



CITY OF JOHANNESBURG METROPOLITAN MUNICIPALITY
GROUP ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

General Information

MAYORAL COMMITTEE

Executive Mayor

Councillors

Mpho Phalatse (Chairperson)

Vasco da Gama (Speaker of Council)

Richard Funzela Ngobeni (Transport)

Yao-Heng Sun (Environment and Infrastructure Services)

Julie Suddaby (Finance)

Ashley Sauls (Health and Social Development)

Leah Knott (Corporate and Shared Services)

Nkuleko Ntobeko Mbundu (Economic Development)

David Sony Tembe (Public Safety)

Ronald Winston Harris (Community Development)

Mlungisi Providence Mabaso (Housing)

Belinda Cynthia Echeozonjoku (Development Planning)

Tyrell Meyers (Chief Whip)

Thikani Collen Makhubele (Chair of Chairpersons)

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

General Information

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.

ACTING CITY MANAGER

Bryne Maduka

ACTING CHIEF FINANCIAL OFFICER

Sinovuyo Mpakama

REGISTERED OFFICE

Metropolitan Centre,
158 Loveday Street
Braamfontein
Johannesburg
2001
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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
Braamley
2090
PO Box 91081
Auckland Park
2006

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

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City of Johannesburg Metropolitan Municipality

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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
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	Metrobus
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
SANAS	South African National Accreditation System
SARS	South Africa Revenue Services

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

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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 2022

City Manager's approval of the Group Annual Financial Statements

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

I certify that the salaries, allowances and benefits of councillors as disclosed in note 37 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.



Bryne Maduka
Acting City Manager

29 December 2022

Signature

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Statement of Financial Position as at 30 June 2022

		Group		CJMM	
Figures in Rand thousand	Note(s)	2022	2021 Restated*	2022	2021 Restated*
Assets					
Current Assets					
Inventories	3	522 667	382 035	173 434	91 305
Loans to Municipal entities	4	-	-	996 470	918 221
Other financial assets	5	13 334	7 395	13 334	7 395
Current tax receivable	58	136 911	206 588	-	-
Finance lease receivables	6	-	-	54 093	47 666
Receivables from exchange transactions	7	1 067 175	1 070 618	15 546 953	12 616 416
Receivables from non-exchange transactions	8	151 330	237 083	146 967	225 931
VAT receivable	9	557 942	438 881	207 441	165 475
Consumer debtors	10	8 248 068	7 075 560	979 634	1 036 559
Financial assets at fair value	11	2 753 865	1 388 045	2 753 865	1 388 045
Cash and cash equivalents	12	3 848 842	6 644 662	2 796 125	5 250 131
		17 300 134	17 450 867	23 668 316	21 747 144
Non-Current Assets					
Living resources	13	29 386	27 148	8 758	7 254
Investment property	14	1 036 836	1 038 837	1 007 738	1 007 800
Property, plant and equipment	15	80 955 194	77 847 655	49 196 837	47 447 816
Intangible assets	16	1 069 416	1 240 268	577 840	751 312
Heritage assets	17	634 805	624 989	633 202	623 386
Investments in Municipal Entities	18	-	-	660 691	657 709
Investment in Joint Ventures	19	22 909	23 313	-	-
Loans to Municipal Entities	4	-	-	6 036 817	5 174 761
Other financial assets	5	64 463	112 281	64 463	112 281
Deferred tax	20	2 934 709	2 504 130	-	-
Finance lease receivables	6	-	-	59 161	117 057
Financial assets at fair value	11	364 336	1 386 277	364 336	1 386 277
		87 112 054	84 804 898	58 609 843	57 285 653
Total Assets		104 412 188	102 255 765	82 278 159	79 032 797
Liabilities					
Current Liabilities					
Loans and borrowings	22	3 562 040	1 310 884	3 559 688	1 308 742
Current tax payable (Non-exchange)	58	22 726	165 624	-	-
Finance lease obligations	23	478	38 010	-	34 661
Payables from exchange transactions	24	12 395 515	12 229 060	15 065 636	14 002 866
Payables from non-exchange	59	61 700	83 700	-	-
VAT payable	60	168 772	194 973	-	-
Unspent conditional grants and receipts	25	709 961	340 588	709 709	340 288
Provisions	26	704 986	588 581	-	-
Deferred income	28	44 768	52 907	42 027	47 825
Consumer deposits		21 131	19 079	-	-
		17 692 077	15 023 406	19 377 060	15 734 382

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Statement of Financial Position as at 30 June 2022

		Group		CJMM	
Figures in Rand thousand	Note(s)	2022	2021 Restated*	2022	2021 Restated*
Non-Current Liabilities					
Loans from Municipal entities	29	-	-	441 107	442 924
Loans and borrowings	22	20 203 750	22 264 784	20 194 742	22 254 419
Finance lease obligations	23	-	545	-	-
Payables from non exchange	59	374 021	332 128	-	-
Employee benefits obligations	27	1 100 374	1 219 665	804 254	914 135
Unspent conditional grants and receipts	25	51 543	83 983	-	-
Deferred tax	20	3 473 845	3 354 296	-	-
Provisions	26	835 901	783 244	131 016	127 168
Deferred income	28	-	13 349	-	13 349
Financial liabilities at fair value	11	183 821	-	183 821	-
Consumer deposits		1 306 388	1 157 260	14 171	13 768
		27 529 643	29 209 254	21 769 111	23 765 763
Total Liabilities		45 221 720	44 232 660	41 146 171	39 500 145
Net Assets		59 190 468	58 023 105	41 131 988	39 532 652
Accumulated surplus		59 190 468	58 023 105	41 131 988	39 532 652

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Statement of Financial Performance

		Group		CJMM	
Figures in Rand thousand	Note(s)	2022	2021 Restated*	2022	2021 Restated*
Revenue					
Revenue from exchange transactions					
Rendering of services	33	33 224 869	30 300 721	253 744	250 037
Rental of facilities and equipment	67	365 352	353 171	119 968	114 432
Agency services	68	739 148	732 289	670 577	640 242
Other revenue	31	617 177	411 039	763 061	643 723
Demand Side Management		321 550	337 620	-	-
Finance Income	63	598 372	646 942	1 506 450	1 478 694
Reversal of impairment	32	29 120	-	994 534	-
Fair value adjustments	44	-	262 205	-	262 205
Share of surpluses or deficits from associates or joint ventures accounted for using the equity method	19	695	-	-	-
Total revenue from exchange transactions		35 896 283	33 043 987	4 308 334	3 389 333
Revenue from non-exchange transactions					
Taxation revenue					
Property rates	34	13 499 729	13 035 792	13 499 729	13 035 792
Surcharges and taxes	70	271 233	252 541	271 233	252 541
Finance Income	63	116 276	120 565	115 473	119 847
Decrease in bad debt provision		-	2 571	-	-
Transfer revenue					
Government grants and subsidies	35	12 110 128	12 603 628	11 443 615	12 211 789
Levies	62	203 093	248 522	-	-
Public contributions, donated and contributed property, plant and equipment		462 733	301 548	11 547	1 231
Fines, Penalties and Forfeits		60 971	1 547 896	60 971	1 547 656
Other revenue		923	895	-	-
Total revenue from non-exchange transactions		26 725 086	28 113 958	25 402 568	27 168 856
Total revenue		62 621 369	61 157 945	29 710 902	30 558 189
Expenditure					
Employee related costs	36	(16 127 058)	(15 268 496)	(9 658 403)	(9 043 114)
Remuneration of councillors	37	(163 542)	(168 116)	(163 542)	(168 116)
Depreciation and amortisation	38	(3 751 313)	(3 858 996)	(2 533 850)	(2 646 448)
Impairment losses	39	(57 568)	(262 634)	(92 577)	(1 696 477)
Finance costs	64	(2 621 303)	(2 606 924)	(2 605 218)	(2 663 841)
Debt impairment	40	(5 849 126)	(6 404 714)	(1 374 715)	(2 644 940)
Bulk purchases	41	(20 662 437)	(18 349 472)	-	-
Lease rentals on operating lease		(944 231)	(1 239 733)	(198 269)	(185 124)
Grants and subsidies paid	42	(138 090)	(38 208)	(5 216 512)	(4 938 683)
Loss on disposal of assets and liabilities		(71 255)	(61 387)	(32 546)	(50 367)
Fair value adjustments	44	(151 947)	-	(151 947)	-
Share of surpluses or deficits from associates or joint ventures accounted for using the equity method	19	-	(613)	-	-
General expenses	43	(11 049 512)	(9 542 181)	(6 084 004)	(5 223 679)
Total expenditure		(61 587 382)	(57 801 474)	(28 111 583)	(29 260 789)
Surplus before taxation		1 033 987	3 356 471	1 599 319	1 297 400
Taxation	65	133 376	379 224	-	-
Surplus for the year		1 167 363	3 735 695	1 599 319	1 297 400

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Statement of Changes in Net Assets

Figures in Rand thousand	Note(s)	Accumulated Total equity surplus
GROUP		
Balance at 01 July 2020		54 287 410 54 287 410
Changes in net assets		
Surplus for the year- Restated		3 735 695 3 735 695
Total recognised revenue and expenditure for the year		3 735 695 3 735 695
Total changes		3 735 695 3 735 695
Balance at 01 July 2021		- 58 023 105 58 023 105
Changes in net assets		
Surplus for the year		- 1 167 363 1 167 363
Total changes		- 1 167 363 1 167 363
Balance at 30 June 2022		- 59 190 468 59 190 468

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Statement of Changes in Net Assets

	Note(s)	Pre-GAMAP reserves and funds	Accumulated surplus	Total equity
Figures in Rand thousand				
CJMM				
Balance at 01 July 2020		-	38 235 252	38 235 252
Changes in net assets		-	1 297 400	1 297 400
Surplus for the year		-	1 297 400	1 297 400
Total changes		-	1 297 400	1 297 400
Balance at 01 July 2021		-	39 532 652	39 532 652
Changes in net assets		-	1 599 319	1 599 319
Surplus for the year		-	1 599 319	1 599 319
Total changes		-	1 599 319	1 599 319
Balance at 30 June 2022		-	41 131 971	41 131 971

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Cash Flow Statement

		Group		CJMM	
Figures in Rand thousand	Note(s)	2022	2021 Restated*	2022	2021 Restated*
Cash flows from operating activities					
Receipts					
Cash receipts from customers		42 544 565	40 022 459	11 493 713	11 577 514
Grants		12 447 061	11 997 867	11 813 038	11 471 539
Finance income		714 648	767 242	1 209 967	1 419 993
		55 706 274	52 787 568	24 516 718	24 469 046
Payments					
Cash paid to suppliers and employees		(48 767 827)	(43 732 345)	(20 440 157)	(19 389 037)
Finance costs		(2 621 303)	(2 612 109)	(2 519 352)	(2 596 474)
Repayment of salary related provisions		-	-	(7 199)	(4 175)
Taxes on surpluses		(250 875)	(394 332)	-	-
		(51 640 005)	(46 738 786)	(22 966 708)	(21 989 686)
Net cash flows from operating activities	45	4 066 269	6 048 782	1 550 010	2 479 360
Cash flows from investing activities					
Purchase of capital assets		(6 620 654)	(6 782 509)	(4 049 892)	(4 490 006)
Cash movements in sinking fund		(312 005)	600 000	(312 005)	600 000
Loans redeemed from Municipal entities		-	-	990 018	908 290
Finance lease receivables		-	-	-	70 341
Investment in Municipal entities		-	-	(2 551)	(10 589)
Other financial assets		41 879	(26 701)	41 879	(26 701)
Loans to Municipal entities		-	-	(728 974)	(550 882)
Movements in investment in Joint venture		1 100	1 100	-	-
Net cash flows from investing activities		(6 889 680)	(6 208 110)	(4 063 558)	(3 499 747)
Cash flows from financing activities					
Proceeds from borrowings		1 500 000	3 488 369	1 500 000	3 488 369
Repayments of Liabilities from Municipal Entities		-	-	7 712	(6 517)
Finance lease obligation		(38 077)	(140 665)	(34 660)	(68 238)
Repayment of borrowings		(1 308 725)	(1 980 531)	(1 308 725)	(1 980 531)
Repayment of post-retirement benefits		(125 607)	(146 367)	(104 785)	(110 670)
Net cash flows from financing activities		27 591	1 220 806	59 542	1 322 413
Net (decrease)/increase cash and cash equivalents		(2 795 820)	1 061 478	(2 454 006)	302 026
Cash and cash equivalents at the beginning of the year		6 644 662	5 583 184	5 250 131	4 948 105
Cash and cash equivalents at the end of the year	12	3 848 842	6 644 662	2 796 125	5 250 131

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual 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

Group

Statement of Financial Performance

REVENUE

REVENUE BY SOURCE

Property rates	13 479 333	-	13 479 333	13 499 729	20 396	1
Service charges	36 589 692	-	36 589 692	32 782 516	(3 807 176)	2
Finance income	623 456	-	623 456	714 648	91 192	3
Transfers recognised - operational	10 845 567	(203 532)	10 642 035	10 535 935	(106 100)	4
Rental of facilities and equipment	489 856	-	489 856	365 352	(124 504)	5
Gains on disposal of PPE	34 895	-	34 895	-	(34 895)	6
Agency fees	350 061	-	350 061	739 148	389 087	7
Fines	850 355	-	850 355	60 971	(789 384)	8
Licenses and permits	8 741	-	8 741	7 169	(1 572)	9
Other own revenue	2 093 180	-	2 093 180	1 878 975	(214 205)	10
Total Revenue (excluding capital transfers and contributions)	65 365 136	(203 532)	65 161 604	60 584 443	(4 577 161)	

EXPENDITURE BY TYPE

Employee costs	(17 125 027)	-	(17 125 027)	(16 127 058)	997 969	11
Remuneration of councillors	(176 515)	-	(176 515)	(163 542)	12 973	12
Debt impairment	(5 318 842)	-	(5 318 842)	(5 849 126)	(530 284)	13
Depreciation & asset impairment	(4 332 676)	-	(4 332 676)	(3 751 313)	581 363	14
Finance charges	(2 665 725)	-	(2 665 725)	(2 621 303)	44 422	15
Bulk purchases	(13 700 479)	-	(13 700 479)	(14 042 982)	(342 503)	16
Transfers and grants	(175 095)	33 379	(141 716)	(138 090)	3 626	17
Loss on disposal of PPE	(302)	-	(302)	(71 255)	(70 953)	6
Inventory consumed	(7 190 750)	-	(7 190 750)	(6 619 455)	571 295	18
Other expenditure	(13 374 695)	-	(13 374 695)	(12 203 258)	1 171 437	19
Total expenditure	(64 060 106)	33 379	(64 026 727)	(61 587 382)	2 439 345	
Surplus	1 305 030	(170 153)	1 134 877	(1 002 939)	(2 137 816)	
Transfers recognised - capital	2 163 926	-	2 163 926	1 574 193	(589 733)	4
Contributions recognised - capital & contributed assets	518 900	-	518 900	462 733	(56 167)	20
Deficit after capital transfers & contributions	3 987 856	(170 153)	3 817 703	1 033 987	(2 783 716)	
Taxation	(143 835)	-	(143 835)	133 376	277 211	21
Deficit for the year	3 844 021	(170 153)	3 673 868	1 167 363	(2 506 505)	

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual 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

1. Property rates

Property rates are above budget due to new properties that were brought into the valuation roll.

2. Water, Electricity and Refuse and other service charges

Electricity revenue is below budget due to load shedding, lockdown restrictions and increased distribution losses. Although refuse services revenue has increased resulting from a project to ensure that non- sectional title properties are correctly billed, it was not sufficient to compensate for the impact caused by electricity and water revenue which were under budget..

3. Investment revenue

Investment revenue is above budget due to a higher finance income earned from investments and positive bank balance.

4. Transfer recognised - operational and capital

Operational grants are less than the budget due to some of the operational grants that are conditional as at 30 June 2022, the conditions attached to those grants were not yet met.

Capital grants are less than the budget due to capital projects that were not undertaken.

5. Rental of Facilities and equipment

Rental of facilities and equipments are less than the budget due to covid restrictions which resulted in less hiring of facilities.

6. Gains/loss on disposal of PPE

There were no gains on disposal of PPE because the City sold its assets at a loss which was significantly higher than anticipated.

7. Agency fees

Agency fees were above the budget due to more agency relationship arrangements that were entered into which resulted in more commission revenue than anticipated.

8. Fines

The speed camera contract has expired and a new contract is not in place yet, as a result JMPD could only recognise revenue on By-laws.

9. Licenses and permits

Licenses and permits is below budget due to extension period granted to motorist by the minister which resulted in motorist not renewing their licenses.

10. Other revenue

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual 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

The under budget is as a result of the Kelvin Power Station contract that ended in November 2021.

Revenue from rendering of services and other revenues: The revenue shortfall was because of under collections on private hires and coupon revenue streams. This was because of the COVID-19 pandemic in the first half of the financial year, which resulted in lockdowns and social distancing regulations, declining economic conditions and a high number of out of commission buses. Other Income shows a favourable variance of 716%, this is due to number of ACH programmes from COJ.

11. Employee related costs

Employee cost is below the budget due to a number of vacancies that are not filled.

12. Remuneration of councilors

Councilors remuneration is below budget due to the fact that councilors have accepted lower remuneration package than anticipated.

13. Debt Impairment

Debt impairment is above the budget due to an increase in the number of residential customers that owe City for more than 90 days.

14. Depreciation and amortisation

Depreciation and asset impairment is below budget due to continuous reduction in the asset book value and also due to the fact that in the current financial year, there were less assets than anticipated which resulted from better repairs and maintenance of City's assets in line with maintenance plan,

15. Finance charges

Finance charges are below the budget due to continuous reduction of the loans book.

16. Bulk purchases

Bulk purchases are above the budget due to an anticipated rise in electricity charges by Eskom and water charges by Rand Water.

17. Transfers and grants

Transfers and grants are below budget due to a budget cut on subsidies offered to municipal entities.

18. Inventory consumed

Inventory consumed is under budget due to lower than anticipated spending.

19. Other expenses

Other expenditure is below budget due to implementation of cost containment measures instituted by the City.

20. Capital contribution

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

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual 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

CJMM

Statement of Financial Performance

REVENUE

REVENUE BY SOURCE

Property rates	13 479 333	-	13 479 333	13 499 729	20 396	
Service charges	407 211	20 433	427 644	16 452	(411 192)	
Investment revenue	1 713 743	(156 155)	1 557 588	1 506 450	(51 138)	
Transfers recognised - operational	12 101 906	32 730	12 134 636	11 443 615	(691 021)	
Rental of facilities and equipment	185 244	(1)	185 243	119 968	(65 275)	
Agency fees	746 236	-	746 236	670 577	(75 659)	
Surcharges and Taxes	274 352	-	274 352	271 233	(3 119)	
Fines, Penalties and Forfeits	1 073 001	(267 879)	805 122	60 971	(744 151)	
Finance income - Property rates	101 617	-	101 617	115 473	13 856	
Public contributions and donations	-	15 000	15 000	11 547	(3 453)	
Other own revenue	608 864	154 598	763 462	1 000 355	236 893	
Total Revenue (excluding capital transfers and contributions)	30 691 507	(201 274)	30 490 233	28 716 370	(1 773 863)	

EXPENDITURE BY TYPE

Employee costs	(10 003 184)	3 428	(9 999 756)	(9 718 479)	281 277	
Remuneration of councillors	(187 015)	10 500	(176 515)	(163 542)	12 973	
Debt impairment	(1 619 517)	1 689	(1 617 828)	(1 374 715)	243 113	
Depreciation & asset impairment	(2 901 906)	(25 720)	(2 927 626)	(2 533 850)	393 776	
Finance charges	(3 304 453)	535 013	(2 769 440)	(2 605 218)	164 222	
Impairment losses	-	-	-	(92 577)	(92 577)	
Transfers and grants	(5 777 409)	558 146	(5 219 263)	(5 216 512)	2 751	
Other expenditure	(6 802 652)	(61 479)	(6 864 131)	(6 222 190)	641 941	
Total expenditure	(30 596 136)	1 021 577	(29 574 559)	(27 927 083)	1 647 476	
Deficit	95 371	820 303	915 674	789 287	(126 387)	
(Loss) gain on disposal of assets	33 000	-	33 000	(32 546)	(65 546)	
Reversal of Impairment	-	-	-	994 534	994 534	
Fair value adjustments	-	-	-	(151 947)	(151 947)	
Deficit after capital transfers & contributions	128 371	820 303	948 674	1 599 328	650 654	
Deficit for the year	128 371	820 303	948 674	1 599 328	650 654	

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual 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:

Community development facilities closed down due to COVID-19

Rental of facilities and equipment:

Delays in the approval of reports by EAC has resulted in the lease renewal period being longer than the average 3 months it usually takes for a lease to be renewed. Delays in council approvals for potential new leases has also stifled income received from the rental of facilities and equipment.

Other Revenue:

The under budget is as a result of the Kelvin Power Station contract that ended in November 2021.

Finance Income - property rates

The over budget is due to under collection in the rates debtors resulting in higher debtors balance.

Fines, Penalties and Forfeits; Allowance for impairment of current receivables

The speed camera contract has expired and a new contract is not in place yet, as result JMPD could only recognise revenue on Bylaws.

General expenditure

Delays in procurement of catridges due to City contract challenges and public participation , marketing and advertising due to costcontainment directive which resulted delays in reports being approved subsequently slowing down procurement .

The underspending is also due to the following:(a)As a result of services that were supposed to be given to the City being completed later in the fiscal year owing to service providers having to update particular data such as the COJ VAT number.(b) Due to the savings on printing, audit fees, conference, workshops, and training as a result of covid-19 limitations, as well as the new normal approach of convening other services online and paperless.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

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
Group - 2022											
Financial Performance											
Property rates	13 479 333	-	13 479 333	-		13 479 333	13 499 729		20 396	100 %	100 %
Rendering of services	36 589 692	-	36 589 692	-		36 589 692	32 782 516		(3 807 176)	90 %	90 %
Rental of facilities and equipment	489 856	-	489 856	-		489 856	365 352		(124 504)	75 %	75 %
Finance Income	623 456	-	623 456	-		623 456	714 648		91 192	115 %	115 %
Fines, penalties and forfeits	850 355	-	850 355	-		850 355	60 971		(789 384)	7 %	7 %
Agency fees	350 061	-	350 061	-		350 061	739 148		389 087	211 %	211 %
Licenses and permits	8 741	-	8 741	-		8 741	7 169		(1 572)	82 %	82 %
Transfers recognised - operational	10 845 567	(203 532)	10 642 035	-		10 642 035	10 535 935		(106 100)	99 %	97 %
Gains on disposal of PPE	34 895	-	34 895	-		34 895	-		(34 895)	- %	- %
Other own revenue	2 093 180	-	2 093 180	-		2 093 180	1 878 975		(214 205)	90 %	90 %
Total revenue(Excluding capital transfers and contributions)	65 365 136	(203 532)	65 161 604	-		65 161 604	60 584 443		(4 577 161)	93 %	93 %
Employee costs	(17 125 027)	-	(17 125 027)	-	-	(17 125 027)	(16 127 058)	-	997 969	94 %	94 %
Remuneration of councillors	(176 515)	-	(176 515)	-	-	(176 515)	(163 542)	-	12 973	93 %	93 %
Debt impairment	(5 318 842)	-	(5 318 842)	-		(5 318 842)	(5 849 126)	-	(530 284)	110 %	110 %
Depreciation and asset impairment	(4 332 676)	-	(4 332 676)	-		(4 332 676)	(3 751 313)	-	581 363	87 %	87 %
Inventory consumed	(7 190 750)	-	(7 190 750)	-	-	(7 190 750)	(6 619 455)	-	571 295	92 %	92 %
Finance charges	(2 665 725)	-	(2 665 725)	-	-	(2 665 725)	(2 621 303)	-	44 422	98 %	98 %
Materials and bulk purchases	(13 700 479)	-	(13 700 479)	-	-	(13 700 479)	(14 042 982)	-	(342 503)	102 %	102 %
Transfers and grants	(175 095)	33 379	(141 716)	-	-	(141 716)	(138 090)	-	3 626	97 %	79 %
Other expenditure	(13 374 695)	-	(13 374 695)	-	-	(13 374 695)	(12 203 258)	-	1 171 437	91 %	91 %
Loss on disposal of PPE	(302)	-	(302)	-	-	(302)	(71 255)	-	(70 953)	23 594 %	23 594 %
Total expenditure	(64 060 106)	33 379	(64 026 727)	-	-	(64 026 727)	(61 587 382)	-	2 439 345	96 %	96 %
Surplus/ (Deficit)	1 305 030	(170 153)	1 134 877	-		1 134 877	(1 002 939)		(2 137 816)	(88)%	(88)%

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

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	2 163 926	-	2 163 926	-		2 163 926	1 574 193		(589 733)	73 %	73 %
Contributions recognised - capital and contributed assets	518 900	-	518 900	-		518 900	462 733		(56 167)	89 %	89 %
Surplus/ (Deficit) after capital contributions	3 987 856	(170 153)	3 817 703	-		3 817 703	1 033 987		(2 783 716)	27 %	26 %
Taxation	143 835	-	143 835	-		143 835	(133 376)		(277 211)	(93)%	(93)%
Surplus/ (Deficit) for the year	3 844 021	(170 153)	3 673 868	-		3 673 868	1 167 363		(2 506 505)	32 %	30 %
Capital expenditure and funds sources											
Total capital expenditure	7 385 681	-	7 385 681	-		7 385 681	6 486 477		(899 204)	- %	- %
Sources of capital funds											
Transfers recognised - capital	2 682 826	(67 000)	2 615 826	-		2 615 826	2 484 792		(131 034)	95 %	93 %
Borrowing	2 101 890	-	2 101 890	-		2 101 890	1 875 337		(226 553)	89 %	89 %
Internally generated funds	2 600 965	-	2 600 965	-		2 600 965	2 126 348		(474 617)	82 %	82 %
Total sources of capital funds	7 385 681	(67 000)	7 318 681	-		7 318 681	6 486 477		(832 204)	89 %	88 %

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

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
CJMM											
Financial Performance											
Property rates	13 479 333	-	13 479 333	-		13 479 333	13 499 729		20 396	100 %	100 %
Service charges	407 211	20 433	427 644	-		427 644	253 744		(173 900)	59 %	62 %
Investment revenue	1 713 743	(156 155)	1 557 588	-		1 557 588	1 506 450		(51 138)	97 %	88 %
Transfers recognised - operational	12 101 906	32 720	12 134 626	-		12 134 626	11 443 615		(691 011)	98 %	97 %
Other own revenue	3 022 314	(113 282)	2 909 032	-		2 909 032	2 995 819		86 787	103 %	99 %
Total revenue (excluding capital transfers and contributions)	30 724 507	(216 284)	30 508 223	-		30 508 223	29 699 357		(808 866)	97 %	97 %
Employee costs	(10 003 184)	3 428	(9 999 756)	-	-	(9 999 756)	(9 718 479)	-	281 277	97 %	97 %
Remuneration of councillors	(187 015)	10 500	(176 515)	-	-	(176 515)	(163 542)	-	12 973	93 %	87 %
Debt impairment	(1 619 517)	1 689	(1 617 828)			(1 617 828)	(1 374 715)	-	243 113	85 %	85 %
Depreciation and asset impairment	(2 901 906)	(25 720)	(2 927 626)			(2 927 626)	(2 626 427)	-	301 199	90 %	91 %
Finance charges	(3 304 453)	535 013	(2 769 440)	-	-	(2 769 440)	(2 605 218)	-	164 222	94 %	79 %
Transfers and grants	(5 777 409)	558 146	(5 219 263)	-	-	(5 219 263)	(5 216 512)	-	2 751	100 %	90 %
Other expenditure	(6 802 652)	(61 479)	(6 864 131)	-	-	(6 864 131)	(6 406 683)	-	457 448	93 %	94 %
Total expenditure	(30 596 136)	1 021 577	(29 574 559)	-	-	(29 574 559)	(28 111 576)	-	1 462 983	95 %	92 %
Surplus/(Deficit)	128 371	805 293	933 664	-		933 664	1 587 781		654 117	170 %	1 237 %

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

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
Contributions recognised - capital and contributed assets	-	15 000	15 000	-		15 000	11 547		(3 453)	- %	- %
Surplus (Deficit) after capital transfers and contributions	128 371	820 293	948 664	-		948 664	1 599 328		650 664	169 %	1 246 %
Surplus/(Deficit) for the year	128 371	820 293	948 664	-		948 664	1 599 328		650 664	169 %	1 246 %
Capital expenditure and funds sources											
Total capital expenditure	5 648 250	(853 102)	4 795 148	-		4 795 148	4 170 896		(624 252)	- %	- %

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

1. Statement of compliance

Basis of Preparation and Presentation

The 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 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 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 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.

1.2 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.

1.3 Significant judgements and sources of estimation uncertainty

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

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.

Accounting Policies

1.3 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.

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.

1.4 Living resources

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

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

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

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

1.5 Investment property

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

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.

1.6 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 2022

Accounting Policies

1.6 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 - 25 years
Motor vehicles	3 - 20 years
Office equipment	2 - 20 years
Computer equipment	1 - 25 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	.
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
Landfill Site	Determined annually based on the available space
Specialised vehicles	5- 40 years
Other	2 - 40 years

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

1.6 Property, plant and equipment (continued)

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.

1.7 Intangible assets

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.

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	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.

1.8 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.

Accounting Policies

1.8 Heritage assets (continued)

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.

1.9 Investments in Municipal Entities

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

1.10 Investment 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.

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1.11 Investment in Associate

An investment in an associate 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 surplus (deficit) of the investee after acquisition date. The use of the equity method is discontinued from the date the group ceases to have significant influence over an associate.

Any impairment losses are deducted from the carrying amount of the investment in associate.

Distributions received from the associate reduce the carrying amount of the investment.

Surpluses and surplus (deficit) resulting from transactions with associates are recognised only to the extent of unrelated investors' interests in the associate.

The excess of the group's share of the net fair value of an associate's identifiable assets, liabilities and contingent liabilities over the cost is excluded from the carrying amount of the investment and is instead included as revenue in the period in which the investment is acquired.

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

The recognition of the group's share of losses is discontinued once the group's share of losses of an associate equals or exceeds its interest in the associate.

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Accounting Policies

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.

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.

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Accounting Policies

1.12 Financial instruments (continued)

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

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

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.

Accounting Policies

1.13 Statutory receivables (continued)

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.

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
- 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.

Accounting Policies

1.14 Tax (continued)

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

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.

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

Accounting Policies

1.15 Leases (continued)

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 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

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.

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.

1.17 Impairment of cash and 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.

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.

Accounting Policies

1.17 Impairment of cash and non-cash generating assets (continued)

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:

[Specify judgements made]

Reversal of impairment loss

The group assess 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.

1.18 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.

Accounting Policies

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

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.

Reversal of an impairment loss

The group assess 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 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.

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Accounting Policies

1.19 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.

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

Core Admin has identified and disclosed the following segments:

1. Economic development
2. EISD
3. Development planning
4. Social Development
5. Public Safety
6. Health
7. Housing
8. Transport

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.

1.20 Budget information

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

The approved budget covers the fiscal period from 2021 to 2022.

City of Johannesburg Metropolitan Municipality

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Accounting Policies

1.20 Budget information (continued)

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.

1.21 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

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.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The defined benefit funds are actuarially valued on the projected credit method.

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

Past service costs are recognised immediately in the statement of financial performance in the reporting period in which the plan is amended.

Actuarial gains and losses are recognised in full in the statement of financial performance when they arise.

The Group provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some employees based on the qualification criteria.

Multi-employer plans

The municipality classifies a multi-employer plan either as a defined contribution plan or a defined benefit plan. Under the defined benefit plan, the Municipality accounts for its proportionate share of the defined benefit obligation, plan assets and cost associated with the plan in the same way as for any other defined benefit plan.

1.22 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.

Accounting Policies

1.22 Provisions and contingencies (continued)

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.

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.

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.

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.

1.23 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

Accounting Policies

1.23 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.

1.24 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:

Accounting Policies

1.24 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.

Accounting Policies

1.24 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.

1.25 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

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

1.26 Accounting by principals and agents

Identification

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.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

1.26 Accounting by principals and agents (continued)

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.

1.27 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.

1.28 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.

1.29 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.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

1.30 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.

1.31 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.

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.

1.32 Events after the reporting date

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

Reporting date means the last day of the reporting period to which the financial statements relate. The entity adjusts the amounts recognised in its financial statements to reflect adjusting events after the reporting date. The entity does not adjust the amounts recognised in its financial statements to reflect 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.

1.33 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.

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021

2. STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

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

City of Johannesburg Metropolitan Municipality

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The following Standards and Interpretations were in issue but not yet effective:

<u>Name</u>	<u>Effective Date</u>
GRAP 25 - Employee benefits (Revised Standard)	Not yet effective
GRAP 104 - Financial instruments (Revised Standard)	Not yet effective
GRAP 103 - Heritage Assets (Revised Standard)	Not yet effective
Guidelines on Accounting for landfill sites	Not yet effective
Guideline on The applicable of Materiality to Financial Statements	Not yet effective

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Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021

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

The standards are similar to existing standards applied by the City and are unlikely to impact the financial position or performance of the entity, but may impact the extent of disclosures provided.

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Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021
3. INVENTORIES				
Consumable stores	195 289	108 127	171 161	89 032
Consumables - Electrical	26 913	9 389	-	-
Consumables - Road	59 462	63 995	-	-
Inventory- Water	149 327	123 527	-	-
Inventory - Electrical	146 299	97 785	-	-
Other Inventories	5 804	5 553	2 273	2 273
Provision for inventory write downs	(80 840)	(54 880)	-	-
Spare parts	20 413	28 539	-	-
	522 667	382 035	173 434	91 305

Inventory pledged as security

No inventory was pledged as security.

Reconciliation of provision for inventories

Opening balance	54 880	68 234	-	-
Inventory written down	25 960	4 151	-	-
Inventory derecognised	-	(17 505)	-	-
Closing balance	80 840	54 880	-	-

Cost of inventory expensed is included under bulk purchases (note 41) and cost of inventory expensed (Note 43).

Provision for inventory write-down comprises of the cumulative balance of inventory on hand that is written down to the net realisable value.

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Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021
4. LOANS TO MUNICIPAL ENTITIES				
Shareholder loans				
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
	-	-	-	-
	-	-	624 793	624 793
Concessionary Loans				
The Johannesburg Metro Trading Company(Pty) Ltd Terms and conditions: rate range = 11.89% Maturity = 30 August 2035	-	-	2 132 097	2 053 760
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.				
Conduit loans				
City Power Johannesburg (SOC) Ltd Terms and conditions: Rate range = 9.31% - 12.21% Maturity = 30 June 2020 -30 June 2029	-	-	1 691 146	1 795 962
Johannesburg Metropolitan Bus Services (SOC) Ltd Terms and conditions: 10.9% Maturity = 30 June 2025	-	-	151 790	193 222
Johannesburg Water (SOC) Ltd Terms and conditions: Rate range = 9.31% - 12.21% Maturity = 30 June 2019 - 30 June 2029	-	-	2 575 117	2 664 211
Pikitup Johannesburg (SOC) Ltd Terms and conditions: Rate range = 9% - 14.15% Maturity = 30 June 2020 - 30 June 2030	-	-	1 007 493	810 589
The Johannesburg Fresh Produce Market Terms and conditions: Rate range = 9% - 10.9% Maturity = 30 June 2020 - 30 June 2021	-	-	-	4 206
	-	-	5 425 546	5 468 190
Less impairment of loans to Municipal Entities	-	-	(1 149 148)	(2 053 760)
	-	-	4 276 398	3 414 430
Non-current assets	-	-	6 036 817	5 174 761
Current assets	-	-	996 470	918 221
	-	-	7 033 287	6 092 982

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Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021
Reconciliation of provision for impairment of loans to economic entities				
Opening balance	-	-	2 053 760	443 850
Additional/(Reversal) of impairment - Metro trading Company (Pty) Ltd	-	-	(965 414)	1 609 910
Additional impairment - Pikitup Johannesburg (Pty) Ltd	-	-	60 803	-
	-	-	1 149 149	2 053 760

Impairment of loan to Metro Trading Company

The impairment relate to loans to Metrotrading Company. The reversal relates to the payments for amounts previously impaired.

Impairment of loan to Pikitup Johannesburg (SOC) Ltd

The reason for the impairment is due to the default in the repayments of the specific loans that were issued to Pikitup.

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Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021
5. OTHER FINANCIAL ASSETS				
At amortised cost				
Housing selling scheme loans	37 744	38 590	37 744	38 590
Other loans and receivables	40 053	81 086	40 053	81 086
	77 797	119 676	77 797	119 676
Non-current assets				
At amortised cost	64 463	112 281	64 463	112 281
Current assets				
At amortised cost	13 334	7 395	13 334	7 395
6. FINANCE LEASE RECEIVABLES				
Gross investment in the lease due				
- within one year	-	-	61 969	64 781
- in second to fifth year inclusive	-	-	68 196	130 947
	-	-	130 165	195 728
less: Unearned finance revenue	-	-	(16 911)	(31 005)
Present value of minimum lease payments receivable	-	-	113 254	164 723
	-	-	113 254	164 723
Present value of minimum lease payments due				
- within one year	-	-	54 093	47 666
- in second to fifth year inclusive	-	-	59 161	117 057
	-	-	113 254	164 723
Non-current assets	-	-	59 161	117 057
Current assets	-	-	54 093	47 666
	-	-	113 254	164 723

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 38 618 649 (2021: R 38 747 842).

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021

7. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Trade debtors	87 866	92 026	-	-
Prepayments	287 769	329 233	247 153	280 340
Deposits	8 588	8 447	-	-
Operating lease receivables	22 319	21 190	20 396	20 760
Public Safety debtors	1 354	15 727	1 399	15 727
Related party debtors	-	-	14 522 322	11 809 755
Rental debtors	92 336	90 852	91 463	89 888
Accrued VAT	453 708	340 163	453 708	340 163
Kelvin Power	-	13 813	-	13 813
Sundry debtors	113 235	159 167	210 512	45 970
Total trade and other receivables	1 067 175	1 070 618	15 546 953	12 616 416

8. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Fines	146 967	225 931	146 967	225 931
Top structure debtors	-	7 654	-	-
Other receivables	4 363	3 498	-	-
	151 330	237 083	146 967	225 931

Statutory receivables included in receivables from non-exchange transactions above are as follows:

Fines	146 967	225 931	146 967	225 931
	Past due and impaired		Past due and not impaired	
Current (0-30 days)	1 441	96 146	83	8 283
31-60 days	4 718	116 633	270	10 048
61-90 days	4 641	130 831	266	11 271
91-120 days	4 189	139 988	240	12 060
121-365 days	28 970	209 074	1 660	18 013
>365 days	2 510 935	1 929 458	144 448	166 256
	2 554 894	2 622 130	146 967	225 931

9. VAT RECEIVABLE (STATUTORY RECEIVABLES)

Receivable	557 942	438 881	207 441	165 475
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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.

City of Johannesburg Metropolitan Municipality

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Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021
10. CONSUMER DEBTORS				
Gross balances				
Rates (Statutory receivables)	10 988 233	9 955 157	10 988 233	9 955 157
Electricity	8 172 169	6 796 155	-	-
Water	22 369 952	19 181 782	-	-
Refuse	4 285 401	3 575 187	-	-
City cleaning levy	387 561	282 598	-	-
	46 203 316	39 790 879	10 988 233	9 955 157
Less: Allowance for impairment				
Rates (Statutory receivables)	(10 008 599)	(8 918 598)	(10 008 599)	(8 918 598)
Electricity	(5 880 715)	(5 085 600)	-	-
Water	(18 942 376)	(16 021 136)	-	-
Refuse	(2 836 438)	(2 494 647)	-	-
City cleaning levy	(287 120)	(195 338)	-	-
	(37 955 248)	(32 715 319)	(10 008 599)	(8 918 598)
Net balance				
Rates (Statutory receivables)	979 634	1 036 559	979 634	1 036 559
Electricity	2 291 454	1 710 555	-	-
Water	3 427 576	3 160 646	-	-
Refuse	1 448 963	1 080 540	-	-
City cleaning levy	100 441	87 260	-	-
	8 248 068	7 075 560	979 634	1 036 559
Included in above is receivables from exchange transactions				
Electricity	2 291 454	1 710 555	-	-
Water	3 427 576	3 160 646	-	-
Refuse	1 448 963	1 080 540	-	-
	7 167 993	5 951 741	-	-
Included in above is receivables from non-exchange transactions (taxes and transfers)				
Rates (Statutory receivables)	979 634	1 036 559	979 634	1 036 559
City cleaning levy	100 441	87 260	-	-
	1 080 075	1 123 819	979 634	1 036 559
Net balance	8 248 068	7 075 560	979 634	1 036 559
Rates				
Current (0 -30 days)	719 217	827 654	719 217	827 654
31 - 60 days	406 496	484 537	406 496	484 537
61 - 90 days	370 985	329 036	370 985	329 036
91 - 120 days	416 660	334 040	416 660	334 040
121 - 365 days	2 146 896	2 026 363	2 146 896	2 026 363
> 365 days	6 927 979	5 953 527	6 927 979	5 953 527
	10 988 233	9 955 157	10 988 233	9 955 157

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Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2022	2021	2022	2021
Electricity				
Current (0 -30 days)	2 183 573	1 548 034	-	-
31 - 60 days	331 732	326 761	-	-
61 - 90 days	278 955	289 066	-	-
91 - 120 days	281 296	677 265	-	-
121 - 365 days	1 623 717	1 130 732	-	-
> 365 days	3 472 896	2 824 297	-	-
	8 172 169	6 796 155	-	-
Water				
Current (0 -30 days)	2 163 541	1 903 690	-	-
31 - 60 days	728 324	776 275	-	-
61 - 90 days	622 509	554 827	-	-
91 - 120 days	769 648	569 002	-	-
121 - 365 days	4 259 950	3 783 101	-	-
> 365 days	13 825 980	11 594 887	-	-
	22 369 952	19 181 782	-	-
Refuse				
Current (0 -30 days)	245 387	181 986	-	-
31 - 60 days	88 490	85 432	-	-
61 - 90 days	75 812	78 052	-	-
91 - 120 days	217 832	206 213	-	-
121 - 365 days	3 657 880	3 023 504	-	-
	4 285 401	3 575 187	-	-
City Cleaning levy				
Current (0 -30 days)	26 572	9 432	-	-
31 - 60 days	5 701	4 784	-	-
61 - 90 days	5 946	4 356	-	-
91 - 120 days	13 056	10 725	-	-
121 - 365 days	336 287	253 300	-	-
	387 562	282 597	-	-
Summary of debtors by customer classification				
Residential				
Current (0 - 30 days)	2 281 295	2 096 140	322 015	353 145
31 - 60 days	780 067	813 086	199 147	207 259
61 - 90 days	688 570	654 936	183 248	176 199
91 - 120 days	811 857	806 276	171 812	158 891
121 - 365 days	7 443 120	6 373 426	1 084 326	992 922
> 365 days	14 289 910	11 710 557	3 065 381	2 734 049
	26 294 819	22 454 421	5 025 929	4 622 465
Less: Allowance for impairment	(22 464 266)	(19 040 765)	(4 579 069)	(4 141 161)
	3 830 553	3 413 656	446 860	481 304
Residential - Past due and impaired				
Current (0 - 30 days)	613 663	537 678	295 483	316 375
31 - 60 days	385 310	367 476	181 352	185 679
61 - 90 days	366 265	333 898	166 874	157 852
91 - 120 days	636 942	715 698	156 459	142 347
121 - 365 days	6 448 964	5 657 563	987 433	889 536
> 365 days	14 013 122	11 428 452	2 791 468	2 449 372

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Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021
	22 464 266	19 040 765	4 579 069	4 141 161
Residential - Past due and not impaired				
Current (0 - 30 days)	1 667 632	1 558 461	26 532	36 771
31 - 60 days	394 757	445 610	17 795	21 580
61 - 90 days	322 305	321 039	16 374	18 346
91 - 120 days	174 915	90 578	15 353	16 544
121 - 365 days	994 155	715 863	96 892	103 386
> 365 days	276 789	282 105	273 914	284 677
	3 830 553	3 413 656	446 860	481 304

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Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021
Industrial/ commercial				
Current (0 - 30 days)	2 785 815	2 159 538	385 492	451 577
31 - 60 days	719 536	777 161	198 661	262 037
61 - 90 days	580 502	557 243	181 951	148 555
91 - 120 days	797 748	916 996	238 453	168 532
121 - 365 days	3 653 019	3 567 888	1 033 282	1 005 082
> 365 days	9 833 289	7 979 623	3 682 912	3 007 711
	18 369 909	15 958 449	5 720 751	5 043 494
Less: Allowance for impairment	(14 651 291)	(12 855 066)	(5 209 561)	(4 518 352)
	3 718 618	3 103 383	511 190	525 142
Industrial/ commercial - Past due and impaired				
Current (0 - 30 days)	582 159	570 911	351 046	408 489
31 - 60 days	292 588	340 247	180 909	237 720
61 - 90 days	330 938	311 763	165 692	134 126
91 - 120 days	694 705	800 960	217 145	152 578
121 - 365 days	3 362 588	3 175 221	940 951	912 309
> 365 days	9 388 313	7 655 964	3 353 818	2 673 130
	14 651 291	12 855 066	5 209 561	4 518 352
Industrial/ commercial - Past due and not impaired				
Current (0 - 30 days)	2 203 656	1 588 627	34 446	43 088
31 - 60 days	426 949	436 914	17 752	24 317
61 - 90 days	249 564	245 480	16 259	14 429
91 - 120 days	103 043	116 036	21 308	15 954
121 - 365 days	290 431	392 667	92 331	92 773
> 365 days	444 975	323 659	329 094	334 581
	3 718 618	3 103 383	511 190	525 142

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021
National and provincial government				
Current (0 - 30 days)	271 180	205 686	11 709	22 932
31 - 60 days	61 140	82 757	8 688	15 241
61 - 90 days	85 135	38 801	5 786	4 282
91 - 120 days	69 097	63 249	6 395	6 617
121 - 365 days	284 706	304 984	29 289	28 359
> 365 days	767 324	682 530	179 687	211 767
	1 538 582	1 378 007	241 554	289 198
Less: Allowance for impairment	(839 691)	(819 489)	(219 969)	(259 086)
	698 891	558 518	21 585	30 112
National and provincial government - Past due and impaired				
Current (0 - 30 days)	10 663	20 543	10 663	20 543
31 - 60 days	7 911	13 654	7 911	13 654
61 - 90 days	5 269	3 837	5 269	3 837
91 - 120 days	52 840	24 222	5 823	5 928
121 - 365 days	193 026	149 539	26 672	25 406
> 365 days	569 982	607 694	163 631	189 718
	839 691	819 489	219 969	259 086
National and provincial government - Past due and not impaired				
Current (0 - 30 days)	260 517	185 142	1 047	2 388
31 - 60 days	53 229	69 103	776	1 587
61 - 90 days	79 865	34 965	517	446
91 - 120 days	16 258	39 027	572	689
121 - 365 days	91 680	155 445	2 617	2 953
> 365 days	197 342	74 836	16 056	22 049
	698 891	558 518	21 585	30 112

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Figures in Rand thousand	Group		CJMM	
	2022	2021	2022	2021
Total				
Current (0 -30 days)	5 338 290	4 461 363	719 217	827 654
31 - 60 days	1 560 746	1 673 005	406 496	484 537
61 - 90 days	1 354 208	1 250 982	370 985	329 036
91 - 120 days	1 698 492	1 786 521	416 660	334 041
121 - 365 days	12 024 724	10 246 298	2 146 896	2 026 363
> 365 days	24 226 856	20 372 710	6 927 979	5 953 526
	46 203 316	39 790 879	10 988 233	9 955 157
Less: Allowance for impairment	(37 955 248)	(32 715 319)	(10 008 599)	(8 918 598)
	8 248 068	7 075 560	979 634	1 036 559
Less: Allowance for impairment				
Current (0 -30 days)	1 206 485	1 129 133	657 191	452 324
31 - 60 days	685 809	721 377	370 172	295 224
61 - 90 days	702 472	649 498	337 835	205 411
91 - 120 days	1 384 486	1 540 880	379 428	197 914
121 - 365 days	10 004 578	8 982 324	1 955 056	1 972 488
> 365 days	23 971 418	19 692 107	6 308 917	5 795 237
	37 955 248	32 715 319	10 008 599	8 918 598
Total debtors past due but not impaired				
Current (0 - 30 days)	4 131 805	3 332 231	62 025	375 330
31 - 60 days	874 934	951 628	36 323	189 313
61 - 90 days	651 735	601 483	33 150	123 626
91 - 120 days	294 215	245 641	37 232	136 127
121 - 365 days	1 376 266	1 263 975	191 840	53 875
> 365 days	919 104	680 602	619 064	158 288
	8 248 059	7 075 560	979 634	1 036 559
Reconciliation of allowance for impairment				
Balance at beginning of the year	32 715 319	27 981 404	8 918 598	8 057 268
Contributions to allowance	6 071 258	5 068 311	1 090 001	861 330
Debt impairment written off against allowance	(798 474)	(341 243)	-	-
Reversal of allowance	(32 855)	6 847	-	-
Balance at the end of the year	37 955 248	32 715 319	10 008 599	8 918 598

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 90 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. Operation "Buya Mthetho" 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.

Property rates not impaired (Statutory receivables)

City of Johannesburg Metropolitan Municipality

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Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2022	2021	2022	2021
Current (0 -30 days)	62 025	82 247	62 025	82 247
31 - 60 days	36 323	47 484	36 323	47 484
61 - 90 days	33 150	33 221	33 150	33 221
91-120 days	37 231	33 188	37 231	33 188
121 - 365 days	191 840	199 111	191 840	199 111
>365 days	<u>619 064</u>	<u>641 307</u>	<u>619 064</u>	<u>641 307</u>
Total	<u><u>979 634</u></u>	<u><u>1 036 559</u></u>	<u><u>979 634</u></u>	<u><u>1 036 559</u></u>

Property rates impaired (Statutory receivables)

Current (0-30 days)	657 191	745 407	370 172	745 407
31 - 60 days	370 172	437 053	370 172	437 053
61 - 90 days	337 835	295 816	337 835	295 816
91 - 120 days	379 428	300 852	379 428	300 852
121 - 365 days	1 955 056	1 827 252	1 955 056	1 827 252
>365 days	<u>6 308 916</u>	<u>5 312 219</u>	<u>6 308 916</u>	<u>5 312 219</u>
Total	<u><u>10 008 599</u></u>	<u><u>8 918 598</u></u>	<u><u>10 008 599</u></u>	<u><u>8 918 598</u></u>

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021

11. FINANCIAL ASSETS AT FAIR VALUE

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

The CJMM pays contributions into the fund, which is managed by a 3rd party fund manager, so as to enable the Municipality to receive contributions plus growth to repay redemptions of the bonds when they fall due. This is part of the risk management framework adopted by the CJMM.

The fund did not have an active manager in the year under review. The City is in the process of appointing a new fund manager.

The investments pledged as collateral cannot be sold until the related liability is settled in full.

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
Maturity - 5 June 2023

Other financial assets through profit or loss

Bond	687 595	-	687 595	-
IRS swap	46 051	-	46 051	-
Amortising swap	8 120	-	8 120	-
Cash	2 012 099	1 388 045	2 012 099	1 388 045

Current Assets

2 753 865	1 388 045	2 753 865	1 388 045
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Other financial assets through profit or loss

Bond	364 336	1 105 693	364 336	1 105 693
Amortising swap	-	56 226	-	56 226
Swaps	-	224 358	-	224 358

Non-Current Assets

364 336	1 386 277	364 336	1 386 277
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3 118 201	2 774 322	3 118 201	2 774 322
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Other financial liabilities through profit or loss

Armort Swap	4 202	-	4 202	-
IRS swap	179 619	-	179 619	-

Current Liabilities

183 821	-	183 821	-
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Financial assets carried at fair value through profit or loss

Derivatives designated and effective as hedging instruments carried at fair value	(108 380)	280 584	(108 380)	280 584
Held for trading non-derivative financial assets	3 064 031	2 493 738	3 064 031	2 493 738
	2 955 651	2 774 322	2 955 651	2 774 322

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021

12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Cash on hand	557	532	160	177
Bank	3 035 424	4 350 692	1 995 979	2 965 400
Call investment deposits	812 861	2 293 438	799 986	2 284 554
	3 848 842	6 644 662	2 796 125	5 250 131

Call investment deposits

Call Deposits STD Bank- Rating (F1+)	14 188	63 122	14 188	63 122
Call Deposits ABSA- rating (F1+)	328 372	405 339	328 372	405 339
Fixed deposits ABSA- Rating (F1+)	299	-	299	-
Call Deposits RMB- Rating (F1+)	9 268	824 568	9 268	824 568
Call deposit NEDBANK - Rating (F1+)	184 612	786 822	171 737	777 938
Call deposits INVESTEC- Rating (F1+)	-	10 535	-	10 535
Fixed Deposit INVESTEC- Rating (F1+)	273 236	200 300	273 236	200 300
Call Deposits CITI BANK- Rating (F1+)	1 803	1 742	1 803	1 742
Call Deposit DEUTSCHE BANK- Rating (F1+)	1 083	1 010	1 083	1 010
	812 861	2 293 438	799 986	2 284 554

The municipality had the following bank accounts

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2022	2021	2022	2021
Account number / description	Bank statement balances			
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Nedbank - Account Type - Current Account Joburg Theatre	3 960	670	-	-
Nedbank - Account Type - Current Account Roodepoort & Soweto Theatre	92	53	-	-
Nedbank - Account Type - Current Account Ticketing account	125	69	-	-
Nedbank - Account Type - Current Account Hospitality and Catering	296	123	-	-
Nedbank - Account Type - call account Joburg Theatre	10 081	8 625	-	-
Nedbank - Account type - Current Account Zoo	29	102	-	-
Nedbank - Account type - Current Account Metro Centre	25	80	-	-
Nedbank - Account Type - Call Account Roodepoort & Soweto Theatre	59	210	-	-
Nedbank - Account Type - Call Account Ticketing	2 092	27	-	-
Nedbank - Account type - Call Account Hospitality and Catering	644	21	-	-
Standard Bank - Account type - Developers Contribution account - 021156	471 299	436 419	-	-
Standard Bank - Account type - Deposit account 000-197-033	186 120	185 370	-	-
Standard Bank - Account type - Deposit account 000-197-033 (Timing issues)	-	-	11 661	22 480
Standard Bank - Account type - Business Account 000-196-916	-	-	-	477
Standard Bank - Account type - Salary 000-196-924	-	-	300	-
Standard Bank - Account type - Business account 000-196-916	-	-	-	(1)
Standard Bank - Account type - Main Account	239	-	-	-
Standard Bank - Account type - Charges Account	(10)	-	-	-
Standard Bank - Account type - Main Current Account 000197122	30	8	-	-

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2022	2021	2022	2021
Standard Bank - Account type - Bank Charges 000197092	(4)	(5)	-	-
ABSA - Account type- Electricity Deposit 4055151238	10 193	33 813	-	-
ABSA - Account type - Prepaid Account 4055418357	137 900	470 780	-	-
ABSA - Account type - Sundry Revenue Account 4054636689	129	22	-	-
ABSA - Account type - Main Cheque 4054394736	1 064	62 815	-	-
ABSA - Account type - Bank Charges 4054394744	3	-	-	-
Standard Bank - Account Type - Revenue Account 00190586	1	1	-	-
Standard Bank - Account type - Income Account 00190594	1	1	-	-
Standard Bank - Account type - Main Account 00190535	1	1	-	-
ABSA Bank - Account type - 4101292362	1	1	-	-
Standard Bank - Account type - 197750-COJ Dep Account	16 354	15 736	-	-
Standard Bank - Account type - 197769-COJ JOSHCO FLEURHOF	172 905	156 281	-	-
Standard Bank - Account type - 197726-COJ JOSHCO MAIN CHARGES	4	-	-	-
Standard Bank - Account type - 197718-COJ JOSHCO CHARGES	(3)	(3)	-	-
Standard Bank - Account Type - Call Deposit STD Bank Rating - (F1+)	14 188	63 122	-	-
Standard Bank - Account Type - Call Deposit ABSA Rating - (F1+)	328 372	405 339	-	-
Standard Bank - Account Type - Fixed Deposit ABSA Rating - (F1+)	299	-	-	-
Standard Bank - Account Type - Fixed Deposit RMB Rating - (F1+)	9 268	824 568	-	-
Standard Bank - Account Type - Call Deposit NEDBABK Rating - (F1)	171 738	777 938	-	-
Standard Bank - Account Type - Fixed Deposit INVESTEC Rating - (F1+)	273 236	200 300	-	-
Standard Bank - Account Type - Fixed Deposit STD Bank Rating - (F1+)	-	10 535	-	-

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Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2022	2021	2022	2021
Standard Bank - Account Type - Call Deposit CITI BANK Rating - (F1)	1 803	1 742	-	-
Standard Bank - Account Type - Call DEUTSCHE BK Rating - (F1+)	1 083	1 010	-	-
ABSA Cheque	52 102	44	-	-
ABSA Cheque	150 780	379 368	-	-
Standard Bank - Cheque	1 755	-	-	-
Standard Bank - Cheque	26 074	-	-	-
Standard Bank - Cheque	290	-	-	-
Standard Bank - Cheque	71	-	-	-
Standard Bank - Cheque	224 106	188 527	-	-
Standard Bank - Cheque	3 793	3 766	-	-
Standard Bank - Cheque	122 234	59 555	-	-
Standard Bank - Cheque	1 052	1 012	-	-
Standard Bank - Cheque	400	385	-	-
Standard Bank - Cheque	44	43	-	-
Standard Bank - Cheque	184	171	-	-
Standard Bank - Cheque	1 067 932	1 995 509	-	-
Standard Bank - Cheque	12 890	8 885	-	-
Standard Bank - Cheque	1 890	623	-	-
Standard Bank - Cheque	72 130	32 370	-	-
Standard Bank - Cheque	21 991	12 890	-	-
Standard Bank - Cheque	1 239	2 390	-	-
Standard Bank - Cheque	-	6 813	-	-
Standard Bank - Cheque	104	67	-	-
Standard Bank - Cheque	4 062	2 205	-	-
Standard Bank - Cheque	-	7 558	-	-
Standard Bank - Cheque	49	1 633	-	-
Standard Bank - Cheque	21 299	19 828	-	-
Standard Bank - Cheque	209 505	241 761	-	-
Total	3 809 593	6 621 177	11 961	22 956

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021

13. LIVING RESOURCES

GROUP	2022			2021		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Zoo animals	38 340	(8 954)	29 386	35 581	(8 433)	27 148

CJMM	2022			2021		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Zoo animals	12 282	(3 524)	8 758	10 664	(3 410)	7 254

Reconciliation of living resources - Group - 2022

	Opening balance	Increase due to purchase	Increase due to acquisition from non-exchange	Decrease due to death	Decrease due to sales	Depreciation	Total
Zoo animals	27 148	4 059	2 186	(1 541)	(988)	(1 478)	29 386

Reconciliation of living resources - Group - 2021

	Opening balance	Increase due to purchase	Increase due to acquisition from non-exchange	Decrease due to death	Depreciation	Total
Zoo animals	28 881	538	1 713	(2 403)	(1 581)	27 148

Reconciliation of living resources - CORE 2022

	Opening balance	Additions	Disposals	Depreciation	Total
Other consumable biological assets	7 254	2 033	(32)	(497)	8 758

Reconciliation of living resources - CORE 2021

	Opening balance	Additions	Depreciation	Total
Other consumable biological assets	7 587	200	(533)	7 254

Pledged as security

None of the living resources assets are pledged as security.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021

Free-roaming animals in the farm:

These animals do not meet the definition of an asset as the entity does not control the animals.

Loaned-in and Loaned out animals:

There are various animals kept on behalf of other organisations at year-end such as cranes, hornbills, vultures, chimpanzees and lions at year end.

There are also animals loaned out to other organisations such as baboons, cranes, vultures and hippos at year-end.

Re-assessment of useful lives & residual values:

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.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021

14. INVESTMENT PROPERTY

GROUP	2022			2021		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	1 061 966	(25 130)	1 036 836	1 062 028	(23 191)	1 038 837
CJMM	2022			2021		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	1 007 738	-	1 007 738	1 007 800	-	1 007 800

City of Johannesburg Metropolitan Municipality

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Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021

Reconciliation of investment property - Group - 2022

	Opening balance	Disposals	Depreciation	Total
Investment property	1 038 837	(62)	(1 939)	1 036 836

Reconciliation of investment property - Group - 2021

	Opening balance	Additions	Depreciation	Total
Investment property	1 025 130	15 422	(1 715)	1 038 837

Reconciliation of investment property - CJMM 2022

	Opening balance	Disposals	Total
Investment property	1 007 800	(62)	1 007 738

Reconciliation of investment property - CJMM 2021

	Opening balance	Total
Investment property	1 007 800	1 007 800

Pledged as security

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.

Amounts recognised in surplus or deficit

Rental revenue from Investment property	87 182	90 013	63 911	62 930
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City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

Figures in Rand thousand

15. PROPERTY, PLANT AND EQUIPMENT

GROUP

	2022			2021		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Land	8 867 101	-	8 867 101	8 781 969	-	8 781 969
Buildings	20 959 155	(6 812 865)	14 146 290	19 619 187	(6 289 534)	13 329 653
Plant and machinery	23 825 694	(6 524 159)	17 301 535	22 940 923	(5 959 026)	16 981 897
Furniture and fixtures	705 872	(567 201)	138 671	715 110	(552 197)	162 913
Motor vehicles	593 769	(459 052)	134 717	682 307	(537 599)	144 708
Office equipment	2 470 939	(1 422 796)	1 048 143	2 471 965	(1 358 663)	1 113 302
Computer equipment	461 297	(326 595)	134 702	427 897	(308 675)	119 222
Leasehold improvements	36 668	(31 750)	4 918	35 652	(23 482)	12 170
Infrastructure	34 858 200	(10 432 519)	24 425 681	32 480 635	(8 950 775)	23 529 860
Community assets	4 009 913	(1 543 299)	2 466 614	3 563 385	(1 405 585)	2 157 800
Landfill sites	365 904	(307 478)	58 426	358 543	(289 833)	68 710
Network equipment	94 803	(67 701)	27 102	74 649	(61 222)	13 427
Bins and containers	74 043	(39 065)	34 978	65 413	(34 871)	30 542
Minor plants	224 102	(167 697)	56 405	220 120	(154 945)	65 175
Specialised vehicles	2 044 065	(1 427 832)	616 233	2 106 567	(1 363 319)	743 248
Wastewater network	4 345 054	(411 199)	3 933 855	3 902 413	(371 002)	3 531 411
Water network	8 837 881	(1 373 096)	7 464 785	8 240 759	(1 273 545)	6 967 214
Library books	666 939	(635 967)	30 972	662 973	(634 698)	28 275
Emergency equipment	101 564	(43 038)	58 526	113 147	(50 375)	62 772
Other	12 673	(7 133)	5 540	11 163	(7 776)	3 387
Total	113 555 636	(32 600 442)	80 955 194	107 474 777	(29 627 122)	77 847 655

City of Johannesburg Metropolitan Municipality

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Notes to the Group Annual Financial Statements

Figures in Rand thousand

CJMM

Land
Buildings
Plant and equipment
Furniture and fittings
Motor vehicles
Office equipment
Infrastructure
Community assets
Bins and containers
Specialised vehicles
Library books
Emergency equipment

Total

2022			2021		
Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
8 719 379	-	8 719 379	8 634 247	-	8 634 247
18 264 310	(5 917 517)	12 346 793	17 133 287	(5 416 783)	11 716 504
553 984	(326 118)	227 866	538 135	(305 644)	232 491
587 948	(491 784)	96 164	593 802	(472 912)	120 890
214 232	(162 776)	51 456	298 447	(220 290)	78 157
2 362 131	(1 351 945)	1 010 186	2 359 963	(1 281 864)	1 078 099
34 179 727	(10 244 663)	23 935 064	31 819 569	(8 792 089)	23 027 480
4 009 913	(1 543 299)	2 466 614	3 563 385	(1 405 585)	2 157 800
22 760	(18 666)	4 094	22 766	(16 658)	6 108
900 025	(650 302)	249 723	926 866	(621 873)	304 993
666 939	(635 967)	30 972	662 973	(634 698)	28 275
101 564	(43 038)	58 526	113 147	(50 375)	62 772
70 582 912	(21 386 075)	49 196 837	66 666 587	(19 218 771)	47 447 816

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

Figures in Rand thousand

Reconciliation of property, plant and equipment - Group - 2022

	Opening balance	Additions	Disposals	Land rehabilitation factor	Revaluations	Public contributed network	Depreciation	Impairment loss	Total
Land	8 781 969	87 155	(2 023)	-	-	-	-	-	8 867 101
Buildings	13 329 653	1 382 967	(4 486)	-	-	-	(540 576)	(21 268)	14 146 290
Plant and equipment	16 981 897	1 005 304	(4 318)	-	-	-	(681 345)	(3)	17 301 535
Furniture and fittings	162 913	13 276	(1 107)	-	-	-	(36 411)	-	138 671
Motor vehicles	144 708	56 620	(1 616)	-	-	-	(64 995)	-	134 717
Office equipment	1 113 302	139 116	(3 175)	-	-	-	(201 100)	-	1 048 143
Computer equipment	119 222	53 389	(937)	-	-	-	(36 972)	-	134 702
Leasehold improvements	12 170	1 017	-	-	-	-	(8 269)	-	4 918
Infrastructure	23 529 860	2 301 966	(75)	-	-	-	(1 403 451)	(2 619)	24 425 681
Community assets	2 157 800	452 006	(38)	-	-	-	(135 270)	(7 884)	2 466 614
Landfill sites	68 710	-	-	7 361	-	-	(17 645)	-	58 426
Other equipment	13 427	20 168	-	-	-	-	(6 493)	-	27 102
Bins and containers	30 542	9 032	-	-	-	-	(4 596)	-	34 978
Minor plants	65 175	7 535	(312)	-	-	-	(15 993)	-	56 405
Specialised vehicles	743 248	31 685	(34 083)	-	4	-	(120 121)	(4 500)	616 233
Wastewater network	3 531 411	344 377	-	-	-	98 264	(40 197)	-	3 933 855
Water network	6 967 214	599 954	(8 700)	-	-	66 040	(159 723)	-	7 464 785
Library books	28 275	3 966	-	-	-	-	(1 269)	-	30 972
Emergency equipment	62 772	3 788	(743)	-	-	-	(7 291)	-	58 526
Other	3 387	2 728	-	-	-	-	(575)	-	5 540
	77 847 655	6 516 049	(61 613)	7 361	4	164 304	(3 482 292)	(36 274)	80 955 194

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

Figures in Rand thousand

Reconciliation of property, plant and equipment - Group - 2021

	Opening balance	Additions	Disposals	Land rehabilitation factor	Public contributed network	Depreciation	Impairment loss	Total
Land	8 806 569	-	(24 600)	-	-	-	-	8 781 969
Buildings	12 737 825	1 144 448	(872)	-	-	(528 823)	(22 925)	13 329 653
Plant and machinery	17 029 809	739 000	(2 030)	-	-	(665 932)	(118 950)	16 981 897
Furniture and fixtures	198 947	8 147	(380)	-	-	(43 801)	-	162 913
Motor vehicles	261 996	3 399	(8 317)	-	-	(112 370)	-	144 708
Office equipment	1 127 723	206 403	(736)	-	-	(220 088)	-	1 113 302
Computer equipment	116 543	45 068	(914)	-	-	(41 475)	-	119 222
Leasehold improvements	7 402	23 647	(1 054)	-	-	(17 825)	-	12 170
Infrastructure	22 256 740	2 583 982	-	-	-	(1 304 245)	(6 617)	23 529 860
Community assets	1 960 989	395 838	-	-	-	(137 198)	(61 829)	2 157 800
Landfill sites	82 616	-	-	(8 218)	-	(5 688)	-	68 710
Other equipment	12 097	5 031	-	-	-	(3 701)	-	13 427
Bins and containers	35 763	150	-	-	-	(5 371)	-	30 542
Minor plants	77 380	5 014	(1 130)	-	-	(16 089)	-	65 175
Specialised vehicles	918 926	164 264	(16 027)	-	-	(280 207)	(43 708)	743 248
Wastewater network	3 293 071	185 396	-	-	90 030	(37 086)	-	3 531 411
Water network	6 350 482	676 629	(9)	-	86 853	(146 741)	-	6 967 214
Library books	36 954	-	-	-	-	(8 679)	-	28 275
Emergency equipment	51 947	21 764	-	-	-	(10 939)	-	62 772
Other	2 443	1 826	-	-	-	(882)	-	3 387
	75 366 222	6 210 006	(56 069)	(8 218)	176 883	(3 587 140)	(254 029)	77 847 655

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

Figures in Rand thousand

Reconciliation of property, plant and equipment - CJMM 2022

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Land	8 634 247	87 155	(2 023)	-	-	8 719 379
Buildings	11 716 504	1 131 067	-	(479 510)	(21 268)	12 346 793
Plant and equipment	232 491	23 605	(5)	(28 222)	(3)	227 866
Furniture and fittings	120 890	6 152	(777)	(30 101)	-	96 164
Motor vehicles	78 157	-	(1 371)	(25 330)	-	51 456
Office equipment	1 078 099	127 739	(2 879)	(192 773)	-	1 010 186
Infrastructure	23 027 480	2 284 555	(75)	(1 374 277)	(2 619)	23 935 064
Community assets	2 157 800	452 006	(38)	(135 270)	(7 884)	2 466 614
Bins and containers	6 108	26	-	(2 040)	-	4 094
Specialised vehicles	304 993	10 728	(22 032)	(43 966)	-	249 723
Library books	28 275	3 966	-	(1 269)	-	30 972
Emergency equipment	62 772	3 788	(743)	(7 291)	-	58 526
	47 447 816	4 130 787	(29 943)	(2 320 049)	(31 774)	49 196 837

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

Figures in Rand thousand

Reconciliation of property, plant and equipment - CJMM - 2021

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Land	8 658 847	-	(24 600)	-	-	8 634 247
Buildings	11 349 169	851 302	-	(473 740)	(10 227)	11 716 504
Plant and equipment	225 046	30 169	(10)	(22 714)	-	232 491
Furniture and fittings	152 255	4 228	-	(35 593)	-	120 890
Motor vehicles	161 506	-	(8 095)	(75 254)	-	78 157
Office equipment	1 090 293	195 758	(419)	(207 533)	-	1 078 099
Infrastructure	21 745 754	2 564 470	-	(1 276 127)	(6 617)	23 027 480
Community assets	1 960 989	395 838	-	(137 198)	(61 829)	2 157 800
Bins and containers	8 922	150	-	(2 964)	-	6 108
Specialised vehicles	426 446	79 020	(14 717)	(185 756)	-	304 993
Library books	36 954	-	-	(8 679)	-	28 275
Emergency equipment	51 947	21 764	-	(10 939)	-	62 772
	45 868 128	4 142 699	(47 841)	(2 436 497)	(78 673)	47 447 816

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 2022

Notes to the Group Annual Financial Statements

Figures in Rand thousand

Work in progress breakdown

Group

	2022	2021
Building & Improvements	3 362 283	2 192 159
Plant and machinery	1 583 731	1 285 184
Water network	1 004 810	1 026 551
Wastewater network	338 600	260 532
Computer equipment	20 036	14 602
Infrastructure	7 315 631	5 432 367
Community assets	1 122 267	725 698
Furniture and fixtures	283	2 572
Total	14 747 641	10 939 665

CJMM

	2022	2021
Buildings	3 169 649	2 070 691
Community assets	1 122 267	725 698
Infrastructure	7 043 420	5 254 223
Total	11 335 336	8 050 612

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021
Carrying value of property, plant and equipment that is taking a significantly longer period of time to complete than expected				
Buildings (Project cancelled/Halted/Under investigation/Budget Constraint)	95 885	92 965	81 541	82 324
Plant and machinery (Project cancelled/Halted/Under investigation/Budget Constraint)	282 733	279 204	-	-
Infrastructure (Project cancelled/Halted/Under investigation/Budget Constraint)	105 877	168 548	60 210	68 064
Community (Project cancelled/Halted/Under investigation/Budget Constraint)	38 116	70 454	38 116	70 454
Wastewater network (Project cancelled/Halted/Under investigation/Budget Constraint)	16 124	16 004	-	-
Water network (Project cancelled/Halted/Under investigation/Budget Constraint)	99 878	39 653	-	-
	638 613	666 828	179 867	220 842

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021
Assets subject to finance lease (Net carrying amounts)				
Furniture and fixtures	444	12 605	-	-
Motor vehicles	75 441	134 616	-	-
Office equipment	-	-	-	9 108
IT equipment	-	603	-	-
BRT buses	6 165	16 734	6 165	16 734
Leasehold improvements	60 120	59 575	-	-
	142 170	224 133	6 165	25 842

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

Expenses	4 224 937	3 701 642	811 692	439 487
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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 2022

Notes to the Group Annual Financial Statements

Figures in Rand thousand

16. INTANGIBLE ASSETS

GROUP

Additional capacity rights
Servitudes
Licences
Computer software, internally generated
Computer software, other
Customer list

Total

2022			2021		
Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
261 228	-	261 228	261 228	-	261 228
1 727	-	1 727	1 727	-	1 727
531	(531)	-	531	(531)	-
13 840	(1 071)	12 769	13 840	(1 031)	12 809
2 599 561	(1 805 869)	793 692	2 565 364	(1 600 860)	964 504
-	-	-	85 156	(85 156)	-
2 876 887	(1 807 471)	1 069 416	2 927 846	(1 687 578)	1 240 268

CJMM

Computer software

2022			2021		
Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
1 918 419	(1 340 579)	577 840	1 925 121	(1 173 809)	751 312

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021

Reconciliation of intangible assets - Group - 2022

	Opening balance	Additions	Disposals	Amortisation	Impairment loss	Total
Additional capacity rights	261 228	-	-	-	-	261 228
Servitudes	1 727	-	-	-	-	1 727
Computer software, internally generated	12 809	-	-	(40)	-	12 769
Computer software, other	964 504	123 204	(5 281)	(265 563)	(23 172)	793 692
	1 240 268	123 204	(5 281)	(265 603)	(23 172)	1 069 416

Reconciliation of intangible assets - Group - 2021

	Opening balance	Additions	Disposals	Amortisation	Total
Additional capacity rights	232 361	28 867	-	-	261 228
Servitudes	1 727	-	-	-	1 727
Computer software, internally generated	12 849	-	-	(40)	12 809
Computer software, other	630 922	604 395	(2 740)	(268 073)	964 504
	877 859	633 262	(2 740)	(268 113)	1 240 268

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021

Reconciliation of intangible assets - CJMM 2022

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software, other	751 312	40 109	(277)	(213 304)	577 840

Reconciliation of intangible assets - CJMM 2021

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software, other	390 267	570 497	(34)	(209 418)	751 312

Pledged as security

No assets are pledged as security.

Intangible assets in the process of being constructed or developed

Cumulative expenditure recognised in the carrying value of Intangible assets

Patents, trademarks and other rights	331 745	312 142	303 769	269 238
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Carrying value of intangible assets that is taking a significantly longer period of time to complete than expected

Computer software	-	23 172	-	-
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City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

Figures in Rand thousand

17. HERITAGE ASSETS

Group

Art collections, antiques and exhibits
Historical monuments
Historical buildings

Total

2022			2021		
Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
581 222	(7 999)	573 223	571 406	(7 999)	563 407
20 478	-	20 478	20 478	-	20 478
41 104	-	41 104	41 104	-	41 104
642 804	(7 999)	634 805	632 988	(7 999)	624 989

CJMM

Art collections, antiques and exhibits
Historical monuments
Historical buildings

Total

2022			2021		
Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
579 514	(7 894)	571 620	569 698	(7 894)	561 804
20 478	-	20 478	20 478	-	20 478
41 104	-	41 104	41 104	-	41 104
641 096	(7 894)	633 202	631 280	(7 894)	623 386

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

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	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021

Reconciliation of heritage assets Group - 2022

	Opening balance	Additions	Total
Art collections, antiques and exhibits	563 407	9 816	573 223
Historical monuments	20 478	-	20 478
Historical buildings	41 104	-	41 104
	624 989	9 816	634 805

Reconciliation of heritage assets Group - 2021

	Opening balance	Additions	Impairment losses (recognised)	Total
Art collections, antiques and exhibits	568 598	2 703	(7 894)	563 407
Historical monuments	20 478	-	-	20 478
Historical buildings	41 104	-	-	41 104
	630 180	2 703	(7 894)	624 989

Reconciliation of heritage assets CJMM- 2022

	Opening balance	Additions	Total
Art collections, antiques and exhibits	561 804	9 816	571 620
Historical monuments	20 478	-	20 478
Historical buildings	41 104	-	41 104
	623 386	9 816	633 202

Reconciliation of heritage assets - CJMM - 2021

	Opening balance	Additions	Impairment losses (recognised)	Total
Art collections, antiques and exhibits	566 995	2 703	(7 894)	561 804
Historical monuments	20 478	-	-	20 478
Historical buildings	41 104	-	-	41 104
	628 577	2 703	(7 894)	623 386

Pledged as security

No assets are pledged as security.

Heritage assets in the process of being constructed or developed

Cumulative expenditure recognised in the carrying value of Heritage assets

Patents, trademarks and other rights	15 732	5 911	15 732	5 911
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City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

	Group		CJMM		
Figures in Rand thousand	2022	2021	2022	2021	
18. INVESTMENTS IN MUNICIPAL ENTITIES					
Name of company	Held by	% holding	% holding	Carrying	Carrying
		2022	2021	amount 2022	amount 2021
City of Johannesburg Property Company (Pty) Ltd		100,00 %	100,00 %	5 142	5 142
City Power Johannesburg (Pty) Ltd		100,00 %	100,00 %	112 466	112 466
Johannesburg City Parks		100,00 %	100,00 %	29 958	29 958
Johannesburg Development Agency (Pty) Ltd		100,00 %	100,00 %	16 278	16 278
Johannesburg Metropolitan Bus Services (Pty) Ltd		100,00 %	100,00 %	54 774	54 774
Johannesburg Roads Agency (Pty) Ltd		100,00 %	100,00 %	345 776	342 794
Johannesburg Social Housing Company (Pty) Ltd		100,00 %	100,00 %	-	-
Johannesburg Tourism Company		100,00 %	100,00 %	-	-
Johannesburg Water (Pty) Ltd		100,00 %	100,00 %	-	-
Metropolitan Trading Company (Pty) Ltd		100,00 %	100,00 %	97 972	97 972
Pikitup Johannesburg (Pty) Ltd		100,00 %	100,00 %	31 315	31 315
Johannesburg Civic Theatre		100,00 %	100,00 %	1 784	1 784
The Johannesburg Fresh Produce Market (Pty) Ltd		100,00 %	100,00 %	20 000	20 000
Impairment of investment in controlled entities (MBUS)		- %	- %	715 465 (54 774)	712 483 (54 774)
				660 691	657 709

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

Investments in ME's includes shareholder loans with no fixed repayment terms and interest as they are classified as equity.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021

19. INVESTMENT IN JOINT VENTURES

Name of company	Listed / Unlisted	% holding 2022	% holding 2021	Carrying amount 2022	Carrying amount 2021
Golden Triangle Development Company (Pty) Ltd		50,00 %	50,00 %	2 495	903
JOSHCO Madulamoho Joint Venture (JMJV)		55,00 %	55,00 %	20 414	22 410
				22 909	23 313

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.

	2022	2021
Opening Balance	903	1 266
Share of surplus/(deficit)	1 592	(363)
	2 495	903

	2022	2021
Total assets	36 387	36 306
Total liabilities	(31 396)	(34 499)
Revenue	5 385	1 936
Expenses	(2 201)	(2 661)
Surplus/(deficit)	3 184	(725)

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:

	2022	2021
Opening Balance	22 410	23 761
Share of surplus/(deficit)	(896)	(251)
Changes in net assets	(1 100)	(1 100)
	20 414	22 410

	2022	2021
Total assets	47 844	47 844
Total liabilities	(7 098)	(7 098)
Revenue	11 888	11 078
Operating expenses	(13 518)	(11 534)
Surplus/(deficit)	(1 630)	(456)
Distributions	2 000	2 000

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021
20. DEFERRED TAX				
Deferred tax liability	(3 473 845)	(3 354 296)	-	-
Deferred tax asset	2 934 709	2 504 130	-	-
Total net deferred tax liability	(539 136)	(850 166)	-	-
Reconciliation of deferred tax asset / (liability)				
At beginning of year	(850 166)	(1 410 718)	-	-
Taxable / (deductible) temporary differences	311 030	563 648	-	-
Arising / (Utilised) assessed losses	-	(3 096)	-	-
	(539 136)	(850 166)	-	-

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

Figures in Rand thousand

21. FINANCIAL ASSETS BY CATEGORY

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

Group - 2022

	Cost	At fair value	Total
Current Assets			
Current tax receivable	-	-	-
Other financial assets	-	13 334	13 334
Receivable from exchange	1 067 175	-	1 067 175
VAT receivable	-	-	-
Financial assets at fair value - sinking funds	-	2 753 865	2 753 865
Consumer debtors	8 248 068	-	8 248 068
Bank balances and cash	3 848 842	-	3 848 842
Non-Current Assets			
Other financial assets	-	64 463	64 463
Financial assets at fair value - sinking funds	-	364 336	364 336
	13 164 085	3 195 998	16 360 083

Group - 2021

	Cost	At fair value	Total
Current Assets			
Current tax receivable	-	-	-
Other financial assets	-	7 395	7 395
Receivable from exchange	1 070 618	-	1 070 618
VAT receivables	-	-	-
Financial assets at fair value - sinking funds	-	1 388 045	1 388 045
Consumer debtors	7 075 560	-	7 075 560
Bank balances and cash	6 644 662	-	6 644 662
Non-Current Assets			
Other financial assets	-	112 281	112 281
Financial assets at fair value - sinking funds	-	1 386 277	1 386 277
	14 790 840	2 893 998	17 684 838

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

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Figures in Rand thousand

CJMM - 2022

	Cost	At fair value	Total
Current Assets			
Loans to Municipal Entities	996 470	-	996 470
Other financial assets	-	13 334	13 334
Finance lease receivable	54 093	-	54 093
Receivable from exchange	15 546 953	-	15 546 953
Financial assets at fair value - sinking funds	-	2 753 865	2 753 865
Vat receivable	-	-	-
Consumer debtors	979 634	-	979 634
Bank balances and cash	2 796 125	-	2 796 125
Non-Current Assets			
Loans to Municipal Entities	6 036 817	-	6 036 817
Other financial assets	-	64 463	64 463
Financial assets at fair value - sinking funds	-	364 336	364 336
Finance lease receivable	59 161	-	59 161
	26 469 253	3 195 998	29 665 251

CJMM - 2021

	Cost	At fair value	Total
Current Assets			
Loans to Municipal Entities	918 221	-	918 221
Finance lease receivables	47 666	-	47 666
Receivable from exchange	12 616 416	-	12 616 416
Financial assets at fair value - sinking funds	-	1 388 045	1 388 045
Consumer debtors	1 036 559	-	1 036 559
Call investment deposits	-	-	-
Bank balances and cash	5 250 131	-	5 250 131
Non-Current Assets			
Loans to Municipal Entities	5 174 761	-	5 174 761
Other financial assets	-	112 281	112 281
Financial assets at fair value- sinking fund	-	1 386 277	1 386 277
Finance lease receivables	117 057	-	117 057
	25 160 811	2 886 603	28 047 414

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

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	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021

22. LOANS AND BORROWINGS

Non-Current portion of loans and borrowings -

At amortised cost

Development Bank of Southern Africa	11 884 333	12 441 595	11 875 325	12 431 230
Listed bonds	2 898 000	5 166 000	2 898 000	5 166 000
Other financial liabilities	5 421 417	4 657 189	5 421 417	4 657 189
	20 203 750	22 264 784	20 194 742	22 254 419

Current portion of loans and borrowings - At amortised cost

Development Bank of Southern Africa	558 268	551 679	555 916	549 537
Listed bonds	2 268 000	-	2 268 000	-
Other financial liabilities	735 772	759 205	735 772	759 205
	3 562 040	1 310 884	3 559 688	1 308 742
	23 765 790	23 575 668	23 754 430	23 563 161

23. FINANCE LEASE OBLIGATIONS

Minimum lease payments due

- within one year	487	39 794	-	36 743
- in second to fifth year inclusive	-	1 019	-	-
	487	40 813	-	36 743
less: future finance charges	(9)	(2 258)	-	(2 082)
Present value of minimum lease payments	478	38 555	-	34 661

Present value of minimum lease payments due

- within one year	478	38 010	-	34 661
- in second to fifth year inclusive	-	545	-	-
	478	38 555	-	34 661

Non-current liabilities

	-	545	-	-
Current liabilities	478	38 010	-	34 661
	478	38 555	-	34 661

Office Equipment

The Group leases certain office equipment and these are classified as a finance lease. The lease terms range between 2 to 5 years.

Plant and Equipment

The Group leases plant and equipment. The lease term is 3 years and the average implicit rate is 10%. The obligations under finance leases are secured by the lessor's charge over the leased assets.

Specialised vehicles

The Group leases certain BRT vehicles, emergency service vehicles and Pikitup's special vehicles. The lease terms for these vehicles range between 10 to 12 years.

The carrying values of these leased assets are included under property, plant and equipment. Please refer to note 15.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021
24. PAYABLES FROM EXCHANGE TRANSACTIONS				
Trade payables	4 941 192	4 808 786	1 923 451	1 692 478
Payments received in advance	640 357	700 785	10 925	11 612
Accrued leave pay	993 367	994 611	573 073	543 870
Accrued bonus	142 730	140 381	-	-
Related party creditors	-	-	10 136 816	9 230 923
Accrued interest	139 556	149 800	139 556	149 800
Operating lease payables	4 750	10 990	3 110	1 639
Retentions	292 151	331 260	29 766	31 018
Credit balances in consumer debtors	1 955 156	2 181 030	1 500 348	1 585 180
Engineering fees	123 465	119 573	123 465	119 573
Other creditors	1 155 535	1 139 749	625 126	636 773
Eskom payable	2 007 256	1 652 095	-	-
	12 395 515	12 229 060	15 065 636	14 002 866

City of Johannesburg Metropolitan Municipality

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Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021
25. UNSPENT CONDITIONAL GRANTS AND RECEIPTS				
Unspent conditional grants and receipts comprises of:				
Unspent conditional grants and receipts				
Provincial grants : Capital projects	55 329	55 329	55 329	55 329
Provincial grants : Operating projects	19 569	29 177	19 569	29 177
United Nations Environment Program	1 006	5 583	1 006	5 583
Public Transport Network Grant (Capital Projects)	47 689	7 585	47 689	7 585
Integrated City Development Grant (ICDG)	618	24 982	618	24 982
Expanded Public Works Programme (EPWP)	8	8	8	8
Municipal Emergency Housing Grant (MEHG)	9	57 309	9	57 309
Provincial grant : Jozi Ihlomihle (HIV/ AIDS)	3 047	7 981	3 047	7 981
Project and programme preparation support	23 046	-	23 046	-
Public Transport Network Grant (Operational Projects)	429 851	149 190	429 851	149 190
Energy management grant	1 367	1 463	1 367	1 463
Infrastructure skills development grants	9 062	4 138	-	-
Integrated National Electrification (DoE)	6 542	27 842	-	-
Public contributions: Service connections	35 761	51 825	-	-
Public employment	126 348	-	126 348	-
Other unspent public contributions	2 252	2 159	1 822	1 681
	761 504	424 571	709 709	340 288
Non-current liabilities	51 543	83 983	-	-
Current liabilities	709 961	340 588	709 709	340 288
	761 504	424 571	709 709	340 288

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 32 for reconciliation of grants from National/Provincial Government

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Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021

26. PROVISIONS

Reconciliation of provisions - Group - 2022

	Opening Balance	Additions	Reversed or utilised during the year	Interest	Total
Bonus provision	194 678	183 420	(177 199)	-	200 899
Provision for legal claims	273 851	52 581	(5 560)	-	320 872
Kelvin ash disposal	188 453	43 098	-	-	231 551
Environmental rehabilitation: Closed landfill site	197 229	3 069	-	11 538	211 836
Environmental rehabilitation: Open landfill site	458 846	7 361	-	26 842	493 049
Other provisions	58 766	27 140	(3 225)	-	82 681
	1 371 823	316 669	(185 984)	38 380	1 540 888

Reconciliation of provisions - Group - 2021

	Opening Balance	Additions	Reversed or utilised during the year	Interest	Total
Bonus provision	207 478	147 166	(159 966)	-	194 678
Provision for legal claims	155 931	144 155	(26 235)	-	273 851
Kelvin ash disposal	151 324	37 129	-	-	188 453
Environmental rehabilitation: Closed landfill site	188 294	-	(3 361)	12 296	197 229
Environmental rehabilitation: Open landfill site	438 434	-	(8 218)	28 630	458 846
Other provisions	49 554	9 836	(624)	-	58 766
	1 191 015	338 286	(198 404)	40 926	1 371 823

Reconciliation of provisions - CJMM - 2022

	Opening Balance	Additions	Reversed during the year	Total
Bonus provision	21 510	2 478	(7 200)	16 788
Provision for legal claims	105 658	8 570	-	114 228
	127 168	11 048	(7 200)	131 016

Reconciliation of provisions - CJMM - 2021

	Opening Balance	Additions	Reversed during the year	Total
Bonus provision	23 054	2 631	(4 175)	21 510
Provision for legal claims	115 187	4 471	(14 000)	105 658
	138 241	7 102	(18 175)	127 168
Non-current liabilities	835 901	783 244	131 016	127 168
Current liabilities	704 986	588 581	-	-
	1 540 887	1 371 825	131 016	127 168

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Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021

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.

2. Provision for legal claims

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

2.1 Maintenance Contract

An Arbitration matter in which Questek claims that the City must pay it approximately R14 million for services rendered in a maintenance contract at the City's request. The attorneys advised that we remove it from provisions as the case has been dormant for over 3 years now and the outflow of future economic benefits is therefore remote.

2.2 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 rate 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.

2.3 Damages claims

A claim of R10 million instituted against the City for damages for loss of business as a result of the construction of the Grayston Drive flyover across Katherine Street, Sandown. The matter has become dormant for long periods, as the last trial date was October 2012 which did not take place and the matter was further postponed. The plaintiff has not set down the matter for trial since. It has further proven that it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation.

2.4 Damages claims

A litigation in progress that is likely to be paid by Johannesburg Road Agency 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 the employment related matters from former and current employees against JRA. The legal claims for on-going cases have been reassessed in the current year based on new developments in the cases.

2.5 SALA Pension Fund Provision

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 court to make settlement agreement an order of court.

3. Kelvin ash disposal

Ash disposal provision has been provided for in respect of the Kelvin power station. There is a dispute as to which entity is responsible for these costs between Kelvin Power and City Power.

4. Environmental rehabilitation: landfill sites (closed and open)

The provision relates to Pikitup (SOC) Ltd landfill sites. 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 places 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.

The landfill airspace estimation as reported by the consulting engineer was performed by the Topographical surveyor who has extensive experience in the field with an Advanced Mine Survey Certificate -M3.

The calculations of the landfill rehabilitation are based on the following assumptions in line with the permit requirements and consistent with prior years:

The final side slopes for each landfill is 1:3;

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.

City of Johannesburg Metropolitan Municipality

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Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021

27. EMPLOYEE BENEFIT OBLIGATIONS

27.1 Post-retirement liabilities

Post-Retirement Medical Aid Plan	737 214	828 560	681 378	770 431
Post-Retirement Housing Subsidy Plan	5 993	6 015	55	77
Retirement Gratuity Plan	357 167	385 090	122 821	143 627
	1 100 374	1 219 665	804 254	914 135

27.1.1 Unfunded post-retirement medical aid plan

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.

Amounts recognised in the Statement of financial position

Present value of unfunded obligation	737 214	828 560	681 378	770 431
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Movements for the year

Opening balance	828 560	856 572	770 431	801 589
Benefits paid	(98 462)	(108 561)	(92 969)	(102 849)
Net expense/(gain) recognised in the statement of financial performance	7 116	80 549	3 916	71 691
	737 214	828 560	681 378	770 431

Net expense recognised in the Statement of financial performance

Interest cost	70 641	71 083	66 492	67 406
Actuarial (gains)/losses	(63 525)	9 466	(62 576)	4 285
	7 116	80 549	3 916	71 691

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Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021

27.1.2 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	5 784	7 061	77	139
Benefits paid	(888)	(97)	(46)	(85)
Net expense/ (gain) recognised in the statement of financial performance	1 097	(1 180)	24	23
	5 993	5 784	55	77

Net expense recognised in the Statement of financial performance

Current service cost	140	210	-	-
Interest cost	445	541	7	10
Actuarial (gains) /losses	512	(1 931)	17	13
	1 097	(1 180)	24	23

27.1.3 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	357 167	384 780	122 680	143 627
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Movements for the year

Opening balance	385 090	355 621	143 627	134 818
Benefits paid	(26 257)	(35 200)	(7 307)	(7 736)
Net expense/ (gain) recognised in the statement of financial performance	(1 807)	64 359	(13 640)	16 545
	357 026	384 780	122 680	143 627

Net expense recognised in the Statement of financial performance

Interest cost	28 802	25 409	12 341	11 287
Actuarial (gains)/ losses	(30 609)	39 260	(25 981)	5 258
	(1 807)	64 669	(13 640)	16 545

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Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021

Key assumptions used

The principal actuarial assumptions used were as follows:

Discount rates used	11,20 %	9,19 %	11,20 %	9,19 %
Health care cost inflation rate	7,56 %	7,02 %	7,56 %	7,02 %

Sensitivity analysis

GROUP- 2022

Accrued Liability- Mortality rate	- 20 % Mortality Rate	Valuation Assumption	+ 20 % Mortality Rate
Post-retirement medical aid	803 170	737 214	684 012
Post-retirement Housing subsidies	6 193	5 993	5 802
Post-retirement gratuities	356 868	357 166	357 462
Total	1 166 231	1 100 373	1 047 276

Accrued Liability- Medical/salary inflation	+ 1% in medical /salary inflation	Valuation Assumption	+ 1% in medical /salary inflation
Post-retirement medical aid	720 703	737 214	751 993
Post-retirement Housing subsidies	5 749	5 993	6 250
Retirement gratuities	343 012	357 166	372 260
Total	1 069 464	1 100 373	1 130 503

CJMM- 2022

Accrued Liability- Mortality rate	- 20% Mortality Rate	Valuation Assumption	+ 20% Mortality Rate
Post-retirement medical aid	742 580	681 378	632 057
Post-retirement Housing subsidies	55	55	55
Retirement gratuities	122 664	122 820	122 974
Total	865 299	804 253	755 085

Accrued Liability- Medical/salary inflation	- 1% in medical /salary inflation	Valuation Assumption	+ 1% in medical /salary inflation
Post-retirement medical aid	666 076	681 378	694 635
Post-retirement Housing subsidies	54	55	55
Retirement gratuities	117 671	122 820	128 322
Total	783 801	804 253	823 012

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Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021

28. DEFERRED INCOME

Bond tap

Balance unspent at beginning of year	19 158	24 400	19 158	24 400
Conditions met - transferred to revenue	(5 809)	(5 242)	(5 809)	(5 242)
Conditions still to be met - transferred to liabilities	13 349	19 158	13 349	19 158

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

The Tap was issued on the 9th of December 2008 and is due to mature on the 5th of June 2023. The Tap was issued at a premium of R58,038,692 at an interest rate of 12.21% per annum. The notional amount was R468,000,000 and the issue price was R526,038,692.

Deferred income related to BRT points system

Balance at beginning of year	42 015	59 924	42 015	59 924
Net movement	98 767	109 601	98 767	109 601
Conditions met - transferred to revenue	(112 104)	(127 510)	(112 104)	(127 510)
Conditions still to be met - transferred to liabilities	28 678	42 015	28 678	42 015

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.

Passenger trips received in advance

Balance unspent at beginning of year	5 082	2 732	-	-
Net movements	(2 341)	2 350	-	-
Conditions still to be met - transferred to liabilities	2 741	5 082	-	-

Deferred income refers to the liability relating to passenger trips sold in advance through the Smartcards Multi-Journey Software. During the current year the liability decreased as a result of trips being utilised due to relaxation of lockdown conditions, comparatively the liability was higher as a result of fewer cancellations and the trips not being forfeited during lockdown. The deferred income is released as and when the passengers present these cards on the buses and the bus operators issue a ticket accordingly.

Current liabilities	44 768	52 907	42 027	47 825
Non current liabilities	-	13 349	-	13 349
Total	44 768	66 256	42 027	61 174

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.

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Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021
29. LOANS FROM MUNICIPAL ENTITIES				
Non-current liabilities	-	-	441 107	442 924
Current liabilities	-	-	-	-
	-	-	441 107	442 924
Medical Aid Notional loan account				
Opening balance			171 898	168 740
Finance cost			6 465	5 855
Payments			(9 325)	(2 697)
			169 038	171 898
Gratuities Notional loan account				
Opening balance			271 027	265 574
Finance cost			10 245	9 273
Payments			(9 203)	(3 820)
			272 069	271 027

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Notes to the Group Annual Financial Statements

Figures in Rand thousand

30. FINANCIAL LIABILITIES BY CATEGORY

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

Group - 2022

	Financial liabilities at amortised cost	Financial liabilities at fair value	Total
Current Liabilities			
Loans and borrowings	3 562 040	-	3 562 040
Finance lease obligations	478	-	478
Payable from exchange	12 427 151	-	12 427 151
Consumer deposits	21 131	-	21 131
Non-Current Liabilities			
Loans and borrowings	20 203 750	-	20 203 750
Employee benefit obligation	1 100 374	-	1 100 374
Consumer deposits	1 306 388	-	1 306 388
Other financial liabilities at fair value	-	183 821	183 821
	38 621 312	183 821	38 805 133

Group - 2021

	Financial liabilities at amortised cost	Financial liabilities at fair value	Total
Current Liabilities			
Loans and borrowings	1 310 884	-	1 310 884
Finance lease obligations	38 010	-	38 010
Financial liabilities - Sinking fund	-	-	-
Payables from exchange	12 229 060	-	12 229 060
Consumer deposits	19 079	-	19 079
Non-Current Liabilities			
Loans from Municipal entities	-	-	-
Loans and borrowings	22 264 784	-	22 264 784
Employee benefit obligation	1 219 665	-	1 219 665
Finance lease obligation	545	-	-
Consumer deposits	1 157 260	-	1 157 260
	38 239 287	-	38 238 742

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Notes to the Group Annual Financial Statements

Figures in Rand thousand

CJMM - 2022

	Financial liabilities at amortised cost	Financial liabilities at fair value	Total
Current Liabilities			
Loans and borrowings	3 559 688	-	3 559 688
Trade and other payables	15 065 636	-	15 065 636
	-	-	-
Non-Current Liabilities			
Loans from municipal entities	441 107	-	-
Loans and borrowings	20 194 742	-	20 194 742
Employee benefit obligation	804 254	-	-
Financial liabilities at fair value	-	183 821	-
Consumer deposits	14 171	-	14 171
	40 079 598	188 314	38 834 237

CJMM - 2021

	Financial liabilities at amortised cost	Financial liabilities at fair value	Total
Current Liabilities			
Loans and borrowings	1 308 742	-	1 308 742
Finance lease obligations	34 661	-	34 661
Payable from exchange	14 002 867	-	14 002 867
Non-Current Liabilities			
Loans from Municipal entities	442 924	-	442 924
Loans and borrowings	22 254 419	-	22 254 419
Employee benefits obligations	914 135	-	914 135
Consumer deposits	13 768	-	13 768
	38 971 516	-	38 971 516

City of Johannesburg Metropolitan Municipality

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Notes to the Group Annual Financial Statements

Figures in Rand thousand

31. OTHER INCOME

Training revenue	7 836	6 574	7 836	6 403
Recovery of legal costs	26	77	26	77
Recovery of insurance	2 009	7 256	1 825	986
Licenses and permits	7 169	13 065	7 169	13 065
Sundry revenue	515 913	290 501	379 005	226 055
Public safety recoveries	17 046	6 494	17 046	6 494
Gautrain maintenance fees	4 982	7 040	-	-
Cemetery fees	39 682	40 685	-	-
Concessionary fees	15 439	37 001	15 439	37 001
Theatre ticket sales	5 880	-	-	-
Cut-off fees	1 195	2 346	-	-
Internal recoveries - ME's	-	-	334 715	353 642
	617 177	411 039	763 061	643 723

32. REVERSAL OF IMPAIRMENT

Loans to Municipal entities	-	-	965 414	-
Receivables from non-exchange transactions	26 485	-	26 485	-
Property, plant and equipment	2 635	-	2 635	-
	29 120	-	994 534	-

33. RENDERING OF SERVICES

Other service charges	159 007	165 515	16 452	17 036
Town Planning	75 414	66 577	75 414	66 577
Public Safety Services	10 484	10 309	10 544	10 309
Advertising	36 928	31 484	36 928	31 484
BRT and Metrobus Revenue	160 520	162 307	114 406	124 631
Refuse removal	2 155 601	1 874 331	-	-
Sale of electricity	17 109 018	15 568 828	-	-
Sale of water	7 826 924	7 281 652	-	-
Sewerage and sanitation charges	5 690 973	5 139 718	-	-
	33 224 869	30 300 721	253 744	250 037

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Notes to the Group Annual Financial Statements

Figures in Rand thousand

34. PROPERTY RATES

Rates received

Residential	5 222 152	5 097 286	5 222 152	5 097 286
Commercial	8 019 231	7 686 041	8 019 231	7 686 041
State	258 346	252 465	258 346	252 465
	13 499 729	13 035 792	13 499 729	13 035 792

Valuations

Residential	932 819 876	922 200 950	932 819 876	922 200 950
Commercial	438 266 505	428 875 354	438 266 505	428 875 354
State	43 635 678	43 818 326	43 635 678	43 818 326
	1 414 722 059	1 394 894 630	1 414 722 059	1 394 894 630

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Notes to the Group Annual Financial Statements

Figures in Rand thousand

35. GOVERNMENT GRANTS AND SUBSIDIES

Informal settlement upgrading partnership	626 603	-	388 435	-
Urban settlements development grant (USDG)	1 163 961	1 837 308	761 584	1 477 375
Financial management grant	1 000	958	1 000	958
Provincial grants : Operating projects	27 889	17 559	27 889	17 559
United Nation Environment Programme	7 703	6 722	7 703	6 722
Public Transport Network Grant (Capital Projects)	165 368	548 871	165 368	548 871
Neighbourhood development partnership grant (NDPG)	23 751	85 563	23 751	85 563
Integrated City Development Grant (ICDG)	17 603	48 883	17 603	48 883
Expanded Public Works Programme (EPWP)	14 571	19 335	8 529	2 202
Municipal Emergency Housing Grant (MEHG)	-	14 028	-	14 028
Provincial grant : Jozi Ihlomihle (HIV/AIDS)	24 985	18 662	24 985	18 662
Public Transport Network operations Grant	408 555	259 820	408 555	259 820
Energy management grant	8 696	7 573	865	-
Kreditanstalt für Wiederaufbau Development Bank (KFW)	7 609	-	7 609	-
Equitable share and fuel levy	9 388 822	9 587 055	9 388 822	9 587 055
Provincial health subsidies	153 601	144 091	153 601	144 091
Project and programme preparation support	57 316	-	57 316	-
Skills development Grants	12 095	7 200	-	-
	12 110 128	12 603 628	11 443 615	12 211 789

Informal settlement upgrading partnership

Current year receipts	626 603	-	629 375	-
Paid to MOEs	-	-	(240 940)	-
Conditions met - transferred to revenue	(626 603)	-	(388 435)	-
Conditions still to be met - transferred to liabilities	-	-	-	-

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	-	475 607	-	475 607
Current year receipts	1 163 961	1 837 301	1 163 099	1 843 676
Amounts withheld	-	(475 600)	-	(475 600)
Transfers	-	-	(401 515)	(366 308)
Conditions met - transferred to revenue	(1 163 961)	(1 837 308)	(761 584)	(1 477 375)
Conditions still to be met - transferred to liabilities	-	-	-	-

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.

City of Johannesburg Metropolitan Municipality

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Figures in Rand thousand

Financial management grant

Current year receipts	1 000	958	1 000	958
Conditions met - transferred to revenue	(1 000)	(958)	(1 000)	(958)
Conditions still to be met - transferred to liabilities	-	-	-	-

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	29 177	27 317	29 177	27 317
Current year receipts	20 358	18 500	20 358	18 500
Paid back	(2 077)	919	(2 077)	919
Conditions met - transferred to revenue	(27 889)	(17 559)	(27 889)	(17 559)
Conditions still to be met - transferred to liabilities	19 569	29 177	19 569	29 177

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	5 583	2 578	5 583	2 578
Current year receipts	3 126	9 727	3 126	9 727
Conditions met - transferred to revenue	(7 703)	(6 722)	(7 703)	(6 722)
Conditions still to be met - transferred to liabilities	1 006	5 583	1 006	5 583

Public Transport Network Grant (Capital Projects)

Balance unspent at beginning of year	7 585	238 664	7 585	238 664
Current year receipts	56 257	246 355	56 257	246 355
Transferred from operating expenditure	149 215	71 437	149 215	71 437
Conditions met - transferred to revenue	(165 368)	(548 871)	(165 368)	(548 871)
Conditions still to be met - transferred to liabilities	47 689	7 585	47 689	7 585

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Notes to the Group Annual Financial Statements

Figures in Rand thousand

Neighbourhood development partnership grant

Balance unspent at beginning of year	-	24 369	-	24 369
Current year receipts	23 190	70 994	23 190	70 994
Paid back	-	(9 800)	-	(9 800)
Adjustment*	561	-	561	-
Conditions met - transferred to revenue	(23 751)	(85 563)	(23 751)	(85 563)
Conditions still to be met - transferred to liabilities	-	-	-	-

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)

Balance unspent at beginning of year	24 982	-	24 982	-
Current year receipts	-	73 865	-	73 865
Paid back	(6 200)	-	(6 200)	-
Transferred: other grants	(561)	-	(561)	-
Conditions met - transferred to revenue	(17 603)	(48 883)	(17 603)	(48 883)
Conditions still to be met - transferred to liabilities	618	24 982	618	24 982

Expanded Public Works Programme (EPWP)

Balance unspent at beginning of year	8	137	8	137
Current year receipts	14 571	19 342	8 529	19 819
Paid/Due to MOEs	-	-	-	(17 610)
Paid back	-	(136)	-	(136)
Conditions met - transferred to revenue	(14 571)	(19 335)	(8 529)	(2 202)
Conditions still to be met - transferred to liabilities	8	8	8	8

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	57 309	-	57 309	-
Current year receipts	-	71 337	-	71 337
Amount paid back	(57 300)	-	(57 300)	-
Conditions met - transferred to revenue	-	(14 028)	-	(14 028)
Conditions still to be met - transferred to liabilities	9	57 309	9	57 309

Provincial grant : Jozi Ihlomihle (Hiv/Aids)

Balance unspent at beginning of year	7 981	12 956	7 981	12 956
Current year receipts	28 032	26 643	28 032	26 643
Paid Back	(7 981)	(12 956)	(7 981)	(12 956)
Conditions met - transferred to revenue	(24 985)	(18 662)	(24 985)	(18 662)
Conditions still to be met - transferred to liabilities	3 047	7 981	3 047	7 981

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Figures in Rand thousand

Public Transport Network Grant (Operational projects)

Balance unspent at beginning of year	149 190	199 085	149 190	199 085
Current year receipts	838 433	409 060	838 433	409 060
Paid back	-	(127 700)	-	(127 700)
Transferred to capital expenditure	(149 217)	(71 435)	(149 217)	(71 435)
Conditions met - transferred to revenue	(408 555)	(259 820)	(408 555)	(259 820)
Conditions still to be met - transferred to liabilities	429 851	149 190	429 851	149 190

Energy Management Grant

Balance unspent at beginning of year	1 463	4 036	1 463	4 036
Current year receipts/Repayments	13 000	5 000	13 000	5 000
Paid back	(4 400)	-	(4 400)	-
Transfers to City Power	-	-	(7 831)	(7 573)
Conditions met - transferred to revenue	(8 696)	(7 573)	(865)	-
Conditions still to be met - transferred to liabilities	1 367	1 463	1 367	1 463

Public contributions: Service connections

Balance unspent at beginning of year	51 825	46 370	-	-
Current year receipts	14 307	20 771	-	-
Transfer to other income (Service connections)	(30 371)	(15 316)	-	-
Conditions still to be met - transferred to liabilities	35 761	51 825	-	-

KFW

Current year receipts	7 609	-	7 609	-
Conditions met - transferred to revenue	(7 609)	-	(7 609)	-
Conditions still to be met - transferred to liabilities	-	-	-	-

Equitable share and fuel levy

Current year receipts	9 388 822	9 587 055	9 388 822	9 587 055
Conditions met - transferred to revenue	(9 388 822)	(9 587 055)	(9 388 822)	(9 587 055)
Conditions still to be met - transferred to liabilities	-	-	-	-

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.

City of Johannesburg Metropolitan Municipality

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Figures in Rand thousand

Provincial health subsidies

Current year receipts	153 601	144 091	153 601	144 091
Conditions met - transferred to revenue	(153 601)	(144 091)	(153 601)	(144 091)
Conditions still to be met - transferred to liabilities	-	-	-	-

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

Public employment grant

Current year receipts (Conditions still to be met - transferred to liabilities)	126 348	-	126 348	-
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City of Johannesburg Metropolitan Municipality

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Notes to the Group Annual Financial Statements

Figures in Rand thousand

36. EMPLOYEE RELATED COSTS

Employee related costs : Salaries and wages	11 331 015	10 626 903	7 068 745	6 506 836
Employee related costs : Pension contributions	1 598 722	1 519 424	979 246	908 893
Employee related costs : Medical aid contributions	889 865	831 852	524 259	489 350
Employee related costs : Skills development levy	136 109	94 349	83 055	52 875
Housing benefits and allowances	87 463	77 655	53 088	49 318
Overtime payments	785 998	729 438	258 677	268 204
Bonus	690 365	680 618	403 446	391 697
Travel, motor car, accommodation, subsistence and other allowances	560 183	564 965	339 115	330 453
Post-Retirement Benefits	(101 292)	26 250	(94 835)	9 470
Other employee benefits	72 047	67 564	-	-
UIF	76 583	49 478	43 607	36 018
	16 127 058	15 268 496	9 658 403	9 043 114

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Notes to the Group Annual Financial Statements

Key management remuneration- 2022

Annual Remuneration	64 875	56 430
Car Allowance	3 399	2 088
Performance Bonuses	2 950	2 249
Contributions to UIF, Medical and Pension Funds	3 134	2 725
Final Leave payment	1 454	2 387
Other benefits received	4 596	3 484
	80 408	69 363

Key management 2022

	Annual salary	Allowances	Contributions to UIF, Medical and Pension Funds	Performance bonus	Final Leave payment	Other benefits received	Total
GCFO	2 418	-	2	-	-	-	2 420
COO	2 500	145	2	125	-	-	2 772
SECRETARY	1 944	101	206	112	-	-	2 363
ED - COM DEV	1 899	156	2	-	-	-	2 057
ED - DED	186	8	-	116	130	-	440
ED - SOCIAL DEV	1 105	50	200	-	-	-	1 355
ED - HOUSING	1 073	272	26	-	317	-	1 688
ED - DPUM	1 341	200	216	105	185	-	2 047
ED - TRANSPORT	1 615	300	142	-	-	-	2 057
ED - PUBLIC SAFETY	1 927	128	2	-	-	-	2 057
GH - GOVERNANCE	640	43	71	165	181	-	1 100
GH - LEGAL	1 512	431	22	150	345	-	2 460
GH - GICT	1 489	-	225	-	-	-	1 714
GH - EISD	3 586	197	265	81	-	-	4 129
ED - C/MANAGER	2 151	201	-	251	-	-	2 603
ED - COMMUNICATION	1 815	90	255	118	-	-	2 278
GH - RISK & ASSURANCE	1 853	-	204	-	-	-	2 057
GH - URBAN MANAGEMENT	1 697	-	360	-	-	-	2 057
GH- STRATEGY	360	-	-	72	138	-	570
TOTAL CORE	31 111	2 322	2 200	1 295	1 296	-	38 224
JRA - CHIEF EXECUTIVE OFFICER	2 118	-	125	-	-	412	2 655
JRA - CHIEF EXECUTIVE OFFICER	1 919	-	240	-	-	217	2 376
JOSHCO - CHIEF EXECUTIVE OFFICER	2 808	74	-	-	-	-	2 882
CIVIC - CHIEF EXECUTIVE OFFICER	2 443	187	28	307	-	-	2 965
PARKS - MANAGING DIRECTOR	2 269	96	-	346	158	2	2 871
PROPERTY - CHIEF EXECUTIVE OFFICER	2 700	250	35	413	-	-	3 398
METROBUS - MANAGING DIRECTOR	2 137	-	-	113	-	2	2 252
MARKET - CHIEF EXECUTIVE OFFICER	1 917	-	-	-	-	372	2 289
MARKET - CHIEF EXECUTIVE OFFICER	633	-	-	-	-	13	646
MARKET - CHIEF EXECUTIVE OFFICER	317	-	-	-	-	10	327
MARKET - CHIEF EXECUTIVE OFFICER	146	-	-	-	-	-	146
JDA - CHIEF EXECUTIVE OFFICER	562	-	-	-	-	-	562
PIKITUP - MANAGING DIRECTOR	2 808	-	53	53	-	-	2 913
WATER - MANAGING DIRECTOR	2 219	328	401	423	-	-	3 371
POWER - CHIEF EXECUTIVE OFFICER	2 988	142	-	-	-	3 182	6 312
POWER - CHIEF EXECUTIVE OFFICER	2 407	-	-	-	-	215	2 622
MTC - CHIEF EXECUTIVE OFFICER	2 001	-	-	-	-	171	2 172
	63 503	3 399	3 082	2 950	1 454	4 596	78 983

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Notes to the Group Annual Financial Statements

Key management 2021

	Annual salary	Allowances	Contribution to UIF, Medical and Pension Funds	Performance bonus and other benefits	Final Leave payment	Other benefits received	Total
CM	1 934	-	39	148	1 692	-	3 813
GCFO	2 418	-	2	60	-	-	2 480
COO	2 500	48	2	98	-	-	2 648
GCTO	950	79	1	103	197	-	1 330
SECRETARY	972	50	103	164	-	-	1 289
ED - COM DEV	171	-	-	116	-	-	287
ED - DED	2 232	97	2	116	-	-	2 447
ED - HEALTH	-	-	-	190	239	-	429
ED - DPUM	1 609	240	259	103	-	-	2 211
ED - TRANSPORT	907	50	71	-	-	-	1 028
ED - PUBLIC SAFETY	1 096	73	69	-	-	-	1 238
ED - GOVERNANCE	1 922	181	211	57	-	-	2 371
ED - LEGAL	1 769	85	203	103	-	-	2 160
ED - CRUM	1 262	139	155	-	198	-	1 754
ED - EISD	1 785	120	254	-	-	-	2 159
ED - C/MANAGER	2 151	-	201	114	-	-	2 466
ED - COMMUNICATION	1 815	91	254	-	61	-	2 221
ED - RISK AND ASSURANCE	1 090	-	112	141	-	-	1 343
GH - STRATEGY	2 158	1	2	-	-	-	2 161
TOTAL CORE	28 741	1 254	1 940	1 513	2 387	-	35 835
JRA -CHIEF EXECUTIVE OFFICER	1 548	-	83	-	-	317	1 948
JOSHCO-EXECUTIVE OFFICER	1 895	202	-	-	-	-	2 097
CIVIC - CHIEF EXECUTIVE OFFICER	2 361	25	25	311	-	-	2 722
PARKS - MANAGING DIRECTOR	2 272	96	146	264	-	2	2 780
PROPERTY - CHIEF EXECUTIVE DIRECTOR	2 700	250	31	-	-	-	2 981
METROBUS - MANAGING DIRECTOR	2 068	-	-	-	-	15	2 083
MARKET - CHIEF EXECUTIVE OFFICER	1 960	-	-	-	-	37	1 997
MARKET- ACTING CHIEF EXECUTIVE OFFICER	260	-	-	-	-	38	298
JDA - CHIEF EXECUTIVE OFFICER	2 432	-	-	-	-	-	2 432
PIKITUP - MANAGING DIRECTOR	2 712	-	51	-	-	-	2 763
WATER - MANAGING DIRECTOR	2 477	176	398	-	-	-	3 051
POWER - CHIEF EXECUTIVE OFFICER	891	46	-	161	-	2 894	3 992
POWER - CHIEF EXECUTIVE OFFICER	726	39	-	-	-	15	780
MTC - CHIEF EXECUTIVE OFFICER	2 001	-	-	-	-	166	2 167

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	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021

37. REMUNERATION OF COUNCILLORS

Executive Mayor	1 265	1 488	1 265	1 488
Mayoral Committee Members	8 446	11 423	8 446	11 423
Speaker	1 139	1 218	1 139	1 218
Councillors	128 768	125 312	128 768	125 312
Councillors' pension contribution	7 878	10 153	7 878	10 153
Chairpersons	16 046	18 522	16 046	18 522
	163 542	168 116	163 542	168 116

Remuneration of the Executive Mayor

Annual Remuneration (Moloantoa Makhubo)	34	1 145
Car Allowance (Moloantoa Makhubo)	3	110
Contributions to UIF, Medical and Pension Funds (Moloantoa Makhubo)	2	189
Cell phone Allowance (Moloantoa Makhubo)	2	44
Annual Remuneration (Matongo Jolidee)	121	-
Car Allowance (Matongo Jolidee)	12	-
Cell Allowance (Matongo Jolidee)	5	-
Contributions to UIF, Medical and Pension Funds (Matongo Jolidee)	21	-
Annual Remuneration (Moerane Mpho)	120	-
Cell Allowance (Moerane Mpho)	4	-
Annual Remuneration (Mpho Phalatse)	856	-
Cell Allowance (Mpho Phalatse)	27	-
Contributions to UIF, Medical and Pension Funds (Moerane Mpho)	12	-
Contributions to UIF, Medical and Pension Funds (Mpho Phalatse)	8	-
	1 227	1 488

38. DEPRECIATION AND AMORTISATION

Property, plant and equipment	3 491 414	3 598 756	2 320 049	2 436 497
Investment property	1 939	1 715	-	-
Zoo animals	981	1 048	497	533
Intangible assets	256 979	257 477	213 304	209 418
	3 751 313	3 858 996	2 533 850	2 646 448

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	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021

39. IMPAIRMENT OF ASSETS

Impairments

Impairments of assets	34 396	262 634	31 774	86 567
Intangible assets	23 172	-	-	-

Describe the events and circumstances that led to the recognition or reversal of the impairment loss. The recoverable amount or [recoverable service amount] of the asset was based on its fair value less costs to sell or [its value in use.]

Loans - Pikitup Johannesburg (Pty) Ltd	-	-	60 803	1 250 348
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Describe the events and circumstances that led to the recognition or reversal of the impairment loss. The recoverable amount or [recoverable service amount] of the asset was based on its fair value less costs to sell or [its value in use.]

Loans - Metro Trading Company	-	-	-	359 562
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Metrotrading Company's has not made any repayments towards the loan in the current year even though the amounts are due and payable]

57 568	262 634	92 577	1 696 477
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40. DEBT IMPAIRMENT

Consumer debtors	5 460 832	4 522 918	1 090 001	861 330
Receivables from non exchange	-	1 239 299	-	1 239 299
Other receivables	388 294	642 497	284 714	544 311
	5 849 126	6 404 714	1 374 715	2 644 940

41. BULK PURCHASES

Electricity	14 023 079	12 259 781	-	-
Water	6 619 455	6 066 054	-	-
Sewer purification	19 903	23 637	-	-
	20 662 437	18 349 472	-	-

The bulk purchases for the year includes electricity distribution losses and water losses.

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	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021
Electricity distribution losses				
Units purchased (kWh)	11 030 868	11 359 499	-	-
Units sold (kWh)	(7 780 265)	(8 077 273)	-	-
Total loss	3 250 603	3 282 226	-	-
Rand Value loss: (R/kWh)				
Technical losses	1 273 214	1 143 642	-	-
Non-technical losses	2 895 605	2 527 971	-	-
Total	4 168 819	3 671 613	-	-

The electricity energy losses can be classified into technical losses and non-technical losses, during the 2021/22 financial year. The entity's technical losses for the year are measured at 9%, amounting to R1 273 213 603 (2021: R 1 143 642 415). Technical losses relate 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 R2 895 604 788 (20.5%). The annual non-technical losses in the prior financial year amounted to R2 527 971 199 (19.89%). 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 processes 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 the City of Johannesburg.

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 %	20 %	- %	- %
Total	30 %	29 %	- %	- %

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	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021
Water losses				
Comprising of:				
Physical losses	1 500 000	1 100 000	-	-
Commercial losses	589 400	425 900	-	-
Total	2 089 400	1 525 900	-	-

Non Revenue Water

Non-Revenue Water (NRW) is included in cost of sales. The level of NRW for the year under review to June 2022 is 44.79% [R3.0 billion] (2021: 39.39% [R2.4 billion]). The level of unbilled unmetered consumption for the year under review to June 2022 is 12.98% [R859.2 million] (2021: 14.31% [R868.3 million]).

The level of water losses (physical and commercial losses) which is part of NRW for the year under review is 31.80% [R2.1 billion] (2021: 25.08% [R1.5 billion]).

The level of physical losses for the year under review to June 2022 is 22.90% [R1.5 billion], (2021: 18.06% [R1.1 billion])
The level of commercial losses for the year under review to June 2022 is 8.91% [R589.4 million], (2021: 7.02% [R425.9 million])

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, which 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 2022. This average level of Non Revenue Water achieved for the year under review to June 2022 exceeded the upper end of the average range by 4.79% [R316.7 million], (2021 within target by: 0.61% [R37 million]).Additional text

Percentage

Loss:				
Physical losses	23 %	18 %	- %	- %
Commercial losses	9 %	7 %	- %	- %
Total	32 %	25 %	- %	- %

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	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021
42. GRANTS AND SUBSIDIES PAID				
Grants paid to ME's				
City of Joburg Property Company (Pty) Ltd	-	-	526 278	644 697
Johannesburg City Parks NPC	-	-	1 026 855	963 865
Johannesburg Development Agency (Pty) Ltd	-	-	40 735	40 627
Johannesburg Metro Bus Services (Pty) Ltd	-	-	517 074	669 859
Johannesburg Roads Agency (Pty) Ltd	-	-	1 393 046	1 293 374
Johannesburg Social Housing Company (Pty) Ltd	-	-	54 329	19 900
Johannesburg Tourism Company	-	-	17 024	-
Metropolitan Trading Company (Pty) Ltd	-	-	268 325	251 893
Pikitup Johannesburg (Pty) Ltd	-	-	1 091 488	872 786
Johannesburg City Theatre (Pty) Ltd	-	-	166 152	163 454
	-	-	5 101 306	4 920 455
Other subsidies				
Grant paid : Other	138 090	38 208	115 206	18 228
	138 090	38 208	5 216 512	4 938 683
43. GENERAL EXPENSES				
Advertising	29 882	26 177	20 480	14 382
Auditor's remuneration	69 445	68 535	25 452	27 019
Bank charges	172 156	131 243	160 053	122 300
Cleaning	30 313	20 424	35 661	-
Commission paid	31 906	34 299	-	-
Consulting and professional fees	506 713	484 475	348 348	290 731
Cost of inventories expensed	573 873	301 560	37 842	28 762
Debt collection	306 157	373 909	306 157	373 909
Hire of equipment and buses	24 758	29 855	24 059	29 345
Insurance	295 884	296 940	318 435	289 643
Conferences and seminars	7 947	4 279	2 326	3 402
IT expenses	258 729	261 976	201 247	236 303
Fleet costs	1 905 848	1 623 742	449 826	330 292
Marketing	42 769	31 356	11 390	15 796
Motor vehicle expenses	132 142	87 316	-	-
Specialized services	1 051 862	834 341	1 062 891	980 316
Productions	20 665	21 460	-	-
Postage and printing stationery	124 340	152 773	110 755	137 786
Contracted services	123 302	50 023	117 455	46 344
Maintenance services	3 338 948	2 775 169	912 700	555 053
Security (Guarding of municipal property)	357 281	276 479	51 247	43 553
Software expenses	187 742	185 578	125 982	169 138
Staff welfare	177 158	53 295	114 190	17 723
Subscriptions and membership fees	35 615	28 387	31 830	23 312
Telephone and fax	137 423	94 187	43 235	29 350
Training	47 975	36 559	12 011	6 507
Travel - local	6 445	5 020	112	284
Travel - overseas	771	56	-	-
Free electricity	3 056	3 664	-	-
Utilities	406 870	374 055	952 077	860 361
Incident management fund	45 089	40 650	45 089	40 650
Billing and meter reading charges	49 907	38 358	-	-
Cut-off fees	29 048	32 426	-	-
Other expenses	517 493	763 615	563 154	551 418
	11 049 512	9 542 181	6 084 004	5 223 679

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	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021
44. FAIR VALUE ADJUSTMENTS				
• Sinking fund	(151 947)	262 205	(151 947)	262 205
45. CASH GENERATED FROM OPERATIONS				
Surplus	1 167 363	3 735 695	1 599 328	1 360 042
Adjustments for:				
Depreciation and amortisation	3 751 313	3 858 996	2 533 850	2 592 597
Public contributions, Donated and contributed property	(178 346)	(212 769)	(11 547)	(1 231)
Fair value adjustments	151 947	(262 205)	151 947	(262 205)
Reversal of impairment	(29 120)	-	(994 534)	-
Finance costs: liabilities from Municipal entities	-	-	16 710	25 528
Debt impairment	5 849 126	6 404 714	1 374 715	2 644 940
loss/gain on sale of Assets	71 255	39 201	32 546	28 181
Impairment losses	57 568	270 718	92 577	1 704 562
Post-retirement benefits net expenditure	6 406	148 748	-	-
Gain/ Loss from equity accounted investments	(695)	613	-	-
deferred tax	(311 030)	(197 410)	-	-
Changes in working capital:				
Inventories	(140 632)	24 082	(82 129)	7 410
Receivables	(1 083 312)	(1 147 146)	(2 794 648)	(2 466 148)
Current tax receivable	69 677	(173 080)	-	-
Current tax payable	(142 898)	(54 756)	-	-
Adjustment of impairment of current receivable	(5 849 126)	(6 404 714)	(1 374 715)	(2 644 941)
Payables	186 348	363 580	1 062 772	268 864
VAT receivable/ payable	(145 262)	132 189	(41 966)	(41 862)
Unspent conditional grants and receipts	336 933	(694 540)	-	(701 471)
Increase/(Decrease) in deferred income	(21 488)	(20 800)	(19 147)	(23 150)
Increase/(Decrease) in Provision	169 062	162 724	3 848	(11 073)
Increase/(Decrease) in Consumer deposits	151 180	74 942	403	(683)
	4 066 269	6 048 782	1 550 010	2 479 360

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	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021

46. COMMITMENTS

Commitments in respect of capital expenditure:

Authorised and contracted for

• Capital Commitments	11 720 345	12 435 279	4 923 138	5 263 403
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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 48 (Prior-year adjustments).

Operating leases - as lessee (Fleet)

Minimum lease payments due

- within one year	28 266	74 550	-	-
- in second to fifth year inclusive	-	16 526	-	-
	28 266	91 076	-	-

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	90 818	190 012	38 475	22 018
- in second to fifth year inclusive	84 986	34 062	8 867	9 659
	175 804	224 074	47 342	31 677

Comparative figures have been restated, refer to Note 48 (Prior-year adjustments). 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 rental payables by the entity for certain of its office properties. Leases are negotiated for an average term of seven years and rentals are fixed for an average of 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: Lease for the building relates the head office building which commenced on 1 September 2019 up to until 31 August 2022. The entity intends to occupy and lease the building in the foreseeable future.

MTC: Operating lease payments relate to premises utilised for office space. The lease expires on the 29th of February 2024, with an average escalation of 7%.

WATER: Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable. Lease agreements over office properties are subject to escalation clauses.

MBUS: The operating lease payments represent rentals payable by the entity for certain of its office properties. Rentals are fixed for an average of three years. No contingent rent is payable.

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	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021
Operating leases – as lessee Land (Soccer City)				
Minimum lease payments due				
- within one year	75	75	75	75
- in second to fifth year inclusive	299	299	299	299
- later than five years	6 494	6 493	6 494	6 493
	6 868	6 867	6 868	6 867

COJ is leasing Soccer City Stadium from DPW at an annual rental amount of R1 and the reduction of arrears accrued in respect of outstanding municipal rates and taxes and local authority services levied on the property to nil. The lease term for the property is 99 years.

Operating leases - as lessee (Equipment)

Minimum lease payments due				
- within one year	14 378	243 721	-	-
- in second to fifth year inclusive	5 166	16 188	-	-
	19 544	259 909	-	-

Comparative figures have been restated, refer to Note 48 (Prior-year adjustments).
JRA: The operating lease agreement for printers and copiers commenced on 1 September 2020 and will be up until 31 August 2023.

PARKS: The lease commitment for rentals for printers are fixed for the three year duration of the agreement.

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. The leasing terms are for three years and eight months. No contingent rent is payable.

POWER: The entity leases printing machines. In terms of the agreement the rentals as per price list on the contract are fixed for the duration of the lease contract effective from the 11th of December 2019 until the 30th of November 2022.

CIVIC: The lease is for the cash vaults machines and the digital copier machines.

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47. CONTINGENCIES (2022)

Group

Legal Claims by residents/companies

Details of contingencies	Name of the company responsible	Estimated Amount in R'000
The Plaintiff is suing the city for alleged services rendered or goods delivered and not paid. The city does not dispute the services rendered. The city is now negotiating a settlement with the Plaintiff.	CJMM	3 657
Claim by the Plaintiff for the city allegedly failing to provide sufficient electricity for development after rezoning a property. The court dismissed the application and the parties agreed that the allocated time for trial was not sufficient as a result they are currently awaiting new trial date. The matter is dormant at this stage.	CJMM	6 290
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 26th of October 2021. Only one claim is valid.	CJMM	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 2022.	CJMM	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. Trial date in this matter is set for 9, 10 and 11 September 2019. The status remains (currently no new set down by the claimant 2 February 2022). Status did not change as at 30 June 2022.	CJMM	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 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.	CJMM	19 010
The Plaintiff sued the City for damages, the plaintiff alleges arose from the City's non enforcement of the by-laws. A trial date is being awaited. As at 16th instant matter to be allocated a trial date.	CJMM	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 stormwater 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 COJ. Status did not change as at 30 June 2022.	CJMM	8 950

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On 14 October 2015 the scaffolding work into the Grayston Drive Pedestrian and Cyclist structural bridge collapsed which resulted in the loss of life and other damages. Due to the nature of the incident, the Department of Labour (DOL) has to conduct a formal inquiry in terms of section 32 of the Occupational Health and Safety Act 85 of 1993 to determine the causes for the collapse of the scaffolding works. The inquiry commenced on 7 July 2016 and a Commissioner has been appointed by the DOL. The hearing took place and was completed. The Commissioner from the Department of Labour has concluded on the matter and the JDA has lodged an appeal to the Labour Court against the decision of the Chief Inspector, the JDA received a Notice to Oppose from the State Attorney, who is representing the Chief Inspector in the above matter. In addition, the JDA received the written record of proceedings forming the subject of the appeal from the State Attorney on 30 June 2020. In accordance with the Labour Court Rules, we extracted certain portions of the record for purposes of the appeal proceedings and served a certified copy thereof on the State Attorney and filed another copy at the Labour Court on 16 July 2020. In the circumstances, the Appellants' concise written representations were received on Thursday, 30 July 2020. Now that both parties have submitted their written representations, the Registrar of the Labour Court, will set the matter down. To date, the JDA have not been provided a date by the Registrar. The matter will be heard in the Labour Court on a date yet to be set by the court.	Development Agency (SOC) Ltd	-
The applicant sought an order interdicting and restraining the City of Johannesburg and the JDA from proceeding with the tender process and implementing the contract in respect of the tender in relation to the BRT Bus Monitoring system. The applicant seeks an order, amongst others, reviewing and setting aside the JDA's decision to award the tender to a consortium. The consortium also opposes this relief. The matter is currently at pleadings stage with the JDA having filed its answering affidavit in July 2020. The Applicant (Bona) has not taken steps since September 2020 to ensure that the matter is ready for hearing. They are required to file heads of argument, after which the rest of the respondents (JDA and the consortium) would file theirs and the matter be allocated a date for hearing. The JDA and City have since decided to file our own heads of arguments despite the failure by the applicant to do so. The matter was heard in court on 11 May 2022. The JDA argued against the applicant's relief for a substitution order. JDA's main contention was that no exceptional circumstances exist to warrant a substitution order. Surprisingly, the applicant did not make a compelling case for a substitution order. Not only that, but the applicant conceded to the court that there is not enough information before the court to place the court in a position to be able to make such an order. JDA is of the view that the court should direct the JDA to start a new tender process and that the order for a substitution relief be dismissed with costs.	Development Agency (SOC) Ltd	-
A sub-contractor applied for an order to remove an automatic generator installed at Asphalt Depot.	Roads Agency (SOC) Ltd	-
SARS vs JRA – VAT issue. Query raised given that infrastructure belongs to the City and VAT should be charged from the City. A letter has been drafted by the CEO requesting the City Manager to intervene in getting GRAS to share requested information with SARS and in getting COJ to voluntarily declare VAT relating to claims payouts.	Roads Agency (SOC) Ltd	23 759
A company claims for the unpaid services rendered to the JRA.	Roads Agency (SOC) Ltd	2 445
Waterfall View have an application for an order to compel JRA to maintain and rehabilitate the embarkment/stormwater infrastructure on Klein Jukskeirivier.	Roads Agency (SOC) Ltd	-
An applicant 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.	Roads Agency (SOC) Ltd	-
A JRA employee was arrested and charged with assault and theft after following an altercation that took place on site at Third and Fourth Avenue, Hofmeyer, where the JRA RO team was resurfacing the road. There was an altercation and the complainant opened a case at the Alexandra Police Station claiming that a JRA employee assaulted him and stole his cellphone. The employee is currently out on bail of R2000 and his case was postponed to the 15th of November 2021 for further investigations.	Roads 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.	Roads Agency (SOC) Ltd	-
Various 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.	Roads Agency (SOC) Ltd	-

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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
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
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
A supplier is claiming an amount in terms of non-payment for services rendered to the entity. The matter is set down for arbitration with a date yet to be determined.	City Power (SOC) Ltd	14 447
A supplier is claiming an amount in terms of non-payment on invoices for maintenance services rendered to the entity at different substations. The matter is being defended.	City Power (SOC) Ltd	5 333
A company has lodged a 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	1 200
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. City Power is currently continuing to claim a 100% allowance as it is appealing the decision of the Receiver. The entity is fully accrued in the event that its endeavor's to claim 100% bad debt allowance fails.	City Power (SOC) Ltd	-
A company 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 have failed.	City Power (SOC) Ltd	69 668
A company is claiming for unpaid invoices for services rendered. The matter is being defended.	City Power (SOC) Ltd	53 633
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 offers regarding both bad debts and wear and tear allowance was submitted to SARS. The bad debt proposal was rejected and is proceeding to court. The proposal on the wear and tear allowance is currently under consideration by the Receiver.	City Power (SOC) Ltd	1 763 669
Judgement was made against the entity in favour of Chiselhurst Homeowners. The amount is in respect of over payment of electricity charges paid to the entity. The entity has requested reasons for the judgement to lodge appeal.	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
A claim is lodged for an order for City Power to deliver a signed contract report for the death of City Power the Plaintiff's husband through electricity burns incident. The parties intend to settle the matter out of court.	City Power (SOC) Ltd	-
Due to the complexity in determining the carbon omissions and methodologies Kelvin Power determine the liability based on section 4(2) of the Carbon Tax Act which utilise default emission factors as per schedule 2 compared to section 4(1) utilised by the entity.	City Power (SOC) Ltd	13 162
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 potential liability cannot be determined at this stage.	City Power (SOC) Ltd	-
A public liability claims from the lawyers of a customer after she fell in to the orchestra pit. The Joburg Theatre customers attorneys claim that the incident was caused due to negligence by Joburg Theatre. JCT's lawyers are exploring with the plaintiff's attorneys the possibility of referring the litigation to mediation, while at the same time, JCT's lawyers are under instruction to complete and finalise its investigation into the merits and quantum of the claim.	Joburg Water (SOC) Ltd	9 020
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 matter is held in abeyance by the plaintiffs and the entity is not aware of any trial date. If the court finds in favour of the entity and a cost order is issued, recovery of legal fees will be pursued.	Joburg Water (SOC) Ltd	5 487

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The plaintiff claims that it sustained damages at the hands of the entity, during three incidents of sewage and storm water ingress. The initial claim has been repudiated by the entity's insurers. The entity is considering further engaging the plaintiff with a view to possible settlement of the matter.	Joburg Water (SOC) Ltd	2 423
The plaintiff claims that the company caused damage to its fibre infrastructure. Joburg Water is awaiting dates for the judicial pre-trial, alternatively the trial from the plaintiff.	Joburg Water (SOC) Ltd	322
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	5 048
The plaintiff claims that it had under-billed the entity for a 5 year period in relation to a contractual agreement for the supply of metered bulk water. Pleadings for the arbitration have closed and the matter will proceed to hearing stage. An expert has been appointed by the entity and the hearing on prescription has been rescheduled to August 2022. Each party bears its own cost for the arbitration and share costs for recordings, venue and arbitrator's costs.	Joburg Water (SOC) Ltd	104 577
A company has a damage claim for loss of income at Randburg Silkirk for fence demolition against JOSHCO.	JOSHCO (SOC) Ltd	653
There is a dispute with a company relating to security services	JOSHCO (SOC) Ltd	28
A company is claiming for legal fees from claim for construction work done on the Casa Mia refurbishment project.		170
A company is claiming for work done on the Dobsonville project	JOSHCO (SOC) Ltd	1 220
A company is claiming for interest on overdue professional and legal fees.	JOSHCO (SOC) Ltd	157
Application launched against JCPZ for an Order allowing it to grant the Applicant the ability to erect a tombstone on a grave site where she has no rights. Matter opposed and settling Answering Affidavit. Pleadings have closed and this matter has been set down for argument on the 15th of August 2022.	City Parks NPC	-
Applicant's amended pages have now been filed. Preparation of the record of decision currently underway and is due to be filed on the 25th of August 2022. Parks' answering affidavit due to be filed 30 days following the expiry of time afforded (10 days) to the applicant to deliver its amended NOM and supplementary founding papers (if any) after receipt of the record of decision. Work is currently being undertaken to scrutinize the applicant's claims and specifically those made in the expert affidavits attached to their founding affidavit. Parks also expects to receive the high level report from Padova University towards mid-September and will likely file a rule 36(a) & (b) in respect to same.	City Parks NPC	-
JPC currently has four matters of litigation against the entity from external parties. The matters are currently in varying stages of litigation with the likelihood that they may be concluded and settled in the coming 2023 financial year.	Property Company (SOC) Ltd	6 538
The claimant is claiming monies for services rendered which it is alleged that the entity has not paid. The likelihood of recovering the legal costs should the entity succeed are remote.	Pikitup (SOC) Ltd	334
The claimant is claiming monies for services rendered and allegedly not paid for. The likelihood of recovering the legal costs should the entity succeed are remote.	Pikitup (SOC) Ltd	53

Contractual Disputes with service providers

Detail of contingencies	Name of the company responsible	Estimated Amount in R'000
The City was sued for breach on 12 December 2014. The matter was finalised in 2016. On or about the 12th September 2018, the applicant served an Application for leave to appeal the judgement. 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 service provider was given until end of February to quantify the claim. If the City is still not happy with the proposal, the parties will go back to court.	CJMM	1 667

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A company claims a certain amount for breach of contract for the provision of goods. As at the 16th of October 2018 the parties are exchanging pleadings and there is a possible settlement.	CJMM	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. To date, no movement 30 June 2022.	CJMM	340
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 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 2022.	CJMM	4 277
Potential liability through the arbitration regarding the alleged unlawful termination of the JBCC agreement by JDA as a consequence of a particular company's failure to progress the works with due diligence and expedition. Currently, the parties have agreed that the question of whether the agreement ought to be rectified be dealt with separately and before the remainder of the issues. The parties are engaging regarding a date for the hearing of the separated issue. As matters stand, it seems that the matter will be heard in January 2023. In addition to this, the JDA has lodged a counter claim as disclosed I contingent assets.	Development Agency (SOC) Ltd	22 328
Dispute with service provider due to a utility cost analysis project that was suspended as a result of an invalid tender award.	Joburg Market (SOC) Ltd	792
Dispute with a company regarding professional fees in respect of road rehabilitation.	Joburg Market (SOC) Ltd	1 080
The matter relates to a service provider suing the entity for termination of its contract for poor performance. A notice of intention to defend has been filed. The applicant has indicated intention to withdraw the claim.	Pikitup (SOC) Ltd	193
The plaintiff is claiming that his former company contracted with the entity and alleges that the entity is in breach of the contract by failing to pay for the equipment purchased by the plaintiff in fulfilment of the contract. The said company is liquidated. The plaintiff in this matter is not acting and therefore the matter has remained. The likelihood of recovering costs should the entity succeed are remote.	Pikitup (SOC) Ltd	10 000
There is an application for review and setting aside of a tender 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.	Roads Agency (SOC) Ltd	-
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.	Roads Agency (SOC) Ltd	-
A company is approaching the court for an order compelling the JRA to pay retention money allegedly held for a contract.	Roads Agency (SOC) Ltd	5 631
Various service providers have an application for compelling the JRA to refer the contractual disputes on payment of Preliminary and General (P&G) costs to adjudication.	Roads Agency (SOC) Ltd	1 680
There are various contractual claims by suppliers/contractors against the entity. 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	5 100

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Disputes/legal claims by employees

Detail of contingencies	Name of the company responsible	Estimated Amount in R'000
The City is being sued for loss of income after an employee was unlawfully and arbitrarily removed from the COJ Attorney collection panel and the court having ordered his reinstatement, the City having failed to reinstate. Preparation for discovery and for trial is underway. No trial date has been set as at 30 June 2022.	CJMM	180 000
There are 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 attorneys acting on behalf of 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 City is in the process of compiling information necessary to dispute expert notices.	CJMM	2 010
Summons served against the City on the 16th of February 2021. Claim instituted a the plaintiff/employee against the City for defamation of character and unlawful arrest. The claim emanates as a result of an alleged wrongful arrest, malicious and suspension of the plaintiff as an employee. Matter is being defended by the attorneys acting on behalf of the City. Pre-trial conference to be applied for (30 March 2022). City has filed notice to compel to hold pre-trial conference (June 2022).	CJMM	3 500
The matter relates to ex-employees who lodged a notice for leave to appeal to the Labour Appeal's Court ruling in favour of the entity. The likelihood of success is highly unlikely as the Labour Court has confirmed the applicants failed to discharge the onus to prove their claim. The ruling was issued after year end in favour of the entity.	Pikitup (SOC) Ltd	20 434
The matter relates to employees suing the entity for defamation of character following their suspension in November 2019 for allegedly mobilizing employees to participate in an illegal strike. The likelihood of the success of the claim is remote.	Pikitup (SOC) Ltd	600
The matter relates to an ex-employee claiming underpayment during his period of employment. A notice of intention to defend has been filed. Part of the claim has prescribed, and the likelihood of success is remote.	Pikitup (SOC) Ltd	1 710
DEMAWUSA recision application, the union has applied for re-recognition and the matter is currently before the labour court.	Metro Bus (SOC) Ltd	51
Unfair discrimination: Two entity employees have raised a salary dispute based on current salary and potential payback from 1989 and 2013 respectively.	Metro Bus (SOC) Ltd	500
Unfair labour practice: After the recruitment process for managing director the board resolved to recommend the candidate. The recommendation was not approved by the shareholder and the candidate declared a dispute. The employee might compel Metrobus to pay damages, costs are estimated to be equal to 12 months' salary.	Metro Bus (SOC) Ltd	-
The entity is involved in three (3) litigation matters with employees and former employees. One (1) matter is currently in the arbitration process with a potential settlement cost.	Joburg Market (SOC) Ltd	563
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	2 062
A former employee has applied to the Labour Court for the review and setting aside of her dismissal by JRA which was upheld by the South African Local Government Bargaining Council.	Roads Agency (SOC) Ltd	-
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.	Roads Agency (SOC) Ltd	8 000
An employee was dismissed by the JRA for misconduct/surbordination. He referred the matter to the South African Local Government Bargaining Council (SALGBC) for Arbitration and the Arbitrator found in his favour. 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.	Roads Agency (SOC) Ltd	-

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JRA is appealing against an Award issued by the SALGBC against an employee who was dismissed for misconduct. SALGBC held that JRA should re-instate the employee and also compensate him for loss of income.	Roads Agency (SOC) Ltd	-
Unfair dismissal. The CCMA ordered the complainant be compensated but he is now approaching the Labour Court to apply for re-instatement.	Roads Agency (SOC) Ltd	-
A former employee is claiming leave payout allegedly outstanding since his retirement in 2012.	Roads Agency (SOC) Ltd	-
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	1 349
Employees are claiming unfair labour practice relating to non-payment for 2019, 2020 and 2021 financial years. The matter is being defended at bargaining council.	City Power (SOC) Ltd	18 283
An employee is challenging his dismissal for gross negligence in dealing with contracts between a particular company and City Power. The employee is claiming the unpaid salary from the date of dismissal. The matter is being defended at bargaining council.	City Power (SOC) Ltd	2 193
Litigation is in the process against the entity relating to the dispute of various employee dismissals at the bargaining council and labour courts. Management is uncertain about the outcome of these various litigations, and due to the nature of the various claims, cannot quantify the potential financial impact as at 30 June 2022.	Property Company (SOC) Ltd	-

Contingent Assets 2022

Detail of contingencies	Name of the company responsible	Estimated Amount in R'000
Summons for the irregular issuing of clearance certificate and irregular refund payment. Matter to date has not been defended. 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. The Attorneys on behalf of the City are attempting to trace the second defendant. As at 30 June the City still awaits further instructions from principals.	CJMM	537
In accordance with the interest and the penalties disclosed, the JDA has issued a dispute or objection against SARS regarding the reassessment that was done for the 2019 financial year. The basis used by SARS is unprecedented and recovery is highly probable.	Development Agency (SOC) Ltd	17 673
Potential liability through the arbitration regarding the alleged unlawful termination of the JBCC agreement by JDA as a consequence of a particular construction company's failure to progress the works with due diligence and expedition. Currently, the parties have agreed that the question of whether the agreement ought to be rectified be dealt with separately and before the remainder of the issues. The parties are engaging regarding a date for the hearing of the separated issue. As matters stand, it seems that the matter will be heard in January 2023. The JDA has as a result of this, lodged a counter claim against the construction company which is being dealt with together with the arbitration.	Development Agency (SOC) Ltd	12 995
The entity is pursuing claims against suppliers/contractors as well as illegal removal of trees as at 30 June 2022. The potential financial benefit cannot be determined with certainty as these matters are still subject to litigations but there is a provisional estimate by the entity.	City Parks NPC	5 800
The entity is a beneficiary to a land donated from a deceased estate. The land is situated in France. The process is on-going and neither the value nor the date of transfer is currently known.	City Parks NPC	-
The illegal removal of trees by Corporate and/or private citizens does have a negative impact on the environment. This has necessitated that the entity pursue litigation against both Corporate and/or private citizens where there has been the illegal removal of trees. Most of the cases that relate to the illegal removal of trees are in the process of settlement.	City Parks NPC	-

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The SARS matter that was disclosed as a contingent liability in the 2020 financial year has since progressed to a point where a finalization 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 financial year as a show of good faith. Based on the 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 entity has a counter claim in relation to the third bulleted item listed under contingent liabilities on their financial statements. The claim relates to the inverse where the entity has been over-billed for a period of 5 years in relation to a contractual agreement for the supply of metered bulk water.	Joburg Water (SOC) Ltd	34 989
JOSHCO is claiming for failure by service provider to perform as per JBCC Contract.	JOSHCO (SOC) Ltd	11 435
There is a claim against a supplier for breach of contract.	JOSHCO (SOC) Ltd	6 987
There is a claim against a company for damages suffered as result of non-performance.	JOSHCO (SOC) Ltd	14 646

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CONTINGENCIES (2021)

Group

Legal Claims by residents/companies

Details of contingencies	Name of the company responsible	Estimated Amount in R'000
The Plaintiff is suing the City for alleged services rendered or goods delivered and not paid. The City does not dispute the services rendered.	CJMM	3 657
Claim by the Plaintiff for allegedly failing to provide sufficient electricity for development after rezoning a property. The court dismissed the application and the parties agreed that the allocated time for trial was not sufficient as a result they are currently awaiting new trial date.	CJMM	6 290
Claim by a company for services rendered. The claim seems legitimate and City intends on entering settlement negotiations with applicant. The matter is being defended, City filed an answering affidavit raising locus standi/contractual privity alternatively that the amount claimed by the applicant is highly overstated.	CJMM	266 000
The 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.	CJMM	2 640
Claim by a resident relating to alleged damages for loss of amenity due to City approving certain land uses adjacent to the plaintiff's property. Trial date on this matter is set for 9, 10 and 11 September 2019.	CJMM	17 000
There is a dispute the members of SALGA Pension Fund lodged with the City of Joburg subsequent to their transfer to eJoburg pension fund. The court decided that if this matter should proceed there should be a joinder by all the affected parties.	CJMM	20 951
The Plaintiff sued the City for damages, the plaintiff alleges arose from the City's non enforcement of the by-laws. A trial date is being awaited.	CJMM	5 800
A company claims for monies to be paid by City for tickets and plaintiff also claims for loss of business. Trial date set for 3 September 2019. The City does not deny the money for the tickets but has a problem with a claim for loss of business by plaintiff.	CJMM	1 402
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 and claim that the City had made a calculation error and he then repudiated the contract. Notice to oppose the matter was filed by COJ.	CJMM	8 950
The plaintiff (an international company) is suing the Johannesburg City Theatres for the cancellation of the Soweto Jazz Festival in 2018. A plea and request for security has been served.	CJMM	24 505
JDA has entered into legal proceedings regarding the relocation of illegal occupants in various buildings around the Bertrams Priority Block. Eviction proceedings have been instituted in the South Gauteng High Court. Negotiations are underway with illegal occupants to settle the matter out of court. Progress made since 2012 – Some of illegal occupants have agreed to be reallocated to properties operated by JOSHCO. The few that would be left because of inability to meet due to ongoing negotiations for reallocations and the legal proceedings have been in abeyance until alternate accommodation is found by the JDA and CJMM. The parties are working together to reach agreement without a protracted litigation process.	Development Agency (SOC) Ltd	-
JDA has been served with summons for loss of income and damages to property by the operators of the establishment known as Ubuntu Kraal in Soweto, Johannesburg. The damages were alleged to have been caused by flooding due to the JDA activities in the construction of the Rea Vaya BRT infrastructure along Klipspruit Valley Road. The matter is now being handled by CJMM insurer attorneys. The Matter was set for trial in June 2018 but was withdrawn from the trial roll. There has been no developments since the matter was removed from the trial roll in June 2018. The plaintiff's attorneys have withdrawn as attorneys of record on this matter and the attorneys that are meant to take over this matter have not yet filed their notice of substitution. JDA has written to the attorney and are yet to receive a response as to whether they still intend pursuing this matter.	Development Agency (SOC) Ltd	23 500

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The applicant sought an order interdicting and restraining the City of Johannesburg and the JDA from proceeding with the tender process and implementing the contract in respect of the tender in relation to the BRT Bus Monitoring system. The applicant seeks an order, amongst others, reviewing and setting aside the JDA's decision to award the tender to the Naledi consortium. Naledi also opposes this relief. The matter is currently at pleadings stage with the JDA having filed its answering affidavit in July 2020. The Applicant (Bona) has not taken steps since September 2020 to ensure that the matter is ready for hearing. They are required to file heads of argument, after which the rest of the respondents (JDA and Naledi) would file theirs and the matter be allocated a date for hearing. The JDA and City have since decided to file our own heads of arguments despite the failure by the applicant to do so. The matter will be held in court at the date yet to be determined.	Development Agency (SOC) Ltd	-
The scaffolding work into the Grayston Drive Pedestrian and Cyclist structural bridge collapsed on 14 October 2015 which resulted in the loss of life and other damages. Due to the nature of the incident, the Department of Labour (DOL) has to conduct a formal inquiry to determine the causes for the collapse of the scaffolding works. The inquiry commenced on 7 July 2016 and a Commissioner appointed by the DOL. The hearing took place and was completed. The Commissioner from the Department of Labour has concluded on the matter and the JDA has lodged an appeal to the Labour Court against the decision of the Chief Inspector, the JDA received a Notice to Oppose from the State Attorney, who is representing the Chief Inspector in the above matter. JDA received the written record of proceedings forming the subject of the appeal from the State Attorney on 30 June 2020. In accordance with the Labour Court Rules, JDA extracted certain portions of the record for purposes of the appeal proceedings and served a certified copy thereof on the State Attorney and filed another copy at the Labour Court on 16 July 2020. The Appellants' concise written representations were received on Thursday, 30 July 2020. Now that both parties have submitted their written representations, the Registrar of the Labour Court, will set the matter down. To date, the JDA have not been provided a date by the Registrar. The matter will be heard in the labour court on a date yet to be set by the court.	Development Agency (SOC) Ltd	-
Application for an order to remove automatic generator installed at Asphalt Depo.	Roads Agency (SOC) Ltd	-
SARS initiated an audit of JRA for the income tax for the years 2016 and 2017 tax years. After engagement SARS has indicated that they want JRA to pay, however, JRA has lodged an objection to this.	Roads Agency (SOC) Ltd	100 019
A respondent is opposing JRA's to have the Public Protector's report declared unlawful and set aside.	Roads Agency (SOC) Ltd	-
Certain various 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.	Roads Agency (SOC) Ltd	-
City Power has submitted tax returns to SARS for 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. City Power is currently continuing to claim a 100% allowance as it is appealing the decision of the Receiver. The entity is fully accrued in the event that its endeavours to claim 100% bad debt allowance fails.	City Power (SOC) Ltd	-
The receiver has withheld VAT refunds due to the City Power to offset against the income tax owing to Receiver.	City Power (SOC) Ltd	811 402
SARS has disallowed wear and tear allowances claimed under section 12C and 13(1) for the tax years 2014, 2015 and 2016. 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 (2014: R231 800 638), (2015: R267 920 073), (2016: R358 099 737) and consequent interest costs of R446 000 000. 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	City Power (SOC) Ltd	1 312 820
A company has initiated legal proceedings against the City of Johannesburg, City Power and Johannesburg Roads Agency for an alleged violation of a patent for manhole covers. The matter is being defended and an expert was appointed by the entity to assist with the matter. The potential liability for the entity is yet to be determined.	City Power (SOC) Ltd	-

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A summons was issued in favour of a customer for delictual damages. The plaintiff is claiming damages for an injury sustained when falling into a trench. The matter is defendant by the entity.	City Power (SOC) Ltd	267
A company is claiming for failure to provide electricity services by the entity. The matter is being defended.	City Power (SOC) Ltd	1 600
Due to the complexity in determining the carbon omissions and methodologies Kelvin Power determine the liability based on section 4(2) of the Carbon Tax Act which utilise default emission factors as per schedule 2 compared to section 4(1) utilised by the entity.	City Power (SOC) Ltd	50 536
A public liability claim from the lawyers of a customer after she fell in to the orchestra pit. The customers attorneys claim that the incident was caused due to negligence by Joburg Theatre. The matter has gone to court and JCT is awaiting an outcome.	Joburg Theatre (SOC) Ltd	9 020
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 matter is held in abeyance by the plaintiffs and the entity is not aware of any trial date. If the court finds in favour of the entity and a cost order is issued, recovery of legal fees will be pursued.	Joburg Water (SOC) Ltd	5 487
The plaintiff claims that the company caused damage to its fibre infrastructure. Joburg Water is awaiting dates for the judicial pre-trial, alternatively the trial from the plaintiff.	Joburg Water (SOC) Ltd	322
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 company billed based on inaccurate measurements. The plaintiff is seeking reimbursement for unjustified enrichment.	Joburg Water (SOC) Ltd	5 048
The plaintiff claims that it had under-billed the entity for a 5 year period in relation to a contractual agreement for the supply of metered bulk water. Pleadings for the arbitration have closed and the matter will proceed to hearing stage. An expert has been appointed by the entity and the hearing on prescription has been rescheduled to the first quarter of the next financial year. Each party bears its own cost for the arbitration and share costs for recordings, venue and arbitrator's costs.	Joburg Water (SOC) Ltd	104 577
A certain company has a damage claim for loss of income at Randburg Silkirk for fence demolition against JOSHCO.	JOSHCO (SOC) Ltd	653
Disputes with a certain company relating to security services	JOSHCO (SOC) Ltd	92
A company is claiming for interest on overdue professional account and legal fees.	JOSHCO (SOC) Ltd	157
A company is claiming for legal fees from claim for construction work done on the Casa Mia refurbishment project.	JOSHCO (SOC) Ltd	378
A claim for work done on the Dobsonville project	JOSHCO (SOC) Ltd	1 220
Application launched against JCPZ for an Order allowing it to grant the Applicant the ability to erect a tombstone on a grave site where she has no rights. Matter opposed and settling Answering Affidavit.	City Parks NPC	-
Debt restructuring: During the debt restructuring process, management identified that there could be potential tax issues that could arise from the debt restructuring process. Management also identified certain potential issues in so far as it related to income tax. Management is in the process of assessing this and determining appropriate way forward.	Metro Bus (SOC) Ltd	-

Contractual Disputes with service providers

Detail of contingencies	Name of the company responsible	Estimated Amount in R'000
The City was sued for breach on 12 December 2014. The matter was finalised in 2016. On or about the 12th September 2018, the applicant served an Application for leave to appeal the judgement. 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.	CJMM	1 667

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There is a claim for breach of contract for the provision of goods. As at the 16 October 2018 the parties are exchanging pleadings.	CJMM	11 307
A claim for monetary payment for a breach of contract for immediate specific performance as per the agreement. Parties are exchanging pleadings.	CJMM	340
A certain company instituted legal proceedings against the City of Johannesburg Metropolitan Municipality on or about 22 October 2018, 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, 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.	CJMM	4 277
Dispute with service provider due to a utility cost analysis project that was suspended as a result of an invalid tender award.	Joburg Market (SOC) Ltd	792
Dispute with a company regarding professional fees in respect of road rehabilitation	Joburg Market (SOC) Ltd	1 080
The plaintiff is claiming monies for services rendered which it is alleged Pikitup has not paid. The likelihood of recovering legal costs should the entity succeed are remote.	Pikitup (SOC) Ltd	334
The plaintiff is claiming that his former company contracted with the entity and alleges that the entity is in breach of the contract by failing to pay for the equipment purchased by the plaintiff in fulfilment of the contract. The said company is liquidated. The plaintiff in this matter is not acting and therefore the matter has remained. The likelihood of recovering costs should the entity succeed are remote.	Pikitup (SOC) Ltd	10 000
A supplier is claiming in terms of non-payment for services rendered to the entity. The matter is being defended by the entity.	City Power (SOC) Ltd	2 366
A supplier is claiming in terms of non-payment for services rendered to the entity. The matter is being defended by the entity.	City Power (SOC) Ltd	5 333
A supplier is claiming in terms of non-payment for services rendered to the entity. The matter is being defended by the entity.	City Power (SOC) Ltd	5 001
A supplier is claiming in terms of non-payment for services rendered to the entity. Arbitration has been held and the entity is awaiting award.	City Power (SOC) Ltd	5 333
A company has lodged legal action against the entity for the cancellation of contract. The potential liability is the remaining contract value at the time of cancellation. The contract with the supplier has been fully utilised therefore the supplier claim against the entity is null and void.	City Power (SOC) Ltd	-
A company has lodged legal proceedings in respect of the termination of the contracts for the upgrading of the Eldorado Park and Hopefield substation.	City Power (SOC) Ltd	69 668
A company claiming for breach of contract. Arbitration proceedings are in progress.	City Power (SOC) Ltd	24 593
A supplier is claiming for non-payment of outstanding invoices. The matter is being defended.	City Power (SOC) Ltd	27
Contract JRA/19/001 dispute where the contractor, complains of failure by the JRA to award them work notwithstanding compliance by the contractor with conditions of the contract.	Roads Agency (SOC) Ltd	-
A company rendering a service claims for the unpaid services rendered to JRA	Roads Agency (SOC) Ltd	2 445
Dispute over the supplying and laying of asphalt where the contract was vague.	Roads 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.	Roads Agency (SOC) Ltd	1 680
The plaintiff declared a dispute following a disagreement on the quantum of penalties that the JRA is entitled to following delayed completion of the works that JRA had contracted them to do.	Roads Agency (SOC) Ltd	-

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During 2018, Joburg Theatre was served with summons for an alleged breach of contract regarding the Soweto Jazz Festival. The Plaintiff in the matter sought an amount for the damages based on the alleged breach of contract. The matter is sub judice.	Joburg Theatre (SOC) Ltd	24 505
There are various contractual claims by suppliers/contractors against the entity. 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	5 100

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Disputes/legal claims by employees

Detail of contingencies	Name of the company responsible	Estimated Amount in R'000
The City is been sued for loss of income after an employee was unlawfully and arbitrarily removed from the COJ Attorney collection panel and the court having ordered his reinstatement, the City having failed to reinstate.	CJMM	180 000
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 attorneys acting on behalf of 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.	CJMM	2 010
Summons served against the City on the 16th of February 2021. Claim instituted a (Plaintiff/Employee) against the City for defamation of character and unlawful arrest. The claim emanates as a result of an alleged wrongful arrest, malicious and suspension of the plaintiff as an employee. Matter is being defended by the attorneys acting on behalf of the City.	CJMM	3 500
The employees took the entity to SALGBC for unfair dismissal after termination of their services (expired contracts). The parties have submitted their papers and waiting for court dates.	Pikitup (SOC) Ltd	20 434
Alleged unfair dismissal: 10 official alleged unfair dismissal cases and 1 for unfair labour practice against Metrobus currently under consideration by the SALGBC, management is confident that the matter will be ruled in the company's favour.	Metro Bus (SOC) Ltd	-
Unfair discrimination: Two entity employees have raised a salary dispute based on current salary and potential payback from 1989 and 2013 respectively.	Metro Bus (SOC) Ltd	-
Unfair discrimination: An employee has raised a dispute for unpaid salary. the estimate is still to be determined.	Metro Bus (SOC) Ltd	-
The entity is involved in seven (7) litigation matters with employees and former employees. Three (3) of the matters are currently lodged with the SALGBC and there is a potential cost (which is equivalent to 1 years compensation for all 3 matters). The other four (4) matters are currently at the labour courts	Joburg Market (SOC) Ltd	5 537
An employee has applied to the Labour Court for the review and setting aside of her dismissal by JRA which was upheld by the South African Local Government Bargaining Council.	Roads Agency (SOC) Ltd	-
Unfair dismissal. The CCMA ordered the complainant be compensated but he is now approaching the Labour Court to apply for re-instatement.	Roads Agency (SOC) Ltd	-
An employee is claiming leave payout allegedly outstanding since his retirement in 2012.	Roads Agency (SOC) Ltd	-
The Applicant was dismissed for theft. Following their dismissal, the Applicant referred the matter to the CCMA, for conciliation. The CCMA however issued a ruling to the effect that the matter was referred out of time consequently it could not be heard. The Applicant has since referred the CCMA's ruling for review by the Labour Court.	Roads Agency (SOC) Ltd	-
Two employees are challenging the appointment process of a Group Executive (GE) position after the employees were not appointed after contesting the position. The potential liability is the payback of GE's three months' salary to both employees should they succeed. The matter is being defended by the entity.	City Power (SOC) Ltd	-
An employee is challenging his dismissal for gross negligence in dealing with contracts between a particular company and City Power. The employee is claiming the unpaid salary from the date of dismissal. The matter is being defended by the entity.	City Power (SOC) Ltd	-
An employee is challenging his job grade. The employee is claiming the salary difference between the two grades. The employee has retired.	City Power (SOC) Ltd	-
A employee is challenging the job grading system. The employee is claiming the salary difference between the two grades. The employee was dismissed on a separate matter.	City Power (SOC) Ltd	-

Contingent Assets 2021

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Detail of contingencies	Name of the company responsible	Estimated Amount in R'000
Claim instituted by the COJ and Bus Operating Company and others against an attorney who misappropriated money to be used by the operators to invest in BOC.	CJMM	11 528
Summons for the irregular issuing of clearance certificate and irregular refund payment. Matter to date has not been defended. 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. The Attorneys on behalf of the City are attempting to trace the second defendant.	CJMM	537
Eviction of illegal occupation of Hillbrow Recreational Centre. The Social Development Department approached the Legal Department for the eviction of unlawful occupants at Hillbrow Recreation Centre. The main application for eviction was given the date of 11 August 2021. It has a 50/50 chance of success.	CJMM	178
The entity is pursuing claims against suppliers/contractors. The potential financial benefit cannot be determined with certainty as these matters are still subject to litigations but there is a provisional estimate by the entity.	City Parks NPC	3 400
The entity is a beneficiary to a land donated from a deceased estate. The land is situated in France. The process is on-going and neither the value nor the date of transfer is currently known.	City Parks NPC	-
Summons have been served, matter is on application for default judgements to dismiss the Defendant's Plea and grant judgement in favour of client. Defendant subsequently filed plea. Accordingly, next step is application for trial.	City Parks NPC	-
Eviction application was brought and Court has granted the order together with costs.	City Parks NPC	-
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. A payment was paid to SARS during the 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	35 000
The entity has a counter claim in relation to the last bulleted item listed under contingent liabilities. The claim relates to the inverse where the entity has been over-billed for a period of 5 years in relation to a contractual agreement for the supply of metered bulk water.	Joburg Water (SOC) Ltd	34 989
Failure by service provider to perform as per JBCC Contract.	JOSHCO (SOC) Ltd	11 435
There is a claim against a supplier for breach of contract.	JOSHCO (SOC) Ltd	6 987
There is a claim against a certain company for damages suffered as result of non-performance.	JOSHCO (SOC) Ltd	14 646

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48. 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

GROUP

	Ref	As previously reported	Correction of error	Reclassification	Restated
Receivables form exchange transactions	2	961 591	127 508	(2 513)	1 086 586
Receivables from non-exchange transactions	2	233 585	985	2 513	237 083
Vat Receivables		435 164	3 717	-	438 881
Consumer debtors	18	7 679 935	(604 375)	-	7 075 560
Property, plant and equipment	3	78 358 421	(518 020)	7 254	77 847 655
Intangible assets	3	1 568 022	(327 754)	-	1 240 268
Payables from exchange transaction	5	(12 191 604)	(37 456)	-	(12 229 060)
Payables from non exchange transactions-current	21	-	-	(332 128)	(332 128)
Payables from exchange transactions-non current	21	(415 828)	-	332 128	(83 700)
Provisions	6	(1 333 426)	(38 399)	-	(1 371 825)
Deferred tax Asset	8	2 177 197	326 933	-	2 504 130
Deferred tax liability	8	(3 580 929)	226 633	-	(3 354 296)
Investment property	14	1 023 752	15 085	-	1 038 837
Inventories	11	326 138	55 897	-	382 035
Current tax receivables	15	198 820	7 768	-	206 588
Heritage assets	3	596 427	28 562	-	624 989
Consumer deposits	16	(15 098)	(3 981)	-	(19 079)
Employee benefits obligations	9	(1 221 635)	1 970	-	(1 219 665)
Living resources	19	19 894	14 508	(7 254)	27 148
Other Statement position items		(16 056 365)	(20 532)	-	(16 076 897)
Accumulated surplus		(58 764 061)	740 951	-	(58 023 110)
		-	-	-	-

CJMM

	Ref	Correction of error	Reclassification
CJMM-Investment Property		15 085	-
CJMM-Property, plant and equipment		(484 645)	(7 254)
CJMM-Intangible Assets		(333 827)	-
CJMM-Heritage Assets		28 562	-
CJMM-Living Resources		-	7 254
CJMM-Receivables from exchange		83 643	-
CJMM-Accrued leave pay		5 319	-
CJMM-Trade and other payables		22 209	-
CJMM-Accumulated Surplus		601 120	-
		(62 534)	-

Statement of financial performance

City of Johannesburg Metropolitan Municipality

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Notes to the Group Annual Financial Statements

GROUP

	Ref	As previously reported	Correction of error	Reclassification	Restated
Rendering of services	7	30 662 681	(361 960)	-	30 300 721
Agency services	10	757 798	(47 223)	21 714	732 289
Rental facilities	20	352 980	191	-	353 171
Other revenue	13	387 446	47 877	(21 714)	413 609
Debt impairment	4	(6 394 512)	(3 173)	(7 029)	(6 404 714)
Employee related costs	1	(15 299 666)	47 955	(16 785)	(15 268 496)
General expenses	12	(9 457 837)	(108 158)	23 814	(9 542 181)
Depreciation and amortisation	3	(3 829 826)	(29 170)	-	(3 858 996)
Levies (Non-exchange)	13	586 142	(337 620)	-	248 522
Finance costs	17	(2 612 109)	5 185	-	(2 606 924)
Taxation	8	30 914	348 310	-	379 224
Bulk purchases	6	(18 331 386)	(18 086)	-	(18 349 472)
Demand side management	13	-	337 620	-	337 620
Other Statement of financial performance items		27 015 421	(14 100)	-	27 001 321
Surplus (deficit) for the year		3 868 046	(132 352)	-	3 735 694

CJMM

	Ref	Correction of error	Reclassification
CJMM-Agency service		-	21 714
CJMM-Other revenue		-	(21 714)
CJMM-Depreciation and amortisation		53 851	-
CJMM-Impairment losses		(8 084)	-
CJMM-Employee related costs		(5 319)	-
CJMM-Loss/gain on disposal of PPE		22 186	-
Surplus for the year		62 634	-

Restatement for UIF W

	Entity	Amount
Fruitless and wasteful expenditure		-
-Management has made arrangements to receive invoices electronically from ESKOM, measures are in place to pay the suppliers in instances where invoices are received late. Management continuously engages ESKOM to reverse the interest or penalties incorrectly charged.	JRA	1
-The investigation completed subsequentl concluded that there was no incurrence of fruitless expenditure	WATER	(1 366)
-Reversal of interest	MTC	2
-Group comaparatives were restated to align with Irregular expenditure reported at component level	GROUP	85 037
Irregular expenditure		-
-The SIU completed its investigation into Covid-19 related expenditure and cleared the entity of any non-compliance	WATER	13 155
-Irregular expenditure was previously disclosed without VAT as required by Circular 68 and the correction was treated as an error.	JCPZ	84 457
Group comaparatives were restated to align with Irregular expenditure reported at component level	GROUP	919 613
		-
		-

GROUP & COJMM

Management provides explanations for prior period adjustments which are considered material

Notes to the Group Annual Financial Statements

1.Employee related expenditure (Reclassification and correction of errors

Restatement of employee costs is resulting from: -

-COVID which was initially accounted for as general expenditure, and in the current financial year it is accounted for as employee related cost.

-Training course expenses incurred to upskill employees was initially accounted for as general expenses, and in the current financial year it is accounted for as employee costs.

-Skills and Development levy (SDL) payable to SARS was accounted for as general expenses in the previous financial period and in the current financial period it is accounted for as employee related costs.

-Gratuities that has been paid from the notional loan which was not accounted for in the previous financial period

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

-Bursaries debtors which were previously accounted for as receivables from exchange in the previous financial period is accounted for as receivables from non-exchange in the current financial period.

-Student accommodation fees which was not accounted for in the previous financial year discovered in the current financial period as now be accounted for in the current financial period.

-Revision of refundable amount owed to City by landlord which was not accounted for in the previous financial period has been accounted for in the current financial period.

3.Property, Plant and Equipment ,Intangible assets,Depreciation and Amortisation and Heritage assets(Reclassification and Correction of errors)

-Reconciliation for Work in Progress relating to IT equipment's was understated in the previous financial period and correction of such an understatement is accounted for in the current financial period.

-Operation costs such as repairs and maintenance cost were previous capitalized with Work in Progress, and in the current financial year this operational cost were not capitalized with Work in Progress in line with GRAP 17. This has also affected the calculations of depreciation recognized in the statement of financial

-The useful lives of different asset classes were re-evaluated and thus resulted in an extension of the measurement period, thus resulted in the re-calculation of depreciation

-Property, plant and equipment relating to student accommodation was not accounted for in the previous financial period and this has been accounted for in the current financial period.

-Adjustments relate to misclassification of costs incurred on AUC. It also relates to some repairs costs which were misclassified. Mistatements had impact on depreciation and impairment loss which subsequently led to incorrect carrying amount of Fixed assets.-

-Correction of ungaranteed portion of the finance lease which was incorrectly posted in the accounting system .The impact of the error is on the Property, plant & Equipment as well as prior year Accumulated surplus.

4.Debt impairment

-Debt impairment relating to other housing management cost were previously accounted for as administrative expense and in the current financial period, this was accounted for in the debt impairment line item in the statement of financial performance.

-Relates to classification of discount allowed, collections fees, community development expense, project staff uniform, bad debt written off and tenant allocations from debt impairment (other housing management costs) to administrative expenses.

5.Payables from exchange transactions.

Restatement of payables from exchange transaction is resulting from: -

Notes to the Group Annual Financial Statements

-Restatement of UIF and SDL which not properly accounted for in the previous financial period and this has been corrected and properly accounted for in the current financial period.

-Bonuses relating to employees who opted to create their bonuses out of their total package was incorrectly accounted for in the previous financial period and this has been corrected and properly accounted for in the current financial period.-

-Fleet costs that were not accrued during the 2020/21 financial year. Error impacts Payables from exchange transactions, general expenses and Fleet costs

6.Provisions and Bulk purchases

-Carbon tax payables to Kelvin Power was understated in the previous financial period and the correction thereof was effected in the current financial period

7.Rendering of service

Restatement of rendering of services is resulting from:-

-City's efforts to recalculate the value of services rendered relating to previous financial periods which were not accounted for in the previous financial period and such recalculations resulted in the City correcting the amount of services rendered in the current financial period.

8.Deferred tax liability, Deferred tax asset and Taxation

-Bad debt allowances was previously deducted at 100% under sec11(j) to determine taxable income for tax purposes. The entity has revised the bad debts treatment from 100% to 25%.

-Wear and tear allowances was previously claimed under sec12c for tax purposes. The entity has revised the treatment and are only claiming wear and tear allowances under sec11E.

-Income tax has been recalculated for all effected periods. Any under estimated penalties have been recognised in the financial statements.

-Movement in current taxation after taking the above prior period adjustments into account.

9.Employee benefit obligation

-During the preparation of the 2022 actuarial report inputs.It was noted that input data had errors where non-qualifying employees were part of the data submitted for actuarial purposes.

10.Agency services

-The adjustment of the effluent bill is as a result of the incorrect use of a closing meter reading instead of a consumption volume.

11.Inventories

-Impairment of inventory capital was incorrectly classified under inventory in prior periods. This has been corrected in terms of being classified as property, plant and equipment as part of accumulated impairments.

12.General expenses

-This relates to water,sewerage and refuse invoices that was incorrectly accounted for in the prior year

-The change in accumulated surplus reflects the movements in prior assets and liabilities

-The error relating to current tax and deferred tax is due to the a recalculation tax,in addition current tax and vat receivables have been grouped together.

-The net amount is the combination of COID and Insurance reclassified from and to general expenses.

13.Other revenue and Levies

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

-Material items previously disclosed as other income in the Statement of Financial Performance has been reclassified.

-Fees earned, reconnection fees and rental income was consolidated and disclosed as other income on the Statement of financial performance

- These items were previously separately disclosed in the Statement of financial Position.

-The city of Johannesburg Metropolitan Municipality has recalculated the accrual value in relation to the 2020 and 2021 financial years, These transactions result in an adjustment to revenue

14. Investment property

-Adjustments relate to undervalued cost of 3 properties in the prior years

15. Current tax receivables

-The error is due to a recalculation of current tax which resulted in the correction of prior year

16. Consumer deposits

-Unallocated deposits reclassified at group level

17. Finance cost

-Correction of prior period error on employee costs as a result of gratuities that has been paid from the notional loan.

18. Consumer debtors

-During the year it was discovered that the electricity revenue accrual was overstated in the 2020 and 2021 financials periods.

-The services charges has been adjusted retrospectively in the particular periods and comparative restated.

19. Living resources

- Reclassification of Zoo animals from PPE to living resources as per GRAP 110.

20. Rental of facilities and equipment

- Adjustment due to accounting for student accommodation revenue transactions

21. Payables from non-exchange

-Bulk engineering fees liabilities and unspent grants previously included in payables from non-exchange have been enhanced and presented separately in the face of the statement of financial position.

22. Restatement for commitments (R'000)

22.1 JOSHCO

-Management reviewed the commitment balance and the review resulted to an adjustment of commitment amounting to R359 878

22.2 PIKITUP

-Restatement is due to a correction of error which was identified in the current year amounting to R6 520

22.3 JRA

-Restatement is due to a correction of error which was identified in the current year amounting to R19 113

22.4 METROBUS

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

-Restatement due to the fact that it was omitted in the prior financial year and has been included in the current financial year amounting to R100 257.

Operating lease (R'000)

Fleet before restatement	R90 030
Fleet after restatement	R91 076
	R 1 046
Building before restatement	R 237 602
Building after restatement	R 224 075
	(R 13 527)
Equipment before restatement	R 245 777
Equipment after restatement	R 259 909
	R 14 132

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Notes to the Group Annual Financial Statements

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

Figures in Rand thousand

49. Fruitless and wasteful expenditure

Opening balance as previously reported	745 802	500 251	145 574	134 194
Correction of prior period error	-	(1 369)	-	-
Opening balance as restated	745 802	498 882	145 574	134 194
Add: Expenditure identified - current	500 302	247 855	281 998	11 380
Add: Expenditure identified - prior period	85 665	2 066	62 469	-
Less: Amounts recoverable - current	-	(23)	-	-
Less: Amount written off - current	(47)	(2 978)	(8)	-
Closing balance	1 331 722	745 802	490 033	145 574

The fruitless and wasteful expenditure disclosed in the opening balance is currently under investigation. Pending the results of the investigation this figure might be condoned or recovered in the next financial year.

Fruitless and wasteful expenditure current year

The following are the incidents that caused the Fruitless and wasteful expenditure identified in the 2022 financial year:

	Disciplinary steps taken/criminal proceedings	
Employee related costs	CJMM	258
Employee related costs	CJMM	258
Interest and penalties	CJMM	189
Vehicles not delivered	CJMM	62 469
Expenditure on Software licences not utilised	CJMM	219082
Vehicles not delivered-identified current year relating to prior year	CJMM	62 469
Interest charged on late payments and penalties-SARS	JRA	4 121
Interest charged on overdue balances-ESKOM	JRA	15
Non-compliance with PAIA reporting	JRA	9
Impairment loss	JRA	23 172
Interest and penalties charged SARS	JDA	1 031
Interest payable to SARS	City Power	98 212
Interest on late payments	City Power	650
Interest and penalties	Joburg Water	58
Office accommodation	JPC	21 959
Supplier disputes	JPC	221
Court judgments	JPC	587
Interest on non-payment of shareholder loan	MTC	87 600
Unutilised office space	MTC	761
Absconded employee remuneration	PIKITUP	312
Interest on late payments of supplier and penalties on traffic fines	JOSHCO	2890
TOTAL		586 066

Fruitless and wasteful expenditure prior year

The following are the incidents that caused the Fruitless and wasteful expenditure identified in the 2021 financial year:

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Figures in Rand thousand

	Disciplinary steps taken/criminal proceedings	
Description of the incident	Entity/Department	Amount (R'000)
CJMM Departments	CJMM	11 380
JFPM	JFPM	2071
Interest charged on late payments and penalties - SARS	JRA	28 449
Interest charged on overdue balances - ESKOM	JRA	21
Interest payable to SARS	POWER	6 202
Interest on late payments	POWER	534
Locksmith services	POWER	3
Impairment of property, plant and equipment	POWER	121 831
Interest charged due to delayed release of retention	Joburg water	216
Interest on overdue accounts	PARKS	10
Penalties on TV Licences	PARKS	2
Stolen cellphones	PARKS	206
Office accommodation	JPC	15 084
Acting allowances	JPC	165
Disputes with creditors over contracts and invoices resulted in interest being levied on overdue accounts	JPC	7
Board members in the employ of the state	JPC	270
Interest on overdue accounts	MTC	36
		186 487

Fruitless and wasteful expenditure has been restated in the current year. Refer to Note 48

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021

50. UNAUTHORISED EXPENDITURE

Reconciliation of unauthorised expenditure

Opening balance as previously reported	4 788 830	3 637 610	3 854 880	2 851 630
Unauthorised expenditure current year	1 305 578	1 199 590	-	-
Unauthorised expenditure prior period	28 153	-	391 203	1 003 250
Written off by council	-	(48 370)	-	-
	6 122 561	4 788 830	4 246 083	3 854 880

Over expenditure on the operating budget for 2013/14 amounting to R1 713 989 000 was presented to Council and referred to MPAC for further investigation. Internal audit was tasked to investigate and report back to MPAC. The recommendation of MPAC shall be presented to Council in the new financial year.

Unauthorised expenditure incurred in 2022 financial year relates to the following:

The over expenditure incurred by the municipal departments during the year is attributable to the following categories

	GROUP	GROUP	CJMM	CJMM
Non-cash items	84 023	622 678	4 525	622 678
Cash items	1 249 708	576 912	386 678	380 572

Analysed as follows: non-cash items

	GROUP	GROUP	CJMM	CJMM
Employee related cost	-	43 260	-	43 260
Depreciation and amorisation	83 218	191 858	4 525	191 858
Provision of impairment	805	387 560	-	387 560
	84 023	622 678	4 525	622 678

Analysed as follows: Cash items

	Column heading	Column heading	Column heading	Column heading
General expenditure	1 249 708	576 912	386 678	380 573

Unauthorised expenditure: Budget overspending - per municipal department:

Name of Vote	Amount
Housing	379 070
Health	12 133
MBUS	34 909
JOSHCO	158 216
PIKITUP	194 816
Water	312 098
Market	25 771
JDA	11 176
MTC	157 740
JRA	28 153
Civic theatre	19 649
TOTAL	1 333 731

Over expenditure on the operating budget for 2021/22 mainly results from non-cash items such as debt impairment, depreciation and interest on overdraft bank accounts.

Unauthorised expenditure incurred in 2021 financial year relates to the following:

Name of Vote	Amount
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Figures in Rand thousand

CJMM	1 003 250
MBUS	3 500
JRA	44 294
JOSHCO	38 907
PIKITUP	102 480
CITY Power	193
Market	6 966
TOTAL	1 199 590

Please refer to note 48 Prior year adjustments for restatements.

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Notes to the Group Annual Financial Statements

Figures in Rand thousand

51. ADDITIONAL DISCLOSURE IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

Skills development levy

Opening balance	22 413	13 645	20 115	13 321
Current year subscription / fee	146 177	116 595	88 538	70 973
Amount paid - current year	(136 453)	(107 503)	(81 160)	(64 179)
Amount paid - previous years	(9 092)	(324)	(6 794)	-
	23 045	22 413	20 699	20 115

Audit fees

Opening balance	3 964	1 758	1 121	55
Current year audit fee	69 141	68 913	25 303	27 082
Amount paid - current year	(67 031)	(65 004)	(26 352)	(26 016)
Amount paid - previous years	(251)	(1 703)	-	-
	5 823	3 964	72	1 121

PAYE and UIF

Opening balance	181 982	144 439	126 046	100 741
Current year payroll deductions	2 589 425	2 464 451	1 657 463	1 591 963
Amount paid - current year	(2 428 348)	(2 303 119)	(1 519 374)	(1 465 917)
Amount paid - previous years	(150 838)	(123 789)	(126 046)	(100 741)
	192 221	181 982	138 089	126 046

Pension and Medical Aid Deductions

Opening balance	284 049	200 146	194 647	181 312
Current year payroll deductions and Council contributions	3 596 185	3 310 626	2 449 552	2 290 809
Amount paid - current year	(3 315 617)	(3 043 863)	(2 243 360)	(2 096 162)
Amount paid - previous years	(196 243)	(182 860)	(194 647)	(181 312)
	368 374	284 049	206 192	194 647

VAT

VAT receivable	557 942	441 253	207 441	165 475
VAT payable	(168 771)	(194 973)	-	-
	389 171	246 280	207 441	165 475

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.

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Notes to the Group Annual Financial Statements

Figures in Rand thousand

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2022. All amounts are disclosed in Rands and are not rounded to the nearest thousand.

30 June 2022	Outstanding less than 90 days Rands	Outstanding more than 90 days Rands	Total Rands
Supe W	13 294	309 381	322 675
Moosa I	2 470	45 167	47 637
Mathe ZE	1 688	18 103	19 791
Khosa MS & Moosa II	1 447	13 976	15 423
Shabangu L	1 473	6 430	7 903
Nguse S	5 812	3 195	9 007
Zungu NG & PN	11 562	5 527	17 089
Mnisi ND	2 695	1 305	4 000
Mnisi ND	-	172	172
	40 441	403 256	443 697

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Notes to the Group Annual Financial Statements

Figures in Rand thousand

The following Councillors had arrear accounts outstanding for more than 90 days as at 30 June 2020. All amounts are disclosed in Rands and are not rounded to the nearest thousand.

30 June 2021	Outstanding less than 90 days Rands	Outstanding more than 90 days Rands	Total Rands
Dewes DS	12 252	3 038	15 290
Dyodo & FB Makhanya	1 714	487	2 201
Mazibuko MM	6 466	2 083	8 549
Ngcana S	5 201	-	5 201
Shuda JK	5 527	932	6 459
Christians PV& A	12 184	3 195	15 379
Thaga MZ	7 075	2 433	9 508
Ngwenya ML	18 357	6 548	24 905
Tlale MZ	11 871	2 015	13 886
Van Wyk W	9 172	2 504	11 676
Dewes DS	66 800	17 171	83 971
Netnow DM	17 747	5 784	23 531
	174 366	46 190	220 556

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Notes to the Group Annual Financial Statements

52. 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

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
Parusman Mariemutoo	Defined Printing and Stationery CC		350
Semakaleng Mzobe	Mreabetse Trading (Pty) Ltd		26
Nontando Letsoela	Bureau of Market Research (Pty) Ltd		2 076
Tryphosa Sithole	Royal Haskoning DHV (Pty) Ltd		4 518
Hervor Mebona	Sizwe Africa IT Group (Pty) Ltd		169 841
Zama Nyawo	Zamanguni Automation		3 882
Lorraine Biyela	Bantu Traders and Maintanance Service		52
Nomawethu Kula	Madiramongo Businss Service CC		3 032
Lindiwe Njenje	Electrical System Consulting CC		30
Semakaleng Mzobe	Mreabetse Trading		330
Thembane Sibeko	Makplan Development and Infrastructure		21
Mkogoshing Ratau	LLM INNOVATION COMPANY (PTY) LTD		25
SS Mona	Seenamoovar Enterprise	Gauteng Legislature	19 346
Isabela Muneka	EDGE LINE Engineering	Johannesburg water	1 567

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Notes to the Group Annual Financial Statements

Clive September Darren Pillay Jenny Moon Jo-Anne Stolworthy Lize De Beer Mthokozisi Selby Mkhize Neville Randall Nomasithini Nzaiya Penny Smith Rorisang Lekonyana Douglas Kiewiet Vinnie Naidoo Pravanya Pillay Zafar Haq	GIBB (Pty) Ltd	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
Nokuthula Sedumedi	Threshold Project Manager	Wife is employed by DBSA and sister employed by SAA	3 044
CAJ Van Coille	CSM Consulting Services	Son is employed by Western Cape Provincial Government Department of Environmental Affairs and Development Planning	2 053
CAJ Van Coille	CSM Consulting Services	Son is employed by Western Cape Provincial Government Department of Environmental Affairs and Development Planning	2 885
CAJ Van Coille	CSM Consulting Services	Son is employed by Western Cape Provincial Government Department of Environmental Affairs and Development Planning	2 860
Lumko Sidwell Mhlauli	Lukhozi Consulting Engineers	Wife employed by Office of the Premier	1 738
Ridwaan Bhana	Ikemeleng Architects	Spouse employed at Gauteng Provincial Infrastructure Development	1 017

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Notes to the Group Annual Financial Statements

Lizelle Blignaut	Bowmans	Father, Jan van den Heuvel employed by Department of Justice	1 280
Cornelia Maria Bouwer		Brother, Jacob Christoffel Cronje employed by SANDF	
Cornelia Maria Bouwer		Sister-in-law, Tanje Cronje employed by the Department of Education:Gauten	
Amanda Chetty		Elizabeth Arumugam, employed by the Department of Education:Kwa-Zulu Natal	
Deokiram Nicole		Roshal Rye Ramdenee - Husband Principle Investments present	
De Villiers David		Johan Conradie - Brother in law Auditor-General South Africa	
De Villiers David		Marilize de Villiers - Wife The Council for Scientific and Industrial Research (CSIR)	
Deokiram Nicole		Mr Deokiram - Father Johannesburg Roads Agency	
Dyer Livia (nee Smith)		Claire Dyer- Mother National Department of Education	
Franklyn Claire		Christopher Barry Franklin Father NECSA (South African Nuclear Energy Corporation)	
Graham Ashleigh		Michael van Aardt - Husband Department of Health: Gauteng	
Green Chris		Quentin Green - Father Johannesburg City Power	
Kaapu Jerry		Ditodi Norman Kaapu - Brother South African Police Service: Silverton	
MkivaClement		Nomveliso Mkiva - Sister Road Traffic Management Corporation	
Mellem Roxan		Gail Mellem - Mother Western Cape Education Department	
Nichols Trudie		Terrence Nichols - Brother South African Airways Voyager - Commercial/Voyager Department	
Nonkululeko Zondo		Philistine Tolamo - Aunt Gauteng Department of Education	
Nonkululeko Zondo		Sibongile Zondo - Mother City of Johannesburg - Operations Manager- 1997-2004; 2006 – Present	
Nonkululeko Zondo		Thamsanqa Mtshali - Father KZN Department of Education	
Nyali Xolani		Masango Nyai - Father Department of Education : Eastern Cape	
Pillay Keshni		Sooriakumari Pillay - Mother KwaZulu Natal Department of Education	
Pillay Keshni		Alicia Pillay - Sister Air Traffic Navigation Services(ATNS) - Tshwane Municipality	
Sarjoo Anshini		Arvin Sarjoo -Tshwane Municipality	
Sass Mendel		Tamryn Sass(nee Harris) -SpouseCity of Cape Town	
Sepuba Comfor		Bertha Sepuba – MotherGauteng Department of Finance	
Sepuba Comfor		Sibusiso Sepuba - BrotherGauteng Department of Finance	
Sicam Yonela		Luthando Sicam - Brother Buffalo CityMunicipality	
Bonnie Steyn		Elizabeth Steyn- Mother Western Cape HighCourt"	
Suliman Yasmeen		Ms Suliman,Sister eThekweni Municipality Emanuel Tipru - HusbandSAP Engineering Services (City Power	
Tipru Thevi		Karen Kets - Sister-in lawEskom SOC Limited"	
van EyssenYolande		Andre Visser - HusbandCity of Cape TownLocal Municipality"	
Visser Heidi			
Cobin Beukes	Bergstan	Spouse works for the Department of Social Services	1 013
Elsie Bester	KWP Create	Spouse works for the Department of Transport	338

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Notes to the Group Annual Financial Statements

53. Irregular expenditure

Opening balance before restatement	12 093 494	10 313 997	5 597 586	4 488 488
Restated amount	-	21 612	-	-
Opening balance after restatement	12 093 494	10 335 609	5 597 586	4 488 488
Add: Irregular expenditure - current				
	3 174 643	2 670 906	1 274 471	1 118 009
Add: Irregular Expenditure - prior period	382 198	265 352	110 524	-
Less: Amount written off - current	(2 252 421)	(1 178 373)	(212 894)	(8 911)
Closing balance	13 397 914	12 093 494	6 769 687	5 597 586

Cases under investigation

65 (2021: 95) cases related to non-compliance with procurement process requirements and other non-compliance with laws, regulations, council policies and/or by-laws.

Incidents/cases identified in the current year include those listed below:

Description of the incident	Entity	Amount in R'000
Contracts identified as irregular in the current year	CJMM	-
Expenditure in respect of prior year contracts identified as irregular	CJMM	840 297
Contracts identified as irregular in the current year	CJMM	1 735
Awards to persons in service of state not blocked	CJMM	291
Non-compliance with SCM policies	CJMM	432 148
Irregular Expenditure identified in current year relating to prior year	CJMM	110 524
Upgrade of Cleveland station	City Power	10 728
Upgrade of Eldorado station	City Power	5 517
Third Party vending	City Power	9 679
Labour contracts	City Power	619 770
Fleet contract	City Power	158 670
Emergency procurement for critical material	City Power	12 242
Personal protection equipment	City Power	3 916
Turnkey solutions	City Power	79 092
Emergency procurement for critical material	City Power	57 539
Award to person of state	City Power	1 509
Award made to not qualifying suppliers	City Power	3 236
Non compliance with PPR, 2017 Regulations	Joburg Water	23 518
Non compliance with MFMA SCM Regulation 36	Joburg Water	123 739
Non compliance with MFMA Circular 62(1)(c) of the MFMA Act 56 of 2003	Joburg Water	911
"Irregular expenditure identified in prior years, incurred in the current year"	Joburg Water	243 007
"Irregular expenditure identified in prior years, incurred in the current year"	Joburg Water	1 254
Transactions were identified during the year whereby SCM process were not properly followed. The matter has been referred for investigation to Internal Audit.	MTC	21 081
Contractual advance payments entered into without following due processes	JDA	87 730
Cession agreements entered into outside of the contract	JDA	61 764
Expenditure incurred post contract expiration	JDA	41 060
Expenditure incurred on expired contracts	JRA	19 707
Non - compliance with regulation 32 of the MFMA	JRA	37 751
Non - compliance with local content requirements	JRA	1 218
Other non compliance to competitive bidding process	JRA	79 725

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

The contract was declared irregular	Joburg Market	354
The contract was extended due to Covid 19 restrictions. A new service provider was appointed and started on the 01/01/2022	Joburg Market	233
The contract was declared irregular	Joburg Market	1 853
The COJ promised to do insourcing but this did not materialize. However for the sake of business continuity the current service provider has been kept on board as they provide an integral service	Joburg Market	8 113
SCM processes were not followed. As a result consequence management processes are in progress	Joburg Market	849
Bids advertised for less than 30 days without reasons being stated	Joburg Market	26 338
Regulation 32 contract amount was exceeded the centralized City's Contract	Metrobus	12 107
Landfill operations	PIKITUP	400
Fleet Cost	PIKITUP	183 542
Employees cost	PIKITUP	2 160
Co-operatives	PIKITUP	53 392
Rental cost	PIKITUP	14 205
Fleet	PIKITUP	22 671
Avis	CIVIC	45
DWR Distribution	CIVIC	3 980
Assessment zone	CIVIC	1 569
Three written quotes not invited	JOSHCO	146
Incorrect calculation of scoring of bidders	JOSHCO	11 599
Fleet services	JPC	15 358
SCM non compliance	JPC	158
Circular 62 MFMA non compliance	JPC	14 388
Competitive bids not invited above R200 000 threshold - current	JPC	5 560
Competitive bids not invited above R200 000 threshold	JPC	4 595
Advertisement of long term contract below 30 days - excess amount	JCPZ	47 847
Fleet contracts awarded by the City of Johannesburg Municipality without following the competitive bidding processes	JCPZ	28 764
Award made without following a competitive bidding process- document filling by City of Johannesburg	JCPZ	403
Award made without following competitive bidding process- insurance	JCPZ	6 855
		-
		-
		-
TOTAL		3 556 841

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

Incidents/cases identified in the prior year include those listed below:

Description of the incident	Entity	Amount in R'000
Expenditure in respect of prior year contract identified as irregular	CJMM	970 520
Contracts identified as irregular in the current year	CJMM	147 489
Appointment of a supplier who did not meet mandatory requirements	POWER	2 096
Irregular expenditure not disclosed (2180 GS)	POWER	5 049
Appointment of a supplier who did not meet mandatory requirements	POWER	2 595
Work without a contract (Easypay, Cigicell, Contour)	POWER	44 501
Supply and repair of ICT hardware & accessories	POWER	4 640
Removal of illegal connections and meter audits	POWER	7 117
Maintenance of DC systems	POWER	1 247
Supply, installation and commissioning of optic fibre	POWER	13 871
Contract extension after expired date (F&J Electrical & Machite Engineering)	POWER	22 661
Turnkey solutions for Electrification projects	POWER	140 093
Labour contract declared null and void by court	POWER	610 362
Fleet contract extended by City of Johannesburg	POWER	90 557
Security contract extension	POWER	68 926
Emergency procurement due to lack of SLA	POWER	70
Contract extension due to lack of planning	POWER	2 063
Procurement without purchase order	POWER	42
Procurement of wheelchair - SCM procedure not followed	POWER	30
Service rendered without purchase order	POWER	12
Covid related expenditure	POWER	23
Contract extension due to poor planning	POWER	2 229
Actom power systems - upgrade of cleveland	POWER	12 442
Supplier did not meet technical criteria	POWER	130
Awards to suppliers with incorrect advertising	POWER	140
Fraudulent activity in the appointment of some learner contractors who did not qualify for appointment.	WATER	44 082
The process followed by JW of procuring the services through a deviation process contravenes the requirement of regulation 36 of the MFMA regulations.	WATER	8 729
The tender was awarded to a service provider based on incorrectly allocated technical evaluation scores	WATER	1 431
The winning bidder was allocated functionality points it did not qualify for	WATER	149
Award was made to a service provider who was non-compliant with tax	WATER	138
Deviation not justifiable and not in compliance with Circular 62 (not reported /approved by Council).	WATER	21 873
Incorrect functionality points awarded	WATER	2 059
No evidence of functionality points awarded	WATER	5 721
Evaluation criteria applied on the bids not consistent with what is stipulated on the tender documents	WATER	6 022
Evaluation criteria applied on the bids not consistent with what is stipulated on the tender documents	WATER	125
Deviation not justifiable and not in compliance with Circular 62 (not reported /approved by Council).	WATER	39 104
Non compliance with Regulation 32 for the hire of fleet	WATER	68 934
Deviation not justifiable	WATER	30 931
The contract was awarded to a contractor whose CIDB grading is below the tender value in contravention of CIDB Regulation 25(A)	WATER	534
Deviations not approved by accounting officer. The minimum number of 3 quotations not obtained	WATER	744
Deviations not approved by accounting officer. The minimum number of 3 quotations not obtained	WATER	2 974

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

Transactions were identified during the year whereby SCM processes were not followed	MTC	7 203
Non - compliance with regulation 32 of the MFMA.	JRA	42 151
Employees in the service of the state doing business with JRA	JRA	157
Non compliance with local content requirements	JRA	4 458
Other non compliance to competitive bidding processes	JRA	76 476
	JFPM	4 456
Unresolved tax matters of related party MOEs		
Service provider rendered services after contract expired	JFPM	34
The contract expired and the tendering process was put on hold due to COJ insourcing of securities	JFPM	14 300
Purchases without following supply chain processes	JFPM	91
Contracts entered into by COJ and which were subsequently declared irregular	JFPM	2 717
Service Provider not tax compliant	JFPM	1 333
Bids advertised for less than 30 days without reasons being stated	JFPM	6 791
Service provider contract Extended due to Covid-19	JFPM	465
Avis Fleet Services - AGSA Finding: The Avis fleet contract was irregularly extended by the City. All expenditure for Fleet are to be disclosed as irregular expenditure.	Metrobus	745
Piston Power - AG Finding: Order splitting to avoid competitive bidding process	Metrobus	437
Afrent - Reported as Accruals in the 2019/20 financial year	Metrobus	(115)
Prior period: Understatement of disclosure of irregular expenditure	Metrobus	10 679
Afrent - AGSA Finding: The City incorrect participated in a Regulation 32 contract. All expenditure for Afrent fleet rentals must be disclosed as irregular expenditure.	Metrobus	1 916
Fleet contracts awarded by the City of Johannesburg Municipality without following the competitive bidding processes	JCPZ	47 277
Insurance contract awarded centrally by the City of Johannesburg Municipality without following a competitive bidding process	JCPZ	1 933
Awards made by Johannesburg City Parks without adherence to the legislated 30 days advertisement	JCPZ	46 513
Quotation awarded to the incorrect bidders due to disqualifications	JCPZ	330
Advertisement of long term contract below 30 days - excess amount	JCPZ	(325)
Landfill fleet	PIKITUP	7 949
Fleet costs	PIKITUP	93 626
IT services	PIKITUP	6 559
Security contract	PIKITUP	16 226
Co operatives	PIKITUP	1 243
Rental cost	PIKITUP	11 479
Sanitizing and deep cleaning services	PIKITUP	250
Employee cost	PIKITUP	3 225
Irregular expenditure-Current year	THEATRE	3 058
Irregular expenditure prior year identified in current year	THEATRE	633
Irregular expenditure prior year	JOSHCO	341
The contractor appointed to execute and complete the tenant installations at Braampark Office Park, Forum 1 was awarded from POP03/2018. The panel was declared irregular at the conclusion of the 2019 annual audit by AGSA. The award to the contractor was made prior to the panel being declared irregular.	JPC	26 361
JPC incurred R10 825 207 for fleet services. Fleet services are an essential requirement for the operations of JPC and could not be discontinued under the existing contract that was entered into by the COJ.	JPC	10 825
During the financial year the board of JPC engaged legal services for the investigation and advisory for matter related to the suspension of the CEO and CFO. No supply chain process was presented or followed by the previous board of JPC.	JPC	486

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

Subsequent to internal audit review it was established that the panel utilised for procurement of cleaning consumables had exceeded the validity period of the tender advertisement.	JPC	5 019
Irregular expenditure prior year	JOSHCO	5 443
Contract was amended or extended in contravention of Circular 62	Joburg water	5 261
Non-compliance with PPPFA Regulations on Local Content	Joburg water	1 154
Contravention of MFMA Regulation 36	Joburg water	5 783
Contravention of MFMA Regulation 36	Joburg water	21 856
Contravention of MFMA Regulation 36	Joburg water	868
Contravention of MFMA Regulation 36	Joburg water	3 687
		2 883 812

Cases under investigation

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

Figures in Rand thousand

Emergency - Reg (1)(a)(i)
Sole supplier - Reg (1)(a)(ii)
Special work of art - Reg (1)(a)(iii)
Aquisition of animals - Reg (1)(a)(iv)
Impractiability - Reg (1)(a)
(v)
Ratification of minor breaches - Reg (1)(b)
Other contracts extensions

Group		CJMM	
2022	2021	2022	2021
5 168 554	106 929	5 138 223	11 040
45 129	256 271	8 585	243 317
27 921	24 524	-	-
2 016	338	-	-
501 614	2 703 370	-	944 098
2 474	45 976	1 643	45 018
-	256 330	-	-
5 747 708	3 393 738	5 148 451	1 243 473

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

Figures in Rand thousand

55. RELATED PARTIES

Relationships

CORE

The City of Johannesburg Metropolitan Municipality
Johannesburg City Parks 18
Metropolitan Trading Company (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
Johannesburg Tourism Company
City Power (Pty) Ltd

Related party balances

Amounts included in Loans,

Trade and other receivables with related parties

City Power Johannesburg (Pty) Ltd	10 754 870	9 395 980
City of Johannesburg Property Company (Pty) Ltd	1 346 168	754 478
Johannesburg City Parks	61 244	95 522
Johannesburg Development Agency (Pty) Ltd	626 364	275 721
Johannesburg Metropolitan Bus Services (Pty) Ltd	673 959	634 973
Johannesburg Roads Agency (Pty) Ltd	62 821	122 717
Johannesburg Social Housing Company (Pty) Ltd	1 959 777	1 003 332
Johannesburg Water (Pty) Ltd	3 813 771	3 988 843
Metropolitan Trading Company (Pty) Ltd	2 137 718	2 060 183
Pikitup Johannesburg (Pty) Ltd	1 758 457	1 443 569
The Johannesburg Civic Theatre (Pty) Ltd	1 236	6 054
The Johannesburg Fresh Produce Market (Pty) Ltd	162 997	87 906
	23 359 382	19 869 278

City of Johannesburg Metropolitan Municipality

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Notes to the Group Annual Financial Statements

Figures in Rand thousand

55. RELATED PARTIES (continued)

Amounts included in Loans,

Trade and other payables with related parties

City Power Johannesburg (Pty) Ltd	1 111 548	965 453
City of Johannesburg Property Company (Pty) Ltd	1 259 719	762 328
Johannesburg City Parks	939 957	812 269
Johannesburg Development Agency (Pty) Ltd	679 030	584 572
Johannesburg Metropolitan Bus Services (Pty) Ltd	33 060	32 405
Johannesburg Roads Agency (Pty) Ltd	697 516	965 108
Johannesburg Social Housing Company (Pty) Ltd	1 578 819	761 972
Johannesburg Tourism Company	19 578	-
Johannesburg Water (Pty) Ltd	1 314 268	1 106 183
Metropolitan Trading Company (Pty) Ltd	1 471 550	1 593 233
Pikitup Johannesburg (Pty) Ltd	1 696 524	1 484 196
The Johannesburg Civic Theatre (Pty) Ltd	15 009	35 073
The Johannesburg Fresh Produce Market (Pty) Ltd	430 622	412 262
	11 247 200	9 515 054

Related party transactions

Revenue from related parties

City Power Johannesburg (Pty) Ltd	660 080	627 916
City of Johannesburg Property Company (Pty) Ltd	45 464	53 116
Johannesburg City Parks	4 672	8 644
Johannesburg Development Agency (Pty) Ltd	27 091	15 863
Johannesburg Metropolitan Bus Services (Pty) Ltd	36 505	41 316
Johannesburg Roads Agency (Pty) Ltd	7 338	12 087
Johannesburg Social Housing Company (Pty) Ltd	34 781	7 016
Johannesburg Water (Pty) Ltd	524 531	532 566
Metropolitan Trading Company (Pty) Ltd	212 997	194 908
Pikitup Johannesburg (Pty) Ltd	89 038	87 751
The Johannesburg Civic Theatre (Pty) Ltd	-	11 513
The Johannesburg Fresh Produce Market (Pty) Ltd	250	1 947
	1 642 747	1 594 643

Operating Expenditure

City Power Johannesburg (Pty) Ltd	143 129	142 390
City of Johannesburg Property Company (Pty) Ltd	820 951	836 987
Johannesburg City Parks	1 102 730	1 004 887
Johannesburg Development Agency (Pty) Ltd	116 815	54 589
Johannesburg Metropolitan Bus Services (Pty) Ltd	518 602	669 859
Johannesburg Roads Agency (Pty) Ltd	1 439 702	1 345 497
Johannesburg Social Housing Company (Pty) Ltd	669 454	92 795
Johannesburg Tourism Company *	17 024	-
Johannesburg Water (Pty) Ltd	481 969	462 066
Metropolitan Trading Company (Pty) Ltd	776 925	484 471
Pikitup Johannesburg (Pty) Ltd	1 153 591	936 786
The Johannesburg Civic Theatre (Pty) Ltd	232 738	198 303
The Johannesburg Fresh Produce Market (Pty) Ltd	64 070	55 427
	7 537 700	6 284 057

Commitments

Johannesburg Development Agency	1 284 135	1 974 478
Johannesburg Social Housing	664 791	-
Johannesburg Roads Agency	1 419 225	1 080 912

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Group Annual Financial Statements for the year ended 30 June 2022

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Figures in Rand thousand

55. RELATED PARTIES (continued)

3 368 151	3 055 390
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56. Change in estimate

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

Figures in Rand thousand

Property, plant and equipment

The useful lives of certain property, plant and equipment 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 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:

CORE

Property rates: The change in estimate amount included in revenue are due to change in property values, implementation of appealboard decisions, property subdivisions and consolidations and property categories. The change in estimate for property Rates and Taxes amounted to R-222 806 697 (2021: R-389 688 318). The prior year change in estimate figure was restated.

Traffic Fines: The amount relates to traffic fines accounted for as invalid in the previous year, this was due to these 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 R 8 833 507 (2021: R14 783 414).

Depreciation

The change in accounting estimates relates to the reassessment of the useful life of property, plant and equipment for assets whose useful lives were approaching zero and they are still in use. The change in estimate amounted to R 22 530 239 (2021: 44 570 695) decrease in depreciation is R -22 040 455.

Reversal of impairment: The value of the MTC loan has been determined by present valuing the expected future payments using the loan's original effective interest rate. The MTC loans fair value was estimate in the prior year was determined with reference to the history of no zero cash flow being received. However, in the current MTC has three of the expected payments and fourth payment was made after 30 June 2022 leading. This change has resulted in the expected cash flows being more than zero resulting in the change in estimate of the value of the loan. The change in estimate for this reversal amounted to R 965 414 342.

Metrobus

In accordance with the policy the useful lives 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 re-assessed and this resulted in an increase in the useful life of some assets. These assets are still in a good working condition and based on the asset verification exercise performed at year end. The useful life of some assets. These assets are still in a good working condition and based on the asset verification exercise performed at year end. The useful life and residual value adjustment resulted in a decrease in depreciation in the current year amounting to 2022 R 3 871 459 and 2021 R2 620 492. There was no impact on the cash flow statement as this is a non cash item and the entity uses the direct method by analysing the actual payments and receipts from the bank.

Joburg Water

Useful life of Property, plant and equipment

The residual values, depreciation methods and useful lives of the asset categories are reviewed at each financial year end and adjusted if necessary. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The useful lives of the following categories of property, plant and equipment have been reviewed, which resulted in changes (increase) in the expected useful lives of these categories of property, plant and equipment. The increase in expected useful lives of these categories of PPE is due to the favorable condition of assets in these categories of property plant and equipment. The effect of these changes in the useful lives on actual and expected depreciation expenses is as follows:

Communication Equipment range remains 2 to 13 years as described in the policy; however, the sub classes within the communication equipment have been reassessed. The impact of the change in estimate is a decrease in the current year depreciation by R 758 597.41 and a decrease in the future year's depreciation R 264 913.05.

City of Johannesburg Metropolitan Municipality

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Notes to the Group Annual Financial Statements

Figures in Rand thousand

Computer Equipment range remains 4 to 24 years as described in the policy, however the sub classes within the Computer Equipment have been reassessed. The impact of the change in estimate is a decrease in the current year depreciation by R 829 447.36 and a decrease in future years depreciation by R 209 332.52

Furniture and Fittings range remains 5 to 25 years as described in the policy, however the sub classes within the Furniture and Fittings have been reassessed. The impact of the change in estimate is a decrease in the current year depreciation by R 75 991 and a decrease in future years depreciation by R 18 879.09.

Laboratory Equipment range remains 2 to 15 years as described in the policy, however the sub classes within the Laboratory Equipment have been reassessed. The impact of the change in estimate is a decrease in the current year depreciation by R 623 380.16 and a decrease in future years depreciation by R 116 418.93. .

Minor Plant range remains 5 to 16 years as described in the policy, however the sub classes within the Minor Plant have been reassessed. The impact of the change in estimate is a decrease in the current year depreciation by R 98 922.72 and a decrease in future years depreciation by R 48 604.85. .

Office Equipment range remains 5 to 19 years as described in the policy. The impact of the change in estimate is a decrease in the current year depreciation by R 61 423.44 and a decrease in future years depreciation by R 15 112.66.

The amounts disclosed above are not rounded and reflect the rand value.

City Power

Property plant and equipments.

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 bases for the remaining useful lives of the asset.

Asset Class	Useful lives extensions
Computer	3 years
Plant and machinery	2-9 years
Furniture and fittings	3 years

The change in the useful lives of the assets had the following impact on depreciation

Asset class	Current year(decrease)	Future(Increase)
Computer equipment	-1 934	1 934
Furniture and fittings	-1 131	1 131
Plant and machinery	-51	51
	-3 116	3 116

Intangible Assets

The useful lives 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 assets.

Asset Class	Useful lives extensions
Computer Software	2 years

The change in the useful lives of the assets had the following impact on amortisation:

Amortisation impact	Current year(decrease)	Future(increase)
Computer equipment	-847	847

MTC

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

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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 thousands) on the annual financial statements:

Decrease in current year depreciation: R 634

Increase in deferred tax: R 177

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 1 854

City of Johannesburg Metropolitan Municipality

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Figures in Rand thousand

Increase in deferred tax: R 519

PIKITUP

The useful life of landfills was estimated in 2022 as follows

Ennerdale - 2 years (2021: 3 years)

Robinson deep - 4 years (2021: 4 years)

Marie Loouise - 1 year (2021: 2 years)

Goudkoppies - 4 years (5 years)

The impact on depreciation is R 2 634 066

City of Johannesburg Metropolitan Municipality

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Figures in Rand thousand

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

Figures in Rand thousand

57. EVENTS AFTER THE REPORTING DATE

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City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2022

Notes to the Group Annual Financial Statements

Figures in Rand thousand

JRA

1) Appointment of Chief Executive Officer (CEO)

The JRA has appointed Dr Tshepo Mahanuke as the new CEO. His appointment was effective from 01 August 2022.

2) Appointment of a new Board Chairperson

The JRA Board Chairperson is now T.Motloung due to the resignation of Mr T Sambo

3) Appointment of a new AFR&IT Committee Chairperson

The JRA AFR&IT Committee Chairperson is now B. Mokgatle due to the appointment of T.Motloung as Board Chairperson.

City Parks

The CFO's and Executive Manager's positions were filled from 1st August 2022.

The Managing Director has been seconded to the CJMM to act as the City Manager effective 1 July 2022 and Mr MarksSethaelo is currently acting as the Managing Director until the expiry of the secondment.

PIKITUP

The directors are aware of the following events arising since the end of the financial year.

The matter relating to an ex-employee who had petitioned the Constitutional court for leave to appeal a Labour Appeal's Court was unsuccessful. The ruling was issued after year end in favour of the entity. The amount claimed was R17 700 901.

The matter relating to ex-employees who lodged a notice for leave to appeal Labour Appeal's Court in ruling in favour of the entity, was unsuccessful. The Labour Court had confirmed the applicants failed to discharge the onus to prove their claim. The ruling was issued after year end in favour of the entity. The amount claimed was R 20 433 596.

Irregular expenditure amounting to R 3 206 139 was recommended for write off to MPAC pending approval from the entity's board.

Power

Mr TS Mashava was appointed as Chief Executive Officer from 15 August 2022

The High Court of South Africa issued a judgement on 25th November 2022 against Nersa and City Power in favour of the applicants Casting, Forging and Machining and four other applicants. The Judgement relates to the tariff increase approved by Nersa for the 2019/2020 financial year which the applicants objected to and litigated against. The High court ruled that Nersa did not consider the cost of supply of particular customer categories and was unable to assess the tariff increases were reflective of City Power's overall cost of supply. Therefore the court found that Nersa's approval of the tariff increase for the 2019/20 financial year was unlawful, irrational and unjustified. The court ruled that the applicants and the respondents seek to resolve the dispute by mutual agreement within 30 days from the date of judgement, which expires on the 6 January 2023. If no agreement is reached within 30 days, the matter will be referred to Nersa to determine the tariffs applicable to the applicants for the 2019/20 financial year.

The development in the dispute with SARS regarding bad debt and wear and tear allowances will be considered for any adjusting effect.

JTC

Migration of JTC

On 29 June 2022, the mayoral Committee approved the JTC Mitigation Report. The report, amongst others, approved the

Establishment of the Tourism of function within the JTC

Disestablishment of the Tourism of function within the DED

The transfer of staff in terms of S197

The transfer of assets

Transfer of contracts related to the Tourism Directorate

Transfer for tools of trade for the Tourism Employee

City of Johannesburg Metropolitan Municipality

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Notes to the Group Annual Financial Statements

Figures in Rand thousand

The effective date of the migration was 01 July 2022. This transaction will be accounted for in the 2022/23 financial year in terms of GRAP 105: Transfer of functions between entities with common control.

Liability for Director's Fees

In implementing the Migration Report, the JTC will need to reimburse the City for the directors fees paid to date on behalf of the entity during the period it was operational. This is regarded as non-adjusting event as the transfer of the function only occurs on 01 July 2022. JTC becomes liable for this new amount in the new financial year. The total amount due and payable is R 1.45 million.

Transfer of contracts

In terms of the approved migration report, a number of contracts will transfer from the City to the JTC. This includes but is not limited to contracts for parking, telephone, cell phone, cleaning, motor vehicle services and security services. The process of transferring these contracts is the process of being finalised. The JTC has budgeted for these contracts. The JTC has initially identified the following contracts that should be transferred from the City of JTC.

Please refer to the Directors Report Note 4 in the JTC AFS for additional subsequent events.

CORE

Non-adjusting event.

The SAP implementation project was scheduled to commence on 03 October 2022, however the project did not commence as scheduled. Management held a meeting with SAP South Africa on 30 November 2022 and SAP South Africa committed that they will assist management with the SAP implementation project.

Irregular, fruitless and wasteful expenditure write-off

On 31 August 2022 Council resolved to certify certain Irregular, Fruitless and wasteful Expenditure as irrecoverable. These approvals have occurred after 30 June 2022, and the circumstances are in connection to circumstances that were there before or on 30 June 2022. Due to the fact that the approvals were before the financial statements were authorised for issue these are therefore adjusting events and the 30 June financial statements must be amended to account for the write-offs.

The total value of these write-offs are accounted for in the related disclosure notes as follows

Irregular Expenditure Write-off	212 894
Fruitless and wasteful expenditure Write-off	8

Unauthorised, Irregular and Fruitless and wasteful expenditure write-off and recovered

On 31 August 2022 and 20 October 2022, Council resolved to certify certain Irregular, Fruitless and wasteful Expenditure as irrecoverable. These approvals have occurred after 30 June 2022, and the circumstances are in connection to circumstances that were there before or on 30 June 2022. Due to the fact that the approvals were before the financial statements were authorised for issue these are therefore adjusting events and the 30 June financial statements must be amended to account for the write-offs.

The total value of these write-offs and recoveries accounted for in the applicable notes is as follows:

	Amounts approved 31 August 2022 (R'000)	Amounts approved 20 October 2022 (R'000)	Total
Irregular Expenditure (Written off)	1 812 347	8 233	1 820 580
Fruitless and wasteful Expenditure (Written off)	387	4	391
	1 812 734	8 237	1 820 971

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	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021
58. CURRENT TAX RECEIVABLES (STATUTORY 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.				
59. PAYABLES FROM NON-EXCHANGE				
Engineering fees (Non-current)	374 021	332 128	-	-
Engineering fees (Current)	61 700	83 700	-	-
	435 721	415 828	-	-
The bulk service contribution for capital expenditure represents contributions made by developers through CJMM yet to be spent on capital infrastructure and related projects.				
60. VAT PAYABLE				
Tax refunds payables	168 772	194 973	-	-
61. CONSUMER DEPOSITS				
Water	526 560	441 530	-	-
Electricity	765 656	701 962	-	-
Other	35 303	32 847	-	-
	1 327 519	1 176 339	-	-
62. LEVIES				
City Cleaning Levy	203 093	248 522	-	-
63. FINANCE INCOME				
Non-exchange				
Interest- SARS	115 473	119 846	115 473	119 847
Interest on arrear rates IS-U	803	719	-	-
	116 276	120 565	115 473	119 847
Exchange				
Interest on Loans to MEs	-	1	838 505	857 526
Bank	211 655	260 038	163 682	221 480
Interest charged on trade and other receivables	378 044	366 638	146 187	128 195
Interest- Other	8 673	20 265	14 147	21 043
Sweeping Account	-	-	343 929	250 450
	598 372	646 942	1 506 450	1 478 694
	714 648	767 507	1 621 923	1 598 541

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Figures in Rand thousand	2022	2021	2022	2021

64. FINANCE COSTS

Borrowings	2 375 101	2 418 463	2 372 429	2 413 191
Sweeping interest	-	20 956	135 124	147 057
Interest on post retirement	87 993	78 001	95 551	93 831
Interest unwinding on rehabilitation of landfill	38 380	40 925	-	-
Interest- Other	119 829	48 579	2 114	9 762
	2 621 303	2 606 924	2 605 218	2 663 841

65. TAXATION

Major components of the tax income

Current

Local income tax - current period	64 937	82 000	-	-
Adjustment for over/under provision of prior year	112 718	75 673	-	-
	177 655	157 673	-	-

Deferred

Originating and reversing temporary differences	(311 033)	(536 897)	-	-
	(133 378)	(379 224)	-	-

Reconciliation of the tax expense

Reconciliation between accounting surplus and tax expense.

Accounting surplus	1 033 987	3 356 471	1 599 319	1 297 400
Tax at the applicable tax rate of 28% (2021: 28%)	289 516	939 812	447 809	363 272
Tax effect of adjustments on taxable income				
Non-taxable and non-deductible items	(326 526)	(1 245 276)	(447 809)	(363 272)
(Over)/under provision of prior years	(95 983)	(73 760)	-	-
Tax losses carried forward	(385)	-	-	-
	(133 378)	(379 224)	-	-

66.

67. RENTAL OF FACILITIES AND EQUIPMENT

Facilities and equipment

Rental of facilities	67 350	68 728	3 758	1 640
Rental of properties	298 002	284 443	116 210	112 792
	365 352	353 171	119 968	114 432

68. AGENCY SERVICES

Commission	739 148	732 289	279 538	272 212
Billing and collection	-	-	391 039	368 030
	739 148	732 289	670 577	640 242

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Figures in Rand thousand	2022	2021	2022	2021

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 R438 million (2021: R435.2 million). Amounts held and payable to principal R34.8 million (2021: R24.8 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 licencing, Driving licence 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. Thus a principal-agent arrangement exists, and CJMM is the agent as per GRAP 109. Amounts held and payable to principal R0 million (2021: R0 million)

Vehicle registration are driver's licencing commission can be broken down as follows:

Licensing	236 652	227 469	236 652	227 469
Permit fees	22 807	20 561	22 807	20 561
Certificate fees	1 340	1 259	1 340	1 259
Testing fees	5 731	5 096	5 731	5 096
Trade plates	20 185	17 821	20 185	17 821
	286 715	272 206	286 715	272 206

69. 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 Pik N Pay. All sales through Pik N Pay are deposited directly to Webtickets who in turn deducts the ticketing fee and pay the amount due to JCT. The table below provides the transactions that relates to the arrangement.

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.

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 next day is weekend or public holiday, the payment must be made on the next business day thereafter.

Entity	Cash held by agent		Cash paid by agent		Commision paid	
-	2022	2021	2022	2021	2022	2021

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	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021

69. PRINCIPAL AGENT ARRANGEMENT (continued)

Transwitch Services (Pty) Ltd	24 934	23 425	6 065 994	5 390 258	118 219	103 252
South African Post Office Limited	1 140	3 248	119 367	382 726	559	1 762
Webtickets	-	-	1 060	407	52	93

All the cash held by the agents on behalf of the City is expected to be settled by not later than 31 July 2022.

70. SURCHARGES AND TAXES

Surcharges- Electricity	193 403	183 934	193 403	183 934
Surcharges- Water	70 533	61 308	70 533	61 308
Surcharges- Refuse	7 297	7 299	7 297	7 299
	271 233	252 541	271 233	252 541

71. CASH MANAGEMENT

Since 2013 financial year, Transport department within City of Johannesburg had cash losses due to alleged fraudulent activities and theft. 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. The loss is included under general expenditure.

95 001	95 001	95 001	95 001
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	Group		CJMM	
Figures in Rand thousand	2022	2021	2022	2021

72. IMPACT OF COVID-19

Government declared a national state of disaster under Section 27(1) and Section 27(2) of the Disaster Management Act on 15 March 2020 in response to the COVID-19 outbreak which has been declared a global pandemic by the World Health Organisation (WHO).

The Covid-19 pandemic which resulted in the country going into strict lockdown to contain the outbreak from May 2020 has had an adverse impact on current year performance of some divisions on collection of revenue as a result of the City not operating in its full capacity over the past two years and the government repealed Covid 19 regulations in June 2022. As the global pandemic continues to dominate the local economic growth and slow recovery rate demonstrated by exorbitant costs of delivering the service which has resulted in some of Community development facilities closing down due to covid 19..

Metrobus has seen a significant decline in its revenue performance over the last two financial years with a slight recovery in the 2022 financial year. The shortfall in revenue from rendering of services and other revenues was because of under collections on private hires and coupon revenue streams. This was because of the COVID19 pandemic in the first half of the year, which resulted in lockdowns and social distancing regulations, declining economic conditions and high number of out of commission buses.

Zoo admission revenue was revised downwards in the past due to covid19 restrictions, restrictions were later lifted and resulting in admission fees revenue exceeding the budget. This has been challenging for Johannesburg Theatre as Covid-19 had a significant impact on the operations of the entity, ticketing services and In house stage productions show negative variances. The shortfall is attributable to the fact that JCT has not been fully operating due to regulations imposed by the government to curb the spread of Covid-19 which has since been scrapped on the 23rd of June, the last quarter of the financial year. .

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Financial Risk Management Disclosure Note as of 30 June 2022

Financial Risk Management

The municipality's normal operations and its sources of finance expose it to various financial risks, which highlights the importance of financial risk management as an element of control. Principal financial risks faced by the municipality are:

- Liquidity and Concentration risk.
- Market risk.
- Credit/Counterparty risk

The aforementioned 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).

Categories of financial instruments:

	R'000			
	2022		2021	
	Amortized cost	Fair Value	Amortized cost	Fair Value
Financial Assets				
Loans to MOE	6 897 100		6 092 983	
Financial Assets at Fair Value		3 143 965		2 774 322
Other financial assets	77 797		119 676	
Trade and other receivables	16 679 895		13 803 143	
Cash and Cash Equivalents	2 796 123		5 250 133	
	26 26 450 915	3 143 965	25 265 935	2 774 322
Financial liabilities				
Financial liabilities at fair value		188 314		
Trade and other payables	15 065 636		14 008 185	
Borrowings	23 754 430		23 563 161	
	38 820 066	188 314	37 571 346	0

Table 1: Categories of Financial Instruments as of 30 June 2022

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

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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 10:

Sinking Fund			
2022 R'1000	Level 1	Level 2	30-Jun-22
Listed Bonds	1 051 931		1 051 931
Cash and cash equivalent	2 012 099		2 012 099
Interest Rate Swaps		-108 380	- 108 380
TOTAL FAIR VALUE	3 064 031	- 108 380	2 955 651
2021 R'1000	Level 1	Level 2	30-Jun-21
Listed Bonds	1 105 693		1 105 693
Cash and cash equivalent	1 388 045		1 388 045
Interest Rate Swaps		280 584	280 584
TOTAL FAIR VALUE	2 493 739	280 584	2 774 322

Table 2: Valuation of financial instruments, Source: COJ Sinking Fund Financials as of 30 June 2022

Valuation methods and assumptions

The following methods and assumptions were used to estimate the respective fair values:

Bonds

The fair value of the investment is determined by reference to published price quotes on Johannesburg Stock Exchange.

Interest Rate Swaps

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

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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.

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 taking into account 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.

As a result of the possible impact of COVID-19, the municipality has reassessed its credit and risk policies pertaining to receivables and has taken this into account when measuring impairment loss allowance. Collections patterns are also 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

The below investments relate to cash and cash equivalents included in bank cash and short-term deposits under note 11. The limits did not change from 2021 to 2022 financial year.

R'1000	Credit Rating	Limit Amount	2022 Balance	2021 Balance
STD Bank	F1+.zaf	1 500 000	14 188	63 122
ABSA	F1+.zaf	1 500 000	328 670	405 339
RMB	F1+.zaf	1 500 000	9 268	824 568
INVESTEC	F1.zaf	1 237 500	273 236	210 835
NEDBANK	F1+.zaf	1 500 000	171 738	777 938
CITI BANK	F1 .int	350 000	1 803	1 742
DEUTSCHE BK	F1+.int	350 000	1 083	1 010
		7 937 500	799 987	2 284 554

Table 3: Credit Quality of Investments

Portfolio 2

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The below investments relate to cash included in the sinking fund under note 10.

R'1000	Credit Rating	Limit Amount	2022 Balance	2021 Balance
STD Bank	F1+.zaf	N/A	2 012 099	1 388 045
			2 012 099	1 388 045

Table 4: Credit Quality of cash within the sinking fund

Liquidity Risk

Liquidity risk is the risk that the municipality will be unable to meet its obligations as they become due. In terms of measuring, managing and mitigating liquidity mismatches, 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 2022 financial year, Council approved the following limits in respect of the funding plan:

R'000	Details	2022		2021	
		Approved Funding	Total Utilised	Approved Funding	Total Utilised
	Short-Term Borrowings	3 675 000		3 000 000	
	Long-Term Borrowings	2 101 890	1 500 000	3 000 000	1 500 000
	Total	5 776 890	1 500 000	6 000 000	1 500 000

Table 5: Short-Term and Long-Term Borrowings Source: Funding plan 2021/22

Short-term liquidity constraints are managed through two types of short-term funding instruments:

- General Banking Facilities (overdraft) and
- Commercial Paper

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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.

Portfolio 1

R'1000	0-1 year	2 years	3 years	4 years	5 years	5+ years	Total
2022							
Financial assets							
Loans to MOE	996 470	966 076	761 508	579 831	465 995	3 127 220	6 897 100
Trade and other receivables	16 679 895						16 679 895
Other financial assets	15 552	28 540	1 171	958	615	30 962	77 797
Short term investment	799 986						799 986
Cash and cash equivalents	1 996 136						1 996 136
	20 488 040	994 616	762 679	580 789	466 610	3 158 182	26 450 915
Financial liabilities							
Fixed-rate borrowings	3 160 147	2 192 348	774 233	2 511 415	831 470	8 764 977	18 234 591
Floating rate loans	419 401	419 401	419 401	419 401	419 401	3 422 840	5 519 845
Trade and other payables	14 999 632						14 999 632
	18 579 180	2 611 749	1 193 634	2 930 816	1 250 871	12 187 817	38 754 068

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R'1000	0-1 year	2 years	3 years	4 years	5 years	5+ years	Total
2022							
Financial assets							
R'1000	0-1 year	2 years	3 years	4 years	5 years	5+ years	Total
2021							
Financial assets							
Loans to MOE	999 100	996 470	966 076	761 508	579 831	1 789 999	6 092 983
Trade and other receivables	13 803 143						13 803 143
Other financial assets	11 083	75 909	1 821	1 171	958	28 735	119 676
Short term investment	2 284 554						2 284 554
Cash and cash equivalents	2 965 579						2 965 579
	20 063 459	1 072 379	967 897	762 679	580 789	1 818 734	25 265 935
Financial liabilities							
Fixed-rate borrowings	889 340	3 066 999	2 092 689	663 368	2 388 522	8 523 013	17 623 931
Floating rate loans	419 401	419 401	419 401	419 401	419 401	3 842 241	5 939 246
Trade and other payables	14 008 185						14 008 185
	15 316 926	3 486 400	2 512 090	1 082 769	2 807 923	12 365 254	37 571 32

Table 6: Maturity profile of financial assets and liabilities as at 30 June 2021/22

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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 following are the contractual maturities included in the fund:

Portfolio 2

2022 R'1000	Due in a year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due in 4 to 5 years	Due in more than 5 years	Total
Bonds Assets	687 595			64 168	126 336	173 832	1 051 931
Cash Assets	2 012 099						2 012 099
Interest Rate Swaps	1 061					(109 441)	(108 380)
	2 700 755			64 168	126 336	64 391	2 955 651

2021 R'1000	Due in a year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due in 4 to 5 years	Due in more than 5 years	Total
Bonds Assets			716 562		201 403	187 728	1 105 693
Cash Assets	1 388 045						1 388 045
Interest Rate Swaps			56 226			224 357	280 584
	1 388 045		772 788		201 403	412 086	2 774 322

Table 7: 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.

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Figures in Rand thousand	2022	2021
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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 which are not amortizing). In order 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.

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.

Interest rate sensitivity analysis for floating rate liabilities

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 on the basis of 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

R'000	%	2022	2021
Upward Change in finance cost	-1%	(19 598)	(17 079)
Downward Change in finance cost	1%	18 061	15 303

Table 8: Interest Rate Cash Flow Sensitivity Analysis

Portfolio 2

Interest Rate Fair Value Sensitivity Analysis for Sinking Fund Instruments

Interest rate swaps

R'000	%	2022	2021
Downward Change in finance income	-1%	(219 686)	14 687
Upward Change in finance income	1%	199 179	3 231

Table 10: Swaps Interest Rate Risk Sensitivity Analysis

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Figures in Rand thousand	2022	2021
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Bonds

R'000	%	2022	2021
Downward Change in finance income	-1%	(23 316)	(11 305)
Upward Change in finance income	1%	20 078	51 478

Table 11: Bonds Risk Sensitivity Analysis

Other notes references.

Financial Assets by category – note 21

Financial Liabilities by category- note 30

Consumer debtors- note 10

Financial assets at fair value – Sinking fund- note 11

Financial liabilities at fair value– note 11

Group

The group is organised and reports to management as a parent municipality (COJ-CORE) 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 Metropolitan Municipality has identified and disclosed the following segments:

No	Segment	No	Segment
1	COJ-CORE	8	Johannesburg Roads Agency
2	City Power	9	Johannesburg City Parks
3	Johannesburg Water	10	Johannesburg Property Company
4	Johannesburg Civic Theatre	11	Johannesburg Development Agency
5	JOSHCO	12	PIKITUP
6	MTC	13	Johannesburg Fresh Produce Market
7	Metro Bus	14	Tourism

Group Statement of Financial Position 2022																	
	PROPERTY	POWER	PARKS	CIVIC	JDA	MBUS	JRA	JOSHCO	TOURISM	WATER	MTC	PIKITUP	MARKET	Core	Total	Elimination	Group
Assets																	
Current Assets																	
Inventories	-	103,663	5,046	5,015	-	19,295	55,777	233	-	147,028	2,106	11,070	-	173,434	522,667	-	522,667
Loans to Municipal entities	-	-	-	-	-	-	-	-	-	-	-	-	-	996,470	996,470	-996,470	-
Loans to shareholders	328,411	-	841,900	-	-	-	277,266	5,958	-	775,489	-	3,223,811	422,220	-	5,875,055	-5,875,055	-
Other financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	13,334	13,334	-	13,334
Current tax receivable	4,146	72,566	-	-	-	-	-	50	-	-	15,954	-	44,195	-	136,911	-	136,911
Finance lease receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	54,093	54,093	-54,093	-
Receivables from exchange transactions	773,663	868,772	49,230	16,525	713,270	7,128	513,206	1,509,286	19,578	26,695	1,319,116	9,595	78,045	15,546,953	21,451,062	-20,383,887	1,067,175
Receivables from non-exchange transactions	91	311,141	23,390	-	-	21	-	4,251	-	-	-	-	-	146,967	485,861	-334,531	151,330
VAT receivable	-	-	-	3,358	283,658	-	-	3,918	-	-	35,309	-	24,258	207,441	557,942	-0	557,942
Consumer debtors	-	2,291,454	-	-	-	-	-	-	-	3,427,576	-	1,549,404	-	979,634	8,248,068	-	8,248,068
Financial assets at fair value	-	-	-	-	-	-	-	-	-	-	-	-	-	2,753,865	2,753,865	-	2,753,865
Cash and cash equivalents	2	149,319	121	17,479	-	308	471,299	189,265	-	30	-	27,099	197,796	2,796,125	3,848,843	-	3,848,843
	1,106,313	3,796,915	919,687	42,377	996,928	26,752	1,317,548	1,712,961	19,578	4,376,818	1,372,485	4,820,979	766,514	23,668,316	44,944,171	-27,644,036	17,300,135
Non-Current Assets																	
Zoo animals	-	-	20,628	-	-	-	-	-	-	-	-	-	-	8,758	29,386	-	29,386
Investment property	-	-	-	-	-	-	-	-	-	-	-	-	29,098	1,007,738	1,036,836	-	1,036,836
Property, plant and equipment	22,189	15,763,025	79,439	12,974	7,098	506,848	130,210	10,785	-	13,693,943	465,030	688,938	510,180	49,196,837	81,087,496	-132,302	80,955,194
Intangible assets	13,544	409,779	465	334	18,649	1,889	96	9,368	1,473	31,978	3,162	59	780	577,840	1,069,416	-	1,069,416
Heritage assets	-	-	-	1,603	-	-	-	-	-	-	-	-	-	633,202	634,805	-	634,805
Investments in Municipal Entities	-	-	-	-	-	-	-	-	-	-	-	-	-	660,691	660,691	-660,691	-
Investment in Joint Ventures	-	-	-	-	-	-	-	20,414	-	-	-	-	-	-	20,414	2,495	22,909
Loans to Municipal Entities	-	-	-	-	-	-	-	-	-	-	-	-	-	6,036,817	6,036,817	-6,036,817	-
Loans to shareholders	-	-	33,179	-	-	33,047	51,801	-	-	-	285,931	150,032	-	-	553,990	-553,990	-
Other financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	64,462	64,462	1	64,463
Deferred tax	33,161	-	-	-	3,619	-	-	-	-	-	7,809	-	-	-	44,589	2,890,120	2,934,709
Finance lease receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	59,161	59,161	-59,161	-
Financial assets at fair value - Sinking fund	-	-	-	-	-	-	-	-	-	-	-	-	-	364,336	364,336	-	364,336
	68,894	16,172,804	133,711	14,911	29,366	541,784	182,107	40,567	1,473	13,725,921	761,932	839,029	540,058	58,609,842	91,662,399	-4,550,345	87,112,054
Total Assets	1,175,207	19,969,719	1,053,398	57,288	1,026,294	568,536	1,499,655	1,753,528	21,051	18,102,739	2,134,417	5,660,008	1,306,572	82,278,157.63	136,606,569.64	(32,194,380.64)	104,412,189.00
Liabilities																	
Current Liabilities																	
Loans from Municipal entities	-	-	-	-	-	-	-	-	-	188	-	-	-	-	188.00	-	188.00
Loans from Shareholders	1,024,502	7,140,915	-	-	625,062	524,023	-	1,132,764	-	1,233,461	-	2,326,762	-	-	14,007,489.00	-14,007,489.00	-
Loans and borrowings	-	-	-	-	-	-	-	2,352	-	-	-	-	-	3,559,688	3,562,040.00	0.00	3,562,040
Current tax payable	-	-	-	-	-	-	22,726	-	-	-	-	-	-	-	22,726.00	0.00	22,726
Finance lease obligations	-	8,235	13,419	-	42	-	16,042	-	-	1,810	-	-	-	-	39,548.00	-39,070.00	478
Payables from exchange transactions	178,611	5,044,000	146,741	25,353.00	342,064	124,477	451,545	983,264	1,694	1,972,076	239,693	1,055,422	378,267	15,065,636	26,008,843.39	-13,613,332.00	12,395,511
Payables from non-exchange transactions	-	-	435,721	-	-	-	-	-	-	-	-	-	-	-	435,721.00	-374,021.00	61,700
VAT payable	-	68,616	10,857	-	-	5	3,047	-	2,333	66,758	-	17,156	-	-	168,772.00	0.00	168,772
Unspent conditional grants and receipts	-	-	252	-	-	-	-	-	-	-	-	-	-	709,709	709,961.00	0.00	709,961
Provisions	27,569	329,408	20,880	3,717	5,905	3,570	244,968	-	-	47,730	4,401	11,897	4,941	-	704,986.00	0.00	704,986
Deferred income	-	-	-	-	-	2,741	-	-	-	-	-	-	-	42,027	44,768.00	0.00	44,768
Consumer deposits	-	-	280	-	77	-	-	20,774	-	-	-	-	-	-	21,131.00	0.00	21,131
	1,230,682.00	12,591,174.00	628,150	29,070	973,150	654,816	738,328.00	2,139,154	4,027	3,321,835	244,094	3,411,237	383,208	19,377,060	45,725,985	(28,033,912)	17,692,073
Non-Current Liabilities																	
Loans from Municipal entities	-	-	-	-	-	-	-	-	-	-	-	-	-	441,107	441,107	-441,107	-
Loans from shareholders	-	1,957,350	-	-	-	106,075	-	-	-	2,037,465	2,132,097	997,896	0	0	7,230,883	-7,230,883	-
Loans and borrowings	-	-	-	-	-	-	-	9,008	-	-	-	-	-	20,194,742	20,203,750	0	20,203,750
Finance lease obligations	-	11,208	14,576	-	-	-	15,541	-	-	1,517	-	-	-	-	42,842	-42,842	-
Payables from non exchange	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	374,021
Employee benefits obligations	714	4,506	59,524	-	-	8,054	46,975	-	-	59,771	-	113,840	2,736	804,254	1,100,374	0	1,100,374
Unspent conditional grants and receipts	-	51,365	-	-	-	-	-	178	-	-	-	-	-	-	51,543	0	51,543
Deferred tax	2,628	531,540	-	5,021	18,099	-	-	-	-	-	25,623	-	813	-	583,724	2,890,120	3,473,844
Provisions	-	-	-	-	-	-	-	-	-	-	-	704,885	-	131,016	835,901	0	835,901
Deferred income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	0	-
Financial liabilities at fair value	-	-	-	-	-	-	-	-	-	-	-	-	-	183,821	183,821	0	183,821
Consumer deposits	-	765,657	-	-	-	-	-	-	-	526,560	-	-	-	14,171	1,306,388	0	1,306,388
	3342	3,321,626.00	74100	5,021	18,099	114,129	62,516	9,186	-	2,625,313	2,157,720	1,816,621	3549	21,769,111	31,980,333	-4,824,712	27,529,642
Total Liabilities	1,234,024.00	15,912,800.00	702,250.00	34,091.00	991,249.00	768,945	800,844	2,148,340	4,027	5,947,148	2,401,814	5,227,858	386,757	41,146,171	77,706,318	(32,858,624)	45,221,715
Net Assets	(58,817.00)	4,056,919.00	351,148.00	23,197.00	35,045.00	(200,409)	698,811	(394,812)	17,024	12,155,591	(267,397)	432,150	919,815	41,131,987	58,900,251	664,243	59,190,474

Group Statement of Financial Performance 2022																	
Entity name	Property	Power	Parks	Theatre	JDA	MBUS	JRA	Joshco	Tourism	Water	MTC	PIKITUP	Market	Core	Total	Elimination	Group
Revenue																	
Revenue from exchange transactions																	
Rendering of services	-	17,532,177	-		-	46,402				14,094,051	402,936	2,246,567	-	253,744	34,575,877	- 1,351,008	33,224,869
Rental of facilities and equipment	-	596	3,474	4,645	421		7,567	181,990					54,024	119,968	372,685	- 7,333	365,352
Agency services	62,007	-	-	-	-			104,487			31,232		444,441	670,577	1,312,744	- 573,596	739,148
Other revenue	165,489	30,321	169,266	77,255	68,621	3,392	87,266	2,685		5,905	434	27,471	19,798	763,061	1,420,964	- 803,787	617,177
Demand Side Management	-	321,550												-	321,550	-	321,550
Finance Income	8,028	75,292	33,197	4,015		1,232	29,030	14,312		176,895	20,303	45,370	24,053	1,506,450	1,938,177	- 1,339,805	598,372
Reversal of Impairment	-	-	-											994,534	994,534	- 965,414	29,120
Fair value adjustments	-	-	-	-										-	-	-	-
Share of surpluses or deficits from associates or joint ventures accounted for using the equity method	-	-	-	-										-	-	695	695
Total revenue from exchange transactions	235,524	17,959,936	205,937	85,915	69,042	51,026	123,863	303,474	-	14,276,851	454,905	2,319,408	542,316	4,308,334	40,936,531	- 5,040,248	35,896,283
Revenue from non-exchange transactions																	
Taxation revenue																	
Property rates	-													13,499,729	13,499,729	-	13,499,729
Surcharges and taxes	-													271,233	271,233	-	271,233
Finance Income	-												803	115,473	116,276	-	116,276
Transfer revenue																	
Government grants and subsidies	527,180	308,802	1,026,855	166,152	40,735	517,074	1,393,046	54,329	17,024	349,399	268,325	1,101,258	5,140	11,443,615	17,218,934	- 5,108,806	12,110,128
Levies	-		-									203,093			203,093	-	203,093
Public contributions, donated and contributed property, plant and equipment	-	91,805	28,310				79,146			251,925				11,547	462,733	-	462,733
Fines, Penalties and Forfeits	-									-				60,971	60,971	-	60,971
Other Income	923		-												923	-	923
Total revenue from non-exchange transactions	528,103	400,607	1,055,165	166,152	40,735	517,074	1,472,192	54,329	17,024	601,324	268,325	1,304,351	5,943	25,402,568	31,833,892	- 5,108,806	26,725,086
Total revenue	763,627	18,360,543	1,261,102	252,067	109,777	568,100	1,596,055	357,803	17,024	14,878,175	723,230	3,623,759	548,259	29,710,902	72,770,423	- 10,149,054	62,621,369
Expenditure																	
Employee related costs	- 467,134	- 1,488,606	- 628,744	- 104,880	- 73,945	- 327,548	- 359,348	- 156,217		- 1,452,217	- 40,799	- 1,418,243	- 187,987	- 9,658,403	- 16,364,071	237,013	- 16,127,058
Remuneration of councillors	-	-	-	-	-	-	-	-		-	-	-	-	- 163,542	- 163,542	-	163,542
Depreciation and amortisation	- 12,683	- 591,438	- 22,355	- 1,807	- 1,914	- 58,266	- 44,868	- 2,296		- 355,100	- 36,071	- 64,420	- 26,245	- 2,533,850	- 3,751,313	-	3,751,313
Impairment losses	-	-	-	-	-	- 2,622	- 23,172	-		-	-	-	-	- 92,577	- 118,371	60,803	57,568
Finance costs	- 243	- 649,613	- 7,663	-	- 28,156	- 29,164	- 12,530	- 35,908		- 252,220	- 212,997	- 124,700	- 428	- 2,605,218	- 3,958,840	1,337,537	2,621,303
Debt impairment	- 4,096	- 719,974	- 336	-	- 289	- 948	-	- 108,238		- 3,235,546	176	- 415,311	- 3,220	- 1,374,715	- 5,862,497	13,371	5,849,126
Bulk purchases	-	- 13,917,051	-	-	-	-	-	-		- 6,784,229				-	- 20,701,280	38,843	20,662,437
Lease rentals on operating lease	- 142,719	- 358,265	-	-	-	- 6,022	- 32,267			- 205,511	- 2,606	- 11,887	- 770	- 198,269	- 958,316	14,085	944,231
Grants and subsidies paid	-	-	-	- 22,884	-	-	-	-		-	-	-	-	- 5,216,512	- 5,239,396	5,101,306	138,090
Loss on disposal of assets and liabilities	- 239	- 4,402	- 2,566	-	-	- 12,051	-	- 510		- 13,614	- 5,011	- 316	-	- 32,546	- 71,255	0	71,255
Fair value adjustment	-	-	-	-	-	-	-	-		-	-	-	-	- 151,947	- 151,947	-	151,947
Share of surpluses or deficits from associates or joint ventures accounted for using the equity method	-	-	-	-	-	-	-	- 897		-	-	-	-	-	- 897	897	-
General expenses	- 179,684	- 1,628,301	- 472,152	- 107,917	- 25,120	- 224,422	- 1,050,571	- 187,394		- 1,309,981	- 385,240	- 1,614,286	- 220,880	- 6,084,004	- 13,489,952	2,440,440	- 11,049,512
Total expenditure	- 806,798	- 19,357,650	- 1,133,816	- 237,488	- 129,424	- 661,043	- 1,522,756	- 491,460	-	- 13,608,418	- 682,548	- 3,649,163	- 439,530	- 28,111,583	- 70,831,677	9,244,295	- 61,587,382
Surplus (Deficit) before taxation	- 43,171	- 997,107	127,286	14,579	- 19,647	- 92,943	73,299	- 133,657	17,024	1,269,757	40,682	- 25,404	108,729	1,599,319	1,938,746		1,033,987
Taxation	- 8,372	- 308,905	-	3,697	12,140	-	121,201	-	-	-	11,555	-	35,308	-	- 133,376	-	133,376
Surplus for the year	- 34,799	- 688,202	127,286	10,882	- 31,787	- 92,943	- 47,902	- 133,657	17,024	1,269,757	29,127	- 25,404	73,421	1,599,319	2,072,122		1,167,363

Group Statement of Financial Position 2021																	
	PROPER	POWER	PARKS	CIVIC	JDA	MBUS	JRA	JOSHO	TOURISM	WATER	MTC	PIKITUP	MARKET	Core	Total	Elimination	Group
Assets																	
Current Assets																	
Inventories		59,618	4,593	2,152		27,510	65,711	392		121,893	2,947	5,914		91,305	382,035	-	382,035
Loans to Municipal entities														918,221	918,221	918,221	-
Loans to shareholders	128,598		718,403				457,049	5,958		633,864		2,816,675	402,304		5,162,851	5,162,851	-
Other financial assets														7,395	7,395	-	7,395
Current tax receivable		170,778						50						35,760	206,588	-	206,588
Finance lease receivables														47,666	47,666	47,666	-
Receivables from exchange transactions	608,313	848,780	78,421	36,659	625,065	9,357	609,265	790,039		13,051	819,589	33,118	66,224	12,616,416	17,154,297	16,067,711	1,086,586
Receivables from non-exchange transactions	146	194,979	11,238			839		2,513						225,931	435,646	198,563	237,083
VAT receivable				2,036	246,125			2,792			3,717		18,736	165,475	438,881	-	438,881
Consumer debtors		1,710,555								3,160,646		1,167,800		1,036,559	7,075,560	-	7,075,560
Financial assets at fair value - Sinking fund														1,388,045	1,388,045	-	1,388,045
Cash and cash equivalents	2	567,460	70	10,040	1	84	436,419	172,019		30		64	208,342	5,250,131	6,644,662	-	6,644,662
	737,059	3,552,170	812,725	50,887	871,191	37,790	1,568,444	973,763	-	3,929,484	826,253	4,023,571	731,366	21,747,144	39,861,847	22,395,012	17,466,835
Non-Current Assets																	
Zoo animals			19,894											7,254	27,148	-	27,148
Investment property													31,037	1,007,800	1,038,837	-	1,038,837
Property, plant and equipment	19,651	15,376,246	77,437	13,161	6,166	546,582	162,780	9,562		12,880,850	471,613	558,940	405,859	47,447,816	77,976,663	129,008	77,847,655
Intangible assets	13,560	388,507	1,155	309	19,370	1,304	23,353	348		31,832	7,323	120	1,775	751,312	1,240,268	-	1,240,268
Heritage assets		-		1,603										623,386	624,989	-	624,989
Investments in Municipal Entities		-												657,709	657,709	657,709	-
Investment in Joint Ventures		-						22,410							22,410	-903	23,313
Loans to Municipal Entities		-												5,174,761	5,174,761	5,174,761	-
Loans to shareholders		-	32,949			32,013	54,820				791,327	148,781		1,059,890	1,059,890	1,059,890	-
Other financial assets		-												112,281	112,281	-	112,281
Deferred tax	24,551	-		3,097	3,635						7,891		3,683		42,857	-2,461,273	2,504,130
Finance lease receivables		-												117,057	117,057	117,057	-
Financial assets at fair value - Sinking fund		-												1,386,277	1,386,277	-	1,386,277
	57,762	15,764,753	131,435	18,170	29,171	579,899	240,953	32,320	-	12,912,682	1,278,154	707,841	442,354	57,285,653	89,481,147	4,676,249	84,804,898
Total Assets	794,821	19,316,923	944,160	69,057	900,362	617,689	1,809,397	1,006,083	-	16,842,166	2,104,407	4,731,412	1,173,720	79,032,797.00	129,342,994.00	27,071,261.00	102,271,733.00

Group Statement of Financial Performance 2021																	
Entity name	Property	Power	Parks	Theatre	JDA	MBUS	JRA	Joshco	Tourism	Water	MTC	PIKITUP	Market	Core	Total	Elimination	Group
Revenue																	
Revenue from exchange transactions															0.00		
Rendering of services	0.00	16,094,063.00			-	37,709.00				12,947,710.00	219,720.00	1,951,267.00	0.00	250,037.00	31,500,506.00	-1,199,785.00	30,300,721.00
Rental of facilities and equipment	0.00	616	2,385.00	1,869.00	326.00	0.00	6942	171,651.00			0.00		55,129.00	114,432.00	353,350.00	-179.00	353,171.00
Agency services	47,751.00	0	0.00	-	-	0.00	0	63,365.00					435,275.00	640,242.00	1,202,028.00	-469,739.00	732,289.00
Demand Side Management		337,620.00															337,620.00
Other revenue	165,515.00	44,099.00	131,295.00	38,007.00	74,928.00	1,868.00	90504	2,362.00		4,671.00	183.00	5,788.00	16,516.00	643,723.00	1,219,459.00	-770,334.00	413,609.00
Finance Income	377.00	76,825.00	29,255.00	3,133.00		1,093.00	35119	9,960.00		176,018.00	25,401.00	51,975.00	25,618.00	1,478,694.00	1,913,468.00	-1,266,526.00	646,942.00
Reversal of Impairment	0.00					0.00	0	0.00				0.00	0.00	0.00	0.00	0.00	0.00
Fair value adjustments	0.00	0		-		0.00	0					0.00	0.00	262,205.00	262,205.00	0.00	262,205.00
Share of surpluses or deficits from associates or joint ventures accounted for using the equity method	0.00			-											0.00		
Total revenue from exchange transactions	213,643.00	16,553,223.00	162,935.00	43,009.00	75,254.00	40,670.00	132,565.00	247,338.00		13,128,399.00	260,699.00	2,009,030.00	532,538.00	3,389,333.00	36,451,016.00	-3,706,563.00	33,046,557.00
Revenue from non-exchange transactions																	
Taxation revenue																	
Property rates	0.00													13,035,792.00	13,035,792.00	0.00	13,035,792.00
Surcharges and taxes	0.00													252,541.00	252,541.00	0.00	252,541.00
Finance Income	62.00												656.00	119,847.00	120,565.00	0.00	120,565.00
Transfer revenue															0.00	0.00	
Government grants and subsidies	646,229.00	76,320.00	980,998.00	163,454.00	40,627.00	669859	1,293,374.00	19,900.00		296,952.00	251,893.00	874,220.00	0.00	12,211,789.00	17,525,615.00	-4,939,011.00	12,603,628.00
Levies	0.00		-			0	0					248,522.00			248,522.00	0.00	248,522.00
Public contributions, donated and contributed property, plant and equipment	0.00	41,742.00	8,288.00			0	26367			223,920.00				1,231.00	301,548.00	0.00	301,548.00
Fines, Penalties and Forfeits	0.00	0				0	0			240.00				1,547,656.00	1,547,896.00	0.00	1,547,896.00
Other Income	895.00	0	-			0	0								895.00	0.00	895.00
Total revenue from non-exchange transactions	647,186.00	118,062.00	989,286.00	163,454.00	40,627.00	669,859.00	1,319,741.00	19,900.00		521,112.00	251,893.00	1,122,742.00	656.00	27,168,856.00	33,033,374.00		28,111,387.00
Total revenue	860,829.00	16,671,285.00	1,152,221.00	206,463.00	115,881.00	710,529.00	1,452,306.00	267,238.00		13,649,511.00	512,592.00	3,131,772.00	533,194.00	30,558,189.00	69,484,390.00		61,157,944.00
Expenditure																	
Employee related costs	-487,387.00	-1,303,095.00	-654,646.00	-95,088.00	-78,591.00	-318,823.00	-351226	-150,867.00		-1,367,214.00	-36,842.00	-1,421,055.00	-166,038.00	-9,043,114.00	-15,473,986.00	-205,490.00	-15,268,496.00
Remuneration of councillors	0.00	-	-	-	-	-	0	0.00			0.00		0.00	-168,116.00	-168,116.00	0.00	-168,116.00
Depreciation and amortisation	-26,005.00	-586,937.00	-32,687.00	-1,900.00	-1,996.00	-69,734.00	-47338	-2,770.00		-341,507.00	-34,348.00	-42,037.00	-25,289.00	-2,646,448.00	-3,858,996.00	0.00	-3,858,996.00
Impairment losses	0.00	-121,831.00	-	-	-	-43,726.00	0			-693.00	0.00		-9,817.00	-1,696,477.00	-1,872,544.00	-1,609,910.00	-262,634.00
Finance costs	-3,723.00	-523,891.00	-8,778.00	-	-15,880.00	-36,869.00	-36977	-7,147.00		-271,826.00	-193,215.00	-105,668.00	-915.00	-2,663,841.00	-3,868,730.00	-1,261,806.00	-2,606,924.00
Debt impairment	5,627.00	-792,538.00	0.00	-1,919.00	-16,730.00	30.00	0	-84,656.00		-2,661,104.00	-531.00	-207,946.00	-7.00	-2,644,940.00	-6,404,714.00	0.00	-6,404,714.00
Bulk purchases	0.00	-12,151,576.00	0.00	-	-	0.00	0			-6,376,001.00	0.00		0.00	0.00	-18,527,577.00	-178,105.00	-18,349,472.00
Lease rentals on operating lease	-122,210.00	-688,502.00	0.00	-	-	-4,967.00	-38318			-185,318.00	-2,110.00	-11,802.00	-978.00	-185,124.00	-1,239,329.00	404.00	-1,239,733.00
Grants and subsidies paid	0.00	-	0.00	-21,512.00	-	0.00	-				0.00		0.00	-4,938,683.00	-4,960,195.00	-4,921,987.00	-38,208.00
Loss on disposal of assets and liabilities	-1,053.00	-2,697.00	-1,990.00	-	-103.00	-1,765.00	-15	-74.00		-881.00	-35.00	0.00	-2,407.00	-50,367.00	-61,387.00	0.00	-61,387.00
Fair value adjustment	0.00			-		0.00		0.00			0.00			0.00	0.00	0.00	
Share of surpluses or deficits from associates or joint ventures accounted for using the equity method	0.00	-	0.00		-	0.00		-251.00			0.00			0.00	-251.00	362.00	-613.00
General expenses	-224,361.00	-1,501,439.00	-436,605.00	-79,869.00	-22,352.00	-156,785.00	-1068775	-150,935.00		-1,040,434.00	-136,709.00	-1,390,760.00	-206,556.00	-5,223,679.00	-11,639,259.00	-2,097,078.00	-9,542,181.00
Total expenditure	-859,112.00	-17,672,506.00	-1,134,706.00	-200,288.00	-135,652.00	-632,639.00	-1,542,649.00	-396,700.00		-12,244,978.00	-403,790.00	-3,179,268.00	-412,007.00	-29,260,789.00	-68,075,084.00		-57,801,474.00
Surplus before taxation	1,717.00	-1,001,221.00	17,515.00	6,175.00	-19,771.00	77,890.00	-90,343.00	-129,462.00		1,404,533.00	108,802.00	-47,496.00	121,187.00	1,297,400.00	1,409,306.00		3,356,470.00
Taxation	6,487.00	-549,049.00	0.00	1,324.00	-2,688.00	0	84,122.00	0.00		0.00	41,712.00	0.00	38,868.00	0.00	-379,224.00		379,224.00
Surplus for the year	-4,770.00	-452,172.00	17,515.00	4,851.00	-17,083.00	77,890.00	-174,465.00	-129,462.00		1,404,533.00	67,090.00	-47,496.00	82,319.00	1,297,400.00	1,030,082.00		3,735,694.00

City of Johannesburg Metropolitan Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand thousand

50. SEGMENT INFORMATION (continued)

1. Identifying of segments

The City is organized and reports to management on the basis of fifteen Core departments which have specified mandates 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. Of the fifteen departments, nine qualified as 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 characteristics.

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.

Segment	Goods/services*	Aggregation^
1. Economic Development	Support and promotion of SMEE's	Aggregation Segment 1
2. Environmental and Infrastructure	Infrastructure planning and coordination	Aggregation Segment 1
3. Development Planning	Manage land use, controls building and settlement transformation	Aggregation Segment 1
4. Community Development	Facilitation of delivery of sports, art, culture and libraries	Aggregation Segment 2
5. Social Development	Facilitation of social welfare and developmental programme	Aggregation Segment 2
6. Public Safety	Combatting crime, firefighting, emergency medical services and rescue programmes	Stand-alone
7. Health	Health care services	Stand-alone
8. Housing	Housing development and provision	Stand-alone
9. Transport	Transportation services	Stand-alone

*Good/services listed do not constitute an exhaustive list of good/services provided by the department

^All other departments (non-segments) have been aggregated and disclosed as Aggregate Segment 3

City of Johannesburg Metropolitan Municipality

Annual Financial Statements for the year ended 30 June 2022

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Figures in Rand thousand

2022 Disclosure								
	Aggregate Segment 1	Aggregate Segment 2	Aggregate Segment 3	HEALTH	HOUSING	PUBLIC SAFETY	TRANSPORTATION	Grand Total
Revenue								
Finance income	24 701	0	1 418 551	0	55 350	0	7 848	1 506 450
Revenue from exchange transactions	84 462	-184 812	1 246 067	-60 762	8 611	683 329	30 454	1 807 350
Revenue from non-exchange transactions*	0	0	398 253	0	0	60 971	0	459 224
Government grants	57 586	27 889	9 451 613	188 586	1 136 411	0	581 532	11 443 617
Property rates	0	0	13 499 728	0	0	0	0	13 499 728
Reversal of impairment	0	0	965 414	0	0	26 485	2 635	994 535
Grand Total	166 749	-156 923	26 979 626	127 824	1 200 372	770 786	622 469	29 710 903
	Aggregate Segment 1	Aggregate Segment 2	Aggregate Segment 3	HEALTH	HOUSING	PUBLIC SAFETY	TRANSPORTATION	Grand Total
Expenditure								
Employee related costs	-454 904	-708 290	-2 226 560	-1 265 301	-178 596	-4 674 500	-210 332	-9 718 483
Depreciation and Impairment Losses	-102 418	-215 771	-1 159 403	-45 429	-436 824	-64 124	-509 878	-2 533 848
Finance costs	0	-13	-2 603 110	0	0	-6	-2 089	-2 605 219
Impairment loss	0	-24 390	-62 241	0	0	-3 780	-2 165	-92 576
Impairment of current receivables	-23 658	0	-1 232 176	0	-101 490	-17 392	0	-1 374 716
Other Expenditure	-96 085	-510 696	-3 162 668	-89 018	-797 199	-849 972	-1 064 582	-6 570 221
Transfers and Subsidies	-95 352	-11 078	-5 101 306	-8 776	0	0	0	-5 216 512
Grand Total	-772 417	-1 470 238	-15 547 465	-1 408 524	-1 514 109	-5 609 775	-1 789 046	-28 111 575
Surplus/ (Deficit)	-605 668	-1 627 161	11 432 161	-1 280 700	-313 738	-4 838 989	-1 166 577	1 599 328
	Aggregate Segment 1	Aggregate Segment 2	Aggregate Segment 3	HEALTH	HOUSING	PUBLIC SAFETY	TRANSPORTATION	Grand Total
Total Assets	2 421 492	4 185 143	55 508 518	675 936	11 009 323	1 110 401	7 367 345	82 278 158
Total Liabilities	-605 077	-285 342	-37 106 864	-59 250	-1 551 729	-498 815	-1 039 094	-41 146 171
Grand Total	1 816 415	3 899 802	18 401 654	616 686	9 457 594	611 586	6 328 251	41 131 987
	Aggregate Segment 1	Aggregate Segment 2	Aggregate Segment 3	HEALTH	HOUSING	PUBLIC SAFETY	TRANSPORTATION	Grand Total
Additional Disclosure								
Non-Current Assets Addition [^]	197 996	129 291	2 017 336	51 220	1 452 679	41 419	292 803	4 182 744
Deffered Income	0	0	-13 349	0	0	0	-28 678	-42 027

*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 and post-employment assets

City of Johannesburg Metropolitan Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand thousand

50. SEGMENT INFORMATION (continued)

2021 Disclosure								
	Aggregate Segment 1	Aggregate Segment 2	Aggregate Segment 3	HEALTH	HOUSING	PUBLIC SAFETY	TRANSPORTATION	Grand Total
Revenue								
Finance income	22 767	0	1 402 599	0	47 272	0	6 056	1 478 694
Revenue from exchange transactions	108 426	-222 552	1 345 991	-61 642	375	719 420	21 329	1 911 348
Revenue from non-exchange transactions*	0	0	372 589	1 033	0	1 547 656	0	1 921 278
Government grants	143 362	17 559	9 775 080	194 803	1 272 292	0	808 692	12 211 789
Property rates	0	0	13 035 792	0	0	0	0	13 035 792
Reversal of impairment	0	0	0	0	0	0	0	0
Grand Total	274 554	-204 993	25 932 052	134 194	1 319 940	2 267 076	836 077	30 558 901
	Aggregate Segment 1	Aggregate Segment 2	Aggregate Segment 3	HEALTH	HOUSING	PUBLIC SAFETY	TRANSPORTATION	Grand Total
Expenditure								
Depreciation and Impairment Losses	-101 593	-226 913	-1 335 644	-39 332	-411 223	-55 892	-475 852	-2 646 450
Employee related costs	-453 796	-665 070	-2 150 162	-1 139 997	-168 775	-4 280 422	-200 943	-9 059 165
Finance costs	0	-37	-2 654 097	0	1	-17	-9 691	-2 663 841
Impairment loss	0	-22 728	-1 681 834	0	8 084	0	0	-1 696 478
Impairment of current receivables	-22 829	0	-942 298	0	-433 064	-1 246 748	0	-2 644 939
Other Expenditure	-83 262	-350 991	-2 971 036	-76 627	-729 461	-730 775	-669 786	-5 611 938
Transfers and Subsidies	0	-9 702	-4 920 454	-8 526	0	0	0	-4 938 682
Grand Total	-661 480	-1 275 441	-16 655 524	-1 264 482	-1 734 438	-6 313 855	-1 356 273	-29 261 493
Surplus/ (Deficit)	-386 926	-1 480 434	9 276 528	-1 130 288	-414 498	-4 046 779	-520 196	1 297 408

City of Johannesburg Metropolitan Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand thousand

50. SEGMENT INFORMATION (continued)

	Aggregate Segment 1	Aggregate Segment 2	Aggregate Segment 3	HEALTH	HOUSING	PUBLIC SAFETY	TRANSPORTATION	Grand Total
Total Assets	2 475 974	4 266 839	53 069 339	656 345	10 019 459	1 090 725	7 454 120	79 032 801
Total Liabilities	-426 873	-152 829	-36 602 295	-72 514	-1 209 108	-393 046	-648 800	-39 500 145
Grand Total	2 049 101	4 114 010	16 467 044	583 832	8 810 351	697 679	6 805 320	39 532 656
*Includes all non-exchange revenue line items found in the Statement of Financial Performance except for government grants and property rates.								

**RECONCILIATION BETWEEN STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS &
STATEMENT OF FINANCIAL PERFORMANCE – GRAP 24**

Service charges

Sale of electricity	17 109 018
Sale of water	7 826 924
Sewerage & sanitation charges	5 690 973
refuse removal	2 155 601
	<hr/>
	32 782 516

Finance income

exchange transactions	598 372
non-exchange	116 276
	<hr/>
	714 648

Other income

surcharges and taxes	271 233
reversal of impairment	29 120
Share of surpluses/deficits from associates/joint ventures Accounted for using the equity method	695
levies	203 093
other revenue exchange transactions	923
other revenue non-exchange transactions	610 008
rendering of services excluding service charges	442 353
Demand side management	321 550
	<hr/>
	1 878 975

Other income

licenses and permits	<hr/>
	7 169

Government grants & subsidies

Capital projects	1 574 193
Operational projects	10 535 935
	<hr/>
	12 110 128

Non-executive directors			
Municipal Entity	Non-Executive Directors	2 022	2 021
Joburg Water	R Kalidass	226	310
Joburg Water	C Aigbavboa	144	198
Joburg Water	P Matji	90	-
Joburg Water	S Mnyani	56	-
Joburg Water	M Ramurunzi	82	-
Joburg Water	T Sakasa	56	-
Joburg Water	L Zulu	22	-
Joburg Water	S Buthelezi	92	224
Joburg Water	M Booï	104	84
Joburg Water	R Greeff	82	66
Joburg Water	S Khesuoe	90	66
Joburg Water	J Maduna	98	232
Joburg Water	M Mangena	82	180
Joburg Water	N Sekoba	82	156
Joburg Water	P Marah	-	66
Joburg Water	T Maseko	48	66
Joburg Water	S Mtlolo	40	-
Joburg Water	N Ntsokolo	-	144
Joburg Water	G Phakathi	8	24
TOTAL		1 402	1 816

City Power	Ms N Batyi	-	-
City Power	Mr K Mthembu	-	270
City Power	Adv L Maseko	158	188
City Power	Mr P Kedama	112	-
City Power	Mr N Kgope	188	252
City Power	Ms T Marah	114	86
City Power	Ms L Mathabathe	138	96
City Power	Mr K Setzin	146	226
City Power	Ms P Thobejane	88	150
City Power	Ms P Thobejane	144	-
City Power	Mr K Setzin	92	-
City Power	Ms N Xolo - Executive	96	-
City Power	Ms P Zondo	48	-
City Power	Mr J Du Plessis	78	-
City Power	Amb. D Gibson	92	-
City Power	Mr D Hunt	68	-
City Power	Mr M Jojozi	56	-
City Power	Ms M Mashabela	64	-
City Power	Ms M Mashabela	44	-
City Power	Mr B Mpangalasane	44	-
City Power	Mr N Kgope	44	-
City Power	Mr C Lithole	32	48
City Power	Ms D Mthimunya	28	12
City Power	Mr H Moolla	34	42
City Power	Ms J Dlamini	8	-
City Power	Mr P Phill	8	-
City Power	Mr A Tau	8	-
TOTAL		1 932	1 370

City Power	Mr W Mathamela	-	302
City Power	Mr M Mello	-	48
City Power	Ms K Lehloenya	-	114
City Power	Mr E Magerman	-	24
City Power	Mr P Kedama	-	84
City Power	Mr B Ramokhele	-	298
City Power	Ms M Seopola	-	246
City Power	Prof. B Twala	-	180
TOTAL		-	1 296

Metrobus	Bernice Dille	96	96
Metrobus	Busisiwe Juliet Sibisi	212	370
Metrobus	Dr Lawrence Kok	104	
Metrobus	Refilwe Morajane	16	
Metrobus	Gloria Matshusa	92	
Metrobus	Grandeur Hove	18	24
Metrobus	Henry Madalane	114	96
Metrobus	Judith Shiwundlana	92	
Metrobus	Keamogetswe Ruiters	16	
Metrobus	Lita Mbokotho	104	
Metrobus	Lucky Sixolo	134	138
Metrobus	Mbuso Poswa	198	90
Metrobus	MMM Raborife	56	48
Metrobus	Nombulelo Shabangu	128	
Metrobus	Nyambeleni Tshindane	68	
Metrobus	Olwethu Siphuka	80	
Metrobus	Pinkie Zanele Numa	32	
Metrobus	Queenie Buthelezi	270	256
Metrobus	Itemeleng Molontoa	156	
Metrobus	Simphiwe Dzengwe	94	
Metrobus	Simphiwe Mamvura	100	
Metrobus	Themba Mabuya	206	84
Metrobus	Thulani Hlatswayo	158	98
Metrobus	Tshepo Sohaba	180	238
Metrobus	Tshepo Sohaba		12
Metrobus	Tumelo Mokgoka	160	216
Metrobus	Walter Kganyango	138	90
Metrobus	Yongama Pamla	144	
Metrobus	Tumelo Mlangeni	68	
TOTAL		3 234	1 856

Metrobus	BJ Sibisi	-	
Metrobus	DP Mthimunye	-	60
Metrobus	DT Mkhwanazi	-	254
Metrobus	Dr M Mokonyama	-	132
Metrobus	DM Mukonza	-	-
Metrobus	K Parirenyatwa	-	-
Metrobus	M I Daniel	-	178
Metrobus	M Ramonyai	-	238
Metrobus	G Shabangu	-	228
Metrobus	P Govender	-	-
Metrobus	I D Moloantoa	-	12
Metrobus	N Tshindane	-	36
Metrobus	TI Raaleka	-	-
Metrobus	T Mokgoka	-	-
Metrobus	T Sohaba	-	-
Metrobus	MMM Raborife	-	-
TOTAL		-	1 138

Joburg Theatre	MS. Ashley Hayden	202	138
Joburg Theatre	Mr. Johannes Collen Weapond	18	60
Joburg Theatre	Ms. Bonga Kweyama	86	54
Joburg Theatre	Ms. Nomveliso Mpongo	92	54
Joburg Theatre	Mr. Jabu Love Mathebula	106	-
Joburg Theatre	Ms. Sebenzile Mkhonto	92	54
Joburg Theatre	Mr. Thembinkosi Masina	86	54
Joburg Theatre	Ms. Moipone Qhomane	120	54
Joburg Theatre	Mr. Desmond Ndzipho	56	-
Joburg Theatre	Mr. Tom Mofokeng	-	54
Joburg Theatre	Mr. Junior Ramovha	94	120
Joburg Theatre	Mr. Mabutho Sithole	94	90
Joburg Theatre	Mr. Vetnami Linda	-	66
Joburg Theatre	Mr. Mbuso Majozi	-	36
Joburg Theatre	Ms. Thandiwe Gladys Shezi	-	-
Joburg Theatre	Ms. Dineo Sitole (Majavu)	142	156
Joburg Theatre	Mr Dingane Khesoue	-	60
Joburg Theatre	Mr. Mande Ndema	104	60
Joburg Theatre	Mr. Zane Meas (Chairperson)	50	-
Joburg Theatre	Mr. Itumeleng Malope	44	-
Joburg Theatre	Mr. Jabu Love Malope	46	-
Joburg Theatre	Mr. Jabu Goodman Hlongwane	46	-
Joburg Theatre	Mr. Sean Kreusch	44	-
TOTAL		1 522	1 110
Joburg Theatre	Ms. Thandiwe Gladys Shezi	-	66
Joburg Theatre	Ms. Desmond Ndzipho(Chairper	-	186
Joburg Theatre	Mr. Rabone Moripe	-	138
TOTAL		-	390

City Parks	Mr. CF Cain (Chairperson) (NED)	74	-
City Parks	Mr. AQ Chogle (NED)	44	-
City Parks	Mr. BS Chaplog (NED)	86	-
City Parks	Dr. OPM Horwood (NED)	136	-
City Parks	Dr. MM Dyasi (NED)	44	-
City Parks	Mrs. PCP Petersen (NED)	136	-
City Parks	Mr. FV Leketi (NED)	154	-
City Parks	Mr. EF Sithole (NED)	250	-
City Parks	Mr. CA Bassuday (NED)	44	-
City Parks	Ms. Mabusela-Aikhuere	86	-
City Parks	Mr. YL Zigebe (NED)	68	-
City Parks	Ms. ND Mnisi (NED)	42	-
City Parks	Mr. C Mathonsi (NED)	40	-
City Parks	Mr. A Kamani (NED)	80	-
City Parks	Mr. P Naidoo (NED)	92	-
City Parks	Mr. P Mahlambi (NED)	80	-
City Parks	Mr. MN Serekele (NED)	68	-
City Parks	Ms. T Shongwe (NED)	80	-
TOTAL		1 604	-
City Parks	Mr. FV Leketi (NED)	-	120
City Parks	Mr. EN Sithole (NED)	-	176
City Parks	Dr. OPM Horwood (NED)	-	108
City Parks	Mr. A Kamani (NED)	-	108
City Parks	Mr. P Naidoo (NED)	-	116
City Parks	Mr. D Raphuti (NED)	-	66
City Parks	Ms. E Nhlapo (NED)	-	68
City Parks	Ms. PCP Petersen (NED)	-	108
City Parks	Mr. P Mahlambi (NED)	-	90
City Parks	Mr. MN Serekele (NED)	-	48
City Parks	Mr. B Rajah (NED)	-	48
City Parks	Mr. ND Mnisi (NED)	-	42
City Parks	Mr. YL Zigebe (NED)	-	42
City Parks	Ms. T Shongwe (NED)	-	42
TOTAL		-	1 182

JDA	K Phaahla (Chairperson)	86	70
JDA	C Whittle	72	-
JDA	M Lecogo	96	54
JDA	L Matshidze	86	-
JDA	S Marota	98	-
JDA	K Marawu	100	80
JDA	M Malinga	72	-
JDA	W Thwala	64	-
JDA	L Brenner (Chairperson)	102	-
JDA	M Phathutshedzo	72	-
JDA	NE Veyi	96	54
JDA	N Ntingane	88	-
JDA	M Ntanga	98	120
JDA	V Ntshangase	90	54
JDA	TT Maepa	104	80
JDA	SK Sibuyi	90	54
JDA	A Dreyer	56	-
JDA	T Motloung	114	-
JDA	S Mokoena	96	54
JDA	SS Ndlungwane	90	54
JDA	K Mashiane (Independent Audit	16	-
JDA	K Onuoka (Independent Audit ar	30	42
JDA	T Makofane (Independent Audit	24	48
JDA	V Nena (Independent Audit and	30	50
JDA	F Alidi (Independent Audit and R	24	12
JDA	J Mendelsohn (Independant Auc	24	-
JDA	N Ngaka (Independent Audit and	36	-
		1 954	826
JDA	Ms Hleko	-	108
JDA	V Magale	-	126
JDA	P Kganare(Chairperson)	-	172
JDA	M Makwarela	-	134
JDA	S Masango	-	108
JDA	E Megerman	-	102
JDA	S Moichela	-	142
JDA	N Moila	-	108
JDA	T Mothloung	-	180
JDA	T Mvundle	-	108
JDA	T Sambo	-	92
TOTAL		-	1 380

Joburg Market	Mr T Thwala (Chairperson)	148	-
Joburg Market	Ms S Mmusi	100	-
Joburg Market	Mr V Ngcobo	100	-
Joburg Market	Mr S Cele	100	-
Joburg Market	Dr N Madiba	88	-
Joburg Market	Dr M Makwarela (Chairperson)	52	202
Joburg Market	Mr D Johane	86	144
Joburg Market	Mr M Phalane	76	102
Joburg Market	Mr Z Xalisa	190	126
Joburg Market	Ms S Petersen	72	150
Joburg Market	Mr M Hleko (Interim Chairperso	104	144
Joburg Market	Ms V Magale	98	144
Joburg Market	Mr J Mocke	108	-
Joburg Market	Ms T Shezi	72	150
Joburg Market	Dr T Xaba	318	184
Joburg Market	Dr M Dyasi	72	138
Joburg Market	Ms Z Mthembu	100	-
Joburg Market	Ms Z Ngwepe	44	-
Joburg Market	Mr A Mokwena	66	170
Joburg Market	Mr V Chipape	26	-
Joburg Market	Mr R Magagula	40	-
Joburg Market	Ms B Maclare	72	150
TOTAL		2 132	1 804
Joburg Market	Mr S Clarke (Chairperson)	-	116
Joburg Market	Pr S Botha	-	102
Joburg Market	Ms M Liebenberg	-	66
Joburg Market	Mr T Ferreira	-	78
Joburg Market	Mr A Smith	-	66
Joburg Market	Ms N Moiloa		72
TOTAL		-	500

Joshco	Mr. T Dhlamini	240	390
Joshco	Mr. T Mamba	196	254
Joshco	Mr. M Maimane	192	298
Joshco	Mr. S Mhlongo	102	236
Joshco	Mr. S Dlwathi	218	258
Joshco	Mr. B Makhanya	108	278
Joshco	Ms. G Boikanyo	258	290
Joshco	Mr. T Motloung	108	92
Joshco	Mr. S Bhengu	106	258
Joshco	Mr. J Sobekwa	236	128
Joshco	Ms. D Raphuti	106	104
Joshco	Dr. K Sesele	230	108
Joshco	Mr. N. Bangisi	114	100
Joshco	Mr. S Varghese	76	-
Joshco	Mr. K Modipane	88	-
TOTAL		2 378	2 794

JRA	T Sambo - Chairperson	-	-
JRA	H Mtimkhulu	208	166
JRA	T Motloung	116	-
JRA	N Mkhize	68	-
JRA	T Phetla	7	-
JRA	B Mokgatle	64	-
JRA	I Mthembu	68	-
JRA	S Bapela	44	-
JRA	M Myeza	-	-
JRA	Dr A Mokoena (Retired)	32	189
JRA	N Mila (Retired)	92	154
JRA	S Chiloane-Nwabueze (Retired)	36	64
JRA	E Mtshali (Retired)	108	64
JRA	Y Ngxabazi (Retired)	18	70
JRA	F Ntsandeni (Retired)	142	232
JRA	L Ndlovu (Retired)	126	234
JRA	L Mdluli (Retired)	64	180
JRA	O Mekwa (AFR&IT Committee Member until 15 February 2022)	34	48
JRA	K Parirenyalwa (AFR&IT Committee Member until 15 February 2022)	54	48
JRA	S Mzizi (AFR&IT Committee Member until 15 February 2022)	34	42
JRA	T Mongatane (AFR&IT Committee Member as at 30 June 2022)	20	-
JRA	S Makhubela (AFR&IT Committee Member as at 30 June 2022)	8	-
TOTAL		1 343	1 491
JRA	DR. S. Ndlungwane	-	96
JRA	M. Qhomane	-	102
JRA	F. Seemela	-	108
JRA	T Tshitangano	-	24
JRA	A. Torres	-	132
TOTAL		-	462

Tourism	Terry Tselane	99	-
Tourism	Bulelwa Koyana	69	-
Tourism	Sakhumzi Maqubela	60	-
Tourism	Dr. Sharlotte Naidu	69	-
Tourism	Ditaba Maraka	69	-
Tourism	Adv. Cawekazi Mahlati	71	76
Tourism	Sipho Tshabalala	41	48
Tourism	Nomusa Mufamadi	24	24
Tourism	Gloria Matshusa	60	48
Tourism	Phumla Nkanunu	40	48
Tourism	Teboho Loate	60	48
Tourism	Ntombi Mthembu	60	48
Tourism	Preddy Mothopeng	60	48
Tourism	Marvelous Ndlhovu	48	36
Tourism	Papi Kganare (Deceased)	-	36
TOTAL		830	460

MTC	Mr JK Sikhosana- current Chairperson	78	-
MTC	Mr Makwane	32	-
MTC	Mr X Mbanga	64	-
MTC	Mr K Moloko	52	-
MTC	Ms K Ndlovu	86	-
MTC	Mrs U Exner	46	-
MTC	Mrs K Marawu	58	-
MTC	Mr V Mboweni	64	-
MTC	Mr G Mancotywa	58	-
MTC	Ms T Makhubele - previous Board Chairperson	71	157
MTC	Mr Cowan	77	104
MTC	Mr J Ngubane	57	125
MTC	Mr T Sebotsane	70	99
MTC	Mr N Mabaso	21	96
MTC	Mr J Lekoma	75	108
MTC	Mrs B Abrahams	64	104
MTC	Mrs T Njozela	112	106
MTC	Mr D Kutumela	198	193
MTC	Mrs W Mostert	75	113
MTC	Mr A Jabavu	69	104
MTC	Mrs N Sathekge	70	94
TOTAL		1 497	1 403
MTC	Mr V Linda	-	37
MTC	Ms C Stevens - Previous Board Chairperson	-	112
MTC	Mr G Van Niekerk	-	92
MTC	Mr M Magigaba	-	80
MTC	Prof S Singh	-	101
MTC	Mr C Ramalaine	-	97
MTC	Mr T Tshitangano	-	31
MTC	Mr A Smith	-	26
MTC	Mrs N Maseko	-	106
MTC	Ms R Williams	-	198
MTC	Mr K Mahlaba	-	42
MTC	Mr R Magagula	-	26
TOTAL		-	948

JPC	Mr M Rabodila	120	212
JPC	Mr M Rabodila	-	87
JPC	Adv B Madumise	142	130
JPC	Mr R Gallocher	96	-
JPC	Ms V Gumede	16	-
JPC	Mr J Letsapa	90	-
JPC	Ms X Lingani	96	90
JPC	Ms S Maja-Masilo	116	73
JPC	Mr S Mda	321	146
JPC	Mr B Mgoza	94	-
JPC	Ms M Mngomezulu	16	68
JPC	Mr S Mngomezulu	49	68
JPC	Ms S Moichelo	54	87
JPC	Ms T Mopai	73	68
JPC	Ms B Mthimkhulu	58	-
JPC	Ms K Muthwa	123	90
JPC	Ms K Ng'ambi	136	-
JPC	Mr T Ngcobo	96	-
JPC	Ms P Numa	21	89
JPC	Mr T Ramawa	94	-
JPC	Mr B Sneeck	50	-
TOTAL		1 861	1 208
JPC	Ms Y Erasmus	-	73
JPC	Mr S Masemola	-	106
JPC	Mr C Rampheri	-	136
JPC	Ms A Ramakoaba	-	42
JPC	Ms K Sithebe	-	90
JPC	Mr TM Thulare	-	71
JPC	Mr V Ward	-	122
TOTAL		-	640

PIKITUP	Mr Mathamela W (Chairperson)	80	120
PIKITUP	Dr Skeepers N (Chaiperson)	32	-
PIKITUP	Mr Brenner L	120	200
PIKITUP	Ms Ekeke N	86	66
PIKITUP	Mr Sefathle N	74	132
PIKITUP	Prof Snyman J	128	152
PIKITUP	Ms Mtshengu S	98	-
PIKITUP	Mr Mulaudzi R	34	-
PIKITUP	Mr Nedzamba M	98	132
PIKITUP	Ms Nkwanyana S	80	132
PIKITUP	Mr Monaise S	62	-
PIKITUP	Ms Oliphant D	94	120
PIKITUP	Mr Theunissen R	34	-
PIKITUP	Mr Nchabeleng M	20	-
PIKITUP	Ms Motsoai OY	32	-
PIKITUP	Mr Seane SS	32	-
PIKITUP	Ms Phiri J	88	-
PIKITUP	Mr Tsotetsi G	114	152
PIKITUP	Ms Xaba Z	94	132
PIKITUP	Ms Makhudu S	32	
PIKITUP	Ms Msibi- Pholoane	20	
TOTAL		1 452	1 338
PIKITUP	Mrs Hadebe J	-	18
PIKITUP	Ms Mtshengu S	-	120
PIKITUP	Ms Mvuma	-	66
TOTAL		-	204