



City of Johannesburg Metropolitan Municipality  
Group Annual Financial Statements  
for the year ended 30 June 2025

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## General Information

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### Mayoral committee

Executive Mayor

Councillors

Morero Dada (Chairperson)

Arnolds Margaret (Speaker)

Nkokou Tebogo (Community Development)

Kunene Thapelo Kenneth (Transport)

Mabaso Mlungisi (Human Settlement)

Masuku Loyiso (Finance)

Mgcina Sibongile Eunice (Development Planning)

Sekwaila Boyboi Jack (Environmental and infrastructure Services Development)

Mnisi Nomoya Daphney (Economic Development)

Makhafola Ennie Ramadimetja (Health & Social Development)

Mgcini Tshwaku (Public Safety)

Zungu Sithembiso (Corporate and Shared Services)

Marema Adolph (Chair of chairpersons)

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## General Information

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**Grading of local authority**

The City of Johannesburg Metropolitan Municipality is a Grade Six Local Authority in terms of Item IV of Government Notice R999 of 2 October 2001, published in terms of the Remuneration of Public Office Bearers Act, 1998.

**City Manager**

Brink Floyd

**Group Chief Financial Officer**

Moraka Tebogo

**Registered office**

Metropolitan Centre,  
158 Loveday Street  
Braamfontein  
Johannesburg  
2001  
Telephone:  
+27 (0)11 407 - 6111  
Facsimile:  
+27 (0)11 339 - 5704

**Postal address**

P O Box 1049  
Johannesburg  
2000

**Primary Banker**

Standard Bank

**Auditors**

The Office of the Auditor-General : Gauteng  
Registered Auditors  
39 Scott Street  
Bramley  
2090  
PO Box 91081  
Auckland Park  
2006

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

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The reports and statements set out below comprise the Group Annual Financial Statements:

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# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

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### Abbreviations

AARTO	Administrative Adjudication of Road Traffic Offences
AUC	Assets Under Construction
CJMM	City of Johannesburg Metropolitan Municipality (CORE)
COID	Compensation for Occupational Injuries and Diseases
MOE	Municipal Entity
CRR	Capital Replacement Reserve
DBSA	Development Bank of Southern Africa
EPWP	Expanded Public Works Program
FRA	Forward Rate Agreement
FRN	Floating Rate Note
GRAP	Generally Recognised Accounting Practice
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
IRS	Interest Rate Swap
JDA	Johannesburg Development Agency
JIBAR	Johannesburg Interbank Average Rate
JRA	Johannesburg Roads Agency
JSE	Johannesburg Stock Exchange
KFW	Kreditanstalt für Wiederaufbau ("Credit Institute for Reconstruction")
MBUS	Johannesburg Metropolitan Bus Services SOC Limited
ME's	Municipal Entities
MEHG	Municipal Emergency Housing Grant
MFMA	Municipal Finance Management Act
MTC	Metropolitan Trading Company
NCD	Negotiable Certificate of Deposit
NPV	Net Present Value
PAYE	Pay As You Earn
PN	Promissory Note
PPE	Property, Plant and Equipment
RMB	Rand Merchant Bank

# City of Johannesburg Metropolitan Municipality

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SANAS	South African National Accreditation System
SARS	South Africa Revenue Services
SCM	Supply Chain Management
SOC	State Owned Company
SPTN	Single Public Transport Network
STD	Standard Bank
UIF	Unemployment Insurance Fund
USDG	Urban Settlement Development Grant
VAT	Value Added Taxation

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## City Manager's approval of the Group Annual Financial Statements

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I am responsible for the preparation of the Group Annual Financial Statements in terms of Section 126(1)(b) which requires City of Johannesburg to prepare and submit consolidated annual financial statement after three months (30 September 2025) from the end of each financial reporting period (30 June 2025) to the Auditor-General South Africa for auditing and I have signed on behalf of the Municipality.

The Group Annual 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 and the requirements of Municipal Finance Management Act 56 of 2003 (MFMA)

I certify that the salaries, allowances and benefits of councillors as disclosed in note 36 to these financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution of the Republic of South Africa Act 108 of 1996, read with the Remuneration of Public Office Bearers Act 20 of 1998, and the Minister of Provincial and Local Government's determination in accordance with this act.



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**Brink Floyd**  
City Manager

21/05/2026

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**Date**

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Statement of Financial Position as at 30 June 2025

Figures in Rand thousand	Note(s)	Group		CJMM	
		2025	2024	2025	2024
<b>Assets</b>					
<b>Current Assets</b>					
Inventories	3	571 405	572 318	163 371	190 469
Loans to municipal entities	4	-	-	820 359	903 568
Other financial assets	5	352	2 793	352	2 793
Current tax receivable	59	243 804	136 240	-	-
Finance lease receivables	6	-	-	80 892	41 403
Receivables from exchange transactions	7	2 092 752	1 770 184	30 750 815	22 409 963
Receivables from non-exchange transactions	8	356 342	126 270	209 070	124 823
VAT receivable	9	1 462 691	1 714 245	114 898	656 805
Consumer debtors	10	12 196 677	11 143 133	4 290 587	3 301 571
Financial assets at fair value	11	1 151 894	418 146	1 151 894	418 146
Cash and cash equivalents	12	3 965 660	2 165 857	2 477 879	1 015 269
		<b>22 041 577</b>	<b>18 049 186</b>	<b>40 060 117</b>	<b>29 064 810</b>
<b>Non-Current Assets</b>					
Living resources	13	30 875	31 021	8 985	9 660
Investment property	14	1 015 282	1 015 136	989 417	989 417
Property, plant and equipment	15	88 143 488	84 910 870	51 474 815	50 312 757
Intangible assets	16	1 976 754	1 570 736	1 554 071	1 069 416
Heritage assets	17	639 603	619 260	637 937	617 594
Investments in controlled entities	18	-	-	562 685	760 985
Investments in joint ventures	19	25 783	24 294	-	-
Loans to municipal entities	4	-	-	6 655 232	6 422 385
Other financial assets	5	49 648	47 037	49 648	47 037
Deferred tax	20	5 327 279	4 648 484	-	-
Finance lease receivables	6	-	-	31 300	27 400
Deposits		62 698	1 223	-	-
Income tax receivable	59	13 722	-	-	-
Financial assets at fair value	11	229 447	358 431	229 447	358 431
		<b>97 514 579</b>	<b>93 226 492</b>	<b>62 193 537</b>	<b>60 615 082</b>
<b>Total Assets</b>		<b>119 556 156</b>	<b>111 275 678</b>	<b>102 253 654</b>	<b>89 679 892</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Loans and borrowings	21	3 388 284	1 317 776	3 386 142	1 315 634
Current tax payable	59	-	137 353	-	-
Finance lease obligation	22	197 637	176 596	107 406	95 365
Financial liabilities at fair value	11	-	1 510	-	1 510
Payables from exchange transactions	23	25 402 563	24 329 379	29 022 962	22 694 742
VAT payable	61	14 847	18 978	-	-
Employee benefit obligation	26	128 634	139 237	104 086	104 239
Unspent conditional grants and receipts	24	107 503	432 541	107 490	428 640
Provisions	25	792 189	738 286	-	-
Deferred income	27	6 728	3 853	2 456	149
Consumer deposits	28	21 486	24 553	3 221	3 367
		<b>30 059 871</b>	<b>27 320 062</b>	<b>32 733 763</b>	<b>24 643 646</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Statement of Financial Position as at 30 June 2025

Figures in Rand thousand	Note(s)	Group		CJMM	
		2025	2024	2025	2024
<b>Non-Current Liabilities</b>					
Loans from municipal entities	29	-	-	496 708	471 410
Loans and borrowings	21	19 407 764	17 962 087	19 402 620	17 955 470
Payable from exchange	23	2 321 170	-	-	-
Finance lease obligation	22	615 889	606 445	294 338	355 282
Payables from non-exchange transactions	60	537 664	486 971	-	-
Employee benefit obligation	26	752 552	823 720	594 407	656 385
Unspent conditional grants and receipts	24	148 615	52 536	-	-
Deferred tax	20	3 894 934	3 604 598	-	-
Provisions	25	973 879	1 052 977	149 318	251 089
Financial liability at fair value	11	-	199 153	-	199 153
Consumer deposits	28	1 855 923	1 822 430	11 311	11 311
		<b>30 508 390</b>	<b>26 610 917</b>	<b>20 948 702</b>	<b>19 900 100</b>
<b>Total Liabilities</b>		<b>60 568 261</b>	<b>53 930 979</b>	<b>53 682 465</b>	<b>44 543 746</b>
<b>Net Assets</b>		<b>58 987 895</b>	<b>57 344 699</b>	<b>48 571 189</b>	<b>45 136 146</b>
Accumulated surplus		58 987 895	57 344 699	48 571 189	45 136 146
<b>Total Net Assets</b>		<b>58 987 895</b>	<b>57 344 699</b>	<b>48 571 189</b>	<b>45 136 146</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Statement of Financial Performance

Figures in Rand thousand	Note(s)	Group		CJMM	
		2025	2024	2025	2024
<b>Revenue</b>					
<b>Revenue from exchange transactions</b>					
Rendering of services	32	41 584 654	37 830 832	238 953	197 425
Rental of facilities and equipment	66	345 125	307 430	131 972	134 423
Agency services	67	954 290	969 999	767 421	753 096
Foreign exchange income		4	14 724	-	14 721
Other revenue	30	1 354 209	1 038 621	1 034 041	626 522
Demand Side Management levy		275 360	267 734	-	-
Finance income	63	867 958	949 123	2 798 262	2 617 224
Reversal of impairment	31	25 962	-	25 962	-
Fair value adjustments	44	325 427	247 597	325 427	247 597
Share of surpluses or deficits from associates or joint ventures accounted for using the equity method	19	1 759	-	-	-
<b>Total revenue from exchange transactions</b>		<b>45 734 748</b>	<b>41 626 060</b>	<b>5 322 038</b>	<b>4 591 008</b>
<b>Revenue from non-exchange transactions</b>					
<b>Taxation revenue</b>					
Property rates	33	17 700 149	16 798 945	17 700 149	16 798 945
Surcharges and taxes	69	346 996	312 262	346 996	312 262
Finance income	63	217 367	211 826	216 945	209 265
<b>Transfer revenue</b>					
Government grants and subsidies	34	11 362 430	10 441 595	10 413 494	9 924 181
Levies	62	4 404 521	4 078 154	4 127 608	3 838 724
Public contributions, donated and contributed property, plant and equipment		226 391	235 069	1 142	28
Fines, penalties and forfeits		414 595	175 592	411 728	175 342
Other revenue	30	733 169	19 907	-	-
<b>Total revenue from non-exchange transactions</b>		<b>35 405 618</b>	<b>32 273 350</b>	<b>33 218 062</b>	<b>31 258 747</b>
<b>Total revenue</b>		<b>81 140 366</b>	<b>73 899 410</b>	<b>38 540 100</b>	<b>35 849 755</b>
<b>Expenditure</b>					
Employee related costs	35	(20 730 042)	(19 484 622)	(12 154 792)	(11 605 306)
Remuneration of councillors	36	(190 178)	(187 818)	(190 178)	(187 818)
Depreciation and amortisation	37	(4 740 402)	(4 514 084)	(3 059 279)	(3 074 022)
Impairment losses	38	(211 348)	(245 421)	(736 699)	(546 092)
Finance costs	64	(3 420 356)	(2 942 919)	(3 071 111)	(3 114 657)
Debt Impairment	39	(9 480 429)	(7 500 854)	(2 325 065)	(1 665 654)
Bulk purchases	40	(27 788 626)	(25 161 992)	-	-
Lease rentals on operating lease	41	(2 238 030)	(2 295 619)	(400 460)	(564 835)
Grants and subsidies paid	42	(83 174)	(63 704)	(6 944 174)	(6 498 118)
Loss on disposal of assets and liabilities		(93 615)	(63 746)	(54 215)	(51 349)
Share of surpluses or deficits from associates or joint ventures accounted for using the equity method	19	-	(70)	-	-
General expenses	43	(10 933 638)	(11 815 651)	(6 169 077)	(6 380 192)
<b>Total expenditure</b>		<b>(79 909 838)</b>	<b>(74 276 500)</b>	<b>(35 105 050)</b>	<b>(33 688 043)</b>
<b>Surplus (deficit) before taxation</b>		<b>1 230 528</b>	<b>(377 090)</b>	<b>3 435 050</b>	<b>2 161 712</b>
Tax expense	65	412 668	602 762	-	-
<b>Surplus for the year</b>		<b>1 643 196</b>	<b>225 672</b>	<b>3 435 050</b>	<b>2 161 712</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Statement of Changes in Net Assets

Figures in Rand thousand	Accumulated surplus / deficit	Total net assets
<b>Group</b>		
<b>Balance at 01 July 2023</b>	<b>57 119 027</b>	<b>57 119 027</b>
Changes in net assets		
Surplus for the year	225 672	225 672
Total recognised income and expenses for the year	225 672	225 672
Total changes	225 672	225 672
<b>Balance at 01 July 2024</b>	<b>57 344 699</b>	<b>57 344 699</b>
Changes in net assets		
Surplus for the year	1 643 196	1 643 196
Deficit for the year	1 643 196	1 643 196
Total changes	1 643 196	1 643 196
<b>Balance at 30 June 2025</b>	<b>58 987 895</b>	<b>58 987 895</b>
Note(s)		
<b>CJMM</b>		
<b>Balance at 01 July 2023</b>	<b>42 974 434</b>	<b>42 974 434</b>
Changes in net assets		
Surplus for the year	2 161 712	2 161 712
Total changes	2 161 712	2 161 712
<b>Balance at 01 July 2024</b>	<b>45 136 139</b>	<b>45 136 139</b>
Changes in net assets		
Surplus for the year	3 435 050	3 435 050
Total changes	3 435 050	3 435 050
<b>Balance at 30 June 2025</b>	<b>48 571 189</b>	<b>48 571 189</b>
Note(s)		

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Cash Flow Statement

Figures in Rand thousand	Note(s)	Group		CJMM	
		2025	2024	2025	2024
<b>Cash flows from operating activities</b>					
<b>Receipts</b>					
Cash receipts from customers		57 278 013	50 697 371	9 650 931	14 219 952
Grants		11 206 217	10 212 363	14 219 952	13 521 916
Interest income		1 085 325	348 931	2 245 476	2 234 506
		<b>69 569 555</b>	<b>61 258 665</b>	<b>26 116 359</b>	<b>29 976 374</b>
<b>Payments</b>					
Cash paid to suppliers and employees		(58 479 866)	(50 102 288)	(20 674 889)	(19 952 584)
Finance costs		(3 420 356)	(2 922 326)	(3 408 296)	(3 068 056)
Repayment of salary related provisions		-	-	(116 186)	(2 542 697)
Taxes on surpluses		(234 430)	(97 088)	-	-
Other cash item		-	-	-	898 407
		<b>(62 134 652)</b>	<b>(53 121 702)</b>	<b>(24 199 371)</b>	<b>(24 664 930)</b>
<b>Net cash flows from operating activities</b>	45	<b>7 434 903</b>	<b>8 136 963</b>	<b>1 916 988</b>	<b>5 311 444</b>
<b>Cash flows from investing activities</b>					
Purchase of capital assets		(8 344 931)	(7 188 676)	(3 820 734)	(3 288 025)
Proceeds from sale of property, plant and equipment	15	147 380	-	-	-
Other financial assets		(170)	6 894	(170)	6 894
Deposits		(61 475)	(195)	-	-
Loans to Municipal entities		-	-	(404 696)	(1 307 892)
Cash movements in sinking fund		(604 764)	(698 000)	(480 000)	(698 000)
Loans redeemed from Municipal entities		-	-	921 824	1 182 622
Finance lease receivable		-	-	46 360	43 248
Investment in Municipal entities		-	-	(27 248)	(35 120)
Movements in investment in Joint venture		(1 489)	-	-	-
<b>Net cash flows from investing activities</b>		<b>(8 865 449)</b>	<b>(7 879 977)</b>	<b>(3 764 664)</b>	<b>(4 096 273)</b>
<b>Cash flows from financing activities</b>					
Proceeds from borrowings		8 469 993	3 670 000	8 470 000	3 670 000
Repayments of Liabilities from Municipal Entities		-	-	(11 604)	(10 659)
Finance lease obligation		30 485	713 874	(99 992)	(117 296)
Repayment of borrowings		(4 953 808)	(6 403 764)	(4 952 335)	(6 403 764)
Repayment of post-retirement benefits		(115 658)	(126 549)	(95 781)	(101 488)
Financial liabilities at fair value		(200 663)	-	-	-
<b>Net cash flows from financing activities</b>		<b>3 230 349</b>	<b>(2 146 439)</b>	<b>3 310 288</b>	<b>(2 963 207)</b>
<b>Net (decrease)/increase cash and cash equivalents</b>		<b>1 799 803</b>	<b>(1 889 453)</b>	<b>1 462 612</b>	<b>(1 748 036)</b>
Cash and cash equivalents at the beginning of the year		2 165 857	4 055 310	1 015 269	2 763 303
<b>Cash and cash equivalents at the end of the year</b>	12	<b>3 965 660</b>	<b>2 165 857</b>	<b>2 477 881</b>	<b>1 015 267</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand thousand						
<b>Group</b>						
<b>Statement of Financial Performance</b>						
<b>Revenue</b>						
Property rates	17 338 687	-	<b>17 338 687</b>	17 700 149	<b>361 462</b>	
Service charges	43 755 758	-	<b>43 755 758</b>	41 207 448	<b>(2 548 310)</b>	1
Investment revenue	740 314	-	<b>740 314</b>	1 085 324	<b>345 010</b>	2
Transfers of recognised - operational	8 437 969	(18 979)	<b>8 418 990</b>	8 229 459	<b>(189 531)</b>	
Rental of facilities and equipment	438 397	-	<b>438 397</b>	345 125	<b>(93 272)</b>	3
Gains on disposal of PPE	3 328	-	<b>3 328</b>	-	<b>(3 328)</b>	4
Agency fees	389 321	-	<b>389 321</b>	954 290	<b>564 969</b>	5
Fines	168 996	-	<b>168 996</b>	414 595	<b>245 599</b>	6
Licenses and permits	3 817	-	<b>3 817</b>	3 724	<b>(93)</b>	7
Other own revenue	6 298 920	-	<b>6 298 920</b>	7 840 889	<b>1 541 969</b>	8
<b>Total revenue (excluding capital transfers and contributions)</b>	<b>77 575 507</b>	<b>(18 979)</b>	<b>77 556 528</b>	<b>77 781 003</b>	<b>224 475</b>	

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand thousand						
<b>Expenditure</b>						
Employee related costs	(20 565 521)	(4 472)	<b>(20 569 993)</b>	(20 730 042)	<b>(160 049)</b>	
Remuneration of councillors	(191 762)	-	<b>(191 762)</b>	(190 178)	<b>1 584</b>	
Debt impairment	(7 344 548)	-	<b>(7 344 548)</b>	(9 480 429)	<b>(2 135 881)</b>	9
Depreciation and asset impairment	(5 298 690)	-	<b>(5 298 690)</b>	(4 951 750)	<b>346 940</b>	10
Finance charges	(2 511 959)	-	<b>(2 511 959)</b>	(3 420 356)	<b>(908 397)</b>	11
Bulk purchases	(15 877 574)	-	<b>(15 877 574)</b>	(19 222 467)	<b>(3 344 893)</b>	12
Transfers and grants	(99 747)	-	<b>(99 747)</b>	(83 174)	<b>16 573</b>	13
Losses	(2 981 991)	-	<b>(2 981 991)</b>	(2 822 042)	<b>159 949</b>	14
Inventory consumed	(6 460 825)	-	<b>(6 460 825)</b>	(5 744 117)	<b>716 708</b>	15
Other expenditure	(14 078 373)	23 451	<b>(14 054 922)</b>	(13 265 283)	<b>789 639</b>	16
<b>Total expenditure</b>	<b>(75 410 990)</b>	<b>18 979</b>	<b>(75 392 011)</b>	<b>(79 909 838)</b>	<b>(4 517 827)</b>	
<b>Operating deficit</b>	<b>2 164 517</b>	-	<b>2 164 517</b>	<b>(2 128 835)</b>	<b>(4 293 352)</b>	
Transfers recognised - capital	3 694 726	(242 523)	<b>3 452 203</b>	3 132 971	<b>(319 232)</b>	
Contributions recognised - capital & contributed assets	118 591	-	<b>118 591</b>	226 391	<b>107 800</b>	17
<b>Surplus after transfers and contributions</b>	<b>3 813 317</b>	<b>(242 523)</b>	<b>3 570 794</b>	<b>3 359 362</b>	<b>(211 432)</b>	
<b>Surplus before capital gains</b>	<b>5 977 834</b>	<b>(242 523)</b>	<b>5 735 311</b>	<b>1 230 527</b>	<b>(4 746 537)</b>	
Taxation	42 130	-	<b>42 130</b>	412 668	<b>370 538</b>	18
<b>Surplus (deficit) for the year</b>	<b>5 935 704</b>	<b>(242 523)</b>	<b>5 693 181</b>	<b>1 643 196</b>	<b>(4 049 985)</b>	

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand thousand

A detailed description of the variances that management considers as material are provided below. Management considers a 10% variance to be material:

### 1. Service charges

The electricity service charges fell below budget as units sold declined, mainly due to revenue from initiatives not fully being realised.

The under-recovery on water revenue was as a direct outcome of Water Demand Management (WDM) initiatives. The WDM programme reduced water usage by customers through efficiency and conservation measures. This resulted in the volume of water billed to customers being lower than projected.

### 2. Investment Revenue

The main reason for the over-recovery is due to interest earned on the city's primary bank accounts with a positive balance and unbudgeted for Human Settlements debtors interest.

### 3. Rental of facilities and equipments

The under recovery is mainly due to the delays in the renewal of lease contract as well as the approval of reports by EAC. This stifled income received from the rental of facilities and equipment. Furthermore, unfavourable revenue was realised from rentals from hostels tenants and fines imposed on late submission of books.

### 4. Gains on disposal of Assets

Gains on disposal of assets were below budget as no assets were sold during the period. In addition, certain assets were scrapped rather than disposed of through sale, resulting in no revenue realisation and contributing to the shortfall against budgeted disposal proceeds.

### 5. Agency fees

Agency fees were above the budget due to a higher number of agency services that the City of Johannesburg has provided on behalf of their business partners.

### 6. Fines, penalties and forfeits

Traffic fines revenue exceeded budget, largely due to the Johannesburg Metropolitan Police Department (JMPD) shifting focus from camera reliance to deploying more personnel for vehicle stops, issuing tickets and conducting additional roadblocks.

### 7. Licenses and permits

The under recovery is attributable to a decrease in revenue recognised from leasing contract related to renewal of vehicle license registrations. This is mainly due to the expansion of similar services (to renew vehicle license registrations) being extended remotely to banks and other retail stores.

### 8. Other revenue.

The over recovery is revenue that was recognised from an out of court settlement amount received from a service provider, including credit write-backs from rates credit balances on dormant accounts that have been inactive for more than three years. The movement for final and pre-termination notices are from delivering notices using other means of communications (online portal or attached to the statements) to defaulting aged debtors, this resulted in successfully raising charges against debtors that have successfully received notices for more than three years.

### 9. Debt impairment

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand thousand

Debt impairment was higher than budgeted due to collection levels falling below expectations. The City continues to face challenges in recovering amounts owed from certain customer segments, with an increasing number of customers falling into the indigent category as a result of the high unemployment rate..

### 10. Depreciation and amortisation.

The depreciation underspend is due to the actual acquisition of assets being lower than budgeted.

### 11. Finance charges.

The over-budget was mainly due to interest on a R2.5 billion short-term loan facility from DBSA and R670 million from standard bank obtained.

### 12. Bulk purchases.

This is because of the over expenditure on the Eskom account which is mainly attributable to the tariff charged and units purchased being higher than the budget. The suspension of load shedding which resulted in the increase in units purchased is also contributing to the over expenditure of the bulk purchases cost more especially from Eskom side. Council did not approve the budget proposal which City Power submitted during the adjustment budget process, hence the huge variance.

### 13. Transfers and subsidies paid

Transfers and subsidies paid are under budget due to cost-containment measures that are implemented across the city

### 14. Losses

Water losses were lower than budget due to reduced overall consumption.

### 15. Inventory consumed

The inventory consumed reflects lesser consumption of water overall.

### 16. Other expenditure

The underspending of other expenditure is as a result of a decrease in several expenses.

### 17. Transfers recognised - capital contributions recognised - capital & contributed assets

Capital Contributions are below the budget due to the fact that the contributions received from the public were less than anticipated in the current financial period

### 18. Taxation.

Over-budget is due to that taxable income that was realised for the period resulting in increase in deferred tax asset .

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand thousand						
<b>CJMM</b>						
<b>Statement of Financial Performance</b>						
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Property rates	17 338 687	-	<b>17 338 687</b>	17 700 149	<b>361 462</b>	
Service charges	442 493	-	<b>442 493</b>	238 953	<b>(203 540)</b>	
Finance income	1 946 386	-	<b>1 946 386</b>	3 015 207	<b>1 068 821</b>	
Transfers recognised	10 681 531	(242 002)	<b>10 439 529</b>	10 413 494	<b>(26 035)</b>	
Rental of facilities	177 435	-	<b>177 435</b>	131 972	<b>(45 463)</b>	
Agency fees	840 535	-	<b>840 535</b>	767 421	<b>(73 114)</b>	
Surcharges and Taxes	317 445	-	<b>317 445</b>	346 996	<b>29 551</b>	
Fuel Levy	4 127 608	-	<b>4 127 608</b>	4 127 608	-	
Fines, Penalties and Forfeits	116 658	-	<b>116 658</b>	411 728	<b>295 070</b>	
Public contribution and donations	-	-	-	1 142	<b>1 142</b>	
Other Income	546 440	-	<b>546 440</b>	1 034 040	<b>487 600</b>	
<b>Total revenue from exchange transactions</b>	<b>36 535 218</b>	<b>(242 002)</b>	<b>36 293 216</b>	<b>38 188 710</b>	<b>1 895 494</b>	
<b>Expenditure</b>						
Employee Related Costs	(11 661 984)	(3 972)	<b>(11 665 956)</b>	(12 186 475)	<b>(520 519)</b>	
Remuneration of councillors	(191 762)	-	<b>(191 762)</b>	(190 178)	<b>1 584</b>	
Depreciation and amortisation	(3 556 135)	-	<b>(3 556 135)</b>	(3 059 279)	<b>496 856</b>	
Impairment loss	-	-	-	(736 699)	<b>(736 699)</b>	
Finance charges	(2 758 075)	-	<b>(2 758 075)</b>	(3 071 111)	<b>(313 036)</b>	
Debt Impairment	(1 453 218)	-	<b>(1 453 218)</b>	(2 325 065)	<b>(871 847)</b>	
Transfers and Subsidies	(6 938 664)	-	<b>(6 938 664)</b>	(6 944 174)	<b>(5 510)</b>	
Other expenditure	(7 028 613)	23 451	<b>(7 005 162)</b>	(6 537 857)	<b>467 305</b>	
	-	-	-	-	-	
<b>Total expenditure</b>	<b>(33 588 451)</b>	<b>19 479</b>	<b>(33 568 972)</b>	<b>(35 050 838)</b>	<b>(1 481 866)</b>	
<b>Operating surplus</b>	<b>2 946 767</b>	<b>(222 523)</b>	<b>2 724 244</b>	<b>3 137 872</b>	<b>413 628</b>	
(Loss) gain on disposal of assets	-	-	-	(54 215)	<b>(54 215)</b>	
Reversal of impairment	-	-	-	25 962	<b>25 962</b>	
Fair value adjustments	-	-	-	325 427	<b>325 427</b>	
	-	-	-	<b>297 174</b>	<b>297 174</b>	
<b>Surplus for the year</b>	<b>2 946 767</b>	<b>(222 523)</b>	<b>2 724 244</b>	<b>3 435 046</b>	<b>710 802</b>	

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand thousand

**A detailed description of the variances that management considers as material is provided below.**

**Management considers a 10% variance to be material**

### Rendering of services

The under-recovery in rendering of services was due to ongoing and persistent delays in the operationalization of Rea Vaya phase 1C(a), Phase 1 A bus shortages due to mechanical problems and stoppage of Phase 1 A and B feeder buses operating in Soweto routes result.

### Rental of facilities and equipment

The under recovery is mainly due the delays in the renewal of lease contract as well as the approval of reports by EAC. This stifled income received from the rental of facilities and equipment. Furthermore, unfavourable revenue was realised from rentals from hostels tenants and fines imposed on late submission of books.

### Agency Services

The under recovery is attributable to a decrease in revenue recognised from leasing contract related to renewal of vehicle license registrations. This is mainly due to the expansion of similar services (to renew vehicle license registrations) being extended remotely to banks and other retail stores.

### Other Income

The over recovery is revenue that was recognised from an out of court settlement amount received from a service provider, including credit write-backs from rates credit balances on dormant accounts that have been inactive for more than three years. The movement for final and pretermination notices are from delivering notices using other means of communications (online portal or attached to the statements) to defaulting aged debtors, this resulted in successfully raising charges against debtors that have successfully received notices.

### Finance income

The main reason for the over-recovery is due to interest charged on unfavourable sweeping bank balances of the entities, which substantially increased in the current financial year. Other factors such as interest earned on the city's primary bank account's with a positive balance and unbudgetted for Human Settlements debtors interest.

### Finance income - Property rate

There has been below budget collection levels for the financial year ending 30 June 2025 which resulted in an increase in debtor's books and as a result, an increase in interest earned. Interest levied on overdue debtors accounts is in line with Credit Management Policy. This line is jointly impacted with entries and billing adjustments by RSSC and the Property Branch. Reversal of penalties imposed is also used as a bargaining tool in settlement agreements with debtors.

### Fines, penalties and forfeits

The over recovery on traffic fines revenue is mainly as a result of doubling down on a strategy that enables JMPD to depend less on cameras and focus more on deploying personnel to stop vehicles, issue tickets and conduct more roadblocks.

### Depreciation and Amortisation

The depreciation underspend is due to the actual acquisition of assets being lower than budgeted.

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand thousand

### Impairment Loss

These items are normally not budgeted for due to their nature.

### Debt Impairment

There has been below budget collection levels for the financial year ending 30 June 2025 which resulted in an increase in debtors book, thus resulting in an impairment.

### Public contributions and donations

These items are normally not budgeted for due to their nature.

### Finance cost

The over-budget was mainly due to interest on a R2.5 billion short-term loan facility from DBSA and R670 million from standard bank obtained in the current financial year. Additionally, interest incurred on unfavourable sweeping bank balances.

### Fair value adjustment

These items are normally not budgeted for due to their nature.

### Loss on disposal of assets and liabilities

The variance is due to stolen and scrapped assets in the current financial year.

### Reversal of impairment

The project was resuscitated.

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Appropriation Statement

Figures in Rand thousand

	Approved budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds of the MFMA (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
<b>Group - 2025</b>											
<b>Financial Performance</b>											
Property rates	17 338 687	-	17 338 687	-	-	17 338 687	17 700 149	-	361 462	102 %	102 %
Rendering of services	43 755 758	-	43 755 758	-	-	43 755 758	41 207 448	-	(2 548 310)	94 %	94 %
Rental of facilities and equipment	438 397	-	438 397	-	-	438 397	345 125	-	(93 272)	79 %	79 %
Finance income	740 314	-	740 314	-	-	740 314	1 085 324	-	345 010	147 %	147 %
Fines, penalties and forfeits	168 996	-	168 996	-	-	168 996	414 595	-	245 599	245 %	245 %
Agency fees	389 321	-	389 321	-	-	389 321	954 290	-	564 969	245 %	245 %
Licenses and permits	3 817	-	3 817	-	-	3 817	3 724	-	(93)	98 %	98 %
Transfers recognised - operational	8 437 969	(18 979)	8 418 990	-	-	8 418 990	8 229 459	-	(189 531)	98 %	98 %
Gains on disposal of PPE	3 328	-	3 328	-	-	3 328	-	-	(3 328)	- %	- %
Other revenue	6 298 920	-	6 298 920	-	-	6 298 920	7 840 889	-	1 541 969	124 %	124 %
<b>Total revenue(Excluding capital transfers and contributions)</b>	<b>77 575 507</b>	<b>(18 979)</b>	<b>77 556 528</b>	<b>-</b>	<b>-</b>	<b>77 556 528</b>	<b>77 781 003</b>	<b>-</b>	<b>224 475</b>	<b>100 %</b>	<b>100 %</b>
Employee costs	(20 565 521)	(4 472)	(20 569 993)	-	-	(20 569 993)	(20 730 042)	-	(160 049)	101 %	101 %
Remuneration of councillors	(191 762)	-	(191 762)	-	-	(191 762)	(190 178)	-	1 584	99 %	99 %
Debt impairment	(7 344 548)	-	(7 344 548)	-	-	(7 344 548)	(9 480 429)	-	(2 135 881)	129 %	129 %
Depreciation and asset impairment	(5 298 690)	-	(5 298 690)	-	-	(5 298 690)	(4 951 750)	-	346 940	93 %	93 %
Inventory consumed	(6 460 825)	-	(6 460 825)	-	-	(6 460 825)	(5 744 117)	-	716 708	89 %	89 %
Finance charges	(2 511 959)	-	(2 511 959)	-	-	(2 511 959)	(3 420 356)	-	(908 397)	136 %	136 %
Material and bulk purchases	(15 877 574)	-	(15 877 574)	-	-	(15 877 574)	(19 222 467)	-	(3 344 893)	121 %	121 %
Transfers and grants	(99 747)	-	(99 747)	-	-	(99 747)	(83 174)	-	16 573	83 %	83 %
Losses	(2 981 991)	-	(2 981 991)	-	-	(2 981 991)	(2 822 042)	-	159 949	95 %	95 %
General expenses	(14 078 373)	23 451	(14 054 922)	-	-	(14 054 922)	(13 265 283)	-	789 639	94 %	94 %
<b>Total expenditure</b>	<b>(75 410 990)</b>	<b>18 979</b>	<b>(75 392 011)</b>	<b>-</b>	<b>-</b>	<b>(75 392 011)</b>	<b>(79 909 838)</b>	<b>-</b>	<b>(4 517 827)</b>	<b>106 %</b>	<b>106 %</b>
<b>Surplus/ (Deficit)</b>	<b>2 164 517</b>	<b>-</b>	<b>2 164 517</b>	<b>-</b>	<b>-</b>	<b>2 164 517</b>	<b>(2 128 835)</b>	<b>-</b>	<b>(4 293 352)</b>	<b>(98)%</b>	<b>(98)%</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Appropriation Statement

Figures in Rand  
thousand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget	
Transfers recognised - capital and public contribution		3 694 726	(242 523)	3 452 203	-		3 452 203	3 132 971		(319 232)	91 %	85 %
Contributions recognised - Capital and contributed assets		118 591	-	118 591	-		118 591	226 391		107 800	191 %	191 %
<b>Surplus/ (Deficit) after capital contributions</b>		<b>5 977 834</b>	<b>(242 523)</b>	<b>5 735 311</b>	<b>-</b>		<b>5 735 311</b>	<b>1 230 527</b>		<b>(4 746 537)</b>	<b>21 %</b>	<b>21 %</b>
Taxation		42 130	-	42 130	-		42 130	412 668		370 538	980 %	980 %
<b>Surplus/ (Deficit) for the year</b>		<b>5 935 704</b>	<b>(242 523)</b>	<b>5 693 181</b>	<b>-</b>		<b>5 693 181</b>	<b>1 643 196</b>		<b>(4 049 985)</b>	<b>29 %</b>	<b>28 %</b>

### Capital expenditure and funds sources

Total capital expenditure		7 733 417	(242 523)	7 490 894	-		7 490 894	8 598 755		1 107 861	93 %	94 %
<b>Sources of capital funds</b>												
Transfers recognised - capital	3 813 317	(242 523)	3 570 794	-		3 570 794	3 132 971		(437 823)	88 %	82 %	
Borrowing	2 700 000	-	2 700 000	-		2 700 000	2 679 426		(20 574)	99 %	99 %	
Internally generated funds	1 220 100	-	1 220 100	-		1 220 100	2 786 358		1 566 258	228 %	228 %	
<b>Total sources of capital funds</b>	<b>7 733 417</b>	<b>(242 523)</b>	<b>7 490 894</b>	<b>-</b>		<b>7 490 894</b>	<b>8 598 755</b>		<b>1 107 861</b>	<b>115 %</b>	<b>111 %</b>	

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Appropriation Statement

Figures in Rand  
thousand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
<b>CJMM - 2025</b>											
<b>Financial Performance</b>											
Property rates		17 338 687	-	17 338 687	-		17 338 687	17 700 149			361 462
Service charges		442 493	-	442 493	-		442 493	238 953			(203 540)
Finance income		1 828 809	-	1 828 809	-		1 828 809	2 798 262			969 453
Government grants & subsidies		10 681 531	(242 002)	10 439 529	-		10 439 529	10 413 494			(26 035)
Other own revenue		6 243 698	-	6 243 698	-		6 243 698	7 389 241			1 145 543
<b>Total revenue</b>		<b>36 535 218</b>	<b>(242 002)</b>	<b>36 293 216</b>	-		<b>36 293 216</b>	<b>38 540 099</b>			<b>2 246 883</b>
Employee costs		(11 661 984)	(3 972)	(11 665 956)	-		(11 665 956)	(12 186 475)			(520 519)
Remuneration of councillors		(191 762)	-	(191 762)	-		(191 762)	(190 178)			1 584
Depreciation and amortisation		(3 556 135)	-	(3 556 135)	-		(3 556 135)	(3 059 279)			496 856
Finance charges		(2 758 075)	-	(2 758 075)	-		(2 758 075)	(3 071 111)			(313 036)
Debt impairment and write-off		(1 453 218)	-	(1 453 218)	-		(1 453 218)	(2 325 065)			(871 847)
Transfers and grants		(6 938 664)	-	(6 938 664)	-		(6 938 664)	(6 944 174)			(5 510)
General Expenses		(7 028 613)	23 451	(7 005 162)	-		(7 005 162)	(7 328 771)			(323 609)
<b>Total expenditure</b>		<b>(33 588 451)</b>	<b>19 479</b>	<b>(33 568 972)</b>	-		<b>(33 568 972)</b>	<b>(35 105 053)</b>			<b>(1 536 081)</b>
<b>Surplus from the year</b>		<b>2 946 767</b>	<b>(222 523)</b>	<b>2 724 244</b>	-		<b>2 724 244</b>	<b>3 435 046</b>			<b>710 802</b>
<b>Surplus/(Deficit) for the year</b>		<b>2 946 767</b>	<b>(222 523)</b>	<b>2 724 244</b>	-		<b>2 724 244</b>	<b>3 435 046</b>			<b>710 802</b>

### Capital expenditure and funds sources

Total capital expenditure	4 601 093	-	4 601 093	-		4 601 093	4 952 908		351 815	87 %	87 %
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# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Significant Accounting Policies

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### 1. Statement of compliance

#### Basis of Preparation and Presentation

The Consolidated Annual Financial Statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the Municipal Finance Management Act (MFMA) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The Consolidated Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost convention unless specified otherwise.

#### Presentation Currency

These annual financial statements are presented in South African Rand (Rounding is in thousands; unless indicated otherwise), which is the functional currency of the municipality.

#### Going Concern

These consolidated annual financial statements have been prepared on the assumption that the municipality will continue to operate as a going concern for at least the next 12 months.

#### Comparative information

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, 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 is practicable, and the prior year comparatives are restated accordingly.

#### 1.1 Basis of Preparation and Presentation

The Consolidated Annual Financial Statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the Municipal Finance Management Act (MFMA) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The Consolidated Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost convention unless specified otherwise.

#### 1.2 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Significant Accounting Policies

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### 1.3 Consolidation

#### Basis of consolidation

The Consolidated Group Annual Financial Statements comprise the Annual Financial Statements of CJMM and all entities controlled by CJMM, presented as those of a single entity.

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

Balances, transactions, revenues and expenses between entities within the Group are eliminated in full on consolidation.

### 1.4 Living resources

Zoo animals are accounted for in terms of GRAP 110 as items of Living and Non-Living Resources. 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.

#### Measurement at recognition

A living resource that qualifies for recognition as an asset shall be measured at its cost. Where a living resource is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.

#### Measurement after recognition

Where an entity intends to hold a living resource for more than twelve months from the reporting date, it shall apply the principles in this Standard and choose as its accounting policy either the cost model or the revaluation model.

#### Depreciation

Living resources shall be depreciated and the depreciation charge for each period shall be recognised in surplus or deficit unless it is included in the carrying amount of another asset, where appropriate

Depreciable amount and depreciation period

The depreciable amount of a living resource shall be allocated on a systematic basis over its useful life.

#### Transfers

Transfers from living resources are made when the particular asset no longer meets the definition of a living resource and/or is no longer within the scope of this accounting policy.

#### Depreciation Method

The depreciation method used shall reflect the pattern in which the future economic benefits or services potential of the living resources is expected to be consumed by the entity.

The depreciation method applied to a living resource shall be reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or services potential embodied in the living resources, the method shall be changed to reflect the changed pattern. Such a change shall be accounted for as a change in an accounting estimate in accordance with GRAP 3

#### Impairment

The entity assesses at each reporting date whether there is an indication that the living resource may be impaired. If any such indication exists, the entity estimates the recoverable amount or the recoverable service amount of the living resource.

#### Derecognition

The carrying amount of a living resource shall be derecognised:

- (i) on disposal (including disposal through a non-exchange transaction); or
- (ii) when no future economic benefits or service potential are expected from its use or disposal.

Market determined prices or values are not available for certain animals due to lack of market because they are 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.

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Significant Accounting Policies

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### 1.4 Living resources (continued)

The Johannesburg 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.

The useful lives of zoo animals listed below reflect useful lives of the different classes of animals at the Johannesburg 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 animals.

The longevity of zoo animals has been assessed as follows:

Amphibia	4-35 years
Arachnida	12-30 years
Aves	3-80 years
Mammalia	6-64 years
Pisces	1-50 years
Reptelia	5-80 years
Insecta	1-4 years

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Significant Accounting Policies

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### 1.5 Significant judgements and sources of estimation uncertainty

**Significant judgements include:**

#### **Impairment of financial assets**

Where objective evidence of impairment loss on financial assets measured at amortised cost exists, the present value of the future cash flows of the financial assets discounted at the financial asset's original effective rate is determined and compared to the carrying value of the financial assets. The carrying amount of asset shall be reduced either directly or through the use of an allowance account. The amount of loss shall be recognised in the statement of financial performance.

#### **Allowance for slow moving, damaged and obsolete stock**

Management makes an estimate of the selling price and direct cost to sell to determine the net realisable value of inventory items. Allowance for obsolete stock is recognised when stock is slow moving and/or will not be used. The difference between the cost of inventory and the net realisable value is recognised in the statement of financial performance.

#### **Fair value estimation**

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the municipality is the current bid price. Where there is no active market, fair value is determined using valuation techniques. Such valuation techniques include using recent arm's length market transactions, reference to current market values of other similar instruments, discounted cash flow analysis and option pricing models.

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

#### **Impairment of property, plant and equipment**

The Group assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Municipality then estimate the recoverable service amount of the asset.

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

The excess of the carrying amounts over the recoverable amount is recognised as impairment loss in the statement of financial performance.

#### **Provisions, contingent liabilities and contingent assets**

Management's judgement is required when recognising and measuring provisions as well as contingent liabilities and contingent assets. Provisions are raised based on the information available to management, and past knowledge.

A provision is recognised when the municipality has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and the amount of the obligation can be reliably estimated.

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

The estimates are discounted at a discount rate that reflects current market assessments of the time value of money

#### **Expected manner of realisation for deferred tax**

Deferred tax is provided for based on the expected manner of recovery, i.e. sale or use. This manner of recovery affects the rate used to determine the deferred tax liability.

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Significant Accounting Policies

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### 1.5 Significant judgements and sources of estimation uncertainty (continued)

#### Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

#### 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 group determines the appropriate discount rate at the end of each year. This is the interest rate 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 group 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, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainties.

#### Impairment of receivables

Impairment of receivables represent management's best estimate based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments. This is performed on each category of debtors across all debtor classes. .

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

#### Useful life of PPE

The useful life of assets are based on management's estimates. Management considers the impact of technology, service requirements and the required return on assets to determine the optimum useful life expectation, where appropriate. The estimated residual value of assets is also based on management's judgement which takes into account the condition of assets at the end of their useful lives.

#### Budget information

For differences between budget and actual amounts management considers the amount and the nature of the difference and makes a judgement as to which differences are regarded as material. All material differences are explained in the notes to the annual financial statements.

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Significant Accounting Policies

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### 1.6 Investment property

#### Definition

Investment properties are immovable land and/or buildings that are held to earn rental income and/or for capital appreciation. Investment property excludes owner-occupied property that is used in the production or supply of goods or services or for administrative purposes, or property held to provide a social service.

#### Recognition

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

#### Initial measurement

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

#### Subsequent measurement

Under the cost model, investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Investment properties, with the exception of land, are depreciated on the straight-line basis over their expected useful lives as follows:

Item	Useful life
Property - Buildings	30 years
Property -Land	Unlimited

The useful life and the depreciation method for investment properties are reviewed at each reporting date.

Investment properties are tested for impairment whenever there is an indication that the asset may be impaired.

Transfers to, or from, investment property shall be made when, and only when, there is a change in use.

#### Derecognition

An investment property is derecognised upon disposal or when it is permanently withdrawn from use, and when no future economic benefits or service potential are expected from its use. Any gain or loss arising from the retirement or disposal is recognized in the statement of financial performance.

### 1.7 Property, plant and equipment

Property, plant and equipment (PPE) is initially measured at cost.

All items of PPE are initially recognised at cost, which includes the purchase price and any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by management.

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

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Significant Accounting Policies

### 1.7 Property, plant and equipment (continued)

#### Subsequent measurement:

PPE are shown at cost, less accumulated depreciation and any accumulated impairment. Land is measured at cost, less any impairment in value and is not depreciated, since the useful life is considered to be indefinite.

Assets under construction are carried at cost. Depreciation of an asset commences when the asset is ready and available for its use as intended by management.

Property, plant and equipment with the exception of land are depreciated on the straight line basis over their expected useful lives to their estimated residual values. The depreciation method used for each asset reflects the pattern in which the asset's economic benefits or service potential has been expected to be consumed by the Municipality.

Assets held under finance leases are depreciated on the lower of lease term or expected useful lives in the same way as owned assets. When it is reasonable certain that ownership will be transferred to the lessee at end of lease term, then leased asset will be depreciated over the useful life of the asset which is consistent with that for depreciable assets that are owned. Depreciation is recognised in the statement of financial performance.

Subsequent expenditure is included in the cost of the asset when incurred, if it is probable that such expenditure will result in future economic benefits associated with the item flowing to the Municipality, and the cost can be measured reliably.

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 and also depreciated separately.

The residual values, useful lives and depreciation methods applied to assets are reviewed at each financial year-end based on relevant market information and management consideration.

Property, plant and equipment are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the depreciation period or method, as appropriate, and treated as changes in accounting estimates.

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

Item		Average useful life (Years)
Buildings		5 - 60 years
Plant and Equipment		2 - 85 years
Furniture and fittings		1 - 30 years
Motor vehicles		3 - 20 years
Office equipment		2 - 30 years
Computer equipment		1 - 32 years
Bins and containers		5 - 15 years
Infrastructure		10 - 50 years
Community assets		3 - 30 years
Emergency Equipment		5 - 15 years
Wastewater and Water Network		10 - 100 years
Pump stations - Civil		60 - 100 years
Pump stations - Mechanical		5 - 15 years
Pump stations - Electrical		7 - 16 years
Water meters		4 - 17 years
Pipelines and other		10 - 100 years
Minor plant	Straight line	1 - 22 years
Landfill Site		Determined annually based on the available space
Specialised vehicles		5- 40 years

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Significant Accounting Policies

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### 1.7 Property, plant and equipment (continued)

Other

2 - 40 years

Derecognition

The gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value, and is recognised in the statement of financial performance.

The Group derecognises property, plant and equipment on disposal, or when no future economic benefits or service potential are expected from its use or disposal. The gain or loss arising from derecognition of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the property, plant and equipment. Such difference is recognised in the statement of financial performance.

### 1.8 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance held for use in the production or supply of goods or services, for rental to others or for administrative purposes.

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 asset 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 group or from other rights and obligations.

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

Intangible assets are initially recognised at cost. 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.

Subsequent Measurement

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

Amortisation commences when the intangible assets are available for their intended use. The amortisation period and method for intangible assets with finite useful lives are reviewed annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates.

Intangible assets with finite useful lives are amortised on the straight-line basis over the useful lives of assets.

For intangible assets with an indefinite useful life, no amortisation is provided but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. However, the Municipality reviews the useful life of an intangible asset that is not being amortised each reporting period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset.

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Significant Accounting Policies

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### 1.8 Intangible assets (continued)

#### Derecognition

The gain or loss arising from the disposal or retirement of an item of intangible assets is determined as the difference between the sales proceeds and the carrying value which is recognised in the statement of financial performance

The municipality derecognises intangible assets; on disposal, when there is no future economic benefits or service potential are expected from its use or disposal. The gain or loss arising from derecognition of intangible assets is the difference between the net disposal proceeds, if any, and the carrying amount of the intangible assets which is recognised in the statement of financial performance.

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

Item	Useful life
Additional capacity rights	Indefinite
Servitudes	Indefinite
Computer software, internally generated	Indefinite
Computer software, other	3-40 years

By their nature, servitudes confer upon the holder a right in perpetuity over the property and as these rights have an indefinite useful life, they are not amortised.

#### Capacity Rights

Capacity Rights arise from a payment made to Eskom for the right to receive electricity at a specific supply point within a certain capacity. Eskom in turn utilise the funds to upgrade/install equipment within their infrastructure to ensure electricity supply in accordance within agreed upon capacity.

Capacity rights carrying amount of R261 228 000 were assessed to have indefinite useful lives because the supply agreements that are not limit supply of electricity to a specific timeframe and Eskom also undertakes to ensure that all future maintenance and replacement of the infrastructure is carried out to maintain the agreed capacity in perpetuity.

### 1.9 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

A heritage asset shall be recognised as an asset if, and only if:

- (a) it is probable that future economic benefits or service potential associated with the asset will flow to the entity, and
- (b) the cost or fair value of the asset can be measured reliably.

A heritage asset that qualifies for recognition as an asset shall be measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.

#### Subsequent measurement.

Heritage assets are recognised at cost less accumulated impairment. Due to high residual values and long economic lives, the Municipality does not depreciate heritage assets.

Transfers to heritage assets are made only when the asset meets the definition of a heritage asset, and transfers from heritage assets are made only when the asset no longer meets the definition of a heritage asset. Principles of assets transferred to heritage assets apply up until the date of transfer.

Heritage assets are tested for impairment annually and whenever there is an indication that the asset may be impaired.

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Significant Accounting Policies

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### 1.9 Heritage assets (continued)

#### Derecognition

The municipality derecognises heritage assets on disposal, or when no future economic benefits or service potential are expected from their use or disposal. The gain or loss arising from disposal and de-recognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in the statement of financial performance.

### 1.10 Investments in controlled entities

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

### 1.11 Investments in joint ventures

An investment in joint ventures is accounted for using the equity method. Under the equity method, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the group's share of the surpluses or deficits of the investee after acquisition date. The use of the equity method is discontinued from the date the group ceases to have joint control over a joint venture.

Joint control is the agreed sharing of control over an activity by a binding arrangement and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control.

An interest in a jointly controlled company is accounted for using the equity method, except when the investment is classified as held-for-sale in accordance with Standard of GRAP on non-current assets held-for-sale and discontinued operations. Under the equity method, interests in jointly controlled entities are carried in the consolidated statement of financial position at cost adjusted for post-acquisition changes in the company's share of net assets of the company, less any impairment losses. Surpluses and deficits on transactions between the company and a joint venture are eliminated to the extent of the company's interest therein.

The most recent available annual financial statements of the joint ventures are used by the investor in applying the equity method.

Distributions received from the joint ventures reduce the carrying amount of the investment.

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Significant Accounting Policies

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### 1.12 Financial instruments

#### Financial Assets

Financial assets consist of cash and cash equivalents, deposits, receivables and investments.

Financial assets other than those at fair value are assessed for indicators of impairment at the end of each reporting period. Impairment is considered when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Municipality has transferred substantially all risks and rewards of ownership, or when the enterprise loses control of contractual rights that comprise the assets.

To the extent that a financial asset has a maturity period of longer than 12 months, the value of these instruments will be reflected as a non-current asset.

The classification of financial assets depends on their nature and purpose and is determined at the time of initial recognition (trade date).

#### Investments at cost

#### Financial assets at fair value

Financial assets at fair value comprise of derivatives and non-derivative financial instruments designated at fair value. On initial recognition the financial assets are measured at fair value. Subsequent to initial recognition, all changes to fair value are recognised through the statement of financial performance.

#### Cash and cash equivalents

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

#### Receivables from exchange and non-exchange transactions

Trade receivables and consumer debtors 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 the statement of financial performance 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 are considered indicators that the trade receivable and consumer debtors are impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in the statement of financial performance within operating expenses. When trade receivables and consumer debtors are uncollectible, it is written off against the allowance account for trade receivables and consumer debtors once council approval is obtained. Subsequent recoveries of amounts previously written off are credited in the statement of financial performance.

#### Financial liabilities

Interest-bearing external loans and bank overdrafts are recorded net of direct issue costs.

Financial liabilities are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest rate method, except for financial liabilities at fair value through profit or loss or hedging instruments, which are measured at fair value.

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Significant Accounting Policies

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### 1.12 Financial instruments (continued)

Finance costs on financial liabilities at amortised cost are expensed in the statement of financial performance in the period in which they are incurred using the effective interest rate method. In addition, gains and losses on these financial liabilities are recognised in the statement of financial performance when the liability is derecognised.

Gains and losses on financial liabilities at fair value through profit or loss arise from fair value movements and related transaction costs on these liabilities. These gains and losses are recognised in the statement of financial performance in the period in which they are incurred.

Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled or when it expires.

#### Loans to/ from Municipal entities

Loans to/ from municipal entities are classified as Assets which are initially recognised at fair value and subsequently measured at amortised cost.

#### Payables from exchange and non-exchange transactions

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

#### Offsetting Financial assets and liabilities

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

#### Hedge accounting (derivatives)

The municipality holds derivative financial instruments to hedge its interest rate risk exposures.

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

Derivatives are recognised initially at fair value, and attributable transaction costs are recognised in the statement of financial performance as incurred.

Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

#### Cash flow hedges

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

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in the statement of financial performance.

### 1.13 Statutory receivables

#### Identification

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# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Significant Accounting Policies

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### 1.13 Statutory receivables (continued)

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of this Standard) for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

The city has identified the following statutory receivables and their applicable legislation:

<b>Name</b>	<b>Legislation</b>
Property rates	Municipal Property Rates Act No. 6 of 2004
Traffic fines	Criminal Procedures Act 51 of 1977 Administrative Adjudication of Road Traffic Act
VAT Receivable	Value Added Tax Act 89 of 1991 (VAT Act)
Current Tax	Income Tax Act 58 of 1962
City Cleaning Levy	Waste Management By-Law 2021

#### **Recognition**

The group recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

#### **Initial measurement**

The group initially measures statutory receivables at their transaction amount.

#### **Subsequent measurement**

The group measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

#### **Derecognition**

The group derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the group transfers to another party substantially all of the risks and rewards of ownership of the receivable; or

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Significant Accounting Policies

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### 1.13 Statutory receivables (continued)

- the group, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
  - derecognise the receivable; and
  - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

### 1.14 Tax

#### Current tax assets and liabilities

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

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

#### Deferred tax assets and liabilities

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

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

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

#### Tax expenses

Current and deferred taxes are recognised as income or an expense and included in surplus or deficit for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to net assets; or
- a business combination.

### 1.15 Leases

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

#### Finance leases - lessor

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

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

#### Finance leases - lessee

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Significant Accounting Policies

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### 1.15 Leases (continued)

The Group recognises assets and liabilities acquired under finance leases as assets and the associated obligation as 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 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 the outstanding capital portion, using the effective interest rate method. 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.

#### Operating leases - lessor

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

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

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

#### Operating leases - lessee

Operating lease payments are recognised as an expense on the 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.

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

### 1.16 Events after the reporting period

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the reporting date (adjusting events); and
- Those that are indicative of conditions that arose after the reporting date (non-adjusting events).

Reporting date means the last date of the reporting period to which the financial statements relate.

The group will adjust the amounts recognised in the financial statements to reflect adjusting events after the reporting date once they have occurred. The entity does not adjust the amounts recognised in its financial statements to date reflect non-adjusting events after the reporting date.

### 1.17 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, their costs are their fair value as at the date of acquisition.

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

#### Subsequent measurement

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

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. Management estimate, based on their assessment of quality and volume, the extent to which inventory on hand at the reporting date will be sold below cost.

Current replacement cost is the cost the group incurs to acquire the asset on the reporting date.

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Significant Accounting Policies

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### 1.17 Inventories (continued)

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

The 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.

#### Derecognition

The municipality derecognises inventory on disposal, or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of inventory is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the inventory. Such difference is recognised in statement of financial performance.

### 1.18 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

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

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

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

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

Useful life is either:

- the period of time over which an asset is expected to be used by the group; or
- the number of production or similar units expected to be obtained from the asset by the group.

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Significant Accounting Policies

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### 1.18 Impairment of non-cash-generating assets (continued)

#### Reversal of an impairment loss

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

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

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

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

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

### 1.19 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

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 used 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:

- the period of time over which an asset is expected to be used by the group; or
- the number of production or similar units expected to be obtained from the asset by the group.

Judgements made by management in applying the criteria to designate assets as cash-generating assets or non-cash-generating assets, are as follows:

## Significant Accounting Policies

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### 1.19 Impairment of cash-generating assets (continued)

#### Reversal of impairment loss

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

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

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

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

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

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

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

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

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

### 1.20 Bulk Purchase

Bulk purchases represents water expensed, cost of electricity purchased (for onwards selling to consumers and to power streetlights within the City of Johannesburg) as well as electricity and chemicals used in water purification. It also includes electricity distribution losses and water losses.

Water losses are recognised as expense in the period the loss occurs

Bulk Purchase expenses are measured reliably at the amortised cost of the consideration payable, exclusive of value added tax.

The bulk purchases expense are recognised in relation to the income earned. The amount of any losses of inventories are recognised as an expense in the period the loss occurs.

### 1.21 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

# City of Johannesburg Metropolitan Municipality

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## Significant Accounting Policies

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### 1.21 Segment information (continued)

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Two or more segments may be aggregated into a single segment if aggregation is consistent with the objective of GRAP 18

and the segments have similar economic characteristics, and the segments share a majority of the following:

- (a) the nature of the goods and/or services delivered;
- (b) the type or class of customer or consumer to which goods and services are delivered;
- (c) the methods used to distribute the goods or provide the services; or
- (d) if applicable, the nature of the regulatory environment that applies to the segment.

#### Group

The group is organised and reports to management on the basis of a parent company (CORE Admin) and twelve municipal entities.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

#### City of Johannesburg has identified and disclosed the following segments:

1. CORE parent company (Segment information for the Parent company is shown as a comparative in these Group AFS)
2. City Power
3. Johannesburg Water
4. Johannesburg Roads Agency
5. Johannesburg Property Company
6. Johannesburg Civic Theatre
7. Johannesburg Development Agency
8. PIKITUP
9. JOSHCO
10. MTC
11. Johannesburg Fresh Produce Market
12. Johannesburg City Parks
13. Metro Bus
14. Tourism

#### Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

### 1.22 Budget information

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

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Significant Accounting Policies

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### 1.22 Budget information (continued)

The approved budget covers the fiscal period from 2024 to 2025.

The group annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period has been included in the Statement of comparison of budget and actual amounts.

### 1.23 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.

The Municipality recognises the expected cost of bonus, incentive and performance related payments when and only when:

- (a) it has a present legal or constructive obligation to make such payments as a result of past events,
- (b) a reliable estimate of the obligation can be made.

The City contributes to defined contribution plan and defined benefit plan.

#### Defined contribution plans

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

### 1.24 Provisions and contingencies

Provisions are recognised when the municipality has a present obligation (legal or constructive) as a result of a past event and:

- 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.

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent liability is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits or service potential is probable.

Where the effect of the time value of money is material, the amount of the provision is discounted to present value at the discount rate which is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

# City of Johannesburg Metropolitan Municipality

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## Significant Accounting Policies

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### 1.24 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 group settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement shall 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.

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

Provisions are not recognised for future operating surplus (deficit).

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

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:

- the activity/operating unit or part of a activity/operating unit concerned;
- the principal locations affected;
- the location, function, and approximate number of employees who will be compensated for services being terminated;
- the expenditures that will be undertaken; and
- when the plan will be implemented; and

-has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

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

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

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.

Additional disclosures of estimates of provisions are included in the provisions note.

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.

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

The group 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.

### 1.25 Revenue from exchange transactions

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

#### Revenue from sale of Bus ticket points

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## Significant Accounting Policies

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### 1.25 Revenue from exchange transactions (continued)

Revenue from the sale of ticket points is accounted for as a separately identifiable component of a sale for normal points and bonus points. Each point is equivalent to the value of one rand. Bonus points are earned by customers only on purchase of points above the value of R50. Any bonus points not redeemed within 36 months (3 years) are subject to expiry thereafter any deferred revenue previously recognised is then recognised as revenue.

Revenue arising from sale of bus tickets for both normal and bonus points is initially accounted for as deferred revenue (liability) in the statement of financial position and only recognised as revenue upon redemption of normal or bonus points, or upon the expiry date.

Revenue is recognised at fair value for normal points. Bonus points are also recognised at fair value which is equivalent to the cost of transferring the points. The consideration allocated to the bonus points is measured by reference to the amount which the bonus points could be sold separately.

At the end of each period, deferred revenue is recognised which is measured at fair value of points earned which are yet to be redeemed.

#### 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 group;
- 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.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

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.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on the 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.

#### Income from agency services

Revenue arising from situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of commission or fee payable to the municipality for services performed.

#### Finance income

Interest is recognised on a time- proportion basis, in surplus or deficit, using the effective interest rate method.

### 1.26 Revenue from non-exchange transactions

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

#### Fines

The group has two types of fines:

- Traffic fines issued in terms of the Criminal Procedures Act
- Traffic fines issued in terms of the Administrative Adjudication of Road Traffic Offences Act (AARTO ACT).

#### Criminal Procedures Act fines:

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Group Annual Financial Statements for the year ended 30 June 2025

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### 1.26 Revenue from non-exchange transactions (continued)

These fines are issued in terms of the Criminal Procedures Act and are usually issued by way of notice to offenders, and can:

- (a) indicate the value of the fine to be paid, and that certain reductions could be made to the value of the fine payable and how, or the circumstances under which, such reductions can be applied, or
- (b) indicate that the offender must appear in Court on a specified day (in these instances, the value of the fine may or may not be indicated but this is often only determined after a separate legal process).

#### Initial recognition:

There is uncertainty regarding the probability of the flow of economic benefits in respect of criminal procedure act fines. Legal processes have to be undertaken before the criminal procedure act fine is enforceable. In respect of summonses' the public prosecutor can decide whether to waive the fine, reduce it or prosecute for non-payment by the offender. Where a reliable estimate cannot be made of revenue from summonses, the Municipality cannot recognise revenue and receivable until this judicial process has been completed and a reliable estimate can be made.

#### Subsequent measurement

IGRAP1 states that the assessment and recognition of an impairment is an event that takes place subsequent to the initial recognition of revenue charged. An entity assesses the probability of collecting revenue when accounts fall into arrears. Such an assessment should not be made at the time of initial recognition.

#### AARTO traffic fines

These are fines issued in terms of the AARTO Act by way of notices to offenders which specify the value of the fine that must be paid, along with any discount that can be applied if the fine is paid within a specific period of time.

#### Initial recognition

The COJ is legally entitled to 50% of the face value of the fines, taking into account the best estimate of the inflow of economic benefits in terms of GRAP 23.

In terms of the AARTO Act par 32(1) and (2), RTIA is legally entitled to receive 50% of the face value of such fine plus other administrative cost so incurred as compensation for their services in collecting and adjudication process.

#### Subsequent measurement

IGRAP1 states that the assessment and recognition of an impairment is an event that takes place subsequent to the initial recognition of revenue charged. An entity assesses the probability of collecting revenue when accounts fall into arrears. Such an assessment should not be made at the time of initial recognition

#### Government grants

Government grants are recognised as revenue when:

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

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Significant Accounting Policies

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### 1.26 Revenue from non-exchange transactions (continued)

#### Conditional grants

Conditions on transferred assets (hereafter referred to as conditions) require that the entity either consume the future economic benefits or service potential of the asset as specified or return future economic benefits or service potential to the transferor in the event that the conditions are breached. Therefore, the Municipality incurs a present obligation to transfer future economic benefits or service potential to third parties when it initially gains control of an asset subject to a condition. This is because the Municipality is unable to avoid the outflow of resources as it is required to consume the future economic benefits or service potential embodied in the transferred asset in the delivery of particular goods or services to third parties or else to return to the transferor future economic benefits or service potential. Therefore, when a Municipality initially recognises an asset that is subject to a condition it also recognises a liability. Revenue on such grants is recognised when the qualifying expenditure has been incurred and to the extent that conditions have been complied with.

#### Unconditional grants

The Municipality recognises revenue from unconditional grants upon receipt and/or when resources transferred meet the criteria for recognition as an asset and there is also no present obligation to the Municipality to refund transferred resources to the transferor.

Unconditional grants also includes grants with restrictions since restrictions do not include a requirement that the transferred asset, or future economic benefits or service potential be returned to the transferor if the asset is not deployed as specified. Therefore, gaining control of an asset subject to a restriction does not impose on the Municipality a present obligation to transfer future economic benefits or service potential to third parties when control of the asset is initially gained. The Municipality recognises grants with restriction and unconditional grants as revenue upon receipt of the grant and no corresponding liability is recognised. Unconditional grants are measured at their fair value.

#### Rates

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Revenue from rates is measured using gazetted tariffs.

#### Public contributions and donations including goods in-kind donations

Public contributions and donations are voluntary transfers of assets including cash or other monetary assets.

Goods in-kind are tangible assets transferred to an entity in a non-exchange transaction, without charge, but may be subject to stipulations.

Public contributions and donations (other than services 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.

Goods in-kind are recognised as assets when the goods are received, or there is a binding arrangement to receive the goods. If goods in-kind are received without conditions attached, revenue is recognised immediately. If conditions are attached, a liability is recognised, which is reduced and revenue recognised as the conditions are satisfied.

Public contribution and donations including goods in-kind are measured at their fair value as at the date of acquisition.

### 1.27 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.

### 1.28 Accounting by principals and agents

#### Identification

# City of Johannesburg Metropolitan Municipality

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## Significant Accounting Policies

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### 1.28 Accounting by principals and agents (continued)

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

#### Identifying whether an entity is a principal or an agent

When the municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether a municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

#### Recognition

The group, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The group, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The group recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

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## Significant Accounting Policies

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### 1.29 Deviations

#### Deviations

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 annual financial statements

The Group's supply chain management policy and the Local Government Municipal Finance Management Act, 2003, as per Regulation 36(1) allows the Accounting Officer to dispense with the official procurement processes established, to procure any required goods or services through any convenient process which may include direct negotiations or price quotations in the following instances:

- Emergencies - where immediate action is necessary to avoid a dangerous or risky situation or misery or disaster
- Sole suppliers - where such goods or services are produced or available from a single provider only
- Any other exceptional cases where it is impractical or impossible to follow the official procurement processes
- special artwork
- Acquisition of animals

It is further noted that the deviations referred to above have to be ratified by the Accounting Officer on a monthly basis and the appropriate reasons recorded, where officials or bid committees acted in terms of delegated powers which are purely of a technical nature. All these deviations have also in terms of the regulations have to be reported to the board of directors as required.

### 1.30 Awards to close family members

Awards to close family member discloses any awards of more than R2 000 which are awarded to a person who is a spouse, child or parent of a person who is in the service of the state. The name of the person, amount of the award and the capacity in which that person is in the service of the state must be disclosed.

### 1.31 In-kind services

The Municipality does not recognise services in kind as revenue or assets, but separately discloses the nature and type of major classes of services in-kind as a note to the financial statements.

### 1.32 Unauthorised expenditure

Unauthorised expenditure is any expenditure incurred by a municipality otherwise than in accordance with the approved budget as well as expenditure exceeding the limits of the amounts appropriated for in the different votes in the approved budget.

Depending on circumstances, identified unauthorised expenditure will be authorised by council in an adjustment budget, certified by municipal council as irrecoverable and written off by the council or recovered from a liable official or political office bearer. In cases where unauthorised expenditure is recoverable from an official or political office bearer resulting from necessary investigations, revenue and receivables are recognised. Unauthorised expenditure is disclosed in the notes to the financial statements.

### 1.33 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain, and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure which was incurred and identified during the financial year and also condoned by the council in terms of the MFMA, is only disclosed in the notes to annual financial statements. However, fruitless and wasteful expenditure which was incurred and identified during the financial year but failed to be condoned by the council is initially recognised as expenditure based on its nature and after further investigations classified to receivables and revenue. Where it is not possible to recover the revenue recognised from fruitless and wasteful, the receivable is written-off following proper write off processes in terms of the MFMA.

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## Significant Accounting Policies

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### 1.34 Irregular expenditure

Irregular expenditure is expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the MFMA, the Municipal Systems Act, or the Public Office-Bearers Act, and which has not been condoned in terms of the MFMA.

Irregular expenditure which was incurred and identified during the financial year is disclosed in the annual financial statements. It will be accounted for as an expenditure in the statement of financial performance and disclosed separately in the notes to the financial statements.

### 1.35 Related parties

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

Management is considered a related party, and comprises of the councillors, Executive Mayor, Mayoral Committee Members, City Manager, Chief Operating Officer, Executive Directors and Group Heads.

Related party relationships where control exists are disclosed. The municipality discloses the nature of the related party relationship as well as information about those transactions and outstanding balances as a note to the financial statements.

Where the group is exempt from the disclosures in accordance with the above, the group discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its group annual financial statements.

### 1.36 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The group will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The group will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

### 1.37 Commitments

A Commitment is a contract that is non-cancellable or only cancellable at significant cost, to the extent that the amount has not been recorded elsewhere in the financial statements.

Commitments are further split into capital and operating commitments.

Capital commitments are amounts committed to acquire goods and services which are of capital in nature i.e. upgrading and/or construction of assets.

Capital commitments are disclosed in the notes to the annual financial statements.

### 1.38 Change in accounting policy, accounting estimate and prior period error

Change in accounting policies are applied retrospectively in accordance with the requirements of GRAP. Except to the extent that it is impractical to determine the period specific effects or the cumulative effect of the change in accounting policy relates, Group shall restate the opening balances of assets, liabilities and net assets for the earliest period for which the restatement is practical.

The effect of a change in an accounting estimate shall be recognised prospectively by including it in profit or loss in the:

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Significant Accounting Policies

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### 1.38 Change in accounting policy, accounting estimate and prior period error (continued)

Period of the change, if the change affects that period only, or

The period of the change and future periods, if the change affects both.

All material prior period errors are corrected retrospectively in the first set of financial statements authorised for issue after the discovery by management by;

Restating the comparative amounts for the prior period(s) presented in which the error occurred; or

If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

However, if it is impracticable to determine the period-specific effects of an error on comparative information for one or more prior periods presented, the entity must restate the opening balances of assets, liabilities and equity for the earliest period for which retrospective restatement is practicable.

Further, if it is impracticable to determine the cumulative effect, the beginning of the current period, of an error on all prior periods, the entity must restate the comparative information to correct the error prospectively from the earliest date practicable.

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024

### 2. New standards and interpretations

#### 2.1 Standards and interpretations not yet effective or relevant

In the current financial year, the Municipality has adopted effective new and revised standards and its interpretations issued by ASB. However, the municipality only adopted effective standards which are relevant to its business operations.

**The following Standards and Interpretations were issued but not yet effective in the current financial year**

##### Standard/Interpretation

GRAP 1 - Presentation on Financial Statement (Revised Standard)

(Changes Related to Going Concern)

GRAP 103 - Heritage Assets (Revised Standard)

Above-mentioned standards and interpretations which are relevant to the municipality's business operations will be adopted once they become effective.

**The following Standards and Interpretations were also issued and are effective in the next financial year:**

##### Standard/Interpretation

##### Effective Date

GRAP 104 - Financial Instruments

1 April 2025

##### Nature of the Change in Accounting Policy

GRAP 104 introduces revised principles for the recognition, measurement, presentation, and disclosure of financial instruments. Key changes include:

- Classification of financial instruments, based on business model and contractual cash flow characteristics.
- A shift from the incurred loss model to the expected credit loss (ECL) model for impairment.
- Enhanced disclosure requirements for **credit risk**, **liquidity risk**, and **market risk**, including more granular details on concentrations and risk management strategies.
- Detailed **fair value hierarchy** disclosures, including inputs and valuation techniques applied.

##### Effective Date and Date of Adoption

- Effective Date: 1 April 2025
- Date of Planned Adoption: 1 July 2025 (financial year starting 1 July 2025)

##### Expected Impact on the Financial Statements

The entity has initiated a review of its financial instruments' portfolio in preparation for the adoption of GRAP 104 for the following line items:

Loans to municipal entities; Other financial assets; Finance lease; Receivables and payables from exchange transactions; Financial assets and liabilities at fair value and Loans and borrowings.

**The following items are excluded from this assessment, as they fall outside the scope of GRAP 104:**

- Receivables from non-exchange transactions (governed by GRAP 108)
- Employee benefit obligations (governed by GRAP 25)

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

### 2. New standards and interpretations (continued)

Further disclosures will be provided once the city completes its impact analysis and determines the accounting and operational implications of the standard.

### 3. Inventories

Consumable stores	227 954	266 380	163 371	190 469
Consumables - Road	76 130	66 461	-	-
Inventory - Water	238 431	205 008	-	-
Inventory - Electrical	90 277	106 093	-	-
Other Inventories	5 471	4 980	-	-
Spare parts	26 732	21 636	-	-
Housing stock	52 254	52 254	52 254	52 254
	<b>717 249</b>	<b>722 812</b>	<b>215 625</b>	<b>242 723</b>
Provision for inventory write downs	(145 844)	(150 494)	(52 254)	(52 254)
	<b>571 405</b>	<b>572 318</b>	<b>163 371</b>	<b>190 469</b>

#### Inventory pledged as security

No Inventory was pledged as security.

#### Reconciliation of provision for inventories

Opening balance	238 288	87 794	-	-
Inventory written down	145 844	150 494	-	-
<b>Closing balance</b>	<b>384 132</b>	<b>238 288</b>	<b>-</b>	<b>-</b>

### 4. Loans to (from) economic entities

#### Controlled entities

City Power Johannesburg (SOC) Ltd Terms and conditions: Rate = 17.5% Maturity = 30 June 2026	-	-	581 814	581 814
City Power Johannesburg (SOC) Ltd Terms and conditions: Rate = 14.5% Maturity 30 June 2026.	-	-	42 979	42 979
	<b>-</b>	<b>-</b>	<b>624 793</b>	<b>624 793</b>

#### Concessionary Loans

The Johannesburg Metro Trading Company (Pty) Ltd Terms and conditions: rate range = 11.89% Maturity = 30 August 2035	-	-	2 682 959	2 398 499
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The loan of R 1 302 551 354 was issued to Metro Trading company on the 1st of September 2015 with a capital and interest payment grace period of three years.

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>4. Loans to (from) economic entities (continued)</b>				
<b>Conduit loans</b>				
City Power Johannesburg (SOC) Ltd Terms and conditions: Rate range = 9.31% - 12.21% Maturity = 30 June 2020 -30 June 2029	-	-	2 349 688	1 946 799
Johannesburg Metropolitan Bus Services (SOC) Ltd Terms and conditions: 9.88% Maturity = 30 June 2025	-	-	-	55 656
Johannesburg Water (SOC) Ltd Terms and conditions: Rate range = 7.43% - 11.23% Maturity = 30 June 2025 - 30 June 2032	-	-	2 476 252	2 493 893
Pikitup Johannesburg (SOC) Ltd Terms and conditions: Rate range = 7.73% - 12.21% Maturity = 30 June 2026 - 30 June 2033	-	-	1 192 306	1 293 513
	-	-	9 325 998	8 813 153
Less impairment of loans to Municipal Entities	-	-	(1 850 407)	(1 487 201)
	-	-	<b>7 475 591</b>	<b>7 325 952</b>
Non-current assets	-	-	6 655 232	6 422 385
Current assets	-	-	820 359	903 568
	-	-	<b>7 475 591</b>	<b>7 325 953</b>
<b>Reconciliation of provision for impairment of loans to economic entity</b>				
Opening balance	-	-	1 487 201	1 149 134
Additional impairment -Pikitup	-	-	31 346	72 194
Additional impairment -MTC	-	-	331 860	265 873
	-	-	<b>1 850 407</b>	<b>1 487 201</b>
Impairment of loan to Municipal Entities The impairment relate to loans to Metro Trading Company and Pikitup.				
<b>5. Other financial assets</b>				
<b>At amortised cost</b>				
Housing selling scheme loans	36 442	36 807	36 442	36 807
Other loans and receivables	13 558	13 023	13 558	13 023
	<b>50 000</b>	<b>49 830</b>	<b>50 000</b>	<b>49 830</b>
<b>Non-current assets</b>				
At amortised cost	49 648	47 037	49 648	47 037
<b>Current assets</b>				
At amortised cost	352	2 793	352	2 793

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>6. Finance lease receivables</b>				
<b>Gross investment in the lease due</b>				
- within one year	-	-	12 829	21 602
- in second to fifth year inclusive	-	-	132 463	58 182
	-	-	145 292	79 784
less: Unearned finance revenue	-	-	(33 100)	(10 981)
Present value of minimum lease payments receivable	-	-	112 192	68 803
	-	-	<b>112 192</b>	<b>68 803</b>
<b>Present value of minimum lease payments due</b>				
- within one year	-	-	80 892	41 403
- in second to fifth year inclusive	-	-	31 300	27 400
	-	-	<b>112 192</b>	<b>68 803</b>

COJ entered into a Finance lease with various MOEs for specialised vehicles. The interest rate implicit on the agreement is 10%.

The unguaranteed residual values of assets leased under finance lease at the end of the reporting period amount to R - (2025: R 41 975 634).

### 7. Receivables from exchange transactions

Trade debtors	738 174	594 409	-	-
Prepayments	161 089	173 867	144 177	158 545
Deposits	9 345	9 319	-	-
Operating lease receivables	21 002	19 653	19 632	19 653
Public safety debtors	7 384	4 613	7 389	4 613
Related party debtors	-	-	29 155 621	21 161 452
Consumer debtors - Rentals	1 614 753	1 350 876	1 614 713	1 350 858
Accrued Vat	1 072 209	730 006	1 072 209	730 006
Kelvin power	-	3 450	-	3 450
Sundry debtors	641 527	696 157	201 191	224 461
Provision for doubtful debts	(2 172 731)	(1 812 166)	(1 464 117)	(1 243 075)
	<b>2 092 752</b>	<b>1 770 184</b>	<b>30 750 815</b>	<b>22 409 963</b>

#### Sundry Debtors

##### Gross balances

Gross Sundry Debtors	1 407 032	1 442 578	948 446	972 765
Less: Provision for impairment	(765 505)	(746 421)	(747 255)	(746 421)
	<b>641 527</b>	<b>696 157</b>	<b>201 191</b>	<b>226 344</b>

#### Group Sundry Debtors Ageing - 2025

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024

### 7. Receivables from exchange transactions (continued)

Sundry debtors ageing	Gross Sundry Debtors	Provision	Net Sundry Debtors
Current (30 days)	251 487	-	251 487
31-60 days	59 166	(44 904)	14 262
61-90 days	95 157	(63 326)	31 831
91-120 days	75 362	(36 671)	38 691
121-365 days	277 680	(109 206)	168 474
365+ days	648 180	(511 398)	136 782
	<b>1 407 032</b>	<b>(765 505)</b>	<b>641 527</b>

#### CJMM Sundry Debtors Ageing - 2025

Sundry debtors ageing	Gross Sundry Debtors	Provision	Net Sundry Debtors
Current (30 days)	72 561	-	72 561
31-60 days	56 993	(44 904)	12 089
61-90 days	80 375	(63 326)	17 049
91-120 days	37 995	(29 936)	8 059
121-365 days	134 738	(106 157)	28 581
365+ days	565 783	(502 933)	62 850
	<b>948 445</b>	<b>(747 256)</b>	<b>201 189</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand

### 7. Receivables from exchange transactions (continued)

#### Related Party Debtors Ageing (excluding sweeping accounts)

Debtor	Current (0-30 days)	31-60 days	61-90 days	91-120 days	121-365 days	>365 days	Total
MBus	329 676	32 613	34 203	26 990	26 382	31 413	481 276
JDA	99	108	97	97	2 971	5 024	8 396
JOSHCO	27 638	32 926	29 466	222 982	141 512	833 970	1 288 486
JPC	50 116	50 118	50 497	159 602	99 677	803 408	1 213 419
JRA	73 519	70 885	-	1 388	7 185	3 909	156 886
JTC	7 462	14	-	-	-	-	7 475
Market	7 586	8 429	10 744	-	3 915	134 031	164 706
MTC	4 463	4 548	4 315	40 731	-	-	54 057
Parks	7 540	2 683	3 348	-	14 283	31	27 885
Pikitup	161 620	363 713	173 196	522 953	363 809	705 507	2 290 797
Power	98 034	27 709	22 093	22 388	203 729	561 723	935 677
Theatre	2 763	2 907	2 777	2 737	13 271	-	24 455
Water	49 550	50 761	45 421	62 888	483 790	1 256 030	1 948 439
	<b>820 066</b>	<b>647 413</b>	<b>376 156</b>	<b>1 062 757</b>	<b>1 360 524</b>	<b>4 335 046</b>	<b>8 601 954</b>

#### Receivables from exchange transactions related parties

Sweeping accounts						20 553 667	14 350 154
Trading accounts						8 601 954	6 811 298
						<b>29 155 621</b>	<b>21 161 452</b>

In the current year, there were no impairments recognised on related parties accounts as the City has control of the cash on each entity. This is through the sweeping account arrangement.

None of the receivables balances in this note are held as collateral or pledged as security.

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>8. Receivables from non-exchange transactions</b>				
Fines	2 846 429	2 763 848	2 846 429	2 763 848
Other receivables	147 363	1 538	-	-
Provision for doubtful debts	(2 637 450)	(2 639 116)	(2 637 359)	(2 639 025)
	<b>356 342</b>	<b>126 270</b>	<b>209 070</b>	<b>124 823</b>
<b>Statutory receivables included in receivables from non-exchange transactions above are as follows:</b>				
	<b>Past due and impaired</b>		<b>Past due and not impaired</b>	
Current (0-30 days)	20 466	9 765	1 622	462
31-60 Days	55 736	8 137	4 418	385
61-90 Days	49 192	10 667	3 900	505
91-120 Days	53 857	10 835	4 269	512
121-365 Days	38 950	64 495	3 088	3 051
>365 days	2 419 158	2 535 217	191 773	119 909
	<b>2 637 359</b>	<b>2 639 116</b>	<b>209 070</b>	<b>124 824</b>
<b>9. VAT receivable</b>				
VAT (Statutory Receivables)	1 462 691	1 714 245	114 898	656 805
These amounts are receivable by the group as a result of transaction attracting value added tax (VAT) as legislated under the Value Added Tax Act 89 of 1991 from the South African Revenue Services.				
No impairments against the Vat receivables.				
<b>10. Consumer debtors</b>				
<b>Gross balances</b>				
Rates (Statutory receivables)	17 428 329	14 475 173	17 428 329	14 475 173
Electricity	11 403 654	10 045 631	-	-
Water	36 234 447	31 375 635	-	-
Refuse	6 422 909	5 444 540	-	-
City cleaning levy (Statutory Receivables)	325 882	308 925	-	-
	<b>71 815 221</b>	<b>61 649 904</b>	<b>17 428 329</b>	<b>14 475 173</b>
<b>Less: Allowance for impairment</b>				
Rates (Statutory receivables)	(13 137 742)	(11 173 602)	(13 137 742)	(11 173 602)
Electricity	(8 552 524)	(7 542 405)	-	-
Water	(32 587 207)	(27 394 216)	-	-
Refuse	(5 087 604)	(4 149 920)	-	-
City cleaning levy (Statutory Receivables)	(253 467)	(246 628)	-	-
	<b>(59 618 544)</b>	<b>(50 506 771)</b>	<b>(13 137 742)</b>	<b>(11 173 602)</b>
<b>Net balance</b>				
Rates (Statutory receivables)	4 290 587	3 301 571	4 290 587	3 301 571
Electricity	2 851 130	2 503 226	-	-
Water	3 647 240	3 981 419	-	-
Refuse	1 335 305	1 294 620	-	-
City cleaning levy (Statutory Receivables)	72 415	62 297	-	-
	<b>12 196 677</b>	<b>11 143 133</b>	<b>4 290 587</b>	<b>3 301 571</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>10. Consumer debtors (continued)</b>				
<b>Included in above is receivables from exchange transactions</b>				
Electricity	2 851 130	2 503 226	-	-
Water	3 647 240	3 981 419	-	-
Refuse	1 335 374	1 294 727	-	-
	<b>7 833 744</b>	<b>7 779 372</b>	-	-
<b>Included in above is receivables from non-exchange transactions</b>				
Rates (Statutory receivables)	4 290 587	3 301 571	4 290 587	3 301 571
City cleaning levy	72 415	62 297	-	-
	<b>4 363 002</b>	<b>3 363 868</b>	<b>4 290 587</b>	<b>3 301 571</b>
<b>Net balance</b>	<b>12 196 746</b>	<b>11 143 240</b>	<b>4 290 587</b>	<b>3 301 571</b>
<b>Rates</b>				
Current (0 -30 days)	1 091 412	849 128	1 091 412	660 292
31 - 60 days	660 292	589 725	589 725	589 725
61 - 90 days	713 052	466 188	713 052	466 188
91 - 120 days	500 414	426 280	500 414	426 280
121 - 365 days	3 468 269	2 948 618	3 468 269	2 948 618
> 365 days	10 994 890	9 195 234	10 994 890	9 195 234
	<b>17 428 329</b>	<b>14 475 173</b>	<b>17 428 329</b>	<b>14 475 173</b>
<b>Electricity</b>				
Current (0 -30 days)	2 594 424	2 289 707	-	-
31 - 60 days	394 124	333 477	-	-
61 - 90 days	341 464	240 074	-	-
91 - 120 days	227 594	229 648	-	-
121 - 365 days	1 726 413	1 682 115	-	-
> 365 days	6 119 635	5 270 609	-	-
	<b>11 403 654</b>	<b>10 045 630</b>	-	-
<b>Water</b>				
Current (0 -30 days)	2 697 389	2 638 034	-	-
	914 398	825 625	-	-
61 - 90 days	886 373	735 870	-	-
91 - 120 days	700 598	633 910	-	-
121 - 365 days	5 147 653	5 049 251	-	-
> 365 days	25 888 036	21 492 944	-	-
	<b>36 234 447</b>	<b>31 375 634</b>	-	-
<b>Refuse</b>				
Current (0 -30 days)	221 675	349 852	-	-
31 - 60 days	137 505	136 318	-	-
61 - 90 days	137 342	117 789	-	-
91 - 120 days	339 700	312 585	-	-
121 - 365 days	5 586 687	4 527 996	-	-
	<b>6 422 909</b>	<b>5 444 540</b>	-	-

### Summary of debtors by customer classification

#### Residential

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>10. Consumer debtors (continued)</b>				
Current (0 - 30 days)	3 050 876	2 936 189	626 705	470 313
31 - 60 days	1 158 042	1 017 152	384 447	301 291
61 - 90 days	1 211 658	932 055	422 424	268 424
91 - 120 days	1 124 568	1 028 910	292 222	249 912
121 - 365 days	11 121 378	9 737 883	1 996 446	1 677 052
> 365 days	26 934 096	22 006 897	5 241 743	4 205 849
	44 600 618	37 659 086	8 963 987	7 172 841
Less: Allowance for impairment	(39 239 321)	(32 472 424)	(6 954 068)	(5 680 681)
	<b>5 361 297</b>	<b>5 186 662</b>	<b>2 009 919</b>	<b>1 492 160</b>
<b>Residential - Past due and impaired</b>				
Current (0 - 30 days)	996 683	744 138	486 184	372 474
31 - 60 days	805 969	506 952	298 245	238 613
	753 689	469 987	327 707	212 584
91 - 120 days	948 760	919 171	226 699	197 923
121 - 365 days	9 980 954	8 706 166	1 548 800	1 328 176
> 365 days	25 753 266	21 126 010	4 066 433	3 330 911
	<b>39 239 321</b>	<b>32 472 424</b>	<b>6 954 068</b>	<b>5 680 681</b>
<b>Residential - Past due and not impaired</b>				
Current (0 - 30 days)	1 859 660	1 762 554	140 521	97 839
31 - 60 days	381 710	574 948	86 201	62 677
61 - 90 days	317 530	466 262	94 717	55 840
91 - 120 days	481 147	470 294	65 523	51 989
121 - 365 days	1 140 424	1 031 716	447 646	348 876
> 365 days	1 180 826	880 888	1 175 311	874 939
	<b>5 361 297</b>	<b>5 186 662</b>	<b>2 009 919</b>	<b>1 492 160</b>
<b>Industrial/ commercial</b>				
Current (0 - 30 days)	3 102 279	2 857 520	433 812	363 779
31 - 60 days	856 993	779 471	255 046	263 464
61 - 90 days	793 414	559 213	268 586	187 536
91 - 120 days	601 934	536 583	192 165	166 514
121 - 365 days	4 619 586	4 310 422	1 372 084	1 209 417
> 365 days	15 192 662	13 231 905	5 400 300	4 691 377
	25 166 868	22 275 114	7 921 993	6 882 087
Less: Allowance for impairment	(19 802 041)	(17 568 240)	(6 183 674)	(5 492 921)
	<b>5 364 827</b>	<b>4 706 874</b>	<b>1 738 319</b>	<b>1 389 166</b>
<b>Industrial/ commercial - Past due and impaired</b>				
Current (0 - 30 days)	598 959	549 975	338 621	290 349
31 - 60 days	430 217	341 884	199 082	210 283
61 - 90 days	504 065	288 242	209 650	149 681
91 - 120 days	375 568	548 789	149 998	132 903
121 - 365 days	3 896 016	3 562 546	1 071 008	965 293
> 365 days	13 997 216	12 276 804	4 215 315	3 744 412
	<b>19 802 041</b>	<b>17 568 240</b>	<b>6 183 674</b>	<b>5 492 921</b>
<b>Industrial/ commercial - Past due and not impaired</b>				
Current (0 - 30 days)	2 503 319	2 307 545	95 191	73 430
31 - 60 days	426 774	437 588	55 965	53 181
61 - 90 days	289 349	270 971	58 936	37 855

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>10. Consumer debtors (continued)</b>				
91 - 120 days	226 371	(12 206)	42 167	33 611
121 - 365 days	723 570	747 878	301 076	244 124
> 365 days	1 195 444	955 098	1 184 984	946 965
	<b>5 364 827</b>	<b>4 706 874</b>	<b>1 738 319</b>	<b>1 389 166</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>10. Consumer debtors (continued)</b>				
<b>National and provincial government</b>				
Current (0 - 30 days)	457 582	345 234	30 896	15 036
31 - 60 days	95 105	93 142	20 799	24 970
61 - 90 days	76 877	72 820	22 042	10 228
91 - 120 days	51 224	47 825	16 026	9 854
491141	491 141	436 698	99 738	62 149
> 365 days	875 803	719 985	352 847	298 007
	<b>2 047 732</b>	<b>1 715 704</b>	<b>542 348</b>	<b>420 244</b>
Less: Allowance for impairment	(577 183)	(466 108)	-	-
	<b>1 470 549</b>	<b>1 249 596</b>	<b>542 348</b>	<b>420 244</b>
<b>National and provincial government - Past due and impaired</b>				
Current (0 - 30 days)	14 181	-	-	-
31 - 60 days	13 432	-	-	-
61 - 90 days	9 927	-	-	-
91 - 120 days	5 388	16 414	-	-
121 - 365 days	112 934	125 985	-	-
> 365 days	421 321	323 709	-	-
	<b>577 183</b>	<b>466 108</b>	<b>-</b>	<b>-</b>
<b>National and provincial government - Past due and not impaired</b>				
Current (0 - 30 days)	443 402	345 234	30 896	15 036
31 - 60 days	81 673	93 142	20 799	24 970
61 - 90 days	66 950	72 820	22 042	10 228
91 - 120 days	45 836	31 411	16 026	9 854
121 - 365 days	378 207	310 713	99 738	62 149
> 365 days	454 481	396 276	352 847	298 007
	<b>1 470 549</b>	<b>1 249 596</b>	<b>542 348</b>	<b>420 244</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>10. Consumer debtors (continued)</b>				
<b>Total</b>				
Current (0 -30 days)	6 593 260	6 138 942	1 091 413	849 129
31 - 60 days	2 115 654	1 889 765	660 292	589 725
61 - 90 days	2 087 317	1 564 088	713 052	466 188
91 - 120 days	1 791 318	1 613 319	500 414	426 280
121 - 365 days	16 695 328	14 485 003	3 468 267	2 948 618
> 365 days	42 532 344	35 958 787	10 994 891	9 195 233
	<b>71 815 221</b>	<b>61 649 904</b>	<b>17 428 329</b>	<b>14 475 173</b>
Less: Allowance for impairment	(59 618 544)	(50 506 771)	(13 137 742)	(11 173 602)
	<b>12 196 677</b>	<b>11 143 133</b>	<b>4 290 587</b>	<b>3 301 571</b>
<b>Less: Allowance for impairment</b>				
Current (0 -30 days)	1 609 823	1 294 114	824 805	662 823
31 - 60 days	1 249 618	848 836	497 327	448 898
61 - 90 days	1 267 678	758 229	537 358	362 266
91 - 120 days	1 329 709	1 484 374	376 698	330 826
121 - 365 days	13 989 911	12 394 697	2 619 808	2 293 469
> 365 days	40 171 805	33 726 521	8 281 746	7 075 320
	<b>59 618 544</b>	<b>50 506 771</b>	<b>13 137 742</b>	<b>11 173 602</b>
<b>Total debtors past due but not impaired</b>				
Current (0 - 30 days)	4 806 381	4 415 332	266 609	186 304
31 - 60 days	890 159	1 105 678	162 965	140 828
61 - 90 days	673 830	810 054	175 694	103 925
91 - 120 days	753 355	489 499	123 715	95 455
121 - 365 days	2 242 201	2 090 264	848 460	655 149
> 365 days	2 830 756	2 232 265	2 713 144	2 119 910
	<b>12 196 677</b>	<b>11 143 133</b>	<b>4 290 587</b>	<b>3 301 571</b>
<b>Reconciliation of allowance for impairment</b>				
Balance at beginning of the year	(50 506 772)	(42 429 185)	11 173 603	(9 641 851)
Contributions to allowance	(9 758 431)	(8 083 695)	2 084 829	(1 534 217)
Debt impairment written off against allowance	650 714	6 109	(120 689)	2 466
Reversal of allowance	(4 055)	-	-	-
<b>Balance at the end of the year</b>	<b>(59 618 544)</b>	<b>(50 506 771)</b>	<b>13 137 742</b>	<b>(11 173 602)</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024

### 10. Consumer debtors (continued)

The contribution to the allowance is included in the statement of financial performance under debt impairment at amounts exclusive of VAT.

The following are measures that the City has put in place in response to managing credit risk on accounts receivables:

1. The credit control policy makes provision for a consumption deposit which is payable and held by the City until the customer disposes of their property. The deposit is linked to average consumption of services and may be reviewed from time to time;
2. To minimise continued exposure to non-paying customers; the credit control policy allows for the disconnection of services on non-paying Water and Electricity customers. The disconnection of these services is also used to collect outstanding rates, sewer and refuse charges;
3. The City further employs specialised debt collection panel which is responsible for collecting accounts handed over for debt owing above 60 days;
4. With the assistance of a credit bureau, the City has embarked on a data verification and enrichment exercise to identify consumer payment ability based on private sector accounts history;
5. Revenue enhancement is focused on some high value debtors across customer categories to ensure compliance with the City's by-laws and credit control policy through site visits and detailed investigations.

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024

### 10. Consumer debtors (continued)

#### Property rates impaired (Statutory receivables)

Current (0 days)	824 805	662 823	824 805	662 823
31 - 60 days	497 327	448 897	497 327	448 897
61 - 90 days	537 358	362 266	537 358	362 266
91-120 days	376 698	330 825	376 698	330 825
121 - 365 days	2 619 808	2 293 469	2 619 808	2 293 469
>365 days	8 281 746	7 075 321	8 281 746	7 075 321
	<u>13 137 742</u>	<u>11 173 602</u>	<u>13 137 742</u>	<u>11 173 602</u>

#### Property rates not impaired (Statutory receivables)

Current (0-30 days)	266 608	186 305	266 608	186 305
31 - 60 days	162 965	140 828	162 965	140 828
61 - 90 days	175 694	103 923	175 694	103 923
91 - 120 days	123 716	95 455	123 716	95 455
121 - 365 days	848 460	655 145	848 460	655 145
> 365 days	2 713 144	2 119 912	2 713 144	2 119 912
	<u>4 290 587</u>	<u>3 301 571</u>	<u>4 290 587</u>	<u>3 301 571</u>

### 11. Financial assets and Financial liabilities at fair value

The Debt redemption fund is a financial solution to assist the CJMM meet its financial obligations to repay previously issued bonds.

The Terms and conditions are such that the collateralised asset upon maturity should be of the same value as the liability so that the liability can be redeemed.

#### Sinking Fund

Next bond maturity - 22 June 2026

#### Other financial assets through profit or loss

Bonds	126 738	62 603	126 738	62 603
Swaps	65 504	16 440	65 504	16 440
Cash	959 652	339 103	959 652	339 103
<b>Current Assets</b>	<b>1 151 894</b>	<b>418 146</b>	<b>1 151 894</b>	<b>418 146</b>

#### Other financial assets through profit or loss

Bonds	192 831	301 282	192 831	301 282
Swaps	36 512	57 149	36 512	57 149
<b>Non-Current Assets</b>	<b>229 343</b>	<b>358 431</b>	<b>229 343</b>	<b>358 431</b>

	<b>1 381 237</b>	<b>776 577</b>	<b>1 381 237</b>	<b>776 577</b>
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# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>11. Financial assets and Financial liabilities at fair value (continued)</b>				
<b>Other financial Liabilities through profit or loss</b>				
Swaps	-	1 510	-	1 510
<b>Other financial liabilities through profit or loss</b>				
Swaps	-	199 153	-	199 153
<b>Financial assets carried at fair value through profit or loss</b>				
Held for trading non-derivatives financial assets	1 381 237	776 576	1 381 237	776 576
<b>Financial assets carried at fair value through profit or loss</b>				
Derivates designed and effective as hedging instruments carried at fair value	-	200 662	-	200 662
<b>12. Cash and cash equivalents</b>				
Cash and cash equivalents consist of:				
Cash on hand	452	736	154	154
Bank	2 843 389	1 535 706	1 373 177	403 559
Call investment deposits	1 121 752	628 856	1 104 548	611 556
Other cash and cash equivalents	67	559	-	-
	<b>3 965 660</b>	<b>2 165 857</b>	<b>2 477 879</b>	<b>1 015 269</b>
<b>Call investment deposits</b>				
Call Deposits STD Bank- Rating (F1+)	193 537	113 923	193 537	113 923
Call Deposits ABSA- rating (F1+)	316 210	67 798	316 210	67 798
Fixed deposits ABSA- Rating (F1+)	365	337	365	337
Call Deposits RMB- Rating (F1+)	13 760	135 801	13 760	135 801
Investec Investment	-	14 128	-	-
Call deposits Nedbank- Rating (F1+)	312 609	9 910	295 405	6 738
Fixed Deposits INVESTEC Rating - (F1+)	285 271	284 855	285 271	284 855
Call Deposits CITI BANK- Rating (F1+)	-	2 104	-	2 104
	<b>1 121 752</b>	<b>628 856</b>	<b>1 104 548</b>	<b>611 556</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>12. Cash and cash equivalents (continued)</b>				
<b>The municipality had the following bank accounts</b>				
Account number / description	Bank statement balances			Cash book balances
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
Nedbank - Account Type - Current Account Joburg Theatre - 128****993	1 135	253	1 135	253
Nedbank - Account Type - Current Account Roodepoort & Soweto Theatre - 104****121	123	149	123	149
Nedbank - Account Type - Current Account Ticketing account - 105****563	162	464	162	464
Nedbank - Account Type - Current Account Hospitality and Catering - 104****458	443	515	443	515
Nedbank - Account Type - call account Joburg Theatre - 03728****195	15 898	603	15 898	603
Nedbank - Account type - Current Account Zoo - 118****254	122	83	122	83
Nedbank - Account type - Current Account Metro Centre - 118****459	26	16	26	16
Nedbank - Account Type - Call Account Roodepoort & Soweto Theatre - 03788****628	1	2 132	1	2 132
Nedbank - Account Type - Call Account Ticketing - 03788****216	1 304	436	1 304	436
Nedbank - Account type - Call Account Hospitality and Catering - 03788****208	1	1	1	1
Investec - Investment account - 110019****502	-	14 128	-	14 128
Standard Bank - Account type - Current account 198366	-	1	-	-
Standard Bank - Account type - Asphalt plant - 9***56	377	-	377	-
Standard Bank - Account type - Developers Contribution account - 0****6	512 569	440 099	512 569	440 099
Standard Bank - Account type - Deposit account 000****-033	748 134	536 927	748 134	536 926
Standard Bank - Account type - Trust account - 000****25	-	-	-	1
Standard Bank - Account type - Business Account (Refunds) - 000****91	86 559	64 378	86 559	64 378
Standard Bank - Account type - Salary 000-196-924	-	-	-	1
Standard bank - Bank Charges account - 000****78	1	-	-	-
Standard Bank - Account type - Main Account - 00****157	486	140	486	140
Standard Bank - Account type - Charges Account - 00****130	-	(8)	-	(8)
Standard Bank - Account type - Bank Account - 00-019-890-0	-	-	2	2
Standard Bank - Account type - Main Current Account 00****122	177	134	188	130
Standard Bank - Account type - Bank Charges 00****092	(3)	(4)	-	-
Standard Bank - Account type - Cemeteries Account 000197106	14	-	-	-
ABSA - Account type- Electricity Deposit 405****238	3 777	1 938	-	-
ABSA - Account type - Prepaid Account 405****357	90 498	48 695	-	-
ABSA - Account type - Sundry Revenue Account 4054636689	235	220	-	-
ABSA - Account type - Main Cheque 405****736	1 299	877	-	-
ABSA - Account type - Bank Charges 405****744	20	16	-	-
Standard Bank - Account Type - Current Account 00190586	1	1	-	-
Standard Bank - Account type - Current Account 00190535	-	1	-	-
ABSA Bank - Account type - 4101292362	1 380	16 264	-	-
Standard Bank - Account type - 1****0 - Deposit Account	20 435	18 958	20 435	18 958
Standard Bank - Account type - 1****9 - Current account	2 200	2 034	2 200	2 034
Standard Bank - Account type - 1****6-Current account	45	-	45	-

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>12. Cash and cash equivalents (continued)</b>				
Standard Bank - Account type - 1****8- Current account	(2)	(2)	(2)	(2)
Standard Bank - Account Type - Call Deposit STD Bank Rating - (F1+) - 3****0	193 537	113 923	-	-
Account Type - Call Deposit ABSA Rating - (F1+) - 4****69-ZAR-2201-01	316 210	67 798	-	-
Account Type - Fixed Deposit ABSA Rating - (F1+) - 406****402	365	337	-	-
Account Type - Fixed Deposit RMB Rating - (F1+) - CDS-X021901685	13 760	135 801	-	-
Account Type - Call Deposit NEDBANK Rating - (F1) - 03/788****885/0****02,03/788****717/****38 & 03/788****348/0****6	295 405	6 738	-	-
Account Type - Fixed Deposit INVESTEC Rating - (F1+) - 14002****500,14001****8451 & 1400****61451	285 271	284 855	-	-
Account Type - Call Deposit CITI BANK Rating - (F1) - 5****1	-	2 104	-	-
ABSA Cheque - 443805-****200	96 051	298	-	-
ABSA Cheque - 444405-****800	69 786	26 007	-	-
Standard Bank - Cheque - 444405-****303	13 869	139	-	-
Standard Bank - Cheque - 444405-****903	33 844	51 130	-	-
Standard Bank - Cheque - 444405-****904	10	-	-	-
Standard Bank - Cheque - 443805-****000	60	47	-	-
Standard Bank - Cheque - 171405-****700	18 333	1 997	-	-
Standard Bank - Cheque - 171405-****800	33	15	-	-
Standard Bank - Cheque - 171405-****700	15 995	15 728	-	-
Standard Bank - Cheque - 411405-****900	1 319	1 220	-	-
Standard Bank - Cheque - 411405-****100	502	464	-	-
Standard Bank - Cheque - 411405-****300	55	51	-	-
Standard Bank - Cheque - 411405-****021	231	213	-	-
Standard Bank - Cheque - 443805-****200	906 701	248 214	-	-
Standard Bank - Cheque - 501405-****500	6 131	4 308	-	-
Standard Bank - Cheque - 501405-****600	549	4 886	-	-
Standard Bank - Cheque - 501405-****700	30 169	10 000	-	-
Standard Bank - Cheque - 501405-****400	3 970	10 540	-	-
Standard Bank - Cheque -	2 999	-	-	-
Standard Bank - Cheque - 541405-****000	456	91	-	-
Standard Bank - Cheque - 444405-****701	5 114	1 777	-	-
Standard Bank - Cheque - 541405-****100	15	-	-	-
Standard Bank - Cheque - 621405-****312	26 705	24 692	-	-
Standard Bank - Cheque - 501405-****800	140 279	1 740	-	-
<b>Total</b>	<b>3 965 141</b>	<b>2 164 562</b>	<b>-</b>	<b>-</b>

"the following accounts have a timing difference as at 30 June 2025"

Bank and Type of Account	Bank Statement Amount	Cash book Amount	Opening Balance
Standard Bank - Cheque Account - 000***320	5 964	13 869	139
Standard Bank - Cheque Account - 000***522	-	33 844	51 130
Standard Bank - Cheque Account - 000***514	5 110	5 114	1 777
Standard Bank - Cheque Account - 000***557	290	-	-
Standard Bank - Cheque Account - 000***646	35	-	-
	-	-	-

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand

### 13. Living resources

Group	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Zoo animals	42 416	(11 541)	30 875	41 251	(10 230)	31 021

CJMM	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Zoo animals	13 874	(4 889)	8 985	13 874	(4 214)	9 660

### Reconciliation of living resources - Group - 2025

	Opening balance	Additions	Additions through transfer of functions / mergers	Decreases due to harvest / sales	Disposals	Depreciation	Total
Zoo animals	31 021	827	2 779	(1 788)	(128)	(1 836)	30 875

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand

### 13. Living resources (continued)

#### Reconciliation of living resources - Group - 2024

	Opening balance	Additions	Additions through transfer of functions / mergers	Decreases due to harvest / sales	Disposals	Depreciation	Total
Zoo animals	32 192	1 068	3 256	(3 083)	(655)	(1 757)	31 021

#### Reconciliation of living resources - CJMM - 2025

	Opening balance	Depreciation	Total
Zoo animals	9 660	(675)	8 985

#### Reconciliation of living resources - CJMM - 2024

	Opening balance	Depreciation	Total
Zoo animals	10 342	(682)	9 660

#### Pledged as security

None of the living resources assets are pledged as security.

#### Loaned-in and loaned out animals

There are various animals kept on behalf of other organisations as at year end which includes cranes, hornbill, lemur, skink, fox, midas cichlid, chimpanzee, bear, frogs, vultures and lions.

There are also animals loaned out to other organisations which includes monkeys, baboons, cranes, parrots, birds, hyenas, vultures and hippos as at year end.

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand

### 14. Investment property

Group	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	1 045 302	(30 020)	1 015 282	1 043 645	(28 509)	1 015 136

CJMM	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	989 417	-	989 417	989 417	-	989 417

#### Reconciliation of investment property - Group - 2025

	Opening balance	Additions	Depreciation	Total
Investment property	1 015 136	1 657	(1 511)	1 015 282

#### Reconciliation of investment property - Group - 2024

	Opening balance	Depreciation	Total
Investment property	1 016 601	(1 465)	1 015 136

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024

### 14. Investment property (continued)

#### Reconciliation of investment property - CJMM - 2025

	Opening balance	Total
Investment property	989 417	989 417

#### Reconciliation of investment property - CJMM - 2024

	Opening balance	Total
Investment property	989 417	989 417

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>14. Investment property (continued)</b>				
<b>Pledged as security</b>				
No Investment property is pledged as security.				
A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.				
<b>Amounts recognised in surplus or deficit</b>				
Rental revenue from Investment property	49 118	68 925	49 118	68 925
<b>From Investment property that generated rental revenue</b>				
Repairs and maintenance	16 501	5 933	-	-

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand

### 15. Property, plant and equipment

Group	2025			2024		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Land	9 489 243	-	9 489 243	9 454 267	-	9 454 267
Buildings	23 434 207	(8 790 267)	14 643 940	22 520 455	(8 235 082)	14 285 373
Plant and machinery	27 765 548	(7 861 261)	19 904 287	26 056 434	(7 087 745)	18 968 689
Furniture and fixtures	750 042	(615 681)	134 361	745 630	(602 710)	142 920
Motor vehicles	1 881 002	(802 172)	1 078 830	1 297 154	(508 409)	788 745
Office equipment	2 438 594	(1 683 300)	755 294	2 585 990	(1 673 042)	912 948
Computer equipment	595 360	(374 798)	220 562	592 841	(347 564)	245 277
Infrastructure	42 893 111	(16 360 406)	26 532 705	39 948 258	(14 657 070)	25 291 188
Community assets	4 385 662	(2 067 317)	2 318 345	4 243 549	(1 950 405)	2 293 144
Landfill sites	379 316	(376 204)	3 112	379 316	(348 781)	30 535
Network equipment	95 364	(77 131)	18 233	100 279	(78 680)	21 599
Bins and containers	54 959	(31 678)	23 281	64 829	(37 871)	26 958
Minor plants	203 487	(168 246)	35 241	191 060	(155 225)	35 835
Specialised vehicles	1 665 376	(1 185 454)	479 922	1 560 418	(1 118 068)	442 350
Wastewater network	6 236 261	(1 408 995)	4 827 266	5 947 984	(1 267 543)	4 680 441
Water network	10 104 078	(2 511 890)	7 592 188	9 423 473	(2 228 777)	7 194 696
Library books	568 548	(549 452)	19 096	568 548	(545 357)	23 191
Emergency equipment	102 277	(59 506)	42 771	102 244	(54 421)	47 823
Other	36 967	(12 156)	24 811	39 250	(14 359)	24 891
<b>Total</b>	<b>133 079 402</b>	<b>(44 935 914)</b>	<b>88 143 488</b>	<b>125 821 979</b>	<b>(40 911 109)</b>	<b>84 910 870</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand

### 15. Property, plant and equipment (continued)

CJMM	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	9 341 849	-	9 341 849	9 312 590	-	9 312 590
Buildings	19 972 541	(7 663 460)	12 309 081	19 396 709	(7 183 285)	12 213 424
Plant and machinery	580 097	(395 661)	184 436	480 691	(284 128)	196 563
Furniture and fixtures	618 788	(533 285)	85 503	619 218	(526 417)	92 801
Motor vehicles	673 107	(325 328)	347 779	624 403	(226 327)	398 076
Office equipment	2 316 314	(1 616 246)	700 068	2 467 920	(1 616 167)	851 753
Infrastructure	42 047 929	(16 077 184)	25 970 745	39 136 855	(14 408 859)	24 727 996
Community assets	4 385 662	(2 067 317)	2 318 345	4 243 549	(1 950 405)	2 293 144
Bins and containers	22 962	(22 122)	840	22 994	(21 495)	1 499
Specialised vehicles	520 816	(366 515)	154 301	497 357	(343 460)	153 897
Library books	568 548	(549 452)	19 096	568 548	(545 357)	23 191
Emergency equipment	102 277	(59 505)	42 772	102 244	(54 421)	47 823
<b>Total</b>	<b>81 150 890</b>	<b>(29 676 075)</b>	<b>51 474 815</b>	<b>77 473 078</b>	<b>(27 160 321)</b>	<b>50 312 757</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand

### 15. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - Group - 2025

	Opening balance	Additions	Disposals	Foreign exchange movements	Depreciation	Impairment loss	Total
Land	9 454 267	78 550	(43 574)	-	-	-	9 489 243
Buildings	14 285 373	973 573	(171)	-	(611 411)	(3 424)	14 643 940
Plant and machinery	18 968 689	1 721 447	(8 549)	-	(777 300)	-	19 904 287
Furniture and fixtures	142 920	27 814	(1 660)	-	(34 705)	(8)	134 361
Motor vehicles	788 745	562 223	(6 151)	-	(265 987)	-	1 078 830
Office equipment	912 948	81 619	(4 085)	-	(235 188)	-	755 294
Computer equipment	245 277	59 785	(8 260)	-	(76 240)	-	220 562
Infrastructure	25 291 188	2 954 511	(4 950)	-	(1 588 601)	(119 443)	26 532 705
Community assets	2 293 144	194 675	(107)	-	(158 761)	(10 606)	2 318 345
Other	24 891	3 332	(507)	-	(2 905)	-	24 811
Landfill sites	30 535	-	-	-	(27 423)	-	3 112
Network equipment	21 599	1 991	(232)	-	(5 125)	-	18 233
Bins and containers	26 958	4 896	(4 793)	-	(3 780)	-	23 281
Minor plants	35 835	14 660	(2)	-	(15 252)	-	35 241
Specialised vehicles	442 350	132 106	(10 422)	-	(67 794)	(16 318)	479 922
Wastewater network	4 680 441	252 044	(724)	37 174	(120 173)	(21 496)	4 827 266
Water network	7 194 696	567 743	(838)	115 329	(249 692)	(35 050)	7 592 188
Library books	23 191	-	-	-	(4 095)	-	19 096
Emergency equipment	47 823	1 559	(192)	-	(6 419)	-	42 771
	<b>84 910 870</b>	<b>7 632 528</b>	<b>(95 217)</b>	<b>152 503</b>	<b>(4 250 851)</b>	<b>(206 345)</b>	<b>88 143 488</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand

### 15. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - Group - 2024

	Opening balance	Additions	Disposals	Landfill rehabilitation adjustment	Foreign exchange movements	Depreciation	Impairment loss	Total
Land	9 440 039	24 135	(9 907)	-	-	-	-	9 454 267
Buildings	14 113 245	889 166	(8 383)	-	-	(629 875)	(78 780)	14 285 373
Plant and machinery	17 424 646	2 182 074	(2 050)	-	-	(635 719)	(262)	18 968 689
Furniture and fixtures	148 557	32 296	(259)	-	-	(37 674)	-	142 920
Motor vehicles	128 510	823 960	(487)	-	-	(163 238)	-	788 745
Office equipment	1 063 598	133 568	(1 843)	-	-	(282 375)	-	912 948
Computer equipment	256 443	65 393	(924)	-	-	(75 635)	-	245 277
Infrastructure	24 415 377	2 618 804	(29 774)	-	-	(1 597 811)	(115 408)	25 291 188
Community assets	2 265 641	204 838	(422)	-	-	(162 999)	(13 914)	2 293 144
Other	19 405	8 349	-	-	-	(1 774)	(1 089)	24 891
Landfill sites	44 218	-	-	6 954	-	(20 637)	-	30 535
Network equipment	21 357	5 476	-	-	-	(5 234)	-	21 599
Bins and containers	29 347	1 291	-	-	-	(3 680)	-	26 958
Minor plants	46 010	7 834	(45)	-	-	(17 964)	-	35 835
Specialised vehicles	500 525	30 716	(17 397)	-	-	(64 992)	(6 502)	442 350
Wastewater network	4 657 952	74 595	-	-	51 002	(103 108)	-	4 680 441
Water network	6 841 901	554 782	-	-	94 995	(280 290)	(16 692)	7 194 696
Library books	29 674	-	-	-	-	(6 483)	-	23 191
Emergency equipment	54 102	25	-	-	-	(6 304)	-	47 823
	<b>81 500 547</b>	<b>7 657 302</b>	<b>(71 491)</b>	<b>6 954</b>	<b>145 997</b>	<b>(4 095 792)</b>	<b>(232 647)</b>	<b>84 910 870</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand

### 15. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - CJMM - 2025

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Land	9 312 590	72 829	(43 570)	-	-	9 341 849
Buildings	12 213 424	633 622	(171)	(534 370)	(3 424)	12 309 081
Plant and machinery	196 563	26 952	(385)	(38 694)	-	184 436
Furniture and fixtures	92 801	19 514	(489)	(26 323)	-	85 503
Motor vehicles	398 076	52 075	-	(102 372)	-	347 779
Office equipment	851 753	73 215	(3 831)	(221 069)	-	700 068
Infrastructure	24 727 996	2 920 732	(4 950)	(1 553 590)	(119 443)	25 970 745
Community assets	2 293 144	194 675	(107)	(158 761)	(10 606)	2 318 345
Bins and containers	1 499	-	-	(659)	-	840
Specialised vehicles	153 897	24 262	(521)	(23 337)	-	154 301
Library books	23 191	-	-	(4 095)	-	19 096
Emergency equipment	47 823	1 559	(191)	(6 419)	-	42 772
	<b>50 312 757</b>	<b>4 019 435</b>	<b>(54 215)</b>	<b>(2 669 689)</b>	<b>(133 473)</b>	<b>51 474 815</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand

### 15. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - CJMM - 2024

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Land	9 304 074	18 423	(9 907)	-	-	9 312 590
Buildings	12 166 447	663 928	(8 381)	(530 128)	(78 442)	12 213 424
Plant and machinery	230 387	12 061	(904)	(44 719)	(262)	196 563
Furniture and fixtures	106 684	16 078	(162)	(29 799)	-	92 801
Motor vehicles	31 717	453 371	-	(87 012)	-	398 076
Office equipment	1 004 226	119 255	(1 799)	(269 929)	-	851 753
Infrastructure	23 932 737	2 507 576	(29 774)	(1 567 135)	(115 408)	24 727 996
Community assets	2 265 641	204 838	(422)	(162 999)	(13 914)	2 293 144
Bins and containers	2 290	-	-	(791)	-	1 499
Specialised vehicles	177 234	-	-	(23 337)	-	153 897
Library books	29 674	-	-	(6 483)	-	23 191
Emergency equipment	54 102	25	-	(6 304)	-	47 823
	<b>49 305 213</b>	<b>3 995 555</b>	<b>(51 349)</b>	<b>(2 728 636)</b>	<b>(208 026)</b>	<b>50 312 757</b>

#### Pledged as security

No assets are pledged as security.

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

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand

### 15. Property, plant and equipment (continued)

#### Work in progress breakdown

Group	2025	2024
Building & Improvements	3 126 103	2 461 792
Plant and machinery	1 646 454	1 829 264
Water network	1 103 121	726 715
Wastewater network	346 383	157 489
Computer equipment	35 952	47 111
Motor vehicles	39 192	2 952
Community assets	697 391	542 835
Furniture and fixtures	895	309
Infrastructure	7 037 277	4 650 457
Specialised vehicles	66 602	-
<b>Total</b>	<b>14 099 370</b>	<b>10 418 924</b>
<b>CJMM</b>	<b>2025</b>	<b>2024</b>
Buildings	2 944 254	2 321 232
Infrastructure	6 624 066	4 334 713
Community	697 391	542 835
<b>Total</b>	<b>10 265 711</b>	<b>7 198 780</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>15. Property, plant and equipment (continued)</b>				
<b>Carrying value of property, plant and equipment that is taking a significantly longer period of time to complete than expected</b>				
Buildings	3 195 617	2 546 319	2 944 254	2 321 232
Community assets	697 391	542 835	697 391	542 835
Plant and machinery	510 596	256 890	-	-
Infrastructure	6 624 066	4 333 713	6 624 066	4 333 713
Computer equipment	12 780	12 780	-	-
Other capital assets	308 007	2 739	-	-
	<b>11 348 457</b>	<b>7 695 276</b>	<b>10 265 711</b>	<b>7 197 780</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>15. Property, plant and equipment (continued)</b>				
<b>Assets subject to finance lease (Net carrying amounts)</b>				
Motor vehicles	524 071	372 975	-	-
IT equipment	16 475	19 525	-	-
Office equipment	-	376	-	-
Leasehold Improvement	3 739	4 006	-	-
	<b>544 285</b>	<b>396 882</b>	-	-
<b>Assets subject to finance lease (Net carrying amount)</b>				
Furniture and fixtures	(1 875)	(1 875)	-	-
Motor vehicles	221 307	89 747	-	-
Office equipment	23	(68)	-	-
Other	(64 691)	228	-	-
Landfill sites	(22 357)	(15 570)	-	-
Network equipment	18 233	21 599	-	-
Specialised vehicles	613	13 537	-	-
	<b>151 253</b>	<b>107 598</b>	-	-

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024

### 15. Property, plant and equipment (continued)

**Carrying value of property, plant and equipment where construction or development has been halted either during the current or previous reporting period(s)**

**The carrying value of property, plant and equipment**

Buildings	990 329	638 174	831 442	488 208
Infrastructure	239 852	706 609	239 852	706 609
Community	207 075	211 467	207 075	211 467
	<b>1 437 256</b>	<b>1 556 250</b>	<b>1 278 369</b>	<b>1 406 284</b>

The above is for various projects that were halted in the current and previous years due to various reasons such as budget constraints, dispute with contractors and projects being investigation. The total value impairment on these projects in the current year R 126 million and prior years is R 85 million.

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024

### 15. Property, plant and equipment (continued)

#### Impairment loss

##### Group Impairment loss - 2025

##### Buildings

Recoverable amount 0

Value in use 0

Carrying value 3 424

##### Infrastructure

Recoverable amount 249 239

Value in use 0

Carrying value 305 785

##### Community assets

Recoverable amount 0

Value in use 0

Carrying value 10 606

##### Specialised Vehicles

Recoverable amount 243 909

Value in use 0

Carrying value 260 227

##### CJMM Impairment loss - 2025

##### Buildings

Recoverable amount 0

Value in use 0

Carrying value 3 424

##### Infrastructure

Recoverable amount 0

Value in use 0

Carrying value 119 443

##### Community assets

Recoverable amount 0

Value in use 0

Carrying value 10 606

##### Group Impairment loss - 2024

##### Buildings

Recoverable amount 0

Value in use 0

Carrying value 78 442

##### Plant and machinery

Recoverable amount 0

Value in use 0

Carrying value 262

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024

### 15. Property, plant and equipment (continued)

#### Infrastructure

Recoverable amount 169 650

Value in use 0

Carrying value 318 442

#### Community assets

Recoverable amount 0

Value in use 0

Carrying value 13 914

#### Specialised Vehicles

Recoverable amount 274 916

Value in use 0

Carrying value 281 418

### CJMM Impairment loss - 2024

#### Buildings

Recoverable amount 0

Value in use 0

Carrying value 78 442

#### Plant and machinery

Recoverable amount 0

Value in use 0

Carrying value 262

#### Infrastructure

Recoverable amount 0

Value in use 0

Carrying value 115 408

#### Community assets

Recoverable amount 0

Value in use 0

Carrying value 13 914

Due to the nature of the Municipal Assets, there is no open market for these assets to be sold to with an exception of specific Buildings. Therefore the value of these assets sits on their usage and they are service delivery assets. If the assets

is not in the value in use becomes zero. The Work in progress gets impaired when there is significant damage and the prospect of continuing the project is unknown or stopped for a period longer than expected.

### Expenditure incurred to repair and maintain property, plant and equipment

#### Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

General expenses	3 320 833	3 738 077	166 218	262 879
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A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand

### 16. Intangible assets

Group	2025			2024		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Additional capacity rights	261 228	-	261 228	261 228	-	261 228
Servitudes	3 463	-	3 463	3 463	-	3 463
Licences	762	(762)	-	763	(724)	39
Computer software, internally generated	19 722	(16 065)	3 657	19 614	(14 802)	4 812
Computer software, other	3 122 081	(1 414 360)	1 707 721	3 070 728	(1 770 219)	1 300 509
Website	685	-	685	685	-	685
<b>Total</b>	<b>3 407 941</b>	<b>(1 431 187)</b>	<b>1 976 754</b>	<b>3 356 481</b>	<b>(1 785 745)</b>	<b>1 570 736</b>

  

CJMM	2025			2024		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	2 439 401	(885 330)	1 554 071	2 413 395	(1 343 979)	1 069 416

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand

### 16. Intangible assets (continued)

#### Reconciliation of intangible assets - Group - 2025

	Opening balance	Additions	Disposals	Transfers received	Amortisation	Impairment loss	Total
Additional capacity rights	261 228	-	-	-	-	-	261 228
Servitudes	3 463	-	-	-	-	-	3 463
Licenses	39	-	-	-	(39)	-	-
Computer software, internally generated	4 812	-	-	-	(1 155)	-	3 657
Computer software, other	1 300 509	955 312	(51 508)	(4 423)	(485 434)	(6 735)	1 707 721
Website	685	-	-	-	-	-	685
	<b>1 570 736</b>	<b>955 312</b>	<b>(51 508)</b>	<b>(4 423)</b>	<b>(486 628)</b>	<b>(6 735)</b>	<b>1 976 754</b>

#### Reconciliation of intangible assets - Group - 2024

	Opening balance	Additions	Disposals	Transfers received	Amortisation	Impairment loss	Total
Additional capacity rights	261 228	-	-	-	-	-	261 228
Servitudes	3 463	-	-	-	-	-	3 463
Licenses	-	-	-	232	(193)	-	39
Computer software, internally generated	18 536	-	-	-	(962)	(12 762)	4 812
Computer software, other	1 649 031	58 460	(499)	(232)	(406 251)	-	1 300 509
Website	685	-	-	-	-	-	685
	<b>1 932 943</b>	<b>58 460</b>	<b>(499)</b>	<b>-</b>	<b>(407 406)</b>	<b>(12 762)</b>	<b>1 570 736</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024

### 16. Intangible assets (continued)

#### Reconciliation of intangible assets - CJMM - 2025

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software, other	1 069 416	925 038	(51 468)	(388 915)	1 554 071

#### Reconciliation of intangible assets - CJMM - 2024

	Opening balance	Additions	Amortisation	Total
Computer software, other	1 405 276	1 235	(337 095)	1 069 416

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>16. Intangible assets (continued)</b>				
<b>Intangible assets in the process of being constructed or developed</b>				
<b>Cumulative expenditure recognised in the carrying value of Intangible assets</b>				
Intangible Assets, computer and other rights	816 683	208 460	761 031	147 687
<b>Expenditure incurred to support and maintain intangible assets</b>				
Maintenance of software	42 354	28 805	-	-
	<b>42 354</b>	<b>28 805</b>	-	-

JOSHCO capitalised the JOSHCO app intangible asset of R5 773 900 in the 2024 financial year and its applicable amortisation.

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand

### 17. Heritage assets

Group	2025			2024		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Art Collections, antiquities and exhibits	578 126	(105)	578 021	557 783	(105)	557 678
Historical monuments	20 478	-	20 478	20 478	-	20 478
Historical buildings	41 104	-	41 104	41 104	-	41 104
<b>Total</b>	<b>639 708</b>	<b>(105)</b>	<b>639 603</b>	<b>619 365</b>	<b>(105)</b>	<b>619 260</b>

CJMM	2025			2024		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Art Collections, antiquities and exhibits	576 355	-	576 355	556 012	-	556 012
Historical monuments	20 478	-	20 478	20 478	-	20 478
Historical buildings	41 104	-	41 104	41 104	-	41 104
<b>Total</b>	<b>637 937</b>	<b>-</b>	<b>637 937</b>	<b>617 594</b>	<b>-</b>	<b>617 594</b>

### Reconciliation of heritage assets Group - 2025

	Opening balance	Additions	Impairment losses (recognised)/reversed directly in Net assets	Total
Art Collections, antiquities and exhibits	557 678	8 435	11 908	578 021
Historical monuments	20 478	-	-	20 478
Historical buildings	41 104	-	-	41 104
	<b>619 260</b>	<b>8 435</b>	<b>11 908</b>	<b>639 603</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand

### 17. Heritage assets (continued)

#### Reconciliation of heritage assets Group - 2024

	Opening balance	Total
Art Collections, antiquities and exhibits	557 678	557 678
Historical monuments	20 478	20 478
Historical buildings	41 104	41 104
	<b>619 260</b>	<b>619 260</b>

#### Reconciliation of heritage assets CJMM - 2025

	Opening balance	Additions	Impairment losses (recognised)/reversed directly in Net assets	Impairment losses reversed	Total
Art Collections, antiquities and exhibits	556 012	8 435	11 908	-	576 355
Historical monuments	20 478	-	-	-	20 478
Historical buildings	41 104	-	-	-	41 104
	<b>617 594</b>	<b>8 435</b>	<b>11 908</b>	<b>-</b>	<b>637 937</b>

#### Reconciliation of heritage assets CJMM - 2024

	Opening balance	Total
Art Collections, antiquities and exhibits	556 012	556 012
Historical monuments	20 478	20 478
Historical buildings	41 104	41 104
	<b>617 594</b>	<b>617 594</b>

#### Pledged as security

No assets are pledged as security.

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>17. Heritage assets (continued)</b>				
<b>Heritage assets in the process of being constructed or developed</b>				
<b>Cumulative expenditure recognised in the carrying value of Heritage assets</b>				
Heritage assets under development	20 343	-	20 343	-
<b>Carrying value of Heritage assets where construction or development has been halted either during the current or previous reporting period(s)</b>				
Heritage assets	-	11 908	-	11 908
the value of halted projects taking significantly longer to complete in the current and prior year was R11.9 million (Accumulated impairment R11.9 million). The projects were halted due to budget constrains. The impairment was reversed in current financial year (2025).				
	-	<b>11 908</b>	-	<b>11 908</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM		
	2025	2024	2025	2024	
<b>18. Investments in controlled entities</b>					
Name of company	Held by	% holding 2025	% holding 2024	Carrying amount 2025	Carrying amount 2024
City of Johannesburg Property Company (SOC) Ltd		100,00 %	100,00 %	5 142	5 142
City Power Johannesburg (SOC) Ltd		100,00 %	100,00 %	112 466	112 466
Johannesburg City Parks NPC		100,00 %	100,00 %	29 958	29 958
Johannesburg Development Agency (SOC) Ltd		100,00 %	100,00 %	16 278	16 278
Johannesburg Metropolitan Bus Services (SOC) Ltd		100,00 %	100,00 %	54 774	54 774
Johannesburg Roads Agency (SOC) Ltd		100,00 %	100,00 %	489 523	446 070
Metropolitan Trading Company (Pty) Ltd		100,00 %	100,00 %	97 792	97 972
Pikitup Johannesburg (SOC) Ltd		100,00 %	100,00 %	31 315	31 315
Johannesburg Civic Theatre (SOC) Ltd		100,00 %	100,00 %	1 784	1 784
The Johannesburg Fresh Produce Market (SOC) Ltd		100,00 %	100,00 %	20 000	20 000
				<b>859 032</b>	<b>815 759</b>
Impairment of Johannesburg Metropolitan Bus Services (SOC) Ltd		- %	- %	(54 774)	(54 774)
Impairment of City Power Johannesburg (Pty) Ltd		- %	- %	(112 466)	-
Impairment of Metropolitan Trading Company (Pty) Ltd		- %	- %	(97 972)	-
Impairment of Pikitup Johannesburg (Pty) Ltd		- %	- %	(31 315)	-
				<b>562 505</b>	<b>760 985</b>

Impairment tests are performed annually. Metrobus, City Power, Metropolitan Trading Company and Pikitup have been impaired as a result of their financial position. Johannesburg Development Agency and Johannesburg Road Agency are not impaired based on their net liability position as they are appointed as agents according to their mandate.

CJMM has investments in the following Municipal Entities that are less than R1,000  
 Johannesburg Social Housing Company (Pty) Ltd R120  
 Johannesburg Water (Pty) Ltd R 200  
 Johannesburg Tourism Company R0

Investments in ME's includes shareholder loans with no fixed repayment terms and interest as they are classified as equity. In the 2025 financial year there was an increase in JRA to the amount of R43,301,964.

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM		
	2025	2024	2025	2024	
<b>19. Investments in joint ventures</b>					
Name of company	Listed / Unlisted	% holding 2025	% holding 2024	Carrying amount 2025	Carrying amount 2024
Golden Triangle Development Company (Pty) Ltd	Unlisted	50,00 %	50,00 %	4 083	3 644
JOSHCO Madulamoho Joint Venture (JMJV)	Unlisted	55,00 %	55,00 %	21 700	20 650
				<b>25 783</b>	<b>24 294</b>

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

### Golden Triangle Development Company (Pty) Ltd

The Golden Triangle is an investment between the CJMM and the Ovenstone Group. The separate annual financial statements of the joint venture are available for inspection at the registered office of the entity. The carrying amount of the investment and summary of assets are disclosed below.

	2025	2024
Opening Balance	3 644	3 144
Share of surplus/(deficit)	439	500
	<b>4 083</b>	<b>3 644</b>

	2025	2024
Total assets	38 191	37 470
Total liabilities	(30 026)	(30 182)
Revenue	3 437	3 562
Expenses	(2 560)	(2 563)
Surplus/(deficit)	877	999

### Madulamoho Joint Venture (JMJV)

The JMJV is an investment between Joshco and Madulamoho for social rental housing. The separate Annual Financial Statements of the Joint Venture are available for inspection at the registered office of the entity. There are no contingent liabilities, contingent assets or commitments relating to the Joint Venture. The carrying amount of the investment and summary of assets are disclosed below:

	2025	2024
Opening Balance	20 649	21 769
Share of surplus/(deficit)	1 320	(570)
Changes in net assets	(270)	(550)
	<b>21 699</b>	<b>20 649</b>

	2025	2024
Total assets	46 387	46 481
Total liabilities	(6 933)	(8 937)
Revenue	14 015	13 162
Operating expenses	(11 615)	(14 198)
Surplus/(deficit)	2 401	(1 036)
Distributions	-	1 000

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>20. Deferred tax</b>				
Deferred tax liability	(3 894 934)	(3 604 598)	-	-
Deferred tax asset	5 327 279	4 648 484	-	-
<b>Total net deferred tax asset</b>	<b>1 432 345</b>	<b>1 043 886</b>	-	-
<b>Reconciliation of deferred tax asset \ (liability)</b>				
At beginning of year	1 043 886	350 965	-	-
Taxable/Deductible temporary differences	388 459	692 606	-	-
Tax adjustment	-	315	-	-
	<b>1 432 345</b>	<b>1 043 886</b>	-	-
<b>21. Loans and borrowings</b>				
<b>Non-Current portion of loans and borrowings -</b>				
<b>At amortised cost</b>				
Development Bank of Southern Africa	9 707 507	10 626 339	9 702 363	10 619 722
Listed bonds	-	1 440 000	-	1 440 000
Other financial liabilities	9 700 257	5 895 748	9 700 257	5 895 748
	<b>19 407 764</b>	<b>17 962 087</b>	<b>19 402 620</b>	<b>17 955 470</b>
<b>Current portion of loans and borrowings - At</b>				
<b>amortised cost</b>				
Development Bank of Southern Africa	919 492	634 338	917 350	632 196
Listed bonds	1 440 000	-	1 440 000	-
Other financial liabilities	1 028 792	683 438	1 028 792	683 438
	<b>3 388 284</b>	<b>1 317 776</b>	<b>3 386 142</b>	<b>1 315 634</b>
	<b>22 796 048</b>	<b>19 279 863</b>	<b>22 788 762</b>	<b>19 271 104</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>22. Finance lease obligation</b>				
<b>Minimum lease payments due</b>				
- within one year	290 556	263 454	153 855	149 318
- in second to fifth year inclusive	721 406	753 356	348 663	440 935
	1 011 962	1 016 810	502 518	590 253
less: future finance charges	(198 436)	(233 769)	(100 774)	(139 606)
<b>Present value of minimum lease payments</b>	<b>813 526</b>	<b>783 041</b>	<b>401 744</b>	<b>450 647</b>
<b>Present value of minimum lease payments due</b>				
- within one year	197 637	176 596	107 406	95 365
- in second to fifth year inclusive	615 889	606 445	294 338	355 282
	<b>813 526</b>	<b>783 041</b>	<b>401 744</b>	<b>450 647</b>
Non-current liabilities	615 889	606 445	294 338	355 282
Current liabilities	197 637	176 596	107 406	95 365
	<b>813 526</b>	<b>783 041</b>	<b>401 744</b>	<b>450 647</b>

### Office Equipment

The Finance Lease liabilities relate to office equipment with lease terms of three years. There are no renewal or purchase options and no restrictions imposed by the lease agreements.

### Non-specialised Vehicle

The City entered into a full maintenance lease of vehicles for a period of five years with an incremental borrowing rate 13.04%.

### Non-specialised vehicle Minimum lease payments due

- within one year	256 912	239 357	138 929	124 904
- in second to fifth year inclusive	694 445	703 419	348 663	426 009
	951 357	942 776	487 592	550 913
less: future finance charges	(154 641)	(219 626)	(100 110)	(135 575)
<b>Present value of minimum lease payments</b>	<b>796 716</b>	<b>723 150</b>	<b>387 482</b>	<b>415 338</b>
<b>Present value of minimum lease payments due</b>				
- within one year	170 779	83 212	93 144	74 316
- in second to fifth year inclusive	465 912	225 016	294 338	341 022
	<b>636 691</b>	<b>308 228</b>	<b>387 482</b>	<b>415 338</b>
<b>Equipment Minimum lease payments due</b>				
- within one year	33 644	24 097	14 926	24 414
- in second to fifth year inclusive	26 961	49 937	-	14 926
	60 605	74 034	14 926	39 340
less: future finance charges	(43 795)	(14 143)	(664)	(4 030)
<b>Present value of minimum lease payments</b>	<b>16 810</b>	<b>59 891</b>	<b>14 262</b>	<b>35 310</b>
<b>Present value of minimum lease payments due</b>				
- within one year	26 858	92 018	14 262	21 049
- in second to fifth year inclusive	149 978	382 795	-	14 262
	<b>176 836</b>	<b>474 813</b>	<b>14 262</b>	<b>35 311</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>23. Payables from exchange transactions</b>				
Trade payables	9 852 431	9 716 406	3 765 224	3 597 463
Payments received in advance	477 276	683 234	8 862	9 549
Accrued leave pay	1 318 120	1 221 527	765 178	700 796
Accrued bonus	163 761	160 973	-	-
Developers contribution	540 265	449 185	-	-
Related party creditors	-	-	21 123 926	15 658 359
Accrued interest	120 651	136 867	120 651	136 867
Operating lease payables	45 466	6 518	6 790	2 348
Retentions	282 786	284 330	29 073	29 073
Credit balances in consumer debtors	2 124 613	2 000 463	1 594 126	1 472 529
Engineering fees	118 651	120 035	118 651	120 035
Other creditors	5 020 930	3 468 766	1 490 481	967 723
Eskom payable	5 337 613	6 081 075	-	-
	<b>25 402 563</b>	<b>24 329 379</b>	<b>29 022 962</b>	<b>22 694 742</b>

### Non-current payables from exchange

Eskom payable	2 321 170	-	-	-
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City Power and Eskom reached a settlement agreement during the financial year to defer the payment of previously disputed invoices amounting to R3 billion. The payment of the amount is spread over the next four financial years. The agreement is subject to City Power maintaining specific conditions from the date of settlement. The total liability was previously classified as current liabilities prior to the settlement agreement.

Eskom payable	-	-	-	-
Opening balance	-	-	-	-
Total amount deferred	3 094 893	-	-	-
Transfer to current liability	(773 723)	-	-	-
	<b>2 321 170</b>	-	-	-

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>24. Unspent conditional grants and receipts</b>				
<b>Unspent conditional grants and receipts comprises of:</b>				
<b>Unspent conditional grants and receipts</b>				
Provincial grants Capital projects	55 329	55 329	55 329	55 329
Informal Settlement Upgrading Partnership	6 293	6 819	6 293	6 819
Municipal Disaster Response Grant	-	61 700	-	61 700
Provincial grants: Operating projects	11 668	14 597	11 668	14 597
United Nations Environment Program	-	5 241	-	5 241
Public Transport Network Grant (Capital Projects)	4 010	24 677	4 010	24 677
Clubhouse Network	31	31	31	31
Urban Settlement Development Grant	1	1 410	1	1 410
Expanded Public Works Programme (EPWP)	1	125	1	125
Energy Management Grant	63	-	63	-
Provincial grant: Jozi Ihlomihle (HIV/ AIDS)	5 772	7 349	5 772	7 349
Project and programme preparation support	18 760	2 336	18 760	2 336
Provincial grants: Library	-	4 500	-	4 500
Groen Sebenza Grant	-	446	-	446
Public Transport Network Grant (Operational Projects)	-	238 689	-	238 689
Infrastructure skills development grants	3 617	3 617	-	-
Integrated National Electrification (DoE)	6 542	6 542	-	-
Public contributions: Service connections	138 456	42 377	-	-
Rockefeller Grant	3 447	3 709	3 447	3 709
Public employment	433	-	433	-
Other unspent public contributions	1 695	5 583	1 682	1 682
	<b>256 118</b>	<b>485 077</b>	<b>107 490</b>	<b>428 640</b>
Non-current liabilities	148 615	52 536	-	-
Current liabilities	107 503	432 541	107 490	428 640
	<b>256 118</b>	<b>485 077</b>	<b>107 490</b>	<b>428 640</b>

Revenue received from conditional grants are recognised to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement.

A liability is recognised for any unfulfilled conditions, obligations and other contingencies attaching to government grants or assistance.

See note 34 for reconciliation of grants from National/Provincial Government

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024

### 25. Provisions

#### Reconciliation of provisions - Group - 2025

	Opening Balance	Additions	Reversed during the year	Change in discount factor	Total
Bonus provision	273 255	290 528	(261 454)	-	302 329
Provision for legal claims	336 196	38 582	(17 472)	-	357 307
Kelvin ash disposal	132 068	-	-	-	132 068
Environmental rehabilitation: Closed landfill site	241 239	-	(13 196)	19 951	247 994
Environmental rehabilitation: Open landfill site	560 649	-	(30 668)	46 366	576 347
Provision for amount owed to Harambee	58	-	-	(58)	-
Other provisions	247 798	19 069	(116 844)	-	150 023
	<b>1 791 263</b>	<b>348 179</b>	<b>(439 634)</b>	<b>66 259</b>	<b>1 766 068</b>

#### Reconciliation of provisions - Group - 2024

	Opening Balance	Additions	Reversed during the year	Change in discount factor	Total
Bonus provision	257 971	239 543	(224 259)	-	273 255
Provision for legal claims	344 140	15 283	(23 227)	-	336 196
Kelvin ash disposal	132 068	-	-	-	132 068
Kelvin bulk purchase	-	-	-	-	-
Environmental rehabilitation: Closed landfill site	222 979	-	3 120	15 140	241 239
Environmental rehabilitation: Open landfill site	518 490	-	6 954	35 205	560 649
Social benefits	-	58	-	-	58
Other provisions	114 962	134 853	(2 017)	-	247 798
	<b>1 590 610</b>	<b>389 737</b>	<b>(239 429)</b>	<b>50 345</b>	<b>1 791 263</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024

### 25. Provisions (continued)

#### Reconciliation of provisions - CJMM - 2025

	Opening Balance	Additions	Reversed during the year	Reduction due to re-measurement or settlement without cost to entity	Total
Bonus provision	21 021	13 169	-	(1 394)	32 796
Provision for legal claims	114 352	1 247	-	-	115 599
SALA Pension fund provision	923	-	-	-	923
Other Provisions	114 793	-	(8 591)	(106 202)	-
	<b>251 089</b>	<b>14 416</b>	<b>(8 591)</b>	<b>(107 596)</b>	<b>149 318</b>

#### Reconciliation of provisions - CJMM - 2024

	Opening Balance	Additions	Reduction due to re-measurement or settlement without cost to entity	Total
Bonus provision	19 086	3 292	(1 357)	21 021
Provision for legal claims	112 170	2 182	-	114 352
Provision for damages claimed	-	114 793	-	114 793
SALA Pension Fund Provision	843	80	-	923
	<b>132 099</b>	<b>120 347</b>	<b>(1 357)</b>	<b>251 089</b>
Non-current liabilities	973 879	1 052 977	149 318	251 089
Current liabilities	792 189	738 286	-	-
	<b>1 766 068</b>	<b>1 791 263</b>	<b>149 318</b>	<b>251 089</b>

#### 1.1 Bonus provision

Bonus provision relates to the performance bonus for the section 57 employees. It also relates to performance bonuses of employees of municipal entities that are to be paid if certain conditions are met which are assessed after 30 June.

#### 1.2 Exco Bonuses

The provision relates to bonuses due to EXCO members for the 2024/25 financial year. The bonuses are subject to review of KPI's and performance targets being met for the 2024 financial year prior to approval for disbursement. The disbursement is weighted against achieved KPI's for the 2025 financial year.

#### 2. Provision for legal claims

Provisions for damages relate to the following claims against the City:

##### 2.1 Connaught court case

The provision is in respect of properties used for both business and residential but rated for business only. The City was of the view that it can rate the properties as business only which is in line with its rates policy. However, the courts held that the City's rate policy does not take precedence over the Municipal Property Rates Act and the City is obliged to apportion the value of the properties in terms of the Municipal Property Rates Act.

##### 2.2 SALA Pension Fund Provision

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024

### 25. Provisions (continued)

This provision relates to a claim by Plaintiff for non-payment of an estimated amount of a R28 million which was then reduced to R5 282 766. The plaintiff has instituted action against the City for payment of contributions by the defendant allegedly not paid in full. The parties negotiated a settlement agreement for full and final payment whereby the claim amount is reduced to R5 282 766. All parties signed the agreement, and the attorneys have approached the court to make a settlement agreement an order of court.

#### 2.3 Reinstated employees provision

This provision is in respect of the 130 employees who were fired by the City of Johannesburg during 2022 under the DA-led government. The 130 employees were initially employed as political support staff (communication support staff at the mayor's office and the council's speaker) on fixed-term contracts and later had their contracts converted to permanent contracts by the previous administration which was led by the ANC during 2021. This decision was however rescinded in 2022 when the DA came into power. It decided that the contracts were illegally converted to permanent by the ANC mayor. The Gauteng High Court found that the termination of their employment contracts was unlawful. The acting judge Johan Moorcroft has ordered the City of Johannesburg to do the following:

- (i) Reinstate the CoJ130 (78 employees) who had their permanent contracts terminated under the DA-led multiparty coalition.
- (ii) CoJ is mandated to consult with the CoJ 130 respondents before making any amendments to their employment contracts in order to demonstrate their commitment to fair and transparent
- (iii) The municipality will bear the costs of the application.

The employees were reinstated during the current year.

#### 2.4 Legal proceedings provision

The legal proceedings provision relates to the litigation in progress that likely to be paid by Johannesburg Roads Agency (SOC) Ltd based on the previous legal actions taken against the Entity. The legal claims emanates from supply chain related matters which occurred in the past and employment related matters from former employees against Johannesburg Agency (SOC) Ltd. The legal claims for on-going cases have been assessed in the current year based on the new developments in the cases.

### 3. Environmental rehabilitation: landfill sites (closed and open)

On an annual basis, management has to determine an accurate estimate of the environmental obligation to rehabilitate the various landfill sites upon closure. During this process management placed reliance upon the final Landfill Airspace Estimation Report as compiled by an independent consulting engineer for the technical data utilised in the provision and lifespan estimates.

#### Key assumptions

- The final side slope for each landfill is 1:5;
- The cover to waste ratio is 1:5 for each site;
- The growth rates for each site are based on zero growth;
- The final landfill footprint extends over the entire landfill property size (excluding infrastructure and a 20m buffer zone between the site boundary and the toe of the landfill); and
- The density of the waste is calculated using both the survey and weighbridge data.

#### 4. Kevin ash Disposal

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024

### 25. Provisions (continued)

The Kelvin bulk purchase provision relates to carbon tax imposed for emissions by Kelvin during electricity generation. The carbon tax to Kelvin was considered a pass through cost to City Power, subject to Kelvin demonstrating prudence to limit the cost. The Carbon Tax Act which became effective from 1 June 2019 makes taxpayers liable for carbon tax should they conduct one of the activities in Schedule 2 of the Carbon Tax Act (Act No. 15 of 2019), above the threshold for that activity. Carbon taxes are levied on the sum of greenhouse gas emissions from fuel combustion, industrial processes, and fugitive emissions, determined in accordance with a reporting methodology approved by the Department of Environmental Affairs. The provision relates to previous purchase agreement which expired on 8 November 2021. The payment of Carbon tax depends on Kelvin Power demonstrating how the costs were curtailed during the generation of electricity sold to the entity. In this regard the entity settled an amount of R82 089 180 during the 2023 financial year which it believes was due to Kelvin Power. Carbon tax is measured at a standard rate per KWh of units purchased included in the monthly bulk purchases invoices from Kelvin effective from 1 November 2021. Ash disposal has been provided for in respect of Kelvin Power Station. These amounts are invoiced by Kelvin but are not paid due to that there is a dispute declared between City Power and Kelvin. The entity has extended the purchase agreement from November 2021 which could result in the reversal of the ash disposal provision should an agreement be finalised between the entities. Negotiations are underway to resolve the disputed invoices.

#### 5. SARS provision

In the current year, SARS indicated that the entity under declared employees' earnings (PAYE, SDL and UIF) in the EMP501 (employees' earnings reconciliation). This has resulted in penalties and interest being charged on the under declared amount. The merits around the under declaration, penalties and interest as determined by SARS are still being investigated by JCPZ's management. However a provision has been raised accordingly.

#### 6. Other provisions

The software license provision relates to Microsoft software utilised by the entity for which no invoices has been received from the supplier. The amount is for the period 1 April 2017 - 30 June 2025. The amount is based on the latest annual invoice received from the supplier for the period 1 April 2016 - 31 March 2017, adjusted for potential increase in price. The entity is uncertain of when the actual invoices will be received from the service provider and the exchange rate at which the transactions will be measured to determine the actual liability. The provision recognised is management's best estimate of the entity's liability at reporting date.

Other creditors represents long outstanding amounts for City Parks and these are reversed to the statement of financial performance after prescription period of three (3) years unless claimed by the service provider before expiry of the three years.

### 26. Employee benefit obligations

#### 26.1 Post-retirement liabilities

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>26. Employee benefit obligations (continued)</b>				
Post-Retirement Medical Aid Plan	665 699	727 628	615 655	677 680
Post-Retirement Housing Subsidy Plan	4 950	4 864	81	-
Retirement Gratuity Plan	210 537	230 465	82 757	82 944
Other	-	-	-	-
	<b>881 186</b>	<b>962 957</b>	<b>698 493</b>	<b>760 624</b>
<b>Current Liabilities</b>				
Post-Retirement Medical Aid Plan	95 636	96 779	89 473	91 140
Post-Retirement Housing Subsidy Plan	28	18	9	-
Retirement Gratuity Plan	32 970	42 442	14 604	13 099
	<b>128 634</b>	<b>139 239</b>	<b>104 086</b>	<b>104 239</b>
<b>Non-Current Liabilities</b>				
Post-Retirement Medical Aid Plan	570 063	630 849	526 182	586 540
Post-Retirement Housing Subsidy Plan	4 922	4 846	72	-
Retirement Gratuity Plan	177 567	188 023	68 155	69 847
	<b>752 552</b>	<b>823 718</b>	<b>594 409</b>	<b>656 387</b>
<b>26.1.1 Unfunded post-retirement medical aid plan</b>				
The CJMM has obligations to subsidise medical aid contributions in respect of certain qualifying staff and pensioners and their surviving spouses. The subsidy is based on the age of each qualifying employee on the determined date. The subsidy remains payable only for as long as members remain contributory members to these medical schemes.				
<b>Amounts recognised in the Statement of financial position</b>				
Present value of unfunded obligation	727 628	714 226	677 680	662 220
Benefits paid	(96 638)	(98 581)	(90 820)	(92 979)
Net expense recognised in the statement of financial performance	34 709	111 983	28 795	108 439
	<b>665 699</b>	<b>727 628</b>	<b>615 655</b>	<b>677 680</b>
<b>Net expense recognised in the Statement of financial performance</b>				
Interest cost	61 110	72 961	56 576	68 199
Actuarial (gains)/losses	(26 401)	39 022	(27 781)	40 240
	<b>34 709</b>	<b>111 983</b>	<b>28 795</b>	<b>108 439</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024

### 26. Employee benefit obligations (continued)

#### 26.1.2 Unfunded post-retirement housing subsidy plan

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

#### Movements for the year

Opening balance	4 864	5 289	-	-
Benefits paid	(37)	-	(37)	-
Net expense/ (gain) recognised in the statement of financial performance	123	(425)	118	-
	<b>4 950</b>	<b>4 864</b>	<b>81</b>	<b>-</b>

#### Net expense recognised in the Statement of financial performance

Current service cost	119	130	-	-
Interest cost	461	521	-	-
Actuarial (gains) /losses	(457)	(1 076)	118	-
	<b>123</b>	<b>(425)</b>	<b>118</b>	<b>-</b>

#### 26.1.3 Unfunded post-retirement gratuity plan

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

#### Amounts recognised in the Statement of financial position

Present value of unfunded obligation in respect of CJMM employees	230 465	249 153	82 944	89 216
Benefits paid	(18 983)	(27 968)	(4 925)	(8 508)
Net expense recognised in the statement of financial performance	(945)	9 280	4 738	2 236
	<b>210 537</b>	<b>230 465</b>	<b>82 757</b>	<b>82 944</b>

#### Net expense recognised in the Statement of financial performance

Interest cost	20 684	23 862	8 216	9 439
Actuarial (gains)/ losses	(21 629)	(14 582)	(3 478)	(7 203)
	<b>(945)</b>	<b>9 280</b>	<b>4 738</b>	<b>2 236</b>

#### Notional loan account

Opening balance	-	-	269 733	269 733
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# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024

### 26. Employee benefit obligations (continued)

#### Key assumptions used

The principal actuarial assumptions used were as follows:

Discount rates used	9,48 %	10,99 %	9,48 %	10,99 %
Consumer Price inflation	4,25 %	5,67 %	4,25 %	5,67 %
Normal salary inflation	5,25 %	6,67 %	5,25 %	6,67 %
Medical aid contribution inflation	5,25 %	6,67 %	5,25 %	6,67 %
Net effective discount rate (PRMA)	4,02 %	4,05 %	4,02 %	4,05 %
Net effective discount rate (PEH and Gratuity)	4,02 %	4,05 %	4,02 %	4,05 %

#### Sensitivity analysis

#### GROUP - 2025

Accrued Liability- Mortality rate	- 20 % Mortality Rate	Valuation Assumption	+ 20 % Mortality Rate
Post-retirement medical aid	532 559	665 699	798 839
Post-retirement Housing subsidies	3 960	4 950	5 940
Post-retirement gratuities	168 430	210 537	252 644
Total	704 949	881 186	1 057 423

Accrued Liability- Medical/salary inflation	- 1% in medical /salary inflation	Valuation Assumption	+ 1% in medical /salary inflation
Post-retirement medical aid	659 042	665 699	672 356
Post-retirement Housing subsidies	4 900	4 950	4 999
Retirement gratuities	208 432	210 537	212 642
Total	872 374	881 186	889 998

#### CJMM - 2025

Accrued Liability- Mortality rate	- 20% Mortality Rate	Valuation Assumption	+20 % Mortality Rate
Post-retirement medical aid	671 106	615 655	571 019
Post-retirement Housing subsidies	89	81	75
Retirement gratuities	82 613	82 757	82 899
Total	753 808	698 493	653 993

Accrued Liability- Medical/salary inflation	- 1% in medical /salary inflation	Valuation Assumption	+ 1% in medical /salary inflation
Post-retirement medical aid	601 742	615 655	627 623
Post-retirement Housing subsidies	76	81	87
Retirement gratuities	-	-	-
Total	601 818	615 736	627 710

Please refer to Annexure A for other GRAP 25 compliance tables for CORE and its municipal entities.

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024

### 26. Employee benefit obligations (continued)

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>27. Deferred income</b>				
<b>Deferred income related to BRT points system</b>				
Balance at beginning of year	149	6 438	149	6 438
Net movement	70 796	78 623	70 796	78 623
Conditions met - transferred to revenue	(68 489)	(84 912)	(68 489)	(84 912)
<b>Conditions still to be met - transferred to liabilities</b>	<b>2 456</b>	<b>149</b>	<b>2 456</b>	<b>149</b>

BRT awards bonus points to passengers when they load money into their cards. The deferred income is released as and when the passengers redeem their points.

- - - -

<b>Passenger trips received in advance</b>				
Balance unspent at beginning of year	3 704	2 875	-	-
Net movements	568	829	-	-
<b>Conditions still to be met - transferred to liabilities</b>	<b>4 272</b>	<b>3 704</b>	<b>-</b>	<b>-</b>

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

Current liabilities	6 728	3 853	2 456	149
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## 28. Consumer deposits

Current portion	21 486	24 553	3 221	3 367
Non-current portion	1 855 923	1 822 430	11 311	11 311
	<b>1 877 409</b>	<b>1 846 983</b>	<b>14 532</b>	<b>14 678</b>

## 29. Loans from municipal entities

Non-current liabilities	-	-	496 708	471 410
Current liabilities	-	-	-	-
	-	-	<b>496 708</b>	<b>471 410</b>

### Medical Aid Notional loan account

Opening balance			188 633	177 194
Finance cost			14 767	14 654
Payments			(3 793)	(3 215)
			<b>199 607</b>	<b>188 633</b>

### Gratuities Notional loan account

Opening balance			282 778	268 054
Finance cost			22 135	22 168
Payments			(7 810)	(7 444)
			<b>297 103</b>	<b>282 778</b>

# City of Johannesburg Metropolitan Municipality

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## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>30. Other income</b>				
Training revenue	48 655	30 497	48 655	30 497
Recovery of insurance	9 355	2 902	2 142	1 834
Licenses and permits	3 724	2 635	3 724	2 635
Sundry revenue	1 144 352	881 235	629 866	238 908
Public safety recoveries	29 728	29 128	29 728	29 128
Gautrain maintenance fees	3 301	-	-	-
Cemetery fees	34 318	32 788	-	-
Concessionary fees	31 729	15 027	31 729	15 027
Theatre ticket sales	12 830	7 662	-	-
Cut-off fees	36 217	36 747	-	-
Internal recoveries - ME's	-	-	288 197	308 493
	<b>1 354 209</b>	<b>1 038 621</b>	<b>1 034 041</b>	<b>626 522</b>

### Other revenue from non-exchange transaction

#### Other revenue

Bulk purchases settlement	726 087	-	-	-
Other	7 082	19 907	-	-
	<b>733 169</b>	<b>19 907</b>	<b>-</b>	<b>-</b>

City Power and Eskom reached a settlement agreement regarding the overstated billing contested by the entity relating to prior periods. The service provider agreed to adjust the entity's liability account for units not received which resulted in the previously overstated billing of R726 087 000 (Vat exclusive).

This amount was previously recognised as bulk purchases expenses in prior financial years by the entity. The transaction has been treated as a change in estimates in the current financial year. The Eskom liability recognised was reduced with the R835 000 000 due to the settlement.

### 31. Reversal of impairment

Relating to income statement items	25 962	-	25 962	-
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### 32. Rendering of services

Other service charges	76 775	181 739	22 028	15 729
Town Planning	81 329	75 780	81 329	75 780
Public Safety Services	25 288	21 142	25 300	21 142
Advertising	48 294	3 459	48 294	3 459
BRT and Metrobus Revenue	145 520	156 460	62 002	81 315
Refuse removal	2 883 279	2 780 738	-	-
Sale of electricity	21 286 494	18 443 928	-	-
Sale of water	9 783 403	9 515 989	-	-
Sewerage and sanitation charges	7 254 272	6 651 597	-	-
	<b>41 584 654</b>	<b>37 830 832</b>	<b>238 953</b>	<b>197 425</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>33. Property rates</b>				
<b>Rates received</b>				
Residential	7 534 537	7 108 747	7 534 537	7 108 747
Commercial	9 677 202	9 298 137	9 677 202	9 298 137
State	488 410	392 061	488 410	392 061
	-	-	-	-
	<b>17 700 149</b>	<b>16 798 945</b>	<b>17 700 149</b>	<b>16 798 945</b>
<b>Valuations</b>				
Residential	1 102 396 602	1 091 163 771	1 102 396 602	1 091 163 771
Commercial	444 467 284	446 817 710	444 467 284	446 817 710
State	52 918 011	51 724 674	52 918 011	51 724 674
	<b>1 599 781 897</b>	<b>1 589 706 155</b>	<b>1 599 781 897</b>	<b>1 589 706 155</b>

The following are the rates that were applied to the valuations in respect of the various categories: Residential - R0.009125 (2024: 0.008791); Business and Commercial - R0.022813 (2024: R0.021978); Government – R0.013688 (2024: R0.013187). A full comprehensive list of tariffs is available in the Property Rates Policy document. The Property Rates Policy is reviewed annually in line with provisions of Section 5 of the Municipal Property Rates Act (MPRA).

In addition to the statutory reduction of R15 000, a further reduction of R285 000 was approved for property values for all residential properties. Further rebates are approved by Council for owners' dependent on pensions, expanded social package (ESP), child-headed households, disability grantees are granted additional relief in the form as outlined in the Rates Policy. The Pensioner rebate is restricted to a maximum limit of R1.5million (2024: R1.5million) on the value of the property for pensioner aged between 60-69 years and R 2 million (2024: R 2 million) on the value of the property for pensioners aged 70 and above. A full comprehensive listing of Rebates and the applicable qualifying criteria are contained in the Property Rates Policy document.

Valuations based on market values are performed every 4 years with the option to extend by additional 1 year after approval by the MEC of Local Government. The last general valuation came into effect on 1 July 2023. Supplementary valuations are processed on an annual basis to account for changes in individual property values as well as to adjust for valuation appeals where applicable.

The increase in property rates is mainly attributable to the increase in property values and property rates tariff increases approved by Council.

Interest is charged on outstanding property rates debtors. Valuations on land and buildings are performed every X years. The last general valuation came into effect on 1 July 20XX. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>34. Government grants &amp; subsidies</b>				
Informal settlement upgrading partnership	733 421	703 140	531 119	504 619
Public employment	89 262	88 617	89 262	88 617
Urban settlements development grant (USDG)	1 872 694	1 538 096	1 179 775	1 279 391
Financial management grant	1 000	1 000	1 000	1 000
United Nation Environment Programme	10 071	7 200	10 071	7 200
Public Transport Network Grant (Capital Projects)	288 344	325 452	288 344	325 452
Groen Sebenza grant	446	4	446	4
Provincial Grants: 2011/12 Library DAC	28 248	16 823	28 248	16 823
Expanded Public Works Programme (EPWP)	29 233	41 676	4 966	13 083
Provincial grant: Jozi Ihlomihle (HIV/AIDS)	26 348	23 300	26 348	23 300
Public Transport Network operations Grant	435 084	411 664	435 084	411 664
Energy management grant	7 179	61	242	61
Neighbourhood Development Partnership Grant - National	25 080	-	25 080	-
Equitable share	7 571 586	7 053 153	7 571 586	7 053 153
Provincial health subsidies	175 113	167 093	175 113	167 093
Project and programme preparation support	53 810	44 248	46 810	32 721
Skills development Grants	15 511	20 068	-	-
	<b>11 362 430</b>	<b>10 441 595</b>	<b>10 413 494</b>	<b>9 924 181</b>

### Informal settlement upgrading partnership

Balance unspent at beginning of year	6 819	88 998	6 819	88 998
Current year receipts	739 714	620 962	739 714	620 961
Paid to MEs	-	-	(202 302)	(198 521)
Conditions met - transferred to utilised (revenue in controlling entity)	(733 421)	(703 141)	(531 119)	(504 619)
Paid back	(6 819)	-	(6 819)	-
<b>Conditions still to be met - transferred to liabilities</b>	<b>6 293</b>	<b>6 819</b>	<b>6 293</b>	<b>6 819</b>

Objective of the grant is to provide funding to facilitate a programmatic, inclusive and municipality-wide approach to upgrading informal settlements in order to create a sustainable and integrated human settlement that enables quality of household life.

### Provincial grants: Capital projects

Balance unspent at beginning of year	55 329	55 329	55 329	55 329
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### Urban settlements development grant

Balance unspent at beginning of year	1 410	-	1 410	-
Current year receipts	2 612 612	1 535 158	1 919 693	1 535 158
Paid MOEs	(741 327)	(254 357)	(741 327)	(254 357)
Conditions met - transferred to revenue	(1 872 694)	(1 538 096)	(1 179 775)	(1 279 391)
<b>Conditions still to be met - transferred to liabilities</b>	<b>1</b>	<b>1 410</b>	<b>1</b>	<b>1 410</b>

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## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024

### 34. Government grants & subsidies (continued)

This grant is made available to support municipal capital budgets to fund municipal infrastructure and to upgrade existing infrastructure, primarily for the benefit of poor households. The Urban Settlement Development Grant contributes towards the achievement of sustainable human settlements and improved quality of household life by implementing infrastructure development projects that work towards the realisation of adequate housing and improved quality environments and a functional residential property market. The infrastructure development projects include roads, bridges, water supply network, sanitation services, electrical reticulation, social and recreational services, cemeteries, markets as well as release of well-located land.

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## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024

### 34. Government grants & subsidies (continued)

#### Financial management grant

Current year receipts	1 000	1 000	1 000	1 000
Conditions met - transferred to revenue	(1 000)	(1 000)	(1 000)	(1 000)
<b>Conditions still to be met - transferred to liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The grant was to target training and capacitation of the staff in the Budget and Treasury offices. It targets systems for the implementation of the MFMA reporting requirements. The grant is mainly used to employ interns in the Finance Department and to fund the MFMA minimum competency level training.

#### Provincial grants : Operating projects

Balance unspent at beginning of year	14 597	14 597	14 597	14 597
Paid back	(2 929)	-	(2 929)	-
<b>Conditions still to be met - transferred to liabilities</b>	<b>11 668</b>	<b>14 597</b>	<b>11 668</b>	<b>14 597</b>

To transform urban and rural community library infrastructure, facilities and services through a recapitalised programme at provincial level in support of local government and national initiatives. The funding is intended to address backlogs and disparities in ongoing provision and maintenance of community library services across municipalities and enable provincial departments to provide strategic guidance and alignment with national priorities.

#### United Nation Environment Programme

Balance unspent at beginning of year	5 241	10 741	5 241	10 741
Current year receipts	4 830	1 700	4 830	1 700
Conditions met - transferred to revenue	(10 071)	(7 200)	(10 071)	(7 200)
<b>Conditions still to be met - transferred to liabilities</b>	<b>-</b>	<b>5 241</b>	<b>-</b>	<b>5 241</b>

The main objective of the project is to foster city-level resilience, resource efficiency, emission reductions and other co-benefits through area-based pilot demonstrations, systems analysis(food), and improved integrated planning.

#### Public Transport Network Grant (Capital Projects)

Balance unspent at beginning of year	24 677	43 466	24 677	43 466
Current year receipts	292 354	306 663	292 354	306 663
Grants paid back	(24 668)	-	(24 668)	-
Transferred between grants	(9)	-	(9)	-
Conditions met - transferred to revenue	(288 344)	(325 452)	(288 344)	(325 452)
<b>Conditions still to be met - transferred to liabilities</b>	<b>4 010</b>	<b>24 677</b>	<b>4 010</b>	<b>24 677</b>

The purpose of PTNG is to provide funding for accelerated construction and improvement of public and non-motorised transport infrastructure that forms part of a municipal integrated public transport network). To support the planning, regulation, control, management, and operations of fiscally and financially sustainable municipal public transport network services.

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Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024

### 34. Government grants & subsidies (continued)

#### Groen Sebenza Grant

Balance unspent at beginning of year	446	-	446	-
Current year receipts	-	450	-	450
Conditions met - transferred to revenue	(446)	(4)	(446)	(4)
<b>Conditions still to be met - transferred to liabilities</b>	<b>-</b>	<b>446</b>	<b>-</b>	<b>446</b>

The purpose of this grant is to stimulate and accelerate private sector investment in poor and underserved neighbourhoods. It is an Infrastructure Development grant focusing on township development, for the purpose of attracting private investment and for Government agencies to be able to provide basic services.

#### Integrated City Development Grant (ICDG)

To provide a financial incentive for metropolitan municipalities to achieve a more compact urban spatial form through integrating and focusing their use of available infrastructure investment and regulatory instruments.

#### Expanded Public Works Programme (EPWP)

Balance unspent at beginning of year	125	2 315	125	2 315
Opening balance adjustment	-	(4)	-	(4)
Current year receipts	29 234	41 790	4 967	13 197
Paid back	(125)	(2 300)	(125)	(2 300)
Conditions met - transferred to revenue	(29 233)	(41 676)	(4 966)	(13 083)
<b>Conditions still to be met - transferred to liabilities</b>	<b>1</b>	<b>125</b>	<b>1</b>	<b>125</b>

The Grant assists in providing an important avenue for labour absorption and aids transfers of income to poor households. It uses expenditure on goods and services to create work opportunities for the unemployed. EPWP Projects employ workers on a temporary or on-going basis either by government, by contractors, or by other non-governmental organisations under the Ministerial Conditions of Employment for the EPWP or learnership employment conditions.

#### Municipal Emergency Housing Grant

Balance unspent at beginning of year	-	13 467	-	13 467
Conditions met - transferred to revenue	-	(13 467)	-	(13 467)
<b>Conditions still to be met - transferred to liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Purpose of the grant is to provide funding to municipalities for provision of temporary shelter assistance to households affected by disasters or a housing emergency. Also, to provide funding to repair the damage to housing for low-income households following a disaster or housing emergency if the costs of repairs are less than the cost of relocation and provision of temporary shelter.

#### Provincial grant : Jozi Ihlomihle (HIV/Aids)

Balance unspent at beginning of year	7 349	9 940	7 349	9 940
Current year receipts	32 120	30 649	32 120	30 649
Paid Back	(7 349)	(9 940)	(7 349)	(9 940)
Conditions met - transferred to revenue	(26 348)	(23 300)	(26 348)	(23 300)
<b>Conditions still to be met - transferred to liabilities</b>	<b>5 772</b>	<b>7 349</b>	<b>5 772</b>	<b>7 349</b>

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Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024

### 34. Government grants & subsidies (continued)

The main purpose of Jozi Ihlomile Grant is the Door-to-door Health Education Programme to educate City of Joburg communities about HIV/AIDS. The expenditure involves stipends for its Contract workers, Health educators, as well as activities like Ward campaigns, Multi sectoral programmes and Stationery.

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Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>34. Government grants &amp; subsidies (continued)</b>				
<b>Public Transport Network Grant (Operational projects)</b>				
Balance unspent at beginning of year	238 689	219 494	238 689	219 494
Current year receipts	435 117	430 859	435 117	430 859
Paid back	(238 732)	-	(238 732)	-
Transfer between grants	10	-	10	-
Conditions met - transferred to revenue	(435 084)	(411 664)	(435 084)	(411 664)
<b>Conditions still to be met - transferred to liabilities</b>	<b>-</b>	<b>238 689</b>	<b>-</b>	<b>238 689</b>

The purpose of PTNG is to provide funding for accelerated construction and improvement of public and non-motorised transport infrastructure that forms part of a municipal integrated public transport network). To support the planning, regulation, control, management, and operations of fiscally and financially sustainable municipal public transport network services.

### Energy Management Grant

Current year receipts/Repayments	7 000	-	7 000	-
Conditions met - transferred to revenue	(6 937)	-	(6 937)	-
<b>Conditions still to be met - transferred to liabilities</b>	<b>63</b>	<b>-</b>	<b>63</b>	<b>-</b>

Energy Efficiency and Demand Side Management (EEDSM) programme supports municipalities in their efforts to reduce electricity consumption by optimising energy efficiency.

### Provincial library grant

Balance unspent at beginning of year	4 500	1 562	4 500	1 562
Current year receipts	23 748	21 323	23 748	21 323
Paid back	-	(1 562)	-	(1 562)
Conditions met - transferred to revenue	(28 248)	(16 823)	(28 248)	(16 823)
<b>Conditions still to be met - transferred to liabilities</b>	<b>-</b>	<b>4 500</b>	<b>-</b>	<b>4 500</b>

To transform urban and rural community library infrastructure, facilities and services through a recapitalised programme at provincial level in support of local government and national initiatives. The funding is intended to address backlogs and disparities in ongoing provision and maintenance of community library services across municipalities and enable provincial departments to provide strategic guidance and alignment with national priorities.

### Neighbourhood Development Partnership Grant - National

Current year receipts	114 775	97 100	114 775	97 100
Transfers between grants	(89 695)	(97 100)	(89 695)	(97 100)
Conditions met - transferred to revenue	(25 080)	-	(25 080)	-
<b>Conditions still to be met - transferred to liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024

### 34. Government grants & subsidies (continued)

This grant is to provide municipalities with assistance to develop appropriate project proposals for property developments in townships & new residential neighbourhoods that include the construction or upgrading of community facilities, & where appropriate, attract private sector funding & input. Public Employment Programme (PEP) is within the mandate of NDPG

# City of Johannesburg Metropolitan Municipality

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## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>34. Government grants &amp; subsidies (continued)</b>				
<b>Equitable share</b>				
Current year receipts	7 571 586	7 053 153	7 571 586	7 053 153
Conditions met - transferred to revenue	(7 571 586)	(7 053 153)	(7 571 586)	(7 053 153)
<b>Conditions still to be met - transferred to liabilities</b>	-	-	-	-

Municipal Equitable Share is the share of Local Government Sphere's share of revenue raised nationally. The equitable share allocation is a subsidy received from National Treasury and is mainly for RSC levies replacement, special support for councillors' remuneration, ward committees and funding for free basic services (Basic Social Services Package) for the registered indigent households.

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## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>34. Government grants &amp; subsidies (continued)</b>				
<b>Provincial health subsidies</b>				
Current year receipts	175 113	167 093	175 113	167 093
Conditions met - transferred to revenue	(175 113)	(167 093)	(175 113)	(167 093)
<b>Conditions still to be met - transferred to liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
The Municipality renders health services on behalf of the Provincial Government and is refunded approximately 20% of total expenditure incurred. These funds have been used exclusively to fund clinic services. The conditions of the grant have been met. There was no delay or withholding of the subsidy.				
<b>Public contributions: Service connections</b>				
Balance unspent at beginning of year	42 377	29 008	-	-
Current year receipts	132 897	126 510	-	-
Paid back	(255)	(431)	-	-
Conditions met - transferred to revenue	(36 564)	(112 710)	-	-
<b>Conditions still to be met - transferred to liabilities</b>	<b>138 455</b>	<b>42 377</b>	<b>-</b>	<b>-</b>
<b>Municipal Disaster Response grant</b>				
Balance unspent at beginning of year	61 700	55 200	61 700	55 200
Current year receipts	-	6 500	-	6 500
Amount paid back	(61 700)	-	(61 700)	-
<b>Conditions still to be met - transferred to liabilities</b>	<b>-</b>	<b>61 700</b>	<b>-</b>	<b>61 700</b>
Funds from the National Disaster Management Centre (NDMC) for the purpose of restoring functionality of municipal infrastructure following a disaster, the floods that occurred in December 2022 in Soweto and surrounding areas, by rehabilitating and reconstructing municipal infrastructure damaged by disasters				
<b>Public employment grant</b>				
Balance unspent at beginning of year	-	122 454	-	122 454
Current year receipts	114 776	97 100	114 776	97 100
Amount paid back	(25 081)	(130 937)	(25 081)	(130 937)
Conditions met - transferred to revenue	(89 262)	(88 617)	(89 262)	(88 617)
<b>Conditions still to be met - transferred to liabilities</b>	<b>433</b>	<b>-</b>	<b>433</b>	<b>-</b>
This grant is part of the presidential stimulus package as part of post COVID-19 pandemic Economic recovery plan. The aim of the PEP is to create short-term employment opportunities within the City of Johannesburg. The program focuses on initiatives such as maintenance of public infrastructure, grass cutting and greening of open spaces, provision of safety patrollers in priority economic zones.				
<b>Skills development grant</b>				
Balance unspent at beginning of year	3 617	4 044	-	-
Current year receipts	17 637	21 242	6 500	5 569
Paid back	(2 126)	(1 600)	-	-
Transferred to MOE	-	-	(6 500)	(5 569)
Conditions met - transferred to revenue	(15 511)	(20 069)	-	-

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## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>34. Government grants &amp; subsidies (continued)</b>				
Conditions still to be met - transferred to liabilities	3 617	3 617	-	-

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## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>34. Government grants &amp; subsidies (continued)</b>				
<b>Rockefeller Grant</b>				
Balance unspent at beginning of year	3 709	3 770	3 709	3 770
Current year receipts	6 937	-	-	-
Transfers between grants	(20)	-	(20)	-
Conditions met - transferred to revenue	(7 179)	(61)	(242)	(61)
<b>Conditions still to be met - transferred to liabilities</b>	<b>3 447</b>	<b>3 709</b>	<b>3 447</b>	<b>3 709</b>

To support City-led inclusive climate action addressing the needs of migrants and/or displaced people in the City of Johannesburg. The Subgrant is awarded in the framework of the Global Cities Fund for Inclusive Climate Action.

### Project and programme preparation support

Balance unspent at beginning of year	2 336	30 358	2 336	30 358
Current year receipts	72 234	46 527	65 234	35 000
Amount paid back	(2 000)	(30 301)	(2 000)	(30 301)
Conditions met - transferred to revenue	(53 810)	(44 248)	(46 810)	(32 721)
<b>Conditions still to be met - transferred to liabilities</b>	<b>18 760</b>	<b>2 336</b>	<b>18 760</b>	<b>2 336</b>

To support metropolitan municipalities to develop a pipeline of investment ready capital programmes and projects through establishing and institutionalising an effective and efficient system of programme and project preparation and the allocation of a growing level of municipal resources to preparation activities.

### Integrated National Electrifications Grant (DOE)

Balance unspent at beginning of year	6 542	6 542	-	-
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### Clubhouse Network

Balance unspent at beginning of year	31	31	31	31
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The Clubhouse Network provides funding to the City for the purpose of purchasing new, creative and advanced technology for two youth-serving Clubhouses that the City operates in Bellavista and Randburg.

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>35. Employee related costs</b>				
Employee related costs : Salaries and wages	14 512 431	13 568 691	8 783 259	8 375 780
Employee related costs : Pension contributions	2 052 531	1 867 490	1 228 396	1 138 043
Employee related costs : Medical aid contributions	1 096 628	1 023 431	637 956	598 446
Employee related costs : Skills development levy	173 276	164 462	103 562	96 665
Housing benefits and allowances	100 707	90 001	69 284	65 481
Overtime payments	948 910	946 580	290 949	282 492
Bonus	973 319	892 972	539 169	489 660
Travel, motor car, accommodation, subsistence and other allowances	771 406	747 582	490 281	482 009
Post-Retirement Benefits	(65 099)	24 065	(31 179)	33 038
Other employee benefits	85 657	78 361	-	-
UIF	80 276	80 987	43 115	43 692
	<b>20 730 042</b>	<b>19 484 622</b>	<b>12 154 792</b>	<b>11 605 306</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

	Group		CJMM	
	2025	2024	2025	2024
<b>35. Employee related costs (continued)</b>				
<b>Key management remuneration - 2025</b>				
Annual Remuneration			67 683	60 175
Car Allowance			2 627	4 530
Performance Bonuses			2 712	1 818
Contributions to UIF, Medical and Pension Funds			6 041	4 012
Final Leave payment			2 441	1 471
Other benefits received			1 853	2 567
			<b>83 357</b>	<b>74 573</b>

Key management 2025	Annual salary	Allowances	Contributions to UIF, Medical and Pension Funds	Performance bonus	Final Leave payment	Other benefits received	Total
CM	1 636	-	1	56	304	-	1 997
COO	2 443	281	257	-	-	-	2 981
GCFO	1 731	137	376	-	-	-	2 244
SECRETARY	1 594	132	310	-	60	-	2 096
GED - GCSS	2 054	17	2	-	-	-	2 073
ED - DED	1 011	-	75	-	-	-	1 086
ED - SOCIAL DEV	610	40	108	-	178	-	936
ED - HOUSING	1 121	267	99	-	142	-	1 629
ED - DPUM	3 547	87	268	-	142	-	4 044
ED - TRANSPORT	1 026	98	192	-	-	-	1 316
GH - GOVERNANCE	1 858	-	386	52	-	-	2 296
GH - LEGAL	1 365	162	140	-	120	-	1 787
GH - GICT	1 952	36	341	-	142	-	2 471
ED - EISD	1 845	33	364	36	120	-	2 398
ED - HEALTH	2 038	38	171	157	-	-	2 404
ED - COMMUNICATION	1 858	142	46	-	194	-	2 240
GH - RISK & ASSURANCE	2 221	-	235	-	-	-	2 456
GH - URBAN MANAGEMENT	2 074	126	236	-	153	-	2 589
GH- STRATEGY	1 888	160	224	153	12	-	2 437
<b>TOTAL CORE</b>	<b>33 872</b>	<b>1 756</b>	<b>3 831</b>	<b>454</b>	<b>1 567</b>	<b>-</b>	<b>41 480</b>
JRA - CHIEF EXECUTIVE OFFICER	3 131	-	-	-	-	300	3 431
JOSHCO - CHIEF EXECUTIVE OFFICER	1 888	125	139	-	-	-	2 152
CIVIC - CHIEF EXECUTIVE OFFICER	2 880	88	29	387	-	-	3 384
PARKS - MANAGING DIRECTOR	2 336	-	313	328	51	2	3 030
PROPERTY - CHIEF EXECUTIVE OFFICER	2 744	250	45	419	701	-	4 159
PROPERTY - ACTING CHIEF EXECUTIVE OFFICER	1 859	96	430	305	-	87	2 777
MBUS - MANAGING DIRECTOR	777	-	-	-	-	160	937
MARKET - CHIEF EXECUTIVE OFFICER	1 607	-	-	-	-	659	2 266
JDA - CHIEF EXECUTIVE OFFICER	2 736	-	424	177	-	-	3 337
PIKITUP - MANAGING DIRECTOR	3 768	-	87	260	-	-	4 116
WATER - MANAGING DIRECTOR	2 617	176	445	203	-	-	3 441
POWER - CHIEF EXECUTIVE OFFICER	3 151	-	-	-	-	181	3 332
JTC - CHIEF EXECUTIVE OFFICER	1 855	137	298	178	123	21	2 612
MTC - CHIEF EXECUTIVE OFFICER	2 461	-	-	-	-	443	2 904
	<b>67 682</b>	<b>2 628</b>	<b>6 041</b>	<b>2 712</b>	<b>2 441</b>	<b>1 853</b>	<b>83 358</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

	Group		CJMM		Total		
	2025	2024	2025	2024			
<b>35. Employee related costs (continued)</b>							
<b>Key management 2024</b>	Annual salary	Allowances	Contribution to UIF, Medical and Pension Funds	Performance bonus and other benefits	Final Leave payment	Other benefits received	
CM	3 357	-	2	-	-	-	3 359
COO	1 373	-	145	-	-	-	1 518
GCFO	1 652	572	362	-	-	-	2 586
SECRETARY	1 082	50	108	-	226	-	1 466
ED - TOURISM	722	250	117	-	-	-	1 089
ED - DED	497	81	109	-	-	-	687
ED - SOCIAL DEV	1 790	120	312	-	-	-	2 222
ED - HOUSING	1 770	408	43	-	-	-	2 221
ED - DPUM	2 022	-	192	-	-	-	2 214
ED - TRANSPORT	913	159	72	-	155	-	1 299
ED - PUBLIC SAFETY	934	56	1	-	189	-	1 180
GH- GOVERNANCE	1 781	229	377	-	86	-	2 473
GH - LEGAL	1 714	505	2	-	-	-	2 221
GED - GICT	1 939	86	326	-	-	-	2 351
ED - EISD	2 135	84	2	-	-	-	2 221
EH - HEALTH	1 157	-	97	-	-	-	1 254
ED - COMMUNICATION	1 906	132	2	-	-	-	2 040
GH - RISK AND ASSURANCE	1 833	-	195	-	189	-	2 217
GH - URBAN MANAGEMENT	1 412	74	109	152	-	-	1 747
GH - STRATEGY	1 840	163	214	-	8	-	2 225
<b>TOTAL CORE</b>	<b>31 829</b>	<b>2 969</b>	<b>2 787</b>	<b>152</b>	<b>853</b>	<b>-</b>	<b>38 590</b>
JRA -CHIEF EXECUTIVE OFFICER	279	-	-	-	-	3	282
JOSHCO-EXECUTIVE OFFICER	1 978	135	77	-	-	-	2 191
CIVIC - CHIEF EXECUTIVE OFFICER	2 792	209	32	356	-	-	3 389
PARKS - MANAGING DIRECTOR	2 008	-	277	-	2	-	2 287
PROPERTY - CHIEF EXECUTIVE DIRECTOR	2 744	261	-	419	-	36	3 460
METROBUS - MANAGING DIRECTOR	915	-	-	281	-	71	1 267
METROBUS - ACTING MANAGING DIRECTOR	1 313	-	-	298	234	369	2 214
MARKET- ACTING CHIEF EXECUTIVE OFFICER	1 139	-	-	-	-	953	2 092
MARKET- ACTING CHIEF EXECUTIVE OFFICER	299	-	-	-	-	129	429
MARKET- ACTING CHIEF EXECUTIVE OFFICER	-	-	-	-	-	79	79
JDA - CHIEF EXECUTIVE OFFICER	220	97	24	-	-	-	341
JDA - ACTING CHIEF EXECUTIVE OFFICER	2 609	386	84	-	-	-	3 079
PIKITUP - MANAGING DIRECTOR	3 218	-	78	104	228	-	3 628
WATER - MANAGING DIRECTOR	2 542	176	441	207	-	-	3 366
POWER - CHIEF EXECUTIVE OFFICER	3 061	-	-	-	-	59	3 120
JTC - CHIEF EXECUTIVE OFFICER	1 299	103	211	-	154	18	1 785
MTC - CHIEF EXECUTIVE OFFICER	1 928	-	-	-	-	850	2 778
	<b>60 474</b>	<b>4 530</b>	<b>4 011</b>	<b>1 818</b>	<b>1 471</b>	<b>2 568</b>	<b>74 573</b>

### Remuneration of the City Manager (Former)

Contract ended in December 2016

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>36. Remuneration of councillors</b>				
Executive Mayor	1 614	1 577	1 614	1 577
Mayoral Committee Members	12 438	11 455	12 438	11 455
Speaker	1 309	1 153	1 309	1 153
Councillors	143 828	143 798	143 828	143 798
Councillors' pension contribution	9 255	10 261	9 255	10 261
Chairpersons	20 476	18 458	20 476	18 458
Chief Whip	1 258	1 116	1 258	1 116
	<b>190 178</b>	<b>187 818</b>	<b>190 178</b>	<b>187 818</b>

Chief Whip remuneration has been disclosed separately. In prior years it was disclosed under councillors remuneration.

### Remuneration of the Executive Mayor

Annual Remuneration Gwamanda Kabelo			176	1 527
Cell Allowance - Gwamanda Kabelo			-	50
Annual Remuneration - Morero Sello			1 204	-
Cell Allowance - Morero Sello			191	-
			-	-
Subsistence Allowance - Gwamanda Kabelo			5	-
Subsistence Allowance - Morero Sello			38	-
			-	-
			-	-
			-	-
			<b>1 614</b>	<b>1 577</b>

### 37. Depreciation and amortisation

Property, plant and equipment	4 250 431	4 095 842	2 669 689	2 728 636
Investment property	1 511	1 467	-	-
Living resources	1 836	1 757	675	682
Intangible assets	486 624	415 018	388 915	344 704
	<b>4 740 402</b>	<b>4 514 084</b>	<b>3 059 279</b>	<b>3 074 022</b>

### 38. Impairment loss

#### Impairments

Property, plant and equipment	204 613	232 645	131 741	208 025
Intangible assets	6 735	12 762	-	-
Loans - Pikitup Johannesburg (Pty) Ltd	-	-	31 346	72 194
Loans - Metro Trading Company	-	-	331 860	265 873
Investment in ME's PIKITUP	-	-	31 315	-
Investments in ME's - City Power	-	-	112 466	-
Investment in ME's - Metropolitan Trading Company	-	-	97 971	-
	<b>211 348</b>	<b>245 407</b>	<b>736 699</b>	<b>546 092</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>39. Debt impairment</b>				
Consumer debtors	9 057 845	7 366 946	2 305 872	1 649 260
Receivables from non-exchange	25 106	22 842	15 611	12 336
Other receivables	397 478	111 066	3 582	4 058
	<b>9 480 429</b>	<b>7 500 854</b>	<b>2 325 065</b>	<b>1 665 654</b>
<b>40. Bulk purchases</b>				
Electricity - Eskom	19 210 554	16 736 572	-	-
Water	8 566 159	8 410 494	-	-
Sewer purification	11 913	14 926	-	-
	<b>27 788 626</b>	<b>25 161 992</b>	-	-

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024

### 40. Bulk purchases (continued)

#### Electricity distribution losses

Units purchased (kWh)	10 050 902	9 759 156	-	-
Units sold (kWh)	(7 050 988)	(6 843 657)	-	-
<b>Total loss</b>	<b>2 999 914</b>	<b>2 915 499</b>	<b>-</b>	<b>-</b>
Rand Value loss: (R/kWh)				
Technical losses	1 709 670	1 485 824	-	-
Non-technical losses	3 960 207	3 446 202	-	-
<b>Total</b>	<b>5 669 877</b>	<b>4 932 026</b>	<b>-</b>	<b>-</b>

#### Distribution losses

The electricity energy losses can be classified into technical losses and non-technical losses, during 2024/2025 financial year.

The entity's technical losses for the year are measured at 9%, amounting to R1 709 670 000 (2024: R1 485 824 000). Technical losses relates to energy that is lost in the transportation of electricity from the point of supply to point of distribution through dissipation as useless heat.

The entity's non-technical losses for the year amounts to R3 960 207 000 (21%). The annual non-technical losses in prior financial year amounted to R 3 446 202 000 (21%). The losses are attributable mainly to the following:

- Theft and bypass of meters
- Illegal decalibration of meters
- Damaged meters and faulty voltage and current transformers
- Billing errors
- Customers without meters

As part of the entity's strategy to continuously reduce the impact of non-technical losses, the following interventions have been implemented and are being reviewed and improved on an annual basis:

- Installation of automatic meter management systems, for both large and small power users i.e. automated metering technologies
- Continuous replacement of faulty conventional and pre-paid meters
- Automation of process to acquire new customers and change of meters (through the implementation of automated workflow and escalation system)
- Utilisation of anonymous "hot line" to report theft, vandalism and tampering
- Random and targeted audits are performed, followed by removal of illegal connections and normalisation supply
- Stand by stand audit which will constitute (100%) verification against the valuation role of the City of Johannesburg
- Reconciliation of customer population with the number of stands on the General valuation roll of CoJ.

The entity calculates distribution losses as a percentage of Bulk purchases and Kelvin capacity charges which is reported as lease costs in the Statement of Financial Performance.

#### Percentage Loss:

Technical losses	9 %	9 %	- %	- %
Non-technical losses	21 %	21 %	- %	- %
<b>Total</b>	<b>30 %</b>	<b>30 %</b>	<b>- %</b>	<b>- %</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024

### 40. Bulk purchases (continued)

#### Water losses

Comprising of:

Physical losses	2 031 000	2 088 000	-	-
Commercial losses	790 100	812 100	-	-
<b>Total</b>	<b>2 821 100</b>	<b>2 900 100</b>	<b>-</b>	<b>-</b>

#### Non-Revenue Water

The level of NRW for the year under review to June 2025 is 44.79% [R3.837 billion] (2024: 46.18% [R3.884 billion]). The level of unbilled authorised consumption for the year under review to June 2025 is 11.85% [R1.015 billion] (2024: 11.69% [R983.0 million]) and is included under water inventory expensed. Unbilled authorised consumption is water supplied to the informal environments, water supplied to deemed consumption areas over and above the flat rate of recovery applied, as well as water utilised in network system maintenance performed.

The level of water losses (physical and commercial losses) which is part of NRW for the year under review is 32.94% [R2.822 billion] (2024: 34.49% [R2.901 billion]) and is included under Operating expenditure as Water losses. Refer to note 24.

The level of physical losses for the year under review to June 2025 is 23.72% [R2.031 billion], (2024: 24.83% [R2.088 billion]). Physical losses are incurred as a result of leaks on the water network infrastructure.

The level of commercial losses for the year under review to June 2025 is 9.22% [R790.1 million], (2024: 9.66% [R812.1 million]). Commercial losses are incurred as a result of illegal connections and metering and associated data transfer errors.

The various benchmark levels of Non-Revenue Water were published in the latest South African Water Research Commission report on the State of Non- Revenue Water in South Africa classifies Non-Revenue Water in the following categories:

	Legend	Description
1	<15%	Low level of NRW, very good performance
2	15-30%	Low level of NRW, good performance
3	30-40%	Average level of NRW, average performance
4	40-50%	High level of NRW, poor performance
5	>50%	Very high level of NRW, very poor performance

Certain levels of Non-Revenue Water are acceptable from an economic point of view as indicated in the table above. This means the cost of interventions to reduce Non-Revenue Water should be less than the savings to be realised.

The objective for the entity was to achieve an average level of Non-Revenue Water (30%-40%) for the year under review to June 2025. This average level of Non-Revenue Water achieved for the year under review to June 2025 exceeded the upper end of the average range by 4.79% [R410.6 million], (2024: 6.18% [R513.4million]).

Percentage

Loss:

Physical losses	24 %	25 %	- %	- %
Commercial losses	9 %	10 %	- %	- %
<b>Total</b>	<b>33 %</b>	<b>35 %</b>	<b>- %</b>	<b>- %</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>41. Lease rentals on operating lease</b>				
Fleet lease	1 542 859	1 739 205	282 000	443 973
Other rentals	695 171	556 414	118 460	120 862
	<b>2 238 030</b>	<b>2 295 619</b>	<b>400 460</b>	<b>564 835</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>42. Grants and subsidies paid</b>				
<b>Grants paid to ME's</b>				
City of Joburg Property Company (Pty) Ltd	-	-	695 732	623 131
Johannesburg City Parks NPC	-	-	1 186 808	1 057 688
Johannesburg Development Agency (Pty) Ltd	-	-	65 715	71 574
Johannesburg Metro Bus Services (Pty) Ltd	-	-	659 660	607 299
Johannesburg Roads Agency (Pty) Ltd	-	-	1 432 075	1 310 112
Johannesburg Social Housing Company (Pty) Ltd	-	-	149 860	129 649
Johannesburg Tourism Company	-	-	97 651	80 647
Metropolitan Trading Company (Pty) Ltd	-	-	224 856	259 136
Pikitup Johannesburg (Pty) Ltd	-	-	1 213 075	1 248 866
Johannesburg City Theatre (Pty) Ltd	-	-	208 443	201 182
Johannesburg Water (Pty) LTD	-	-	633 913	595 485
Johannesburg City Power	-	-	312 375	269 980
The Soweto Theatre	-	-	2 000	-
	-	-	<b>6 882 163</b>	<b>6 454 749</b>
<b>Other subsidies</b>				
Grant paid : Other	83 174	63 704	62 011	43 369
	<b>83 174</b>	<b>63 704</b>	<b>6 944 174</b>	<b>6 498 118</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>43. General expenses</b>				
Advertising	35 722	28 337	5 100	10 949
Auditors remuneration	88 799	81 917	34 612	31 911
Bank charges	245 955	217 912	230 774	202 238
Cleaning	31 698	26 124	109 496	30 088
Commission paid	25 046	29 573	-	-
Board fees	22 659	23 186	-	-
Consulting and professional fees	864 019	967 477	405 821	527 113
Cost of inventory expensed	498 282	539 731	16 224	18 637
Debt collection	360 297	440 965	359 767	440 014
Hire of equipment and buses	5 315	10 431	4 263	10 897
Insurance	328 744	326 856	328 744	326 856
Conferences and seminars	17 542	6 400	1 052	499
IT expenses	429 053	267 069	265 483	261 622
Fleet costs	459 923	493 378	160 848	188 993
Marketing	31 950	33 644	3 904	2 759
Motor vehicle expenses	193 145	207 566	-	-
Specialized services	1 333 996	1 356 767	1 348 196	1 365 204
Productions	24 526	26 496	-	-
Postage and printing stationery	97 374	106 175	77 011	87 981
Contracted services	94 340	180 921	86 403	172 383
Maintenance services	3 250 046	3 943 126	388 948	387 639
Security (Guarding of municipal property)	691 019	561 636	60 230	73 681
Software expenses	176 569	225 271	113 642	127 632
Staff welfare	111 330	135 430	33 067	52 126
Subscriptions and membership fees	33 704	30 026	27 473	24 904
Telephone and fax	129 714	122 427	25 244	29 641
Training	54 142	64 483	19 288	22 498
Travel - local	5 905	4 837	2 903	2 133
Travel - overseas	11 316	4 902	2 797	839
Free electricity	6 349	4 415	-	-
Utilities	459 869	484 526	1 364 017	1 228 247
Tourism promotion and development	15 613	16 156	-	-
Incident management fund	64 077	54 070	64 077	54 070
Billing and meter reading charges	61 949	79 466	-	-
Cut-off fees	15 610	10 731	-	-
Other expenses	658 041	703 224	629 693	698 638
	<b>10 933 638</b>	<b>11 815 651</b>	<b>6 169 077</b>	<b>6 380 192</b>

### 44. Fair value adjustments

Other financial assets				
• Sinking fund gain/(loss)	325 427	247 597	325 427	247 597

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>45. Cash generated from operations</b>				
Surplus	1 643 196	225 672	3 435 046	1 567 590
<b>Adjustments for:</b>				
Depreciation and amortisation	4 740 402	4 514 084	3 059 279	3 029 349
Public contributions, Donated and contributed property	(153 645)	(146 024)	(1 142)	(28)
Fair value adjustments	(325 427)	(247 597)	(325 427)	(247 597)
Reversal of impairment	(25 962)	-	(25 962)	-
Debt impairment	9 480 429	7 500 854	2 325 065	1 665 654
loss/gain on sale of Assets	93 615	63 746	54 215	51 349
Impairment losses	211 348	245 421	736 699	546 092
Share of surplus	(1 759)	-	-	-
Post-retirement benefits net expenditure	33 887	120 838	(31 142)	(85 046)
Movement in deferred tax	(388 459)	(692 920)	-	-
<b>Changes in working capital:</b>				
Inventories	913	(30 585)	27 098	26 511
Receivables	(552 640)	(332 265)	(9 414 115)	(3 250 170)
Consumer debtors	-	(2 448 349)	-	-
Current tax receivable	(121 286)	64 181	-	-
Current tax payable	(137 353)	(67 822)	-	-
Adjustment of impairment of current receivable	(9 480 429)	(7 500 854)	(2 325 065)	(1 665 655)
Payables	3 445 047	7 458 463	3 960 142	4 077 638
VAT receivable/ payable	247 423	(1 073 830)	541 907	(517 206)
Unspent conditional grants and receipts	(228 959)	(229 232)	-	-
Increase/(Decrease) in deferred income	2 875	(5 460)	2 307	(6 289)
Increase/(Decrease) in Provision	(25 195)	227 044	(101 771)	118 990
Increase/(Decrease) in Consumer deposits	30 426	491 598	(146)	262
Increase/(Decrease) in consumer debtors	(1 053 544)	-	-	-
	<b>7 434 903</b>	<b>8 136 963</b>	<b>1 916 988</b>	<b>5 311 444</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>46. Commitments</b>				
<b>Commitments in respect of capital expenditure:</b>				
<b>Authorised and contracted for</b>				
• Property, plant and equipment	26 094 778	20 856 449	18 243 321	14 661 498
• Intangible assets	502 071	-	502 071	-
	<b>26 596 849</b>	<b>20 856 449</b>	<b>18 745 392</b>	<b>14 661 498</b>

This committed expenditure relates to fixed assets and will be financed by government grants, existing cash resources and external loans etc. Comparative figures have been restated, refer to Note 47 (Prior-year adjustments).

### Operating leases - as lessee (Fleet)

#### Minimum lease payments due

- within one year	2 709	2 132	-	-
- in second to fifth year inclusive	5 008	6 147	-	-
	<b>7 717</b>	<b>8 279</b>	-	-

The Group leases vehicles from fleet service providers. In terms of the agreement, all rentals due on vehicles leased are payable monthly in arrears and are linked to the prime overdraft rate. Furthermore the agreement places restrictions on maximum number of kilometres which can be travelled over the lease term and specifies the rate at which excess kilometres will be billed.

### Operating leases – as lessee (Buildings)

#### Minimum lease payments due

- within one year	579 658	118 548	27 514	2 348
- in second to fifth year inclusive	575 228	14 811	107 837	-
- later than five years	620 355	-	103 933	-
	<b>1 775 241</b>	<b>133 359</b>	<b>239 284</b>	<b>2 348</b>

Comparative figures have been restated, refer to Note 47 (Prior-year adjustment). Leases for buildings are negotiated for a term of 2 to 5 years for department occupied buildings and the ME's head offices. Some leases are subject to yearly escalations at an average of 9%.

**JPC:** Operating lease payments represent rentals payable by the entity for certain office accommodation. Leases have been negotiated for period of one year to three years. No contingent rent is payable.

**CJMM:** Operating lease smoothing and calculations are based on the contracts relating to operating leases of buildings held in various Departments of the CJMM. The average leasing term for the CJMM is 4 years and the average escalation rate is 9%. Restrictions imposed on lease agreements are limited to those contained in individual contracts. A complete register of operating leases, as well as all the contracts, are maintained by facilities management.

**JRA:** The lease relates to the Head Office Building. The lease for the building relates to the 75 Helen Joseph Building which commenced on 1 March 2023.

JRA intends to occupy and lease at the head office building in the foreseeable future.

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024

### 46. Commitments (continued)

**WATER:** Operating lease payments represent rentals payable by the entity for certain of its office properties and office equipment. The lease terms are negotiated for an average of three years and no contingent rent is payable. Lease agreements over office properties are subject to escalation clauses.

**MBUS:** Operating lease payments represent rentals payable by the entity for certain of its office properties. Leases are negotiated for an average term of 3 years and rentals are fixed for an average of three years. No contingent rent is payable.

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>46. Commitments (continued)</b>				
<b>Operating leases – as lessee (Equipment)</b>				
<b>Minimum lease payments due</b>				
- within one year	12 351	23 273	-	-
- in second to fifth year inclusive	7 619	12 388	-	-
	<b>19 970</b>	<b>35 661</b>	-	-

Comparative figures have been restated, refer to Note 47 (Prior-year adjustment)

**JRA:** The operating lease agreement for printers and copiers commenced on 1 November 2023 and will be up until 31 October 2026.

**PARKS:** Included in the above, is the lease commitment that represents lease rentals for printers. The initial agreement, ended on 31 May 2025. A 2-month contract extension was entered into with the same service provider, which comes to an end on 31 July 2025.

**PIKITUP:** Operating lease payments represent rentals payable by the entity for printing machines.

**MARKET:** Operating lease payments represent rentals payable by the entity for certain of its office equipment and motor vehicles. The leasing terms for the above-mentioned leases are for 3 years and 5 years respectively.

**CIVIC:** Joburg City Theatres (SOC) Ltd leases consist of cash vault machines from Nedbank Limited, digital copier machines from Konica Minolta and Afirent fleet for the Leasing of Motor Vehicles. The monthly rental fee for the leasing of digital copier machines is fixed for the duration of the lease term. No straight lining adjustments have been recognised in the current or prior years. The rental fee for the leasing of cash vaults escalate annually based on changes in CPI. The effects of CPI has not been incorporated in the straight lining of leases as it is considered a contingent rental as per GRAP 13 requirements

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024

### 47. Prior-year adjustments

Presented below are those items contained in the statement of financial position and statement of financial performance that have been affected by prior year adjustments

#### Statement of financial position

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

### 47. Prior-year adjustments (continued)

#### GROUP - 2025

Statement of Financial Position	Note	As previously reported	Correction of error	Reclassifications	Restated
<b>Current Assets</b>		-	-	-	-
Inventories	11	574 591	(2 273)	-	572 318
Current tax receivable		136 240	-	-	136 240
Other financial assets		2 793	-	-	2 793
Receivables from exchange transactions	2	2 039 755	(269 571)	-	1 770 184
Receivables from non-exchange transactions	2	132 189	2 286 689	(2 292 608)	126 270
VAT receivable	2	1 696 515	17 730	-	1 714 245
Consumer debtors	2	8 993 789	(143 264)	2 292 608	11 143 133
Financial assets at fair value - Sinking fund		418 146	-	-	418 146
Cash and cash equivalents		2 165 857	-	-	2 165 857
<b>Total current assets</b>		<b>16 159 875</b>	<b>1 889 312</b>	<b>-</b>	<b>18 049 187</b>
<b>Non-Current Assets</b>		-	-	-	-
Living Resources	1	31 037	(16)	-	31 021
Investment property	6	1 033 457	(18 321)	-	1 015 136
Property, plant and equipment	1	84 934 414	(23 544)	-	84 910 870
Intangible assets	1	1 720 732	(149 996)	-	1 570 736
Heritage Assets	1	619 545	(285)	-	619 260
Investment in Joint Ventures		24 294	-	-	24 294
Other financial assets		47 037	-	-	47 037
Deferred tax Asset	15	4 639 834	8 650	-	4 648 484
Deposits		1 223	-	-	1 223
Financial assets at fair value- Sinking fund		358 431	-	-	358 431
<b>Total non-current assets</b>		<b>93 410 004</b>	<b>(183 512)</b>	<b>-</b>	<b>93 226 492</b>
<b>Total Assets</b>		<b>109 569 879</b>	<b>1 705 801</b>	<b>-</b>	<b>111 275 680</b>
<b>Current Liabilities</b>		-	-	-	-
Loans and borrowings		1 317 776	-	-	1 317 776
Current tax payable	4	128 263	9 090	-	137 353
Finance lease obligations	3	199 917	(23 321)	-	176 596
Financial liabilities at fair value - Sinking fund		1 510	-	-	1 510
Payables from exchange transactions	4	23 604 501	682 908	41 970	24 329 379
VAT Payable	4	18 130	848	-	18 978
Unspent conditional grants and receipts -Current		432 541	-	-	432 541
Provisions	10	725 374	12 912	-	738 286
Deferred income	2	3 853	41 970	(41 970)	3 853
Employee benefit obligation		-	-	139 237	139 237
Consumer deposits		21 186	-	3 367	24 553
<b>Total current liabilities</b>		<b>26 453 051</b>	<b>724 407</b>	<b>142 604</b>	<b>27 320 062</b>
<b>Non-Current Liabilities</b>		-	-	-	-
Loans and borrowings		17 962 087	-	-	17 962 087
Finance lease obligations	3	711 470	(105 022)	-	606 445
Payables from non exchange transactions		486 971	-	-	486 971
Employee benefits obligations	14	844 873	118 084	(139 237)	823 720
Unspent conditional grants and receipts -Non-current		52 536	-	-	52 536
Deferred tax liability	4	3 604 652	(54)	-	3 604 598
Provisions		1 052 977	-	-	1 052 977
Financial liabilities at fair value	8	199 153	-	-	199 153
Consumer deposits	15	1 825 797	-	(3 367)	1 822 430
<b>Total non-current liabilities</b>		<b>26 740 516</b>	<b>13 008</b>	<b>(142 604)</b>	<b>26 610 917</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

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<b>47. Prior-year adjustments (continued)</b>				
Total Liabilities	53 193 567	737 412	-	53 930 979
<b>Accumulated Surplus</b>	<b>56 376 312</b>	<b>968 387</b>	<b>-</b>	<b>57 344 699</b>

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# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

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### 47. Prior-year adjustments (continued)

#### CJMM - 2025

Statement of Financial Position	Note	Correction of error
CJMM - Investment property		(18 321)
CJMM - Property, plant and equipment		(12 713)
CJMM - Intangible Assets		(159 143)
CJMM - Heritage Assets		(285)
CJMM - Living Resources		(20)
CJMM - Employee Benefit Obligation		(118 084)
CJMM - Receivables from exchange transactions		(21 539)
CJMM - Receivables from non-exchange transactions		2 292 608
CJMM - Inventory		(2 273)
CJMM - Finance lease obligation		128 371
CJMM - Payables from exchange transactions		(588 903)
CJMM - Accumulated Surplus		1 499 698
		<b>2 999 396</b>

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#### Statement of financial performance

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

### 47. Prior-year adjustments (continued)

#### GROUP - 2025

	Note	As previously reported	Correction of error	Reclassifications	Restated
Revenue from exchange transactions		-	-	-	-
Rendering of services	5	37 936 455	(105 623)	-	37 830 832
Rental of facilities and equipment		307 430	-	-	307 430
Agency services		969 999	-	-	969 999
Other revenue	5	1 047 042	6 300	(14 721)	1 038 621
Demand Side Management levy		267 734	-	-	267 734
Finance Income		949 123	-	-	949 123
Foreign exchange income	15	-	3	14 721	14 724
Fair value adjustments		247 597	-	-	247 597
Total revenue from exchange transactions		41 725 380	(99 320)	-	41 626 060
Revenue from non-exchange transactions		-	-	-	-
Taxation revenue		-	-	-	-
Property rates		16 798 945	-	-	16 798 945
Surcharges and taxes		312 262	-	-	312 262
Finance Income		211 826	-	-	211 826
Transfer revenue		-	-	-	-
Government Grants and Subsidies		10 441 595	-	-	10 441 595
Levies		4 078 154	-	-	4 078 154
Public contributions, donated and contributed property, plant and equipment		235 069	-	-	235 069
Fines, Penalties and Forfeits		175 592	-	-	175 592
Other revenue	5	19 955	(48)	-	19 907
Total revenue from non-exchange transactions		32 273 398	(48)	-	32 273 350
Total revenue		73 998 778	(97 485)	-	73 899 410
Expenditure		-	-	-	-
Employee related costs	14	(19 363 760)	(120 861)	-	(19 484 621)
Remuneration of councilors	15	(187 819)	1	-	(187 818)
Depreciation and amortization	9	(4 470 057)	(44 027)	-	(4 514 084)
Impairment losses		(245 421)	-	-	(245 421)
Finance costs	13	(2 954 333)	11 445	-	(2 942 919)
Debt impairment	2	(8 739 261)	1 238 406	-	(7 500 855)
Bulk purchases		(25 161 992)	-	-	(25 161 992)
Lease rentals on operating lease	8	(2 212 773)	(82 846)	-	(2 295 619)
Grants and subsidies paid		(63 704)	-	-	(63 704)
General expenses	7	(11 407 633)	(408 018)	-	(11 815 651)
Loss on disposal of assets and liabilities		(63 746)	-	-	(63 746)
Share of surpluses or deficits from associates or joint ventures accounted for using the equity method		(70)	-	-	(70)
Total expenditure		(74 870 569)	594 069	-	(74 276 500)
Taxation		594 060	8 702	-	602 762
<b>(deficit) Surplus for the year</b>		<b>(277 731)</b>	<b>503 434</b>	<b>-</b>	<b>225 672</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

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### 47. Prior-year adjustments (continued)

#### CJMM - 2025

Statement of financial performance	Note	Correction of error	Reclassifications	
CJMM - Employee related costs		118 084		-
CJMM - Depreciation and amortisation		44 673		-
CJMM - Finance costs		(11 565)		-
CJMM - General Expenses		466 639		-
CJMM - Debt impairment		(1 246 751)		-
		<b>(628 920)</b>		<b>-</b>

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# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

### 47. Prior-year adjustments (continued)

#### Statement of Cash Flows

##### GROUP - 2025

Cash flows from operating activities	Note	As previously reported	Correction of error	Reclassification	Restated
Cash receipts from customers	13	51 449 916	(752 545)	-	50 697 371
Grants		10 212 363	-	-	10 212 363
Interest income		348 931	-	-	348 931
Payment to suppliers and employee	13	(50 514 490)	412 202	-	(50 102 288)
Interest costs	13	(2 922 257)	(69)	-	(2 922 326)
Taxes paid	13	(106 176)	9 088	-	(97 088)
<b>Surplus/(Deficit) for the year</b>		<b>8 468 287</b>	<b>(331 324)</b>	<b>-</b>	<b>8 136 963</b>

Cash flows from investing activities	Note	As previously reported	Correction of error	Reclassification	Restated
Purchase of capital assets	13	(7 648 451)	459 775	-	(7 188 676)
Cash movements in sinking fund		(698 000)	-	-	(698 000)
Other financial assets		6 894	-	-	6 894
<b>Surplus/(Deficit) for the year</b>		<b>(8 339 557)</b>	<b>459 775</b>	<b>-</b>	<b>(7 879 782)</b>

Cash flows from financing activities	Note	As previously reported	Correction of error	Restated
Proceeds from borrowings	4	3 670 000	-	3 670 000
Finance lease obligation		842 220	(128 346)	713 874
Repayment of borrowings		(6 403 764)	-	6 403 764
Repayment of post-retirement benefits		(126 444)	(105)	(126 549)
Deposits		(195)	-	(195)
<b>Deficit for the year</b>		<b>(2 018 183)</b>	<b>(128 451)</b>	<b>10 660 894</b>

##### CJMM - 2025

Restatement for commitments		-
REASON FOR RESTATEMENT		-
A change was due to the operating lease expense for printers and copiers being overstated in the prior year. The lease payments had been calculated on the full monthly spend, which incorrectly included variable costs charge such as toner, paper, and other consumables.	JRA	(626)
Management reviewed the commitment balance and the review resulted in an adjustment of R48,969,173 to restate the 2024 commitments balance	JOSHCO	48 969
"During the current financial year, it was identified that consultant commitments of R129 million were omitted from the prior year disclosures. In terms of GRAP 3, this omission is a prior period error. The prior year comparatives have been restated to include the previously omitted commitments. The restatement increases the disclosed commitments in the prior year but does not affect the total net assets of the municipality."	WATER	129 205
Operating lease payments represent rentals payable by the entity for certain of its office equipment and motor vehicles. The leasing terms for the above mentioned leases are for 3 years and 5 years respectively. This section was not disclosed in the prior year.	JFPM	10 769

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

### 47. Prior-year adjustments (continued)

During the group level review it was noted that operational commitments were erroneously included in the 2024 financial year balance. This has been removed and balance restated accordingly.

JDA (9 922)

Restatement for UIFW - Irregular expenditure

-

REASON FOR RESTATEMENT

-

Group comparatives were restated to align with commitments reported at component level

JDA 1 169

Opening balance adjustment

POWER 185 886

The error was as a result of incorrect recording of the irregular expenditure that was originally detected and declared in prior periods. These have now been corrected as a prior period error.

WATER 108 507

Restatement for UIFW - fruitless and wasteful expenditure

-

REASON FOR RESTATEMENT

-

Prior year expenditure relating to interest incurred was reversed

WATER 376

Opening balance adjustment

CJMM 8 374

SARS claimed that the entity under declared employees' earnings (PAYE, SDL and UIF) in the EMP501 (employees' earnings reconciliation) for the 2019/20 financial year. This resulted in penalties and interest being charged on the under declared amounts. The merits around the under declaration, penalties and interests as determined by SARS were investigated and found to be invalid. The penalties and interests amounting to R253 000 were reversed.

PARKS 7

#### Restatement for UIFW - Unauthorised expenditure

REASON FOR RESTATEMENT

-

Opening balance adjustment

PARKS 1 104

Opening balance adjustment

JDA 269

SARS claimed that the entity under declared employees' earnings (PAYE, SDL and UIF) in the EMP501 (employees' earnings reconciliation) for the 2019/20 financial year. This resulted in penalties and interest being charged on the under declared amounts. The merits around the under declaration, penalties and interests as determined by SARS were investigated and found to be invalid. The penalties and interests amounting to R253 000 were reversed.

PARKS 7

Restatement for Operating leases

-

REASON FOR RESTATEMENT

-

A change of (R625 739) from R 8 199 864 to R 7 574 125 was due to The operating lease expense for printers and copiers being overstated in the prior year. The lease payments had been calculated on the full monthly spend, which incorrectly included variable costs charge such as toner, paper, and other consumables. In the current year, a clear lease contract was obtained, which specified the fixed lease amount applicable only to the printers and copiers, excluding variable costs. Accordingly, the operating lease expense was recalculated to reflect only the fixed lease charge.

JRA 626

-

-

-

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

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### 47. Prior-year adjustments (continued)

<b>MFMA additional disclosure</b>	As previously reported	Correction of error	Restated
SALGA Contributions	-	78 507	78 507
Skill Development Levy	7 266	9 555	16 821
Audit fees	-	485	485
PAYE and UIF	61 635	172 811	234 446
Pension and Medical Aid deductions	(129 809)	240 451	110 642
Vat	1 680 145	(1 304 529)	375 616
	<b>1 619 237</b>	<b>(802 720)</b>	<b>816 517</b>

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## Notes to the Group Annual Financial Statements

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### 47. Prior-year adjustments (continued)

#### STATEMENT OF FINANCIAL PERFORMANCE

##### GROUP & CJMM

Management provides explanations for prior period adjustments which are considered material

#### 1. Property, plant and equipment, Heritage Assets, Intangible Assets and Living resources (Reclassification and correction of errors)

JPC - Office alterations have been corrected in line with the reassessed useful life in the prior year -:

JRA - The net change in property, plant and equipment was due to correcting a mistake from previous year, where an expense was wrongly added as an asset.

Parks - During the year ended 30 June 2025, management identified that certain assets with a carrying amount of nil at 30 June 2024 were still in use but had not been reassessed for their remaining useful lives as required by GRAP 17 – Property, Plant and Equipment and GRAP 110 - Living Resources . This resulted in an overstatement of accumulated depreciation in prior years and no depreciation being charged for these assets in the current period..

JOSHCO - The Work in progress was initially recognised as IT Equipment. The first correction is to account for the amounts excluding VAT, meaning an adjustment was made to the VAT balance as well. On further analysis of supporting information, it was discovered that there is a part of the amount that is for development and completion of JOSHCO APP

which was signed off as complete in September 2023. Therefore, a prior period error exists to recognise and capitalise the

intangible asset in the 2024 financial year and its applicable amortisation. In addition, the remaining balance of the work-in progress was for fibre implementation in the JOSHCO managed properties, where completion was achieved

for 18 sites. This therefore means there was a portion of the balance that was to be capitalised in both the 2023 and 2024

financial year as per the sign-off documentation for completion of work. These errors were accounted for and their effects

on the financial statements is disclosed above

CJMM - Adjustments relate to misclassification of costs incurred on AUC. It also relates to some repairs costs which were misclassified and capitalisation of projects that were completed in the prior years. Misstatements had impact on depreciation and impairment loss which subsequently led to incorrect carrying amount in the fixed asset register.

WATER - The prior year figures have been restated to reflect adjustments in the classification of property, plant and equipment

Note 3. Certain assets were reclassified between asset classes to ensure accurate presentation in accordance with GRAP. These adjustments did not affect the total net assets of the entity but resulted in changes to the composition of PPE classes.

#### 2. Receivables from exchange and receivables from non-exchange (Reclassification and Correction of errors)

JFPM - The adjustment to receivables from exchange is as a result of management identifying transactions with a related party previously accounted for incorrectly as a debtor as opposed to corporate social investments in support of the social activities of the City of Johannesburg Municipality.

MBUS - Receivables from exchange transactions relates to an error on receipts that had incorrectly been written off.

JOSHCO - The balance represents staff bursaries paid by JOSHCO and it was noted that bursaries are not due to JOSHCO until a specified event (i.e. acknowledgement of debt by JOSHCO staff member) and therefore bursary payments by JOSHCO should be treated as expenses on initial recognition.

JOSHCO - In the prior year, an audit adjustment was done to reverse write-offs to receivable that did not have valid approvals. The adjustment was done correctly to increase the Debtor's balance. However, the recovery of the debt remained doubtful, and the prior year was corrected to account for the provision for doubtful debt. The debt impairment in the income statement was effectively also adjusted and the net receivable balance was restated as a result.

JOSHCO - It was noted that there were utility recoveries that relate to the 2023 and 2024 financial year that were not previously

accounted for. The prior year revenue (Utility recoveries) and 2023 accumulated deficit were adjusted to account for the

amounts receivable.

JOSHCO - The balances in the line item were analysed in detail and it was noted that the balance includes items that were not claimed at CoJ, and items were not accepted by CoJ due to budgetary issues or the nature of expenditure is

## Notes to the Group Annual Financial Statements

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### 47. Prior-year adjustments (continued)

not Capital. Therefore, the items should have been treated as expenses in JOSHCO AFS as there is no likelihood that JOSHCO will receive economic benefits from a successful claim at CoJ. The transactions date back to the 2022 and 2023 and 2024 financial

year and therefore have been restated through Accumulated deficit. In addition, there were transactions identified that could not be traced to proper source documentation and these are now subject to formal investigations which will be conducted during the 25-26 financial year. Since these amounts do not appear to relate to valid receivables, they should have been provided for as doubtful in the 2023 financial year. In addition to the above, it was also noted that the deferred income relating to the SHRA funding transactions was incorrectly mapped to the abovementioned line item. Therefore 2024 balance was also corrected by reclassifying the deferred amount to current liabilities

JPC - Related party transactions previously invoiced to departments were corrected after consultation and review of the transactions

JPC - Staff debtors raised in the prior year have been corrected to reflect amounts in the signed acknowledgement of debts

CJMM - relates to debtors that were previously not accounted for and the accrued vat changed based on the accruals that were not accounted for in the previous financial year.

CJMM - The City has revised its debt impairment policy for determining the impairment provision on property rates receivables. The calculation now estimates potential default rates using a matrix based on the weighted average of 12 months' ageing brackets for rates receivables. Debts which are 30 days or less are considered current and not impaired, except for indigents, which are provided for at 100%. For debts over 300 days, a receivables ratio is used to estimate the potential default rate. The ratio represents the level of old debt in the statutory receivables balance at reporting date and provides management a trend movement in the statutory receivables. This ratio will be done on a year-to-year comparison. The change in the policy has been applied retrospectively

### 3. Finance lease obligation (Reclassification and Correction of errors)

POWER - A vehicle supplied by Afrirent under an existing operating lease agreement was incorrectly capitalised as finance lease during 2024 financial year. It was also discovered that one vehicle was delivered during the 2024 financial year and was erroneously omitted on the lease schedule and not capitalized during the 2024 financial year.

CJMM - the adjustment relates to an overstated carrying amount as a result of lease payments that were inclusive of non-lease elements. This in turn overstated the finance lease interest cost, the leased asset carrying amount as well as its corresponding depreciation.

### 4. Payables from exchange transactions and payables from non-exchange (Reclassification and Correction of errors)

## Notes to the Group Annual Financial Statements

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### 47. Prior-year adjustments (continued)

Pikitup - This correction relates to income tax assessment of the prior year.

JRA - The restatement of payables from exchange transactions is due to the reversal of a duplicated accruals. Lastly, the VAT portion of the duplicated accrual, was also reversed.

MBUS - relates to accruals that had been reversed. The entity uses a three-way matching process which comprises a purchase order, a goods received note and a supplier invoices. when goods are received the purchase order is converted into a goods received note and this creates accounting entries i.e. debit stock or expense and credit AP accruals, when the supplier invoice is received its matched to the goods received note and the AP accrual is debited and the supplier control account is credited. During the year the matching process in SAGE had a configuration problem and the GRN's could not be matched to the supplier invoices. supplier invoices were manually captured and paid, the manual process created a duplicate on the expenditure i.e. the Debit from the AP accrual process and the Debit from the supplier invoice manually captured.

Parks - The annual service bonus previously, 13th cheque bonus, was recognised for a period of 12 months instead of 8 months. The correction of the 4-month period was due to the amounts that had not vested at year end and related to the following year. This resulted in the overstatement of payables from exchange transactions and the overstatement of employee related costs. Furthermore, the 8 months that was recognised as an accrual has been classified to be a provision as the Conditions of Service state that employees who leave the service before completing a qualifying period shall not be entitled to a bonus or any portion thereof other than employees who leave due to death or retire in terms of the rules of the Pension Fund

JOSHCO - During preparation and review of year-end financial statements, it was noted that the leave pay accrual balance did not include COJ insourced general workers (i.e. Security and Cleaners) Therefore, a correction was made to account for these

employees leave balances as at the end of the 2024 financial year. The correction was made against employee costs for

the 2024 financial year.

JOSHCO - During the year-end preparations, a detailed exercise was performed to analyse the supporting information for the balance. Through this process, it was discovered that these balances mostly emanate from tenant accounts that have been closed (i.e. tenant has vacated rental unit or accounts where balances were written off in previous years). Therefore, the income from amounts received in advance had been realised. The balances up to the end of 2023 were corrected through accumulated deficit, and amounts in 2024 were adjusted through realising of income in the statement of financial performance.

JTC - During the year-end creditor confirmations it was determined that these invoices that were captured in the prior year were never outstanding.

JTC - In the previous financial year, the entity omitted to separately disclose the bonus payable which was paid in the current financial year.

CJMM - this relates to the accruals which were not accounted for in the prior financial year, the error was identified in the current year and corrected retrospectively. These accruals mostly related to general expenses in the year they were actually incurred.

### 5. Rendering of service (Reclassification and Correction of errors)

WATER - The City of Johannesburg Metropolitan Municipality has recalculated the accrual value in relation to the 2023 and 2024 financial years. These transactions result in an adjustment to revenue for the 2023 and 2024 financial years

POWER - The restatement of revenue emanates from faulty meters, restatement of meter reading estimates, incorrectly calibrated meters, tampered meters, incorrect tariff categories of customers, discovery of illegal connected customers, billing errors and customer without meters.

POWER - During the year it was discovered that the electricity revenue accruals was overstated in the 2023 and 2024 financial periods. This is due to excessive variances in consumption estimates compared to actual meter readings.

### 6. Investment property (Reclassification and Correction of errors)

CJMM - Land identified during verification that had not been recorded in the previous year.

### 7. General expenses (Reclassification and Correction of errors)

MBUS - relates to accruals that had been reversed. The entity uses a three-way matching process which comprises a

## Notes to the Group Annual Financial Statements

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### 47. Prior-year adjustments (continued)

purchase order, a goods received note and a supplier invoices. when goods are received the purchase order is converted into a goods received note and this creates accounting entries i.e. debit stock or expense and credit AP accruals, when the supplier invoice is received its matched to the goods received note and the AP accrual is debited and the supplier control account is credited. During the year the matching process in SAGE had a configuration problem and the GRN's could not be matched to the supplier invoices. supplier invoices were manually captured and paid, the manual process created a duplicate on the expenditure i.e. the Debit from the AP accrual process and the Debit from the supplier invoice manually captured.

JOSHCO - During the review of expenditure incurred in consulting fees, it was noted that there were invoices dated in the 2024

financial year that were incorrectly processed in the 2025 financial year. The financial statements were restated to account

for the invoices in the 2024 financial year as project planning and consulting fees. The VAT effect was also accounted for.

JRA - The reason for a change in the general expense account is that there were invoices incorrectly accrued in the prior year that were reversed in the current year.

JRA - The change relates to capitalisation of costs that should have been expensed.

JRA - The change relates to goods that were incorrectly receipted, and created a liability.

### 8. Bulk purchases (Reclassification and Correction of errors)

POWER - Electricity bulk purchases from Kelvin Power includes carbon tax which is treated as a pass through cost to City Power. The service provider underbilled City Power during the 2023 financial year. This resulted in a misstatement in bulk purchases, Value Added Tax and Trade and other payables previously reported.

### 9. Depreciation (Reclassification and Correction of errors)

JRA - The change in the depreciation expense account relates to a prior period error, resulting from an overstatement of depreciation due to an incorrect overcharge in the previous year.

### 10. Provisions (Reclassification and Correction of errors)

WATER - During the current financial year, a prior period error was identified in the accounting treatment of employee leave

liability. In the previous year, forfeited leave was incorrectly deducted from the leave provision, despite already being reflected in the movement of the leave liability. This duplication resulted in both the leave liability and employee-related

costs being understated in the financial statements for the year 2023 and 2024. The error has been corrected retrospectively in line with GRAP 3, and the comparative figures have been restated accordingly.

### 11. Inventory (Reclassification and Correction of errors)

CJMM - The City held inventory comprising low-cost housing units constructed for allocation to qualifying low-income beneficiaries. However, due to unforeseen circumstances, these housing units were unlawfully occupied by individuals not authorized through the formal allocation process. As a result, the entity no longer retains control over the inventory, nor can it derive future economic benefits or service potential from these assets. In accordance with the Standards of Generally Recognised Accounting Practice (GRAP 12 – Inventories), the inventory has been written down to a net realisable value of zero. The write-down reflects the loss of control and the inability to fulfill the intended public service objectives. The total value of the inventory write-down recognised in the Statement of Financial Performance.

### 12. Cashflow statements

JRA - A change arose due to costs that were capitalised in error, which should have been expensed.

JRA - A change resulted from a recalculation of finance costs, as the previously reported amount was misstated.

JRA - A change occurred as the amount was incorrectly captured in the prior period.

JRA - A change arose due to costs that were capitalised in error, which should have been expensed.

### 13. Finance costs (Reclassification and Correction of errors)

JOSHCO - The finance leases interest charges were incorrectly classified as administrative expenses. The 2024 interest was

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

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### 47. Prior-year adjustments (continued)

reclassified to finance costs to ensure fair presentation.

### 14. Employee benefit obligation (Reclassification and Correction of errors)

CJMM - In the previous valuation of the medical aid liability, there were 296 members that were left out of the valuation. The municipality confirmed the inclusion of these employees and stated that the previous valuation dataset was not exhaustive. The result of including these members in last year's valuation would have increased the value of the liabilities.

### 15. Group level restatements

GROUP - Group comparatives were restated to align with figures reported at component level.

## Errors

### 1. Receivables from exchange and non-exchange transactions

The City of Johannesburg Metropolitan Municipality has recalculated the accrual value in relation to the previous financial periods which lead to reinstatement of receivables balances. This has been accounted for as a prior period adjustment accordingly. The adjustment relates to the correction made in respect of receivable which did not meet recognition criteria .

### 2. VAT Receivables

Restatement in the vat control account is a result of increase in input VAT on credit notes processed against revenue incorrectly billed to tenants occupying municipal buildings.

### 3. Consumer Debtors

Restatement is as a result of correction of billing based on the queries raised by customers. In this regard, management is introducing better controls around revenue management to enable revenue forecasting and improve revenue predictability, accuracy and completeness.

### 4. Property, plant and equipment; Intangible assets; and Depreciation and amortisation

This relates to the correction of assets capitalised in the current year which were available for use in prior years. This error had an impact on depreciation and therefore affecting the carrying amount of fixed assets.

### 5. Payables from exchange and Provisions

The payables from exchange transactions have been restated relating to tax payable. The amount is correctly reported as payables from non-exchange transactions.

### 6. Rendering of service

The City of Johannesburg Metropolitan Municipality has recalculated the accrual value in relation to the previous financial periods and these transactions resulted in the adjustments to revenue for previous financial periods.

### 7. Employee related costs

Annual leave schedule relating to insourced securities and cleaners were reconciled during the current financial period, and it also affected the amounts which were previously reported in the previous financial periods..

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

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### 47. Prior-year adjustments (continued)

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

### 48. Fruitless and wasteful expenditure

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
Opening balance as previously reported	734 815	1 142 799	81 980	436 163
Restated amount	(8 757)	(5 318)	(8 374)	(5 274)
<b>Opening balance as restated</b>	<b>726 058</b>	<b>1 137 481</b>	<b>73 606</b>	<b>430 889</b>
Fruitless and wasteful expenditure identified - current	938 500	322 084	36 851	1 479
Fruitless and wasteful expenditure identified-prior period	5 299	3 706	5 297	-
Transferred to other debtors for recovery	(1 741)	(85 585)	(1 741)	(85 585)
Amount recovered - current	(451)	(264 829)	-	(264 803)
Amount recovered - prior period	-	(40)	-	-
Amount written off - current	(1 338 819)	(351 316)	-	-
Amounts written off - prior period	(11 671)	(26 686)	(1 386)	-
	-	-	-	-
<b>Closing balance</b>	<b>317 175</b>	<b>734 815</b>	<b>112 627</b>	<b>81 980</b>

#### Fruitless and wasteful expenditure current year

The following are the incidents that caused the Fruitless and wasteful expenditure identified in the 2025 financial year:

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

### 48. Fruitless and wasteful expenditure (continued)

Description of the incident	2025	
	Entity/Department	Amount (R'000)
Interest on Eskom	CJMM-Transport	4
Interest on Eskom and Telkom	CJMM-Community development	58
Interest on Eskom and Telkom	CJMM-Human settlement	171
Interest	CJMM-Group Corporate shared services	20
Interest	CJMM-Social development	2
Interest on Eskom and Telkom	CJMM-Public Safety	2
Interest	CJMM-Group Finance	21
Interest on Eskom and Telkom	CJMM-Health	44
Legal fees	CJMM-Office of Mayor	36 529
Fruitless and wasteful expenditure identified - prior period	CJMM	5 297
Interest charged on late payments and penalties	JRA	1 889
Interest charged on overdue balances - ESKOM	JRA	11
Interest charged and penalties-Sheriff	JRA	29
Expenditure Incurred for interest and Penalties	JDA	247
Interest on late payments	City Power	719 478
Excess kilometer travelled with the entity vehicles	City Power	654
Interest and penalties	Joburg Water	3 592
Telkom interest	City Parks	28
SARS penalty	JPC	197
SARS Interest	JPC	34
Interest on shareholder	MTC	175 167
Unauthorized debit orders	JOSHCO	23
SARS VAT and Eskom penalty	JOSHCO	299
SARS VAT penalties	JTC	-
SARS penalties	JTC	-
CIPC penalties	JTC	3
		<b>943 799</b>

JTC amounts are below R100 therefore will not pull due to rounding.

#### Fruitless and wasteful expenditure current year

The following are the incidents that caused the Fruitless and wasteful expenditure identified in the 2024 financial year:

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

### 48. Fruitless and wasteful expenditure (continued)

Description of the incident	2024	
	Entity/Department	Amount (R'000)
Interest on Eskom	CJMM-Transport	3
Interest on Eskom and Telkom	CJMM-Community development	58
Interest on Eskom and Telkom	CJMM-Human settlement	130
Interest	CJMM-Group Corporate shared services	24
Outdoor advertising and physical audit project	CJMM-Development planning	1 234
Interest	CJMM-Social development	1
Interest on Eskom and Telkom	CJMM-Public Safety	15
Interest	CJMM-Group Finance	14
Interest charged on late payments and penalties	JRA	17 792
Interest charged on overdue balances-Eskom	JRA	17
Expenditure incurred for legal fees	JDA	870
Expenditure Incurred for interest and Penalties	JDA	205
Interest on late payments	City Power	150 944
Interest and penalties	Joburg Water	4 168
Interest and penalties	City Parks	7
SARS penalty	JPC	16
SARS Interest	JPC	8
Disputed supplier	JPC	5
Salaries	JPC	3 561
Interest on shareholder loan	MTC	130 206
Interest and penalties	PIKITUP	12 320
Interest and penalties	PIKITUP	3 657
City Power fine (illegal connection)	JOSHCO	121
SARS VAT penalty	JOSHCO	96
Unauthorised debit orders	JOSHCO	77
Overpayment of staff salary	JOSHCO	165
Staff salary paid into incorrect account	JOSHCO	46
SARS Vat penalties	JTC	27
SARS penalties	JTC	5
		<b>325 790</b>

- 9 matters amounting to R2.1 million were finalised and regularised by Council.

- 1 matter amounting to R43 million has been completed and submitted to MPAC for consideration.

- 9 matters amounting to R6 million have been completed and are pending submission to MPAC for consideration.

-30 matters amounting to R21 million are under investigation including the new matters identified during 2024/25 financial year.

-Please refer to note 46 Prior year adjustments for restatements

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

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### 49. Unauthorised expenditure

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
Opening balance as previously reported	12 937 021	9 639 679	4 396 259	5 471 742
Restated amount	88 041	-	-	-
<b>Opening balance as restated</b>	<b>13 025 062</b>	<b>9 639 679</b>	<b>4 396 259</b>	<b>5 471 742</b>
Unauthorised expenditure - current	9 116 267	8 976 417	2 376 050	2 755 031
Unauthorised expenditure - prior period	-	-	-	-
Less: Amount written-off - current	(18 459 717)	(5 679 075)	(6 422 156)	(3 830 514)
<b>Closing balance</b>	<b>3 681 612</b>	<b>12 937 021</b>	<b>350 153</b>	<b>4 396 259</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

### 49. Unauthorised expenditure (continued)

Unauthorised expenditure incurred in 2025 financial year relates to the following:

<b>The over expenditure incurred by the municipal departments during the year is attributable to the following categories</b>	<b>GROUP</b>	<b>GROUP</b>	<b>CJMM</b>	<b>CJMM</b>
Non-cash items	2 815 405	1 851 305	1 347 738	1 615 289
Cash items	6 300 862	7 125 114	1 028 311	1 139 743
<b>Analysed as follows: non-cash items</b>	<b>GROUP</b>	<b>GROUP</b>	<b>CJMM</b>	<b>CJMM</b>
Depreciation and impairment	240 746	62 212	210 662	-
Depreciation and amortisation	(151 404)	(40 999)	-	-
Provision of impairment	-	-	-	-
Debt impairment	1 312 484	240 015	-	-
Impairment loss reversal	19 413	-	-	-
Loss on disposal of assets	46 336	35 439	30 447	34 848
Losses	-	(17)	-	-
Bad debt written off	4 659	90 868	-	-
Depreciation and Impairment Losses	119 920	177 679	-	294 333
Impairment loss	450 669	381 039	443 934	381 039
Over expenditure on capex budget	(576)	-	-	-
Impairment of current receivables	662 695	905 069	662 695	905 069
Overspending identified in current year relating to prior year	110 463	-	-	-
	<b>2 815 405</b>	<b>1 851 305</b>	<b>1 347 738</b>	<b>1 615 289</b>
<b>Analysed as follows: Cash items</b>	<b>GROUP</b>	<b>GROUP</b>	<b>CJMM</b>	<b>CJMM</b>
Inter-company charges	7 559	-	-	-
Finance charges - Inter company	(72 686)	-	-	-
Interest-Inter-Company	1 284 929	-	-	-
Transfers and Subsidies - Inter-Company	1	-	-	-
Operational costs - Intercompany	(7 547)	-	-	-
Grants and subsidies paid	7 485	-	7 485	-
Employee related costs	642 602	663 496	351 806	532 499
Remuneration of councillors	-	(283)	-	-
Finance Costs	531 187	691 312	149 387	383 122
Inventory consumed	188 871	249 496	-	-
Contracted services	(560 410)	(14 070)	-	-
Internal transfers	-	(5 388)	-	-
Transfers and subsidies	(568)	(542)	-	-
Bulk purchases	3 219 205	2 983 456	-	-
Fleet	296 894	128 715	-	-
Finance lease rentals	-	(198)	-	-
Repairs and maintenance	5 380	(2 025)	-	-
Losses	(150 408)	281 607	-	-
Loss/gain on disposal of assets and liabilities	6 880	-	-	-
Other expenses	(51 081)	(35 121)	-	50 620
Other materials	(31 315)	-	-	-
Finance charges	-	754 597	-	-
Administration expenses	-	310 307	-	-
General expenditure	776 299	717 929	519 633	173 502
Lease rental on operating lease	5 667	(6 218)	-	-
Over expenditure on capex budget	201 918	408 044	-	-
	<b>6 300 862</b>	<b>7 125 114</b>	<b>1 028 311</b>	<b>1 139 743</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

### 49. Unauthorised expenditure (continued)

Unauthorised expenditure incurred in 2025 financial year relates to the following:

Name of Vote	Amount
Group Corporate and Shared Services	19 488
Human settlement	707 823
Public Safety	370 302
Group Finance	1 278 437
Metropolitan Bus Services	108 450
JRA	23 135
JDA	502 709
City Power	4 684 188
Joburg Water	140 262
MTC	103 392
Pikitup	409 908
Joshco	703 454
Parks and Zoo	64 720
TOTAL	9 116 267

Unauthorised expenditure incurred in 2024 financial year relates to the following:

Name of Vote	Amount
Group Corporate and Shared Services	136 890
Human settlement	423 698
Public Safety	525 748
Social development	25 045
Health department	50 814
Group Finance	1 453 918
Group ICT	109 652
Mayor	29 266
Metropolitan Bus Services	150 133
Market	600
JRA	56 949
JDA	82 646
City Power	4 128 807
Joburg Water	998 516
MTC	181 452
Pikitup	13 994
Joshco	568 053
Parks and Zoo	40 236
TOTAL	8 976 417

- 24 matters amounting to R6.4 billion were finalised and regularised by Council including 4 matters reported during 2024/25 financial year.

-3 matters amounting to R53.8 million have been finalised and are pending submission to MPAC for consideration

-4 matters amounting to R464 million are under investigation including matters dating back to 2011 financial year.

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>50. Additional disclosure in terms of Municipal Finance Management Act</b>				
<b>SALGA Contributions</b>				
Opening balance	78 507	70 917	-	-
Current payroll deductions	987 571	956 708	-	-
Amount paid - current year	(906 994)	(878 201)	-	-
Amount paid - previous years	(78 797)	(70 917)	-	-
	<b>80 287</b>	<b>78 507</b>	-	-
<b>Skills development levy</b>				
Opening balance	16 821	12 742	8 646	7 613
Current year subscription / fee	185 019	168 882	108 881	102 669
Amount paid - current year	(169 817)	(143 680)	(100 023)	(94 023)
Amount paid - previous years	(11 441)	(21 123)	(8 646)	(7 613)
	<b>20 582</b>	<b>16 821</b>	<b>8 858</b>	<b>8 646</b>
<b>Audit fees</b>				
Opening balance	485	86	485	86
Current year audit fee	119 051	81 666	34 465	31 843
Amount paid - current year	(119 251)	(81 267)	(34 665)	(31 444)
	<b>285</b>	<b>485</b>	<b>285</b>	<b>485</b>
<b>PAYE and UIF</b>				
Opening balance	234 446	197 970	172 810	140 970
Current year payroll deductions	3 656 017	3 177 646	2 280 899	2 006 190
Amount paid - current year	(3 394 096)	(2 943 201)	(2 094 984)	(1 833 381)
Amount paid - previous years	(234 445)	(197 969)	(172 809)	(140 969)
	<b>261 922</b>	<b>234 446</b>	<b>185 916</b>	<b>172 810</b>
<b>Pension and Medical Aid Deductions</b>				
Opening balance	110 642	161 670	239 314	219 835
Current year payroll deductions and Council contributions	4 568 407	4 244 449	3 008 764	2 831 694
Amount paid - current year	(4 368 992)	(4 050 413)	(2 753 931)	(2 592 380)
Amount paid - previous years	(267 641)	(245 064)	(239 314)	(219 835)
	<b>42 416</b>	<b>110 642</b>	<b>254 833</b>	<b>239 314</b>
<b>VAT</b>				
VAT receivable	283 138	389 743	114 898	656 805
VAT payable	(10 124)	(14 140)	-	-
	<b>273 014</b>	<b>375 603</b>	<b>114 898</b>	<b>656 805</b>

VAT output payables and VAT input receivables are shown in note 9.

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

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024

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

#### Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding as at 30 June 2025. All amounts are disclosed in Rands and are not rounded to the nearest thousand:

30 June 2025	Outstanding less than 90 days	Outstanding more than 90 days	Total
EDWARD WN & N	32 627	374 405	407 032
MOKOENA M	102 126	199 452	301 578
ECHEOZONJOKU BC & UI	58 988	62 242	121 230
KAROLIA S	8 110	36 038	44 148
MOHLALA PK	2 215	21 412	23 627
MULELU M	41 232	18 286	59 518
LANDIS G & R	5 543	17 830	23 373
CHRISTIANS PV & A	17 723	16 316	34 039
NGWETSHENI PN	4 911	15 213	20 124
MOETI OT	4 440	13 321	17 761
MAGWENTSHU LC & PP	7 508	13 064	20 572
MATHE ZE	14 852	13 022	27 874
MNISI ND	3 143	7 767	10 910
LETOANE	5 824	7 530	13 354
TSHNAKU M	9 630	6 591	16 221
CHETSANGA HP	2 439	3 989	6 428
MALULEKA ML	4 230	3 815	8 045
LANDIS G & R	1 655	1 976	3 631
ECHEOZONJOKU BC & UI	46 084	1 641	47 725
MATHE ZE	3 826	1 262	5 088
	<b>377 106</b>	<b>835 172</b>	<b>1 212 278</b>

30 June 2024	Outstanding less than 90 days	Outstanding more than 90 days	Total
CHRISTIANS PV & A	18 405	32 256	50 661
COVERDALE DLT	7 518	596	8 114
DELLWARIA N	3 303	7 875	11 178
EDWARD WN & N	22 398	243 948	266 346
LANDIS G & R	882	27	909
MACHETHE S	4 944	3 398	8 342
MATHE ZE	28 404	94	28 498
THOVHEDZO MN	5 115	89	5 204
NGOBENI T	70 445	73 647	144 092
ZAZINI A	9 469	11 666	21 135
	<b>170 883</b>	<b>373 596</b>	<b>544 479</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

### 51. Awards to close family members of persons in the service of the state

During the year under review the municipality gave the following award to a person who is a spouse, child or parent of a person in the service of the state or has been in the service of the state for the previous twelve months

\*The award to Sanfana 2001 (Pty) Ltd (S Ngwenya) was based on a rate structure, and as such, the contract value at inception could not be determined. The value stipulated is based on expenditure to date.

			2025	2024
Name of the person (Service of the State)	"Name of the person (entity receiving award)"	Capacity in which that person is in the service of the state	Amount in R'000	Amount in R'000
CALSON BONGANI NGELE	C&M CONSULTING ENGINEERING (LENHLE ZAMOKUHLE NGELE)	Spouse is a technician for the SA weather services	-	194
P S SELELO	SELELO RAMASHILO INC (L J SELELO)	Spouse is an officer at SARS	-	2 197
BELLINDA THABISILE MAPHUMULO and BONGUMUSA STHEMBISO BUTHELEZI	MINI MAP ENTERPRISES AND SERVICES (PTY)LTD (RANDSOME SANDILE MAPHUMULO) AND THE TENDER DOCUMENTS SPECIALIST (PTY)LTD (MANDISA GODGAVE BUTHELEZI)	Spouse is employed at UNISA and Spouse employed at METSIMAHOLO LOCAL MUNICIPALITY	-	5 300
Carol Thandeka Ngobeza and Sjula William Nkabinde	Waterlab (Pty) LTD (LEHLOGONOLO JOSEPH NGOBEZA) and (Elizabeth Nkabinde)	Spouse is employed at Department of Education and Spouse is employed at Umhlathuze Municipality	-	1 150
Emmanuel E Raliwedza	Enish Consultants (Alusani Chatel Raliwedza)	Spouse is a programme Practitioner at ASST	59	-
Lindiwe Njeje	Consl Consulting (Owethu Masango)	Mother is a library Assistant	1 222	1 016
SS Mona	Seenamoovar Enterprise (N Mona)	Husband employed at Gauteng Legislature	881	3 172
Mr GW Koornhof	University of Pretoria (Mrs C Koornhof Ms LA Feris Mr E Dewet Ms MR Mabugu Mr BTJ Maharaj)	Spouse (Mrs C Koornhof) is a member of parliament	104	39
Mr JM Sadiki	Angel G Suppliers and Project Pty Ltd (Mrs H Sadiki)	Head of department of Oliven 02 Secondary School	166	-
Mr TV Radzilani	Mbeu Security and Cleaning Services (Mrs TP Radzilani)	Senior Post Investment Associate at IDC	108	-

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

### 51. Awards to close family members of persons in the service of the state (continued)

Mrs M Lethetsa	Moodie and Robertson Attorneys (Mr T Lethetsa)	Assistant Director- Capital Markets dealers- City of Johannesburg Group Treasury	6 166	-
Mrs ES Matemane	MkhabelaHuntley Attorneys(Mr J Matemane)	Deputy director :HRD-Department of Energy	50	-
Isabela Muneka	EDGE LINE Engineering	Johannesburg water	21 099	5 874
Obey Mwantembe	Hitachi Energy South Africa	Department of Health	-	5 923
Graham Douglas Du Bourg	Hitachi Energy South Africa	Department of Education	-	5 923
Tshifiwa Vincent Radzilani	Mathede (Pty) Ltd	Industrial Development	-	13
Sian Goosen	Spill Tech Pty Ltd	Transnet	-	15 000
Thobeka Ngema	Spill Tech Pty Ltd	SARS	-	15 000
Jamela Sandra Nkabinde	Abenzi Engineering (Pty) Ltd	Eskom	12 750	-
Tebogo Joyce Mashilo	Abenzi Engineering (Pty) Ltd	Bronkhorstspuit Primary School	12 750	-
Thembisile Maria Sibanyoni	Abenzi Engineering (Pty) Ltd	Mpumalanga Provincial Government	12 750	-
Nomasonto Ethel	Nyeleti Consulting (Abednigo Thela)	Spouse of Director works for Department of Health as a professional nurse	4 660	4 660
	Modis-Res Property Valuer (Mr. Mcdonald Modibedi)	Spouse of the director is employed by the department of health	1 759	-
	Modis-Res Property Valuer (Mr. Mcdonald Modibedi)	Spouse of the director is employed by the department of health	2 316	2 316
	Oarona Investment (David Letsoalo)	Spouse of the director is working for the Reserve Bank	193	193
Nomasonto Ethel	Nyeleti Consulting (Abednigo Thela)	Spouse of Director works for Department of Health as a professional nurse	1 974	-
	Oarona Investment (David Letsoalo)	Spouse of the director is working for the Reserve Bank	433	-
	Oarona Investment (David Letsoalo)	Spouse of the director is working for the Reserve Bank	9 700	-
Nomasonto Ethel	Nyeleti Consulting (Abednigo Thela)	Spouse of Director works for Department of Health as a professional nurse	1 116	-

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

### 51. Awards to close family members of persons in the service of the state (continued)

	GIBB (Pty) Ltd (Clive September Darren Pillay Jenny Moon Jo-Anne Stolworthy Lize De Beer Selby Mkhize Neville Randall Nomasithini Nzaiyiya Penny Smith Rorisang Lekonyana Douglas Kiewiet Vinnie Naidoo Pravanya Pillay Zafar Haq)	Daughter employed by Health Infrastructure PWGWC as a State Accountant and another Daughter employed by the City of Cape town as a Project Administrator Parent employed by the Dept of Education KZN as a data capture and Another parent employed by the Dept of Education as an Educator Spouse works for the City of Cape Town as Head: Business Continuity Spouse works for the City of Cape Town as Principle Professional officer Spouse works for Eskom as Chief Engineer Spouse works for the National Department of water Affairs and Forestry as an Accounting Clerk Department of Education as a Senior Educator Spouse works for the Dept of Correctional Services as Correctional Officer Partner works for the Department of transport and Public Works as DDG Spouse work for Department of National Treasury as Deputy Director Parent works for Department of Water Affairs and Forestry Spouse works for the Gauteng Dept of Education as an HOD for Math's Spouse works for the City of Cape Town as senior Professional Officer and Mother works for the Dept of Education KZN as HoD: Languages Father works for the Dept of Transport KZN as Mechanical Engineer Brother works for City Engineers as Architect/town Planner	-	656
	Threshold Project Manager (Nokuthula Sedumedi and Nokulunga Sedumedi)	Wife is employed by DBSA and sister employed by SAA	-	1 840
	Threshold Project Manager (Nokuthula Sedumedi and Nokulunga Sedumedi)	Wife is employed by DBSA and sister employed by SAA	-	1 204
	Lukhozi Consulting Engineer (Lumko Sidwell Mhlauli)	Wife employed by Office of the Premier	-	1 738
Andre van Collie	CSM Consulting Services (CAJ Van Coille)	Son is employed by Western Cape Provincial Government Department of Environmental Affairs and Development Planning	-	2 053
Andre van Collie	CSM Consulting Services (CAJ Van Coille)	Son is employed by Western Cape Provincial Government Department of Environmental Affairs and Development Planning	-	2 885
Andre van Collie	CSM Consulting Services (CAJ Van Coille)	Son is employed by Western Cape Provincial Government Department of Environmental Affairs and Development Planning	-	2 860
	Ikemeleng Architects (Ridwaan Bhana)	Spouse employed at Gauteng Provincial Infrastructure Development	-	1 017

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

### 51. Awards to close family members of persons in the service of the state (continued)

Jan van den Heuvel	Bowmans	Father is employed by Department of Justice	-	1 280
Jacob Christoffel	(Lizelle Blignaut	Brother is employed by SANDF		
Cronje	Bouwer (nee Cronje)	Sister-in-law is employed by the Department of		
Tanje Cronje	Cornelia Maria	Education:Gauteng		
Elizabeth	(Aneria)	Employed by the Department of Education: Kwa-Zulu		
Arumugam	Chetty Amanda	Natal		
Roshal Rye	Dehal, Nikita	Husband, Principle Investments present		
Ramdenee	De Villiers, David	Brother in law Auditor-General South Africa		
Johan Conradie	De Villiers, David	Wife The Council for Scientific and Industrial Research		
Marilize de Villiers	Deokiram,Nicole	(CSIR)		
Mr Deokiram	Dyer, Livia (nee	Father at Johannesburg Roads Agency		
Claire Dyer	Smith)	Father at Johannesburg Roads Agency		
Christopher Barry	Franklyn, Claire	Mother at National Department of Education		
Franklin	Graham, Ashleigh	Father at NECSA (South African Nuclear Energy		
Michael van Aardtv	Green, Chris	Corporation)		
Quentin Green	Kaapu, Jerry	Husband at Department of Health: Gauteng		
Ditodi Norman	Mkiva,Clement	Father at Johannesburg City Power		
Kaapu	Mellem, Roxan	Brother at South African Police Service: Silverton		
Nomveliso Mkiva	Nichols, Trudie	Road Traffic Management Corporation		
Gail Mellem	Nonkululeko Zondo	Western Cape Education Department		
Terrence Nichols	Nonkululeko Zondo	South African Airways Voyager - Commercial/Voyager		
Philistine Tolamo	Nonkululeko Zondo	Department		
Sibongile Zondo	Nyali, Xolani	Aunt at Gauteng Department of Education		
Thamsanqa Mtshali	Pillay, Keshni	Mother at City of Johannesburg - Operations Manager-		
Masango Nyai	Pillay, Keshni	1997-2004; 2006 – Present		
Sooriakumari Pillay	Sarjoo, Anshini	Father at KZN Department of Education		
Alicia Pillay	Sass, Mendel	Father at Department of Education : Eastern Cape		
Arvin Sarjoo	Sepuba,Comfort	Mother at KwaZulu Natal Department of Education		
Tamryn Sass (nee	Sepuba,Comfort	Sister at Air Traffic Navigation Services (ATNS)		
Harris)	Sicam, Yonela	Tshwane Municipality		
Bertha Sepuba	Bonnie Steyn	Spouse at City of Cape Town		
Sibusiso Sepuba	Suliman, Yasmeen	Mother at Gauteng Department of Finance		
Luthando Sicam	Tipru, Thevi	Brother at Gauteng Department of Finance		
Elizabeth Steyn	van Eyssen,Yolande	Mother at Western Cape High Court		
Ms Suliman	Visser, Heidi)	Sister eThekwin Municipality		
Emanuel Tipru		Husband SAP Engineering Services (City Power)		
Karen Kets		Sister-in law Eskom SOC Limited		
Andre Visser		Husband City of Cape Town Local Municipality		
	Bergstan	Spouse works for the Department of Social	-	1 013
	(Cobin Beukes)	Services		
	Modis-Res Property	Spouse of the director is employed by the	-	1 759
	Valuer	department of health		
	(Mr. Mcdonald			
	Modibedi)			
	Mathede (PTY) Ltd	Spouse of the director is working for IDC	-	61
	(Tshifhiwa Radulani)			
	KWP Create	Spouse works for the Department of Transport	-	338
	(Elsie Bester)			
LJ Merah	Sigodi Merah Martin	Child is an Assistant Officer at Governance and	-	3 930
		Compliance Eskom Holdings SOC Ltd		

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

### 51. Awards to close family members of persons in the service of the state (continued)

LJ Marah	Sigodi Marah Martin	Child is an Assistant Officer at Governance and Compliance Eskom Holdings SOC Ltd	-	5 317
LJ Marah	Sigodi Marah Martin	Child is an Assistant Officer at Governance and Compliance Eskom Holdings SOC Ltd	-	5 609
T Lethetsa	Moodie and Robertson	Spouse is a Group Treasury Assistant Director at city of Johannesburg	-	2
T Lethetsa	Moodie and Robertson	Spouse is a Group Treasury Assistant Director at city of Johannesburg	-	37
T Lethetsa	Moodie and Robertson	Spouse is a Group Treasury Assistant Director at city of Johannesburg	-	5
T Lethetsa	Moodie and Robertson	Spouse is a Group Treasury Assistant Director at city of Johannesburg	-	24
T Lethetsa	Moodie and Robertson	Spouse is a Group Treasury Assistant Director at city of Johannesburg	-	9
T Lethetsa	Moodie and Robertson	Spouse is a Group Treasury Assistant Director at city of Johannesburg	-	94
D Samuels	Ian Dickie and Company	Spouse is a warrant officer at SAPS	-	1
D Samuels	Ian Dickie and Company	Spouse is a warrant officer at SAPS	-	12
D Samuels	Ian Dickie and Company	Spouse is a warrant officer at SAPS	-	2
M Lethetsa	Moodie and Robertson (T Lethetsa)	Spouse is a Assistant Director-Capital Market Dealer at City of Johannesburg	153	-
WM Mathebula	Amre Engineering Services (Pty) Ltd (PR Mathebula)	Spouse is a personal Assistant at National Department of Health	1 371	-
C Nene B Nxumalo	Enzani Technologies (Pty) Ltd (LM Nxumalo)	Sister is a Regional Electrical Engineering at PRASA and spouse is a Generation Executive at Eskom	538	-
L Mbekeni	Ducharme Asset Management and Account (L Mbekeni)	Spouse is a Senior Legal Admin Officer at Department of Rural Development and Land Reforms	496	-
B M Ehrenreich and TJ Ndala	Zutari (Pty) Ltd (TBI Margo) and (J Ndala)	Brother is a Civil Engineer at Transnet National Port Authority and Spouse is school principal at Gauteng Department of Education	3 426	-
**NP Ngwenya	Sanfana 2001 (Pty) Ltd	Spouse is employed at Gauteng Department of Human Settlements	54 855	-
Tshepo Khasi	Mothokwa ET Trading	The supplier trading with the entity and the spouse works for Department of Cooperative Governance and Traditional Affairs.	75	95
Tshepo Khasi	Mothokwa ET Trading	The supplier trading with the entity and the spouse works for Department of Cooperative Governance and Traditional Affairs.	12 234	3 967
Y Madurai	Electrosonic SA (Pty) Ltd	The supplier trading with the entity and the spouse worked for Department of Communication Digital Technology.	-	2
Emmanuel E. Raliwedza	Enish Consultants (Pty) Ltd	Employee Asst/Programme Practitioner	66	-

Opening balances has been re-instated by:

- (R 208 000) due to a decrease of amount awarded to University of Pretoria (Mr G Koornhof), Correction of error

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

### 52. Irregular expenditure

	GROUP 2025	GROUP 2024	CJMM 2025	CJMM 2024
Opening balance as previously reported	10 051 591	11 230 892	7 923 219	7 451 244
Restated amount	185 886	118 719	-	-
Opening balance after restatement	10 237 477	11 349 611	7 923 219	7 451 244
Irregular expenditure identified in current year	3 017 152	3 509 889	1 993 335	1 982 206
Irregular expenditure identified in current year relating to prior year	672 366	262 256	376 095	-
Less: Amount written off - current	(4 415 010)	(4 993 295)	(2 897 258)	(1 510 231)
Less: Amount written off - prior year	(231 716)	(76 870)	-	-
<b>Closing balance</b>	<b>9 280 268</b>	<b>10 051 591</b>	<b>7 395 391</b>	<b>7 923 219</b>

Incidents/cases identified in 2025 include those listed below:

Description of the incident	Entity	Amount in R'000
Expenditure in respect of prior year contract identified as irregular	CJMM	1 673 262
Contracts identified as irregular in the current year	CJMM	320 073
Irregular expenditure identified in current year relating to prior year	CJMM	376 095
Labour contracts	City Power	119 460
Labour contracts	City Power	41 513
Fleet contract	City Power	123 982
IT supports and maintenance services	City Power	1 705
Award not made to qualifying supplier	City Power	102 446
Insurance contract	City Power	44 120
Scada maintenance	City Power	2 143
Non-compliance with MFMA Regulation 19	Joburg Water	16 806
Non-compliance with MFMA Regulation 18	Joburg Water	175
Non-compliance with section 95(e) of the MFMA	Joburg Water	817
Irregular expenditure identified in current year relating to prior year	Joburg Water	114 410
Non-compliance with regulations - There was no evaluation criteria	MTC	11 329
Non-compliance with regulations - There was no evidence of BAC meetings to adjudicate the award.	MTC	7 189
Non-compliance with regulations - There was provision to extend contract on the RFQ therefore ringfencing.	MTC	158
Expenditure incurred post contract expiration	JDA	203
Service level agreement not signed	JRA	14 014
TTR	JRA	29 546
Service level agreement not irregularity	JRA	32 797
Step Up Engineering	JRA	1 617
Yellow plant hire	PIKITUP	50 678
Illegal dumping-contract was deemed irregular due to bidders incorrectly included in the panel	PIKITUP	163 610
IT services	PIKITUP	2 450
Yellow plant - from previous year discovered in the current year	PIKITUP	30 828
Fleet cost	CIVIC	4 965
Deviations	CIVIC	617
Non-compliance: quotation process	CIVIC	131
Contract management: expenditure exceeded original contract price	CIVIC	3 541

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

### 52. Irregular expenditure (continued)

Contract management: delegation of authority	CIVIC	957
Incorrect calculation of scoring of bidders	JOSHCO	661
Irregular expenditure-Identified in current year relating to prior year	JOSHCO	151 033
Non-compliance with laws and regulations (Centralised Fleet Contract )	JPC	8 851
Non-compliance with laws and regulations (Non-compliance to Circular 62 of the MFMA-leases)	JPC	163 193
Competitive bids not invited -current period	JPC	4 246
Non-compliance with laws and regulations (Noncompliance to Circular 62 of the MFMA-IT)	JPC	2 620
Fleet contract awarded without following a competitive bidding process	JCPZ	28 535
Award made without following a competitive bidding process	JCPZ	653
Pre-qualification criteria that was not in line with sec 217 of the Constitution	JCPZ	6 792
Horticultural maintenance	JCPZ	30 801
Prequalification criteria stipulated in tender documents	JCPZ	496
		-
		<b>3 689 518</b>

### Incidents/cases identified in 2024 include those listed below:

Description of the incident	Entity	Amount in R'000
Expenditure in respect of prior year contract identified as irregular	CJMM	1 171 487
Contracts identified as irregular in the current year	CJMM	690 613
Non-compliance with SCM policies	CJMM	120 106
Labour contracts	City Power	38
Emergency procurement for cables and other critical material	City Power	33
Award not made to qualifying supplier	City Power	288
Physical security services	City Power	13 425
External witness	City Power	258
Emergency procurement for labour contract	City Power	489 929
Afrent fleet contract	City Power	124 677
Award not made through a competitive bidding process	City Power	426
Award not made in accordance with criteria indicated in the original bid documentations	City Power	5 698
Appointment of new labour contractors	City Power	123 467
Non compliance with PPR, 2017 Regulations	Joburg Water	6 536
Non compliance with MFMA SCM Regulation 36	Joburg Water	31 916
Undisclosed difference	Joburg Water	3
Irregular expenditure identified in current year relating to prior year	Joburg Water	197 206
Irregular expenditure identified-current	MTC	9 889
No indication of minimum local content threshold	MTC	21 262
Payment made where there was no budget allocated to the Projects	JDA	5 683
Expenditure incurred post contract expiration	JDA	6 675
Payments made which exceed contractual Amount still under Investigation	JDA	11 504
Non-compliance with PPPFA 2017 Reg 8(2)	JRA	4 463

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

### 52. Irregular expenditure (continued)

Non-compliance with regulation 32 of MFMA. Contract spend/participation more than the original contract.	JRA	329
Infinite Blue-Bidder did not meet all the minimum pre-compliance requirements and was further evaluated and awarded	JRA	26 350
Bidder did not meet all the minimum pre-compliance requirements and was further evaluated and awarded	JRA	37 076
Bidder did not meet all the minimum pre-compliance requirements and was further evaluated and awarded	JRA	17 369
Bidder was irregularly appointed as a result of unfairly for unsubstantiated poor performance	JRA	13 297
Bid Advert issued without local content requirements and awarded	JRA	592
Mediac	JRA	1 056
Non compliance with conditions(12 months contract)	JRA	39 732
Non compliance with conditions(Month to month contract)	JRA	16 902
Afrent	JRA	44 509
Calliper	JRA	571
Step Up Engineering	JRA	15 666
Unikeys Trading and Projects	JRA	11
Nomas Trading	JRA	11
The COJ promised to do insourcing but this did not materialized, however for the sake of business continuity the current service provider has been kept on board as they provide an intergral service (in contravention of s116 of the SCM Regulations)	Joburg Market	6 761
The tender was approved to be advertised for less than 30 days and the amounts were determined as irregular (in contravention of s22(b)(i) of the SCM Regulations)	Joburg Market	16 957
Regulation 36 contract was irregular from the centralized contract at the City	Metrobus	14
Regulation 36 contract was irregular from the centralized contract at the City	Metrobus	47
Regulation 36 contract was irregular from the centralized contract at the City	Metrobus	280
Irregular expenditure identified in current year relating to prior year	Metrobus	2 002
Fleet Cost	PIKITUP	685
Panel for recruitment services	PIKITUP	2 636
Illegal dumping	PIKITUP	119 417
Repairs and maintenance	PIKITUP	2 315
IT services	PIKITUP	5 871
Rental cost	PIKITUP	14 100
Fleet cost	CIVIC	4 915
Fleet cost	CIVIC	668
Incorrect calculation of scoring of bidders	JOSHCO	16 000
Irregular expenditure-Identified in current year relating to prior year	JOSHCO	62 380
Non compliance to the MFMA-Fleet	JPC	10 054
Non compliance Circular 62 of the MFMA	JPC	157 240
Competitive bids not invited - current period	JPC	3 909
Fleet contract awarded without following a competitive bidding process	JCPZ	44 508
Award made without following a competitive bidding process	JCPZ	676
Advertisement of long-term contracts less than 30 days	JCPZ	18 848
Extension of contracts due to poor planning	JCPZ	5 679
Pre-qualification criteria that was not in line with sec 217 of the Constitution	JCPZ	5 841
Horticultural maintenance	JCPZ	20 610
Awards failed to meet prequalification criteria stipulated in tender documents	JCPZ	679
		-
		<b>3 772 145</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

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### 52. Irregular expenditure (continued)

- 344 matters/transactions amounting to R2.9 billion finalised and regularised by Council.
- 4 matters/transactions amounting to R548.7 million have been completed and submitted to MPAC for consideration.
- 209 matters/transactions amounting to R3.9 billion have been completed and are pending submission to MPAC for consideration.
- 1741 matters/transactions amounting to R2.3 billion are under investigation including matters dating back to 2011 financial year and new matters reported during 2024/25.

-Please refer to note 46 Prior year adjustments for restatements

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

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### 53. In-kind donations and assistance

The following in-kind donations were received by the Mayor's office during the year up to 30 June 2025.

Description of in-kind donation received	From which individual or organisation	Estimated value (in Rands)
Bags		0
T-Shirt	Michael Brenner	600
Ethopian shawl	Ambassador Delil Kedir Busha - Federal Democratic Republic of Ethiopia	250
Plaque	Chinese Chamber of Commerce	250
Russian scroll and plaque	Russian St.Petersburg Delegation	800
		<hr/>
		<b>1 900</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

	Group		CJMM	
	2025	2024	2025	2024

### 54. 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 accounting officer and includes a note to the Group Annual Financial Statements.

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

#### Details of Deviations

	Group		CJMM	
Figures in Rand thousand	2025	2024	2025	2024
Emergency- Reg (1)(a)(i)	773 016	587 001	-	-
Sole supplier - Reg (1)(a)(ii)	405 293	95 683	269 460	26 018
Special work of art - Reg (1)(a)(iii)	13 311	14 216	-	-
Acquisition of animals - Reg (1)(a)(iv)	827	1 068	-	-
Impracticability - Reg (1)(a)(v)	173 595	4 987 007	73 976	4 734 412
Ratification of minor breaches - Reg (1)(b)	15 887	185 232	14 060	183 931
Other contracts extensions	2	16 231	-	-
	<b>1 381 931</b>	<b>5 886 438</b>	<b>357 496</b>	<b>4 944 361</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

	Group		CJMM	
	2025	2024	2025	2024

### 55. Related parties

Relationships

CJMM

The City of Johannesburg Metropolitan Municipality  
 Johannesburg City Parks 18  
 City Power Johannesburg (Pty) Ltd  
 Johannesburg Metropolitan Bus Services (Pty) Ltd 19  
 Johannesburg Social Housing Company (Pty) Ltd  
 City of Johannesburg Property Company (Pty) Ltd  
 Johannesburg Development Agency (Pty) Ltd  
 Johannesburg Roads Agency (Pty) Ltd  
 Johannesburg Water (Pty) Ltd  
 The Johannesburg Civic Theatre (Pty) Ltd  
 The Johannesburg Fresh Produce Market (Pty) Ltd  
 Pikitup Johannesburg (Pty) Ltd  
 Metropolitan Trading Company (Pty) Ltd  
 Johannesburg Tourism Company

### Related party balances

#### Amounts included in Loans,

#### Trade and other receivables with related parties

City Power Johannesburg (Pty) Ltd	19 542 002	15 172 632
City of Johannesburg Property Company (Pty) Ltd	1 131 986	1 086 033
Johannesburg City Parks	33 089	157 956
Johannesburg Development Agency (Pty) Ltd	1 552 222	964 939
Johannesburg Metropolitan Bus Services (Pty) Ltd	956 676	812 975
Johannesburg Roads Agency (Pty) Ltd	692 560	210 525
Johannesburg Social Housing Company (Pty) Ltd	3 017 037	2 359 072
Johannesburg Tourism Company	7 475	3 315
Johannesburg Water (Pty) Ltd	4 424 691	4 255 015
Metropolitan Trading Company (Pty) Ltd	3 330 707	2 830 924
Pikitup Johannesburg (Pty) Ltd	2 590 588	1 896 696
The Johannesburg Civic Theatre (Pty) Ltd	24 455	6 645
The Johannesburg Fresh Produce Market (Pty) Ltd	164 706	176 496
	<b>37 468 194</b>	<b>29 933 223</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

	Group		CJMM	
	2025	2024	2025	2024
<b>55. Related parties (continued)</b>				
<b>Amounts included in Loans, Trade and other payables with related parties</b>				
City Power Johannesburg (Pty) Ltd			3 194 806	2 127 788
City of Johannesburg Property Company (Pty) Ltd			1 190 037	1 125 160
Johannesburg City Parks			1 111 357	1 217 676
Johannesburg Development Agency (Pty) Ltd			1 299 654	936 491
Johannesburg Metropolitan Bus Services (Pty) Ltd			201 266	38 210
Johannesburg Roads Agency (Pty) Ltd			1 221 280	798 667
Johannesburg Social Housing Company (Pty) Ltd			1 308 734	1 216 354
Johannesburg Tourism Company			111 365	81 352
Johannesburg Water (Pty) Ltd			5 704 975	4 163 900
Metropolitan Trading Company (Pty) Ltd			2 715 838	2 497 178
Pikitup Johannesburg (Pty) Ltd			2 215 910	1 508 670
The Johannesburg Civic Theatre (Pty) Ltd			33 087	9 227
The Johannesburg Fresh Produce Market (Pty) Ltd			131 950	322 940
			<b>20 440 259</b>	<b>16 043 613</b>
<b>Related party transactions</b>				
<b>Revenue from related parties</b>				
City Power Johannesburg (Pty) Ltd			1 600 207	1 490 567
City of Johannesburg Property Company (Pty) Ltd			52 769	50 274
Johannesburg City Parks			973	1 422
Johannesburg Development Agency (Pty) Ltd			98 312	72 966
Johannesburg Metropolitan Bus Services (Pty) Ltd			45 047	63 503
Johannesburg Roads Agency (Pty) Ltd			9 405	10 738
Johannesburg Social Housing Company (Pty) Ltd			125 639	112 475
Johannesburg Water (Pty) Ltd			558 547	530 405
Metropolitan Trading Company (Pty) Ltd			339 635	264 164
Pikitup Johannesburg (Pty) Ltd			210 107	119 272
The Johannesburg Fresh Produce Market (Pty) Ltd			90	-
			<b>3 040 731</b>	<b>2 715 786</b>
<b>Operating Expenditure</b>				
City Power Johannesburg (Pty) Ltd			510 144	438 642
City of Johannesburg Property Company (Pty) Ltd			1 111 323	919 713
Johannesburg City Parks			1 255 777	1 152 698
Johannesburg Development Agency (Pty) Ltd			134 633	118 179
Johannesburg Metropolitan Bus Services (Pty) Ltd			662 894	610 264
Johannesburg Roads Agency (Pty) Ltd			1 544 166	1 398 666
Johannesburg Social Housing Company (Pty) Ltd			242 103	256 771
Johannesburg Tourism Company			96 832	74 952
Johannesburg Water (Pty) Ltd			990 904	786 845
Metropolitan Trading Company (Pty) Ltd			505 982	826 729
Pikitup Johannesburg (Pty) Ltd			1 348 407	1 391 053
The Johannesburg Civic Theatre (Pty) Ltd			278 900	265 888
The Johannesburg Fresh Produce Market (Pty) Ltd			84 573	65 389
			<b>8 766 638</b>	<b>8 305 789</b>
<b>Commitments</b>				
Johannesburg Development Agency			1 271 338	1 089 685
Johannesburg Metrobus			28 466	-
Johannesburg Metro Trading Company			193 062	236 709
Johannesburg Social Housing			5 751	650 263

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

	Group		CJMM	
	2025	2024	2025	2024
<b>55. Related parties (continued)</b>				
Johannesburg Roads Agency			344 498	297 940
City Power			88 290	135 915
Johannesburg Property Company			35 931	-
Johannesburg Water			22 504	-
			<b>1 989 840</b>	<b>2 410 512</b>

The key management personnel is disclosed under note 35

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024

### 56. Change in estimate

Property, plant and equipment

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024

### 56. Change in estimate (continued)

The useful lives of certain property, plant and equipment and intangible assets have been reviewed and re-assessed by management during the current reporting period to reflect a more accurate pattern of consumption expected to be derived from these assets. The changes were made prospectively from the beginning of the reporting period. Depreciation is accounted for over the remaining useful lives.

The following Municipal entities had changes in their asset's useful lives based on re-assessments performed, and the effect on the current and future periods thereof:

#### Metrobus

##### Property, plant and equipment

In accordance with the policy the useful life of property plant and equipment is assessed every year at the reporting date of each reporting period. The useful life of property, plant and equipment was assessed and the change in the in accounting estimates on depreciation was R6 864 335 with additional impairment of R16 318 115. The entity's budget on repairs and maintenance had been significantly reduced, this resulted in a high number of out of commission (OOC) buses. The entity is hopeful that the City will allocate adequate budget on repairs and maintenance, component overhauls and refurbishments and that the impairment will be reverse in subsequent periods.

#### Market

##### Property, plant and equipment

As part of the regular review of the asset base, the useful life of certain assets have been extended during the 2025 financial year to ensure that the financial statements accurately reflect the economic reality of the assets and the consumption of their economic benefits. The effect of this revision has decreased the depreciation charges in the current period and increased the depreciation charge to be consumed in future periods for:

IT Computers	R50 973
Office Equipment	R5 782
Furniture	R6 020
Plant and Equipment	R115 075
Motor vehicle	R8 470

The impact on tax is a decrease in income tax expense of R50 306

#### City Power

##### Property plant and equipment.

Property plant and equipment original useful lives have been reassessed as per table below in the beginning of the current financial period to reflect the actual pattern of service potential derived from the assets. The depreciation is to be calculated on a straight-line basis for the remaining useful lives of the asset.

Asset Class	Useful lives extensions
Computer Equipment	2- 3 years
Plant and machinery	2-20 years
Furniture and fittings	10 years

The change in the useful lives of the assets had the following impact on depreciation

Depreciation impact	Current year(decrease)	Future(Increase)
Computer equipment	(1 765)	1 765
Furniture and fittings	(17)	17
Plant and machinery	(613)	(613)
	<b>(2 395)</b>	<b>2 395</b>

#### Intangible Assets

The useful lives of computer software was reassessed as per table below in the beginning of the current financial period to reflect the actual pattern of service potential derived from the assets. The amortisation is to be calculated on a straight-line basis for the remaining useful life of the assets.

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	2025	2024	2025	2024

### 56. Change in estimate (continued)

Asset Class	Useful lives extensions
Computer Software	2-3 years

The change in the useful lives of the assets had the following impact on amortisation:

Amortisation impact	Current year(decrease)	Future(increase)
Computer software	504	504

#### Bulk purchases

City Power and Eskom reach a settlement agreement regarding the overstated billing contested by the entity relating to prior periods. The service provider agreed to adjust the previously overstated billing by R835 000 000 in the current financial year. This amount was previously recognised and expensed as bulk purchases in prior financial years by the entity has been treated as a change in estimates in the current financial year. The terms of the final settlement agreement between the two parties was only determined after the previous accounting periods. The transaction.

The impact of the change in estimates is reflected below. The agreement also provides for the suppression of interest previously charged if the entity adhere to all payment arrangement agreed upon. The future impact of this agreement cannot be determined at this stage.

	Current year	Future period
Trade and other payables	835 000	Unknown
Bulk Purchases	(726 087)	Unknown
VAT	(108 913)	Unknown

#### Current Tax

City Power and SARS reached a final settlement of the tax dispute in the current financial year. The resolution addresses wear and tear allowances provisions rejected from 2014 until 2017 and provisions for bad debt allowance claims from 2010 to 2012. The tax refund due to the entity was under estimated by R99 705 000 after SARS reversed penalties previously levied on the account. This amount will also be refunded to the entity after the full settlement is implemented. The transaction was treated as a change in estimates in the current financial year.

The impact of the change in estimates is reflected below.

	Current year	Future period
Current tax receivable	99 705	Unknown
Taxation expense	(99 705)	Unknown

The amounts disclosed above are not rounded and reflect the full Rand Value

#### MTC

#### Property Plant and equipment

During the year, the entity conducted an operational efficiency for property, plant and equipment, which resulted in changes in the expected useful lives of various asset categories. This further resulted in the reduction of the annual depreciation for each of the affected assets. The change in estimate resulted in the following effect(in '000) on the annual financial statements:

Decrease in current year depreciation: R 1 270

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### 56. Change in estimate (continued)

Decrease in deferred tax: R 343

#### Intangible Assets

During the year, the entity conducted an operational efficiency for the intangible assets which resulted in changes in the expected useful lives of various intangible assets. This further resulted in changes in the expected useful lives of various intangible assets. This further resulted in the reduction of the annual amortisation for each of the affected assets.

Decrease in amortisation: R 800

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### 56. Change in estimate (continued)

Decrease in deferred tax: R 216

#### Pikitup

##### Property, plant and equipment

The useful life of landfills was estimated in 2024 as follows:

Robinson deep - 1 years (2024: 2 years)

Goudkoppies - 1 year (2024: 4 years)

The impact on depreciation is R16 673 717 (2024: R5 001 909)

#### Parks

##### Property, plant and equipment

In terms of the requirement of GRAP 17 the useful lives of fully depreciated property plant and equipment were reviewed by management at year end. The remaining useful life expectations of all fully depreciated property plant and equipment differed from previous estimates and was estimated at an average of:

Category	Average useful lives
IT Equipment	3 Years
Minor plant	5 Years
Office equipment	5 years
Furniture and fittings	5 years
Mobile plant	2 years

This estimate relates to assets that were carried as R1 as at 30 June 2025 and we are still actively in use. This resulted in a revision of some of the previous estimates which was account for as a change in accounting estimates. The effect of this revision is a decrease in the depreciation charges for the current period of 2025: R3.6 million.

#### Living resources - animals

The residual values, depreciation methods and useful lives of the animals are reviewed at each financial year end and adjusted if necessary. If the expectations differ from the previous estimates, the change is accounted for as a change in estimate.

There was no change in expectations at year end resulting in no change to the depreciation methods, useful lives and residual values of animals. See accounting policy for the useful lives..

#### JPC

The useful life of certain property plant and equipment was revised as follows:

Asset category	Original Useful life	Revised useful life
IT Equipment	7	12
Leased assets	3	8
Furniture and fittings	16	29
Plant and machinery	10	19
Office equipment	8	14

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	2025	2024	2025	2024

### 56. Change in estimate (continued)

The effect of this revision has increased the depreciation charges for the current and future periods as follows:

	30-Jun 25	Future periods
Current depreciation	1 278 898	1 278 898
Deferred Tax	345 302	345 302

#### JRA

##### Property, Plant and equipment

Various movable assets and infrastructure assets with original remaining useful life varying between 1-6 years have been revised in the beginning of the period to reflect a new depreciable amount and the actual pattern of service potential derived from these assets

##### 2025

The effect on the current and future period will be decrease in the depreciation charge of R-29 346.80 in the current period and equal increase in the depreciation charge of R29 346.80 over the next period as per the above information.

##### 2024

Various movable assets and infrastructure assets with original remaining useful life varying between 1-6 years have been revised in the beginning of the period to reflect a new depreciable amount and the actual pattern of service potential derived from these assets

The effect on the current and future period will be a decrease in depreciation charge of R8 047 177.39 in the current period and equal increase in the depreciation charge of R8 047177.39 over the next period as per the above information.

#### JDA

##### Property, plant and equipment

##### Furniture and fittings

The useful life of furniture and fittings was estimated in 2018 to be 5-20 years. In the current period management have revised their estimate to be within 5-25 years. The effect of this revision has decreased the depreciation charges for the current year by R91 364 and increased future periods by R91 364. The impact on tax would be R24 668 in future periods. The impact on the cash flow statement would be R66 695.

##### Office equipment

The useful life of Office Equipment was estimated in 2018 to be 5-20 years. In the current period management have revised their estimate to be within 5-25 years. The effect of this revision has decreased the depreciation charges for the current year by R57 949 and increased future periods by R57 949. The impact on tax is R15 646. The impact on the cash flow statement is R42 303.

#### Joburg Water

##### Property, plant and equipment

In the current year, the entity has reassessed the useful lives and residual values of property, plant and equipment which resulted in certain assets remaining useful lives revised to 3 years. The effect of this revision has decreased the depreciation charge for the current and the future period by R18.861. The change in estimate affected all the classes of property, plant and equipment per disclosure note 3.

##### Debtors impairment provision

During the financial year ended 30 June 2025, Johannesburg Water revised its methodology for calculating impairment provisions for consumer debtors. The change was implemented to enhance compliance with the principles of GRAP 104 – Financial Instruments, improve alignment with observable payment trends, and strengthen the accuracy and auditability of the provision calculation by factoring in a risk based impairment calculation and

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### 56. Change in estimate (continued)

incorporate the fact that not all debt is collected as initially expected thus resulting in a truer accurate reflection of carrying values at year end. This change in estimate has been applied prospectively in accordance with GRAP 3 – Accounting Policies, Changes in Accounting Estimates and Errors.

As a result of the revised impairment methodology, the impairment provision increased from R27.394 billion in the prior year to R32.587 billion at 30 June 2025, reflecting a net increase of approximately R5.193 billion.

Total trade receivables increased from R31.375 billion at 30 June 2024 to R36.234 billion at 30 June 2025.

### Core

**Employee provisions:** The employee provision was initially estimated at an amount of R114 793 040.00, however, the provision was subsequently settled at an amount of R106 202 532.50. Since the settlement amount was lower than the initial estimate, this resulted in a change in estimate amount of R8 590 507.50.

The change has been correctly recognized as a reversal of the provision.

The impact on future years varies between 3-5 years depending on different classes of assets.

**Property rates:** The change in estimate amount included in revenue are due to changes in property values, implementation of appeal of board decisions, property subdivisions and consolidations and property categories. The change in estimate for property Rates and Taxes amounted to R-389 231 720 (2024: R-127 466 163)

**Traffic fines:** The amount relates to traffic fines accounted for as invalid in the previous year, this was due to those not being posted to traffic offenders within the prescribed period. These fines were subsequently collected by JMPD in the current year. The change in estimates for fines amounted to R101 155 885 (2024: R23 331 832).

**Depreciation:** The change in accounting estimates relates to reassessment of useful life of property, plant and equipment. The change in estimate amounted to R-51 264 111.09 (2024:R-78 158 222,57)

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Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024

### 57. Events after the reporting date

Group

Credit Rating Review

On 08 April 2026 - GCR Ratings (GCR) placed the City of Johannesburg, with a national scale long and short-term issuer ratings of A(ZA) and A1(ZA), on Rating Watch Negative. The Rating Watch Negative is due to material uncertainty in the audit process, as highlighted by the continued delay in finalising the financial statements for the fiscal year to 30 June 2025.

On 20 April 2026, Moody's placed the City of Johannesburg (Ba3/ (P)Ba3/A1.za/NP/P-a.za) rating under review for possible downgrade. Johannesburg's rating was placed under review following the Johannesburg Stock Exchange's (JSE) suspension of the city's debt instruments. The suspension reflects the city's failure to meet the JSE's requirement to publish audited financial statements for fiscal 2024–25 (year ended 30 June 2025) by end-January 2026 as prescribed by JSE listing requirements

The failure to meet the JSE listing requirements is due to an audit dispute with AGSA on the audit of the City of Johannesburg Core (parent municipality) financial statements, which resulted in a delay in the submission of City's audited annual financial statements for the year ended 30 June 2025 in line with section 127 (2) of the MFMA.

In terms of MFMA section 127 (3) (b) the Mayor is expected to submit to the council the outstanding annual report or the outstanding components of the annual report as soon as may be possible, which is expected to be by no later than 31 May 2026.

Both ratings agencies are expected to reconsider the ratings watch/review after 31 May 2026.

### CORE

#### Appointments and resignation of Mayoral Committee Members and Speaker

Cllr Margaret Arnolds was appointed as the new speaker of council on 3 July 2025. On 7 August 2025, new Mayoral Committee Members were appointed. Cllr Loyiso Masuku was appointed as the new MMC of Finance and Cllr Nkosephayo Zungu was appointed as the new MMC of Corporate and Shared Services. Cllr Thapelo Kunene resigned as MMC of Transport on 25 July 2025.

Council Meeting for UIFW Write-Offs

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Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024

### 57. Events after the reporting date (continued)

The City Council sat on the 28th of August 2025 and approved write-offs for UIFW. These are adjusting events as the reports were submitted and considered by MPAC before 30 June 2025. Irregular and unauthorised expenditure amounting to R1 996 932 046 and R3 086 027 066 respectively were approved for write-off. Fruitless and wasteful expenditure amounting to R1 385 873 was approved for write-off while R15 336 was recommended to be recovered from service providers.

Additional UIFW write-offs amounted to unauthorised expenditure of R2 821 876 653 and irregular expenditure of R546 009 697, approved through ordinary Council meetings held in September and October 2025. Furthermore, there was irregular expenditure of R354 316 688 and unauthorised expenditure of R514 252 417 written off, while irregular expenditure of R7 270 593 and fruitless and wasteful expenditure of R1 725 890 has been classified as recoverable. The latter amounts were approved for write-off at the Council meeting held on 3 December 2025.

#### Appointment of the City Manager

Dr Floyd Brink was appointed as the City Manager effectively from 1st of December 2025.

#### City Parks

Mr. N Njoni was appointed as Acting Chief Financial Officer with effect from the 2nd of July 2025 after the resignation of the CFO, Mr. F Rikhotso on 30 June 2025.

#### JDA

There was no subsequent event that was identified during the period.

#### MBUS

The Entity did not have any subsequent events that required disclosure.

#### JOSHCO

JOSHCO would like to bring to the attention of the users the following events that occurred subsequent to the end of the financial year, but before the financial statements report date of 31 August 2025.

#### Permanent Appointment of the CFO

The entity appointed Mr Floyd Rikhotso as the Chief Financial Officer of the entity commencing on 07 July 2025.

#### Ruling on court matter in favor of JOSHCO

In July 2025, the court ruled in favor of JOSHCO to recoup expenditure paid to service providers for the development of the JOSHCO App. This then has resulted in an adjusting event that affects the financial position of the entity as the amount is to be recognised as a receivable once there is a refund amount determined during the 2026 financial year and no longer a contingent asset as previously reported. The payables balance of R5 402 700 has also been derecognised through the statement of financial performance. The matter has been ongoing since the 2023 financial year.

#### Resignation of Company Secretary

Subsequent to 30 June 2025, but before the Approval of annual financial statements, Ms Madonna Rangaka, Company Secretary, has resigned effective 31 August 2025.

#### JTC

On 26 August 2025, the board approved a write-off of an additional fruitless and wasteful expenditure amounting to R1,000 which relates to the Companies and Intellectual Property Commission penalties that arose after processing the 2024 and 2025 annual returns.

#### City Power

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Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024

### 57. Events after the reporting date (continued)

City Power and City of Johannesburg agreed to transfer some functions relating to the billing of consumer debtors during the new financial year. The transaction was effective from 1 July 2025. In terms of the agreement City Power will be responsible

for the main functions within the billing value chain. This includes meter reading, meter reading validation to improve billing accuracy challenges. City of Johannesburg will continue to issue final invoices and collection of debtors on behalf of City Power.

The settlement agreement between the entity and SARS was not fully implemented by SARS at the reporting date. The final assessments and reversal of interest previously levied on the current income tax account was not amended. These amendments are considered material and will be considered a subsequent event should it be implemented prior to issue of financial statements.

The directors are not aware of any other matter or circumstance arising since the end of the financial period, not otherwise dealt with in the financial statements that would affect the operations or results of the entity significantly.

### 58. Loans to (from) shareholders

Notional loans	-	-	-	-
Terms and conditions				

### 59. Current tax payable/receivable

These are amounts are Receivable by the group as a result of transaction attracting Income Tax as legislated under the Income Tax Act 58 of 1962 from the South African Revenue Services.

No impairments against the current tax receivables.

#### CURRENT TAX RECEIVABLE (Statutory receivables)

Opening balance	136 240	145 330	-	-
Transfer to/from payables	(5 817)	-	-	-
Current tax	(39 620)	-	-	-
Tax paid	63 266	-	-	-
Interest, penalties, refunds and other	89 736	(9 090)	-	-
	<b>243 805</b>	<b>136 240</b>	-	-

#### CURRENT TAX PAYABLE

Opening balance	137 353	170 608	-	-
Transfer to/from receivables	(13 564)	-	-	-
Tax levied on reassessment of prior year tax periods	-	30 448	-	-
Interest and penalties charged	-	68 734	-	-
Current tax expensed for current year	-	59 793	-	-
Tax paid during the year	(123 789)	(192 229)	-	-
	-	<b>137 354</b>	-	-

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## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>59. Current tax payable/receivable (continued)</b>				
<b>NON-CURRENT TAX RECEIVABLE</b>				
Transfer to/from payables	(7 747)	-	-	-
Interest and penalties charged	63	-	-	-
Current tax expensed for current year	(50 743)	-	-	-
Tax paid during the year	72 149	-	-	-
	<b>13 722</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>60. Payable (non-exchange)</b>				
Non-current	537 664	486 971	-	-
The bulk service contribution for capital expenditure represents contributions made by developers through CJMM yet to be spent on capital infrastructure and related projects.				
<b>61. VAT payable</b>				
Tax refunds payables	14 847	18 978	-	-
<b>62. Levies</b>				
Fuel Levy	4 127 608	3 838 724	4 127 608	3 838 724
City Cleaning Levy	276 913	239 430	-	-
	<b>4 404 521</b>	<b>4 078 154</b>	<b>4 127 608</b>	<b>3 838 724</b>
<b>63. Finance Income</b>				
<b>Dividend revenue</b>				
Interest- SARS	422	2 561	-	-
Interest on arrear rates IS-U	216 945	209 265	216 945	209 265
	<b>217 367</b>	<b>211 826</b>	<b>216 945</b>	<b>209 265</b>
<b>Interest revenue</b>				
Interest on Loans to MEs	-	-	970 145	895 369
Bank	261 538	357 607	197 199	284 667
Interest charged on trade and other receivables	591 716	578 965	134 498	93 156
Interest- Other	14 704	12 551	16 555	13 911
Sweeping Account	-	-	1 479 865	1 330 121
	<b>867 958</b>	<b>949 123</b>	<b>2 798 262</b>	<b>2 617 224</b>
	<b>1 085 325</b>	<b>1 160 949</b>	<b>3 015 207</b>	<b>2 826 489</b>
<b>64. Finance costs</b>				
Borrowings	2 482 268	2 606 736	2 475 774	2 616 686
Sweeping interest	-	-	435 481	343 595
Late payment of tax	247	11 435	-	-
Interest on post-retirement	76 858	45 285	101 694	114 460
Interest unwinding on rehabilitation of landfill	66 316	50 346	-	-
Interest - Other	794 667	229 117	58 162	39 916
	<b>3 420 356</b>	<b>2 942 919</b>	<b>3 071 111</b>	<b>3 114 657</b>

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## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024
<b>65. Taxation</b>				
<b>Major components of the tax income</b>				
<b>Current</b>				
Local income tax - current period	65 860	65 788	-	-
<b>Deferred</b>				
Originating and reversing temporary differences	(478 528)	(668 550)	-	-
	<b>(412 668)</b>	<b>(602 762)</b>	-	-
<b>Reconciliation of the tax expense</b>				
Reconciliation between accounting surplus and tax expense.				
Accounting surplus	(3 787 394)	(3 515 880)	-	-
Tax at the applicable tax rate of 27% (2024: 27%)	(1 022 596)	(949 288)	-	-
<b>Tax effect of adjustments on taxable income</b>				
Non-deductible expenditure	136 558	260 535	-	-
Prior year over/(under) provision	(29 550)	(2 789)	-	-
Effects of previously unused tax losses and deductible temporary differences	469 574	185 571	-	-
Other	33 346	(96 791)	-	-
	<b>(412 668)</b>	<b>(602 762)</b>	-	-
The applicable income tax rate is 27% .				
<b>66. Rental of facilities and equipment</b>				
<b>Facilities and equipment</b>				
Rental of facilities	55 571	50 931	7 278	6 987
Rental of equipment	289 554	256 499	124 694	127 436
	<b>345 125</b>	<b>307 430</b>	<b>131 972</b>	<b>134 423</b>
<b>67. Agency services</b>				
Commission	931 818	906 452	316 207	318 393
Billing and collection	-	9 365	451 214	434 703
Management Fees	22 472	54 182	-	-
	<b>954 290</b>	<b>969 999</b>	<b>767 421</b>	<b>753 096</b>

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	2025	2024	2025	2024

### 67. Agency services (continued)

#### City Power

The entity entered into an agreement with Department of Cooperative Governance and Traditional Affairs where the entity will execute projects on behalf of the department. The entity will receive a fixed percentage as management fees to execute these projects to completion.

#### Joburg Market Fresh Produce

The sale of fresh produce on National Fresh Produce Markets are governed by the Agriculture Produce Agent Council Act (APAC) and Market By Laws. The City is an agent through Joburg Market facilitating to sale of fruits and vegetables. The commission earned is R561.8 million (2023:R515 million). Amounts held and payable to principal (2025: R26 million) (2024: R60 million).

#### Gauteng Department of Roads and Transport

The agreement requires the city to perform all the registering and testing functions on behalf of the department which consist of Motor vehicle registration and licensing, Driving license test centre functions and Vehicle testing station functions. The City is an Agent to the agreement as they are only entitled to a commission amount and deposit all the net amount received for services rendered to the provincial department. City's failure to deposit amounts collected to the province for a period of two months result to strict requirement of depositing daily to the department.

#### Vehicle registration are driver's licensing commission can be broken down as follows:

Licensing	272 389	267 169	272 389	267 169
Permit fees	18 289	23 447	18 289	23 447
Certificate fees	1 426	1 420	1 426	1 420
Testing fees	6 190	6 503	6 190	6 503
Trade plates	17 913	19 854	17 913	19 854
	<b>316 207</b>	<b>318 393</b>	<b>316 207</b>	<b>318 393</b>

### 68. Principal agent arrangement

#### Webtickets

City of Johannesburg as a Principal (the group) has an agreement with Webtickets to sell tickets for shows. Through this arrangement Webtickets uses its distribution platform via Pick N Pay. All sales through Pick N Pay are deposited directly to Webtickets who in turn deducts the ticketing fee and pay the amount due to JCT.

There are no assets, resources and liabilities of the City that are under the custodianship of Webtickets and that there were no resources remitted during the period under review.

In the event of termination caused by service provider's insolvency and bankruptcy, there shall be no compensation to the service provider, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to JCT.

#### South African Post Office Limited

The agreement is between the South African Post Office Limited and City of Johannesburg Metro Municipality where the terms and conditions have been agreed upon that the Post office will accept payments from city customers on behalf of the City at their post office outlets. The City is a principal to this agreement.

# City of Johannesburg Metropolitan Municipality

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## Notes to the Group Annual Financial Statements

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	2025	2024	2025	2024

### 68. Principal agent arrangement (continued)

#### Transwitch

The City is a principal to an agreement where Transwitch Services (Pty) Ltd (TSS) will collect all the outstanding accounts owed by city customers on behalf of the City.

TSS must ensure that all payments collected must be paid to the City's nominated bank account not later than 24 hours after collection and in the event that the next day is a weekend or public holiday, the payment must be made on the next business day thereafter.

Entity	Cash held by agent		Cash paid by agent		Commission paid	
	2025	2024	2025	2024	2025	2024
Transwitch Services (Pty) Ltd	36 825	50 825	964 669	8 009 953	43 650	160 881
South African Post Office Limited	118	324	6 620	60 503	26	260
Webtickets	-	-	1 692	1 845	1 341	1 389
	<b>36 943</b>	<b>51 149</b>	<b>972 981</b>	<b>8 072 301</b>	<b>45 017</b>	<b>162 530</b>

All the cash held by the agents on behalf of the City is expected to be settled by not later than 31 July 2025.

### 69. Surcharges and Taxes

Surcharges- Electricity	253 658	215 162	253 658	215 162
Surcharges- Water	93 610	89 655	93 610	89 655
Surcharges- Refuse	(272)	7 445	(272)	7 445
	<b>346 996</b>	<b>312 262</b>	<b>346 996</b>	<b>312 262</b>

### 70. Cash Management

Since 2013 financial year, Transport department within City of Johannesburg had cash losses due to alleged fraudulent

activities and theft amounting to R95 001 000 (figure in rands). These losses incurred led to monies which were never credited into the City's bank account. Management is in the process of prosecuting personnel alleged to have undertaken fraudulent

activities and/or have been negligent in the execution of their duties. Cases have also been opened with the SAPS with a

view inter alia to recovering the monies. Investigations are almost complete and based on the outcome of these investigations actions have already been taken and will continue to be taken to improve controls and hold the relevant parties accountable.

95 001	95 001	95 001	95 001
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# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2025

## Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024

### 71. Going concern

We draw attention to the fact that at 30 June 2025, the municipality had an accumulated surplus (deficit) of 59 199 962 and that the municipality's total assets exceed its liabilities by 59 199 962 (pre-audited).

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

In assessing the City's ability to continue as a going concern, management considered the cash flow forecasts, medium-term budget estimates, financial ratios, loan redemption planning, access to funding, and continued government support. Based on this assessment, management is satisfied that the going concern assumption remains appropriate.

#### Cash Flow Forecast and Medium-Term Budget

Cash flow forecast and the 2025/26 - 2027/28 Medium-Term Budget indicates sustained positive cash flows supported by consistent budgeted surpluses.

#### Key Financial Ratios

	Group	CJMM
Debt (Total Borrowings) /Revenue	29%	60%
Cash/Cost Coverage Ratio	17.4 days	29 days
Current Ratio	0.75	1.22
Capital Cost	10%	11%
Solvency Ratio	1.98	1.90
Interest to Expense Ratio	4%	9%
Debtors Collection Days	79 days	79 days

#### Group

The City's borrowings to revenue ratio is 29% which is below the 45% set by National Treasury, this indicates that the City maintains a healthy level of indebtedness and has sufficient borrowing capacity. As such, the City can accommodate additional debt without placing undue strain on its balance sheet.

The cost coverage ratio has improved to 17 days from the previous financial year. This is due to an increase in the collection rate that has improved in the current year.

The current ratio also improved which is attributable to the increase in cash reserves driven by the improved collection rate.

The capital cost is within the norm and is being closely monitored to ensure sufficient investment in revenue generating capital infrastructure. The City has an improved funding plan which considers the available resources which the City could use to fund its capital programs while ensuring that the City remains financially stable.

The City's total assets to total debt ratio has decreased to 1.98 which indicates that for every R1 of debt there is a R1.98 worth of assets. This solvency ratio confirms that the City has enough total assets to cover its total obligations.

The debtors collection days have slightly improved which is mainly attributable to the City implementing more effective billing systems, better tracking of overdue accounts, and a renewed focus on customer relationship management thereby slightly improving the collections of the organisation.

#### Government Support

The City does not expect any withdrawal of funding from National or Provincial Government. Government support is legislated and guaranteed through the Division of Revenue Act (DORA).

The City is implementing National Treasury Trading Reforms to strengthen future funding flows.

#### Loan Maturities and Repayment Strategy

Loan repayments are planned through the medium-term budget, loan redemption schedule, sinking fund contributions, and ongoing cash flow management.

These mechanisms provide a realistic and sustainable repayment strategy for maturing loans.

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Figures in Rand thousand	Group		CJMM	
	2025	2024	2025	2024

### 71. Going concern (continued)

#### Operating Surplus

The Unaudited Annual Financial Statements reflect an operating surplus for the current year. The 2025/26–2027/28 Medium-Term Budget anticipates operating surpluses across the period.

#### Loan Covenants

The City monitors loan covenants on a continuous basis. Ratio-based covenants breaches were identified at Group level for 2024/25 (Cost Coverage Ratio - ABSA). The ratio had improved by the end of Q1 2025/26 based on Group Management Accounts.

#### Access to Long-term Funding

The City continues to successfully access government grants and debts funding for major capital projects.

#### CJMM

Whilst the full debt book is absorbed by Core Administration, the congruent obligation to settle it is shared with entities through conduit loans.

Based on the above considerations, management believes that the City has adequate financial resources and support to continue operations for the foreseeable future.

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## Notes to the Group Annual Financial Statements

### 72. Contingent liabilities

#### Legal and litigation claims by residents/companies

Details of contingencies	Name of the company responsible	Estimated Amount in R'000 2025	Estimated Amount in R'000 2024
Claim for alleged damages suffered due to the fact that sufficient capacity was allegedly not made available to the developer to develop property to full potential and in line with zoning rights granted by Council. The parties agreed that the allocated time for trial was not sufficient. Currently awaiting a new trial date. The matter is dormant at this stage. The status remained unchanged as at 30 June 2025.	CJMM	6 289	6 289
The Plaintiff issued summons claiming non-payment of 3 invoices for delivery of computers, laptops and cartridges as well as toners to the City departments. The City denies liability as the Plaintiff has no knowledge of the attorneys and the person misrepresenting themselves as bona fide directors of the Plaintiff. The parties have exchanged pleadings on the 26 <sup>th</sup> of October 2021. Status has remained unchanged as at 30 June 2025.	CJMM	8 744	8 744
Plaintiff claims to have suffered damages to the extent of lost income for the full duration of the agreement concluded with the City. Pleadings have closed and the matter is awaiting set down. Status did not change as at 30 June 2025.	CJMM	2 640	2 640
Plaintiff is claiming an amount for alleged damages for loss of amenity due to the City approving certain land uses next to the plaintiff's property of R18 million. In preparation for trial set for September 2019, the City argued certain points in limine which the court wanted time to consider and postponed the whole case sine die. Status remained unchanged (currently no new set down by the claimant 2 February 2022), as at 30 June 2025.	CJMM	17 000	17 000
A claim based in delict in that it was allegedly wrongful and unlawful for the City not to have provided TEA (Temporary Emergency Accommodation) to the occupiers of Chung Hua Mansions on the day stipulated in the order handed down by Claassen J. Changing Tides alleges that the City because of its constitutional obligations, owed Changing Tides a duty of care, which duty of care would have prevented Changing Tides from incurring the alleged losses which it alleges it incurred. The city says that Changing Tides also must allege and prove that the city was in fact in a position (from a resources perspective) to provide TEA to the occupiers of Chung Hua Mansions. The City is waiting for the judge president to give us a date for case management meeting. The pleadings have closed in this matter. The matter has been referred to the commercial court by the registrar. The first case management meeting has been held and the case managing judge has handed down directives on discovery and expert notices. Both the Plaintiff and Defendant have made discovery on the 15th of November and December	CJMM	12 375	12 375

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## Notes to the Group Annual Financial Statements

2021 respectively. In terms of the directive the parties have to file expert notices and summaries on their respective onuses by the 25th of February 2022. No trial date has been set yet. The case has a 50/50 chance of success. Judgement was handed down on 14 March 2025. The status remains unchanged as at 30 June 2025.			
The Plaintiff sued the City for damages that the plaintiff alleges arose from the City's non-enforcement of its by-laws. A trial date is being awaited. The status has not changed as at 30 June 2025	CJMM	5 800	5 800
The plaintiff is claiming an amount in relation to the retention costs, termination costs, payment of the value of the work done and time related costs for the project of Bulk and storm- water at Pimville Zone. The service provider abandoned the site, claiming that the City had made a calculation error and he then repudiated the contract. Notice to oppose the matter was filed by the City. Status did not change as at 30 June 2025.	CJMM	8 950	8 950
Claim for damages for Defamation of Character for the removal of the Article from the City Webpage and a publication of an apology.	CJMM	400	400
The City is being sued for loss of income after a supplier was unlawfully and arbitrarily removed from the COJ Attorney collection panel. The court ordered for his reinstatement after the City failed to reinstate him. City is defending the matter and filed its plea. City is also preparing for discovery and preparing for trial. There are consultations with an expert actuary to determine the full quantum of the matter in preparation for the trial. No trial date has been set. Status remains unchanged as at 30 June 2025.	CJMM	180 000	180 000
Claim for payment of monies for services rendered. Matter is at pre-trial conference stage, refresher consultation held on the 23rd June 2025 to clarify issues and to prepare for trial, also so establish who may be witnesses if need be.	CJMM	124	-
Claim against EMS for damage to property. A plea we recently served and filed on behalf of the city	CJMM	15 442	-
Claim for breach of contract for the failure to make payment to service provider for the supply of printer toners to Finance SCM. Matter defended.	CJMM	3 110	-
Claim against JMPD for unlawful arrest. The Plaintiff abandons R5000.00 of his claim to bring his claim within the Regional Court's jurisdiction. Matter continues to be defended by the city.	CJMM	405	-
Claim for alleged breach of contract (Sale agreement) for failing to do a proclamation of Remaining Extent of Portion 19 of the farm Klipspruit298" (which measured 10.0600 hectares) as a Township.	CJMM	13 000	-
The plaintiffs instituted a claim against the City. They relate to the demolitions carried out by JMPD and The Red Ant during 2019. JMPD put in an operation to demolish illegal structures around Alexandra township. The applicants brought an interlocutory application to join the Red Ants. The city did not oppose the joinder application, the Red Ants are joined in the matter and they filed the to notice defend the action. The parties have filed their discovery notices. Pre-trial conference will be held in due course.	CJMM	48 525	-

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Claim in respect of damages claimed to reinstate property in respect of the written lease agreement entered into by JPC on behalf of the Group Finance Department. Judgement against City was successfully rescinded. City now defending the rental action.	CJMM	17 232	-
This is a damages claim as a result of invasions by unauthorised invaders/persons. Matter has been defended and pleadings have been exchanged.	CJMM	16 500	-
Claim in respect of a breach of written lease agreement entered into by JPC on behalf of the Group Finance Department. Pleadings have been exchanged.	CJMM	11 842	-
This is a claim for unpaid invoices for goods delivered. Matter has been defended. Special plea and exception raised.	CJMM	4 642	-
This is a claim for unpaid invoices for goods delivered. Matter has been defended. Special plea and exception raised.	CJMM	2 830	-
The matter relates to a possible interdict against the City and JDA by a company for the Construction of the Sandton BRT Station.	Johannesburg Development Agency (SOC) Ltd	-	2 000

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A sub-contractor applied for an order to remove an automatic generator installed at Asphalt Depot.	Road Agency (SOC) Ltd	-	-
Employee is claiming leave payout allegedly outstanding since his retirement in 2012. The estimated contingent liability is not quantified.	Road Agency (SOC) Ltd	-	-
Featherbrooke and other respondents made an urgent application to the high court for the underpinning, remediation and management of the stormwater infrastructure at the Muldersdrift Seloop River in Mogale City. The estimated contingent liability is not quantified	Road Agency (SOC) Ltd	-	-
Waterfall View have an application for an order to compel JRA to maintain and rehabilitate the embankment/stormwater infrastructure on Klein Jukskeirivier. The case was disclosed on the prior year.	Road Agency (SOC) Ltd	-	-
Various applicants has filed an Application for compelling the CoJ/JRA/Mayor to comply with their legal duty to attend to the necessary repairs on damaged drain covers at the corner of Methwold and Restanwold Roads Saxonwold. The estimated contingent liability is not quantified.	Road Agency (SOC) Ltd	-	-
An Applicant has approached the High Court for an Order compelling the JRA to complete hydrological and hydraulic studies on the stormwater system around his property on ERF 1569 Extension 2, 11 Kiaat Place, Winchester Hills after his property was eroded during flooding that occurred despite the City approving his building plans to build his house in the said area. Applicant believes that this is due to the inadequate JRA stormwater system the amount claimed is indicated as none.	Road Agency (SOC) Ltd	-	-
An applicant filed an application following alleged damages caused by the stormwater from their neighbour flooding their property. They thus want the Court to order the JRA to build a stormwater drain away from the plaintiff's boundary wall, and also build weep holes on the plaintiff's neighbour's boundary to allow the natural flow of the stormwater.	Road Agency (SOC) Ltd	-	-
JRA lodged a Judicial Review Application against PK Ramashu and other "irregularly appointed bidders" to have their Awards reviewed and set aside on the basis of irregularity because: employee was appointed without a capacity letter on their letterhead while other bidders had been disqualified for not submitting the capacity letter; the Tender was awarded for an amount in excess of the approved budget and without any formal explanation of this deviation; the Appointment letter was signed by the CEO while he was on leave and the awarding of this tender was against principles of legality since the Probity report had raised several red flags on the non-compliance of the appointed bidder and they had not even been recommended by BEC but were still appointed against the recommended bidder	Road Agency (SOC) Ltd	-	-
JRA - Supplier had been appointed under contract No: JRA/21/180, for the UPGRADING OF GRAVEL ROADS TO SURFACE STANDARDS INCLUDING STORMWATER IN	Road Agency (SOC) Ltd	-	-

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BRAAMFISCHERVILLE. They were terminated for poor performance. They unilaterally embarked on an adjudication process for a contractual claim regarding the extension of time following their termination for performance poor by JRA. JRA lodged a complaint with SAICE but it was disregarded. Eventually, the Adjudicator issued an Award against JRA.			
19 Respondents (JRA being 10th Respondent) - Complainant took the 19 Respondents to the Equality Court for 1. Discrimination against his gender/tribe, violation of his rights, and systematic destruction of his livelihood and humanity.	Road Agency (SOC) Ltd	-	-
JRA - Contractor is disputing their termination from CONTRACT NO.: JRA/21/75 FOR CONSTRUCTION OF CANTERBURY CRESCENT BRIDGE IN GALLO MANOR EXT 1 STREET, REGION E.	Road Agency (SOC) Ltd	-	-
The Applicant has filed a Third Respondent's Notice of Counter Review Application in terms of section 145 of the Labour Relations Act 66 of 1995 (as amended). The estimated contingency is R 8,537,625.66.	Road Agency (SOC) Ltd	8 537	8 537
Contractor // Executive Mayor of CoJ, Municipal Manager, CoJ and JRA – Application for an Order compelling the CoJ/JRA to provide water, electricity, roads, stormwater drained and sewerage services to Erf 27 Grand Central Extension 10, Midrand. The estimated contingency is not quantified	Road Agency (SOC) Ltd	-	-
Application for an Order declaring Wayleaves granted to contractor null and void plus an Order restraining JRA from granting any other entity access to "their" site. The estimated contingency is not quantified	Road Agency (SOC) Ltd	-	-
The application for compelling the JRA to refer the contractual disputes on payment of Preliminary and General (P&G) costs to adjudication.	Road Agency (SOC) Ltd	1 680	1 680
Employee was dismissed by the JRA for misconduct/ insubordination. He referred the matter to the South African Local Government Bargaining Council (SALGBC) for Arbitration and the Arbitrator found in his favor. JRA is now taking the matter to the Labour Appeals Court for Review of the Arbitrator's decision and or to have the matter referred back to another Arbitrator.	Road Agency (SOC) Ltd	-	0
A company claims damages against the JRA for the latter's failure to perform its obligations in terms of the service level agreement allegedly concluded between the JRA and JV under tender no: JRA/21/84.	Road Agency (SOC) Ltd	36 137	36 137
Security Services claims for the unpaid services rendered to the JRA.	Road Agency (SOC) Ltd	2 445	2 445
Application for review and setting aside of tender number JRA/19/001 and to render procedurally unfair and materially and adversely affecting the rights and legitimate expectation of the applicant. Applicant also wants an order in terms of which they are appointed as one of the successful tenderers. The estimated contingent liability is not quantified.	Road Agency (SOC) Ltd	-	-

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The Municipal Manager Applicants approached Court for an Order compelling JRA to fix sinkholes allegedly caused by JRA's stormwater system in their property.	Road Agency (SOC) Ltd	-	-
SARS is claiming unpaid Income Tax from JRA.	Road Agency (SOC) Ltd	-	
SARS is claiming unpaid VAT from JRA	Road Agency (SOC) Ltd	-	-
There is an application for an Order declaring Wayleaves granted to a business development company null and void plus an order restraining JRA from granting any other entity access to "their" site. The estimated contingency is not quantified.	Road Agency (SOC) Ltd	-	-
The Applicant filed an application for compelling the entity to comply with their legal duty to attend to the stormwater drainage system at or around 84 and 86 Dennis road, Athol.	Road Agency (SOC) Ltd	0	0
Application for contempt of Court Order by COJ / JRA and City Manager to find alternative accommodation for Mrs Markowitz, to investigate and prepare Preliminary Design report. The estimated contingency is not quantified.	Road Agency (SOC) Ltd	-	-
An Applicant has filed a Third Respondent's Notice of Counter Review Application in terms of section 145 of the Labour Relations Act 66 of 1995 .	Road Agency (SOC) Ltd	8 538	-
Various applicants filed an urgent application for the court to stop JRA from repudiating contract number JRA/20/63 as JRA had written to them stating that they will no longer procure from them following an audit finding that said they did not qualify for the appointment due to irregularities.	Road Agency (SOC) Ltd	0	0
A company instituted summons against City Power in respect of the Hopefield substation. The company alleges that City Power delayed the implementation, continuation and finalization of the substation project. The matter is being defended by the entity.	City Power (SOC) Ltd	25 986	25 986
A company instituted summons against City Power in respect of alleged unpaid invoices for services rendered at Hope Field substation. The matter is being defended by the entity.	City Power (SOC) Ltd	765	765
A company has lodged a claim for damages resulting from stoppage/delay in execution of the project as a result of budget cuts at Lutz substation. The attempt to settle the matter between the parties has failed. The matter is being defended.	City Power (SOC) Ltd	3 204	3 204
A supplier is claiming an amount in terms of non-payment for services rendered to the entity. An energy company procured energy grid from that supplier and possessed City Power only to settle the undisputed amounts between the entities.	City Power (SOC) Ltd	14 447	14 447

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A company has lodged damages claim in respect of diesel for generators resulting from alleged failure to install and supply electricity on time as per City Power undertaking. Matter is being defended.	City Power (SOC) Ltd	1 398	1 398
City Power has submitted tax returns to SARS for 2013, 2014, 2015, 2016, 2017, 2018, 2019 and 2020 financial years claiming 100% bad debt allowance. However, the South African Revenue Services has approved a deduction of 25% in terms of bad debt allowances. The entity is fully accrued in the event that its endeavors to claim 100% bad debt allowance fails.	City Power (SOC) Ltd	-	-
A company is claiming for unpaid invoices for services rendered. The matter is being defended.	City Power (SOC) Ltd	46 133	46 133
SARS has disallowed wear and tear allowances claimed under section 12C and 13(1) for the tax years 2014, 2015, 2016, 2017, 2018 and 2019 years of assessment. The entity has been claiming these allowances based on written approval received from SARS in 2003. SARS indicated in its letter of disallowance that the entity is entitled to section 11E wear and tear allowances. However, in the revised assessments for these years issued by SARS no deduction was afforded to the entity. This resulted in an overstatement in the amounts due to SARS. The entity is challenging SARS in the Income tax court after failing in its endeavors to resolve the impasse as prescribed by the Income Tax Administration Act. A settlement offer regarding both bad debts and wear and tear allowance was submitted to SARS. The proposal on the wear and tear allowance and bad debt allowances is currently under consideration by the receiver.	City Power (SOC) Ltd	-	1 195 312
Judgement was made against the entity in favour of 2 stands. The amount is in respect of over payment of electricity charges paid to the entity. The entity has filed and served the 2 stands with application for condonation together with an application for rescission of judgement which was opposed by the applicant. The matter is being defended.	City Power (SOC) Ltd	-	4 465
A company is claiming for unpaid invoices for services rendered. The entity is of the view that the disputed invoices are duplicated and/or inflated. The matter is being defended.	City Power (SOC) Ltd	1 106	1 106
Investigation into allegation of corruption & maladministration Complaint lodged by SAMWU Investigation completed and report submitted, management assessment was reasonable and investigation confirmed the concerns were well informed.	Johannesburg Metro Bus (SOC) Ltd	-	1000
There are various claims relating to bus accidents and driver incidents that are currently under insurance claims and Will be paid out by the entity's insurers upon finalisation, it is prudent that management discloses this even though it does	Johannesburg Metro Bus (SOC) Ltd	-	-

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## Notes to the Group Annual Financial Statements

not meet the definition of contingent because liability does not rest with the entity but a third party being the insurance company			
Case No 20227/23 Supplier vs Metrobus Tender/non- payment dispute. Low potential for liability, as Metrobus has settled the capital amount. Negotiation on interest & penalties.	Johannesburg Metro Bus (SOC) Ltd	-	-
Case No 20228/23 Supplier vs Metrobus Tender/non- payment dispute. Low potential for liability, as Metrobus has settled the capital amount. Negotiation on interest & penalties	Johannesburg Metro Bus (SOC) Ltd	-	-
Case No 2024-147477 Department of Road and Transport vs Metrobus & 12 Others Contract dispute. No potential liability as the contract dispute relates to a contract where Metrobus is the supplier.	Johannesburg Metro Bus (SOC) Ltd	-	-
Case No JMD112305 SAMWU Employees vs Metrobus Labour dispute fair and equal treatment. The Likelihood of the applicants success is low, as such it is unlikely Metrobus will incur any liability.	Johannesburg Metro Bus (SOC) Ltd	-	-
An organisation and some of its members instituted an application to review and set aside the decision by NERSA to approve the electricity tariff for City Power for the 2019/20 financial year. The court has found in favour of the applicant and ordered the 2019/20 tariffs to be set aside. The entity has requested the applicant to provide a settlement proposal to resolve the matter amicably. The matter was referred to NERSA after City Power and the plaintiff could not reach an agreement within the stipulated court timeframe. The potential liability cannot be determined at this stage.	City Power (SOC) Ltd	-	-
Casting Forging and Machining Cluster and some of its members instituted an urgent application to review and set aside the decision of NERSA to approve the tariff application of City Power for the 2024/25 tariff year. The potential liability cannot be determined at this stage.	City Power (SOC) Ltd	-	-
A company has raised a delictual claim against multiple parties including City Power, wherein in which it claims through unlawful conduct of the respondent's, it lost copper wires that were in police custody. The matter is being defended by the entity	City Power (SOC) Ltd	2 868	-
A company is claiming an amount for unpaid invoices for work services rendered to the entity. The matter is being defended by the entity.	City Power (SOC) Ltd	5 719	5 719

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SARS has disallowed wear and tear allowances claimed under section 12C and 13(1) for the tax years 2014, 2015, 2016, 2017, 2018 and 2019 years of assessment. The entity has been claiming these allowances based on written approval received from SARS in 2003. SARS indicated in its letter of disallowance that the entity is entitled to section 11e wear and tear allowances. However in the revised assessments for these years issued by SARS no deduction was afforded to the entity. This resulted in an overstatement in the amounts due to SARS. The entity is challenging SARS in the Income tax court after failing in its endeavours to resolve the impasse as prescribed by the Income Tax Administration Act. A settlement offer regarding both bad debts and wear and tear allowance was submitted to SARS. The proposal on the wear and tear allowance and bad debt allowances is currently under consideration by the Receiver. SARS has with-held VAT refunds due to the entity amounting to R845 873 987.	City Power (SOC) Ltd	-	2 041 186
An employee is challenging his dismissal for gross negligence in dealing with contracts between Supplier and City Power. The employee is claiming the unpaid salary from the date of dismissal. The matter is being defended.	City Power (SOC) Ltd	2 193	2 193
Employees are claiming unfair labour practice relating to non-payment of bonuses for 2019, 2020 and 2021 financial years. The matter is being defended.	City Power (SOC) Ltd	-	18 282
Two employees are challenging the appointment process of a Group Executive (GE) position after the employees were not appointed after contesting for the position. The matter is going for review in the labour court after the employees were awarded three months salary plus interest each at bargaining council.	City Power (SOC) Ltd	-	450
Casting Forging and Machining Cluster and some of its members instituted an application to review and set aside the decision by NERSA to approve the electricity tariff for City Power for the 2019/2020 financial year. The court has found in favour of the applicant and ordered the 2018/2019 tariffs be set aside. The entity has requested the applicant to provide a settlement proposal to resolve the matter amicably. The matter was referred to NERSA after City Power and the plaintiff could not reach an agreement within the stipulated court timeframe. The potential liability cannot be determined at this stage	City Power (SOC) Ltd	-	-
The entity is listed as a secondary defendant in a dispute where supplier is claiming R316 033 (plus 10.25% interest per annum) for unpaid invoices for services rendered to City power through a sub-contract agreement with supplier Projects.	City Power (SOC) Ltd	-	-
Supplier has lodged a claim against the entity for the loss of rental income. The plaintiff claims City Power failed to install an electrical service connection to the property within the agreed timeframe subsequent to payment been made to the entity. The matter is being defended.	City Power (SOC) Ltd	1 022	1 022
A company has issued summons against the entity claiming previously received and paid invoices by the entity was at an incorrect lower rate and did not include certain considerations. The matter is being defended by the entity.	City Power (SOC) Ltd	-	13 261

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Supplier is claiming for unpaid invoices for work completed from June 2022 to November 2022 for the supply of goods and services in the construction of Lutz substation. The matter is being defended by the entity.	City Power (SOC) Ltd	32 485	32 485
A supplier is claiming in terms of non payment of invoices for maintenance services rendered to the entity at different substations. The invoices submitted by the plaintiff are for services not covered by the agreement between the two parties. The matter is being defended by the entity.	City Power (SOC) Ltd	4 834	4 834
A company has instituted legal action against the entity for economic losses after it was not awarded the contract through the tender process. The matter is being defended by the entity	City Power (SOC) Ltd	21 736	21 736
The entity is listed as a secondary defendant in a legal dispute where Supplier is claiming R245 361 (plus 10.25% per annum) for services rendered to City Power through a sub-contract agreement with co Projects. The sub-contract agreement between supplier was not disclosed to City Power as stipulated in the main contract.	City Power (SOC) Ltd	-	245
A company is claiming relating to monthly service charges billed to City Power for elevator maintenance. The entity is of the view these monthly service charges does not fall within the contracted period and is not payable. The plaintiff is also claiming damages amounting to R342 663 after the entity appointed an alternative service provider and denied them access to perform service. The matter is being defended.	City Power (SOC) Ltd	-	342
The plaintiff's claim relates to alleged failure to reimburse the first plaintiff with reasonable costs for the upgrade and repair of water infrastructure. The alternative claim relates to a claim for enrichment in the same amount. The outcome remains uncertain, and the matter is at pre-trial stage. Legal proceedings are ongoing.	Joburg Water (SOC) Ltd	5 487	5 487
The Plaintiff instituted a claim for damages suffered allegedly because of maintenance work on a burst pipe abutting the Plaintiff's property, damaging the boundary wall, paving and electrical fence. The COJ's insurer repudiated the claim. The matter is still pending before the Magistrate's Court.	Joburg Water (SOC) Ltd	23	23
A claim has been instituted for damages to fiber cables. Although an appeal was successful, the matter was referred back for condonation proceedings. The claim has not prescribed, and the final legal outcome is pending.	Joburg Water (SOC) Ltd	322	322
A claim is being pursued against Johannesburg Water for alleged overbilling and penalties relating to industrial effluent. Pleadings are closed and pre-trial procedures are ongoing, including court-mandated mediation.	Joburg Water (SOC) Ltd	6 364	-

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The plaintiff is contesting the imposition of fines and billing of its discharge of industrial effluent into the sewer claiming that the company did not bill accurately based on volumes obtained on direct measurements reflecting actual effluent discharge alternatively, that the entity billed based on inaccurate measurements. The plaintiff is seeking reimbursement for unjustified enrichment.	Joburg Water (SOC) Ltd	-	5
The Plaintiff issued summons against Johannesburg Water for damages against property which they allege are as a result of negligence and filed its intention with the High Court. Pre-trial consultations and interdepartmental engagement are ongoing.	Joburg Water (SOC) Ltd	422	-
A Labor Court matter concerning alleged gender-based discrimination has been instituted. The matter was heard on 3 July 2025 and judgment has been reserved.	Joburg Water (SOC) Ltd	1 706	-
A civil claim has been instituted for vehicle damage allegedly caused by a sunken manhole. Johannesburg Water has raised procedural and substantive defenses. The matter is pending.	Joburg Water (SOC) Ltd	34	-
The Plaintiff issued summons against Johannesburg Water for damages arising from an alleged tacit agreement between the parties in which Johannesburg Water is alleged to have agreed to compensate the plaintiff for additional distances travelled beyond the estimated distances in the tender document and an alleged agreement to extend the main agreement by 12 months. Mediation proceedings have commenced.	Joburg Water (SOC) Ltd	171 391	171 391
A claim was lodged following alleged damage to internet infrastructure during emergency works. A default judgment was opposed successfully, and the matter remains under litigation.	Joburg Water (SOC) Ltd	817	-
The Plaintiff instituted action in the high court against Johannesburg Water for damages arising from explosion of an electric transformer which resulted in the plaintiff sustaining burns. The plaintiff is seeking reimbursement.	Joburg Water (SOC) Ltd	11 500	11 500
The Plaintiff issued summons against Johannesburg Water for an alleged failure to inform a tenderer that they have been awarded a tender. Johannesburg Water has filed an exception to the plaintiff's pleadings. The matter remains in litigation	Joburg Water (SOC) Ltd	109 231	109 231
A claim was instituted for contract price adjustment, outstanding operational payments, and loss of profit relating to a wastewater treatment works project. Arbitration proceedings are underway regarding the claim. Special pleas were heard and decided in the claimant's favour in May 2025. The merits hearing is scheduled for November 2025.	Joburg Water (SOC) Ltd	16 796	-
Johannesburg water terminated the contract, resulting in the claimant treating the termination as a repudiation, which it accepted, thereby cancelling the contract. On 17 April 2025, the claimant referred the matter to arbitration and nominated three arbitrators; however, Johannesburg Water did not agree to the nominations. The appointment of an arbitrator remains outstanding, and the dispute is still unresolved. The value of the claim	Joburg Water (SOC) Ltd	-	-

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2025

## Notes to the Group Annual Financial Statements

is not known at this stage as pleading in the arbitration has not commenced.			
Damage claim for loss of income relating to professional services rendered at Randburg Selkirk project	JOSHCO (SOC) Ltd	653	653
Renaissance Security and Cleaning T/A Topo Security Services	JOSHCO (SOC) Ltd	299	299
The supplier for storage services is claiming payment for 45 outstanding invoices. Emanating from a 2017 service level agreement	Pikitup (SOC) Ltd	289	-
The plaintiff is suing the entity and a pension fund administrator for a repudiated claim by the fund following the death of his wife. The fund stated that he failed to register his wife as a beneficiary. Special plea and plea have been entered into. The prospects of success are highly unlikely as Pikitup was wrongly cited.	Pikitup (SOC) Ltd	40	-
The Plaintiff alleges that a truck belonging to the entity's service provider, drove into their client's storefront, which was at the time closed and secured, by a steel rolling door causing damage to the door or grille causing damages to the shop. The prospect of success are highly unlikely as the entity was wrongly cited. The claim is supposed to be against the service provider as it was their vehicle that caused the accident not the entity's.	Pikitup (SOC) Ltd	1 293	1293
A company was appointed as subcontractor, full and final payment was made to them in terms of a final payment certificate issued by the quantity surveyors, as is practice, for all works done by the company.  The company is claiming for amounts allegedly due to them in terms of their agreement.  The claim is denied in the current year. No payment is due and payable to the company.	Johannesburg Property Company (SOC) Ltd	-	-
A company was an IT service provider for MTC during 2011/2012 prior to MTC being transferred to JPC. The service Provider did not complete the scope of works as originally awarded and continued to do additional work that was not part of the scope of work. The service provider issued summonses against the JPC claiming for work they did that was not part of the scope of work. Awarded as well as the uncompleted work. The summons were withdrawn by the Service Provider. On 27 February 2023, Summons were re- issued against the JPC and COJ by RSC. The JPC filed a notice to defend the matter. The JPC proceeded to File a discovery Notice so as to obtain all the information that the Plaintiff referred to in their plea. The JPC has not received any responses from its discovery notice. The JPC is not the Dominus and must await the service provider to proceed with the litigation.	Johannesburg Property Company (SOC) Ltd	-	-

# City of Johannesburg Metropolitan Municipality

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## Notes to the Group Annual Financial Statements

<p>The Plaintiff claims an amount of R4 500 000 from JPC.</p> <p>On the 14 July 2017, the plaintiff entered an elevator in Proton House, the elevator fell from the 5<sup>TH</sup> floor to the basement, falling 6 floors.</p> <p>Due to JPC's alleged negligence the plaintiff sustained bodily injuries.</p>	Johannesburg Property Company (SOC) Ltd	4 500	4 500
<p>The Plaintiff claims payment of R 27 934.50 for damages suffered by him due to an alleged malfunctioning gate at 100 Christiaan de Wet (Region C Offices). The joinder application was to be heard on 29 June 2023; this was not opposed. The matter was not enrolled and is currently awaiting a new date for the joinder to be heard.</p>	Johannesburg Property Company (SOC) Ltd	28	28
<p>A company served the JPC with a notice of motion to claim for unpaid outstanding invoice for work done around 2019/2020. The investigation emanated from an invoice submitted by the applicant which appeared to be fraudulent. The applicant was informed of such an invoice and that an investigation will be conducted. The applicant did not respond to the correspondence of the entity.</p>	Johannesburg Property Company (SOC) Ltd	-	-
<p>The Plaintiff, a non-profit organization, issued combined summons against the JPC in terms of which it claims against the JPC. The Plaintiff alleges during Covid 19 pandemic, an oral agreement was reached between the JPC and the Plaintiff in terms of which the Plaintiff would accommodate homeless people on its facility free of charge to the COJ to assist the COJ in curbing the spread of Covid 19. It further alleges that the homeless people damaged its facility for the amount claimed. The JPC is defending the matter.</p>	Johannesburg Property Company (SOC) Ltd	-	5 525
<p>The claimant claims payment in respect of cleaning service sit allegedly rendered at Fleet Africa between 1 July 2016 and 30 June 2019</p>	Johannesburg Property Company (SOC) Ltd	2 010	-
<p>Summons received for non payment of services rendered for the project farm Langlaagte.</p>	Johannesburg Property Company (SOC) Ltd	589	-
<p>Summons received for non payment of services rendered for the Mooki Street Project.</p>	Johannesburg Property Company (SOC) Ltd	127	-
<p>The applicant contends in the notice that they have taken ownership by appropriation of the abandoned movable chemically treated sand (Mind Dump) located at the property owned by the City and they have therefore become the lawful sole owner of the mine dumps. Attorneys confirm that the hearing took place 23 May 2024.</p>	Johannesburg Property Company (SOC) Ltd	-	-
<p>A letter of demand was served to the entity (JTC ) as a Notice in terms of section 3 of the Institution of Legal Proceedings Against Certain Organs of State Act 40 of 2002, to the supplier. The matter is still on going and, its at pre-trial conference stage, a refresher consultation was held on the</p>	Johannesburg Tourism Company NPC	124	124

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2025

## Notes to the Group Annual Financial Statements

23rd of June 2025 to clarify issues and to prepare for trial, as well as to establish who may be witnesses if need be.			
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### Contractual Disputes with service provider

Details of contingencies	Name of the company responsible	Estimated Amount in R'000 2025	Estimated Amount in R'000 2024
The City was sued for an alleged breach on 12 December 2014. The matter was finalized in the City's favor in 2016. On or about the 12th of September 2018, the applicant served an application for leave to appeal the judgment. The Application for leave to appeal was heard on the 13th of November 2018, in which the Judge granted the applicant the leave to appeal. The City is opposing the appeal. The trial was held in November, but the matter was postponed to 2022. 2. Still waiting for the new date from the judge. complainant was given until the end of February to quantify the claim. complainant submitted the claim for damages. COJ has refused the proposal from complainant. The COJ has requested complainant to further quantify the claim. If the city is still not happy with the proposal, the parties will go back to court. The Judge ruled in the city's favour and dismissed the Plaintiff's claim.	CJMM	-	1 667
Claim for the city to abide by the contract signed by the city for cellphones services emanating from national treasury transversal contract. MTN and the city are exchanging letters in this matter.	CJMM	7 392	-
A company claims a certain amount for breach of contract for the provision of goods. The matter has been defended. As at the 16 <sup>th</sup> of October 2018 the parties are exchanging pleadings and preparing discovery bundles. The status has not changed as at 30 June 2025.	CJMM	11 307	11 307
A service provider claim for monetary payment for a breach of contract. A claim for immediate specific performance as per the agreement. Parties are exchanging pleadings as at 16 October 2018. The matter is stagnant from the side of the plaintiff. Status remains unchanged as at 30 June 2025.	CJMM	340	340

# City of Johannesburg Metropolitan Municipality

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## Notes to the Group Annual Financial Statements

<p>A company instituted legal proceedings against the City on or about 22 October 2018. In terms of the Simple Summons, the Plaintiff claimed inter alia that the City awarded them a contract for the construction of roads and storm water management system at Elias Motsoaledi Extension 1, under contract no 446/14 and they performed according to their obligations as required by the contract. The Plaintiff claimed that they had exhausted all of their efforts to ensure the success of the project but they, ultimately, could not complete the works. As such, the Plaintiff terminated the contract between themselves and the Defendant in September 2017. On or about 13 March 2019, the High Court granted Summary Judgement against the defendant. Discovery has been finalised, the Plaintiff bears the onus of having the matter set down for hearing and, as such, the city is awaiting a date for hearing from the court. The City is still waiting for the date from the relevant engineers. Matter is dormant as at 30 June 2025.</p>	<p>CJMM</p>	<p>4 277</p>	<p>4 277</p>
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# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2025

## Notes to the Group Annual Financial Statements

Potential liability through the arbitration regarding the alleged unlawful termination of the JBCC agreement by JDA as consequence of a particular company's failure to progress the works with due diligence and expedition.	Johannesburg Development Agency (SOC) Ltd	22 328	22 328
The Claimant who was performing work as a civil engineering contractor, entered into a contract agreement with the JDA in May 2019. The agreement was for the Claimant to complete the construction of Braamfischerville Ext 12 internal roads and stormwater (Contract No. JDA 17/18.3.11 B702154. In October 2021 the Claimant commenced Adjudication Proceedings against the JDA, in respect of a dispute in terms of the construction agreement. The total claim cost includes legal costs from inception of the matter to the 24th of August 2023.	Johannesburg Development Agency (SOC) Ltd	-	1 222
JDA appointed supplier in April 2016 for the construction of the Kazerne Intermodal Facility. Suppliers entered into a sub-contractor agreement with BRU. Early June 2018, JDA became aware that BRU was in business rescue. After numerous failed attempts to get BRU to perform, the contract was finally terminated on 28 August 2018. According to the plaintiffs, prior to the termination of the agreement the plaintiffs submitted invoices to BRU and BRU paid partial amounts and there is an outstanding payment the plaintiffs are claiming. JDA has filed its Plea (defense). The plaintiffs in turn applied for summary judgment, and JDA has filed its opposing affidavit.	Johannesburg Development Agency (SOC) Ltd	8 331	-
This is a court action/claim for monies allegedly owed to subcontractor by the contractor that was appointed by JDA on the project. Attorneys have filed JDA's plea (defence) in the matter.	Johannesburg Development Agency (SOC) Ltd	4 400	-
This is a court action/claim by contractor for an amount allegedly owed to them for work on the Kazerne Taxi Rank project. There was a subcontractor on the project. JDA has filed its defence in the matter	Johannesburg Development Agency (SOC) Ltd	4 007	-
This is a court action/claim by contractor for an amount of R6 940 420.80 allegedly owed to supplier for work done on the Kazerne Taxi Rank project. There was a subcontractor on the project. JDA has filed its defence in the matter.	Johannesburg Development Agency (SOC) Ltd	6 940	-
Dispute with a company regarding professional fees in respect of road rehabilitation and resurfacing.	Joburg Market (SOC) Ltd	1 080	1 080
This is a dispute in respect of a claim for standing time and extension of time in the construction works of Soweto Railway station- Chiawelo. MACP seeks to claim standing time and extension of time . MACP had initially referred the matter for adjudication however, the matter was dismissed as it had been referred for adjudication outside of the prescribed time frame. MACP thereafter lodged the claim in the High Court. JDA has through its attorneys filed a plea and special plea.	Johannesburg Development Agency (SOC) Ltd	3 966	-
On 26 November 2014, JDA published an advertisement inviting tenders for the construction management (managing contractor) of start-ups, SMMEs. On 5 March 2015, Supplier was appointed as the	Johannesburg Development Agency (SOC) Ltd	2 194	-

# City of Johannesburg Metropolitan Municipality

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## Notes to the Group Annual Financial Statements

<p>managing contractor on the project. During or about December 2014, an employee acting in the course and scope of his employment with the JDA at the time, invited SMMEs within the area of Alexander Township to bid for appointment as sub-contractors in respect of the project. During the evaluation of the bid submissions phase, employee removed other employee from the evaluation process. On 6 October 2015, JDA advised the plaintiff's attorneys that the plaintiff was removed from the process as it was from Ward 76, which was not one of the affected wards in respect of the project. Information has been retrieved, confirming that the contractor was from a different ward to that which was affected by the project. This information has since been shared with JDA's attorneys. In the meantime the plaintiff has taken no further steps to advance their claim. The latest information retrieved significantly increases JDA's prospects of succeeding with defending the claim.</p>			
<p>This is an arbitration matter instituted by contractor challenging termination of their Contract. JDA's attorneys are currently assessing the possibility of filing an application to have the arbitration proceedings set aside due to non-compliance with the uniform rules of court. This is due to an allegation by supplier, a party to the joint venture agreement, that they were not aware of the arbitration proceedings, which essentially means Mayibuye iAfrika lodged the arbitration claim without involving the other party to the joint venture agreement.</p>	Johannesburg Development Agency (SOC) Ltd	53 562	-
<p>The matter relates to a service provider suing the entity for termination of its contract for poor performance in compiling the specifications and bill of costs for the construction of the Marlboro Depot which resulted in the entity incurring additional costs for work not quoted. The applicant has already indicated intention to withdraw the claim.</p>	Pikitup (SOC) Ltd	193	193
<p>A company filed an urgent application for an interdict preventing the JRA from removing them from implementing its cancellation of their contract pending finalisation of the Arbitration proceedings.</p>	Road Agency (SOC) Ltd	-	-
<p>A company is approaching the court for an order compelling the JRA to pay retention money allegedly held for contract no. JRA/19/463.</p>	Road Agency (SOC) Ltd	5 631	5 631
<p>Various Applicants are claiming damages against the JRA for the latter's failure to perform its obligations in terms of the service level agreement allegedly concluded between the JRA and Applicant's under a tender.</p>	Road Agency (SOC) Ltd	36 138	36 138
<p>There are various contractual claims by suppliers/contractors against the entity at 30 June 2024 that relate to unpaid invoices. The potential financial exposure cannot be determined with certainty as claims are still subject to litigation but there is a provisional estimate for the entity.</p>	City Parks NPC	1 200	1 200
<p>There are various contractual claims by suppliers/contractors against the entity at 30 June 2024 that relate to a loss of income of the supplier. The potential financial exposure cannot be determined with certainty as claims are still subject to litigation but there is a provisional estimate for the entity.</p>	City Parks NPC	3500	3 500

# City of Johannesburg Metropolitan Municipality

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## Notes to the Group Annual Financial Statements

There are various contractual claims by suppliers/contractors against the entity at 30 June 2024 that relate to the tender process dispute. The potential financial exposure cannot be determined with certainty as claims are still subject to litigation but there is a provisional estimate for the entity.	City Parks NPC	500	1500
There are various contractual claims by suppliers/contractors against the entity at 30 June 2024 that relate to the contract termination. The potential financial exposure cannot be determined with certainty as claims are still subject to litigation but there is a provisional estimate for the entity.	City Parks NPC	3 400	700
9. In 2000 the then Greater Johannesburg Concluded a Notarial lease agreement with JRA Investments for a period of 25 years. On 29/07/2014 The COJ consented to the cession and assignment of the JRAD's right, title and interest in and to the notarial lease , from JRAD to supplier. Supplier went to business rescue and the business rescue plan was adopted on 29 November 2023. The JPC was requested by the business rescue practitioner to consent to the action sale of the lease to Pageview. The JPC responded that it does not have the authority to consent to sale of the lease rights to Page View .	Johannesburg Property Company (SOC) Ltd	-	-
The Entity entered into a Service Level Agreement ("SLA") with a supplier for the supply and delivery of oil, grease, and antifreeze lubricants on behalf of Metrobus for a period of three (3) years, from 14 May 2021 until 14 May 2024. On 20 November 2023 Metrobus sent a notice of termination of contract {SLA} resulting in them requesting a Legal Opinion on the termination of the contract. The legal opinion was finalised and submitted to Metrobus on the 8th of April 2024	Johannesburg Metro Bus (SOC) Ltd	-	500
Investigations on bus refurbishments including concluding reports, management assessed the outcome as moderate	Johannesburg Metro Bus (SOC) Ltd	-	3 500
On 13/09/24- the BPR served papers to the JPC was served on a Urgent basis seeking an order directing the JPC to consent to the cession and assignment by supplier, represented by the Business Rescue Practitioner (BPR) to page view Holdings Ltd of the right, titled and interest in and to the Notarial Deed of Lease concluded between the COJ's Predecessor as Lessor and Wil Goose as lessee in respect of the immovable property described as ERF 1010 and ERF 1011 Melville Ext 3.	Johannesburg Property Company (SOC) Ltd	-	-
Contractor has filed its statement of claim to the Arbitration Foundation of South Africa that the COJ must evict all other occupants on the property leased. COJ denies that contractor is entitled to the entire portion of the property. Parties to arrange for a date to take the matter further after perusal of documents received.	Johannesburg Property Company (SOC) Ltd	-	
Debt restructuring: During the debt restructuring process, management identified that there could be potential tax issues that could arise from the debt restructuring process, however the process has not made any significant progress and management is waiting on a way forward from the City's respective departments.	Johannesburg Metro Bus (SOC) Ltd	-	-

# City of Johannesburg Metropolitan Municipality

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## Notes to the Group Annual Financial Statements

### Disputes/legal claims by employees

Details of contingencies	Name of the company responsible	Estimated Amount in R'000 2024	Estimated Amount in R'000 2023
There were summons served against the City on the 15th of July 2020. Claims instituted by a (Plaintiff/Employee) against the City for defamation of character. The claim emanates as a result of an alleged wrongful arrest, malicious and suspension of the plaintiff as an employee. The matter has been defended by the City. The plaintiff applied for condonation for the non-compliance of the legal proceedings against certain Organs of State Act 40 of 2002 and the City awaits the date thereof. Parties are to hold a pre-trial conference and exchange pleadings for discovery of documents, before trial date can be applied for. The matter still at pleading stage and expert notices have been sent by Plaintiff. Parties have exchanged expert reports on the 14 <sup>th</sup> of February 2023. This is the current status as at 30 June 2025.	CJMM	2 010	2 010
A former employee of the city under Mayor demands his performance bonus which has not been paid to him even though he met the requirements to qualify for a performance bonus and quantum is disputed by the city.	CJMM	56	-
Claim for unpaid invoices for health services rendered to various employees and entities. City has made payments in this regard but is still conducting verifications on outstanding invoices to determine whether the city is liable or the invoices have been rejected by the department of labor assessment and codes hence unpayable. City is in negotiation for out of court settlement for lesser amount after invoice verification.	CJMM	4 734	-
Claim for unpaid invoices for health services rendered to various employees and entities. City has made payments in this regard but is still conducting verifications on outstanding invoices to determine whether the city is liable or the invoices have been rejected by the department of labor assessment and codes hence unpayable. City is negotiation out of court settlement for lesser amount after invoice verification.	CJMM	4 994	-
Claim for unpaid invoices for health services rendered to various employees and entities. City has made payments in this regard but is still conducting verifications on outstanding invoices to determine whether the city is liable, or the invoices have been rejected by the department of labor assessment and codes hence unpayable. City is negotiation out of court settlement for lesser amount after invoice verification.	CJMM	24 251	-
The matter relates to an ex-employee claiming underpayment during his period of employment. The ex-employee was employed as a fleet assistant but contends he was a driver and should have been paid as such. Pleadings have been closed and prospects of success are highly unlikely as part of the claim has already prescribed and the dates of employment are incorrect as per the ex-employee's documents.	Pikitung (SOC) Ltd	1 710	1 710
Unfair discrimination: Two entity employees have raised a salary dispute based on current salary and potential backpay from 1989 and 2013 respectively.	Metro Bus (SOC) Ltd	-	500

# City of Johannesburg Metropolitan Municipality

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## Notes to the Group Annual Financial Statements

The entity is involved in three (3) litigation matters with employees and former employees. One (1) matter is currently under condonation application with before the CCMA.	Joburg Market (SOC) Ltd	-	60
The entity is involved in three (3) litigation matters with employees and former employees. The other two (2) matters are currently at the labour court and the potential cost of settlement is inclusive of all matters.	Joburg Market (SOC) Ltd	-	1 621
An employee instituted legal proceedings against the Joburg Market. The employee claims to have suffered psychological, medical and financial losses as a result of them being put on suspension (with full pay) unlawfully. The matter is ongoing.	Joburg Market (SOC) Ltd	3 472	3 472
Application to review the Arbitration Award to reinstate an employee with full benefits from the date of her dismissal (4th of February 2020) till 13th June 2022 and be paid the disclosed amount.	Road Agency (SOC) Ltd	3 246	3 246
The plaintiffs who are JRA employees are suing for alleged defamation of character. They were suspended by the then CFO who allegedly made the announcement in a general meeting of finance and SCM staff.	Road Agency (SOC) Ltd	8 000	8 000
Unfair dismissal The CCMA ordered the complaint be compensated but he is now approaching the Labour Court to apply for re-instatement. The estimated contingent liability is not quantified.	Road Agency (SOC) Ltd	-	-
Contractor has lodged legal proceedings in respect of outstanding invoices; variation orders; consumer price index difference and delay damages. Attempts to settle the matter without prejudice has failed. The potential liability is R69 667 600.	City Power (SOC) Ltd	69 668	69 668
Casting Forging and Machining Cluster and some of its members instituted an application to review and set aside the decision by NERSA to approve the electricity tariff for City Power for the 2019/2020 financial year. The court has found in favour of the applicant and ordered the 2018/2019 tariffs be set aside. The entity has requested the applicant to provide a settlement proposal to resolve the matter amicably. The matter was referred to NERSA after City Power and the plaintiff could not reach an agreement within the stipulated court time frame. The potential liability cannot be determined at this stage	City Power (SOC) Ltd	-	-
Unfair Labour Practice: The CCMA ruled in favour of Metrobus however it was sued in the Labour Court and the Labour Court ruled that the CCMA has no Jurisdiction in contractual matters. An application to appeal has been lodged.	Johannesburg Metro Bus (SOC) Ltd	-	1 400
Employee brought claim to labour court for unfair remuneration. The monetary value of the claim is not yet quantified	Johannesburg Metro Bus (SOC) Ltd	-	-
SAMWU have brought a claim for 6 employees claiming unfair labour practice, Two cases have been settled and four others are pending	Johannesburg Metro Bus (SOC) Ltd	-	-

# City of Johannesburg Metropolitan Municipality

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## Notes to the Group Annual Financial Statements

Superintendents: brought claim to labour court for unfair remuneration by employees, value of the claim is not yet quantified.	Johannesburg Metro Bus (SOC) Ltd	-	-
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### 73. Contingent assets

City Power and Eskom reach a settlement agreement regarding the overstated billing contested by the entity. The service provider agreed to adjust the previously overstated billing by R835 000 000. This amount was previously recognised as bulk purchases in prior financial periods. The bulk purchase expenses and Eskom liability has been adjusted in the current financial period.	City Power (SOC) Ltd	-	3 416
The SARS matter that was disclosed as a contingent liability in the 2020 financial year has since progressed to a point where a finalisation of the audit was issued during the 2021 financial year, where SARS deemed tax, interest and penalties were payable as at 30 June 2021. JRA has since made multiple payments to SARS during the 2022 and 2023 financial year as a show of good faith. Based on Legal advice received by JRA, there is a possibility of success in appealing the matter in through the Alternate Dispute Resolution, and if necessary, the Tax courts and possibly the High Court should it be necessary. If JRA is successful in its appeal, the tax raised and interest as well as penalties charged will be reversed, and all payments made to SARS will be refundable to JRA	Road Agency (SOC) Ltd	-	-
The City of Johannesburg Council has recommended the recovery relating to fruitless and wasteful expenditure incurred during the 2021/22 financial year. The expenditure arose from salaries paid under the Expanded Public Works Programme (EPWP) where the scope of work was not delivered, as well as salaries paid to an employees subsequent to their resignation. Recovery proceedings have not yet been initiated.	CJMM	1 726	-
The COJ instituted rescission proceedings for a default judgment obtained as the COJ was not aware of the summons and the COJ had a valid defense.	CJMM	90	-
Summons for the irregular issuing of clearance certificate and irregular refund payment. Appearance to defend entered on the 29th of January 2019. Parties are in the process of exchange of pleadings and the matter is yet to be heard. No trial date as yet. Matter remains the same. Awaiting further instructions from principals. The status remains unchanged as at 30 June 2025.	CJMM	537	537
A recommendation from the City of Johannesburg Council was made to recover R7 965 710.10 in fruitless and wasteful expenditure incurred during the 2009/10 financial year from the service provider who did not deliver the service after receiving the payment. Recovery from the service provider is yet to be initiated. The status remains unchanged as at 30 June 2025	CJMM	7 965	7 965

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Claim for supplier to repay the overpayment for the Cell phone contract as per GFIS investigation Report. City believes that it has a strong case against the supplier as they opened lines without approval from the city	CJMM	3 467	-
This is a claim instituted by the city and the Bus Operating Company (BOC) and others against an attorney who misappropriated money to be used by the operators to invest in the BOC.	CJMM	11 000	-
The entity is pursuing claims against suppliers/contractors for the illegal removal of trees as at 30 June 2025. The potential financial benefit cannot be determined with certainty as these matters are still subject to litigations but a provisional estimate by the entity is R4.3 million (2024: R4.3 million).	City Parks NPC	4 300	4 300

# City of Johannesburg Metropolitan Municipality

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## Notes to the Group Annual Financial Statements

There are suppliers/contractors who breached their written contract that they had with JCPZ, which resulted in the entity issuing summons against them, with a claim amount of R6.8 million (2024: R4.1 million).	City Parks NPC	6 800	4 100
There are various other disputes which were non-monetary in nature. However, judgement was granted in favour of JCPZ. The matters has been referred to the tax master of the court for evaluation. The provisional estimate by the entity is R0.3 million (2024 - Rnil).	City Parks NPC	300	-
The entity is a beneficiary to a land donated from a deceased estate. The land is situated in France. The process is ongoing and neither the value nor the date of transfer is currently known	City Parks NPC	-	-
First matter is a court application by JDA to claim an amount of R8 084 159.74 under a Performance Guarantee following termination of contract. Parties have filed their founding and answering affidavits in the matter. JDA's attorneys are currently preparing JDA's replying affidavit, and will thereafter prepare further documents to obtain a date for hearing. JDA's attorneys established that there is a need to consult two former JDA employees to provide further information in the matter, to assist JDA in refuting the allegations made by Mayibuye in their court papers. The two former employees will be engaged and attorneys will thereafter draft and file JDA's replying affidavit	Johannesburg Development Agency (SOC) Ltd	8 084	-
The second matter is a court action against supplier to recover an amount of R4 744 036.14 which is owed to JDA on the basis of a payment certificate. Attorneys issued summons, and Mayibuye Investments CC filed notices of intention to defend the matter, and were required to file their defences to the claim. Mayibuye i-Afrika filed a notice of exception to JDA's papers. The other company forming the MK Investments failed to file its defence to the matter, and JDA's attorneys successfully pursued an application for default judgment against the company. in turn applied for an order rescinding (reversing) the default judgment, and JDA's attorneys have opposed this application	Johannesburg Development Agency (SOC) Ltd	4 744	-
The third matter is an arbitration matter instituted by contractor challenging Termination of their contract, and claiming an amount of on account of breach of contract by the Joint Venture and damages suffered as a result include the costs of the appointment of new contractor to complete the works. Attorneys have filed JDA's amended counterclaim to take into account additional damages arising from rectification of the Joint Venture's defective works. The amended counterclaim has increased the amount of JDA's counterclaim by an additional R18 252 540.72 (asset). JDA's attorneys are currently assessing the possibility of filing an application to have the arbitration proceedings set aside due to non-compliance with the uniform rules of court. This is due to an allegation by contractor, a party to the joint venture agreement, that they were not aware of the arbitration proceedings, which essentially means Mayibuye iAfrika lodged the arbitration claim without involving the other party to the joint venture agreement.	Johannesburg Development Agency (SOC) Ltd	52 830	-
This is a claim against Contractor in respect of the Braamfischerville project, wherein JDA terminated a contract with Kingsway Civils after breach of contract. The claim	Johannesburg Development Agency (SOC) Ltd	8 944	-

# City of Johannesburg Metropolitan Municipality

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## Notes to the Group Annual Financial Statements

is for an amount of R8 944 302.06 under a performance guarantee against Lombard Insurance, and R9 860 628.48 against Kingsway Civils for additional costs incurred to complete the works, alternatively R916 326.42. The matter is still ongoing and JDA has engaged its attorneys to write to the Deputy Judge President and request that the matter be transferred to the commercial court. This is aimed at expediting the matter so that a trial date can be obtained.			
This is a claim under a performance guarantee following termination of contract on the Naledi Clinic project. There is also a possible claim for damages and amounts paid to subcontractors. The contract was terminated due to poor performance and the contractor's failure to progress the works in accordance with the various completion stages. The amount claimed under the guarantee is R 5 303 367.97. JDA is in the process of compiling and submitting documents to attorneys to quantify the damages claim.	Johannesburg Development Agency (SOC) Ltd	5 303	-
This is a claim for damages as a result of breach of contract with respect to the construction of the Orchards Clinic. Contractor's contract was terminated after they failed to exercise the degree of professional skill, care and diligence required of it in the performance of the services, compromising the Clinic's structural integrity. Contractors' attorneys had previously indicated a willingness by their client to engage in settlement negotiations, and had requested a list of documents from JDA in that regard. JDA is currently in the process of retrieving the information for parties to resume settlement negotiations.	Johannesburg Development Agency (SOC) Ltd	32 837	-
This is a claim under a performance guarantee following termination of contract on the Pimville Roads and stormwater project. Summons have been issued.	Johannesburg Development Agency (SOC) Ltd	2 652	-
Arbitration matter regarding the alleged unlawful termination of the JBCC agreement by JDA. The termination was based on breach of contract. supplier was claiming payment of R1 241 213.10 from two payment certificates, and R 21 087 071.50 for loss of income as a result of the contract termination. JDA lodged counterclaims, and denied that the termination was unlawful. JDA claimed R13 252 295.63 for costs to complete the project after the termination of contractor's contract, and payment from contractor in respect of the balance of the final payment certificate after deductions and set-off. The matter was heard, and the arbitrator published the arbitration award on 30 July 2025. In terms of the award, Contractor Construction's claims were dismissed. There is however a possibility that contractor may apply to have the arbitration award reviewed.	Johannesburg Development Agency (SOC) Ltd	12 192	-
Johannesburg Water instituted action for the recall of a guarantee under Contract JW13518RR ( Diepsloot Sewer Pipeline). The matter is proceeding to trial, and pleadings are closed.	Joburg Water (SOC) Ltd	6	-
A second guarantee recovery matter under Contract JW14289 (Woodmead Reservoir) has been instituted. The matter is ongoing, and pleadings are closed.	Joburg Water (SOC) Ltd	9	-
A supplier -breach of contract.	JOSHCO (SOC) Ltd	6 987	6 987

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2025

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A supplier-damages suffered as a result of non-performance	JOSHCO (SOC) Ltd	14 646	14 646
A supplier-damages suffered as a result of non-performance	JOSHCO (SOC) Ltd	-	6 735

### 74. CATEGORIES OF FINANCIAL INSTRUMENTS: FINANCIAL ASSETS

GROUP - 2025				GROUP 2024		
Financial assets by category	Cost	At fair value	Total	Cost	At fair value	Total
<b>Current Assets</b>	-	-	-	-	-	-
Financial assets at fair value - sinking funds	-	1 151 894	1 151 894	-	418 146	418 146
Other financial assets	-	352	352	-	2 793	2 793
Receivables from exchange	2 092 752	-	2 092 752	1 770 184	-	1 770 184
Receivables from non-exchange	356 342	-	356 342	126 270	-	126 270
Consumer debtors	12 196 677	-	12 196 677	11 143 133	-	11 143 133
Cash and cash equivalents	3 965 660	-	3 965 660	2 165 857	-	2 165 857
<b>Non-Current Assets</b>	-	-	-	-	-	-
Other financial assets	-	49 648	49 648	-	47 037	47 037
Financial assets at fair value sinking funds	-	229 447	229 447	-	358 431	358 431
Deposits	62 698	-	62 698	1 223	-	1 223
<b>TOTAL ASSETS</b>	<b>18 611 431</b>	<b>1 431 341</b>	<b>20 105 470</b>	<b>15 205 444</b>	<b>826 407</b>	<b>16 031 851</b>

CJMM - 2024				CJMM 2023		
Financial assets by category	Cost	At fair value	Total	Cost	At fair value	Total
<b>Current Assets</b>						
Loans to Municipal entities	820 359	-	820 359	903 568	-	903 568
Financial assets at fair value - sinking funds	-	1 151 894	1 151 894	-	418 146	418 146
Other financial assets	-	352	2 793	-	2 793	2 793
Receivables from exchange	30 750 815	-	30 750 815	22 409 963	-	22 409 963
Receivables from non-exchange	209 070	-	209 070	124 823	-	124 823
Consumer debtors	4 290 587	-	4 290 587	3 301 571	-	3 301 571
Cash and cash equivalents	2 477 879	-	2 477 879	1 015 269	-	1 015 269
<b>Non-Current Assets</b>	-	-	-	-	-	-
Loans to Municipal entities	6 655 232	-	6 655 232	6 422 385	-	6 422 385
Other financial assets	-	49 648	49 648	-	47 037	47 037
Financial assets at fair value sinking funds	-	229 447	229 447	-	358 431	358 431
<b>TOTAL ASSETS</b>	<b>45 203 942</b>	<b>1 431 341</b>	<b>46 637 724</b>	<b>34 177 579</b>	<b>826 407</b>	<b>35 003 986</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2025

## Notes to the Group Annual Financial Statements

### 75. CATEGORIES OF FINANCIAL INSTRUMENTS: FINANCIAL LIABILITIES

GROUP - 2025			GROUP - 2024			
Financial liabilities by category	Financial liabilities at amortised cost	At fair value	Total	Financial liabilities at amortised cost	Fair value	Total
<b>Current Liabilities</b>						
Financial Liabilities at fair value		-	-		1 510	<b>1 510</b>
Loans and borrowings	3 388 284	-	<b>3 388 284</b>	1 317 776	-	<b>1 317 776</b>
Finance lease obligation	197 637	-	<b>197 637</b>	176 596	-	<b>176 596</b>
Payable from exchange transactions	25 402 563	-	<b>25 402 563</b>	24 329 379	-	<b>24 329 379</b>
Consumer deposits	21 486	-	<b>21 486</b>	24 553	-	<b>24 553</b>
Employee benefit obligation	128 634	-	<b>128 634</b>	139 237	-	<b>139 237</b>
<b>Non-Current Liabilities</b>	-	-	-	-	-	-
Loans and borrowings	19 407 764	-	<b>19 407 764</b>	17 962 087	-	<b>17 962 087</b>
Finance lease obligation	615 889	-	<b>615 889</b>	606 445	-	<b>606 445</b>
Payables from non-exchange transactions	537 664	-	<b>537 664</b>	486 971	-	<b>486 971</b>
Payables from exchange transactions	2 321 170	-	<b>2 321 170</b>	-	-	-
Employee benefit obligation	752 552	-	<b>752 552</b>	823 720	-	<b>823 720</b>
Consumer deposits	1 855 923	-	<b>1 855 923</b>	1 822 430	-	<b>1 822 430</b>
Financial Liabilities at fair value	-	-	-	-	199 153	<b>199 153</b>
<b>TOTAL LIABILITIES</b>	<b>54 629 566</b>	-	<b>54 629 566</b>	<b>47 689 194</b>	<b>200 663</b>	<b>47 889 857</b>

CJMM 2025			CJMM 2024			
Financial liabilities by category	Financial liabilities at amortised cost	Fair value	Total	Financial liabilities at amortised cost	Fair value	Total
<b>Current Liabilities</b>						
Loans from municipal entities	-	-	-	-	-	-
Financial Liabilities at fair value	-	-	-	-	1 510	<b>1 510</b>
Finance lease obligation	107 406	-	<b>107 406</b>	95 365	-	<b>95 365</b>
Payables from exchange	29 022 962	-	<b>29 022 962</b>	22 694 742	-	<b>22 694 742</b>
Consumer deposits	3 221	-	<b>3 221</b>	3 367	-	<b>3 367</b>
Loans and Borrowings	3 386 142	-	<b>3 386 142</b>	1 315 634	-	<b>1 315 634</b>
Employee benefit obligation	104 086	-	<b>104 086</b>	104 239	-	<b>104 239</b>
<b>Non-Current Liabilities</b>	-	-	-	-	-	-
Loans and borrowings	19 402 620	-	<b>19 402 620</b>	17 955 470	-	<b>17 955 470</b>
Loans from municipal entities	496 708	-	<b>496 708</b>	471 410	-	<b>471 410</b>
Finance lease obligation	294 338	-	<b>294 338</b>	355 282	-	<b>355 282</b>
Employee benefit obligation	594 407	-	<b>594 407</b>	656 385	-	<b>656 385</b>
Consumer deposits	11 311	-	<b>11 311</b>	11 311	-	<b>11 311</b>

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Financial Liabilities at fair value	-	-	-	-	199 153	<b>199 153</b>
<b>TOTAL LIABILITIES</b>	<b>53 423 201</b>	<b>-</b>	<b>53 423 201</b>	<b>43 663 205</b>	<b>200 663</b>	<b>43 863 868</b>

### 76. Reconciliation between statement of comparison of budget & actual amounts & statement of financial performance – GRAP 24

#### 30. Other revenue

Rendering of services excluding service charges	377 206
Foreign exchange income	4
Other revenue exchange transactions excluding licenses and permits	1 350 485
Demand side management	275 360
Reversal of impairment	25 962
Fair value adjustment	325 427
Share of surpluses/deficits from associates/joint ventures accounted for using the equity method	1 759
Surcharges and taxes	346 996
Levies	4 404 521
Other revenue non-exchange transactions	733 169
	<u><b>7 840 889</b></u>

#### 30. Other revenue

Licenses and permits	<u><b>3 724</b></u>
----------------------	---------------------

#### 32. Service charges

Sale of electricity	21 286 494
Sale of water	9 783 403
Sewerage & sanitation charges	7 254 272
Refuse removal	2 883 279
	<u><b>41 207 448</b></u>

#### 34. Government grants G subsidies

Capital projects	3 132 971
Operational projects	8 229 459
	<u><b>11 362 430</b></u>

#### 37. Depreciation and asset impairment

Depreciation and amortisation	- 4 740 402
Impairment losses	- 211 348
	<u><b>- 4 951 750</b></u>

#### 43. Other expenditure

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2025

## Notes to the Group Annual Financial Statements

Loss on disposal of assets and liabilities	-	93 615
General expenses	-	10 839 298
Lease rentals on operating lease	-	2 238 030
Share of surpluses or deficits from associates or joint ventures accounted for using the equity metho		-
	-	<u>13 170 943</u>
<b>43. Contracted services</b>	-	<u>94 340</u>
<b>63. Finance income</b>		
Exchange transactions (outstanding)		867 957
Non-exchange (external)		<u>217 367</u>
		<u>1 085 324</u>

# City of Johannesburg Metropolitan Municipality

Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand thousand

2025

2024

### 77. Financial Risk Management Disclosure Note as of 30 June 2025

#### Financial Risk Management

The municipality's normal operations and its sources of finance exposes it to various financial risks, which highlights the importance of financial risk management as an element of control. The principal financial risks faced by the municipality are:

- Liquidity Risk
- Concentration risk
- Market risk.
- Credit/Counterparty risk

The risks are managed, subject to the limitations of the local markets and the regulations governing the various operations of the municipality. Treasury operations are conducted within a framework of policies and guidelines authorized and reviewed annually by the different finance oversight committees.

The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance. There has been no significant change during the reporting period to the types of financial risks faced by the municipality, the measures used to measure them or the objectives, policies, and processes for managing them.

The municipality has two portfolios of financial assets and liabilities which are Portfolio 1 (measured at amortized cost and Portfolio 2 (measured at fair value).

#### FINANCIAL INSTRUMENT CLASSIFICATION PER CATEGORY

Portfolio 1		
Financial instruments at amortised cost	2025	2024
<b>Financial Assets</b>		
Cash and Cash Equivalents	3 965 660	2 165 857
Other Financial Assets	352	2 793
Trade and other receivables	14 645 771	13 039 587
<b>TOTAL</b>	<b>18 611 783</b>	<b>15 208 237</b>
<b>Financial Liabilities</b>		
Loans and borrowings	22 796 048	19 279 863
Trade and other payables	25 402 563	24 329 379
<b>TOTAL</b>	<b>48 198 611</b>	<b>43 609 242</b>
Portfolio 2		
Financial instruments designated at fair value	2025	2024
Financial Assets at Fair Value	1 381 341	776 577
Financial Liabilities at fair value	-	200 663
<b>TOTAL</b>	<b>1 381 341</b>	<b>977 240</b>

# City of Johannesburg Metropolitan Municipality

Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand thousand 2025 2024

**Table 1: Categories of Financial Instruments as of 30 June 2025**

### Credit risk

Credit risk, or the risk of financial loss to the municipality due to customers or counterparties not meeting their contractual obligations, is managed through the application of credit approvals, limits and monitoring procedures. The municipality's maximum exposure to credit risk is represented by the carrying amount of the financial assets and that are exposed to credit risk. The municipality considers its maximum exposure per class, without considering any collateral and financial guarantees. For a detailed analysis of the financial assets exposed to credit risk, refer to note 4, 5, 6, 7, 8, 9, 10, and 11. Collections patterns are monitored on a weekly basis and the statistical results thereof inform the impairment allowance and any subsequent debtors' write-offs. The municipality determines appropriate internal credit limits for each counterparty in respect of investing surplus funds. In determining these limits, the municipality considers the counterparty's credit rating established by an accredited rating agency. The risk rating grade of cash and cash equivalents and restricted cash with the credit limits per counterparty are set out below. Given these credit ratings, management does not expect any counterparty to fail to meet its obligations:

#### Portfolio 1: Cash and Cash equivalents

R' 000	Credit Rating	Limit Amount	2025	2024
STD Bank	F1+.zaf	1,500,000	193,537	113,923
ABSA	F1+.zaf	1,500,000	316,575	68,135
RMB	F1+.zaf	1,500,000	13,760	135,801
INVESTEC	F1.zaf	1,237,500	285,271	284,853
NEDBANK	F1+.zaf	1,500,000	312,609	9,910
CITI BANK	F1 .intl	350,000	-	2,104
<b>Total</b>		<b>7,587,500</b>	<b>1,121,752</b>	<b>614,727</b>

*Table 2: Credit quality of investments*

Investments comprise of call and fixed deposits (Note 12). The counterparties credit rating remains within the City's approved ratings as well as the counterparty limits.

#### Portfolio 2: Sinking Fund: cash and cash equivalents

R' 000	Credit Rating	Limit Amount	2025	2024
STD Bank	F1+.zaf	N/A	959,652	339,102

*Table 3: Credit quality of cash within the sinking fund*

# City of Johannesburg Metropolitan Municipality

Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand thousand	2025	2024
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### Liquidity Risk

Liquidity risk relates to the municipality ability to meet its obligations as and when they become due. The municipality focuses on funding liquidity risk where outflows are more than inflows.

The municipality's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses and risking damage to the municipality's financial sustainability. The cash management process assists the municipality in managing its liquidity risk using cash flow projection models with the aim of minimizing variances between projected and actual cash.

The municipality manages both long-term and short-term liquidity requirements, with surplus funds from operations being invested in short-term money market instruments. Long-term liquidity risks arising from capital project initiatives are managed through the issuance of long-term debt in the form of bonds or long-term loans or a combination. Both short- and long-term borrowings are obtained as per Council approved funding plan. For the 2025 financial year, Council approved the following limits in respect of the funding plan:

R1'000	2025		2024	
	Approved Funding	Total Utilised	Approved Funding	Total Utilised
Short-Term Borrowings	5,000,000	2,800,000	3,000,000	3,670,000
Long-Term Borrowings	2,500,000	2,500,000	2,500,000	2,500,000
<b>Total</b>	<b>7,700,000</b>	<b>5,300,000</b>	<b>5,500,000</b>	<b>6,170,000</b>

**Table 4: Approved long and short-term borrowings per funding plan 2024/25 and 2023/2024**

Short-term liquidity constraints are managed through two types of short-term funding instruments:

- General Banking Facilities (overdraft) and
- Commercial Paper
- All short-term borrowings were repaid as of 30<sup>th</sup> of June 2025

The municipality ensures that all short-term facilities utilized within the financial year are paid before the end of the financial year in compliance with Section 45(4) (a) of the MFMA.

The municipality realizes that liquidity risk is also linked to concentration risk which is defined as the probability of high cash outflows arising from the concentration of debt obligations payable around the same period. If not properly managed, concentration risk can lead to default risk. Therefore, concentration risk is managed through the maintenance of an effective diversification in the sources and tenure of capital expenditure funding.

The table below discloses the maturity profile of the municipality's non-derivative financial liabilities and those assets used for managing liquidity risk. The amounts disclosed are the future undiscounted contractual cash (outflows)/inflow. The tables have been drawn up based on the earliest date on which the municipality can be required to settle or can require settlement and include both estimated interest and principal cash flows. Estimated interest for floating interest rate financial liabilities is calculated with reference to the applicable zero-curves.

# City of Johannesburg Metropolitan Municipality

Financial Statements for the year ended 30 June 2025

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### 2025

#### Financial assets

R'1000	0 - 1 year	2 years	3 years	4 years	5 years and above	TOTAL
Trade and other receivables	14,645,771					14,645,771
Call deposits and fixed deposit	1,121,752					1,121,752
Cash and cash equivalents	2,843,908					2,843,908
<b>Total</b>	<b>18,611,431</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18,611,431</b>

#### Financial liabilities

Borrowings	3,388,284	1,718,109	1,773,041	1,839,039	14,077,575	22,796,048
Trade and other payables	25,152,797					25,152,797
<b>Total</b>	<b>28,541,081</b>	<b>1,718,109</b>	<b>1,773,041</b>	<b>1,839,039</b>	<b>14,077,575</b>	<b>47,948,845</b>

### 2024

#### Financial assets

R'1000	0-1 year	2 years	3 years	4 years	5- 10 years	TOTAL
Trade and other receivables	13,039,587					13,039,587
Call deposits	628,856					628,856
Short term investment						0
Cash and cash equivalents	1,535,706		-	-	-	1,535,706
<b>Total</b>	<b>15,204,149</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,204,149</b>
<b>Financial liabilities</b>						
Borrowings	1,315,634	2,802,816	1,622,871	1,427,803	12,101,995	19,271,119
Trade and other payables	23,355,233					-
<b>Total</b>	<b>24,670,867</b>	<b>2,802,816</b>	<b>1,622,871</b>	<b>1,427,803</b>	<b>12,101,995</b>	<b>19,271,119</b>

Table 5: Maturity profile of financial assets and liabilities as at 30 June 2025

# City of Johannesburg Metropolitan Municipality

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Figures in Rand thousand 2025 2024

The municipality has also set up a financial solution that is meant to assist in the settlement of its non-amortizing long-term financial liabilities. This fund has been set up to ensure that the concentration risk in respect of the non-amortizing loans is appropriately managed. The City contributed R 480 million into the for the 2024/2025 financial year.

The following are the contractual maturities included in the fund:

### Portfolio 2: 2025

#### 2025

##### Sinking fund

R'1000	0-1 year	2 years	3 years	4 years	5+ years	TOTAL
Bonds Assets	126 738	-	-	-	192 831	319 570
Cash Assets	959 652					959 652
Interest Rate Swaps	67 217	54 735	48 800	29 734	(183 044)	17 442
	<b>1 153 607</b>	<b>54 735</b>	<b>48 800</b>	<b>29 734</b>	<b>G 787</b>	<b>1 266 664</b>
<b>2024</b>						
Bonds Assets	62 603	125 948			175 334	363 885
Cash Assets	339 102					339 102
Interest Rate Swaps	19 391	28 969	24 556	5 698	(462 876)	(384 262)
	<b>421 0G6</b>	<b>154 G17</b>	<b>24 556</b>	<b>5 6G8</b>	<b>(287 542)</b>	<b>318 725</b>

**Table 6: Maturity Analysis for Financial Instruments**

### Market risk

Market risk is the risk that changes in market prices (such as interest rates, foreign currencies, and equity prices) will affect the municipality's financial performance or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

The specific risk falls within the market for which the municipality is mainly affected by its interest rate risk. Interest rate risk is the risk that arises on an interest-bearing asset or liability, due to variability of interest rates. The municipality's interest rate risk arises from the repricing of the municipality's floating rate debt and assets, incremental funding or new borrowings, the refinancing of existing borrowings and the magnitude of the cash balances which exist.

The municipality aims to maintain its mix of fixed and floating rate debt within internally determined parameters; however, this depends on the market conditions both locally and internationally.

The municipality has also established a sinking fund to redeem its long-term borrowings including listed bonds and other bilateral loans (i.e., liabilities that are not amortizing). To maximize the return in respect of the instruments in the fund, the city is currently in the process of appointing a new fund manager to manage the fund on behalf of the City.

# City of Johannesburg Metropolitan Municipality

Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand thousand	2025	2024
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In addition, the municipality is continuously monitoring the fund's fair value to ensure that it has sufficient balances to cover upcoming settlements in respect of the non-amortizing liabilities. The information in respect of the instruments disclosed in the funds is disclosed in note 10.

# City of Johannesburg Metropolitan Municipality

Financial Statements for the year ended 30 June 2025

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The municipality has used a sensitivity analysis technique that measures the estimated change to the fair value of the floating liabilities in respect of an instantaneous increase or decrease of 1% (100 basis points) in market interest rates, from the rate applicable as at 30 June, with other variables remaining constant. This analysis is for illustrative purposes only, as in practice market rates rarely change in isolation.

The municipality is mainly exposed to fluctuations in the JIBAR rates which will affect the finance cost of the floating rate liabilities. The analysis has been performed since the change occurring at the start of the reporting period and assumes that all other variables, in particular foreign currency rates, remain constant.

### Portfolio 1

#### Floating Rates

Class	Fair Value	Fair Value Sensitivity to Interest Rate Movements/Shifts for Floating Rate Loans						
		-1%	-0.5%	0%	0.5%	1.0%	1.5%	2%
Floating Rate Loans	(11,441,533)	(10,637,119)	(10,830,222)	(11,441,533)	(10,898,832)	(11,084,136)	(11,365,003)	(11,741,087)

Table 7: Interest Rate Cash Flow Sensitivity Analysis

### Portfolio 2: Fair Value Sensitivity Analysis for Sinking Fund Instruments

#### Interest rate swaps

Class	Fair Value	Fair Value Sensitivity to Interest Rate Movements/Shifts for Interest rate swaps						
		-1%	-0.5%	0%	0.5%	1.0%	1.5%	2%
IRS Swaps	87,285	212,000	148,320	87,285	29,739	(25,446)	(78,072)	(128,267)
Listed Bonds	313,169	326,524	319,716	313,169	306,870	300,809	294,974	289,356

Table 8: Interest Rate Risk Sensitivity Analysis

#### Valuation of financial instruments

# City of Johannesburg Metropolitan Municipality

Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand thousand

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Fair value estimation

The municipality's accounting policies and disclosures require the measurement of fair values. The municipality uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure the fair value by maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The table below presents the municipality's assets and liabilities that are measured at fair value. The classification into different levels is based on the extent that quoted prices are used in the calculation of fair value and the levels have been defined as follows:

- level 1: fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- level 2: fair value based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); or
- level 3: fair value based on inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the fair value measurement hierarchy of the municipality's assets and liabilities measured at fair value (Portfolio 2) as disclosed in note 11:

2025	Level 1	Level 2	Level 3	30 June 25
Listed Bonds	316,570	-	-	316,570
Cash and cash equivalent	656,652	-	-	656,652
Interest Rate Swaps		87,285		87,285
<b>TOTAL FAIR VALUE</b>	<b>1,27G,222</b>	<b>87,285</b>		<b>1,366,506</b>

2024	Level 1	Level 2	Level 3	30-Jun-24
Listed Bonds	363,885	-	-	363,885
Cash and cash equivalent	336,102	-	-	336,102
Interest Rate Swaps	-	127,073	-	127,073
<b>TOTAL FAIR VALUE</b>	<b>702,G87</b>	<b>127,073</b>		<b>575,G14</b>

**Table 10: Valuation of financial instruments, Source: COJ Sinking Fund Financials as of 30 June 2025**

# City of Johannesburg Metropolitan Municipality

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### Valuation methods and assumptions

The following methods and assumptions were used to estimate the respective fair values:

The fair value of the investment is determined by reference to published price quotes on Johannesburg Stock Exchange. The sinking fund which is used as collateral in respect of bullet loans includes interest rate swaps where the City has swapped fixed rates for floating rates. The interest rate swaps are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate forward rates and interest basis spreads between the respective interests per the contracts and interest rate curves.

### Other notes references.

**Financial Assets by category – note 7**

**Financial Liabilities by category- note 22**

**Consumer debtors- note 10**

**Financial assets at fair value – Sinking fund- note 11**

**Financial liabilities at fair value– note 11**

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2025

## Notes to the Group Annual Financial Statements

### 78. Non executive directors

Municipal Entity	Non-Executive Directors	Board/Director Fees	Committees	Other Fees	2025	2024
Joburg Water	Mr Godfrey Katsana (Chairperson)	144	10	18	172	206
Joburg Water	Mr Orapeleng Ramagaga CA(SA)	108	180	10	298	296
Joburg Water	Ms Bonga Kweyama	108	40		148	180
Joburg Water	Mr Thembinkosi Mbeda	12	8		20	180
Joburg Water	Mr Thapelo Chokobane	12	8		20	180
Joburg Water	Ms Johanna Mapeko	12	8		20	180
Joburg Water	Ms Ziyanda Mncanca	12	8		20	156
Joburg Water	Mr Ben Mothupi	12	8		20	180
Joburg Water	Ms Sherry Petersen	96	36		132	-
Joburg Water	Ms Candice Patricia Savage	96	32		128	-

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2025

## Notes to the Group Annual Financial Statements

Joburg Water	Ms Bernice Dollie	96	32		128	-
Joburg Water	Ms Andile Victoria Ledwaba	96	32		128	-
Joburg Water	Mr Rabone Moripe	96	40		136	-
Joburg Water	Ms Virginia Tserane Magale	96	48		144	-
<b>TOTAL</b>		<b>996</b>	<b>490</b>	<b>28</b>	<b>1,514</b>	<b>1,558</b>
City Power	Mr M Kekana	1			1	1
City Power	Mr N Kgope	210			210	148
City Power	Mr M Kharodi	194			194	-
City Power	Mr W Mathamela	126			126	-
City Power	Ms M Mashabela	20			20	84
City Power	Mr S Mlauzi	120			120	-
City Power	Ms N Mtembu	8			8	-
City Power	Mr P Mokhele	104			104	-
City Power	Ms N Ntuli	20			20	124
City Power	Mr S Nduna	22			22	-
City Power	Ms S Nkwanyana Ms P Numa	188			188	-
City Power	Ms M Qhomane	140			140	-
City Power	Ms N Ramotebele	20			20	-
City Power	Mr B Ramokhele	24			24	210
City Power	Mr L Rastiku	20			20	-
City Power	Mr M Seopela	170			170	-
City Power	Mr T Sibeko	20			20	-
City Power	Mr M Mbuli	-			0	-
City Power	Ms A Banda	8			8	36
City Power	Mr O Galane	8			8	-
City Power	Mr M Mabena	16			16	-
City Power	Mr M Malinga	48				-
City Power	Mr P Ragimana	68			68	144
City Power	Ms A Banda	-			0	68
City Power	Ms B Damoyi	-			0	10
City Power	Mr S Mlauzi	-			0	-
City Power	Ms N Mtembu	-			0	60
City Power	Ms M Modise	-			0	8
City Power	Mr N Nduna	-			0	214
City Power	Ms N Ramotebele	-			0	152
City Power	Mr L Ratsiku	-			0	76
City Power	Mr M Seopola	-			0	156
City Power	Mr T Sibeko	-			0	154
<b>TOTAL</b>		<b>1,555</b>	<b>-</b>	<b>-</b>		<b>1,645</b>
Metrobus	Michele Botha	-			-	-
Metrobus	Patricia Jacobs	-			-	-
Metrobus	Charley Pietersen	248			248	276
Metrobus	Gloria Matshusa	72			72	80
Metrobus	Hein Toerien	188			188	228
Metrobus	Khanya Sithebe	244			244	-
Metrobus	Luzaan Francis	12			12	-
Metrobus	Michele Alison Mirjam Botha	40			40	-
Metrobus	Lemarco Mitchell	16			16	374
Metrobus	Nison Khosa	16			16	-
Metrobus	Lungisile Mkize	20			20	224
Metrobus	Samkeliswe Zwane	144			144	-
Metrobus	Sepheu Masemola	168			168	120
Metrobus	Ponds Petersen	206			206	240
Metrobus	Tshepiso Madingoane	144			144	-
Metrobus	Sharifa Prinsloo	8			8	212

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2025

## Notes to the Group Annual Financial Statements

Metrobus	Wayne Buckley	72			72	-
Metrobus	Yolandi Erasmus	262			262	-
Metrobus	Tiphany Stacey Harmse					200
Metrobus	Tony Ferreira	8			8	64
Metrobus	Wayne Buckley					80
Metrobus	Faith Irwin	166			166	104
Metrobus	Khanyisa Sithebe					94
Metrobus	Mervan Ambrael	80			80	112
Metrobus	Micene Anson Mungam Botha					80
<b>TOTAL</b>		<b>2,114</b>			<b>2,114</b>	<b>2,488</b>
Joburg Theatre	Ms Sherry Petersen	96	36		132	-
Joburg Theatre	Ms Candice Patricia Savage	96	32		128	-
Joburg Theatre	Ms Bernice Dollie	96	32		128	-
Joburg Theatre	Ms Andile Victoria Ledwaba	96	32		128	-
Joburg Theatre	Mr Rabone Moripe	96	40		136	-
Joburg Theatre	Ms Virginia Iseiane Magale	96	48		144	-
Joburg Theatre	Mr Godfrey Katsana (Chairperson)	144	10	18	172	206
Joburg Theatre	Mr Orapeng Ramagaga	108	180	10	298	296
Joburg Theatre	Ms Bonga Kweyama	108	40		148	180
Joburg Theatre	Mr Thembinkosi Mbede	12	8		20	180
Joburg Theatre	Ms Ziyanda Mncanca	12	8		20	156
Joburg Theatre	Mr Thapelo Chokobane	12	8		20	180
Joburg Theatre	Ms Johanna Mapeko	12	8		20	180
Joburg Theatre	Mr Ben Mothupi	12	8		20	180
<b>TOTAL</b>		<b>996</b>	<b>490</b>	<b>28</b>	<b>1,514</b>	<b>1,558</b>
City Parks	Ms. T Mjoli (NED) (Chairperson)					-
City Parks	Mr. Y Nyalambisa (NED)				-	132
City Parks	Mr. Y Zigebe (NED)					128
City Parks	Ms. Z Mncanca (NED)	180			180	-
City Parks	Mr. A Hlatshwayo (NED)	20			20	132
City Parks	Dr. T Mabetwa (NED)	88			88	-
City Parks	Ms M Mapeko (NED)	96			96	-
City Parks	Mr. L Fani (NED)	20			20	132
City Parks	Mr. M Fihla (NED)	22			22	124
City Parks	Mr. P Kgame (NED)	38			38	156
City Parks	Mr. R Moripe (NED)	20			20	152
City Parks	Ms. O Netshikulwe (NED)	12			12	-
City Parks	Ms. T Mlotywa (NED)	12			12	-
City Parks	Mr. A Jabavu (NED)	132			132	144
City Parks	Mr. M Poswa (NED)	12			12	-
City Parks	Mr. J Madela (NED)					-
City Parks	Mr. L Makele (NED)					-
City Parks	Ms. W Sikhosana (NED)	120			120	128
<b>TOTAL</b>		<b>772</b>			<b>772</b>	<b>1,228</b>
JDA	D'Oliphant Board Chair - previous year)	206			206	250
JDA	M Mokoena	146			146	260
JDA	M Ntanga	108			108	136
JDA	M Ramanyai					212
JDA	N Zonela (Retired )	22			22	158
JDA	V Hlongwa	160			160	184
JDA	M Makgonye	20			20	172

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2025

## Notes to the Group Annual Financial Statements

JDA	M Ramonyai	188			188	-
JDA	B Molelekeng	112			112	-
JDA	E Veyi	108			108	-
JDA	T Sibeko	140			140	-
JDA	E Rakodi (Independent Audit and Risk Committee Member) (Resigned 15 April 2025)	48			48	-
JDA	S Mndawe (Independent Audit and Risk Committee Member)-Retired					56
JDA	P Lebopa (Independent Audit and Risk Committee Member)-Retired					64
JDA	T Nawane	202			202	120
<b>TOTAL</b>		<b>1,476</b>			<b>1,476</b>	<b>1,612</b>
Joburg Market	Mr M Ndlovu	360			360	-
Joburg Market	Ms R Kgomo	274			274	-
Joburg Market	Mr D Xaba	188			188	-
Joburg Market	Mr V Masoga	228			228	-
Joburg Market	Ms N Kapiyana	208			208	-

Joburg Market	Mr G Netshidzati	8			8	-
Joburg Market	Ms S Ndaba	56			56	-
Joburg Market	Ms S Nhlengethwa	56			56	-
Joburg Market	Ms M Nkosi	56			56	88
Joburg Market	Ms V Gumede	302			302	238
Joburg Market	Mr R Ramabulana	19			19	3
Joburg Market	Mr G Tsotetsi	300			300	176
Joburg Market	Ms N Mpongo	260			260	184
Joburg Market	Ms M Vilakazi	20			20	184
Joburg Market	Mr C Vondo	30			30	132
Joburg Market	Ms N Sicam	294			294	178
Joburg Market	Ms M Nkosi	22			22	262
Joburg Market	Mr M Shibambu	12			12	164
Joburg Market	Mr G Son	48			48	48
Joburg Market	Mr M Karedi	8			8	72
Joburg Market	Mr G Netshidzati	-			-	64
Joburg Market	Mr E Sithole	284			284	188

<b>TOTAL</b>		<b>3,033</b>			<b>3,033</b>	<b>1,981</b>
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Joshco	Mr. Z Xalisa	164			164	-
Joshco	Ms. B Simelane	196			196	-
Joshco	Mr. J Sobekwa	350			350	-
Joshco	Mr. L Ndlovu	260			260	-
Joshco	Mr. M Shibambu	180			180	-
Joshco	Mr. N Mjiyako	174			174	-
Joshco	Ms. T Poswa	152			152	-
Joshco	Ms. T Tshabalala	20			20	-
Joshco	Mr. T Dhlamini	302			302	-
Joshco	Mr. T Mdadane	12			12	-
Joshco	Mr. S James	-			-	32
Joshco	Mr. T Tselane	20			20	128
Joshco	Mr. M Tabane	20			20	172
Joshco	Ms. Y Erasmus	30			30	238
Joshco	Ms. M Francis	8			8	40
Joshco	Mr. A Smith	20			20	152
Joshco	Ms. J Scott	52			52	180

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2025

## Notes to the Group Annual Financial Statements

Joshco	Mr. J Watson	-				56
Joshco	Mr. S Masemola	25			25	336
Joshco	Mr. S Clarke	46			46	182
Joshco	Mr. S Mnisi	20			20	164
Joshco	Mr. H Markus	20			20	124
Joshco	Mr. M Nqakalatsane	40			40	142
Joshco	Mr. I Singh	15			15	144
Joshco	Ms. S Mbonambi	-				144
Joshco	Mr. Victor Van Der Merwe	8			8	-
Joshco	Ms. Thulisile Mfusi	56			56	-
Joshco	Mr. Steven Piet Ngubeni	48			48	-
Joshco	Mr. Obed Thenga	40			40	-
Joshco	Ms. Geraldene Chapman-Louw	8			8	-
Joshco	Mr. Daniel Nyamazane	8			8	-
Joshco	Mr. Albert Baloyi	128			128	-
Joshco	Mr. A Francis	-				24
<b>TOTAL</b>		<b>2,422</b>			<b>2,422</b>	<b>2,258</b>
JRA	E Botha ( Board Chairperson) Resigned (14 February 2024)					104
JRA	S Clarke - Appointed - 31 July 2024 (Board Chairperson)	128	12		140	-
JRA	A Smith - Appointed on 31 July 2024	96	20		116	-
JRA	A Francis - Appointed - 31 July 2024	36	92		128	248
JRA	U Morogosi - Appointed on 31 July 2024	96	26		122	-
JRA	Dr. R Govender - Appointed - 31 July 2024	112	80		192	206
JRA	D Nyamazane - Appointed on 31 July 2024	108	206		314	206
JRA	C Lourens - Appointed - 31 July 2024	108	42		150	130
JRA	S Mtamzeli - Appointed - 01 March 2023					124
JRA	K Morokeng - Appointed - 31 July 2024	108	46		154	118
JRA	S Mtamzeli - Appointed - 31 July 2024	108	42		150	-
JRA	Z Xaba - Appointed - 31 July 2024	108	44		152	124
JRA	V Mamogobo -Appointed - 31 July 2024	12			20	124
JRA	S Kienboom - Appointed on 31 July 2024	108	42		150	140
JRA	N Khosa (AFR&IT) - Appointed on 31 July 2024	24	48		72	56
JRA	D Martin (AFR&IT) - Appointed on 31 July 2024	24	56		80	18
JRA	T Kwela (AFR&IT)					32
JRA	I Goldsmith - Resigned on 31 July 2024	12	8		20	102
JRA	B Nimmerhoudt - Appointed on 31 July 2024	108	58		166	80
<b>TOTAL</b>		<b>1,296</b>	<b>830</b>		<b>2,126</b>	<b>1,812</b>
Tourism	Ms. Gugu Bridget Sithole	140			140	214
Tourism	Ms. Nandipha Beauty Zonela (NED-Chairperson)	172			172	-
Tourism	Ms Dikeledi Portia	236			236	164

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2025

## Notes to the Group Annual Financial Statements

	Mabusela				
Tourism	Mr Josiah Snimane Mphefo - Retired	22		22	160
Tourism	Mr Rirhandzo Lovemore Ribombo	140		140	176
Tourism	Ms Ayesha Seedat				144
Tourism	Mr Johannes Sydney Monaise - Retired	114		114	208
Tourism	Mr Katego Bogatsu - Retired	12		12	36
Tourism	Ms Palesa Prudence Ramafikeng	140		140	100
Tourism	Mr. Siso Mzolo - Retired	20		20	152
Tourism	Ms. Charlotte Kebabetswe Mathonsi	122		122	-
Tourism	Ms. Bernadette Sibuswe Mzobe				152
Tourism	Ms. Masechaba Euginia Motloung	140		140	-
Tourism	Ms. Manini Amelia Vilakazi	88		88	-
Tourism	Mr. Leslie Kwapeng	56		56	-
Tourism	Mr. Stephen Khesuoe	64		64	-
Tourism	Adv. Cawe Mahlali	64		64	-
Tourism	Mr. V Mlilo - Retired	8		8	32
Tourism	Mr. T. Mulamula				8
Tourism	Mr. L. Kwapeng- Retired				8
Tourism	Ms. N. Mbhense				134
<b>TOTAL</b>		<b>1,538</b>		<b>1,538</b>	<b>1,688</b>
MTC	Mr NS Motale	16		16	264
MTC	Mrs P Jacobs	296		296	354
MTC	Mrs MC Francis				184
MTC	Mr JB Watson	234		234	270
MTC	Mr JS Ngubane				252
MTC	Mr BG Khanyile				42
MTC	Mr L Saile	72		72	256
MTC	Mrs MC Williams	238		238	244
MTC	Ms A Cluff	64		64	64
MTC	Mr DD Raynors	56		56	72
MTC	Mr T Roman	64		64	64
MTC	Mr HR Moloby				5
MTC	Mr N Mashinini				5
MTC	Mrs AW Stenge				5
MTC	Mr J Nqakalastane	312		312	
MTC	Mr M Tabane	216		216	
MTC	Mr V Blennies	272		272	
MTC	Ms I Singh	224		224	
MTC	Ms JX Scott	112		112	
MTC	Ms MV Mamagobo	216		216	
MTC	Mr T Goldsmith	200		200	
<b>TOTAL</b>		<b>2,592</b>		<b>2,592</b>	<b>2,081</b>
JPC	Mr E Sithole				278
JPC	Mr S Collophen	184		184	-
JPC	Mr S Gwebani	12		12	-
JPC	Mr M Rabodila	166		166	57
JPC	Ms X Lingani				74
JPC	Mr T Mashamaite	274		274	-
JPC	Ms Y Ngxabazi	110		110	-
JPC	Ms K Ngubane	64		64	-
JPC	Mr M Karedi	80		80	244
JPC	Mr S Mtolo	44		44	364
JPC	Ms E Rakodi	20		20	304

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2025

## Notes to the Group Annual Financial Statements

JPC	Mr F Ratshikhopha	268			268	340
JPC	Ms B Mthimkhulu	0			0	-
JPC	Ms B Teffo	242			242	316
JPC	Ms R Makwela	88			88	100

JPC	Mrs Y Pamla-Dhludhlu	84	-		84	68
JPC	Mr T Chiloane	16	-		16	76
JPC	Adv T Thatelo	228	-		228	328
JPC	Ms N Tini	192	-		192	304
JPC	Mr M Zondo	212	-		212	308
JPC	Mr S Motha	310	-		310	204
<b>TOTAL</b>		<b>2,602</b>	<b>-</b>		<b>2,602</b>	<b>3,365</b>

PIKITUP	Dr Skeepers TN (Chairperson)					-
PIKITUP	Mr Nedzamba M (Chairperson)	176	-		176	157
PIKITUP	Mr Ndlovu M	-	-			4
PIKITUP	Mr Radebe M	-	-			150
PIKITUP	Mr Marota NS	200	-		200	-
PIKITUP	Ms Sekoba AN	-	-			134
PIKITUP	Mr Maseng O	160	-		160	-
PIKITUP	Ms Mogagole K	1	-		1	-
PIKITUP	Mr Shi Hai S	148	-		148	134
PIKITUP	Ms Majavu D	-	-			160
PIKITUP	Mr Ndhlovu MM	7	-		7	-
PIKITUP	Ms Radebe M	168	-		168	-
PIKITUP	Mr Mokoena T	140	-		140	138
PIKITUP	Mr Sibeko T		-			44
PIKITUP	Mr Sekoba AN	158	-		158	-
PIKITUP	Mr Mapangalasane JB	-	-			12
PIKITUP	Ms Kutumela T	-	-			134
PIKITUP	Mr Marota SN	-	-			187
<b>TOTAL</b>		<b>1,158</b>	<b>-</b>		<b>1,158</b>	<b>1,254</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2025

## Notes to the Group Annual Financial Statements

### 79. Segment reporting

City of Johannesburg Metropolitan Municipality has identified and disclosed the following segment:

No	Segment	No	Segment
1	COJ-Core	8	Johannesburg Roads Agency
2	City Power	9	Johannesburg City Park
3	Johannesburg Water	10	Johannesburg Property Company
4	Johannesburg Civic Theatre	11	Johannesburg Development Agency
5	JOSCHO	12	PIKITUP
6	Metropolitan Trading Company	13	Johannesburg Fresh Produce Market
7	Metro Bus	14	Johannesburg Tourism Company

#### 1. Identifying of segments

The City is organized and reports to management on the basis of fifteen Core departments which have specified mandated and functional areas.

Management assessed all the departments based their generation of economic benefit/service potential, frequency of review of their results and the availability of separate financial information.

City of Johannesburg-Group Accounting has 14 segments.

#### 2. Aggregation

Aggregation of segments is based on similarities in the service delivery object of the departments, in line with mSCOA which speaks to their economic characteristic. Information reported about these segments is used by management as a basis for evaluating the segments performance and for making decisions about the allocation of resources.

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2025

## Notes to the Group Annual Financial Statements

### Segment Reporting (Continues)

#### Types of goods and/or services by segment

Reportable segment	Goods and/or Services
COJ-Core	
City Power	The entity distributes electricity within City Johannesburg
Johannesburg Water	The entity provides a water and sewer services.
Johannesburg Civic Theatre	The entity provides high quality live entertainment and artistic perform through the integrated management of the theatre venues , innovative and inclusive programme which serves the diverse communities of City of Johannesburg
JOSCHO	The entity provides rental of facilities and equipment, and rendering of service of houses
Metropolitan Trading Company	The entity provides Broadband Network Services.
Johannesburg Roads Agency	The entity is provides infrastructure development, mobility and freight and regional operations services.
Johannesburg City Park & Zoo	The entity provides grass & trees maintenance, cemeteries and crematoria, facilities management, zoo and environmental conservation
Johannesburg Development Agency	The entity manages and facilities infrastructure development efficiently.
PIKITUP	The entity provides sustainable and innovative waste management
Johannesburg Fresh Produce Market	The entity sells fruits, vegetable, and storage facilities.
Johannesburg Tourism Company	Experience-based destination and tourism marketing, manage demand-driven tourism development programmes
Johannesburg Property Company	The entity provides leasing and buying services for land and property in the city of Johannesburg

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2025

## Notes to the Group Annual Financial Statements

### Segment Reporting (Continues)

#### GRAP 18.23 (b):

COJ-Group Accounting disclose each reportable segment if the specific amounts are included in the measure of segment assets reviewed by management, the amount of additions to non-current assets.

Entity	Non-Current Asset – Additional amount	
<b>Core-COJ</b>	Living resources	0
	Investment property	0
	Property Plant and Equipment	4,019,435,000
	Intangible Assets	925,038,000
	Heritage assets	8,435,000
<b>City Power</b>	Property Plant and Equipment	1,633,869,000
	Intangible Asset	3,392,000
<b>Johannesburg Development Agency</b>	Property Plant and Equipment	562,651
	Intangible asset	0
<b>Johannesburg Road Agency</b>	Property Plant Equipment	54,631,095
	Intangible Assets	0
<b>PIKITUP</b>	Property Plant and Equipment	354,744,911
	Intangible Asset	2,208,300
<b>Johannesburg Civic Theatre</b>	Property Plant and Equipment	6,319,542
	Intangible Assets	1,678,906
	Heritage Asset	0
<b>Johannesburg City Park &amp; Zoo</b>	Property Plant and Equipment	30,988,000
	Intangible Asset	0
	Living Resources	827,000
<b>Johannesburg Water</b>	Property Plant and Equipment	1,301,824,000
	Intangible Asset	7,371,000
<b>Metropolitan Trading Company</b>	Property Plant and Equipment	2,930,000
	Intangible Asset	0
<b>JOSCHO</b>	Property Plant and Equipment	2,146,000
	Intangible Asset	0
<b>Johannesburg Property Company</b>	Property, plant and equipment	4,973,674
	Intangible Assets	0
<b>Metropolitan Bus Services</b>	Property Plant and Equipment	77,693,301
	Intangible Asset	15,624,000
<b>Johannesburg Tourism Company</b>	Property Plant and Equipment	1,742,265
	Intangible asset	0
<b>Johannesburg Fresh Produce Market</b>	Investment Property	1,656,945
	Property Plant and Equipment	87,348,762
	Intangible assets	0

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2025

## Notes to the Group Annual Financial Statements

	Group Financial Position 2025														Total	Elimination	Group	
	PROPERTY	POWER	PARKS	CIVIC	JDA	MBUS	JRA	JOSHCO	TOURISM	WATER	MTC	PIKITUP	MARKET	Core				
<b>Assets</b>																		
<b>Current Assets</b>																		
Inventories			33 101	8 336	9 509		24 386	87 530	484		233 792		10 896		163 371	571 405	0	571 405
Loans to Municipal entities															820 359	820 359	-820 359	
Loans to shareholders	376 418			843 462					5 958	101 596	4 731 048		5 347 650	106 937	11 513 068	-11 513 068		
Other financial assets															352	352	-	352
Current tax receivable		209 161				15 189						26 733		7 910	258 993	-15 189		243 804
Finance lease receivables															80 892	80 892	-80 892	
Receivables from exchange transactions	992 148	3 462 420	84 137	40 696	1 359 171	51 342	1 309 298	1 181 627	149	27 474	2 918 926	17 923	89 924	30 750 815	42 286 050	-40 193 298		2 092 752
Receivables from non-exchange transactions	41	188 336	123 667			129 744		45	9 771					209 070	660 674	-304 332		356 342
VAT receivable	15 781	1 022 880	778					2 497	78	265 319	1 316	22 932	1 023	114 898	1 447 502	15 189		1 462 691
Consumer debtors		2 851 130								3 647 240		1 407 720		4 290 587	12 196 677	-		12 196 677
Financial assets at fair value															1 151 894	1 151 894	-	1 151 894
Cash and cash equivalents	2	95 859	298	19 271	2	589	512 946	22 689		32		1 380	834 713	2 477 879	3 965 660	-0		3 965 660
	<b>1 384 389</b>	<b>7 862 887</b>	<b>1 060 678</b>	<b>69 476</b>	<b>1 374 362</b>	<b>206 060</b>	<b>1 909 774</b>	<b>1 213 300</b>	<b>111 594</b>	<b>8 904 905</b>	<b>2 946 975</b>	<b>6 808 501</b>	<b>1 040 507</b>	<b>40 060 117</b>	<b>74 953 526</b>	<b>-52 911 949</b>		<b>22 041 577</b>
<b>Non-Current Assets</b>																		
Living Resources				21 890											8 985	30 875	-	30 875
Investment property													25 865		989 417	1 015 282	0	1 015 282
Property, plant and equipment	57 101	18 519 502	94 476	28 343	4 637	516 796	230 050	27 843	6 642	15 036 450	374 021	1 059 603	713 210	51 474 814	88 143 488	0		88 143 488
Intangible assets	177	318 873	220	1 695	14 279	32 684	1 650	3 744	2 161	34 848	9 671	2 345	336	1 554 072	1 976 754	-0		1 976 754
Heritage assets				1 603					63					637 937	639 603	0		639 603
Investments in controlled entities															562 685	562 685	-562 685	
Investment in Joint Ventures								21 700							21 700	4 083		25 783
Loans to Municipal Entities															-	-	-	
Loans to shareholders			37 758				41 202	54 040					160 647		293 646	-293 646		
Other financial assets															49 648	49 648	-	49 648
Deferred tax	37 989	5 206 053			4 637						78 599				5 327 278	-		5 327 278
Income tax	13 722														13 722	-		13 722
Deposits	62 698														62 698	-0		62 698
Finance lease receivables															31 300	31 300	-31 300	
Financial assets at fair value															229 447	229 447	-	229 447
	<b>171 687</b>	<b>24 044 428</b>	<b>154 344</b>	<b>31 640</b>	<b>23 553</b>	<b>590 681</b>	<b>285 739</b>	<b>53 287</b>	<b>8 866</b>	<b>15 071 298</b>	<b>462 291</b>	<b>1 222 595</b>	<b>739 411</b>	<b>55 538 305</b>	<b>98 938 126</b>	<b>-883 548</b>		<b>97 514 578</b>
<b>Total Assets</b>	<b>1 556 077</b>	<b>31 907 315</b>	<b>1 215 022</b>	<b>101 116</b>	<b>1 397 915</b>	<b>796 741</b>	<b>2 195 514</b>	<b>1 266 587</b>	<b>120 460</b>	<b>23 976 203</b>	<b>3 409 266</b>	<b>8 031 096</b>	<b>1 779 918</b>	<b>95 598 422</b>	<b>173 351 652</b>	<b>-53 795 497</b>		<b>119 556 155</b>
<b>Liabilities</b>																		
<b>Current Liabilities</b>																		
Loans from Municipal entities										29 140					29 140	-		29 140
Loans from Shareholders	1 008 267	15 969 288			1 543 827	475 399	535 674	1 728 551		460 131	2 131 838	1 542 757			25 395 731	-	25 395 731	
Loans and borrowings								2 142							3 386 142	3 388 284	-	3 388 284
Current tax payable																		
Finance lease obligations	9 368	34 036	20 679		212	2 661				65 606		56 020		107 406	295 988	-	98 351	197 637
Operating lease liability																		
Financial Liabilities at fair value																		
Payables from exchange transactions	350 736	9 790 403	231 663	54 281	231 688	755 080	1 459 592	1 548 076	23 617	4 763 140	544 481	4 477 431	471 948	29 022 964	53 725 100	-	28 322 537	25 402 563
Payables from non-exchange transactions																		
VAT payable				19				14 828							14 847	-		14 847
Employee benefit obligation	76	582	5 256	-	-	1 887	4 854	-	-	6 603	-	5 227	63	104 086	128 634	-		128 634
Unspent conditional grants and receipts			13												107 503	-		107 503
Provisions	4 196	373 887	53 499	5 856	10 215	4 089	265 440			51 109	5 598	13 915	4 385		792 188	-	0	792 188
Deferred income						4 272									2 456	6 728	-	6 728
Consumer deposits			280		77			17 908							3 221	21 486	-	21 486
	<b>1 372 642</b>	<b>26 168 196</b>	<b>311 390</b>	<b>60 156</b>	<b>1 786 019</b>	<b>1 243 388</b>	<b>2 280 388</b>	<b>3 296 677</b>	<b>23 617</b>	<b>5 375 729</b>	<b>2 681 917</b>	<b>6 095 350</b>	<b>476 396</b>	<b>32 733 765</b>	<b>83 905 629</b>	<b>-</b>	<b>53 845 759</b>	<b>30 059 870</b>
<b>Non-Current Liabilities</b>																		
Loans from Municipal entities														496 708	496 708	-496 708		
Loans from shareholders		2 681 717								2 031 980	1 144 811	1 182 708			7 041 216	-7 041 216		
Loans and borrowings								5 144						19 402 620	19 407 764	0		19 407 764
Finance lease obligations	18 881	114 862	35 450		391	4 781				147 911		171 431		294 338	788 046	-172 157		615 889
Payables from exchange		2 321 170													2 321 170,00	0		2 321 170
Employee benefits obligations	643	3 729	27 794			3 803	31 631			37 130		51 344	2 071	594 407	752 552	0		752 552
Unspent conditional grants and receipts																	148 615	148 615
Deferred tax	7 909				12 484		3 816 560				35 498		13 929		3 886 380	8 554		3 894 934
Provisions															973 879	973 879	-	973 879
Deferred income		148 615		8 553				178							157 345,70	-157 346		
Financial liabilities at fair value																		
Payables from non exchange transactions			537 664												537 664	0		537 664
Consumer deposits		1 085 770								758 842					11 311	1 855 923	0	1 855 923
	<b>27 433</b>	<b>6 355 863,00</b>	<b>600908</b>	<b>8 553</b>	<b>12 875</b>	<b>8 584</b>	<b>3 848 191</b>	<b>5 322</b>	<b>-</b>	<b>2 975 863</b>	<b>1 180 309</b>	<b>2 230 044</b>	<b>16000</b>	<b>20 948 702</b>	<b>38 218 648</b>	<b>-7 710 258</b>		<b>30 508 390</b>
<b>Total Liabilities</b>	<b>1 400 076</b>	<b>32 524 059,00</b>	<b>912 298,00</b>	<b>68 708,71</b>	<b>1 798 893,62</b>	<b>1 251 972</b>	<b>6 128 579</b>	<b>3 301 999</b>	<b>23 617</b>	<b>8 351 592</b>	<b>3 862 226</b>	<b>8 325 394</b>	<b>492 396</b>	<b>53 682 467</b>	<b>122 124 277</b>	<b>(61 556 017)</b>		<b>60 568 260</b>
<b>Net Assets</b>	<b>156 001</b>	<b>(616 744,00)</b>	<b>302 724,00</b>	<b>32 407,52</b>	<b>(400 978,60)</b>	<b>(455 231)</b>	<b>(3 933 065)</b>	<b>(2 035 412)</b>	<b>96 843</b>	<b>15 624 611</b>	<b>(452 960)</b>	<b>(294 298)</b>	<b>1 287 522</b>	<b>41 915 955</b>	<b>51 227 375</b>	<b>7 760 520</b>	<b>-</b>	<b>58 987 895</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2025

## Notes to the Group Annual Financial Statements

Accumulated surplus

City of Johannesburg Metropolitan Municipality  
Group Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements  
Figures in Rand thousand

### Group Financial Performance 2025

Entity name	Property	Power	Parks	Theatre	JDA	MBUS	JRA	Joshco	Tourism	Water	MTC	PIKITUP	Market	Core	Total	Elimination	Group
<b>Revenue</b>																	
<b>Revenue from exchange transactions</b>																	
Rendering of services	-	21,767,911	-	-	-	84,158.00	-	-	-	17,984,540.00	237,286.00	2,944,745.00	-	238,953.00	43,257,593.00	- 1,672,939.00	41,584,654.00
Rental of facilities and equipment	-	971	4,653.00	8,494.00	251.00	-	7,690.00	174,427.00	-	-	-	-	25,089.00	131,972.00	353,546.97	- 8,421.97	345,125.00
Agency services	96,317	23,210	-	-	-	2,867.00	5,252.00	27,577.00	-	-	49,904.00	-	594,156.00	767,421.00	1,566,704.33	- 612,414.33	954,290.00
Foreign exchange income	-	-	-	-	-	-	-	-	4	-	-	-	-	-	4.00	-	4.00
Other revenue	330,849	239,041	78,266.00	103,308.00	107,677.00	3,418.00	123,395.00	34,599.00	-	87,930.00	-	3,566.00	58,972.00	1,034,041.00	2,205,062.00	- 850,853.00	1,354,209.00
Demand Side Management	-	275,360	-	-	-	-	-	-	-	-	-	-	-	-	275,360.05	- 0.05	275,360.00
Finance Income	27,626	111,581	77,726.00	7,142.00	-	2,992.00	5,290.00	38,757.00	6,181.00	489,201.00	-	153,947.00	73,677.00	2,798,262.00	3,792,381.80	- 2,924,423.80	867,958.00
Reversal of impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,962.00	-	25,962.00
Gain on disposal of assets and liabilities	-	-	726.00	-	-	-	-	-	-	-	-	-	-	-	726.00	- 726.00	-
Fair value adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	325,427.00	325,427.00	-	325,427.00
Share of surpluses or deficits from associates or joint ventures accounted for using the equity method	-	-	-	-	-	-	-	1,320.00	-	-	-	-	-	-	1,320.00	439.00	1,759.00
<b>Total revenue from exchange transactions</b>	<b>454,792</b>	<b>22,418,074</b>	<b>161,371.00</b>	<b>118,944.00</b>	<b>107,928.00</b>	<b>93,435.00</b>	<b>141,627.00</b>	<b>276,680.00</b>	<b>6,185.00</b>	<b>18,561,671.00</b>	<b>287,190.00</b>	<b>3,102,258.00</b>	<b>751,894.00</b>	<b>5,322,038.00</b>	<b>51,804,087.15</b>	<b>- 6,069,339.15</b>	<b>45,734,748.00</b>
<b>Revenue from non-exchange transactions</b>																	
<b>Taxation revenue</b>																	
Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	17,700,149.00	17,700,149.00	-	17,700,149.00
Surcharges and taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	346,996.00	346,996.00	-	346,996.00
Finance Income	234	-	-	-	-	-	-	-	-	-	-	-	188.00	216,945.00	217,367.00	-	217,367.00
<b>Transfer revenue</b>																	
Government grants and subsidies	695,732	540,251	1,179,808.00	208,443.00	65,715.00	659,660.00	1,432,075.00	149,860.00	97,651.00	1,222,306.00	224,856.00	1,360,089.00	2,250.00	10,413,494.00	18,252,190.00	- 6,889,760.00	11,362,430.00
Levies	-	-	-	-	-	-	-	-	-	-	-	276,913.00	-	4,127,608.00	4,404,521.00	-	4,404,521.00
Public contributions, donated and contributed property, plant and equipment	-	31,730	1,952.00	-	-	-	-	-	-	191,567.00	-	-	-	1,142.00	226,390.59	0.41	226,391.00
Fines, Penalties and Forfeits	-	-	-	-	-	-	-	-	-	2,867.00	-	-	-	411,728.00	414,595.00	-	414,595.00
Other Income	1,628	726,087	-	-	-	-	-	5,454.00	-	-	-	-	-	-	733,169.00	-	733,169.00
<b>Total revenue from non-exchange transactions</b>	<b>697,594</b>	<b>1,298,068</b>	<b>1,181,760.00</b>	<b>208,443.00</b>	<b>65,715.00</b>	<b>659,660.00</b>	<b>1,432,075.00</b>	<b>155,314.00</b>	<b>97,651.00</b>	<b>1,416,740.00</b>	<b>224,856.00</b>	<b>1,637,002.00</b>	<b>2,438.00</b>	<b>33,218,062.00</b>	<b>42,295,377.59</b>	<b>- 6,889,759.59</b>	<b>35,405,618.00</b>
<b>Total revenue</b>	<b>1,152,386</b>	<b>23,716,142</b>	<b>1,343,131.00</b>	<b>327,387.00</b>	<b>173,643.00</b>	<b>753,095.00</b>	<b>1,573,702.00</b>	<b>431,994.00</b>	<b>103,836.00</b>	<b>19,978,411.00</b>	<b>512,046.00</b>	<b>4,739,260.00</b>	<b>754,332.00</b>	<b>38,540,100.00</b>	<b>94,099,464.74</b>	<b>12,959,098.74</b>	<b>81,140,366.00</b>
<b>Expenditure</b>																	
Employee related costs	- 573,780	- 2,046,464	- 805,694.00	- 153,972.00	- 107,801.00	- 417,769.00	- 396,618.00	- 236,423.00	- 39,386.00	- 1,839,438.00	- 55,404.00	- 1,824,126.00	- 252,713.00	- 12,154,792.00	- 20,904,380.00	174,338.00	- 20,730,042.00
Remuneration of councillors	-	-	-	-	-	-	-	-	-	-	-	-	-	- 190,178.00	- 190,178.00	-	- 190,178.00
Depreciation and amortisation	(19,780)	813,062	- 38,101.00	- 2,699.00	- 2,444.00	- 61,189.00	- 36,503.00	- 6,811.00	- 2,837.00	- 529,023.00	- 33,167.00	- 95,884.00	- 39,623.00	- 3,059,279.00	- 4,740,402.00	-	- 4,740,402.00
Impairment losses	-	-	-	-	-	- 16,318.00	-	- 6,735.00	- 8	- 56,546.00	-	-	-	- 736,699.00	- 816,306.00	604,958.00	- 211,348.00
Finance costs	- 4,369	- 2,210,655	- 11,195.00	-	- 98,644.00	- 46,236.00	- 6,019.00	- 126,160.00	-	- 276,211.00	- 339,642.00	- 154,383.00	- 211.00	- 3,071,111.00	- 6,344,836.00	2,924,480.00	- 3,420,356.00
Debt impairment	- 2,397	- 917,756	- 22,002.00	- 1,044.00	- 237,857.00	-	-	- 193,146.00	-	- 4,935,191.00	-	- 899,030.00	- 8,451.00	- 2,325,065.00	- 9,541,939.00	61,510.00	- 9,480,429.00
Bulk purchases	-	- 19,096,778	-	-	-	-	-	-	-	- 8,827,938.00	-	-	-	-	- 27,924,716.00	136,090.00	- 27,788,626.00
Lease rentals on operating lease	- 184,983	- 58,914	- 8,679.00	-	-	- 18,062.00	- 51,138.00	- 1,208.00	- 1,060.00	- 129,686.00	- 3,081.00	- 1,388,709.00	- 1,461.00	- 400,460.00	- 2,247,441.00	9,411.00	- 2,238,030.00
Grants and subsidies paid	-	-	-	- 21,163.00	-	-	-	-	-	-	-	-	-	- 6,944,174.00	- 6,965,337.00	6,882,163.00	- 83,174.00
Loss on disposal of assets and liabilities	(7,633)	6,880	-	-	- 99.00	- 15,589.00	- 57.00	- 201.00	-	- 1,916.00	- 274.00	- 5,171.00	- 2,306.00	- 54,215.00	- 94,341.00	726.00	- 93,615.00
Fair value adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surpluses or deficits from associates or joint ventures accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General expenses	- 199,182	- 2,226,456	- 536,911.00	- 144,281.00	- 65,997.00	- 251,989.00	- 1,153,084.00	- 421,250.00	- 39,044.00	- 1,560,006.00	- 199,753.00	- 516,785.00	- 282,151.00	- 6,169,077.00	- 13,765,966.00	2,832,328.00	- 10,933,638.00
<b>Total expenditure</b>	<b>- 992,124</b>	<b>- 27,376,965</b>	<b>- 1,422,582.00</b>	<b>- 323,159.00</b>	<b>- 512,842.00</b>	<b>- 827,152.00</b>	<b>- 1,643,419.00</b>	<b>- 991,934.00</b>	<b>- 82,335.00</b>	<b>- 18,155,955.00</b>	<b>- 631,321.00</b>	<b>- 4,884,088.00</b>	<b>- 586,916.00</b>	<b>- 35,105,050.00</b>	<b>- 93,535,842.00</b>	<b>13,626,004.00</b>	<b>- 79,909,838.00</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2025

## Notes to the Group Annual Financial Statements

Surplus (Deficit) before taxation	160,262	-	3,660,823	-	79,451.00	4,228.00	-	339,199.00	-	74,057.00	-	69,717.00	-	559,940.00	21,501.00	1,822,456.00	-	119,275.00	-	144,828.00	167,416.00	3,435,050.00	563,622.74	1,230,528.00
Taxation	45,759	-	489,557	-	-	1,144.00	11,656.00	-	-	-	-	-	-	-	-	-	-	31,804.00	-	-	50,134.00	-	412,668.00	412,668.00
Surplus for the year	114,503	-	3,171,266	-	79,451.00	3,084.00	-	350,855.00	-	74,057.00	-	69,717.00	-	559,940.00	21,501.00	1,822,456.00	-	87,471.00	-	144,828.00	117,282.00	3,435,050.00	976,290.74	1,643,196.00

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2025

## Notes to the Group Annual Financial Statements

	Group Financial Position 2024																
	PROPERTY	POWER	WATER	LIWJ	JSE	MSD	JSA	JOHANNESBURG	TOURISM	WATER	TRC	PHOLP	WORLDNET	LOGS	TRUST	Group	
<b>Assets</b>																	
<b>Current Assets</b>																	
Investments	-	67 471	5 382	12 155	-	21 150	64 075	538	-	204 202	-	13 304	-	190 400	572 318	0	
Loans to Municipal entities	-	-	-	-	-	-	-	-	-	-	-	-	-	903 588	903 588	903 588	
Loans to shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	9 339 342	-	9 339 342	
Other financial assets	318 384	-	1 087 962	-	-	-	176 261	5 988	68 025	3 432 612	-	4 133 071	319 351	-	2 788	2 788	
Current tax receivable	-	169 467	-	-	-	-	-	50	-	-	-	26 718	-	-	136 282	136 282	
Finance lease receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	41 400	41 400	
Receivables from exchange transactions	932 720	2 071 240	74 488	13 025	937 345	9 488	670 331	1 314 048	131	24 948	2 705 827	14 715	70 875	22 409 361	31 448 078	29 477 802	
Receivables from non-exchange transactions	94	651 863	18 792	-	1 853	-	-	-	13 224	-	-	-	-	124 812	810 381	683 910	
VAT receivable	480	659 114	-	1 623	236 954	-	-	-	8 122	180	90 922	1 700	7 093	656 820	1 714 240	1 714 240	
Consumer debtors	-	2 503 226	-	-	-	-	-	-	-	3 981 420	1 356 351	-	-	3 701 572	11 443 115	-	
Finance assets at fair value	-	-	-	-	-	-	-	-	-	-	-	-	-	418 346	-	418 346	
Carrying cash equivalents	-	15 774	440	18 838	10	757	440 189	20 993	-	26	16 302	601 304	-	1 015 318	2 165 811	2 165 811	
<b>Non-Current Assets</b>	<b>1 251 988</b>	<b>6 187 954</b>	<b>1 187 063</b>	<b>44 626</b>	<b>1 224 118</b>	<b>32 687</b>	<b>1 351 988</b>	<b>1 349 600</b>	<b>82 364</b>	<b>7 734 133</b>	<b>2 732 560</b>	<b>5 536 082</b>	<b>996 054</b>	<b>29 064 810</b>	<b>58 695 241</b>	<b>40 646 095</b>	<b>18 649 396</b>
Living Resources	-	21 361	-	-	-	-	-	-	-	-	-	-	-	9 660	31 021	31 021	
Investment property	-	-	-	-	-	-	-	-	-	-	-	-	-	989 413	1 015 238	1 015 238	
Property, plant and equipment	79 496	17 636 774	100 741	24 024	3 147	465 844	211 445	31 758	5 938	14 150 858	404 134	805 964	669 308	50 317 075	38 510 000	484	38 510 000
Intangible assets	223	384 262	268	1 798	15 774	35 443	2 180	11 664	3 930	36 444	10 027	307	428	1 069 413	1 570 736	0	1 570 736
Investments in controlled entities	-	-	-	-	-	-	-	-	-	-	-	-	-	617 994	619 202	619 202	619 202
Investment in Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	760 385	-	760 385	-
Claims to shareholders	-	-	36 098	-	-	-	38 228	53 228	-	20 646	-	-	-	153 134	260 626	280 627	260 627
Other financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	47 035	-	47 035
Deferred tax	35 074	4 548 476	-	-	-	21 117	-	-	-	-	-	84 118	-	4 638 481	-	4 638 481	-
Finance lease receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	27 484	27 484	27 484	-
Debtors	1 223	-	-	-	-	-	-	-	-	-	-	-	-	1 242	-	1 242	-
Financial assets at fair value - breaking down	116 634	22 695 528	158 078	26 688	42 064	539 386	266 868	63 888	8 969	14 197 388	497 384	659 388	693 304	24 182 986	34 051 644	1 064 852	33 026 666
<b>Total Assets</b>	<b>1 368 548</b>	<b>28 676 687</b>	<b>1 345 288</b>	<b>70 568</b>	<b>1 266 207</b>	<b>572 084</b>	<b>1 618 253</b>	<b>1 413 577</b>	<b>92 338</b>	<b>21 931 438</b>	<b>3 189 921</b>	<b>6 499 968</b>	<b>1 688 368</b>	<b>43 257 008</b>	<b>152 986 736</b>	<b>41 711 088</b>	<b>111 575 628</b>
<b>Liabilities</b>																	
<b>Current Liabilities</b>																	
Loans and borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans from shareholders	922 354	11 749 309	-	-	958 308	521 485	-	-	1 307 000	448 734	1 571 630	1 382 142	-	1 315 634	1 317 776	18 882 088	1 317 776
Current tax payable	7 747	-	-	-	-	-	-	-	-	-	-	-	-	127 385	137 361	-	137 361
Finance lease obligations	8 279	27 786	23 434	-	593	2 267	15 250	407	20 438	-	11 794	-	-	95 380	205 391	29 003	176 388
Finance liability at fair value	-	-	-	-	-	-	-	-	-	-	-	-	-	1 532	-	-	1 532
Payables from exchange transactions	143 158	10 702 884	344 308	408 841	1 386 199	1 386 199	1 420 411	1 420 411	16 994	4 750 834	7 112 714	3 018 893	501 304	22 694 146	46 719 574	22 350 200	24 373 374
Payables from non-exchange transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VAT payable	-	-	4 026	-	-	-	-	-	-	-	-	10 134	-	-	18 558	-	18 558
Employee benefit obligation	183	564	12 434	-	2 083	4 085	-	-	-	9 688	5 389	-	797	104 239	139 223	-	139 223
Unsettled conditional grants and receipts	-	3 853	19 803	-	-	-	-	-	-	-	-	-	-	428 644	483 544	-	483 544
Provisions	7 757	345 274	45 744	5 145	7 583	1 351	264 300	-	-	55 728	2 984	13 784	3 188	1 318 285	1 318 285	0	1 318 285
Deferred income	-	-	-	-	-	-	-	-	-	-	-	-	-	148	388	-	388
Consumer deposits	1 287 504	22 615 823	413 474	34 229	1 313 460	941 348	1 675 208	2 792 886	16 994	5 286 568	2 299 413	4 555 402	512 700	24 643 060	68 561 217	41 241 209	27 320 016
<b>Non-Current Liabilities</b>																	
Loans to Municipal entities	-	-	-	-	-	-	-	-	-	-	-	-	-	471 410	-	471 410	-
Loans from shareholders	-	2 317 768	-	-	-	-	-	-	-	2 045 188	1 224 133	1 183 388	-	-	6 770 933	6 770 933	-
Finance lease obligations	28 030	82 463	29 138	-	381	8 050	-	-	6 617	-	-	-	-	17 953 044	17 864 048	-	17 864 048
Payables from non-exchange	1 860	486 397	-	-	-	-	-	-	-	50 340	-	-	-	335 265	607 074	725	606 349
Payables from exchange transactions	1 860	486 397	-	-	-	-	-	-	-	-	-	-	-	488 811	1 880	-	488 811
Employee benefit obligations	600	2 883	31 478	-	-	3 863	53 388	-	-	41 698	-	-	50 738	658 386	823 748	-	823 748
Unsettled conditional grants and receipts	-	32 328	-	-	-	-	-	-	-	-	-	-	-	1 318 285	1 318 285	-	1 318 285
Deferred tax	10 539	-	-	7 269	3 240	-	3 548 836	176	-	-	31 864	-	-	-	3 004 998	-	3 004 998
Provisions	-	-	-	-	-	-	-	-	-	-	-	-	-	211 088	1 051 797	-	1 051 797
Financial liabilities at fair value	-	-	-	-	-	-	-	-	-	-	-	-	-	199 124	199 124	-	199 124
Consumer deposits	1 109 630	-	-	-	-	-	-	-	-	703 481	-	-	-	11 111	1 827 481	-	1 827 481
<b>Total Liabilities</b>	<b>39 387</b>	<b>3 564 966</b>	<b>547 388</b>	<b>7 400</b>	<b>2 940</b>	<b>11 936</b>	<b>3 582 004</b>	<b>6 796</b>	<b>2 842 778</b>	<b>1 255 966</b>	<b>2 696 800</b>	<b>4 906 800</b>	<b>9 236</b>	<b>19 960 248</b>	<b>33 654 064</b>	<b>7 246 086</b>	<b>26 019 978</b>

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2025

## Notes to the Group Annual Financial Statements

TOTAL LIABILITIES	1 327 047	26 387 885	963 058	41 185	1 316 382	963 258	5 257 282	2 759 679	16 994	8 129 284	3 555 008	6 645 464	518 341	44 543 75	102 317 25	48 486 295	53 939 95
NET ASSETS	41 498	2 286 798	882 382	28 854	50 128	881 172	8 639 088	1 346 302	75 338	13 802 154	945 487	149 465	1 170 246	38 713 75	50 569 42	6 775 24	57 384 68

Accumulated surplus

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2025

## Notes to the Group Annual Financial Statements

City of Johannesburg Metropolitan Municipality																	
Group Annual Financial Statements for the year ended 30 June 2024																	
Notes to the Annual Financial Statements																	
Figures in Rand thousand																	
Group Financial Performance 2024																	
Entity name	Property	Power	Parks	Theatre	JDA	MBUS	JRA	Joshco	Tourism	Water	MTC	PIKITUP	Market	Core	Total	Elimination	Group
<b>Revenue</b>																	
<b>Revenue from exchange transactions</b>																	
Rendering of services	-	19,058,516	-	-	-	75,294.00	-	-	-	17,049,108.00	274,958.00	2,841,636.00	-	197,425.00	39,496,937	- 1,666,105.00	37,830,832.00
Rental of facilities and equipment	-	684	4,489.00	7,416.00	470.00	-	12,207.00	152,391.00	-	-	-	-	22,564.00	134,423.00	334,644	- 27,214.39	307,430.00
Agency services	56,497	54,182	-	-	-	-	-	32,342.00	-	-	59,980.00	-	571,333.00	753,096.00	1,527,430	- 557,430.56	969,999.00
Foreign exchange income	-	-	-	-	-	-	-	-	-	-	-	-	-	14,721.00	14,721	3.00	14,724.00
Other revenue	243,877	477,134	88,445.00	86,950.00	72,240.00	5,508.00	180,908.00	15,666.00	3	4,235.00	10.00	1,157.00	54,463.00	626,522.00	1,857,118	- 818,497.44	1,038,621.00
Demand Side Management	-	267,734	-	-	-	-	-	-	-	-	-	-	-	-	267,734	- 0.40	267,734.00
Finance Income	24,790	127,847	85,734.00	8,820.00	-	2,919.00	19,729.00	38,428.00	5,831.00	395,546.00	435.00	147,667.00	69,560.00	2,617,224.00	3,544,530	- 2,595,407.00	949,123.00
Gain on disposal of assets and liabilities	-	-	1,725.00	-	-	-	-	-	-	-	-	-	-	-	1,725	- 1,725.00	-
Fair value adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	247,597.00	247,597	-	247,597.00
Share of surpluses or deficits from associates or joint ventures accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenue from exchange transactions</b>	<b>325,164</b>	<b>19,986,098</b>	<b>180,393.00</b>	<b>103,186.00</b>	<b>72,710.00</b>	<b>83,721.00</b>	<b>212,844.00</b>	<b>238,827.00</b>	<b>5,834.00</b>	<b>17,448,889.00</b>	<b>335,383.00</b>	<b>2,990,460.00</b>	<b>717,920.00</b>	<b>4,591,008.00</b>	<b>47,292,437</b>	<b>- 5,666,376.79</b>	<b>41,626,060.00</b>
<b>Revenue from non-exchange transactions</b>																	
<b>Taxation revenue</b>																	
Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	16,798,945.00	16,798,945	-	16,798,945.00
Surcharges and taxes	-	-	-	-	-	-	-	-	-	-	-	-	312,262.00	312,262	-	312,262.00	
Finance Income	242	-	-	-	-	-	-	-	-	-	-	-	2,319.00	209,265.00	211,826	-	211,826.00
<b>Transfer revenue</b>																	
Government grants and subsidies	623,131	489,898	1,057,688.00	201,182.00	71,574.00	607,299.00	1,310,112.00	129,650.00	80,648.00	844,409.00	259,136.00	1,251,361.00	5,000.00	9,924,181.00	16,855,269	- 6,413,674.00	10,441,595.00
Levies	-	-	-	-	-	-	-	-	-	-	-	239,430.00	-	3,838,724.00	4,078,154	-	4,078,154.00
Public contributions, donated and contributed property, plant and equipment	-	50,904	1,245.00	-	-	-	-	-	679.00	182,892.00	-	-	-	28.00	235,748	- 678.55	235,069.00
Fines, Penalties and Forfeits	-	-	-	-	-	-	-	-	-	250.00	-	-	-	175,342.00	175,592	-	175,592.00
Other Income	1,495	-	-	-	-	-	-	18,412.00	-	-	-	-	-	-	19,907	-	19,907.00
<b>Total revenue from non-exchange transactions</b>	<b>624,868</b>	<b>540,802</b>	<b>1,058,933.00</b>	<b>201,182.00</b>	<b>71,574.00</b>	<b>607,299.00</b>	<b>1,310,112.00</b>	<b>148,062.00</b>	<b>81,327.00</b>	<b>1,027,551.00</b>	<b>259,136.00</b>	<b>1,490,791.00</b>	<b>7,319.00</b>	<b>31,258,747.00</b>	<b>38,687,703</b>	<b>- 6,414,352.55</b>	<b>32,273,350.00</b>
<b>Total revenue</b>	<b>950,032</b>	<b>20,526,899</b>	<b>1,239,326.00</b>	<b>304,368.00</b>	<b>144,284.00</b>	<b>691,020.00</b>	<b>1,522,956.00</b>	<b>386,889.00</b>	<b>87,161.00</b>	<b>18,476,440.00</b>	<b>594,519.00</b>	<b>4,481,251.00</b>	<b>725,239.00</b>	<b>35,849,755.00</b>	<b>85,980,139</b>	<b>- 12,080,729.34</b>	<b>73,899,410.00</b>
<b>Expenditure</b>																	
Employee related costs	- 521,297	- 1,942,943	- 711,169.00	- 134,504.00	- 87,021.00	- 383,964.00	- 414,002.00	- 219,278.00	- 32,837.00	- 1,680,195.00	- 49,075.00	- 1,605,074.00	- 225,628.00	- 11,605,306.00	- 19,612,293	127,671.00	- 19,484,622.00
Remuneration of councillors	-	-	-	-	-	-	-	-	-	-	-	-	-	- 187,818.00	- 187,818	-	- 187,818.00
Depreciation and amortisation	(15,576)	- 669,775	- 28,736.00	- 2,070.00	- 2,724.00	- 57,005.00	- 34,357.00	- 5,936.00	- 1,796.00	- 468,184.00	- 35,814.00	- 84,535.00	- 33,554.00	- 3,074,022.00	- 4,514,084	-	- 4,514,084.00
Impairment losses	- 12,762	-	-	-	-	- 7,928.00	-	-	-	- 16,692.00	-	-	-	- 546,092.00	- 583,474	338,053.00	- 245,421.00
Finance costs	- 2,034	- 1,532,910	- 6,017.00	-	- 73,253.00	- 56,365.00	- 24,025.00	- 113,315.00	-	- 236,033.00	- 264,249.00	- 173,121.00	- 213.00	- 3,114,657.00	- 5,596,192	2,653,273.00	- 2,942,919.00
Debt impairment	- 4,854	- 703,990	- 2,209.00	-	- 1,291.00	-	- 68.00	- 98,586.00	-	- 4,382,610.00	-	- 631,086.00	- 10,506.00	- 1,665,654.00	- 7,500,854	-	- 7,500,854.00
Bulk purchases	-	- 16,623,312	-	-	-	-	-	-	-	- 8,627,568.00	-	-	-	-	- 25,250,880	88,888.00	- 25,161,992.00
Lease rentals on operating lease	- 158,261	- 90,832	- 34,402.00	-	-	- 8,691.00	- 52,121.00	- 1,707.00	-	- 193,608.00	- 2,939.00	- 1,203,337.00	- 644.00	- 564,835.00	- 2,311,377	15,758.00	- 2,295,619.00
Grants and subsidies paid	-	-	-	- 20,335.00	-	-	-	-	-	-	-	-	-	- 6,498,118.00	- 6,518,453	6,454,749.00	- 63,704.00
Loss on disposal of assets and liabilities	(158)	- 588	-	-	- 508.00	- 11,449.00	- 185.00	- 33.00	- 24.00	- 241.00	-	- 886.00	- 50.00	- 51,349.00	- 65,471	1,724.84	- 63,746.00

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2025

## Notes to the Group Annual Financial Statements

Fair value adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surpluses or deficits from associates or joint ventures accounted for using the equity method	-	-	-	-	-	-	-	570.00	-	-	-	-	-	-	570	500.00	-	70.00
General expenses	- 192,666	- 2,555,726	- 486,086.00	- 142,136.00	- 50,071.00	- 308,649.00	- 963,771.00	- 467,664.00	- 30,249.00	- 1,768,565.00	- 346,375.00	- 577,149.00	- 285,012.00	- 6,380,192.00	- 14,554,311	2,738,660.00	- 11,815,651.00	
<b>Total expenditure</b>	<b>- 907,608</b>	<b>- 24,120,076</b>	<b>- 1,268,619.00</b>	<b>- 299,045.00</b>	<b>- 214,868.00</b>	<b>- 834,051.00</b>	<b>- 1,488,529.00</b>	<b>- 905,382.00</b>	<b>- 66,613.00</b>	<b>- 17,373,696.00</b>	<b>- 698,452.00</b>	<b>- 4,275,188.00</b>	<b>- 555,607.00</b>	<b>- 33,688,043.00</b>	<b>- 86,695,777</b>	<b>12,419,276.84</b>	<b>- 74,276,500.00</b>	
<b>Surplus (Deficit) before taxation</b>	<b>42,424</b>	<b>- 3,593,177</b>	<b>- 29,293.00</b>	<b>5,323.00</b>	<b>- 70,584.00</b>	<b>- 143,031.00</b>	<b>34,427.00</b>	<b>- 518,493.00</b>	<b>20,548.00</b>	<b>1,102,744.00</b>	<b>- 103,933.00</b>	<b>206,063.00</b>	<b>169,632.00</b>	<b>2,161,712.00</b>	<b>- 715,637</b>	<b>-</b>	<b>- 377,090.00</b>	
Taxation	11,854	- 657,996	-	1,473.00	- 19,172.00	-	30,448.00	-	-	-	- 20,628.00	-	51,259.00	-	602,762	-	602,762.00	
<b>Surplus for the year</b>	<b>30,570</b>	<b>- 2,935,181</b>	<b>- 29,293.00</b>	<b>3,850.00</b>	<b>- 51,412.00</b>	<b>- 143,031.00</b>	<b>3,979.00</b>	<b>- 518,493.00</b>	<b>20,548.00</b>	<b>1,102,744.00</b>	<b>- 83,305.00</b>	<b>206,063.00</b>	<b>118,373.00</b>	<b>2,161,712.00</b>	<b>- 112,875</b>	<b>-</b>	<b>225,672.00</b>	

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2025

## Notes to the Group Annual Financial Statements

### CJMM Statement of Financial Position for the year ended 30 June 2025

	Aggregate Segment 1	Aggregate Segment 2	Aggregate Segment 3	Health	Housing	Public Safety	Transport	Total
<b>Total Assets</b>	1,705,354.00	4,449,173	74,026,794	785,758	13,589,008	1,721,142	5,976,424	<b>102,253,653</b>
<b>Total Liabilities</b>	368,927.00	421,446	47,589,005	68,794	2,819,863	1,447,664	966,768	<b>53,682,467</b>
<b>Net Assets</b>								<b>155,936,120</b>
<b>Additional Disclosure</b>								
Additional assets	124,500	234,299	2,490,419	59,399	1,619,738	48,165	376,388	<b>4,952,908</b>
Deferred Income							2,456	<b>2,456</b>

\*Includes all Non-exchange revenue line items found in the Statement of Financial Performance except for government grants and property rates

^Excludes additions to financial assets post-employment assets

### CJMM Statement of Financial Performance for the year ended 30 June 2025

Entity name	Aggregate Segment 1	Aggregate Segment 2	Aggregate Segment 3	Health	Housing	Public Safety	Transportation	Total
<b>Revenue</b>								
Revenue from non-exchange transactions	1,142.00	3.00	346,996			411,724		759,866.00
Revenue from exchange transactions	99,966.00	-229,750.00	1,888,219	(87,165)	22,011	861,144	(56,609)	2,497,818.00
Levies	-	-	4,127,608					4,127,608.00
Finance income -property rates	0.00	-	216,945					216,945.00
Finance income - exchange transactions			2,668,682		128,854		72	2,798,262.00
Government grant	87,942.00	85,016.00	7,966,419	252,581	1,298,104		723,421	10,413,494.00
Property rates	-	-	17,700,149					17,700,149.00
Reversal of impairment			25,962.00					25,962.00
<b>Total revenue</b>	<b>189,050.00</b>	<b>144,731.00</b>	<b>34,940,980.00</b>	<b>165,417.00</b>	<b>1,448,976.00</b>	<b>1,272,871.00</b>	<b>667,541.00</b>	<b>38,540,104.00</b>

<b>Expenditure</b>								
Depreciation and impairment losses	83,785	231,954	1,465,642	46,599	630,477	53,270	547,552	3,059,279.00
Employee related costs	536,067	907,697	2,913,406	1,432,077	224,292	5,895,207	277,729	12,186,475.00
Finance costs	352	2,134	3,016,991	1,758	758	48,806	312	3,071,111.00
Impairment losses	1,296	12,392	723,011	-	-	-	-	736,699.00
Impairment of current receivables	6	-	2,126,772	-	179,940	18,347	-	2,325,065.00
Other expenditure	70,623	452,061	3,435,711	79,143	901,176	804,017	1,039,512	6,782,243.00
Transfers and subsidies	62,964	6,380	6,864,164	10,666	-	-	-	6,944,174.00

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2025

## Notes to the Group Annual Financial Statements

Total expenditure	755,093.00	1,612,618.00	20,545,697.00	1,570,243.00	1,936,643.00	6,819,647.00	1,865,105.00	35,105,046.00
Surplus / ( Deficit)								3,435,058.00

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2025

## Notes to the Group Annual Financial Statements

### CJMM Statement of Financial Position for the year ended 30 June 2024

	Aggregate Segment 1	Aggregate Segment 2	Aggregate Segment 3	Health	Housing	Public Safety	Transport	Total
<b>Total Assets</b>	1,773,772	4,180,390	62,643,769	756,327	12,402,815	1,803,750	6,119,066	<b>89,679,889</b>
<b>Total Liabilities</b>	311,416	374,343	38,552,124	135,736	2,536,399	1,457,318	1,176,414	<b>44,543,750</b>
<b>Net Assets</b>								<b>134,223,639</b>
<b>Additional Disclosure</b>								
Additional assets	50,940	136,648	2,595,323	75,895	1,578,083	451,145	342,388	<b>5,230,422</b>
Deferred Income							149.00	<b>149</b>

\*Includes all Non-exchange revenue line items found in the Statement of Financial Performance except for government grants and property rates

^Excludes additions to financial assets post-employment assets

### CJMM Statement of Financial Performance for the year ended 30 June 2024

Entity name	Aggregate Segment 1	Aggregate Segment 2	Aggregate Segment 3	Health	Housing	Public Safety	Transportation	Total
<b>Revenue</b>								
Revenue from non-exchange transactions	28.00	3.00	312,262			175,333		487,632.00
Revenue from exchange transactions	79,676.00	-238,767.00	1,371,422	(83,944)	13,295	852,200	(34,829)	1,959,059.00
Levies	-	-	3,838,724					3,838,724.00
Finance income Property rates			209,265					209,265.00
Interest revenue	177.00	-	2,529,362		85,614		2,07	2,617,224.00
Government grant	108,904.00	47,472.00	7,357,910	242,50	1,430,275		737,115	9,924,181.00
Property rates	-	-	16,798,945					16,798,945.00
Foreign Exchange income			14,721					14,721.00
<b>Total revenue</b>	<b>188,785.00</b>	<b>191,292.00</b>	<b>32,432,611.00</b>	<b>158,561.00</b>	<b>1,529,184.00</b>	<b>1,027,545.00</b>	<b>704,357.00</b>	<b>35,849,751.00</b>

<b>Expenditure</b>								
Depreciation and impairment losses	93,877	237,236	1,455,042	56,967	583,708	62,127	585,065	3,074,022.00
Employee related costs	529,962	861,718	2,862,803	1,379,002	213,080	5,547,044	255,621	11,649,230.00
Finance costs	342	1,288	3,065,880	1,037	184	45,817	109	3,114,657.00
Impairment losses	6,671	21,113	390,825	25	117,839	6	9,613	546,092.00
Impairment of current receivables	1,771	-	1,525,247	-	124,013	14,623	-	1,665,654.00
Other expenditure	51,897	479,796	3,894,256	93,645	597,470	981,388	1,041,818	7,140,270.00
Transfers and subsidies	50,913	6,700	6,430,928	9,577	-	-	-	6,498,118.00

# City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2025

## Notes to the Group Annual Financial Statements

Total expenditure	735,433.00	1,607,851.00	19,624,981.00	1,540,253.00	1,636,294.00	6,651,005.00	1,892,226.00	33,688,043.00
Surplus / ( Deficit)								2,161,708.00