The commitee met 7 times during the financial year to review matters necessary to fulfill its role.

10. Controlling entity

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

11. Subsequent events

The directors are not aware of any other matters or circumstances arising since the end of the financial year to the date of this report, not otherwise dealt with in the financial statements and directors' report which significantly affect the financial position of the entity or the results of its operations that would require adjustments to or disclosure in the annual financial statements.

12. Bankers

Standard Bank of South Africa Limited is the primary Bankers of the entity and its Parent Municipality.

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.

13. Auditors

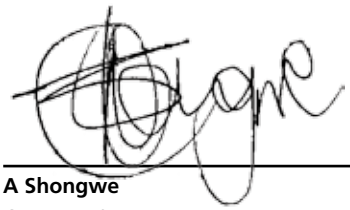
The Auditor - General of South Africa will continue in office for the next financial period in compliance with the Public Audit (Act No 25 of 2004), section 92 of the MFMA and section 270(2) of the Companies Act.

Company Secretary's Certification

Financial Statements for the year ended 30 June 2016

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

In terms of Section 88(2)(e) of the Companies Act 71 of 2008, as amended, I certify that the Company has lodged with the Commissioner all such returns as are required of a public Company in terms of the Companies Act and that all such returns are true, correct and up to date.



A Shongwe
Company Secretary
Johannesburg

Statement of Financial Position

Financial Statements for the year ended 30 June 2016

Figures in Rand thousand	Notes	2016	2015 Restated*
Assets			
Current Assets			
Inventories	3	7 003	5 349
Loans to shareholders	4	482 990	389 438
Receivables from exchange transactions	5	131 461	152 161
Cash and cash equivalents	7	212	333
		621 666	**547 281**
Non-Current Assets			
Zoo animals	8	25 624	23 741
Property, plant and equipment	9	89 042	79 739
Intangible assets	10	1 780	3 283
Loans to shareholders	4	49 519	55 357
		165 965	**162 120**
Non-Current Assets		165 965	162 120
Current Assets		621 666	547 281
Total Assets		**787 631**	**709 401**
Liabilities			
Current Liabilities			
Finance lease obligation	11	15 910	8 797
Payables from exchange transactions	12	434 325	424 976
VAT payable	13	10 523	7 478
Provisions	14	22 506	19 744
		483 264	**460 995**
Non-Current Liabilities			
Finance lease obligation	11	36 056	25 378
Employee benefit obligation	6	94 965	100 625
		131 021	**126 003**
Non-Current Liabilities		131 021	126 003
Current Liabilities		483 264	460 995
Total Liabilities		**614 285**	**586 998**
Assets		787 631	709 401
Liabilities		(614 285)	(586 998)
Net Assets		**173 346**	**122 403**
Shareholder's loan on incorporation	15	29 958	29 958
Accumulated surplus		143 388	92 445
Total Net Assets		**173 346**	**122 403**

Statement of Financial Performance

Financial Statements for the year ended 30 June 2016

Figures in Rand thousand	Notes	2016	2015 Restated*
Revenue			
Sale of horticultural products		47	727
Rental facilities and equipment	16	2 980	3 179
Cemetery fees	16	21 174	19 725
External services	16	56 746	46 677
Other revenue - exchange	18	33 665	27 282
Interest received - investment	22	34 915	22 499
Government grants & subsidies	17	711 957	644 389
Other revenue - Non-exchange	16	3 837	8 744
Total revenue		**865 321**	**773 222**
Expenditure			
Employee related costs	20	(455 014)	(441 997)
Depreciation and amortisation	23	(22 853)	(20 537)
Finance costs	24	(11 222)	(10 603)
Debt Impairment	21	(5 518)	(14 513)
Repairs and maintenance		(24 694)	(14 725)
General expenses	19	(300 517)	(272 414)
Total expenditure		**(819 818)**	**(774 789)**
Total revenue		865 321	773 222
Total expenditure		(819 818)	(774 789)
Operating surplus (deficit)		**45 503**	**(1 567)**
(Loss) gain on disposal of assets and liabilities		(574)	654
Actuarial gains/(losses) from employee benefit obligations		3 835	(8 089)
Gains as a result of donated animals, new births and sale		2 695	5 901
Fair value adjustments		(511)	1 570
Total other comprehensive income		**5 445**	**36**
Operating surplus/deficit		5 445	36
Surplus (deficit) before taxation		50 948	(1 531)
Taxation		-	-
Surplus (deficit) for the year		**50 948**	**(1 531)**

Statement of Changes in Net Assets

Financial Statements for the year ended 30 June 2016

Figures in Rand thousand		Shareholder' s loan	Accumulated surplus	Total equity
Opening balance as previously reported Adjustments		29 958	95 047	125 005
Prior year adjustments	31	-	(1 071)	(1 071)
Balance at 01 July 2014 - Restated		**29 958**	**93 976**	**123 934**
Changes in net assets				
Total changes		-	(1 531)	(1 531)
Deficit for the year		-	(1 531)	(1 531)
Balance at 30 June 2015		**29 958**	**92 445**	**122 403**
Changes in net assets				
Surplus for the year		-	50 943	50 943
Total changes		-	50 943	50 943
Balance at 30 June 2016		**29 958**	**143 388**	**173 346**

Statement of Cash Flows

Financial Statements for the year ended 30 June 2016

Figures in Rand thousand	Notes	2016	2015 Restated*
Cash flows from operating activities			
Receipts			
Rendering of services		118 449	106 333
Municipal subsidy		711 957	644 389
Interest income		34 915	22 499
		865 321	**773 221**
Payments			
Employee costs		(455 014)	(441 997)
Suppliers		(302 668)	(191 378)
Finance costs		(8 207)	(8 000)
		(765 889)	(641 375)
Total receipts		865 321	773 221
Total payments		(765 889)	(641 375)
Net cash flows from operating activities	**26**	**99 432**	**131 846**
Cash flows from investing activities			
Purchase of property, plant and equipment		(2 291)	(23 551)
Proceeds from sale of property, plant and equipment		-	1 215
Purchase of other intangible assets		(276)	(2 119)
Purchase of zoo animals		(2 370)	(6 057)
Proceeds from sale of zoo animals		1 328	644
Shareholder's loan (advanced)/repaid		(82 060)	(85 060)
Net cash flows from investing activities		**(85 669)**	**(114 928)**
Cash flows from financing activities			
Movements in retirement benefit liabilities		(5 669)	(8 526)
Finance lease capital receipts (payments)		(8 215)	(9 319)
Net cash flows from financing activities		**(13 884)**	**(17 845)**
Net decrease in cash and cash equivalents		**(121)**	**(927)**
Cash and cash equivalents at the beginning of the year		333	1 260
Cash and cash equivalents at the end of the year		**212**	**333**

Statement of Comparison of Budget and Actual Amounts

Financial Statements for the year ended 30 June 2016

Budget on Cash Basis						
Figures in Rand thousand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Sale of goods	543	741	**1 284**	47	**(1 237)**	
Rental facilities and equipment	3 566	673	**4 239**	2 980	**(1 259)**	1
Cemetery fees	20 565	2 057	**22 622**	21 174	**(1 448)**	2
External services	47 988	(69)	**47 919**	56 746	**8 827**	3
Other revenue	27 717	4 757	**32 474**	33 665	**1 191**	4
Interest received - investment	22 947	8 159	**31 106**	34 915	**3 809**	5
Total revenue from exchange transactions	**123 326**	**16 318**	**139 644**	**149 527**	**9 883**	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	728 403	(16 446)	**711 957**	711 957	**-**	
Other revenue	1 598	529	**2 127**	3 837	**1 710**	6
Total revenue from non-exchange transactions	**730 001**	**(15 917)**	**714 084**	**715 794**	**1 710**	
'Total revenue from exchange transactions'	123 326	16 318	**139 644**	149 527	**9 883**	
'Total revenue from non-exchange transactions'	730 001	(15 917)	**714 084**	715 794	**1 710**	
Total revenue	**853 327**	**401**	**853 728**	**865 321**	**11 593**	
Expenditure						
Personnel	(469 951)	786	**(469 165)**	(455 014)	**14 151**	7
Depreciation and amortisation	(33 991)	7 141	**(26 850)**	(22 853)	**3 997**	8
Finance costs	(9 370)	-	**(9 370)**	(11 222)	**(1 852)**	10
Bad debts	(8 866)	-	**(8 866)**	(5 518)	**3 348**	9
Repairs and maintenance	(25 921)	(5 000)	**(30 921)**	(24 694)	**6 227**	11
General Expenses	(302 146)	(3 211)	**(305 357)**	(300 522)	**4 835**	11
Total expenditure	**(850 245)**	**(284)**	**(850 529)**	**(819 823)**	**30 706**	
	853 327	401	**853 728**	865 321	**11 593**	
	(850 245)	(284)	**(850 529)**	(819 823)	**30 706**	
Operating surplus	**3 082**	**117**	**3 199**	**45 498**	**42 299**	
(Loss)/gain on disposal of assets and liabilities	(1 154)	38	**(1 116)**	(574)	**542**	
Acturial gains/ (losses)	(1 928)	(2 090)	**(4 018)**	3 835	**7 853**	12
Gains as a result of donated animals and new births	-	1 933	**1 933**	2 695	**762**	

Statement of Comparison of Budget and Actual Amounts

Financial Statements for the year ended 30 June 2016

Budget on Cash Basis						
Figures in Rand thousand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Loss on non-current assets held for sale or disposal groups	-	-		(511)	(511)	
	(3 082)	**(119)**	**(3 201)**	**5 445**	**8 646**	
	3 082	**-**	**3 082**	45 498	45 498	
	(3 082)	**-**	**(3 082)**	5 445	5 445	
Surplus before taxation	**-**	**-**	**-**	**50 943**	**50 943**	
Deficit before taxation	-	-	-	50 943	50 943	35
Taxation	-	-	-	-	-	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**-**	**-**	**-**	**50 943**	**50 943**	
Reconciliation						

(Variances of above R1 million were commented on)

The accounting policies on pages 15 to 34 and the notes on pages 35 to 69 form an integral part of the financial statements.

1. Rental facilities and equipment - poor demand for rental of facilities impacted by negative performance in the current economic cycle. This relates to rentals for events.

2. Cemetery Fees The revenue generated for this stream depends on the volume of grave bookings by the members of the public and the grouping of the deceased (age etc) which was less than budgeted for.

3. External services – Despite the difficulties experienced in the main half of the financial year, the revenue rose significantly due to high demand for grass cutting mainly by the City of Johannesburg and the respective related entities. This was significantly more than expectations.

4. Other revenue – Recorded under revenue in the main is the admission to the ZOO, recovery of provision for doubtful debt and rentals of the restaurant at the ZOO etc. The main contributor to the positive results is the effort by the entity's finance department in recovering of the money owed due to the entity.

5. Interest received – This mainly relates to interest earned on the sweeping and loan accounts held with the City of Johannesburg. The positive variance is a result of higher balances and a favourable rate than was expected.

6. Other revenue – Positive results is mainly a result of donations including those of animals that were not budgeted for.

7. Personnel costs - The favourable variance under employee related cost relates mainly to employees encouraged to take their long outstanding leave and also forfeiting of the leave by employees who did not take their leave in line with the entity's leave policy. There is also some savings on the overtime worked during the current year compared to what was expected. Actuarial losses on employee obligations was also budget for on this line item however based on the results for the financial year a gain was realised. There is high level of uncertainty in budgeting for this amount by management until the actual outcome is known at the end of the financial year.

8. Depreciation - provided was also above budget because of the difficulties experienced in budgeting for this amount.

9. Bad debts - Majority of the debtors were able to pay on time compared to expectations and this is further highlighted on the explanation above relating to bad debt recoveries.

10. Finance costs – relates to both interest on valuation of employees obligations and finance lease. Increased balance and negative rate change contributed to the negative variance.

11. Repairs and maintenance and general expenditure – Despite a transfer of approximately majority of the repairs and maintenance budget during the year to cover the costs of securities in line with the City of Johannesburg to increasing the security of the citizens in parks, there is a saving son this expenditure relating to items such as training, seminars, IT, seeds and customer relations costs to name some few.

12. Actuarial Gains/ (losses) – A loss was budgeted for under payroll costs. Please refer to narrations on payroll above.

Accounting Policies

Financial Statements for the year ended 30 June 2016

1. Presentation of Financial Statements

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

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

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

These accounting policies are consistent with the previous period

1.1 Presentation currency

These financial statements are presented in South African Rand, which is the functional currency of the entity.

1.2 Going concern assumption

These financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.3 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the 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 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 entity makes judgments as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Impairment testing

The recoverable sevice amounts of cash-generating, non-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 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. 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 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.

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 6 - Employee benefit obligations.

Effective interest rate

The entity used the prime interest rate to discount future cash flows adjusted for risks specific to the related item.

Allowance for doubtful debts

An impairment loss is recognised in the statement of financial performance when there is objective evidence that debtor is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

1.4 Zoo animals

Items of zoo animals are recognised as assets when it is probable that:

- the entity controls the asset as a result of past events;
- it is probable that future economic benefits or service potential associated with the asset will flow to the entity; and
- the fair value or cost of the asset can be measured reliably.

Zoo animals are accounted for in terms of GRAP 17 as items of property, plant and equipment. The majority of animals are received as donations and transfers from other similar institutions for no consideration or from procreation. These assets are recorded at a fair value at the time of donation or transfer, and are depreciated accordingly.

Market determined prices or values are not available for certain animals due to lack of market because they are not commodities, as well as restrictions on trade of exotic animals which precludes the determination of a fair value.The fair value of livestock is determined based on market prices of livestock of similar age, breed, and genetic merit.

The Johannesburg City Parks and ZOO also acquires animals through supply chain processes and these newly acquired animals are carried at cost less accumulated depreciation and any impairment losses. The offspring of newly acquired animals shall be recorded at a fair value at the time of birth and will also be depreciated accordingly.

It should be noted that zoo animals are valued as a specie and not individuals.

The useful lives of zoo animals listed below reflect useful lives of the different classes of animals at the Johannesburg City Parks and ZOO. Within the different classes of animals are a number of different species whose useful lives differ. Therefore the useful lives of zoo animals listed below reflect the useful lives of the different species contained within a specific class of animlas.

The useful lives of zoo animals has been assessed as follows:

Item	Useful life
Amphibia	4 - 16 years
Arachnida	2 - 20 years
Aves	4 - 6 years
Mammalia	6 - 64 years
Pisces	1 - 35 years
Reptilia	7 - 80 years
Insecta	4 years

1.5 Property, plant and equipment

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

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

Property, plant and equipment is initially measured at cost.

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

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

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

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

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

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment , where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment .

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

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

Item	Depreciation method	Average useful life
Buildings	Straight line	30 years
Leasehold property	Straight line	
• Leasehold improvements		5 years
Plant and machinery	Straight line	
• Grass-cutting equipment		2 years
• Minor plant		5 years
• Mobile plant		2 years
• Playground equipment		5 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	
• Furniture and fittings		5 years
• Other equipment		5 years
IT equipment	Straight line	3 years

1.5 Property, plant and equipment (continued)

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

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate. The entity does disclose fully depreciated assets if such information is considered necessary.

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

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

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

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

Assets which the entity holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. 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.

1.6 Intangible assets

An asset is identifiable if it either:

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

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

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.

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

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

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

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 life.

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

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

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

Internally generated goodwill is not recognised as an intangible asset.

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

1.7 Financial instruments

Classification

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

- Loans and receivables
- Financial liabilities measured at amortised cost

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.

1.7 Financial instruments (continued)

Subsequent measurement

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

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

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.

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.

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) related parties

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.

Loans to shareholders, directors, managers and employees

These financial assets are classified as loans and receivables.

1.7 Financial instruments (continued)

Receivables from exchange transactions

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.

Allowance for doubtful debts

An impairment loss is recognised in the statement of financial performance when there is objective evidence that debtor is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Trade and other receivables are classified as loans and receivables.

Payables from exchange transactions

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

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

1.7 Financial instruments (continued)

- 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.

Financial assets are derecognised using trade settlement date accounting.

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.

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.

1.8 VAT

VAT receivable and payable

To the the extent that VAT input receivable exceeds VAT output payable, the amount is recognised as a receivable (asset) in the statement of financial position. If the of VAT output payable exceeds VAT input receivable the amount is recognised as a payable (liability).

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

1.9 Leases

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

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.

1.9 Leases (continued)

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.

1.10 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, 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 incurs 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.

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 or current replacement cost 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 or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Included in the cost of inventory is the cost of purchased trees. These are measured at cost. Johannesburg City Parks NPC also has trees that are promulgated from seedlings. As at 30 June 2015, the cost of promulgated trees has not been included in the cost of inventory. This is due to the impracticability involved in attaching a value to these promulgated trees.

1.11 Gratuities

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

1.12 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.

1.13 Budget information

Entity are 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.

General purpose financial reporting by entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a accrual basis and presented by functional classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2015-07-01 to 2016-06-30.

The budget for the economic entity includes all the entities approved budgets under its control.

The financial statements and the budget are not on the same basis of accounting therefore a reconciliation between the statement of financial performance and the budget have been included in the financial statements. Refer to note 35.

1.14 Related parties

The entity operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the local sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the entity.

1.15 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).

1.15 Related parties (continued)

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

Related party relationships where control exists are disclosed irrespective of whether there has been transactions between the related parties.

In respect of transactions between related parties other than transactions that would occur within normal supplier or client/ recipient relationship on terms and conditions no more or less favourable than those which it is reasonable to expect the entity would have adopted if dealing with that individual or entity at at arm's length in the same circustances, the entity discloses (a) the nature of the related party relationship, (b) the type of transaction that have occurred and (c) the elements of the transactions necessary to clarify the significance of these transactions to its operations and sufficient to enable the financial statements to provide relevant and reliable information for decision making and accountability purposes.

1.16 Impairment of cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

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

Useful life is either:
(a) the period of time over which an asset is expected to be used by the entity; or
(b) the number of production or similar units expected to be obtained from the asset by the entity.

Criteria developed by the entity to distinguish cash-generating assets from non-cash-generating assets are as follow:

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

1.16 Impairment of cash-generating assets (continued)

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:

- 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.

1.16 Impairment of cash-generating assets (continued)

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:

- 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. A

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

1.16 Impairment of cash-generating assets (continued)

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.

1.17 Shareholder's loan on incorporation

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

Shareholder's loan on incorporation is treated as residual interest.

1.18 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.

1.18 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.

1.19 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.

1.19 Provisions and contingencies (continued)

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.

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

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:
- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the entity

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

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:
- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

A contingent liability is a present obligation that arises from past events but is not recognised because it is not probable that an outflow of economic benefits or service potential will be required to settle the obligation or the amount of the obligation cannot be measured with certainty.

Contingent assets and contingent liabilities are not recognised, but disclosed.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

1.19 Provisions and contingencies (continued)

The entity recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the entity for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the entity considers that an outflow of economic resources is probable, an entity recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

1.20 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.21 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.

Revenue is recognised when it is probable that future economic benefits or service potential will flow to the entity and these benefits can be measured reliably.

1.21 Revenue from exchange transactions (continued)

Measurement

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

Rendering of services

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

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

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

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.

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

1.22 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.

1.22 Revenue from non-exchange transactions (continued)

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.

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.

Transfers

Apart from Services in kind, which are not recognised, the entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

The entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the

criteria for recognition as an asset.

1.22 Revenue from non-exchange transactions (continued)

Transferred assets are measured at their fair value as at the date of acquisition.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Services in-kind

Except for financial guarantee contracts, the entity recognise services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the entity's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the entity disclose the nature and type of services in-kind received during the reporting period.

1.23 Cost of sales

When inventories are sold, exchanged or distributed the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. If there is related revenue, the expense is recognised when the goods are distributed, or related service is rendered. The amount of any write-down of inventories to net realisable value or current replacement cost 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 or current replacement cost, 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.

1.24 Investment income

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

1.25 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds. Borrowing costs are recognised as an expense in the period in which they are incurred.

1.26 Comparative figures

Where necessary, comparative figures have been reclassified or restated as necessary to afford a proper and more meaningful comparison of results, as set out in the affected notes to the financial statements in the current year.

1.27 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.

1.28 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.

1.29 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.

1.30 Use of estimates

The preparation of financial statements in conformity with Standards of GRAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the relevant sections of the financial statements. Although these estimates are based on management's best knowledge of current events and actions they may undertake in the future, actual results ultimately may differ from those estimates.

1.31 Prior period errors

When the presentation or classification of items in the financial statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

Where accounting errors have been identified, in the current financial year the correction is made retrospectively as far as it is practical and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as it is practical and the prior year comparatives are restated accordingly.

Figures in Rand thousand	2016	2015

2. Standard and interpretations not yet effective

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

Name	Effective Date
GRAP 18 - Segment Reporting	No effective date determined yet
GRAP 20 - Related Parties	No effective date determined yet
GRAP 32 - Service Concession arrangements: Grantor	No effective date determined yet
GRAP 108 - Statutory receivables	No effective date determined yet

All standards and interpretations will be adopted at their effective date (except those Standards and Interpretations that are not applicable to Johannesburg City Parks).

The impact of the application of the above standards and interpretations have not been fully assessed for the following financial year.

3. Inventories

Vet supplies	120	209
Consumable stores	1 160	1 107
Spare parts	1 828	1 893
Food and Beverage	17	24
Tree inventory	3 878	2 116
	7 003	**5 349**

4. Loans to shareholder

City of Johannesburg Metropolitan Municipality - Notional loans - see below	49 519	55 357
The above loans are unsecured and have no fixed terms of repayment. They bear interest at rates determined annually by actuarial valuations, based on market yields of government bonds. The average interest rate applied during the year is 8.74% (2015 - 6%) per annum.		
Capex Loans	650	2 378
The above loans represent the net effect of the amounts that were spent on capital expenditure projects that were approved by the City of Johannesburg and undertaken on their behalf and the CAPEX claims refunds that are still due to the entity in this respect		
Sweeping account	482 340	387 060
The above loan is unsecured and has no fixed terms of repayment. The loan bears interest at rates determined from time to time by the City of Johannesburg Treasury , based on average call rates of banks.		
	532 509	**444 795**

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	49 519	55 357
Current assets	482 990	389 438
	532 509	**444 795**

Figures in Rand thousand	2016	2015
Fair value of loans to shareholder		
Loans to shareholder	532 51	444 795
Notional loans		
Loans at beginning of the year	55 357	59 700
Receipts	(9 395)	(7 824)
Interest	3 557	3 481
	49 519	**55 357**

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

Sweeping account and Capex loan		
Loans at beginning of the year	389 438	297 009
Additional loan to shareholder	62 206	73 417
Interest received	31 347	19 012
	482 991	**389 438**

5. Receivables from exchange transactions and non-exchange

Allowance for bad debts	(12 653)	(16 963)
Dishonoured cheques	11	12
Fair value adjustment of debtors	(783)	(48)
Fuel deposits	212	212
Prepayments	-	6
Related party debtors	139 812	164 816
Trade debtors	3 207	2 471
ZOO Vat receivable	1 655	1 655
	131 461	152 161

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.

Figures in Rand thousand	2016	2015

5. Receivables from exchange transactions and non-exchange (continued)

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 1 and 3 months.

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 2016, R 11 641 000(2015: R 4 128 000) were past due but not impaired.

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

1 month past due	5 384	1 273
2 months past due	6 257	2 855
	11 641	**4 128**

Reconciliation of provision for impairment of trade and other receivables

Opening balance	16 963	30 488
Provision for impairment	5 518	14 508
Bad debts recovered	(9 569)	(1 010)
Debt reversed during the year	(259)	(27 023)
	12 653	**16 963**

The prior year provision was reversed and re-assessed in the new financial year.

6. Employee benefit obligations

6.1 Defined benefit plan

Post-retirement liability

Post-retirement medical aid plan	(13 710)	(14 040)
Post-retirement housing subsidy plan	(30)	(1 136)
Retirement gratuity plan	(81 225)	(85 449)
	(94 965)	**(100 625)**

Figures in Rand thousand	2016	2015

6.1.1 Post retirement medical aid plan

In-service members receive a post-employment subsidy of 60% of the contribution payable if they were above the age of 55 on 1 July 2003, or 50% if they were between the ages of 50 and 55 on this date, should they be a member of a medical scheme at retirement. Employees who were younger than age 50 on 1 July 2003 are not eligible for PEMA subsidy

Current continuation members and their eligible dependats receive a subsidy of either 50% or 60% based on the rules above. Upon a member's death-in-retirement the surviving dependants will continue to receive the same subsidy. Upon a member's death-in-service the surviving dependats will not continue to receive a subsidy.

The amount is assumed to increase in the future at 75% of salary inflation.

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 Grap 25 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	14 040	12 833
Benefits paid	(724)	(703)
Net expense recognised in the statement of financial performance	394	1 910
	13 710	**14 040**

Net expense recognised in the statement of financial performance

Current service cost	57	97
Interest cost	**1 161**	**1 119**
Actuarial (gains) losses	**(824)**	**694**
	394	1 910

Notional loan account

Opening balance	23 128	21 820
Interest received	1 527	1 308
Balance at end of year	**24 655**	**23 128**

Key assumptions used

Assumptions used on last valuation on 30 June 2016 done as provided by CJMM.

Discount rates used	8,74 %	8,94 %
Expected rate of return on assets	8,74 %	8,94 %
Expected increase in salaries	7,40 %	8,05 %

Figures in Rand thousand	2016	2015

6.1.2 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 Grap 25 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	1 136	301
Net expense recognised in the statement of financial performance	(1 106)	835
	30	**1 136**

Net expense recognised in the statement of financial performance

Current service cost	41	28
Interest cost	96	11
Actuarial (gains) losses	(1 243)	796
	(1 106)	**835**

Key assumptions used

Assumptions used on last valuation on 30 June 2016 done as provided by CJMM.

Discount rates used	8,74 %	8,94 %
Expected rate of return on assets	8,74 %	8,94 %
Expected increase in salaries	7,40 %	8,05 %

6.1.3 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 is paid on an eligible employee's retirement but will also be paid should they withdraw or die before retirement, provided that the member has either 10 (ten) years of service and is at least. 55 years of age, or 25 years of service and is atleast 45 years of age.

The benefit is calculated as 1 (one) month's salary for each year of gratuity service. Gratuity service is defined as service accrued before these employees were required to join the eJoburg Retirement Fund at its commencement on 1 January 2002. 1 (one) year of bonus gratuity service is awarded for every 5 (five) completed years of gratuity service, up to a maximum of 10 (ten) bonus years.

Figures in Rand thousand	2016	2015

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 Grap 25 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	85 448	79 820
Benefits paid	(9 395)	(7 824)
Net expense recognised in the statement of financial performance	5 170	13 452
	81 223	85 448

Net expense recognised in the statement of financial performance

Interest cost	6 938	6 853
Actuarial (gains) losses	(1 768)	6 599
	5 170	**13 452**

Notional loan account

Opening balance	32 228	37 879
Interest received	2 030	2 172
Benefits payments	(9 394)	(7 823)
Balance at end of year	**24 864**	**32 228**

Key assumptions used

Assumptions used on last valuation on 30 June 2016 done as provided by CJMM.

Discount rates used	8,74 %	8,94 %
Expected rate of return on assets	8,74 %	8,94 %
Expected increase in salaries	7,40 %	8,05 %

6.2 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	42 148	38 528
The amount recognised as an expense for defined contribution plans is	42 148	38 528

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

Figures in Rand thousand	2016	2015

6. 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 GRAP 25.

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 2014.

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.

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	212	333

The entity had the following Standard Bank of South Africa Limited bank accounts 2016 - R0 (2015: R0)

Figures in Rand thousand

8. Zoo animals

	2016			2015		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Zoo animals	**28 778**	**(3 154)**	**25 624**	**26 108**	**(2 367)**	**23 741**

Reconciliation of zoo animals - 2016

	Opening balance	Additions	Adjustments arising from accounting for births and deaths	Disposals	Depreciation	Total
Zoo animals	**23 741**	**2 370**	**3 007**	**(2 311)**	**(1 183)**	**25 624**

Reconciliation of zoo animals - 2015

	Opening balance	Additions	Adjustments arising from accounting for births and deaths	Disposals	Depreciation	Total
	15 247	**6 057**	**3 816**	**(645)**	**(734)**	**23 741**

9. Property, plant and equipment

	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land and buildings	28 189	(6 425)	21 764	28 188	(5 560)	22 628
Finance lease assets - office equipment	1 739	(784)	955	4 220	(2 883)	1 337
IT equipment	17 874	(15 041)	2 833	17 371	(13 669)	3 702
Leasehold improvements	15 726	(9 035)	6 691	15 726	(6 498)	9 228
Minor plant	33 311	(28 148)	5 163	36 081	(27 587)	8 494
Motor vehicles	2 588	(2 275)	313	2 566	(1 984)	582
Office equipment	15 348	(12 005)	3 343	14 791	(10 936)	3 855
Finance lease asset - fleet	68 354	(20 374)	47 980	44 956	(15 043)	29 913
Total	**183 129**	**(94 087)**	**89 042**	**163 899**	**(84 160)**	**79 739**

Figures in Rand thousand

9. Property, plant and equipment

Reconciliation of property, plant and equipment

	Opening balance	Additions	Disposals	Depreciation	Total
Land and buildings	22 628	-	-	(864)	21 764
Finance leased Assets - office equipment	1 337	189	-	(571)	955
IT equipment	3 702	1 420	(59)	(2 230)	2 833
Leasehold improvements	9 228	-	-	(2 537)	6 691
Minor plant	8 494	68	(24)	(3 375)	5 163
Motor vehicles	582	-	-	(269)	313
Finance leased Assets - fleet	29 913	26 811	-	(8 744)	47 980
Office equipment	3 855	803	(14)	(1 301)	3 343
	79 739	**29 291**	**(97)**	**(19 891)**	**89 042**

Reconciliation of property, plant and equipment- 2015

Opening balance	Additions	Disposals	Depreciation	Total
22 834	638	-	(844)	22 628
69	1 570	-	(302)	1 337
4 298	1 443	(28)	(2 011)	3 702
8 850	2 710	-	(2 332)	9 228
7 989	4 262	(7)	(3 750)	8 494
844	-	(22)	(240)	582
4 140	1 360	(4)	(1 641)	3 855
27 282	10 824	(1 545)	(6 648)	29 913
76 306	22 807	(1 606)	(17 768)	79 739

Pledged as security

None of the Company's assets are pledged as security except for finance lease assets with a carrying value of R55 626 000 (2015 R40 478 000)

Fully depreciated assets with the original cost of R44 078 000 is still in use as at year end.

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

Assets subject to lease (Net carrying amount)		
Leasehold improvements	6 691	9 228
Finance lease assets - office furniture and equipment	955	1 337
Finance lease asset - fleet	47 980	29 913
	55 626	**40 478**

Figures in Rand thousand

9. Property, plant and equipment (continued)

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 882 000 and was transferred into the name of Johannesburg City Parks on 2007/08/06.

The leased property, plant and equipment is secured as described in note 11 .

There was no impairment of property, plant and equipment during the financial year under review, (2015 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.

10. Intangible assets

	2016			2015		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Computer software	**11 829**	**(10 049)**	**1 780**	**12 302**	**(9 019)**	**3 283**

Reconciliation of intangible assets - 2016

	Opening balance	Additions	Amortisation	Total
Computer software	**3 283**	**276**	**(1 779)**	**1 780**

Reconciliation of intangible assets - 2015

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	**3 360**	**2 119**	**(162)**	**(2 034)**	**3 283**

11. Finance lease obligation

Minimum lease payments due		
- within one year	16 743	11 733
- in second to fifth year inclusive	47 231	30 282
	63 974	42 015
less: future finance charges	(12 008)	(7 840)
Present value of minimum lease payments	**51 966**	**34 175**

Figures in Rand thousand	2016	2015

11. Finance lease obligation (continued)

Present value of minimum lease payments due		
- within one year	15 910	8 797
- in second to fifth year inclusive	36 056	25 378
	51 966	**34 175**
Non-current liabilities	36 056	25 378
Current liabilities	15 910	8 797
	51 966	**34 175**

It is entity policy to lease certain assets under finance leases.
The average lease term is 4 years and the average effective borrowing rate is 10% (2015: 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.

12. Payables from exchange transactions and non-exchange

Accrued bonus	11 414	11 068
Accrued expense - other	-	2
Accrued leave pay	25 003	29 592
Accrued payroll cost	8 032	6 973
Amounts received - bulk services contribution for capital expenditure	218 315	180 733
Amounts claimed in advance from the City for Capex	-	14 279
Amounts received in advance for capital developments and other items	6 368	2 197
Other creditors	1 741	1 332
Fair value adjustment	(775)	(551)
Learnership grant	291	291
Other accrued expenses	24 270	3 282
Related party creditors	9 383	6 249
Deposits received	95	300
Trade payables	130 188	169 229
	434 325	**424 976**

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 significantly defaulted on any of the accounts payable.

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

Figures in Rand thousand	2016	2015

12. Payables from exchange transactions and non-exchange (continued)

Amounts received - bulk service contribution for capital expenditure of R218 315 000 (2015: R180 733 000), represents contributions made by Developers yet to be spent on capital infrastructure and related projects

13. VAT payable

Vat payable	**10 523**	**7 478**

VAT payable represents a net output tax amount payable to SARS.

14. Provisions

Reconciliation of provisions - 2016

	Opening Balance	Additions	Utilised during the year	Total
Performance bonuses	16 565	16 565	(15 230)	17 900
Other creditors	3 179	1 464	(37)	4 606
	19 744	**18 029**	**(15 267)**	**22 506**

Reconciliation of provisions - 2016

	Opening Balance	Additions	Utilised during the year	Total
Performance bonuses	15 044	16 565	(15 044))	16 565
Other creditors	3 179	-	-	3 179
	18 223	**16 565**	**(15 044)**	**19 744**

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

15. Shareholder's loan on incorporation

Issued

Shareholder's loan	**29 958**	**29 958**

The Shareholder's loan was advanced on incorporation and it is treated as part of net assets as opposed to a financial liability. The loan has no fixed terms of repayment and does not bear interest.

16. Revenue

Sale of horticultural products	47	727
Rental facilities and equipment	2 980	3 179
Cemetery Fees	21 174	19 725
External services	56 746	46 677
Other revenue - exchange	33 665	27 282
Interest received - investment	34 915	22 499
Government grants & subsidies	711 957	644 389
Other revenue - non-exchange	3 837	8 744
	865 321	**773 222**

Figures in Rand thousand	2016	2015
16. Revenue (continued)		
The amount included in revenue arising from exchanges of goods or services are as follows:		
Sale of horticultural products	47	727
Rental facilities and equipment	2 980	3 179
Cemetery fees	21 174	19 725
External services	56 746	46 677
Other revenue - exchange	33 665	27 282
Interest received - investment	34 915	22 499
	149 527	**120 089**
The amount included in revenue arising from non-exchange transactions is as follows:		
Taxation revenue		
Transfer revenue		
Government grants & subsidies	711 957	644 389
Other revenue - non exchange	3 837	8 744
	715 794	**653 133**
17. Grants and subsidies		
Municipal subsidy	711 957	644 389
18. Other revenue		
The amounts included in other revenue arising from exchanges of good and services are as follows:		
Admission - zoo	20 487	21 155
Bad debts recovered	9 569	1 010
Decorations	7	10
Insurance recoveries	1	56
ZOO Sundry income	-	299
Project Admin Fee	876	2 099
Rental income	2 246	2 148
Tender receipts	478	505
	33 664	27 282
The amount included in other revenue arising from non-exchange		
Donations received	2 307	3 456
Cashier variances	30	15
EPWP grant	1 500	5 273
	3 837	8 744

Figures in Rand thousand	2016	2015
19. General expenses		
Advertising	2 718	2 627
Auditors remuneration - See Note 26	1 118	1 191
Bank charges	201	189
Cleaning	1 344	1 157
Consulting and professional fees	6 862	7 869
Consumables	889	761
Entertainment	760	549
Animal Costs	7 188	5 856
Gifts	1 063	128
Hire of equipment	206	172
Insurance	9 929	6 959
Conferences and seminars	1 047	1 278
IT cost	4 380	3 338
Fleet costs	42 187	40 377
Marketing	4 783	4 121
Horticulture	5 779	3 679
Books and publications	312	133
Medical expenses	18	4
Pesticides	89	81
Fuel and oil	2 009	2 200
Placement fees	325	247
Postage and courier	2	1
Printing and stationery	2 990	2 765
Promotions	21	-
Research and Development costs	566	381
Research and development	95	525
Security (guarding of municipal property)	37 261	26 345
Software expenses	4 330	1 454
Refreshments	1 351	1 264
Membership and subscription fees	1 271	1 027
Telephone and fax	3 885	4 033
Training	1 645	1 122
Travel - local	954	372
Travel - overseas	1 585	1 031
Waste management	645	760
Electricity	12 052	12 412
Gas	348	335
Water	12 095	18 839
Refuse	2 106	1 626
Uniforms	4 338	4 277
Hire of buses	581	372
EPWP costs	58 372	57 190
Other sundry expenses	8 887	8 865
Minor asssets	-	17
Farm expenses	409	754
Veterinary department	257	731
Cost of sales rendering of services	51 260	43 000
	300 513	**272 414**

Figures in Rand thousand	2016	2015
20. Employee related costs		
Bonuses	35 190	33 033
Car allowance	9 508	9 377
Employee funeral insurance	393	434
Employee related costs : Gratuities	1 039	969
Employee wellness	2 083	1 908
Housing benefits and allowances	4 041	4 123
Leave pay	295	4 325
Other employee costs	82	156
Other payroll levies	41	77
Overtime payments	12 439	14 924
Pension and provident fund contributions	42 148	38 543
Salaries and wages	338 511	325 222
Skills Development Levy	3 784	3 638
Unemployment Insurance Fund	2 469	2 431
Workmens Compensation Act Insurance	2 991	2 837
	455 014	**441 997**
Remuneration of executive directors		
Salary	3 285	3 112
Other allowances	665	377
	3 950	**3 489**
Remuneration of non executive directors		
Fees	1 458	1 220
21. Debt impairment		
Bad debts provision	5 518	14 513
22. Interest revenue		
Interest received - other	3 568	3 487
Loans to shareholder	31 347	19 012
	34 915	**22 499**
23. Depreciation and amortisation		
Property, plant and equipment	19 891	17 769
Intangible assets	1 779	2 034
Zoo Animals	1 183	734
	22 853	20 537
24. Finance costs		
Employee obligations	8 207	8 000
Finance leases	3 015	2 603
	11 222	10 603

Figures in Rand thousand	2016	2015
25. Auditors remuneration		
Fees	1 118	1 191
26. Cash generated from operations		
Surplus (deficit)	50 943	(1 531)
Adjustments for:		
Depreciation and amortisation	22 853	20 537
(Gain)/loss on sale of assets	574	(655)
Fair value adjustments	511	(1 570)
Actuarial losses/(gains) on employee benefit obligations	(3 835)	8 089
Finance costs - finance leases	3 015	2 603
Bad debts recovered	(9 569)	-
Bad debts provision	5 518	14 057
Movements in retirement benefit assets and liabilities	(5 660)	7 671
Movement in provisions	2 762	1 521
Gains from donation, sale and birth of animals	(2 695)	(5 901)
Changes in working capital:		
Inventories	(1 654)	758
Receivables from exchange transactions	24 275	43 702
Payables from exchange transactions	9 349	40 034
VAT	3 045	2 531
	99 432	**131 846**
27. Commitments		
Commitments in respect of expenditure:		
Authorised and not yet contracted for		
• Capital expenditure -previously reported	37 454	95 000
• correction - reversal of budget already committed	-	(26 319)
	37 454	**68 681**
Authorised and contracted for		
• Capital Expenditure	45 516	26 319
• Operational expenditure	7 261	4 005
	52 777	**30 324**
Capital expenditure will be financed from		
COJ Funding	27 470	64 500
Urban Settlement Development Grant	-	30 500
Capital Replacement Reserve	55 500	-
	82 970	**95 000**

The above amounts reflect the capital budget for the 2016/17 financial year as reflected in the approved 2015/2016 fiscal year. The authorised and contracted for includes multi year awards (where applicable) and relates to the portion of the 2016/2017 capital budget as at 30 June 2016. There was an error in the prior period of R26 319 000 indicated as "authorised and not yet committed". The amount was corrected.

Figures in Rand thousand	2016	2015

27. Commitments (continued)

Operating leases – fleet

Minimum lease payments due

- within one year	13 772	12 084
- in second to fifth year inclusive	4 115	14 002
	17 887	**26 086**

Operating lease payments represent rentals payable by the entity to the CJMM for certain vehicles in terms of the lease agreement with the CJMM. No contingent rent is payable.

28. Contingent liabilities and assets

Contingent liabilities

The Company is a defendant on various claims amounting to R79 474 000 relating to contractual disputes with the service providers.

Johannesburg City Parks and ZOO is a beneficiary to the land donated from a deceased estate. The process is ongoing and the value nor date of transfer is currently unkown.

29. 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 Social Housing Company 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
Members of key management	Directors' remuneration

Transactions with related parties are conducted at arm's length.

Liabilities have been restated to include employee obligations which was ommited in the note in the previous financial years. Purchases of water, refuse and electricity is also transferred from City of Johannesburg to the respective City of Johannesburg entities.

Figures in Rand thousand	2016	2015
29. Related parties (continued)		
Related party balances		
Amounts included assets (Loans, trade and other receivables)		
City of Johannesburg Metropolitan Municipality	652 446	604 570
City of Johannesburg Property Company SOC Ltd	-	47
City Power Johannesburg SOC Ltd	14 155	3 996
Johannesburg Roads Agency SOC Ltd	4 757	540
Johannesburg Water SOC Ltd	313	458
Pikitup Johannesburg SOC Ltd	3	-
	671 674	**609 611**
Amounts included in liabilities (loans,trade and other payable and finance lease)		
City of Johannesburg Metropolitan Municipality	57 146	37 390
City of Johannesburg Property Company (Pty) Ltd	60	912
City Power Johannesburg SOC Ltd	43	272
Johannesburg Roads Agency SOC Ltd	919	81
The Johannesburg Civic Theatre SOC Ltd	2 007	13
The Johannesburg Fresh Produce Market (Pty) Ltd	-	6
	60 175	**38 674**
Related party transactions		
Income from related parties		
City Power Johannesburg SOC Ltd	30 838	19 815
City of Johannesburg Metropolitan Municipality	764 118	691 961
City of Johannesburg Property Company SOC Ltd	1 056	1 014
Johannesburg Roads Agency SOC Ltd	4 499	2 453
Johannesburg Water SOC Ltd	716	442
Pikitup Johannesburg SOC Ltd	3	-
	801 230	**715 685**
Purchases from related parties		
City Power Johannesburg SOC Ltd	5 065	11 929
City of Johannesburg Metropolitan Municipality	16 075	18 186
City of Johannesburg Property Company (Pty) Ltd	-	800
Johannesburg Civic Theatre SOC Ltd	1 852	127
Johannesburg Metropolitan Bus Services SOC Ltd	6	12
Johannesburg Roads Agency (Pty) Ltd	1 150	236
Johannesburg Water SOC Ltd	16 302	18 713
Pikitup Johannesburg SOC Ltd	3 824	1 626
The Johannesburg Fresh Produce Market (Pty) Ltd	15	133
	44 289	**51 762**

Figures in Rand thousand	2016	2015

29. Related parties (continued)

Key management information

Class	Description	Number
Non-executive board members		9
Independent audit committee members		3
Executive and Senior Management	Excluding acting during the year	9

Remuneration of management

Executive and Senior management Salaries

2016

Name	Annual salary	Bonus	Allowances	Contributions	Total
B Nelana - Managing Director	1 786	191	110	79	2 166
PM Sedite - Chief Financial Officer	1 499	207	60	18	1 784
BP Njingolo - Chief Operations Officer	1 512	219	136	-	1 867
O Van Heerden - Strategic Support	1 492	57	16	-	1 565
ZN Makhoba - Corporate Services	1 350	198	72	137	1 757
B Mahlaba - Business Development	1 411	199	104	-	1 714
MM Dube - JHB ZOO	86	-	-	-	86
NA Shongwe - Company Secretary	1 089	147	-	46	1 282
FW Mqhavule - Internal Audit	1 161	160	60	-	1 381
	11 387	**1 378**	**558**	**279**	**13 602**

2015

Name	Annual salary	Bonus	Allowances	Contributions	Total
B Nelana - Managing Director	1 691	144	96	76	2 007
PM Sedite - Chief Financial Officer	1 421	-	60	-	1 481
BP Njingolo - Chief Operations Officer	1 430	126	168	-	1 724
ZN Makhoba - Corporate Services	1 320	150	42	126	1 638
O Van Heerden - Strategi Support	1 417	150	23	-	1 590
B Mahlaba - Business Dvelopment	1 336	138	88	18	1 580
NA Shongwe - Company Secretary	1 017	110	-	39	1 166
FW Mqhavule - Internal Audit	1 081	100	60	-	1 241
	10 713	**918**	**537**	**259**	**12 427**

Figures in Rand thousand	2016	2015

30. Directors' fees (continued)

Non-executive

2016

	Directors' Fees	Total
Dollie B	97	97
Ms NF Mogorosi	16	16
Leketi FV*	164	164
Mabaso JJ (Chairperson)	231	231
Makgonye MJ*	139	139
Mashanda TN*	178	178
Ms AM Dalamo	15	15
Madumise MB (Previous Chairperson)	30	30
Ms SR Bogatsu	15	15
Rajah AA*	170	170
Mr JS Ngubane	16	16
Sandlana N*	148	148
September A*	111	111
Simelane MJ*	128	128
	1 458	**1 458**

2015

	Directors' Fees	Total
Bogatsu SR	138	138
Dolamo AM	180	180
Dolllie B	28	28
Leketi FV	140	140
Mabaso JJ (Chairperson)	45	45
Madumise MB (Previous Chairperson)	131	131
Makgonye MJ	114	114
Mashanda TN	120	120
Rajah AA	105	105
Sandlana N*	83	83
September A	32	32
Simelane MJ	104	104
	1 220	**1 220**

Executive

2016

	Annual Salaries	Bonuses	Allowances	Contributions	Total
Nelana B (Managing Director)	1 786	191	110	79	2 166
Sedite M (Chief Financial Officer)	1 499	207	60	18	1 784
Total	**3 285**	**398**	**170**	**97**	**3 950**

2015

	Annual Salaries	Bonuses	Allowances	Contributions	Total
Nelana B (Managing Director)	1 691	144	96	76	2 007
Sedite M (Chief Financial Officer)	1 421	-	60	-	1 481
Total	**3 112**	**144**	**156**	**76**	**3 488**

Figures in Rand thousand	2016	2015

30. Directors' fees (continued)

Remuneration of independent audit commitee members

2016

	Emoluments	Total
Dunnington GC	68	68
Maboa MJ	63	63
Moolla H	74	74
	205	**205**

2015

	Emoluments	Total
Dunnington GC	25	25
Maboa MJ	30	30
Moolla H	46	46
	101	**101**

31. Prior period errors

The disclosure on note 27 of commitment has been enhanced to include amounts that have been "authorised and contracted for" in both 2015 and the comparative period. Refer to Note 27 of the notes to the annual financial statements for details of the amounts. The related party note has also been restated to consolidate all liabilities and assets owed/due to (from) related parties. See note 29. Where required, prior period were restated on the respective notes.

The correction of the errors for periods prior to 01 July 2014 resulted in adjustments as follows:

Management of Johanesburg City Parks, while preparing financial statements of the Company for the period ended 30 June 2015, noted that the Property, plant and equipment and intangible assets were overstated by the amounts below.

Statement of financial performance		
Increase in depreciation	-	928
Increase in loss on disposal	-	143
Increase in loss previously reported	**-**	**1 071**
Statement of financial position		
Increase in accumulated depreciation		(907)
Decrease in property, plant and equipment - cost	-	(164)
Net decrease in Assets	**-**	**(1 071)**

32. 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 .

Figures in Rand thousand	2016	2015

32. Risk management (continued)

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

There are no externally imposed capital requirements. There are no externally imposed capital requirements.
There have been no changes to what the entity manages as capital. The strategy for capital maintanance or externally imposed capital requirements is the same as in the previous year.

The debt: equity ratio at 2016 and 2015 respectively were as follows: 83.17 and 81.19.

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.

At 30 June 2016	Less than 1 year	Between 2 and 5 years	Over 5 years
Finance lease obligation	15 910	36 056	-
Trade and other payables - related parties	9 383	-	-
Trade and other payables	131 746	-	-
Other Payables	289 581	-	-

At 30 June 2016	Less than 1 year	Between 2 and 5 years	Over 5 years
Finance lease obligation	8 797	25 378	-
Trade and other payables - related parties	6 249	-	-
Trade and other payables	169 529	-	-
Other Payables	249 198	-	-

Figures in Rand thousand	2016	2015

32. Risk management (continued)

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 average interest rate for the year is 6.30%

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		
Loan to shareholder - notional loans	49 519	55 357
Shareholder's loan	482 990	389 438
Trade and other receivables	131 461	152 161

`

33. Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure		
Opening balance	27	27
Expenditure current year	11	-
	38	**27**

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

The interest was incurred as a result of late payment of an invoice for electricity.

2015

Interest on late payment of creditors - R nil.

34. Irregular expenditure

Restated opening balance	2 939	2 939
Procurement without three quotations	57	-
	2 996	**2 939**

Analysis of expenditure awaiting condonation per age classification

Current year	57	-
Prior years restated	2 939	2 939
	2 996	**2 939**

Figures in Rand thousand		2016	2015

34. Irregular expenditure (continued)

Details of irregular expenditure – current year

No evidence that 3 quotations were requested from suppliers	Disciplinary steps taken/criminal proceedings Pending investigations	57

Analysis of expenditure awaiting condonation per age classification

Procurement without three quotations	Board of directors condoned	281
Award made on incorrect points	Board of directors condoned	1 607
		1 888

Details of irregular expenditure recoverable (not condoned)

Advertisement for shorter period	**1 051**

Figures in Rand thousand	2016	2015
35. Reconciliation between budget and statement of financial performance		
Reconciliation of budget surplus/deficit with the surplus/deficit in the statement of financial performance:		
Net surplus (deficit) per the statement of financial performance	50 943	(1 531)
Adjusted for:		
External services revenue was higher than budget due to positive	(8 827)	(703)
response from clients expecially related party entities Donations received	-	(3 381)
Other Income was higher mainly due to Penalty charged for late delivery of fleet vehicles by provider of R1.2m,Project Admin Fee which was above budget by R1.3m due to the high value of capital expenditure budget assigned by the City of Joburg and donations received of R1.2m. There was also profit on animals and fixed assets of R7.1m .This was offset by outstading actuarial gains of R3.1m.	-	(7 182)
The Company experinced higher than expected level of hiring of facilities.	-	(295)
Income exceeded budget by R0.3m		
The high balance on the bank sweeping account resulted in interest	-	(331)
earned exceeding budget		
Operating Grants income was R1.3m below budget due to deferral of	-	1 378
related EPWP projects		
Saving under other expenditure on mainly advertising (R3.0m), Climate	-	(6 808)
Change Project (R2.5m), IT Suport (1.1m), Electricity (R5.0m)EPWP projects (R1.8m) and horticultural development (R4.2m). These were offset by over-spent on Water (R6.5), Seeds and Plants (R1.3m), security (R1.7m), interest on leases R2.0m, Legal Fees (R1.1) and marketin expenses (R1.1m). The balace is made of smaller savings in various accounts.		
Employee related costs were above budget mainly due to over-spent on	-	41 476
basic salaries (R38.2m) and overtime for service delivery (R6.3m). This was offset by outstanding actuarial losses of R5.0m		
Provision for bad debts on External Services were nolonger due to need to	-	4 604
provide for long outstanding receivables		
Depreciation was higher due to growth in Asset base	-	1 369
Below budget spent on Repairs & Maintenance to offset employee related cost over-spending	-	(17 925)
High cost of sales due to high work orders as per external services	-	555
revenue above		
Saving contracted services due to lower rates from new service provider	-	(10 299)
and capitalisation of lease costs Other	-	(927)
Payroll savings - leave, overtime	(14 151)	-
Below budget spending on general expenditure - seminars, training etc	(5 287)	-
Actuarial gains in the current year compared to losses expected and employees taking leave	(7 833)	-
Below budget spent in general expenditure including repairs and maintanance	(6 229)	-
Savings on depreciation	(3 997)	-
Over recovery on interest - sweeping and notial loans	(3 802)	-
Others	(817)	-
Net surplus per approved budget	-	-
36. Additional disclosure in terms of Municipal Finance Management Act		
Audit fees		
Current year fee	1 118	1 191
Amount paid - current year	(1 118)	(1 191)
	-	-

Figures in Rand thousand	2016	2015
36. Additional disclosure in terms of Municipal Finance Management Act		
Audit fees		
Current year fee	1 118	1 191
Amount paid - current year	(1 118)	(1 191)
	-	-
PAYE and UIF		
Opening	4 908	-
Current year expenditure	71 695	77 502
Amount paid - current year	(70 932)	(72 594)
	5 671	**4 908**
Pension and medical aid deductions		
Current year - prior year restated	54 986	50 797
VAT		
VAT payable	10 523	7 478

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

37. Deviation from supply chain management regulations

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

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

In terms of section 36 of JCP Supply Chain Policy, the Accounting Officer in certain instances is allowed to dispense with the official procurement processes. The following instances were authorised by the Accounting Officer during the 2016 financial year :

1. Purchase order number PO050097 for the exhibition stand in Durban was made for an amount of R48 600 (Vat excl.) for the show attended by delegates of the Company.
2. Purchase order number PO049037 for Procurement of Animal-white Pelican was made at Joburg ZOO for an amount of R72 000 (Vat exl.) as this is procurement of animals in terms of section 36(1) of the SCM regulations.
3. Purchase order number PO052341 for Procurement of Animals-Flamingo was made at Joburg ZOO for an amount of R25 000 (Vat excl.) as this is procurement of animals in terms of section 36(1) of the SCM regulations.
4. Purchase order number PO050908 for Procurement of Animal-Water Buffalo was made for the amount of R200 000 (Vat excl.) as this is procurement of animals in terms of section 36(1) of the SCM regulations.
5. Purchase order number PO052340 for Procurement of Animals-Reptiles was made for the amount of R24 200.04 (Vat excl.) as this is procurement of animals in terms of section 36(1) of the SCM regulations.
6. Purchase order number PO053076 for Procurement of Animal-Coati was made for the amount of R12 500 (Vat excl.) as this is procurement of animals in terms of section 36(1) of the SCM regulations.

Figures in Rand thousand	2016	2015

37. Deviation from supply chain management regulations (continued)

7. Purchase order number PO053078 for Procurement of Animals-African Buffalo was made for the amount of R350 000 (Vat excl.) as this is procurement of animals in terms of section 36(1) of the SCM regulations.
8. Purchase order number PO053177 for Procurement of Animals-Rhino was made for the amount of R700 000(Vat excl.) as this is procurement of animals in terms of section 36(1) of the SCM regulations.
9. Purchase order number PO053595 for Procurement of Animals-Buffalo weaver, Guenea fowl and Barbet was made for the amount of R21 650 (Vat excl.) as this is procurement of animals in terms of section 36(1) of the SCM regulations.
10. Purchase order number PO053592 for Procurement of Animal-Nigripes was made for the amount of R50 000 (Vat excl.) as this is procurement of animals in terms of section 36(1) of the SCM regulations.
11. PO053918 animal purchase for R25 000
12. PO053927 animal purchase for R280 000
12. PO053919 animal purchase for R64 105
13. PO053917,PO054629 and PO054628 animals purchase for R107 500. 14.Tender JCPZ/EOD01/2015 , BIOGAS project for R2 850 772

2015 financial year:

1. Purchase order number REQ17749 for procurement of Website changes was made for the amount of R16 500.00 as the Service Provider was being utilised by Johannesburg ZOO when the merger took place and therefore they had to continue to render the service as this was part of the SLA between Johannesburg ZOO and the supplier.
   JCPZ/EOD01/2015

2. Purchase order number REQ17625 for procurement of Tweet technology at Joburg ZOO was made for the amount of R13 158.00 as they are the sole provider of the service.

3. Purchase order number REQ18477 for procurement of frogs was made for the amount of R111 189.00 as this is procurement of animals in terms of Section 36 (1) of the SCM regulations.

4. Purchase order number REQ18397 for procurement of tigers was made for the amount of R90 000.00 as this is procurement of animals
5. Purchase order number REQ18293 for procurement of tigers was made for the amount of R72 950.00 as this is procurement of animals in terms of Section 36 (1) of the SCM regulations.

6. Purchase order number REQ18561 for procurement of Cheetah was made for the amount of R140 000.00 as the preferred supplier for the required service.

7. Purchase order number REQ18940 for procurement of the organisational structure review was made for the amount of R107 800.00 as this was an emergency.

8. Purchase order number REQ18771 for procurement of Additional Catering was made for the amount of R 24 396.00 as original PO was for a total amount of R29 548.80 Excl. Vat but on the day the event the number of attendees exceeded and an additional amount of R24 396.00 was to paid

9. Purchase order number REQ22396 for procurement of Wild African Dogs was made for the amount of R42 000.00 as the preferred supplier for the required service.
10. Purchase order number REQ22002 for procurement of Male Cheeter was made for the amount of R114 000.00 as the preferred supplier for the required service.

11. Purchase order number REQ22773 for procurement of Female Cheetah was made for the amount of R150 000.00 as the preferred supplier for the required service.

Figures in Rand thousand	2016	2015

37. Deviation from supply chain management regulations (continued)

12. Purchase order number REQ22829 for procurement of 702 Walk the Talk was made for the amount of R20 750.00 as they are sole provider for the required service.

13. Purchase order number REQ23060 for procurement of Birds was made for the amount of R32 000.00 as the preferred supplier for the required service.

14. Purchase order number REQ23227 for procurement of White Pelicads was made for the amount of R72 000.00 as the preferred supplier for the required service

15. Purchase order number REQ23061 for procurement of Sable was made for the amount of R120 000.00 as the preferred supplier for the required service.

16. Purchase order number REQ23577 for procurement of Impala was made for the amount of R7 500.00 as the preferred supplier for the required service

38. Comparative figures

Certain comparative figures have been reclassified.

EPWP costs and related services which were previously reported under employee costs have been reclasifie to general expenditure in line with the nature of the costs.

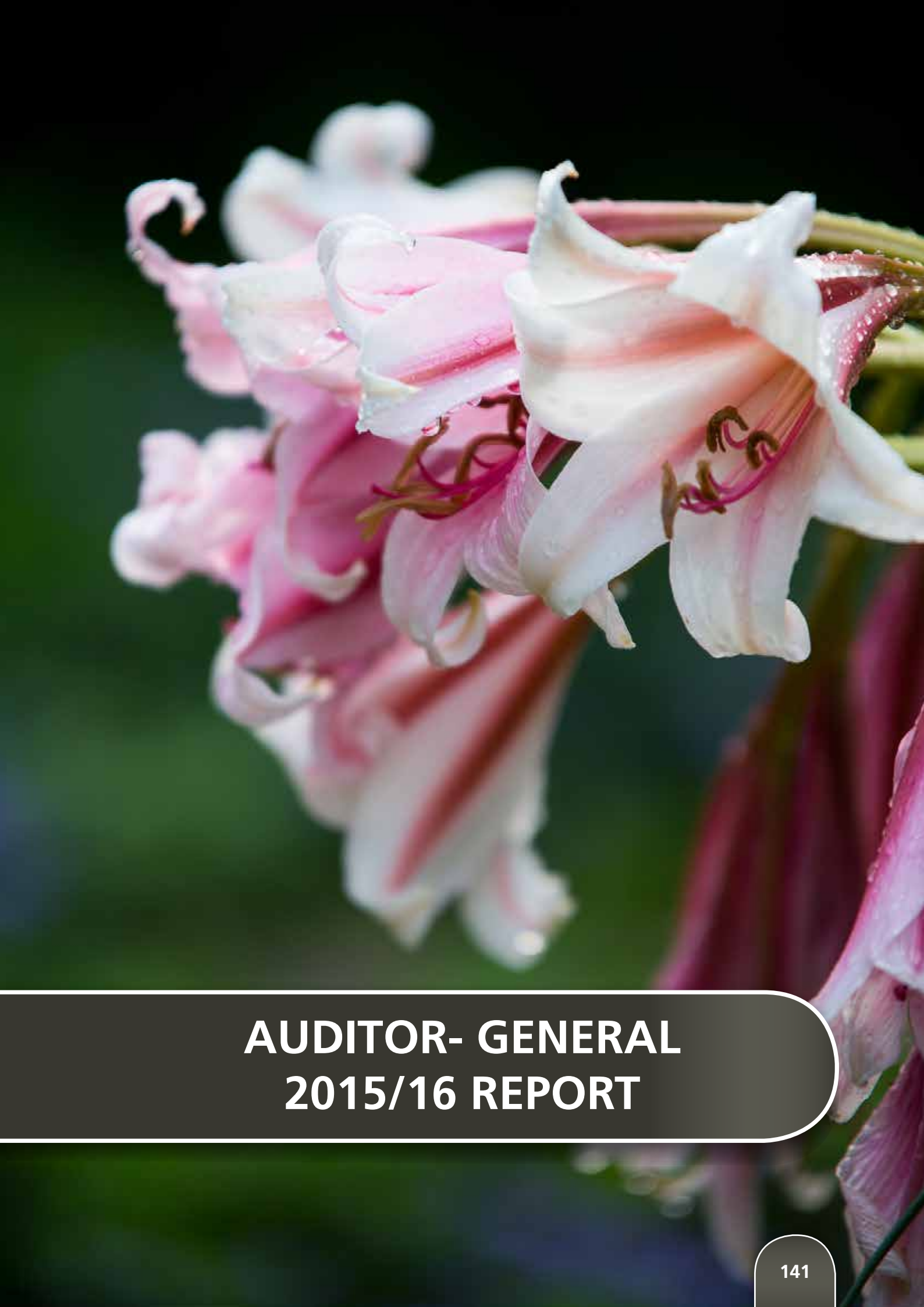
The effects of the reclassification are as follows:

Statement of financial position - extract

	Comparative figures previously reported	Reclassification	After reclassification
Employee related costs	499 187	(57 190)	441 997
General expenses	215 225	57 190	272 415
Total	**714 412**	**-**	**714 412**

39. Events after the reporting date

The directors are not aware of any matter or circumstance arising since the end of the financial year.



AUDITOR- GENERAL 2015/16 REPORT

Report of the auditor-general to the Gauteng Provincial Legislature and the council of the City of Johannesburg Metropolitan Municipality on Johannesburg City Parks NPC trading as Johannesburg City Parks and Zoo

Report on the financial statements

Introduction

1. I have audited the financial statements of the Johannesburg City Parks NPC trading as Johannesburg City Parks and Zoo (JCPZ)set out on pages 80 to 140 , which comprise the statement of finandai position as at 30 June 2016, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA standards of GRAP)and the requirements of the Municipal Financial Management Act of South Africa, 2003 (Act No. 56 of 2003)(MFMA) and Companies Act of South Africa 2008 (Act No. 71 of 2008)(Companies Act), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. 1 conducted my audit in accordance with the International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipal entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipal entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Johannesburg City Parks NPC trading as Johannesburg City Parks and Zoo as at 30 June 2016 and its financial performance and cash flows for the year then ended, in accordance with SA standards of GRAP and the requirements of the MFMA and Companies Act.

Emphasis of matters

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

Significant uncertainties

8. As disclosed in note 28 to the financial statements, the municipal entity is the defendant in various claims relating to contractual disputes. The ultimate outcome of these matters cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Restatement of corresponding figures

9. As disclosed in note 31 to the financial statements, the corresponding figures for 30 June 2015 have been restated as a result of errors discovered in the financial statements of the Johannesburg City Parks during the year ended 30 June 2016.

Additional matters

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

Other reports required by the Companies Act

11. As part of our audit of the financial statements for the year ended 30 June 2016, I have read the directors' report, the audit committee's report and the Company secretary's certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports, I have not identified material inconsistencies between the reports and the audited financial statements. Ihave not audited the reports and accordingly do not express an opinion on them.

Unaudited disclosure notes

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

Report on other legal and regularity requirements

13. In accordance with the Public Audit Act of South Africa, 2004 (Act No.25 of 2004) (PAA) and the genera! notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives of selected development priorities presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, Ido not express an opinion or conclusion on these matters.

Predetermined obiectives

14. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected development priorities presented in the annual performance report of the municipal entity for the year ended 30 June 2016:

- Development priority 1: financial sustainability on pages x to x
- Development priority 2: active engaged citizenry on pages x to x
- Development priority 3: sustainable human settlements on pages x to x
- Development priority 4: SMME and entrepreneurial support on pages x to x
- Development priority 8: jozi @ work on pages x to x
- Development priority 9: SMME and economic development on pages x to x
- Development priority 10: smart city on pages x to x
- Development priority 11:communications and stakeholder management pages x to
- Development priority 26: greening on pages x to x
- Development priority 27: conservation area maintenance on pages x to x
- Development priority 28: park maintenance on pages x to x
- Development priority 29: cemetery maintenance on pages x to x

- Development priority 30: zoo maintenance on pages x to x
- Development priority 33: animal husbandry on pages x to x
- Development priority 34: pathology services on pages x to x

15. I evaluated the usefulness of the reported performance information to determine whether it was consistent with the planned development priorities. Ifurther performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing Programme performance information.

16. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

17. Idid not identify any material findings on the usefulness and reliability of the reported performance information for the selected development priorities.

Additional matters

18. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected development priorities, I draw attention to the following matters:

Achievement of planned targets

19. Refer to the annual performance report on pages x to x; for information on the achievement of planned targets for the year.

Adjustment of material misstatements

20. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of development priority 3: sustainable human settlements. As management subsequently corrected the misstatements, I did not identify any material findings on the usefulness and reliability of the reported performance information.

Compliance with legislation

21. I performed procedures to obtain evidence that the municipal entity had complied with applicable legislation regarding financial matters, financial management and other related matters.

22. My findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Annual financial statements

23. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements on disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit.

Procurement and contract management

24. Thresholds for local content on designated sectors' procurement were not properly applied in accordance with the requirements of preferential procurement regulation 9.

Internal control

25. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in findings on non compliance with legislation included in this report.

Leadership

26. The accounting officer did not adequately perform oversight responsibility over financial and performance reporting resulting in material adjustments required on the annual financial statements and findings on non-compliance with MFMA and Supply Chain Management (SCM) regulation.

Financial and performance management

27. Management did not implement adequate controls to ensure that the financial statements prepared were free of material misstatements.

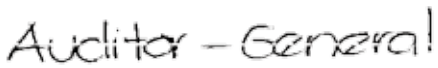
28. The SCM unit could not always provide effective oversight over the monitoring and implementation of procurement and contract management policies and procedures resulting in findings on compliance with SCM legislation.

Other reports

29. I draw attention to the following engagements conducted by various parties that have or could potentially have an impact on the matters reported on the municipal entity's financial, performance and compliance. The reports noted do not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

Investigations

30. The internal audit unit performed investigations at the request of the municipal entity, which covered the period 01 July 2015 to 30 June 2016. The investigations were initiated based on various allegations of possible financial irregularities, financial misconduct and fraud of the municipal entity's assets. The investigation concluded as at 30 June 2016 were at various stages of implementation. Some of the investigations are currently in progress as at reporting date.



Johannesburg
30 November 2016

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Analysis of 2015/16 Audit Findings

Historical Audit Findings and Remedial Action

Table 28: Summary of findings

	2011/12	2012/13	2013/14	2014/15	2015/16
Financial Audit Opinion	Unqualified with findings	Unqualified with findings	Unqualified with findings	Unqualified with findings	Unqualified with findings
Performance Information findings	no findings	no findings	no findings	Material adjustment to the annual report	Material adjustment to the annual report

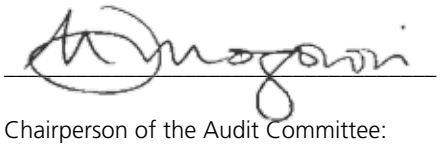
	REPEAT FINDING	New in 2015/16	ACTIONS TO RESOLVE
Matters affecting Audit opinion	1	1	Finance Department should prepare quarterly financial statements to apply the financial discipline of monthly controls Supply Chain Management should monitor all adverts to ensure that they comply with SCM Regulations.
Important Matters	9	19	The Finance department will be capacitated to deal with the breakdown in the financial controls The finance department should have a post-mortem to identify areas where internal control improvements are needed and report back to the Audit Committee on corrective measures. Supply Chain Management unit should monitor the SCM processes before approvals to prevent non-compliance with laws and regulations Management will continue with the established committee to deal with the findings as highlighted in the management report. Internal audit will track the above findings on a monthly basis and report to Exco, Audit Committee and the Board.

Commitment by the Board of Directors

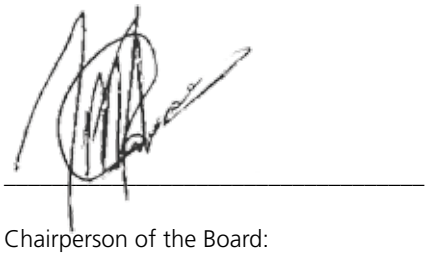
Key role players	Current year initiatives and commitments	Focus area targeted by commitment
Accounting Officer Managing Director	Key commitments	
	√ Review of controls surrounding performance information	Compliance
	√ Review of controls surrounding performance information	AOPO
	√ Quarterly review of AOPO as performed by internal audit to include the last quarter	AOPO
	√ Each executive to complete own AOPO to take full accountability	AOPO
Audit Committtee	Key commitments	
	√ Audit committee close review the findings as raised by AG and internal audit √ Review IA plan to ensure that the plan is aligned to AAP	Compliance
	√ Monitor progress of the AAP	Compliance
	√ Recommend the reviewed organisational structure to the Board for approval	Compliance

Chief Financial Officer	Key commitments		
	√	Review the performance with regard to the 2015/16 audit outcomes and take steps to improve internal controls and reporting to prevent internal control breakdown in the financial reporting for 2016/17.	Internal controls and compliance
	√	Fill positions in the Finance division to reduce vacancy rate that has an adverse impact of financial management and reporting in the Company	Human Resources
	√	Improve the filing system in the Supply Chain management department for ease of retrieval of documents required for auditing and other purposes	Record Management

The Board of Directors is satisfied that the remedial actions taken or to be taken on matters raised by the Auditor-General are adequate.



Chairperson of the Audit Committee:



Chairperson of the Board:

Mitigation strategies on the Assessment of the Integrated Reporting

JCPZ will continue to improve its attempt to align the Company' future Integrated Annual Reports to the International Integrated Annual Reporting Council's Framework; Reporting requirements as per the Municipal Finance management Act No 56 of 2003, Circular 63, Municipal systems act No 32 of 2000, KING Code of Governance for South Africa and industry best practice.

Guiding Principals

The report lacks sufficient information regarding the following:

- o the entity highlights its opportunities
- o the entity highlights its dependencies
- o operational activity - the entity must be able to demonstrate on its Integrated Report how its operation activities influences the next year and the bigger picture
- o -entity discloses its process of determining materiality

IIRC Integrated Reporting Framework

The report lacks sufficient information regarding the following:

- Particular actions those charged with governance have taken to influence and monitor the strategic direction of the organisation and its approach to risk management.
- How the organisation's culture, ethics and values are reflected in its use of and effects on the capitals, including its relationships with key stakeholders.
- Whether organisation is implementing governance practices that exceed legal requirements.
- How remuneration and incentives are linked to value creation in the short, medium and long term, including how they are linked to the organisation's use of and effects on the capitals.
- What is the organisation's business model?
- To what extent has the organisation achieved its strategic objectives for the period and what are its outcomes in terms of effects on the capitals?
- How does the organisation determine what matters to include in the integrated report and how are such matters quantified or evaluated?

Annexures

Standard Global Reporting Initiative (GRI) disclosures

Table 29 List of Standard Disclosures from the GRI Sustainability Reporting Guidelines

Table 29: List of standard disclosures

G4 Code	Standard Disclosures	Reference
	Strategy and analysis	
G4-1	Provide a statement from the most senior decision-maker of the organisation (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability.	13 - 15
G4-2	Provide a description of key impacts, risks, and opportunities.	48
	Organisational profile	12 – 18
G4-3	Report the name of the organisation.	12 – 18
G4-4	Report the primary brands, products, and services.	12
G4-5	Report the location of the organisation's headquarters.	
G4-6	Report the number of countries where the organisation operates, and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report.	Not applicable
G4-7	Report the nature of ownership and legal form.	12
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	12
G4-9	Report the scale of the organisation	32
G4-10	Report the total number of employees by employment contract.	12
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	12
G4-12	Describe the organisation's supply chain.	61
G4-13	Report any significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain	32
G4-14	Report whether and how the precautionary approach or principle is addressed by the organisation.	32
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses.	29
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organisations in which the organisation:	29
	Identified material aspects and boundaries	25 – 26
G4-17	a. List all entities included in the organisation's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organisation's consolidated financial statements or equivalent documents is not covered by the report.	Not Applicable
G4-18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organisation has implemented the Reporting Principles for Defining Report Content.	6 – 9
G4-19	List all the material Aspects identified in the process for defining report content.	25 – 26
G4-20	For each material Aspect, report the Aspect Boundary within the organisation	25 – 26
G4-21	For each material Aspect, report the Aspect Boundary outside the organisation	25 – 26
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	7

	Stakeholder engagement	
G4-24	Provide a list of stakeholder groups engaged by the organisation.	26
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	26
G4-26	Report the organisation's approach to stakeholder engagement	27
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	28
	Report profile	
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	6 – 7
G4-29	Date of most recent previous report (if any).	
G4-30	Reporting cycle (such as annual, biennial).	6 – 7
G4-31	Provide the contact point for questions regarding the report or its contents.	6 – 7
G4-32	a. Report the 'in accordance' option the organisation has chosen. b. Report the GRI Content Index for the chosen option. c. Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines.	6 – 7
G4-33	a. Report the organisation's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report acCompanying the sustainability report, report the scope and basis of any external assurance provided. c. Report the relationship between the organisation and the assurance providers. d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organisation's sustainability report.	6 – 9
	Governance	
G4-34	Report the governance structure of the organisation, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	35 – 40
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	41 – 44
G4-36	Report whether the organisation has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	41 – 44
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	26 – 29
G4-38	Report the composition of the highest governance body and its committees	41 – 44
G4-39	Report whether the Chair of the highest governance body is also an executive officer	41 – 44
G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members.	41 – 44
G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders.	41 – 44
G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organisation's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	41 – 44
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	41 – 44

G4-44	Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment.	41 – 44
G4-45	Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes.	43
G4-46	Report the highest governance body's role in reviewing the effectiveness of the organisation's risk management processes for economic, environmental and social topics.	43
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	43
G4-48	Report the highest committee or position that formally reviews and approves the organisation's sustainability report and ensures that all material Aspects are covered.	41 – 44
G4-49	Report the process for communicating critical concerns to the highest governance body.	41 – 44
G4-50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	
G4-51	Report the remuneration policies for the highest governance body and senior executives.	46
G4-52	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organisation.	46
G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	
G4-54	Report the ratio of the annual total compensation for the organisation's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	
G4-55	Report the ratio of percentage increase in annual total compensation for the organisation's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	
	Ethics and integrity	
G4-56	Describe the organisation's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics.	22, 53 – 55
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behaviour, and matters related to organisational integrity, such as helplines or advice lines.	53 – 55
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behaviour, and matters related to organisational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	53 – 55

Materiality Index

Table 30: Materiality index

Material issue	**Reference**
Rollout of Wi-Fi in select public open spaces.	16; 26; 32; 73;91
Ensure a financially sustainable Company	32
Address unemployment and job creation	17, 101, 32, 91, 101
Vagrancy and crime at facilities	27, 82
Provide SMME and entrepreneurial support through inclusive business models	13,32,62
External revenue generation opportunities - Leverage reputation to attract investments	26,45,80,104

Maintain and upgrade recreational facilities	12,18,22,23,26,27,29,51,55,69,86,103
Provide access to education (including adult education; and health and environmental education) and educational facilities	70, 106, 109
Clean governance	121, 73, 31, 29
Customer centricity	32
Environmental sustainability by ensuring ensure environmental diversity and protection	67

City of Johannesburg Annual Integrated Report Oversight Framework

Municipal Public Accounts Committee	Reporting oversight issues	Oversight performed for 2015/16 Report
	√ Fully performed ⟷ Marginally performed X Not performed	√
	Issues of financial probity (e.g. fraud), as highlighted in the audit report or disclosed in the management report or in notes to the financial statements, or that come to the committee's attention in any other way.	√
	Compliance with the MFMA and associated Treasury Regulations, the Audit Committee and the accounting officer in his or her management report in the annual report, taking into account matters that the Auditor-General may have reported on in this regard.	√
	The interrogation and evaluation of instances of over-expenditure (relative to appropriations), and other instances of unauthorised expenditures and the authorisation or non-authorisation of these expenditures.	√
	The interrogation of instances relating to irregular, fruitless and wasteful expenditure.	√
	The functioning of risk management systems, including fraud prevention, financial management systems, personnel management systems (e.g. leave management and disciplinary processes) and other transversal systems in government.	√
	Supply chain management and procurement	√
	The disposal of significant assets, and any major financial or related losses	√
	Corporate governance	√
Portfolio and Board Committees	Reporting oversight issues	
	√ Fully performed ⟷ Marginally performed X Not performed	
	The technical quality of the Company's integrated annual report.	
	Whether the Company has reported on each and every performance target specified in their strategic plans and budget	√
	The quality of the performance information as highlighted by any audit of performance information which the Auditor-General may perform, or in the light of any other information that comes to the committee's attention.	√
	The economy, efficiency and effectiveness of service delivery as measured by the performance indicators presented in the integrated annual report, or as measured by the Auditor-General in a performance audit, or by way of other information that comes to the committee's attention.	√
	The equity of the Company's service delivery.	√
	The implementation of the Company's service delivery improvement Programmes.	√
	Evaluating management's explanations as to why the Company's service delivery performance did not attain the targets set in the strategic plans and budgets.	√
	Investigating the circumstances that led to under- or over-expenditure of the Company's budget, the impact this had on service delivery and the measures taken by management to comply with the Budget.	√
	Assessment of the Company's integrated annual report to assess the quality of non-financial service delivery information and financial management	√
	√ Fully performed ⟷ Marginally performed X Not performed	
Council and City Legislature	Overall oversight of the Integrated Annual Report	√

INTEGRATED ANNUAL REPORT 2015/16

Johannesburg City Parks
City Parks House
40 De Korte Street
Braamfontein
2017

P O Box 2824
Johannesburg
2000

Tel: +27 11 712-6600
Fax: +27 11 712-6796

www.jhbcityparks.com