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CITY OF JOHANNESBURG METROPOLITAN MUNICIPALITY
GROUP ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

General Information

MAYORAL COMMITTEE

EXECUTIVE MAYOR

Amos Masondo (Chairperson)
(1 JULY 2008 – 30 JUNE 2011)

COUNCILLORS

(1 JULY 2008 – 30 JUNE 2011)
Bafana Sithole (Community Development)
Parks Tau (Finance)
Bhengeza Mthombeni (Health)
Matshidiso Mfikoe (Environment and Corporate Services)
Oupa Monareng (Economic Development)
Elgina Ndhlovu (Public Safety)
Ruby Mathang (Housing)
Christine Walters (Infrastructure and Services)
Rosslyn Greeff (Development Planning and Urban Management)
Rehana Moosajee (Transport)
Nonceba Molwele (Chief Whip)
Nkele Ntingane (Speaker of Council)

GRADING OF LOCAL AUTHORITY

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

AUDITORS

The Office of the Auditor-General: Gauteng
Registered Auditors
61 Central Street
Houghton
2198

P O Box 91081
Auckland Park
2006

BANKERS

ABSA Bank Limited

CITY MANAGER

Mavela AV Dlamini

EXECUTIVE DIRECTOR: FINANCE

Mankodi Moitse

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2001

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City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Index

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

INDEX	PAGE
Municipal Manager's approval of the Group Annual Financial Statements	4
Report of the Auditor General	5 - 10
Statement of Financial Position	11 - 12
Statement of Financial Performance	13
Statement of Changes in Net Assets	14 - 15
Cash Flow Statement	16
Accounting Policies	17 - 32
Notes to the Group Annual Financial Statements	33 - 120
APPENDIX A: Schedule of External Loans	121 - 122
APPENDIX B: Analysis of Property, Plant and Equipment	123
APPENDIX C: Segmental Analysis of Property, Plant and Equipment	124
APPENDIX D: Segmental Statement of Financial Performance	125
APPENDIX E(1): Actual versus Budget (Revenue and Expenditure)	126
APPENDIX E(2): Actual versus Budget (Acquisition of Property, Plant and Equipment)	127
APPENDIX F: Disclosure of Grants and Subsidies in Terms of the Municipal Finance Management Act	128 - 129
APPENDIX G: Bank accounts	130
APPENDIX H: Directors remuneration	131

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

INDEX

ABBREVIATIONS

CJMM	City of Johannesburg Metropolitan Municipality
COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
GAAP	Generally Accepted Accounting Practices
GEPF	Government Employees Pension Fund
GRAP	Generally Recognised Accounting Practice
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (previously CMIP)
NDR	Non Distributable Reserve

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Municipal Manager's approval of annual financial statements

I am responsible for the preparation of the Group Annual Financial Statements for the CJMM, which are set out on pages 4 to 131, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 36 of these group annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act.

Municipal Manager

24 December 2009

**REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG PROVINCIAL
LEGISLATURE AND COUNCIL ON THE GROUP FINANCIAL STATEMENTS AND
PERFORMANCE INFORMATION OF THE CITY OF JOHANNESBURG
METROPOLITAN MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2009**

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying group financial statements and financial statements of the City of Johannesburg Metropolitan Municipality (CJMM) which comprise the consolidated and separate statement of financial position as at 30 June 2009, and the consolidated and separate statement of financial performance, the consolidated and separate statement of changes in net assets and the consolidated and separate cash flow statements for the year then ended, a summary of significant accounting policies and other explanatory notes, and the accounting officer's report, as set out on pages [xx] to [xx].

The accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the applicable financial reporting basis of accounting and in the manner required by the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. Paragraph 11 *et seq.* of the Statement of Generally Recognised Accounting Practice, GRAP 1 *Presentation of Financial Statements* requires that financial

reporting by entities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget. As the budget reporting standard is not effective for this financial year, I have determined that my audit of any disclosures made by the CJMM in this respect will be limited to reporting on non-compliance with this disclosure requirement.

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

Opinion

8. In my opinion these financial statements present fairly, in all material respects, the consolidated and separate financial position of the City of Johannesburg Metropolitan Municipality as at 30 June 2009 and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended, in accordance with the applicable financial reporting basis of accounting and in the manner required by the MFMA.

Emphasis of matters

Without qualifying my opinion, I draw attention to the following matters:

Significant uncertainties

9. As disclosed in 49 to the financial statements, the entity was a defendant in various litigation claims. The ultimate outcome of these matters could not be determined.

Irregular, fruitless and wasteful expenditure

10. As disclosed in note 55 to the financial statements, fruitless and wasteful expenditure to the amount of R16 585 000 was incurred mainly due to the penalty paid to the South African Revenue Services for late payment of taxes. Irregular expenditure to the amount of R15 487 000 was incurred mainly due to supply chain management regulations not adhered to.

Restatement of corresponding figures

11. As disclosed in note 51 to the financial statements, the corresponding figures for 2007/08 financial year have been restated as a result of errors discovered during 2008/09 financial year in the financial statements of the CJMM, for the year ended 30 June 2008.

Other matter

Without qualifying my opinion, I draw attention to the following matter that relates to my responsibilities in the audit of the financial statements:

Unaudited supplementary schedules

12. The supplementary information set out on pages XX to XX does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

Governance framework

13. The governance principles that impact the auditor's opinion on the financial statements are related to the responsibilities and practices exercised by the accounting officer and executive management and are reflected in the key governance responsibilities addressed below:

Key governance responsibilities

14. The MFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of key governance responsibilities, which I have assessed as follows:

No.	Matter	Y	N
Clear trail of supporting documentation that is easily available and provided in a timely manner			
1.	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.	✓	
Quality of financial statements and related management information			
2.	The financial statements were not subject to any material amendments resulting from the audit.	✓	
3.	The annual report was submitted for consideration prior to the tabling of the auditor's report.		✓
Timeliness of financial statements and management information			
4.	The annual financial statements were submitted for auditing as per the legislated deadline (section 126 of the MFMA).	✓	
Availability of key officials during audit			
5.	Key officials were available throughout the audit process.	✓	
Development and compliance with risk management, effective internal control and governance practices			
6.	Audit committee		
	<ul style="list-style-type: none">The municipality had an audit committee in operation throughout the financial year.	✓	

No.	Matter	Y	N
	<ul style="list-style-type: none"> The audit committee operates in accordance with approved, written terms of reference. 	✓	
	<ul style="list-style-type: none"> The audit committee substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the MFMA. 	✓	
7.	Internal audit		
	<ul style="list-style-type: none"> The municipality had an internal audit function in operation throughout the financial year. 	✓	
	<ul style="list-style-type: none"> The internal audit function operates in terms of an approved internal audit plan. 	✓	
	<ul style="list-style-type: none"> The internal audit function substantially fulfilled its responsibilities for the year, as set out in section 165(2) of the MFMA. 	✓	
8.	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.	✓	
9.	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.	✓	
10.	The information systems were appropriate to facilitate the preparation of the financial statements.	✓	
11.	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in section 62(1)(c)(i) of the MFMA.	✓	
12.	Power and duties assigned are in place, as set out in section 79 of the MFMA.	✓	
Follow-up of audit findings			
13.	The prior year audit findings have been substantially addressed.	✓	
14.	MPAC resolutions have been substantially implemented.	✓	
Issues relating to the reporting of performance information			
15.	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.	✓	
16.	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.	✓	
17.	A strategic plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the CJMM against its mandate, predetermined objectives, outputs, indicators and targets as set out in 68 of the MFMA.	✓	
18.	There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.	✓	

Investigations

15. There were 57 investigations conducted during the financial year, 39 investigations were finalised and reports issued. The remaining 18 investigations had insufficient evidence to conclude hence were closed. Circumstances that resulted in investigations included the following:

- Non-compliance with the Supply Chain Management Regulations which ranged from cover quoting, splitting of orders, awarding of contracts to the service providers that were not the lowest bidder and non disclosure of conflict of interest by officials.
- Payments approved by officials without appropriate delegations.
- Nepotism or irregular appointment of officials at various departments.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on performance information

16. I have reviewed the performance information as set out on pages xx to xx.

The accounting officer's responsibility for the performance information

17. In terms of section 121(3)(c) of the MFMA, the annual report of a municipality must include the annual performance report of the municipality, prepared by the municipality in terms of section 46 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).

The Auditor-General's responsibility

18. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008* and section 45 of the MSA.

19. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

20. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the findings reported below.

Performance information findings

Non-compliance with regulatory requirements

21. The Performance Audit Committee did not perform the following as required by section 14(4)(a) of the Local Government: Municipal Planning and Performance Management Regulations, 2001:

- review the quarterly reports of the internal auditors on their audits of the performance measurements of the municipality
- review the municipality's performance management system and make recommendations in this regard to the council of the CJMM
- at least twice during a financial year submit an audit report to the municipal council concerned

APPRECIATION

22. The assistance rendered by the staff of the City of Johannesburg Metropolitan Municipality during the audit is sincerely appreciated.

Auditor-General

Johannesburg

23 December 2009



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Statement of Financial Position as at 30 June 2009

Figures in Rand thousand	Note(s)	GROUP		CJMM	
		2009	2008	2009	2008
NET ASSETS AND LIABILITIES					
NET ASSETS					
Capital replacement reserve		85,186	104,162	85,186	104,162
Associated NDR		2,899	2,701	-	-
COID reserve		78,541	64,115	78,541	64,115
Accumulated surplus		19,312,467	16,844,675	14,229,518	12,398,339
		19,479,093	17,015,653	14,393,245	12,566,616
LIABILITIES					
Non-Current Liabilities					
Long-term liabilities	3	9,124,096	7,290,693	9,025,321	7,170,231
Finance lease obligations	4	82,257	22,659	71,110	7,758
Retirement benefit obligations	6	1,789,504	1,640,420	1,736,977	1,628,553
Deferred tax liability	11	8,779	18,714	-	-
Non-current provisions	5	289,685	213,244	-	-
Deferred income	58	13,520	1,658	13,470	-
Consumer deposits	12	417,189	387,433	211,203	202,335
		11,725,030	9,574,821	11,058,081	9,008,877
Current Liabilities					
Current portion of long-term liabilities	3	1,230,910	618,349	1,175,315	551,305
Finance lease obligations	4	26,801	27,029	20,232	20,578
Current tax payable		47,306	18,880	-	-
Creditors	7	5,667,711	4,383,651	5,204,974	4,499,710
VAT payable	9	385,155	348,406	-	-
Unspent conditional grants and receipts	10	974,130	989,131	846,139	883,447
Current provisions	5	304,303	656,400	282,419	650,409
Bank overdraft	29	51,857	51,887	-	-
		8,688,173	7,093,733	7,529,079	6,605,449
Total Liabilities		20,413,203	16,668,554	18,587,160	15,614,326
Total Net Assets and Liabilities		39,892,296	33,684,207	32,980,405	28,180,942

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Statement of Financial Position as at 30 June 2009

Figures in Rand thousand	Note(s)	GROUP		CJMM	
		2009	2008	2009	2008
ASSETS					
Non-Current Assets					
Biological assets	13	5,976	4,474	-	-
Investment property	14	1,251,570	1,197,938	1,052,889	1,055,610
Property, plant and equipment	15	30,508,231	24,597,915	19,850,725	15,460,907
Intangible assets	16	344,356	235,864	54,182	69,406
Investments in Municipal Entities	17	-	-	467,713	473,676
Investment in joint ventures	19	31,326	15,991	-	-
Loans to Municipal Entities	18	-	-	5,227,632	5,005,158
Held to maturity investments	21	1,783,830	1,800,008	1,783,830	1,800,008
Non-current receivables	23	131,617	55,966	131,617	55,966
Deferred tax asset	11	94,781	75,333	-	-
		34,151,687	27,983,489	28,568,588	23,920,731
Current Assets					
Biological assets - Held for resale	24	3,400	3,434	-	-
Inventories	25	171,397	115,094	29,130	31,648
Loans to Municipal Entities	18	-	-	684,902	491,346
Held to maturity investments	21	1,000,000	577,312	1,000,000	577,312
Current tax receivable		3,991	5,626	-	-
Assets held for sale	30	2,378	2,390	-	-
Other debtors	26	1,415,147	1,245,802	1,439,995	1,086,032
Consumer debtors	27	2,263,950	2,152,956	436,645	538,383
VAT receivable	9	182,881	207,758	171,856	188,364
Call investment deposits	28	466,104	920,467	447,591	905,955
Bank balances and cash	29	231,361	469,879	201,698	441,171
		5,740,609	5,700,718	4,411,817	4,260,211
Total Assets		39,892,296	33,684,207	32,980,405	28,180,942

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Detailed Income statement

Figures in Rand thousand	Note(s)	GROUP		CJMM	
		2009	2008	2009	2008
Revenue					
Property rates	31	3,330,999	3,326,163	3,330,999	3,326,163
Service charges	32	9,852,446	7,989,804	579,607	404,189
Rental facilities and equipment		113,543	117,557	57,018	50,264
Interest earned - investments		645,217	627,742	511,126	506,773
Interest earned - outstanding debtors		160,924	100,034	160,924	100,034
Interest received - ME's		-	-	704,029	669,071
Fines		389,265	371,919	389,265	371,919
Licences and permits		1,243	1,231	1,243	1,231
Income from agency services		155,463	147,465	155,463	147,465
Government grants and subsidies	33	4,943,421	4,445,795	4,592,746	4,129,948
Public contributions, donated and contributed property, plant and equipment		90,370	58,643	803	552
Other income	34	1,041,375	773,459	317,758	392,984
Total Revenue		20,724,266	17,959,812	10,800,981	10,100,593
Expenditure					
Employee related costs	35	(5,269,672)	(4,318,763)	(2,930,442)	(2,279,226)
Remuneration of councillors	36	(68,657)	(62,337)	(68,657)	(62,337)
Impairment of current receivables	37	(1,478,271)	(738,800)	(697,291)	(185,649)
Depreciation and amortisation	38	(733,608)	(806,402)	(322,073)	(433,617)
Repairs and maintenance		(422,947)	(399,474)	(111,374)	(90,783)
Interest paid		(1,249,801)	(971,161)	(1,121,767)	(882,576)
Bulk purchases	39	(5,428,750)	(4,324,318)	-	-
Contracted services	40	(1,931,110)	(1,605,081)	(1,113,206)	(1,043,424)
Grants and subsidies paid	41	(361,421)	(196,294)	(2,543,506)	(2,097,594)
General expenses	42	(2,975,842)	(2,506,137)	(1,781,104)	(1,661,445)
Impairments of assets	43	(31,469)	(61,519)	(15,838)	(47,009)
Loss on disposal of property, plant and equipment		(31,512)	(14,982)	(6,139)	(13,815)
Total Expenditure		(19,983,060)	(16,005,268)	(10,711,397)	(8,797,475)
Operating surplus		741,206	1,954,544	89,584	1,303,118
Share of deficit of associate accounted for under the equity method		(402)	(221)	-	-
Surplus before taxation		740,804	1,954,323	89,584	1,303,118
Taxation	44	14,747	(43,302)	-	-
Surplus for the year		726,057	1,997,625	89,584	1,303,118

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Statement of Changes in Net Assets

	Note(s)	Capital replacement reserve	Associated NDR	COID reserve	Total reserves	Accumulated surplus	Net Assets
Figures in Rand thousand							
GROUP							
Opening balance as previously reported		102,712	2,343	50,608	155,663	13,524,737	13,680,400
Adjustments							
Prior year adjustments	51				-	765,103	765,103
Balance at 01 July 2007 as restated		102,712	2,343	50,608	155,663	14,289,840	14,445,503
Changes in equity							
Capitalisation Adjustment					-	21,383	21,383
Contribution to COID Reserve				26,284	26,284	(26,284)	-
COID claims processed				(12,777)	(12,777)	12,777	-
Equity share in associate			358		358		358
Assets found					-	53,329	53,329
Transfer to CRR		135,422			135,422	(135,422)	-
Net revenue (expenditure) recognised directly in equity		135,422	358	13,507	149,287	(74,217)	75,070
Surplus for the year					-	1,997,625	1,997,625
Total recognised revenue and expenditure for the year		135,422	358	13,507	149,287	1,923,408	2,072,695
PPE purchases from CRR		(133,972)			(133,972)	133,972	-
Assets under construction					-	497,455	497,455
Total changes		1,450	358	13,507	15,315	2,554,835	2,570,150
Opening balance as previously reported		104,162	2,701	64,115	170,978	15,677,845	15,848,823
Adjustments							
Prior year adjustments	51				-	1,166,830	1,166,830
Balance at 01 July 2008 as restated		104,162	2,701	64,115	170,978	16,844,675	17,015,653
Changes in equity							
Contribution to COID Reserve				30,032	30,032	(30,032)	-
COID claims processed				(15,606)	(15,606)	15,606	-
Transfer to CRR		11,171			11,171	(11,171)	-
Assets found					-	438,486	438,486
Net revenue (expenditure) recognised directly in equity		11,171	-	14,426	25,597	412,889	438,486
Surplus for the year						726,057	726,057
Total recognised revenue and expenditure for the year		11,171	-	14,426	25,597	1,138,946	1,164,543
PPE purchases from CRR		(30,147)			(30,147)	30,147	-
Equity share in associate			198		198		198
Assets under construction					-	1,298,699	1,298,699
Total changes		(18,976)	198	14,426	(4,352)	2,467,792	2,463,440
Balance at 30 June 2009		85,186	2,899	78,541	166,626	19,312,467	19,479,093

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Statement of Changes in Net Assets

	Note(s)	Capital replacement reserve	COID reserve	Total reserves	Accumulated surplus	Net Assets
Figures in Rand thousand						
CJMM						
Opening balance as previously reported		102,712	50,608	153,320	10,155,390	10,308,710
Adjustments						
Prior year adjustments	51			-	382,621	382,621
Balance at 01 July 2007 as restated		102,712	50,608	153,320	10,538,011	10,691,331
Changes in net assets						
Capitalisation Adjustment				-	21,383	21,383
Contribution to COID Reserve			26,284	26,284	(26,284)	-
COID claims processed			(12,777)	(12,777)	12,777	-
Assets found				-	53,329	53,329
Transfer to CRR		135,422		135,422	(135,422)	-
Net revenue (expenditure) recognised directly in equity		135,422	13,507	148,929	(74,217)	74,712
Surplus for the year					1,303,118	1,303,118
Total recognised revenue and expenditure for the year		135,422	13,507	148,929	1,228,901	1,377,830
PPE purchases from CRR		(133,972)		(133,972)	133,972	-
Assets under construction					497,455	497,455
Total changes		1,450	13,507	14,957	1,860,328	1,875,285
Opening balance as previously reported		104,162	64,115	168,277	11,153,763	11,322,040
Adjustments						
Prior year adjustments	51			-	1,244,576	1,244,576
Balance at 01 July 2008 as restated		104,162	64,115	168,277	12,398,339	12,566,616
Changes in net assets						
Contribution to COID Reserve			30,032	30,032	(30,032)	-
COID claims processed			(15,606)	(15,606)	15,606	-
Transfer to CRR		11,171		11,171	(11,171)	-
Assets found					438,346	438,346
Net revenue (expenditure) recognised directly in equity		11,171	14,426	25,597	412,749	438,346
Surplus for the year					89,584	89,584
Total recognised revenue and expenditure for the year		11,171	14,426	25,597	502,333	527,930
PPE purchases from CRR		(30,147)		(30,147)	30,147	-
Assets under construction					1,298,699	1,298,699
Total changes		(18,976)	14,426	(4,550)	1,831,179	1,826,629
Balance at 30 June 2009		85,186	78,541	163,727	14,229,518	14,393,245

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Cash Flow Statement

Figures in Rand thousand	Note(s)	GROUP		CJMM	
		2009	2008	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from ratepayers, government and other		19,302,583	16,474,868	10,800,981	10,100,593
Cash paid to suppliers and employees		(14,839,644)	(12,680,822)	(8,766,586)	(8,622,661)
Cash generated from operations	45	4,462,939	3,794,046	2,034,395	1,477,932
Interest income - external investments		645,217	627,742	1,215,155	1,175,844
Interest paid		(1,249,801)	(971,161)	(1,121,767)	(882,576)
Tax paid	46	(14,069)	(4,481)	-	-
Net cash from operating activities		3,844,286	3,446,146	2,127,783	1,771,200
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	15	(6,259,414)	(5,316,338)	(4,255,500)	(3,418,551)
Proceeds on disposal of property, plant and equipment	15	40,538	11,577	21,109	2,913
Purchase of investment property	14	-	(12,482)	-	-
Purchase of other intangible assets	16	(96,456)	(13,970)	(9,019)	(46)
Purchase of held to maturity investments		(382,677)	(504,948)	(347,788)	(499,957)
Proceeds of held to maturity investments		182,016	170,035	187,979	175,148
Increase in non current receivables		(75,651)	(17,495)	(476,347)	(499,957)
Decrease in call investment deposits		454,363	767,023	458,364	768,484
Net cash from investing activities		(6,137,281)	(4,916,598)	(4,421,201)	(3,301,349)
CASH FLOWS FROM FINANCING ACTIVITIES					
Increase in long-term liabilities		2,720,554	2,126,865	2,701,000	2,126,865
Repayment of long-term liabilities		(216,018)	(170,646)	(176,885)	(127,340)
Decrease of provisions		(400,000)	-	(400,000)	-
Increase in Post retirement payments		(139,155)	(72,420)	(142,046)	(63,759)
(Decrease) / increase in consumer deposits		29,756	(11,592)	8,868	(15,464)
(Decrease) / increase finance lease obligation		59,370	(45,253)	63,007	6,735
Net cash from financing activities		2,054,507	1,826,954	2,053,944	1,927,037
Nett cash movement for the year		(238,488)	356,502	(239,474)	396,888
Cash at the beginning of the year		417,992	61,490	441,172	44,283
Nett cash at end of the year	29	179,504	417,992	201,698	441,171

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1. Basis of preparation

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

These Group Annual Financial Statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) and the Standards of Generally Accepted Municipal Accounting Practices (GAMAP) prescribed by the Minister of Finance in terms of:

General Notice 522 of 2007, issued in Government Gazette no. 30013 of 29 June 2007;

The Standards comprise of the following:

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 4	The Effects of changes in Foreign Exchange Rates
GRAP 5	Borrowing Costs
GRAP 6	Consolidated and Separate Financial Statements
GRAP 7	Investments in Associate
GRAP 8	Interest in Joint Ventures
GRAP 9	Revenue from Exchange Transactions
GRAP 10	Financial Reporting in Hyperinflationary Economies
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events after the reporting date
GRAP 16	Investment Property
GRAP 17	Property Plant and Equipment
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 100	Non-current Assets held for Sale and Discontinued Operations
GRAP 101	Agriculture
GRAP 102	Intangible Assets

Accounting policies for material transactions, events or conditions not covered by the above GRAP Standards have been developed in accordance with paragraphs .07, .11 and .12 of GRAP 3. The pronouncements of the following standard setters were used, in descending order, to develop an appropriate accounting policy:

- International Public Sector Accounting Standards Board (IPSASB).
- International Accounting Standards Board (IASB), including the Framework for the Preparation and Presentation of Financial Statements.
- Accounting Practices Board (APB).
- Accounting Practices Committee (APC) of the South African Institute of Chartered Accountants (SAICA).

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

These accounting policies changed from the previous year, but have no material impact on the annual financial statements.

1.1 SIGNIFICANT JUDGEMENTS

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

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.1 SIGNIFICANT JUDGEMENTS (continued)

Useful lives of waste and water network

The Municipality determines the estimated useful lives and related depreciation charges for the waste water and water networks. This estimate is based on industry benchmark. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

Post retirement benefit Obligation

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

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 6.

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. Refer note 11 – Deferred tax .

Effective interest rate

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

Provision for impairment of trade receivables

The provision for impairment is measured as the difference between the assets' carrying amount and the present value of estimated future cash flow discounted at the effective interest rate computed at initial recognition.

Impairment testing

Management used the fair value less cost to sell to determine the recoverable amount of intangible assets with an indefinite useful life and identifying assets that may have been impaired. Additional disclosure of these estimates is included in note - Impairment of assets

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 5 - Provisions.

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

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.1 SIGNIFICANT JUDGEMENTS (continued)

A provision is recognised when:

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

Contingent provisions on business combinations

Contingencies recognised in the current year required estimates and judgments, refer to note 49 on acquisition on business combinations.

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 municipality 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 municipality 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 municipality 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 municipality to realise the net deferred tax assets recorded at the statement of financial position date could be impacted.

1.2 PRESENTATION CURRENCY

The functional currency is South African Rand and these Group Annual Financial Statements are presented as such.

1.3 GOING CONCERN ASSUMPTION

These Group Annual Financial Statements have been prepared on the going concern basis.

1.4 COMPARATIVES INFORMATION

1.4.1 CURRENT YEAR COMPARATIVES

Budgeted amounts have been included in the Group Annual Financial Statements for the current financial year only. Refer to Appendix E1 and E2.

1.4.2 PRIOR YEAR COMPARATIVES

When the presentation or classification of items in the Group Annual Financial Statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed. Refer to note 51 for the nature and reasons for the reclassification of prior year comparatives.

1.5 OFFSETTING

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

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.6 RESERVES

1.6.1 CAPITAL REPLACEMENT RESERVE (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus to the CRR. A corresponding amount is transferred to a designated CRR bank account or investment account. The cash in the designated bank account can only be utilised to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus/deficit is credited by a corresponding amount when the CRR is utilised or when there are not sufficient cash backed resources available.

The amount transferred to the CRR is based on the Municipality's need to finance future capital projects included in the Integrated Development Plan.

1.6.2 COMPENSATION FOR OCCUPATIONAL INJURIES AND DISEASES (COID) RESERVE

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

1.7 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

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

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

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

1.8 PROVISIONS

Provisions are recognised when the Municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate. Non-current provisions are discounted to the present value using a discount rate based on the average cost of borrowing to the Municipality.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.9 RETIREMENT BENEFITS

1.9.1 Pension funds

CJMM and certain Municipal Entities provide defined contribution retirement benefit plans for the benefit of employees. The employees and the employers in the group fund these plans, taking into account the recommendations of independent actuaries where relevant. The group also provides gratuity plans and subsidies after retirement for medical aid contributions and housing costs. These plans are partly unfunded, except that in respect of the Municipal Entities a portion of the cost may be recovered from CJMM.

1.9.2 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays a fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts.

The group's funding of defined contribution plans is charged to the statement of financial performance in the same period as the related service is provided.

1.9.3 Post-retirement medical benefits

The group operates a number of employee medical schemes. The group provides post-retirement medical benefits to certain ex-employees. The liability for these benefits up to the date of the formation of the Municipal Entities has been assumed by CJMM. These benefits are charged to the statement of financial performance in the year of payment. The expected costs of these benefits are accrued over the period of employment.

Actuarial valuations are conducted on an annual basis by independent actuaries.

The method of funding prescribed by IAS19 (AC116) is called the "Projected Unit Method". Under this method the accrued service liabilities are determined by projecting all future payments which will be paid by the employer in respect of benefits accrued up to the Valuation Date. Assumptions are made in respect of, inter-alia, medical scheme contribution increases, withdrawals, deaths and ill-health, early and normal retirements. These payments are discounted at the valuation rate of discount to determine the present value of the liabilities at the Valuation Date.

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

1.9.4 Housing subsidies

The CJMM provides post-retirement housing subsidies for qualifying staff members. The payment of these subsidies is reflected as expenditure in the statement of financial performance.

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

1.9.5 Gratuities

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

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

1.10 PURCHASE OF SERVICE

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

1.11 BONUS PENSIONABLE SERVICE AND MEDICAL BOARDINGS

The benefits of Bonus Pensionable Service and Medical Boardings are afforded to members of certain funds in terms of the applicable rules of the relevant funds. The payments are accounted for in the statement of financial performance in the period in which it is paid.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.12 BIOLOGICAL ASSETS

Livestock and breeding stock are measured at their fair value less estimated point-of-sale costs.

The fair value is determined based on market prices of livestock of similar age, breed, and genetic merit, sold in June of that year. Such livestock can be regarded to be consumable biological assets. The biological assets classified as current assets can be regarded to be mature.

Management reviews the biological assets on a regular basis to determine which livestock are to be held as breeding stock and those to be sold.

1.13 INVESTMENT PROPERTY

Investment properties, which are properties held to earn rental revenue or for capital appreciation, are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on cost, using the straight-line method over the useful life of the property, which is 25 to 30 years, except for land where no depreciation is provided for.

Cost model

Where an investment property is acquired at no cost, or for a nominal cost, its cost is its fair value as at the date of acquisition.

1.14 PROPERTY, PLANT AND EQUIPMENT

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

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

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

Property, plant and equipment constitutes 5 major categories. Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses, except land as indicated below.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs incurred in the acquisition, establishment and installation of such assets so as to bring them to working condition for their intended use.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets was measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up. Where an asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at the date of acquisition.

Residual Value

The Municipality maintains and acquires assets to provide a social service to the community with no intention of disposing the assets for any economic gain and thus no residual values are determined.

Property, plant and equipment (excluding land) are depreciated to a nil value with no residual values being maintained. Where there are residual values these are not material.

Depreciation

Depreciation is calculated so as to write off the cost of property, plant and equipment on a straight-line basis, over the estimated useful life. Depreciation of asset commences when the asset is ready for its intended use.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease if there is no reasonable certainty that the Municipality will obtain ownership by the end of the lease term.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.14 PROPERTY, PLANT AND EQUIPMENT (continued)

Profits and losses arising on the disposal or retirement of an item of property, plant and equipment, determined as the difference between the actual proceeds and the carrying amount of the assets, are recognized in the statement of financial performance in the period in which they occur.

Landfill site, where historical experience indicates that restoration costs will be incurred; a liability for the site restoration costs is recorded. The liability recorded is measured at the present value of the estimated future restoration costs to be incurred. The present value of the liability is capitalised to the underlying landfill site asset to which the restoration costs relate at the inception of the restoration obligation. These amounts are amortised over the estimated useful life of the related asset

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified.

Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset are met.

Property, plant and equipment held for use in the supply of goods or services or for administrative purposes are stated in the statement of financial position at cost less accumulated depreciation and any impairment losses.

The residual value and the useful life of assets are reviewed annually and, if expectations differ from previous estimates, the change(s) are accounted for as a change in an accounting estimate in accordance with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

The annual depreciation rates are based on the following estimated asset lives:

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

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.14 PROPERTY, PLANT AND EQUIPMENT (continued)

Impairment of cash generating assets

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

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

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

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

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

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

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

Impairment of non-cash generating assets

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

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

1.15 INTANGIBLE ASSETS

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

Software is amortised on a straight-line basis over its anticipated useful life, from the date that they are available for use.

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.

Generally, costs associated with developing computer software programs are recognised as an expense as incurred. However, costs that are clearly associated with an identifiable and unique product, which will be controlled by the group and have a probable benefit exceeding the cost beyond one year, are recognised as an intangible asset. Associated costs include staff costs of the development team and an appropriate portion of relevant overheads.

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

Research and development expenditure is written off as incurred.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.15 INTANGIBLE ASSETS (continued)

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

Item	Useful life
Additional capacity rights	10 years
Servitudes	Indefinite
Computer software	2 - 8 years

1.16 FINANCIAL ASSETS, INVESTMENTS AND LIABILITIES

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term.

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned.

Investments are measured initially and subsequently at fair value, gains and losses arising from changes in fair value are included in surplus or deficit for the period.

Transaction costs are recognised in surplus or deficit. Dividend income is recognised in the statement of financial performance as part of other income when the municipality's right to receive payment is established.

Fair value determination

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

Held to maturity

These financial assets are initially measured at fair value plus direct transaction costs.

At subsequent reporting dates these are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts. An impairment loss is recognised in surplus or deficit when there is objective evidence that the asset is impaired, and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Financial assets that the municipality has the positive intention and ability to hold to maturity are classified as held to maturity.

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the municipality has the positive intention and ability to hold to maturity.

Loans and receivables and held-to-maturity investments are carried at amortized cost using the effective interest method. Realized and unrealised gains and losses arising from changes in the fair value of the 'Financial assets at fair value through surplus or deficit category are included in the Statement of Financial Performance in the period in which they arise.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.16 FINANCIAL ASSETS, INVESTMENTS AND LIABILITIES (continued)

Hedging activities

The municipality designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge)
- hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction cash flow hedge;

The municipality documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The municipality also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in note.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the statement of financial performance within other income.

Amounts accumulated in equity are recycled in the statement of financial performance in the periods when the hedged item affects surplus or deficit (for example, when the forecast sale that is hedged takes place).

The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the statement of financial performance within finance costs. The gain or loss relating to the ineffective portion is recognised in the statement of financial performance within other income.

However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets) the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in cost of goods sold in case of inventory or in depreciation in case of fixed assets.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the statement of financial performance.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the statement of financial performance within other income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and with no intention of trading. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are included in trade and other receivables in the Statement of Financial Position.

Impairment of financial assets

The municipality assesses at each statement of financial position date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.16 FINANCIAL ASSETS, INVESTMENTS AND LIABILITIES (continued)

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

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

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

Property, plant and equipment and other non-current, and intangible assets, are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the Statement of Financial Performance for the amount by which the carrying amount of the asset exceeds its recoverable amount, that is, the higher of the asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

Investments in Derivative Financial Instruments

Derivative financial instruments, consisting of interest rate swaps, are initially measured at fair value on the contract date, and are re-measured to fair value at subsequent reporting dates.

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses reported in profit or loss.

Changes in the fair value of derivative financial instruments are recognised in profit or loss as they arise.

Derivative financial instruments are initially recorded at cost and are remeasured to fair value at subsequent reporting dates.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.16 FINANCIAL ASSETS, INVESTMENTS AND LIABILITIES (continued)

Changes in the fair value of derivative financial instruments that are designated and effective as cash flow hedges are recognised directly in accumulated surpluses/(deficits). Amounts deferred in net assets are recognised in the Statement of Financial Performance in the same period in which the hedged firm commitment or forecasted transaction affects net surplus/(deficit).

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

A derivative is a financial instrument whose value changes in response to an underlying variable, requires little or no initial investment and is settled at a future date. In particular, derivatives are accounted for as hedges, when the instrument is entered into with the intention to hedge risk on a particular transaction; the hedge instrument is effective in hedging against volatility in interest rates. The City uses derivative instruments for non-speculative purposes.

Derivatives are initially recognized at fair value and re-measured subsequently at fair value. Fair values are obtained from quoted market prices, discounted cash flow models and options pricing models which consider current market and contractual prices for the underlying instruments as well as the time value of money.

The fair value of interest rate swaps is the estimated amount that the City would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties.

All derivative instruments are carried as trading assets when the fair value is positive and as trading liabilities when the fair value is negative and there is no off-setting. Realised and unrealised gains and losses are recognized in surplus or deficit. A corresponding asset (unrealised gains) or liability (unrealised losses) is raised on the balance sheet.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the municipality has the positive intention and ability to hold to maturity.

Loans and receivables and held-to-maturity investments are carried at amortized cost using the effective interest method. Realized and unrealized gains and losses arising from changes in the fair value of the 'Financial assets at fair value through profit or loss' category are included in the Statement of Financial Performance in the period in which they arise.

1.17 INVESTMENTS IN MUNICIPAL ENTITIES

Group Annual Financial Statements

The Group Annual Financial Statements include those of the holding company and its subsidiaries. The results of the subsidiaries are included from the effective date of acquisition.

Consolidated financial statements are prepared, on acquisition the group recognises the subsidiary's identifiable assets, liabilities and contingent liabilities at fair value, except for assets classified as held-for-sale, which are recognised at fair value less costs to sell, from the date control commences until the control ceases.

Municipal Annual Financial Statements

In the Municipality's separate Annual Financial Statements, investments in municipal entities are carried at cost less any accumulated impairment.

In the Municipality's separate Annual Financial Statements, investments in municipal entities are carried at cost less any accumulated impairment.

Municipal entities are entities controlled by the CJMM. Control exists when the CJMM has the power to govern the financial and operating policies of an entity from its activities. In accessing control, potential voting rights that are currently exercisable are taken into account.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.18 INVESTMENT IN JOINT VENTURES

Group Annual Financial Statements

An investment in a joint venture is accounted for using the proportionate consolidation method, except when the asset is classified as held-for-sale. Under the proportionate consolidation method the group's share of each of the assets, liabilities, income and expenses of the investment is combined line by line with similar items in the group annual financial statements. The use of proportionate consolidation is discontinued from the date on which it ceases to have joint control over a jointly controlled entity.

An investment in a joint venture is accounted for using the equity method, except when the asset is classified as held-for-sale. Under the equity method, the investment in a joint venture is initially recognised at cost and the carrying amount is increased or decreased to recognise the group's share of the profits or losses of the investee after acquisition date. The use of the equity method is discontinued from the date on which the municipality ceases to have joint control over, or have significant influence in, a jointly controlled entity.

Municipal Annual Financial Statements

A joint venture is a contractual arrangement whereby the Municipality and other parties undertake an economic activity that is subject to joint control. Interests in jointly controlled entities are stated at cost.

1.19 INVESTMENTS IN ASSOCIATES

Municipal Annual Financial Statements

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

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

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

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

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

1.20 INVENTORIES

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

When inventories are sold, exchanged or distributed the carrying amount of those inventories shall be recognised as an expense on the period in which the related revenue is recognised. If there is no related revenue, the expense is recognised when goods are distributed or related service is rendered.

The amount of any write-down of inventories and all losses of inventories shall be 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, shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.21 REVENUE

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Municipality's activities. Revenue is shown net of value added tax, estimated returns, rebates and discounts and after eliminated revenue within departments of the Municipality.

Revenue is recognised as follows:

Service charges relating to electricity and water are based on consumption. Meter readings are made on a quarterly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly where meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced.

Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not containers are emptied during the month.

Revenue from the sale of electricity pre-paid meter cards is recognised at the point of sale and not when prepaid electricity is consumed.

Revenue from the sale of goods is recognised when the risks and rewards of ownership are passed to the purchaser.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licenses and permits.

Interest and rentals are recognised on a time proportion basis.

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

Finance income from the sale of housing by way of instalment sale agreements or finance leases is recognised on a time proportion basis.

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment is brought into use. Where public contributions have been received but the municipality has not met the condition, a liability is recognised.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis.

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received.

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, at the fair value of the consideration received or receivable.

Contributed property, plant and equipment is recognised when ownership of the items of property, plant and equipment is transferred to the municipality.

1.22 CONDITIONAL GRANTS AND RECEIPTS

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

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.23 LEASES

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment subject to finance lease agreements are capitalised at their cash cost equivalent and the corresponding liabilities are raised. The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are expensed as they become due.

Finance leases - The Municipality as lessor

Amounts due from lessees under finance leases or instalment sale agreements are recorded as receivables at the amount of the Municipality's net investment in the leases. Finance lease or instalment sale income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Municipality's net investment outstanding in respect of the leases or instalment sale agreements.

Finance leases – The Municipality as lessee

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Operating leases - The Municipality as lessor

Assets leased to third parties under operating leases are included in property, plant and equipment in the statement of financial position.

They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Operating leases – The Municipality as lessee

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases.

Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of financial performance on a straight-line basis over the period of the lease.

1.24 TAX

Current tax assets and liabilities

The tax currently payable is based on taxable income for the year. Taxable income differs from surplus as reported in the statement of financial performance, because it includes income and expenses that are taxable or tax deductible in other years and it further excludes items that are never taxable or tax deductible.

In the event that tax is payable it is based on taxable income for the year. Taxable income differs from surplus as reported in the statement of financial performance because it excludes income and expenses that are taxable or tax deductible in other years and it further excludes items that are never taxable or tax deductible.

Deferred income tax

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 profit 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 profit 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 at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Accounting Policies

1.24 TAX (continued)

Deferred income tax, with respect to Municipal entities, is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used to determine deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised.

Taxation

The Municipality is exempted from tax in terms of section 10(1)(a) of the Income Tax Act.

1.25 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense in the statement of financial performance and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.26 IRREGULAR EXPENDITURE

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

1.27 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 is accounted for as expenditure in the statement of financial performance and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.28 SEGMENTAL INFORMATION

Segmental information on property, plant and equipment, as well as income and expenditure, is set out in Appendices C and D, based on the International Government Financial Statistics classifications and the budget formats prescribed by National Treasury. The group operates solely in its area of jurisdiction as determined by the Demarcation Board.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

	GROUP		CJMM	
Figures in Rand thousand	2009	2008	2009	2008

2. STATEMENTS AND INTERPRETATIONS NOT YET EFFECTIVE

At the date of authorisation of these annual financial statements, the following Standards and Interpretations were in issue but not yet effective:

GRAP 18 - Segment Reporting

GRAP 21 - Impairment of non-cash-generating assets

GRAP 23 - Revenue from non-exchange Transactions (Taxes and Transfers)

GRAP 24 - Presentation of Budget Information in Financial Statements

GRAP 26 - Impairment of cash-generating assets

GRAP 103 - Heritage Assets

These Standards are in line with the current standards applied by the CJMM and has no material impact on Group Annual Financial Statements.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008
3. LONG-TERM LIABILITIES				
Liabilities				
Structured loans	962,529	1,004,437	962,529	1,004,437
Funding facility	-	17,900	-	17,900
Development Bank South Africa	1,199,414	448,494	1,179,860	448,494
Local Registered Stock Loans	30,000	30,000	30,000	30,000
Municipal bonds	7,601,000	5,700,000	7,601,000	5,700,000
Jozi bonds	99,817	156,865	99,817	156,865
Other financial liabilities	462,246	551,346	327,430	363,840
Sub-total	10,355,006	7,909,042	10,200,636	7,721,536
Current portion of long term liabilities				
Structured loans	23,964	464,905	23,964	464,905
Funding facility	-	17,643	-	17,643
Development Bank South Africa	106,098	68,627	106,098	68,627
Municipal bonds	1,008,843	-	1,008,843	-
Other financial liabilities	92,005	67,174	36,410	130
Sub-total	1,230,910	618,349	1,175,315	551,305
Non-current liabilities				
At amortised cost	9,124,096	7,290,693	9,025,321	7,170,231
Sub total	9,124,096	7,290,693	9,025,321	7,170,231
Current liabilities				
At amortised cost	1,230,910	618,349	1,175,315	551,305
Sub total	1,230,910	618,349	1,175,315	551,305
Total	10,355,006	7,909,042	10,200,636	7,721,536
Municipal Manager's estimate of fair value of the financial liabilities				
Structured loans	962,529	1,004,437	962,529	1,004,437
Funding facility	-	17,900	-	17,900
Development Bank of Stock Loans	1,199,414	448,494	1,179,860	448,494
Local Registered Stock Loans	30,000	30,000	30,000	30,000
Municipal bonds	7,643,069	5,428,750	7,643,069	5,428,750
Jozi Bonds	99,817	156,865	99,817	156,865
Other financial liabilities	462,246	551,346	327,430	363,840
10,397,075	7,637,792	10,242,705	7,450,286	

The Municipal Manager's estimate of fair value of financial liabilities was determined as follows:

Listed bonds fair values were calculated using the prices as quoted on Bond Exchange South Africa (BESA) on 30 June 2009. Retail bonds fair values were calculated using prices quoted on the Johannesburg Stock Exchange (JSE) on the 30 June 2009.

R 3,083,830 million (2008 : R 2,677,320 million) has been invested specifically in a ring-fenced account for the repayment of long-term liabilities. Refer to Note 47

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008
4. FINANCE LEASE OBLIGATIONS				
Minimum lease payments due				
- within one year	35,042	22,342	25,271	12,453
- in second to fifth year inclusive	87,229	38,907	73,389	18,726
Sub-total	122,271	61,249	98,660	31,179
less: future finance charges	(13,213)	(11,561)	(7,318)	(2,843)
	109,058	49,688	91,342	28,336
Non-current liabilities	82,257	22,659	71,110	7,758
Current liabilities	26,801	27,029	20,232	20,578
	109,058	49,688	91,342	28,336

It is municipality policy to lease certain buildings and equipment under finance leases.

A lease agreement for Soccer City Stadium was signed on the 7 August 2009 between the Department of Public Works (Lessor) and City of Johannesburg Metropolitan Municipality (Lessee). Term of the lease is 99 years. We have treated the lease as an adjusting post financial position event due the lease being effective prior to the financial year end.

Interest on Finance Leases are calculated at variable rates of interest, ranging between 9% and 15% per annum and repayments on these Finance Leases range from monthly to quarterly.

The Finance Lease terms range from three years to five years, after which the City has the option to purchase the leased asset or renew the Finance Lease contract.

The carrying values of the finance leased assets are included under other property, plant and equipment in the note to the financial statements as well as Appendix B (Reconciliation of property, plant and equipment).

Johannesburg Social Housing Company (Pty) Ltd received the following leasehold properties from CJMM at no cost :

	Market Value Nearest Rand
Bellavista	610,000
Antea Hostel	24,358,000
City Deep Hostel	35,426,000
Selby Hostel	5,363,000
Claremont	490,000
Orlando Ekhaya Hostel	686,050
Eldorado Park	10,957,000
Far East Bank	76,300,000
Klipspruit	2,686,242
Total	156,876,292

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

5. PROVISIONS

Reconciliation of provisions - GROUP - 2009

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Escalation on contracts	5,991	4,731	(3,099)	-	7,623
Environmental rehabilitation: Closed landfill site	79,796	21,131	-	8,227	109,154
Environmental rehabilitation: Open landfill sites	133,448	49,189	(1,603)	13,758	194,792
Pension fund settlement	650,409	31,856	(399,846)	-	282,419
	869,644	106,907	(404,548)	21,985	593,988

Reconciliation of provisions - GROUP - 2008

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Escalation on contracts	3,597	2,724	(330)	-	5,991
Environmental rehabilitation: Closed landfill site	72,338	-	-	7,458	79,796
Environmental rehabilitation: Open landfill sites	120,975	-	-	12,473	133,448
Pension fund settlement	445,108	205,301	-	-	650,409
	642,018	208,025	(330)	19,931	869,644

Reconciliation of provisions - CJMM - 2009

	Opening Balance	Additions	Utilised during the year	Total
Pension fund settlement	650,409	32,010	(400,000)	282,419

Reconciliation of provisions - CJMM - 2008

	Opening Balance	Additions	Total
Pension fund settlement	445,108	205,301	650,409
Non-current liabilities	289,685	213,244	-
Current liabilities	304,303	656,400	282,419
	593,988	869,644	650,409

Pikitup Johannesburg (Pty) Ltd

Escalation on contracts - Management's best estimate of the obligation to settle escalations on procurement service contract.

Environmental rehabilitation – environmental obligation to rehabilitate the various landfill sites upon closure.

CJMM

Pension fund settlement – provision for the settlement of the defined benefit funds for the change to defined contribution funds. Refer to Note 49 for detail on contingencies raised relating to Pension Fund matters.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008
6. RETIREMENT BENEFIT OBLIGATION				
6.1. Defined benefit plan				
Post-retirement liability				
Post-Retirement Medical Aid Plan	(1,297,892)	(1,192,340)	(1,271,112)	(1,188,871)
Post-Retirement Housing Subsidy Plan	(7,341)	(8,250)	(7,017)	(7,893)
Retirement Gratuity Plan	(484,271)	(439,830)	(458,848)	(431,789)
Balance at end of year	(1,789,504)	(1,640,420)	(1,736,977)	(1,628,553)
6.1.1. Post-Retirement Medical Aid Plan				
City of Johannesburg Metropolitan Municipality has obligations to subsidise medical aid contributions in respect of certain qualifying staff and pensioners and their surviving spouses. Only pensioners and employees who were aged 50 or older and were members of LA Health or Munimed (Key Health) on 1 July 2003, provided that they continuously remain contributory members of these medical schemes until retirement.				
The City of Johannesburg Metropolitan Municipality operates on 6 accredited medical aid schemes, namely Global Health, Hosmed, Munimed, Bonitas, Samwumed and LA Health. Pensioners continue on the option they belonged to on the day of their retirement.				
Amounts recognised in the Statement of financial position				
Present value of unfunded obligation in respect of CJMM employees	1,297,892	1,192,340	1,165,928	1,082,263
In respect of notional accounts for employees of ME's	-	-	105,184	106,608
	1,297,892	1,192,340	1,271,112	1,188,871
Movements for the year				
Opening balance	1,192,340	1,195,713	1,082,263	1,081,367
Benefits paid	(109,098)	(53,357)	(106,155)	(52,183)
Other	-	4,096	-	-
Net expense recognised in the statement of financial performance	214,650	45,888	189,820	53,079
Balance at end of year	1,297,892	1,192,340	1,165,928	1,082,263
Net expense recognised in the Statement of financial performance				
Current service cost	5,209	5,405	2,685	2,821
Interest cost	107,875	94,436	98,000	85,000
Actuarial (gains)/losses	101,566	(53,953)	89,135	(34,742)
Total, included in employee benefits expense	214,650	45,888	189,820	53,079
Notional loan account				
Opening balance	-	-	106,608	97,359
Interest received	-	-	9,518	9,249
Correction of error	-	-	(9,303)	-
Benefits payments	-	-	(1,639)	-
Balance at end of year	-	-	105,184	106,608

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

6. RETIREMENT BENEFIT OBLIGATION (continued)

Key assumptions used

The principal actuarial assumptions used were as follows:

Discount rates used		8.40 %	9.50 %
Expected rate of return on assets		8.40 %	9.50 %
Rate of increase in employer post-retirement medical contribution subsidy payments		6.80 %	7.50 %
Expected increase in salaries		6.80 %	7.00 %

Other assumptions:

Age of spouse	-	Husbands 4 years older than wives
Mortality of in-service members	-	In accordance with the SA 85-90 (Light) ultimate table (rated down 3 years for females)
Mortality of pensioners	-	In accordance with the PA(90) ultimate male and female tables

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

6. RETIREMENT BENEFIT OBLIGATION (continued)

6.1.2. Post-Retirement Housing Subsidy Plan

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

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

Amounts recognised in the Statement of financial position

Present value of unfunded obligation in respect of CJMM employees	7,341	8,250	5,715	6,214
In respect of notional accounts for employees of ME's	-	-	1,302	1,679
	7,341	8,250	7,017	7,893

Movements for the year

Opening balance	8,250	11,374	6,214	8,837
Benefits paid	(1,349)	(926)	(1,373)	(846)
Net expense recognised in the statement of financial performance	440	(2,198)	874	(1,777)
Balance at end of year	7,341	8,250	5,715	6,214

Net expense recognised in the Statement of financial performance

Current service cost	36	50	-	-
Interest cost	714	377	525	174
Actuarial (gains)/losses	(310)	(2,625)	349	(1,951)
Total, included in employee benefits 35 expense	440	(2,198)	874	(1,777)

Notional loan account

Opening balance	-	-	1,679	1,535
Interest received	-	-	156	144
Correction of error	-	-	(533)	-
Balance at end of year	-	-	1,302	1,679

Key assumptions used

Assumptions used on last valuation on 30 June 2009.

Discount rates used	8.40 %	9.50 %
Expected rate of return on assets	8.40 %	9.50 %

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

6. RETIREMENT BENEFIT OBLIGATION (continued)

6.1.3. Post-Retirement Gratuity Plan

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

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

The plan is a post-retirement gratuity benefit plan.

The amounts recognised in the Statement of Financial Position were determined as follows:

Amounts recognised in the Statement of financial position

Present value of unfunded obligation in respect of CJMM employees	484,271	439,830	164,331	130,046
In respect of notional accounts for employees of ME's	-	-	294,517	301,743
	484,271	439,830	458,848	431,789

Movements for the year

Opening balance	439,830	423,390	130,046	118,943
Benefits paid	(28,708)	(18,137)	(17,049)	(3,671)
Other	941	-	-	-
Net expense recognised in the statement of financial performance	72,208	34,577	51,334	14,774
Balance at end of year	484,271	439,830	164,331	130,046

Net expense recognised in the Statement of financial performance

Interest cost	40,397	34,149	11,545	9,511
Actuarial loss	31,811	428	39,789	5,263
Total, included in employee benefits expense	72,208	34,577	51,334	14,774

Notional loan account

Opening balance	-	-	301,743	282,883
Interest received	-	-	26,239	25,919
Payments against account	-	-	(15,830)	(7,059)
Correction of error	-	-	(17,635)	-
Balance at end of year	-	-	294,517	301,743

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

6. RETIREMENT BENEFIT OBLIGATION (continued)

Key assumptions used

Assumptions used on last valuation on 30 June 2009.

The principal actuarial assumptions used were as follows:

Discount rates used	8.40 %	9.50 %
Expected rate of return on assets	8.40 %	9.50 %
Expected increase in salaries	6.80 %	7.00 %

6.2. Multi employer funds

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

- Joint Municipal Pension Fund.
- Municipal Employees Pension Fund.

6.2.1. Joint Municipal Pension Fund

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

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

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

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

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

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

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

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

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

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

6. RETIREMENT BENEFIT OBLIGATION (continued)

6.2.2. The Municipal Employees Pension Fund

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

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

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

City of Johannesburg Pension Fund	68,251	54,139
eJoburg Retirement Fund	144,239	92,951
Municipal Councillors pension Fund	6,538	5,390
National Fund for Municipal Workers	2,065	1,967
Soweto City Council Pension Fund	192	189
Municipal Employees Gratuity Fund	23,488	19,519
	244,773	174,155

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

Joint Municipal Pension Fund	2,221	2,004
Municipal Employees Pension Fund	9,271	7,564
	11,492	9,568

7. CREDITORS

Trade payables	2,860,532	2,136,171	681,164	548,225
Payments received in advance	237,334	233,384	318	3,432
Accrued employee costs	562,124	456,603	369,139	313,137
Accrued interest	122,929	113,745	122,926	113,745
Retention's	204,789	150,264	54,799	35,230
Credit balances in consumer debtors	625,301	481,575	524,856	423,206
Engineering fees	263,180	298,867	57,057	66,215
Derivative trading liability	33,463	26,974	33,313	26,974
Other creditors	674,114	375,756	566,106	178,326
Related party creditor	50 83,945	110,312	2,795,296	2,791,220
Total Creditors	5,667,711	4,383,651	5,204,974	4,499,710

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

8. FINANCIAL LIABILITIES BY CATEGORY

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

GROUP - 2009

	Financial liabilities at amortised cost	Fair value through profit or loss	Total
Non-Current Liabilities			
Long-term liabilities	9,124,096	-	9,124,096
Finance lease obligations	82,257	-	82,257
Deferred income	13,520	-	13,520
Consumer deposits	417,189	-	417,189
Current Liabilities			
Current portion of long-term liabilities	1,230,910	-	1,230,910
Finance lease obligations	26,801	-	26,801
Creditors	5,634,248	33,463	5,667,711
Bank overdraft	51,857	-	51,857
	16,580,878	33,463	16,614,341

GROUP - 2008

	Financial liabilities at amortised cost	Fair value through profit or loss	Total
Non-Current Liabilities			
Long-term liabilities	7,290,693	-	7,290,693
Finance lease obligations	22,659	-	22,659
Deferred income	1,658	-	1,658
Consumer deposits	387,433	-	387,433
Current Liabilities			
Current portion of long-term liabilities	618,349	-	618,349
Finance lease obligations	27,029	-	27,029
Creditors	4,356,677	26,974	4,383,651
Bank overdraft	51,887	-	51,887
	12,756,385	26,974	12,783,359

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

8. FINANCIAL LIABILITIES BY CATEGORY (continued)

CJMM - 2009

	Financial liabilities at amortised cost	Fair value through profit or loss	Total
Non-Current Liabilities			
Long-term liabilities	9,025,321	-	9,025,321
Finance lease obligations	71,110	-	71,110
Deferred income	13,470	-	13,470
Consumer deposits	211,203	-	211,203
Current Liabilities			
Current portion of long-term liabilities	1,175,315	-	1,175,315
Finance lease obligations	20,232	-	20,232
Creditors	5,171,661	33,313	5,204,974
	15,688,312	33,313	15,721,625

CJMM - 2008

	Financial liabilities at amortised cost	Fair value through profit or loss	Total
Non-Current Liabilities			
Long-term liabilities	7,170,231	-	7,170,231
Finance lease obligations	7,758	-	7,758
Consumer deposits	202,335	-	202,335
Current Liabilities			
Current portion of long-term liabilities	551,305	-	551,305
Finance lease obligations	20,578	-	20,578
Creditors	4,472,736	26,974	4,499,710
	12,424,943	26,974	12,451,917

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008
9. VAT PAYABLE				
VAT receivable	182,881	207,758	171,856	188,364
VAT payable	(385,155)	(348,406)	-	-
Nett VAT	(202,274)	(140,648)	171,856	188,364

VAT is payable on the receipts basis. Only once payment is received from debtors is VAT paid over to SARS.

10. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Conditional Grants from other spheres of Government:

Provincial grants: capital projects	328,478	346,750	298,316	346,750
Municipal infrastructure grant	49,850	159,462	49,850	159,462
Financial management grant	-	1,753	-	1,753
Restructuring grant	7,014	-	-	-
Provincial grants: operating projects	3,231	2,318	3,231	2,318
Municipal system improvement grant	-	4,282	-	4,282
Social housing foundation	80,149	12,259	-	-
Ellis Park Upgrading - 2010	8,969	2,836	8,969	2,836
Provincial grant : Soccer city 2010	6,166	1,871	6,166	1,871
Gautrain grant	579	1,095	579	1,095
Confederation cup	13,546	-	13,546	-
2010 Public Transport (SPTN)	441,490	341,471	441,490	341,471
Neighbourhood Development Partnership Grant	6,701	-	6,701	-

Other Conditional Receipts

Public contributions	27,957	115,034	17,291	21,609
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Total Conditional Grants and Receipts

	974,130	989,131	846,139	883,447
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Non-current liabilities	-	-	-	-
Current liabilities	974,130	989,131	846,139	883,447
	974,130	989,131	846,139	883,447

See Note 33 for reconciliation of grants from National/Provincial Government.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008
11. DEFERRED TAX LIABILITY				
Deferred tax asset (liability)				
Accelerated capital allowances for tax purposes	(21)	34	-	-
Liabilities for health care benefits accrued	1,802	635	-	-
Provisions	-	317	-	-
Revaluation	-	437	-	-
Tax losses available for set off against future taxable income	-	(1,938)	-	-
Recognised in equity	95	(39)	-	-
Fair value and amortised cost adjustments	162	(139)	-	-
Deferred income	-	(45)	-	-
Trade and other receivables	154	1,034	-	-
Leases	239	599	-	-
Trade and other payables	886	317	-	-
Temporary difference	(7,864)	(9,021)	-	-
Other deferred tax	90,549	64,428	-	-
	86,002	56,619	-	-
Reconciliation of deferred tax asset (liability)				
At beginning of the year	56,619	(3,829)	-	-
Temporary difference on provisions	(41,216)	(27,221)	-	-
Increase/(decrease) in tax losses available for set off against future taxable income	3,735	73	-	-
Temporary difference on retirement benefits	5,762	18,682	-	-
Income received in advance	(322,909)	(274,112)	-	-
Leases	(10,968)	8,366	-	-
Fair value and amortised cost adjustment	(1,148)	771	-	-
Other movements	396,127	333,889	-	-
	86,002	56,619	-	-
Deferred Tax Summary				
Deferred tax liability	(8,779)	(18,714)	-	-
Deferred tax asset	94,781	75,333	-	-
	86,002	56,619	-	-
12. CONSUMER DEPOSITS				
Electricity and water deposits	414,310	383,651	208,324	198,553
Other deposits	2,879	3,782	2,879	3,782
	417,189	387,433	211,203	202,335

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

13. BIOLOGICAL ASSETS

GROUP	2009			2008		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Breeding stock	5,976	-	5,976	4,474	-	4,474

Reconciliation of biological assets - GROUP - 2009

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

Reconciliation of biological assets - GROUP - 2008

	Opening Balance	Disposals	Gains or losses arising from changes in fair value	Gains or losses arising from physical changes	Total
Breeding stock	3,684	(1,374)	(200)	2,364	4,474

Non – Financial information

Quantities of each biological asset

Bulls	22	21	-	-
Breeding heifers	263	217	-	-
Cows	674	638	-	-
Mammals	606	608	-	-
Aves	773	868	-	-
Reptilia	148	141	-	-
Amphibia	74	102	-	-
Insecta	22	-	-	-
Pisces	159	125	-	-
Arthropoda	-	35	-	-
	2,741	2,755	-	-

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

14. INVESTMENT PROPERTY

GROUP	2009			2008		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Investment property	1,337,919	(86,349)	1,251,570	1,278,099	(80,161)	1,197,938

CJMM	2009			2008		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Investment property	1,058,533	(5,644)	1,052,889	1,059,933	(4,323)	1,055,610

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand

14. INVESTMENT PROPERTY (continued)

Reconciliation of investment property - GROUP - 2009

	Opening Balance	Founds	Disposals	Transfers	Depreciation	Total
Investment property	1,197,938	143	(224)	60,045	(6,332)	1,251,570

Reconciliation of investment property - GROUP - 2008

	Opening Balance	Additions	Disposals	Transfers	Depreciation	Impairment	Total
Investment property	1,181,395	12,482	(119)	8,500	(4,097)	(223)	1,197,938

Reconciliation of investment property - CJMM - 2009

	Opening Balance	Founds	Disposals	Transfers	Depreciation	Total
Investment property	1,055,610	143	(224)	(1,175)	(1,465)	1,052,889

Reconciliation of investment property - CJMM - 2008

	Opening Balance	Disposals	Depreciation	Total
Investment property	1,057,087	(119)	(1,358)	1,055,610

Market values

CJMM	1,979,401	2,063,888	2,136,277	2,136,277
The Johannesburg Fresh Produce Market (Pty) Ltd	3,612	3,612	-	-
Metropolitan Trading Company (Pty) Ltd	55,002	55,002	-	-
Johannesburg Social Housing Company (Pty) Ltd	156,876	72,389	-	-
	2,194,891	2,194,891	2,136,277	2,136,277

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

15. PROPERTY, PLANT AND EQUIPMENT

GROUP	2009			2008		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Land and buildings	11,686,953	(1,750,863)	9,936,090	10,374,472	(1,525,273)	8,849,199
Infrastructure	10,615,163	(1,628,014)	8,987,149	7,757,651	(1,304,255)	6,453,396
Community assets	540,408	(178,640)	361,768	471,030	(154,353)	316,677
Other property, plant and equipment	12,142,046	(1,210,814)	10,931,232	9,682,042	(1,031,127)	8,650,915
Specialised vehicles	495,762	(283,672)	212,090	507,225	(259,418)	247,807
Heritage assets	101,283	(21,381)	79,902	100,101	(20,180)	79,921
Total	35,581,615	(5,073,384)	30,508,231	28,892,521	(4,294,606)	24,597,915

CJMM	2009			2008		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Land and buildings	10,627,466	(1,338,162)	9,289,304	9,420,236	(1,176,258)	8,243,978
Infrastructure	2,834,928	(907,930)	1,926,998	2,460,411	(720,588)	1,739,823
Community assets	539,817	(178,224)	361,593	470,441	(153,939)	316,502
Other property, plant and equipment	8,687,427	(492,484)	8,194,943	5,526,937	(444,238)	5,082,699
Heritage assets	99,268	(21,381)	77,887	98,085	(20,180)	77,905
Total	22,788,906	(2,938,181)	19,850,725	17,976,110	(2,515,203)	15,460,907

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand

15. PROPERTY, PLANT AND EQUIPMENT (continued)

Reconciliation of property, plant and equipment - GROUP - 2009

	Opening Balance	Additions	Founds	Disposals	Transfers	Depreciation	Impairment	Total
Land and buildings	8,849,199	224,711	437,976	(29,416)	622,561	(147,109)	(21,832)	9,936,090
Infrastructure	6,453,396	232,522	-	(22,420)	2,601,831	(273,931)	(4,249)	8,987,149
Community assets	316,677	35,188	-	-	33,862	(23,817)	(142)	361,768
Other property, plant and equipment	8,650,915	5,871,180	368	(13,612)	(3,388,368)	(184,005)	(5,246)	10,931,232
Specialised vehicles	247,807	9,890	-	(5,221)	13	(40,399)	-	212,090
Heritage assets	79,921	17	-	(36)	-	-	-	79,902
	24,597,915	6,373,508	438,344	(70,705)	(130,101)	(669,261)	(31,469)	30,508,231

Reconciliation of property, plant and equipment - GROUP - 2008

	Opening Balance	Additions	Disposals	Founds	Transfers	Depreciation	Impairment	Total
Land and buildings	8,891,016	61,108	(6,868)	50,621	31,519	(152,975)	(25,222)	8,849,199
Infrastructure	5,811,394	363,876	(126)	8	557,992	(275,885)	(3,863)	6,453,396
Community assets	335,285	8,501	1	-	173	(23,054)	(4,229)	316,677
Other property, plant and equipment	4,592,513	4,937,641	(13,386)	2,699	(616,420)	(240,175)	(11,957)	8,650,915
Specialised vehicles	284,508	5,877	(3,650)	-	-	(38,928)	-	247,807
Heritage assets	95,993	555	(558)	-	(3)	(46)	(16,020)	79,921
	20,010,709	5,377,558	(24,587)	53,328	(26,739)	(731,063)	(61,291)	24,597,915

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand

15. PROPERTY, PLANT AND EQUIPMENT (continued)

Reconciliation of property, plant and equipment - CJMM - 2009

	Opening Balance	Additions	Founds	Disposals	Transfers	Depreciation	Impairment	Total
Land and buildings	8,243,978	206,310	437,976	(23,850)	537,789	(91,067)	(21,832)	9,289,304
Infrastructure	1,739,823	76,238	-	-	252,700	(137,514)	(4,249)	1,926,998
Community assets	316,502	35,188	-	-	33,862	(23,817)	(142)	361,593
Other property, plant and equipment	5,082,699	3,987,248	227	(3,137)	(823,176)	(43,968)	(4,950)	8,194,943
Heritage assets	77,905	18	-	(36)	-	-	-	77,887
	15,460,907	4,305,002	438,203	(27,023)	1,175	(296,366)	(31,173)	19,850,725

Reconciliation of property, plant and equipment - CJMM - 2008

	Opening Balance	Additions	Disposals	Founds	Transfers	Depreciation	Impairment	Total
Land and buildings	8,279,667	42,945	(6,868)	50,621	1,234	(98,399)	(25,222)	8,243,978
Infrastructure	1,745,562	51,649	(8)	8	81,411	(134,936)	(3,863)	1,739,823
Community assets	335,066	8,501	1	-	173	(23,010)	(4,229)	316,502
Other property, plant and equipment	2,009,098	3,314,901	(9,176)	2,699	(86,295)	(136,999)	(11,529)	5,082,699
Heritage assets	93,977	555	(558)	-	(3)	(46)	(16,020)	77,905
	12,463,370	3,418,551	(16,609)	53,328	(3,480)	(393,390)	(60,863)	15,460,907

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

15. PROPERTY, PLANT AND EQUIPMENT (continued)

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

GROUP	2009			2008		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Soccer city	2,179,146	-	2,179,146	-	-	-
Leasehold property	20,623	(14,573)	6,050	19,698	(11,269)	8,429
Motor vehicles	1,485	(1,226)	259	2,702	(1,597)	1,105
Office equipment	112,128	(66,130)	45,998	78,540	(43,630)	34,910
Total	2,313,382	(81,929)	2,231,453	100,940	(56,496)	44,444

CJMM	2009			2008		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Soccer city	2,179,146	-	2,179,146	-	-	-
Office equipment	95,033	(56,334)	38,699	61,197	(35,704)	25,493
Total	2,274,179	(56,334)	2,217,845	61,197	(35,704)	25,493

Refer to note 4 for detail on the finance lease obligations.

Methods and assumptions used

The Johannesburg Zoo recognises animals at R1, not at fair value. Market-determined prices or values are not available due to the lack of a market for the majority of the animals, because they are not commodities, as well as restrictions on trade of exotic animals, which preclude the determination of a fair value. Alternative estimates of fair value for the animals will be influenced by the age, health, bloodline and other related issues which are arbitrary in nature. Alternative estimates of fair value are not considered to be reliable due to the number of variables involved and the arbitrary nature of the variables. Therefore, on the basis that many species cannot be valued and that reliable values cannot be obtained for other species, it was considered that any assessment of value would be misleading to the user of the annual financial statements. The majority of the Zoo's animals are received as donations and transfers from other similar institutions for no consideration, or from procreation. These assets are recorded at a nominal amount, and therefore the Zoo's animals are not depreciated.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

16. INTANGIBLE ASSETS

GROUP	2009			2008		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Additional capacity rights	119,521	(10,547)	108,974	80,149	(8,580)	71,569
Servitudes	901	-	901	901	-	901
Computer software, internally generated	1,209	(654)	555	816	(398)	418
Computer software	564,550	(330,624)	233,926	438,004	(275,028)	162,976
Total	686,181	(341,825)	344,356	519,870	(284,006)	235,864

CJMM	2009			2008		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software	248,238	(194,056)	54,182	239,223	(169,817)	69,406

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand

16. INTANGIBLE ASSETS (continued)

Reconciliation of intangible assets - GROUP - 2009

	Opening Balance	Additions	Disposals	Transfers	Amortisation	Total
Additional capacity rights	71,569	39,372	-	-	(1,967)	108,974
Servitudes	901	-	-	-	-	901
Computer software, internally generated	418	392	-	-	(255)	555
Computer software	162,976	56,692	(5)	70,056	(55,793)	233,926
	235,864	96,456	(5)	70,056	(58,015)	344,356

Reconciliation of intangible assets - GROUP - 2008

	Opening Balance	Additions	Disposals	Transfers	Amortisation	Impairment	Total
Additional capacity rights	73,536	-	-	-	(1,967)	-	71,569
Servitudes	901	-	-	-	-	-	901
Computer software, internally generated	654	27	-	-	(263)	-	418
Computer software	200,290	13,943	(479)	18,239	(69,012)	(5)	162,976
	275,381	13,970	(479)	18,239	(71,242)	(5)	235,864

Reconciliation of intangible assets - CJMM - 2009

	Opening Balance	Additions	Disposals	Amortisation	Total
Computer software	69,406	9,019	(1)	(24,242)	54,182

Reconciliation of intangible assets - CJMM - 2008

	Opening Balance	Additions	Transfers	Amortisation	Impairment	Total
Computer software	104,754	46	3,480	(38,869)	(5)	69,406

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008
17. INVESTMENTS IN MUNICIPAL ENTITIES				
Name of entity	% holding 2009	% holding 2008	Carrying amount 2009	Carrying amount 2008
City of Johannesburg Property Company (Pty) Ltd	100.00 %	100.00 %	6,236	6,236
City Power Johannesburg (Pty) Ltd	100.00 %	100.00 %	112,466	112,466
Johannesburg City Parks *	100.00 %	100.00 %	28,098	28,098
Johannesburg Development Agency (Pty) Ltd	100.00 %	100.00 %	87,873	87,873
Johannesburg Metropolitan Bus Services (Pty) Ltd	100.00 %	100.00 %	54,774	54,774
Johannesburg Roads Agency (Pty) Ltd	100.00 %	100.00 %	39,065	39,065
Johannesburg Social Housing Company (Pty) Ltd *	100.00 %	100.00 %	-	-
Johannesburg Tourism Company *	100.00 %	100.00 %	5,585	4,166
Johannesburg Water (Pty) Ltd	100.00 %	100.00 %	1	1
Metropolitan Trading Company (Pty) Ltd	100.00 %	100.00 %	97,971	97,971
Pikitup Johannesburg (Pty) Ltd *	100.00 %	100.00 %	-	-
Roodepoort City Theatre *	100.00 %	100.00 %	1,784	2,179
The Johannesburg Civic Theatre (Pty) Ltd *	100.00 %	100.00 %	-	-
The Johannesburg Fresh Produce Market (Pty) Ltd	100.00 %	100.00 %	32,000	38,000
The Johannesburg Zoo *	100.00 %	100.00 %	1,860	2,847
			467,713	473,676

* Nominal amount held

The City of Johannesburg Metropolitan Municipality holds 100% of the shares in the municipal entities. There was no changes in the shareholding from 30 June 2008 to 30 June 2009.

18. LOANS TO MUNICIPAL ENTITIES

Shareholder loans

City Power Johannesburg (Pty) Ltd	-	-	624,793	624,793
Terms and conditions: Rate = 16%				
Maturity = No set date for repayment				
Johannesburg Water (Pty) Ltd	-	-	584,928	649,923
Terms and conditions: Rate = 15%				
Maturity = No set date for repayment				
	-	-	1,209,721	1,274,716

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008
18. LOANS TO MUNICIPAL ENTITIES (continued)				
Conduit and additional loans				
City of Johannesburg Property Company (Pty) Ltd Terms and conditions: Rate = 12.21% Maturity = 30 June 2011	-	-	6,862	3,412
City Power Johannesburg (Pty) Ltd Terms and conditions: Rate = 10.20% to 17.50% Maturity = 30 June 2017	-	-	2,544,585	2,406,557
Johannesburg Metropolitan Bus Services (Pty) Ltd Terms and conditions: Rate = 9.00% Maturity = 30 June 2017	-	-	120,277	126,046
Johannesburg Roads Agency (Pty) Ltd Terms and conditions: Rate = 12.09% Maturity = 31 July 2010	-	-	4,050	7,348
Johannesburg Water (Pty) Ltd Terms and conditions: Rate = 10.20% to 17.50% Maturity = 30 June 2016	-	-	1,707,651	1,367,505
Pikitup Johannesburg (Pty) Ltd Terms and conditions: Rate = 10.20% to 17.50% Maturity = 30 June 2016	-	-	104,943	103,882
The Johannesburg Fresh Produce Market (Pty) Ltd Terms and conditions: Rate = 10.20% to 17.50% Maturity = 30 June 2016	-	-	214,445	207,038
	-	-	4,702,813	4,221,788
	-	-	5,912,534	5,496,504
Non-current assets	-	-	5,227,632	5,005,158
Current assets	-	-	684,902	491,346
	-	-	5,912,534	5,496,504

All loans to Municipal Entities are repayable as per terms and conditions reflected above.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

18. LOANS TO MUNICIPAL ENTITIES (continued)

Credit quality of loans to group companies

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

Credit rating

A+	-	-	6,199,095	5,787,063
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Fair value of loans to and from group companies

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

Reconciliation of provision for impairment of loans to group companies

Opening balance	-	-	273,965	287,824
Reversal	-	-	(22,693)	(13,859)
	-	-	251,272	273,965

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

Note 43 details the loans which have been impaired.

19. INVESTMENT IN JOINT VENTURES

	% holding	% holding	Carrying	Carrying
	2009	2008	amount 2009	amount 2008
Joshco Madulamoho Joint Venture	55.00 %	55.00 %	31,326	15,991

Fair value

The fair value of the investment in the joint venture is not disclosed because the fair value cannot be measured reliably.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

20. INVESTMENTS IN ASSOCIATES

	% holding	% holding	Carrying	Carrying
	2009	2008	amount 2009	amount 2008
Greater Newtown Development Company (Pty) Ltd	23.00 %	23.00 %	-	-
Constitutional Hill Development Company (Pty) Ltd	13.00 %	13.00 %	-	-
			<hr/>	<hr/>
			-	-

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

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

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

Associates with different reporting dates

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

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008
21. HELD TO MATURITY INVESTMENTS				
Held to maturity investments				
Other financial assets	2,783,830	2,377,320	2,783,830	2,377,320
Non-current assets	1,783,830	1,800,008	1,783,830	1,800,008
Current assets	1,000,000	577,312	1,000,000	577,312
	2,783,830	2,377,320	2,783,830	2,377,320

	Amortised Cost	Market Values
ABSA Investment	116,243	116,243
Maturity - 20.12.2012		
SMB Long Term Investment	17,942	17,942
Maturity - 31.08.2013		
Investment : RMB - E	39,124	39,124
Maturity - 30.11.2014		
Investment : RMB - E	193,327	193,327
Maturity - 31.12.2012		
Investment : RMB R10	41,183	41,183
Maturity - 30.11.2014		
STD Bank: (2496)	34,264	34,264
Maturity - 30.11.2011		
INCA & STD Bank Red	14,276	14,276
Maturity - 30.06.2011		
ABSA Sinking Fund 20	2,297,282	1,714,724
Maturity - 05.06.2018		
Fixed Deposit - RMB	30,189	30,189
Maturity - 30.11.2014		
	2,783,830	2,201,272

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

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

The total investments pledged as collateral for CJMM Bonds

	Amortised Cost	Market Values
Bond Redemption Fund	2,297,282	1,714,724
Maturity - 05.06.2023		

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

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

21. HELD TO MATURITY INVESTMENTS (continued)

	Amortised Cost	Market Values
RMB R95m Maturity - 30.11.2014	39,124	39,124
RMB R248m Maturity - 31.12.2012	193,327	193,327
RMB R100m Maturity - 30.11.2014	41,183	41,183
RMB - Security Deposit Maturity - 30.11.2014	30,189	30,189
	303,823	303,823

There were no gains or losses realised on the disposal of held to maturity financial assets in 2009 and 2008, as all the financial assets were disposed of at their redemption date.

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Held to maturity instruments

	Amortised Cost	Market Values
ABSA Investment Rating - (AAA)	116,243	116,243
SCMB Long Term Investment Rating - (A-)	17,942	17,942
Investment : RMB - E Rating - (AAA)	39,124	39,124
Investment : RMB - E Rating - (AAA)	193,327	193,327
Investment : RMB R10 Rating - (AAA)	41,183	41,183
STD Bank: (2496) Rating - (A-)	34,264	34,264
INCA & STD Bank Red Rating - (A-)	14,276	14,276
ABSA Sinking Fund 20 Rating - (BBB+)	2,297,282	1,714,724
Fixed Deposit - RMB Rating - (AAA)	30,189	30,189
	2,783,830	2,201,272

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

21. HELD TO MATURITY INVESTMENTS (continued)

Loans and receivables

	Amortised Cost	Market Values
Fixed Deposits STD Bank Rating - (F1+)	1,027	1,027
Call Deposits ABSA Rating - (F1+)	377,745	377,745
Call Deposits RMB Rating - (F1+)	2,275	2,275
Call Deposits INVESTEC Rating - (F1+)	56,105	56,105
Call Deposits NEDCOR Rating - (F1+)	2,030	2,030
Call Deposits CITY BANK Rating - (F1+)	1,202	1,202
Call Deposits ABN AMRO Rating - (F1+)	1,349	1,349
Call Deposits DEUTSCHE BK Rating - (F1+)	1,500	1,500
Call Deposits TCTA Rating - (F1+)	1,000	1,000
Call Deposits LANDBANK Rating - (F1+)	50	50
Calyon SA Rating - (F1+)	1,380	1,380
Stanlib Call Investment Rating - (F1+)	1,928	1,928
	447,591	447,591

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

22. FINANCIAL ASSETS BY CATEGORY

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

GROUP - 2009

	Loans and receivables	Fair value through profit or loss	Held to maturity	Total
Non-Current Assets				
Held to maturity investments	-	-	1,783,830	1,783,830
Non-current receivables	131,617	-	-	131,617
Current Assets				
Held to maturity investments	-	-	1,000,000	1,000,000
Other debtors	1,386,821	28,326	-	1,415,147
Consumer debtors	2,263,950	-	-	2,263,950
Call investment deposits	466,104	-	-	466,104
Bank balances and cash	231,361	-	-	231,361
	4,479,853	28,326	2,783,830	7,292,009

GROUP - 2008

	Loans and receivables	Fair value through profit or loss	Held to maturity	Total
Non-Current Assets				
Held to maturity investments	-	-	1,800,008	1,800,008
Non-current receivables	55,966	-	-	55,966
Current Assets				
Held to maturity investments	-	-	577,312	577,312
Other debtors	1,223,019	22,783	-	1,245,802
Consumer debtors	2,152,956	-	-	2,152,956
Call investment deposits	920,467	-	-	920,467
Bank balances and cash	469,879	-	-	469,879
	4,822,287	22,783	2,377,320	7,222,390

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

22. FINANCIAL ASSETS BY CATEGORY (continued)

CJMM - 2009

	Loans and receivables	Fair value through profit or loss	Held to maturity	Total
Non-Current Assets				
Loans to Municipal Entities	5,227,632	-	-	5,227,632
Held to maturity investments	-	-	1,783,830	1,783,830
Non-current receivables	131,617	-	-	131,617
Current Assets				
Loans to Municipal Entities	684,902	-	-	684,902
Held to maturity investments	-	-	1,000,000	1,000,000
Other debtors	1,411,669	28,326	-	1,439,995
Consumer debtors	436,645	-	-	436,645
Call investment deposits	447,591	-	-	447,591
Bank balances and cash	201,698	-	-	201,698
	8,541,754	28,326	2,783,830	11,353,910

CJMM - 2008

	Loans and receivables	Fair value through profit or loss	Held to maturity	Total
Non-Current Assets				
Loans to Municipal Entities	5,005,158	-	-	5,005,158
Held to maturity investments	-	-	1,800,008	1,800,008
Non-current receivables	55,966	-	-	55,966
Current Assets				
Loans to Municipal Entities	491,346	-	-	491,346
Held to maturity investments	-	-	577,312	577,312
Other debtors	1,063,249	22,783	-	1,086,032
Consumer debtors	538,383	-	-	538,383
Call investment deposits	905,955	-	-	905,955
Bank balances and cash	441,171	-	-	441,171
	8,501,228	22,783	2,377,320	10,901,331

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008
23. NON-CURRENT RECEIVABLES				
Long-term receivables				
Fleet Africa *	34,514	31,438	34,514	31,438
Housing Selling scheme loans **	40,459	18,810	40,459	18,810
Other loans and receivables	97,103	24,528	97,103	24,528
Subtotal	172,076	74,776	172,076	74,776
Loans and receivables (impairments)	(40,459)	(18,810)	(40,459)	(18,810)
	131,617	55,966	131,617	55,966

Fleet Africa *

CJMM has entered into an agreement with Super Group Ltd in which management of the vehicle fleet is outsourced. The balance represents the agreed value of the vehicles transferred to Super Group Ltd, adjusted by any profits or losses on disposals, and interest earned. The amounts is invested in a ring-fenced banking account.

Housing selling scheme loans **

Represents outstanding balance owing on rental stock sold.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

24. BIOLOGICAL ASSETS - HELD FOR RESALE

GROUP	2009			2008		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Stock held for sale	3,400	-	3,400	3,434	-	3,434

Reconciliation of biological assets - GROUP - 2009

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

Reconciliation of biological assets - GROUP - 2008

	Opening Balance	Decreases due to harvest / sales	Gains or losses arising from physical changes	Impairment reversal	Total
Stock held for sale	5,010	(1,537)	(3,060)	3,021	3,434

Non – Financial information

Quantities of each biological asset

Bulls	74	102	-	-
Calves	74	35	-	-
Weaners	568	541	-	-
	716	678	-	-

Methods and assumptions used in determining fair value

The fair value of livestock is determined based on market prices of livestock of a similar age, breed, and genetic merit, sold on auction during that year.

25. INVENTORIES

Consumable stores	162,702	106,357	29,350	33,027
Spare parts	13,994	12,111	-	-
Water	5,988	5,682	-	-
Subtotal	182,684	124,150	29,350	33,027
Inventories (write-downs)	(11,287)	(9,056)	(220)	(1,379)
	171,397	115,094	29,130	31,648

Inventory has been written off during the year, due to theft, obsolete stock and damages.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008
26. OTHER DEBTORS				
Prepayments	47,345	22,346	43,248	12,976
Sundry debtor	523,947	704,819	353,804	470,361
Insurance debtor	239,864	256,553	230,211	236,799
Housing debtors	556,340	236,149	556,340	236,149
Fruitless and wasteful expenditure to be investigated	19,325	3,152	19,325	3,152
Derivative trading asset	28,326	22,783	28,326	22,783
Related party debtors	50 -	-	208,741	103,812
	1,415,147	1,245,802	1,439,995	1,086,032
27. CONSUMER DEBTORS				
Gross Balances				
Rates	2,263,286	2,510,293	2,263,286	2,510,293
Electricity	1,799,902	1,900,380	-	-
Water	3,633,230	4,127,422	-	-
Refuse	462,898	480,037	325,459	402,337
Housing rental	221,473	412,602	221,473	412,602
Total	8,380,789	9,430,734	2,810,218	3,325,232
Less impairments				
Rates	(1,889,893)	(2,067,486)	(1,889,893)	(2,067,486)
Electricity	(930,988)	(1,087,014)	-	-
Water	(2,777,728)	(3,354,128)	-	-
Refuse	(345,438)	(386,522)	(310,888)	(336,735)
Housing rental	(172,792)	(382,628)	(172,792)	(382,628)
Total	(6,116,839)	(7,277,778)	(2,373,573)	(2,786,849)
Net Balance				
Rates	373,393	442,807	373,393	442,807
Electricity	868,914	813,366	-	-
Water	855,502	773,294	-	-
Refuse	117,460	93,515	14,571	65,602
Housing rental	48,681	29,974	48,681	29,974
Total	2,263,950	2,152,956	436,645	538,383
Rates				
Current (0 -30 days)	273,754	381,241	273,754	381,241
31 - 60 days	144,456	124,501	144,456	124,501
61 - 90 days	114,153	98,206	114,153	98,206
91 - 120 days	119,427	74,962	119,427	74,962
121 - 365 days	500,584	473,210	500,584	473,210
> 365 days	1,110,912	1,358,173	1,110,912	1,358,173
Total	2,263,286	2,510,293	2,263,286	2,510,293

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008
Electricity				
Current (0 -30 days)	664,902	578,818	-	-
31 - 60 days	88,306	48,456	-	-
61 - 90 days	62,735	57,126	-	-
91 - 120 days	67,613	48,949	-	-
121 - 365 days	309,184	36,544	-	-
> 365 days	607,162	1,130,487	-	-
Total	1,799,902	1,900,380	-	-
Water				
Current (0 -30 days)	435,591	13,271	-	-
31 - 60 days	204,383	187,676	-	-
61 - 90 days	148,396	134,210	-	-
91 - 120 days	128,262	117,163	-	-
121 - 365 days	769,468	644,064	-	-
> 365 days	1,947,130	3,031,038	-	-
Total	3,633,230	4,127,422	-	-
Refuse				
Current (0 -30 days)	101,175	44,808	4,902	28,314
31 - 60 days	32,167	31,495	25,873	16,181
61 - 90 days	21,464	18,224	17,897	14,027
91 - 120 days	19,225	17,273	16,370	13,274
121 - 365 days	100,156	72,735	88,698	47,997
> 365 days	188,711	295,502	171,719	282,544
Total	462,898	480,037	325,459	402,337
Housing rental				
Current (0 -30 days)	5,783	8,428	5,783	8,428
31 - 60 days	2,978	6,051	2,978	6,051
61 - 90 days	3,300	7,996	3,300	7,996
91 - 120 days	3,173	14,873	3,173	14,873
121 - 365 days	52,947	98,754	52,947	98,754
> 365 days	153,292	276,500	153,292	276,500
Total	221,473	412,602	221,473	412,602

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008
Credit quality of trade and other receivables				
The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to the customer classification and historical information about counterparty default rates:				
Consumers - Gross balances				
Current (0 -30 days)	517,069	355,681	129,969	238,888
31 - 60 days	310,582	248,318	99,649	67,326
61 - 90 days	218,841	177,762	72,539	54,235
91 - 120 days	202,807	165,122	70,745	56,347
121 - 365 days	1,206,507	1,238,248	395,810	616,506
> 365 days	3,086,370	4,306,002	933,913	1,021,319
Sub-total	5,542,176	6,491,133	1,702,625	2,054,621
Less impairments	(4,417,119)	(4,910,068)	(1,463,806)	(1,773,960)
Total	1,125,057	1,581,065	238,819	280,661
Consumers - Past due and impaired				
Current (0 -30 days)	8,095	21,977	8,095	20,533
31 - 60 days	86,297	44,549	86,297	41,632
61 - 90 days	67,642	36,356	67,642	34,906
91 - 120 days	196,524	122,162	66,643	97,373
121 - 365 days	1,176,393	756,374	378,474	603,046
> 365 days	2,882,168	3,928,650	856,655	976,470
Total	4,417,119	4,910,068	1,463,806	1,773,960
Consumers - Past due and not impaired				
Current (0 -30 days)	508,973	433,704	121,873	218,355
31 - 60 days	224,285	203,769	13,353	25,694
61 - 90 days	151,199	141,406	4,897	19,329
91 - 120 days	6,283	42,960	4,102	(41,026)
121 - 365 days	30,114	481,874	17,335	13,460
> 365 days	204,203	277,352	77,259	44,849
Total	1,125,057	1,581,065	238,819	280,661

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008
Industrial/ commercial				
Current (0 -30 days)	834,907	227,803	131,995	164,521
31 - 60 days	142,371	268,663	68,438	77,032
61 - 90 days	117,979	135,049	57,752	62,956
91 - 120 days	122,066	99,962	63,224	44,958
121 - 365 days	448,380	494,807	216,003	272,977
> 365 days	791,346	1,521,175	444,165	597,522
Sub-total	2,457,049	2,747,459	981,577	1,219,966
Less impairments	(1,479,363)	(2,246,169)	(811,010)	(975,875)
Total	977,686	501,290	170,567	244,091
Industrial/ commercial - Past due and impaired				
Current (0 -30 days)	31,962	53,105	3,443	42,452
31 - 60 days	81,500	39,540	59,062	38,670
61 - 90 days	73,869	50,803	53,767	34,248
91 - 120 days	113,792	144,640	59,494	44,059
121 - 365 days	433,826	832,912	208,846	267,517
> 365 days	744,414	1,125,169	426,398	548,929
Total	1,479,363	2,246,169	811,010	975,875
Industrial/ commercial - Past due and not impaired				
Current (0 -30 days)	802,945	174,698	128,552	122,069
31 - 60 days	60,871	229,123	9,376	38,362
61 - 90 days	44,110	84,246	3,985	28,708
91 - 120 days	8,274	(44,678)	3,730	899
121 - 365 days	14,554	(338,105)	7,157	5,460
> 365 days	46,932	396,006	17,767	48,593
Total	977,686	501,290	170,567	244,091

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008
National and provincial government				
Current (0 -30 days)	129,231	7,410	22,474	12,614
31 - 60 days	19,336	17,998	5,220	2,375
61 - 90 days	13,229	11,043	5,061	3,038
91 - 120 days	12,825	9,467	4,999	1,804
121 - 365 days	77,451	33,811	30,416	6,977
> 365 days	129,492	112,413	57,846	23,837
Sub-total	381,564	192,142	126,016	50,645
Less impairments	(220,357)	(121,541)	(98,757)	(37,014)
Total	161,207	70,601	27,259	13,631
National and provincial government - Past due and impaired				
Current (0 -30 days)	257	5,109	257	5,109
31 - 60 days	4,631	1,192	4,505	1,192
61 - 90 days	4,850	1,653	4,712	1,653
91 - 120 days	11,905	5,359	4,704	1,768
121 - 365 days	73,263	27,701	29,047	6,837
> 365 days	125,451	80,527	55,532	20,455
Total	220,357	121,541	98,757	37,014
National and provincial government - Past due and not impaired				
Current (0 -30 days)	128,974	2,301	22,217	7,505
31 - 60 days	14,705	16,806	715	1,183
61 - 90 days	8,379	9,390	349	1,385
91 - 120 days	920	4,108	295	36
121 - 365 days	4,188	6,110	1,369	140
> 365 days	4,041	31,886	2,314	3,382
Total	161,207	70,601	27,259	13,631

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008
Total				
Current (0 -30 days)	1,481,207	590,894	284,438	416,023
31 - 60 days	472,289	534,979	173,307	146,733
61 - 90 days	350,049	323,854	135,352	120,229
91 - 120 days	337,698	274,551	138,968	103,109
121 - 365 days	1,732,338	1,766,866	642,229	896,460
> 365 days	4,007,208	5,939,590	1,435,924	1,642,678
Sub-total	8,380,789	9,430,734	2,810,218	3,325,232
Less impairments	(6,116,839)	(7,277,778)	(2,373,573)	(2,786,849)
	2,263,950	2,152,956	436,645	538,383
Reconciliation of impairments				
Balance at beginning of the year	7,277,778	7,344,915	2,786,849	3,309,299
Contributions to provision	(560,041)	828,067	(42,627)	180,220
Impairments written off against provision	(433,383)	(833,513)	(222,359)	(441,333)
Provision reversal	(167,515)	(61,691)	(148,290)	(261,337)
Total	6,116,839	7,277,778	2,373,573	2,786,849

An adjustment to consumer debtors was made, transferring credit balances in the debtors' book to sundry creditors. Group : R 625,301 million (2008: R 481,575. CJMM : R 524,856 million (2008: R 423,206 million). Refer note 7.

Unaccounted for water

Extensive investigative work performed prior to 2004 in order to inform the direction of the company turnaround strategy identified that the deemed consumption areas were largely responsible not only for the high outstanding debtors, but also the higher than benchmark unaccounted for water level. Although the level of unaccounted for water for the year under review is 36.6% (2008: 33.6%), the level in metered areas is approximately 21.2% (2008: 19.3%), which is well within accepted norms. The level for deemed consumption areas however, exceeds 83% (2008: 60%) The focus point of the initiative referred to as project Gcin'amanzi is expected to address the water loss issue in deemed consumption areas. Results have deteriorated as a result of project Gcin'amanzi being suspended in May 2008 due to a court ruling preventing further rollout of the project. An appeal was lodged by the Company and the matter was heard in the Supreme Court of Appeal in February 2009 and subsequently in the Constitutional Court in September 2009. The final ruling was announced by the Constitutional Court on the 8th of October 2009. The ruling was in favour of the Company and the project is likely to resume in January 2010.

The historic flat rate billing for variable consumption in deemed consumption areas impacts significantly on the level of unaccounted for water. Adjusting for this impact the revised unaccounted for water level is reduced from 36.6% to 24.4% (2008: reduced from 33.6% to 21.8%).

Electricity distribution losses

Distribution losses relate to unaccounted for electricity. Currently this cost arises after allowing for technical losses, of 9%. This cost arises from illegal connections to the electricity network, errors in billing and bridging of meters by consumers. The total cost of unaccounted electricity is R153m (2008: R95m).

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008
28. CALL INVESTMENT DEPOSITS				
Call investment deposits	466,104	920,467	447,591	905,955
Call investment deposits that have been ring-fenced for following future expenditure				
Underwriting of COID reserve	49,200	49,200	49,200	49,200
Capital replacement reserve	85,186	104,162	85,186	104,162
Repayment of long term liabilities	300,000	300,000	300,000	300,000
	434,386	453,362	434,386	453,362

29. BANK BALANCES AND CASH

Refer to the supplementary information schedule for details on Bank accounts and balances.

Primary Bank Account
ABSA Bank - Sandton Branch
Account number - 4054394859

Cash and cash equivalents consist of :

Cash on hand	397	399	115	165
Bank balances	230,964	469,480	201,583	441,006
Bank overdraft	(51,857)	(51,887)	-	-
	179,504	417,992	201,698	441,171
Current assets	231,361	469,879	201,698	441,171
Current liabilities	(51,857)	(51,887)	-	-
	179,504	417,992	201,698	441,171

30. NON-CURRENT ASSETS HELD FOR SALE

Pikitup has a 50% (2008 : 50%) unlisted investment in Fried Shelf 128 (Pty) Ltd.

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

Associates with different reporting dates

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

Summary of groups interest in associate

Cost of acquisition	32	32
Share in surplus / (deficit)	(483)	(260)
Share in revaluation reserve	2,899	2,701
Elimination of inter company surplus	(70)	(83)
	2,378	2,390

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008
31. PROPERTY RATES				
Rates received				
Residential	1,823,864	1,525,063	1,823,864	1,525,063
Commercial	1,491,365	1,667,120	1,491,365	1,667,120
State	15,770	133,980	15,770	133,980
Total Assessment Rates	3,330,999	3,326,163	3,330,999	3,326,163
Valuations				
Residential	685,946,582	577,265,127	685,946,582	577,265,127
32. SERVICE CHARGES				
Sale of electricity	5,491,207	4,133,027	63,818	37,738
Sale of water	2,253,715	2,112,070	25,398	24,946
Sewerage and sanitation charges	1,333,574	1,205,207	-	-
Refuse removal	685,792	437,312	437,820	277,797
Other service charges	88,158	102,188	52,571	63,708
Total service charges	9,852,446	7,989,804	579,607	404,189
33. GOVERNMENT GRANTS AND SUBSIDIES				
Ambulance subsidy	73,513	64,633	73,513	64,633
Equitable share	3,100,573	2,579,342	3,100,573	2,579,342
Financial management grant	2,503	938	2,503	938
Social housing foundation grant	12,259	-	-	-
Municipal infrastructure grant	468,779	130,092	468,779	130,092
Municipal system improvement grant	4,282	1,357	4,282	1,357
Provincial grants: Soccer city 2010	477,417	1,138,060	477,417	1,138,060
Gautrain	516	905	516	905
Confederations cup	17,582	-	17,582	-
Provincial grants: capital projects	391,338	321,875	52,922	6,028
Provincial grants: operating projects	13,573	6,334	13,573	6,334
Provincial grants: top structure of houses	308,824	151,409	308,824	151,409
Provincial health subsidies	72,262	50,850	72,262	50,850
Total government grants and subsidies	4,943,421	4,445,795	4,592,746	4,129,948
Ambulance subsidy				
Current year receipts	73,513	64,633	73,513	64,633
Conditions met - transferred to revenue	(73,513)	(64,633)	(73,513)	(64,633)
Conditions still to be met - transferred to liabilities	-	-	-	-

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008
Equitable share				
Current year receipts	3,100,573	2,579,342	3,100,573	2,579,342
Conditions met - transferred to revenue	(3,100,573)	(2,579,342)	(3,100,573)	(2,579,342)
Conditions still to be met - transferred to liabilities	-	-	-	-

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

Financial management grant

Balance unspent at beginning of year	1,753	2,191	1,753	2,191
Current year receipts	750	500	750	500
Conditions met - transferred to revenue	(2,503)	(938)	(2,503)	(938)
Conditions still to be met - transferred to liabilities	-	1,753	-	1,753

Social housing foundation grant

Balance unspent at beginning of year	12,259	-	-	-
Current year receipts	80,149	12,259	-	-
Conditions met - transferred to revenue	(12,259)	-	-	-
Conditions still to be met - transferred to liabilities	80,149	12,259	-	-

Municipal infrastructure grant

Balance unspent at beginning of year	159,462	60,331	159,462	60,331
Current year receipts	282,669	339,174	282,669	339,174
Deferred income	(110,403)	(109,951)	(110,403)	(109,951)
Deferred income released	214,313	-	214,313	-
Transferred to debtors	(27,412)	-	(27,412)	-
Conditions met - transferred to revenue	(468,779)	(130,092)	(468,779)	(130,092)
Conditions still to be met - transferred to liabilities	49,850	159,462	49,850	159,462

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.

Municipal system improvement grant

Balance unspent at beginning of year	4,282	5,639	4,282	5,639
Conditions met - transferred to revenue	(4,282)	(1,357)	(4,282)	(1,357)
Conditions still to be met - transferred to liabilities	-	4,282	-	4,282

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

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008
Provincial grants: Soccer city 2010				
Balance unspent at beginning of year	1,871	77,576	1,871	77,576
Current year receipts	555,452	988,615	555,452	988,615
Expenditure incurred in advance	-	73,740	-	73,740
Transferred to debtors	(73,740)	-	(73,740)	-
Conditions met - transferred to revenue	(477,417)	(1,138,060)	(477,417)	(1,138,060)
Conditions still to be met - transferred to liabilities	6,166	1,871	6,166	1,871
This grant is provided for the upgrade of Soccer City for the 2010 soccer world cup.				
Gautrain				
Balance unspent at beginning of year	1,095	-	1,095	-
Current year receipts	-	2,000	-	2,000
Conditions met - transferred to revenue	(516)	(905)	(516)	(905)
Conditions still to be met - transferred to liabilities	579	1,095	579	1,095
Ellis Park Upgrading - 2010				
Balance unspent at beginning of year	2,836	7,895	2,836	7,895
Current year receipts	119,494	109,294	119,494	109,294
Deferred income	(105,975)	(114,353)	(105,975)	(114,353)
Transferred to debtors	(7,386)	-	(7,386)	-
Conditions still to be met - transferred to liabilities	8,969	2,836	8,969	2,836
Confederations cup				
Current year receipts	31,128	-	31,128	-
Conditions met - transferred to revenue	(17,582)	-	(17,582)	-
Conditions still to be met - transferred to liabilities	13,546	-	13,546	-
Provincial grants: capital projects				
Balance unspent at beginning of year	346,750	186,028	346,750	186,028
Current year receipts	409,978	521,349	41,400	205,502
Deferred income	(36,805)	(38,752)	(36,805)	(38,752)
Repaid to province	(107)	-	(107)	-
Conditions met - transferred to revenue	(391,338)	(321,875)	(52,922)	(6,028)
Conditions still to be met - transferred to liabilities	328,478	346,750	298,316	346,750

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

Included in assets under construction is a capitalised portion of R31,330 million.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008
Provincial grants: operating projects				
Balance unspent at beginning of year	2,318	5,899	2,318	5,899
Current year receipts	14,550	2,753	14,550	2,753
Repaid to province	(64)	-	(64)	-
Conditions met - transferred to revenue	(13,573)	(6,334)	(13,573)	(6,334)
Conditions still to be met - transferred to liabilities	3,231	2,318	3,231	2,318
These grants are provided to finance community projects.				
Provincial grants: top structure of houses				
Current year receipts	308,824	151,409	308,824	151,409
Conditions met - transferred to revenue	(308,824)	(151,409)	(308,824)	(151,409)
Conditions still to be met - transferred to liabilities	-	-	-	-
Provincial health subsidies				
Current year receipts	72,262	50,850	72,262	50,850
Conditions met - transferred to revenue	(72,262)	(50,850)	(72,262)	(50,850)
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.				
Restructuring grant				
Current year receipts	7,014	-	-	-
This grant is made available to support municipal restructuring initiatives.				
Neighbourhood Development Partnership Grant				
Current year receipts	56,970	-	56,970	-
Deferred income	(50,269)	-	(50,269)	-
Conditions still to be met - transferred to liabilities	6,701	-	6,701	-
Public Transport (SPTN) - 2010				
Balance unspent at beginning of year	341,471	209,502	341,471	209,502
Current year receipts	1,286,973	329,000	1,286,973	329,000
Deferred income	(1,186,954)	(197,031)	(1,186,954)	(197,031)
Conditions still to be met - transferred to liabilities	441,490	341,471	441,490	341,471

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008
34. OTHER INCOME				
Commissions received	195,395	152,818	-	-
Cut off fees	40,076	29,989	-	-
Disposal of obsolete materials	4,725	6,344	-	-
Fees earned	22,045	20,242	-	-
Internal recoveries - MEs	-	-	184,029	149,236
Tourism - Miss World	60,314	-	-	-
Demand site management levy	205,456	-	-	-
Sundry revenue	513,364	564,066	133,729	243,748
	1,041,375	773,459	317,758	392,984

35. EMPLOYEE RELATED COSTS

Employee related costs : Salaries and wages	4,029,964	3,307,845	2,120,148	1,633,853
Employee related costs : Pension contributions	398,834	319,519	210,178	158,814
Employee related costs : Gratuities	16,722	19,643	23,486	19,519
Employee related costs : Medical aid contributions	138,837	115,288	138,837	115,288
Actuarial losses	130,143	31,430	130,143	31,430
Housing benefits and allowances	39,473	33,184	28,125	22,572
Overtime payments	253,570	206,998	152,527	112,012
Bonus	109,238	80,716	12,412	18,258
Travel, motor car, accommodation, subsistence and other allowances	231,230	199,939	193,781	164,627
Less: Employee costs included in other expenses	(78,339)	4,201	(79,195)	2,853
	5,269,672	4,318,763	2,930,442	2,279,226

Remuneration of the Executive Mayor

Annual Remuneration	593	517
Car Allowance	170	170
Performance Bonuses	-	-
Contributions to UIF, Medical and Pension Funds	97	86
Total	860	773

Remuneration of the City Manager

Annual Remuneration	1,374	1,259
Car Allowance	125	125
Performance Bonuses	121	245
Contributions to UIF, Medical and Pension Funds	303	278
Total	1,923	1,907

Remuneration of Executive Director : 2010

Annual Remuneration	1,200	911
Performance Bonuses	129	178
Contributions to UIF, Medical and Pension Funds	20	17
Car Allowance	282	282
Total	1,631	1,388

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008
Remuneration of the Executive Director : Central Planning Unit				
Annual Remuneration			777	710
Performance Bonuses			105	124
Contributions to UIF, Medical and Pension Funds			176	161
Car Allowance			110	110
Total			1,168	1,105
Remuneration of the Chief Information Officer				
Annual Remuneration			756	677
Car Allowance			144	144
Performance Bonuses			38	88
Eminance			120	-
Contributions to UIF, Medical and Pension Funds			146	126
Total			1,204	1,035
Remuneration of the Director : External Relations				
Annual Remuneration			631	580
Car Allowance			47	47
Performance Bonuses			-	-
Contributions to UIF, Medical and Pension Funds			22	18
Total			700	645
Remuneration of the Executive Director : Comm. Marketing and Events				
Annual Remuneration			1,197	855
Car Allowance			96	96
Performance Bonuses			102	57
Contributions to UIF, Medical and Pension Funds			1	2
Total			1,396	1,010
Remuneration of the Executive Head : Joburg Risk Audit Services				
Annual Remuneration			660	610
Car Allowance			385	220
Performance Bonuses			89	105
Eminance			240	-
Contributions to UIF, Medical and Pension Funds			1	1
Total			1,375	936
Remuneration of the Director : Legal and Compliance				
Annual Remuneration			679	698
Car Allowance			82	82
Performance Bonuses			87	103
Eminance			176	-
Contributions to UIF, Medical and Pension Funds			55	34
Total			1,079	917

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008
Remuneration of the Executive Director : Finance				
Annual Remuneration			1,682	1,288
Car Allowance			72	72
Performance Bonuses			148	175
Contributions to UIF, Medical and Pension Funds			28	25
Total			1,930	1,560
Remuneration of the Executive Director : Economic Development				
Annual Remuneration			1,278	1,026
Car Allowance			132	132
Performance Bonuses			46	-
Contributions to UIF, Medical and Pension Funds			2	2
Total			1,458	1,160
Remuneration of the Executive Director : Revenue and Customer Relations Management				
Annual Remuneration			1,274	989
Car Allowance			101	101
Performance Bonuses			117	138
Contributions to UIF, Medical and Pension Funds			1	1
Total			1,493	1,229
Remuneration of the Executive Director : Community Development				
Annual Remuneration			1,293	975
Car Allowance			86	86
Performance Bonuses			117	138
Contributions to UIF, Medical and Pension Funds			32	30
Total			1,528	1,229
Remuneration of the Executive Director : Development Planning and Urban Development				
Annual Remuneration			1,260	991
Car Allowance			60	60
Performance Bonuses			113	89
Contributions to UIF, Medical and Pension Funds			1	1
Total			1,434	1,141
Remuneration of the Executive Director : Environmental Management				
Annual Remuneration			1,185	764
Car Allowance			108	108
Performance Bonuses			35	81
Contributions to UIF, Medical and Pension Funds			1	2
Total			1,329	955

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008
Remuneration of the Executive Director : Infrastructure and Services				
Annual Remuneration			1,320	1,080
Performance Bonuses			43	38
Contributions to UIF, Medical and Pension Funds			2	2
Total			1,365	1,120
Remuneration of the Executive Director : Housing				
Annual Remuneration			1,196	876
Car Allowance			111	110
Performance Bonuses			73	127
Contributions to UIF, Medical and Pension Funds			15	16
Total			1,395	1,129
Remuneration of the Chief of Police				
Annual Remuneration			851	786
Car Allowance			102	102
Performance Bonuses			77	97
Eminance			220	-
Contributions to UIF, Medical and Pension Funds			128	157
Total			1,378	1,142
Remuneration of the Executive Head : Emergency Management Services				
Annual Remuneration			971	817
Car Allowance			109	109
Performance Bonuses			99	117
Eminance			220	-
Contributions to UIF, Medical and Pension Funds			2	2
Total			1,401	1,045
Remuneration of the Executive Director : Transportation				
Annual Remuneration			1,197	890
Car Allowance			73	72
Performance Bonuses			-	89
Contributions to UIF, Medical and Pension Funds			181	2
Total			1,451	1,053
Remuneration of the Executive Director : Health				
Annual Remuneration			1,232	927
Car Allowance			108	108
Performance Bonuses			111	131
Contributions to UIF, Medical and Pension Funds			1	2
Total			1,452	1,168

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008
Remuneration of the Executive Director : Corporate Services				
Annual Remuneration			1,165	925
Car Allowance			144	144
Performance Bonuses			118	139
Contributions to UIF, Medical and Pension Funds			32	30
Total			1,459	1,238
Remuneration of the Director : Office of the City Manager				
Annual Remuneration			652	576
Car Allowance			128	-
Contributions to UIF, Medical and Pension Funds			1	2
			781	578
Remuneration of the Head : Private Office of the Executive Mayor				
Annual Remuneration			670	609
Car Allowance			104	104
Performance Bonuses			76	90
Contributions to UIF, Medical and Pension Funds			2	2
			852	805

36. REMUNERATION OF COUNCILLORS

Executive Mayor	898	773	898	773
Mayoral Committee Members	7,256	6,379	7,256	6,379
Speaker	708	619	708	619
Councillors	53,257	49,176	53,257	49,176
Councillors' pension contribution	6,538	5,390	6,538	5,390
Total Councillors' Remuneration	68,657	62,337	68,657	62,337

In-kind Benefits:

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

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

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

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

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

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008
37. IMPAIRMENT OF CURRENT RECEIVABLES				
Impairments	703,589	(191,133)	259,620	(205,014)
Contributions to impairment provision - Other debtors	1,200,765	144	16,017	-
Contributions to impairment provision - Consumer debtors	1,076,710	811,177	(20,978)	171,400
Impairments written off - Other debtors	1,006,627	961,928	813,281	921,933
Impairments written off - Consumer debtors	(2,341,905)	(586,474)	(222,359)	(441,333)
Consumer debtors provision reversal	(167,515)	(256,842)	(148,290)	(261,337)
	1,478,271	738,800	697,291	185,649
38. DEPRECIATION AND AMORTISATION				
Property, plant and equipment	669,261	731,063	296,366	393,390
Intangible assets	58,015	71,242	24,242	38,869
Investment property	6,332	4,097	1,465	1,358
	733,608	806,402	322,073	433,617
39. BULK PURCHASES				
Electricity	3,752,533	2,795,652	-	-
Water	1,676,217	1,528,666	-	-
Total Bulk Purchases	5,428,750	4,324,318	-	-
40. CONTRACTED SERVICES				
Information Technology Services	265,516	256,999	265,516	256,999
Fleet Services	702,439	458,998	49,869	43,664
Operating Leases	189,398	149,796	187,310	147,463
Specialist Services	592,052	581,864	592,052	581,864
Other Contractors	181,705	157,424	18,459	13,434
Total Contracted Services	1,931,110	1,605,081	1,113,206	1,043,424

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008
41. GRANTS AND SUBSIDIES PAID				
Grants paid to ME's				
City of Johannesburg Property Company (Pty) Ltd	-	-	10,516	11,130
Johannesburg City Parks	-	-	423,771	364,145
Johannesburg Development Agency (Pty) Ltd	-	-	29,924	28,400
Johannesburg Metropolitan Bus Services (Pty) Ltd	-	-	265,498	258,343
Johannesburg Roads Agency (Pty) Ltd	-	-	404,003	371,316
Johannesburg Social Housing Company (Pty) Ltd	-	-	81,836	75,047
Johannesburg Tourism Company	-	-	52,478	19,258
Metropolitan Trading Company (Pty) Ltd	-	-	47,635	35,972
Pikitup Johannesburg (Pty) Ltd	-	-	806,682	678,494
Roodepoort City Theatre	-	-	7,769	6,728
The Johannesburg Civic Theatre (Pty) Ltd	-	-	17,259	15,823
The Johannesburg Zoo	-	-	34,714	36,644
	-	-	2,182,085	1,840,080
Other subsidies				
Grant paid: Sporting Organisations (Marks Park Sports Club)	1,000	944	1,000	944
Grant paid: Other	39,128	21,698	39,128	21,698
Grant paid: Housing top structures	321,293	173,652	321,293	173,652
	361,421	1,434,351	361,421	1,434,351
Total Grants and Subsidies Paid	361,421	196,294	2,543,506	2,097,594

Grants paid to ME's are utilised to fund capital and operational expenditure.

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

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008
42. GENERAL EXPENSES				
Administration and management fees	29,603	24,946	-	-
Advertising	59,585	53,831	14,387	18,722
Auditors remuneration	27,855	25,104	10,492	11,232
Bank charges	41,467	53,357	35,316	48,480
Billing and meter reading charges	66,818	68,466	-	-
Cleaning	22,063	17,812	-	-
Commission paid	33,944	30,610	-	-
Computer expenses	23,590	18,848	-	-
Conferences and seminars	21,407	23,887	12,358	15,800
Consulting and professional fees	116,458	79,392	73,624	48,532
Consumables	92,079	70,993	17,705	13,210
Debt collection	89,629	43,477	89,530	43,413
Donations	1,610	887	-	-
Entertainment	8,119	6,115	-	-
ME - charges	-	-	366,628	425,696
Settlement costs	-	168,347	-	168,347
Post retirement expenses	192,184	59,900	188,397	62,329
Hire	14,821	14,825	13,311	13,537
Horticulture	41,257	28,901	-	-
Insurance	213,443	144,098	137,614	88,636
Other expenses	739,013	605,548	123,879	54,027
Lease rentals on operating lease	108,808	81,073	80,341	57,666
Marketing and promotions	80,299	84,614	52,825	68,873
Motor vehicle expenses	100,279	119,435	-	-
Printing and stationery	81,108	73,251	63,300	57,907
Productions	109,967	8,258	-	-
Security	287,396	232,606	153,325	113,444
Software expenses	37,077	33,478	18,703	21,761
Staff welfare	9,284	7,566	113	69
Subscriptions and membership fees	12,587	34,369	8,536	29,275
Telecommunication costs (Telephone, faxes and cell phones)	97,034	81,133	43,007	38,311
Training	47,841	31,973	28,397	19,937
Travel - local	13,301	7,778	-	-
Travel - overseas	14,983	9,298	9,853	6,132
Utilities	140,933	161,961	239,463	236,109
	2,975,842	2,506,137	1,781,104	1,661,445

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008
43. IMPAIRMENTS / (REVERSAL OF IMPAIRMENTS)				
Loans impaired				
Pikitup Johannesburg (Pty) Ltd	-	-	(15,334)	(13,859)
Impairments				
Investment property	-	223	-	-
Property, plant and equipment	31,469	61,291	31,172	60,863
Intangible assets	-	5	-	5
Reversal of impairments - Loans to Municipal Entities	-	-	(15,334)	(13,859)
Total impairments	31,469	61,519	15,838	47,009
44. TAXATION				
Major components of the tax expense (income)				
Current				
Local income tax - current period	16,240	6,853	-	-
Local income tax - recognised in current tax for prior periods	469	(2,610)	-	-
Current tax	27,420	16,702	-	-
	44,129	20,945	-	-
Deferred				
Originating and reversing temporary differences	(7,676)	3,678	-	-
Changes in tax rates	-	147	-	-
Deferred tax	(21,061)	(68,681)	-	-
Other deferred tax	(1,158)	470	-	-
Arising from prior period adjustments	513	139	-	-
	(29,382)	(64,247)	-	-
	14,747	(43,302)	-	-

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008
45. CASH GENERATED FROM OPERATIONS				
Surplus before taxation	740,804	1,954,323	89,584	1,303,118
Non-cash movements				
Depreciation and amortisation	733,608	806,402	322,071	433,615
Deficit on sale of assets	31,512	14,982	6,139	13,815
Contribution to impairment provision	1,478,271	738,800	697,291	185,649
Interest earned - external investments	(645,217)	(627,742)	(1,215,155)	(1,175,844)
Interest earned - outstanding debtors	(160,924)	(100,034)	(160,924)	(100,034)
Interest paid	1,249,801	971,161	1,121,767	882,576
Impairments	31,469	61,519	15,839	47,009
Deferred income	11,862	1,658	13,470	-
Equity share in associate	197	358	-	-
Leasehold property received at no cost	(114,094)	(61,220)	(49,502)	-
Borrowings movements	(58,572)	(217,963)	(45,015)	(256,844)
Capitalisation adjustment	-	21,383	-	21,383
Grant income not recognised for assets under construction	1,298,699	497,455	1,298,699	497,455
Investments movements	(221,184)	(23,242)	(240,738)	(23,242)
Provisions movements	124,344	227,626	32,010	205,301
Post retirement movements	288,239	82,363	250,470	101,388
Asset movements	(2,618)	(2,164)	-	-
Changes in working capital:				
Inventories	(56,303)	2,755	2,518	(3,885)
Decrease/(increase) in other loans and receivables	(169,341)	(472,045)	(353,960)	(283,208)
Decrease/(increase) in consumer debtors	(1,428,341)	(866,732)	(434,629)	(127,860)
Decrease/(increase) in Biological's	34	1,576	-	-
Assets held for sale	12	(137)	-	-
(Decrease)/increase in creditors	1,284,056	350,211	705,260	(585,562)
(Decrease)/Increase in VAT	61,626	257,196	16,508	35,857
Unspent conditional grants and receipts	(15,001)	175,557	(37,308)	307,245
	4,462,939	3,794,046	2,034,395	1,477,932
46. TAX (PAID) REFUNDED				
Balance at beginning of the year	(13,254)	5,221	-	-
Current tax for the year recognised in Statement of financial performance	(44,129)	(20,945)	-	-
Balance at end of the year	43,315	13,254	-	-
	(14,068)	(2,470)	-	-

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008
47. UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION				
Long-term liabilities	10,355,006	7,909,042	10,200,636	7,721,536
Used to finance property, plant and equipment – at cost	(10,194,851)	(7,696,075)	(10,040,481)	(7,508,569)
Unspent cash	160,155	212,967	160,155	212,967
Cash set aside for the repayment of long-term liabilities	2,923,675	2,464,353	2,923,675	2,464,353
Cash invested for the repayment of long-term liabilities	3,083,830	2,677,320	3,083,830	2,677,320
Reconciliation of cash invested for the repayment of long term liabilities				
Held to maturity investments (Refer note 21)	2,783,830	2,377,320	2,783,830	2,377,320
Ring fenced call investment deposits (Refer note 28)	300,000	300,000	300,000	300,000
	3,083,830	2,677,320	3,083,830	2,677,320

Non-current liabilities have been utilised in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that non-current liabilities can be repaid on redemption date.

48. COMMITMENTS

Commitments in respect of capital expenditure:

Authorised and not yet contracted for

• Infrastructure	1,246,392	1,645,825	342,955	443,869
• Community	134,797	231,952	134,797	231,952
• Other	53,677	587,483	-	99,368
• Heritage	13,305	7,000	13,305	7,000
	1,448,171	2,472,260	491,057	782,189

Authorised and contracted for

• Infrastructure	1,104,503	2,535,008	494,958	1,579,062
• Community	384,050	76,185	383,050	76,185
• Other	546,686	187,036	148,266	168,690
	2,035,239	2,798,229	1,026,274	1,823,937
	3,483,410	5,270,489	1,517,331	2,606,126

This expenditure will be financed from:

External Loans	1,915,001	2,706,321	853,518	1,085,727
Capital Replacement Reserve	32,454	188,755	27,194	32,155
Government Grants	1,321,319	1,967,995	636,619	1,488,244
Internal cash	96,936	153,690	-	-
District Council Grants	117,700	253,728	-	-
	3,483,410	5,270,489	1,517,331	2,606,126

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008
48. COMMITMENTS (continued)				
Operating leases - as lessee (Fleet)				
Minimum lease payments due				
- within one year	130,897	85,791	130,897	85,791
- in second to fifth year inclusive	142,155	199,277	142,155	199,277
	273,052	285,068	273,052	285,068
Operating leases – as lessee (Buildings)				
Minimum lease payments due				
- within one year	385,848	367,324	13,472	20,364
- in second to fifth year inclusive	459,513	852,170	53,177	51,622
- later than five years	59,330	89,129	21,041	36,068
	904,691	1,308,623	87,690	108,054

49. CONTINGENCIES

GROUP

Roodepoort City Theatre

The Theatre entered into a contractual agreement with the National Lotteries Board during 2006 for the production of three operas (Zauberflöte, Gräfin Mariza and Don Giovanni). These productions were executed during 2006 and the first quarter of 2007, and it was funded by the Theatre from operational funds. The expectation was that, as before, this was a logistical arrangement for a very short period of time. As per the Theatre's previous experience, the experience of other organisations in Arts and Culture and the standard procedures of the Lottery as understood at the time, the expenses incurred were to be claimed from the Lottery on completion of the above mentioned productions. The Theatre submitted all the required documentation to the Lottery promptly and within required timeframes. In fact, throughout the last 18 months, management had been very diligent in responding to all requests for further information from the Lottery. However, to this day, there is still R1,660 million outstanding in funding, for the second consecutive year. Whenever management attempts to follow up on the matter, it is either met by non-response from the Lottery offices. The Chief Executive Officer, Chairman of the Board and the Chairperson of the Audit Committee recently met with the Chief Executive Officer from the NLDTF. In this meeting the Chief Executive Officer committed that the Theatre will receive conclusive feedback regarding the payment of outstanding funds by the end of July 2008. No feedback was received. On 27 August 2008 the Chief Financial Officer of the Theatre inquired with the NLDTF of the progress on payment. The Theatre was informed via electronic mail that the Distribution Agency from the NLDTF has taken the decision that they don't fund post production costs and secondly the shifting of funds from a call account to an interest bearing account is illegal, therefore an amount of R793,230.00 must be returned to the NLDTF. In response to the correspondence received the Chief Executive Officer stipulated that the agreement was signed and treated on the basis of principles and precedents set in prior years - "delivery-before-payment". Till date of submission of the financial statements no further communication was received, not from the Distribution Agency nor their Legal Department claiming the refund as stipulated above.

Following the termination of employment of the entity's Company Secretary, Ms M Dladla we wish to inform you of the process that was followed in this matter. Despite the fact that the case had been referred to the CCMA, we are confident that the matter was dealt with in a procedurally and substantively fair manner and, whilst there is always room for interpretation in this regard, we believe that the entity is not exposed. Ms Dladla referred the matter one month late. Nevertheless, the case was accepted and the CCMA hearing was scheduled for 22 August 2008. The Chief Executive Officer engaged with the City's Labour Department as to any specific City requirements in this regard and was informed that this was a matter to be dealt with internally by the entity. The Board of Directors were satisfied that the matter has been dealt with appropriately.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

49. CONTINGENCIES (continued)

Johannesburg Roads Agency (Proprietary) Limited

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

- Manong & Associates v JRA (Unfair discrimination) Amount involved R 4 million.
- IMATU & SAMWU v UAC's (Demarcation dispute) No direct monetary claim involved.
- Pipe Jack v JRA (Unpaid invoice) Amount involved R 947 000
- Norfolk Road (Subcontractor dug up road) Amount involved R 120 000.
- Guardrails Technologies (Not placing orders for max contract value) Amount involved R765 594.
- SAMWU National Provident Fund. No direct monetary claim involved.
- Hetta Eiendoms Bpk v JRA (Claim for specific performance). Monetary value still to be quantified.
- Unitrans v JRA (Claim for goods sold and delivered). R 200 000.00
- Hetta Eiendoms Bpk v JRA (Claim for specific performance). Monetary value still to be quantified.

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

The Johannesburg Fresh Produce Market (Proprietary) Limited

CCMA Cases

The company is involved in litigation with certain employees whose employment was terminated as a result of Reorganization or dismissals due to disciplinary reasons. These matters are currently with the CCMA which the company is defending. The company's total possible exposure is approximately R 4,470,577.

Frameworks Media CC

Frameworks Media CC (R 19,880,000) – This claim is based on a supposed contract for the distribution of fresh produce to various 'Score Supermarket' outlets. The matter was initially set down for hearing on the 9th May 2008 but has subsequently been postponed since the JFPM (defendant) has sought and been granted leave to amend its plea. The amendments to the plea are based on a discovery of possible collusion and fraud in the matter. The matter is not ready for trial. We do not believe that settlement is possible. We remain confident that our approach to continue defending this matter is correct, given our prospects of success.

Ikageng Cleaning Services

Ikageng Cleaning Services (R 2,269,710) – An action for damages arising out of loss of earnings has been brought against the JFPM by Ikageng Cleaning Services, a service provider whose contract was terminated for poor and/or nonperformance (breach of contract) over a period of four months. All the material terms of the contract relating to termination for breach were met. The company has filed its notice of intention to defend and plea. The pleadings stage has expired and all pleadings have been exchanged. Our denial in our defence is that we terminated the agreement in accordance with the cancellation clause contained in the agreement, based on poor workmanship and non-performance with the terms and condition of the agreement. The case is set down for trial on 08 February 2010. In the Gauteng South Division of the High Court. We remain confident about our prospects of success.

Energy Management

Energy Management (R 42,000) - An unsolicited bid was presented to the JFPM by a company alleging that a saving could be realized in the utility costs incurred by the JFPM. The savings, if realized through effecting of the measures suggested by the bidder, were to be shared on a 50 / 50 basis. The cost saving measures so suggested were not implemented, however owing to other measures undertaken by the JFPM savings were realized in the utility costs. Energy Management has now brought a claim based on the 50% of the savings realized in the 2006/07 financial year. It is postulated that the matter will be successfully defended. There have been no further developments in respect of this case.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

49. CONTINGENCIES (continued)

Siyanda Technologies

A proposal for IT consulting services was received from Siyanda Technologies. The proposal gave latitude to the company to terminate the contract for cause by giving three months written notice of termination to Siyanda. After having received unsatisfactory performance from Siyanda on the deliverables, the company opted to terminate the contract. A letter of demand was received from the attorney's of Siyanda technologies alleging that as a result of the unlawful termination of the contract their client had suffered damages in the form of loss of earnings. A summons commencing action was served on the company by Siyanda. The matter is before the High Court and was scheduled for trial on 12 June 2009. However, the matter was postponed by the plaintiff and as such no court date has been allocated. Our attorneys are in the process of filing an amended plea to address our initial plea of bare denial. However, due to the timeline given for the trial date, a pre-trial conference needs to occur imminently. We do not believe that a settlement of the matter is prudent, as we are confident that we have a strong defense in the matter. We remain confident that our approach to continue defending this matter is correct.

Marobela

The matter relates to Mr. Marobela's employment contract that was terminated by the company. The matter was initiated in the Labour Court with Mr. Marobela being unsuccessful with his claim. He subsequently lodged an appeal in the Labour Court and simultaneously instituted a civil action in the High Court for a sum total of R5 million. A date for the appeal has not been obtained and the transcriptions are being awaited. It is highly unlikely that the civil action would proceed in the High Court if the appeal is disregarded in the Labour Court. The case is set down for trial on 22 October 2009 in the Gauteng South Division of the High Court. We remain confident about our prospects of success.

Metropolitan Bus Services (Pty) Ltd

Litigation is continuing against the company relating to a dispute with a previous supplier who alleges that they suffered damages as a result of an alleged repudiation by the Company of a Security and Guarding Services agreement and is seeking damages of R 217 569. The company's lawyers and management consider the likelihood of the action against the company being successful as unlikely, and the case should be resolved within the next two years.

Litigation is continuing against the company relating to a dispute with a previous supplier who alleges that the Company has awarded the Cleaning of Buses contract during 2006 to another company in a tender process that allegedly is irregular, defective and fatally flawed, and is demanding that the tender so awarded, be set aside. An Application has been launched to have the tender process reviewed and set aside by the High Court, and the Company is opposing this application. The company's lawyers and management consider the likelihood of the action against the company being successful as unlikely, and the case should be resolved within the next twelve months.

The company has a material number of traffic fines outstanding against its name. These fines are being transferred on a continuous basis into the names of the bus operators who were responsible for the transgressions noted on these fines. A provision of R50 000 is maintained to cover the future cost of those fines where the company may be unable to allocate to the correct person.

City Power (Pty) Ltd

Litigation by HVC Drilling (Pty), a supplier, is in progress relating to damages for alleged breach of contract by the company for failure to pay for services rendered. The amount being claimed is R307,000. The matter is being defended.

Legal action has been instituted by the Municipal Employees Pension Fund and the South African Municipal Workers Union for the company's unilateral withdrawal from their respective pension and provident funds. The claim amounts to R630 745.

An employee has launched legal action against the company, claiming damages amounting to R1,500,000 for defamation of character arising from alleged unlawful statements made by his superiors. The matter is being defended and awaiting trial. The plaintiff's success is regarded as very unlikely.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

49. CONTINGENCIES (continued)

The company has a potential liability arising from a labour dispute regarding the dismissal of employees claiming to be unfairly dismissed. The action could result in a reinstatement or twelve months salary amounting to R397,000 if dismissal is found to be unfair.

The company has a potential liability of R 1,257,000 for service bonus for employees whom qualify for gratuities.

The company has contingent assets of R 9,548,000 resulting from insurance claims not yet confirmed.

City Parks (Pty) Ltd

This represents the company's portion of levies imposed by SALGBC to all employees within a municipality and its entities. However SALGBC does not recognise the company as an employer, and thus the company has no right of representation. Certain grievances were adjudicated by the SALGBC on behalf of previous employees. As the company is not recognised by such a body, the awards were made in absentia. Value R 111,000.00 (2008 : R 137,000.00)

Johannesburg Development Agency (Pty) Ltd

In 2005, the JDA entered into a contract for the construction of Baragwanath public transport facility: the supplier had FIGB provide a financial guarantee for the contract. On 13 February 2006, the JDA cancelled the contract because the supplier had defaulted: the JDA then turned to the FIGB demanding an amount of R1,400,000. The matter was taken to court, and the judgement was granted in favour of the JDA. In August 2007, FIGB appealed the court's judgement in the Kwa-Zulu Natal High Court and FIGB lost the appeal. Upon failure to secure permission to take the decision of the full bench of the Kwa-Zulu Natal High Court on appeal, the court issued a writ of execution for the judgement debt. The Sheriff returned the writ with an explanation that she could not find any FIGB asset to attach in order to satisfy the judgement. This has also been confirmed by the judgement debtor that they do not have assets to meet the judgement. Therefore the chances of recovering the R1,400,000 are non-existent at this stage.

On 20 April 2009 the Johannesburg Development Agency (Pty) Ltd, as one of several respondents cited, received a court application from an applicant, Kent Target Smith, challenging the City of Johannesburg's decision to implement the Bus Rapid Transit (BRT) system in or around Riverlea Extension, constituting Section 3 of the BRT. The challenge is from various fronts, including, but not limited to, lack of a proper Environment Impact Assessment in terms of the National Environment Management Act, requisition for information in terms of Promotion of Access to Information Act and the impact of the BRT in terms of Promotion of Administration Justice Act and the Bill of Rights. It is not clear what type of relief the applicant seeks from the court. The matter has not been set down for a hearing yet.

Johannesburg Social Housing Company (Pty) Ltd

JOSHCO is defending an action brought by an employee relating to his dismissal. JOSHCO, in line with internal disciplinary processes followed, remains confident that it is unlikely that a liability will arise in this regard, and directors do not expect the outcome of the action to have a material effect on JOSHCO's financial position. Much as JOSHCO is confident, the outcome of the judicial proceedings cannot be predicted.

JOSHCO employees have entered into contracts with the cell phone service provider MTN, through the company. The agreement is that the company will pay the subsidized amount relevant to the package given to the staff member and MTN will advise the staff member when the subsidized amount is about to be exhausted and if no further action is taken, MTN would then suspend the outgoing calls and this suspension never happened in some instances. At a meeting between MTN and JOSHCO, MTN advised that should such employees leave the services of JOSHCO, MTN will trace them and in the event they are untraceable, the outstanding amounts will be payable by JOSHCO. MTN further suggested that they will enter into payment arrangements with the affected employees to recover the outstanding amounts.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

	GROUP		CJMM	
Figures in Rand thousand	2009	2008	2009	2008

49. CONTINGENCIES (continued)

The Kliptown Freedom Square Estate is currently for rental tenure only. Some of the tenants wanted ownership tenure because of the clause in the lease document which is as follows: "This lease shall come into operation on the day of inception and shall subsist for a minimum period of four years from date of occupation of the property by the lessee prior to transfer of the property into beneficiary's name". The legal opinion received by JOSHCO from the Senior Counsel states that such clause does not confer a right of transfer to the tenants, but merely stipulates a minimum lease period of 4 years and, and envisages a transfer of the property after such period of 4 years, provided that the property has been purchased in the ordinary course. He further stated that he is of the view that any action or application instituted by a tenant for the transfer of the immovable property should not succeed.

Pikitup (Pty) Ltd

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

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

Johannesburg Property Company (Pty) Ltd

In terms of the sale of business agreement between the company and The City of Johannesburg Metropolitan Municipality, the company purchased its business as a going concern as contemplated in section 197 (1) (a) read with section 197 (2) (a) of the Labour Relations Act, 66 of 1955. The effect of this is that section 197 of the Labour Relations Act will operate to transfer the contract of employment of each affected employee from the City of Johannesburg Metropolitan Municipality to the company.

The City of Johannesburg Metropolitan Municipality has undertaken in terms of this agreement that it will bear all employee related liabilities or potential employee related liabilities and benefits up to the effective date of sale. In terms of the agreement reached with The City of Johannesburg Metropolitan Municipality employees will claim any past benefit services owing by The City of Johannesburg Metropolitan Municipality from the company and the company will in turn claim such payments from The City of Johannesburg Metropolitan Municipality.

Johannesburg Water (Pty) Ltd

The company has a contingent liability for allowances for bonus service in respect of employee gratuity benefits to the value of R7,687,000 (2008: R7,893,000), payable on resignation, retirement or death with at least 15 years service. This contingency is co-funded by the shareholder to the extent of R6,244,000 (2008: R6,498,000).

CJMM

Uninsured claims & litigations

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

Possible Court action against the City emanating from the termination of an insurance agreement for an amount of R23,000,000.00. Although the claimant has lately been pressurising the City for payment, no summons has yet been received as at end July 2008.

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

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

49. CONTINGENCIES (continued)

Claim for compensation issued against the City and the Gauteng Provincial Government emanating from a road widening by the City. The amount claimed for compensation is R1,000,000.00. As at 31 July 2008, the action has been dormant for the last two years.

Claim for compensation against the City in respect of a property expropriated by it in terms of the Better Buildings Programme. The claim amounts to R1,000,000.00.

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

Claim for damages and compensation resulting from a road constructed. Total claim R11,900,000.00. Although settlement negotiations are ongoing, chances to settle the matter amicably appear slim.

Claim for an amount of R311,102,261.00 from an external service provider for loss of income as result of alleged illegal termination of contract. The claim is subject to arbitration which is currently in process.

Claim for payment of medical aid contributions in the amount of R20,000,000.00. Matter going to trial in November 2009.

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

Possible liability for the complete rehabilitation of a mine dump site in the region of R19,000,000.00. No movement.

Default judgment against the City for two amounts (R81,225.00 + R686,580.69) in total R767,806.00 granted on 30 July 2008 for non payment for services rendered. Judgment rescinded on 23 September 2008 and the City was granted leave to defend the matter.

Claim relating to the City's alleged unlawful repudiation of contracts. Was dormant but has revived again R7,000,000.00. Application compel Plaintiff to provide relevant security to be filed at Court.

This is an application by residents of Phiri Soweto to have the prepaid water meter system installed there declared unconstitutional and unlawful. Judgement against the City was given on 30 April 2008. Leave to appeal heard on 9 September 2008, granted. Appeal was heard on 23 – 25 February 2009. Judgment in favour of the Council received on 26 March 2009. The application for leave to appeal by the residents of Phiri against the judgment of the SCA is set down for hearing in the Constitutional Court on 2 September 2009.

Claim for damages for unlawful termination of contract by the City. Pleadings being exchanged R3,500,000.00. (See Labour Relations (a)).

Claim for repayment of pre-2003 RSC Levies. Pleadings being exchanged R1,500,000.00. Amending papers. As well as requesting authority to approach the commissioner. Preparing all documents and affidavits related thereto.

Claim for payment of 50% (approx. R2,000,000.00) of all amounts already paid to external service provider for upgrading of a hostel.

Claim for damages against the COJ amounting to R11,668,746.00. The claim is based on an alleged breach of contract in that the City has allegedly failed to use its "best endeavours" to have the property transferred to the plaintiff.

Pension Fund Matters

Claim for outstanding contributions R780,000.00. The City did not withdraw in total from all Pension funds, but from certain pension funds, and the affected employees were transferred to the E-Joburg Pension Fund. The fact that there was this decision to withdraw is public knowledge, as is the litigation instituted by some pension funds and employees.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

49. CONTINGENCIES (continued)

Claim for outstanding contributions ±R38,200,000.00.

Application not to withdraw from Pension Fund. Pleadings being exchanged. Mediation taking place currently.

Application not to withdraw from Pension Fund. Mediation may take place.

Insured claims

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

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

Guarantees

Guarantees were issued to the following companies:

Kelvin Power (Pty) Ltd - R155,600,000.00 to ensure that City Power Johannesburg (Pty) Ltd meets all its commitments.

South African Post Office - R2,200,000.00 in respect of bulk mailings.

Bonus gratuity service

A Contingent liability of R 34,953,000 has been raised due to uncertain future events not wholly within the control of the City, relating to employees on the City's conditions who receive a gratuity service bonus of one year, for every five years of gratuity service completed, subject to a maximum of ten bonus years.

Refund of traffic fines

Due to the implementation of AARTO, all speeding fines issued by JMPD between the period 1 November 2008 to 11 February 2009 were invalid. Motorists who have already paid these fines for this period, have the right to claim a refund from CJMM.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

50. RELATED PARTIES

Relationships

Other members of the group

City Housing Company (Pty) Ltd
 City of Johannesburg Property Company (Pty) Ltd
 City Power Johannesburg (Pty) Ltd
 Johannesburg City Parks
 Johannesburg Development Agency (Pty) Ltd
 Johannesburg Metropolitan Bus Services (Pty) Ltd
 Johannesburg Roads Agency (Pty) Ltd
 Johannesburg Social Housing Company (Pty) Ltd
 Johannesburg Tourism Company
 Johannesburg Water (Pty) Ltd
 Metropolitan Trading Company (Pty) Ltd
 Pikitup Johannesburg (Pty) Ltd
 Roodepoort City Theatre
 The Johannesburg Civic Theatre (Pty) Ltd
 The Johannesburg Fresh Produce Market (Pty) Ltd
 The Johannesburg Zoo
 Fried Shelf 128 (Pty) Ltd
 Greater Newtown Development Company (Pty) Ltd
 Constitutional Hill Development Company (Pty) Ltd
 Joshco JV
 Refer to note 19
 Joshco JV
 Refer to note 20
 Fried shelf 128 (Pty) Ltd
 Greater Newtown Development Company (Pty) Ltd
 Constitutional Hill Development Company (Pty) Ltd
 Joshco JV
 CJMM - Refer to note 35.
 Directors remuneration-Annexure H

Joint ventures

Associates

Members of key management
 Municipal Entities

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008
50. RELATED PARTIES (continued)				
Related party balances				
Amounts included in Loans,				
Trade and other receivables regarding related parties				
City of Johannesburg Metropolitan Municipality	2,933,131		13,659,848	
Roodepoort City Theatre	1,784		386	
Johannesburg Social Housing Company (Pty) Ltd	7,323		111,409	
Johannesburg Metropolitan Bus Services (Pty) Ltd	136,429		59,464	
Pikitup Johannesburg (Pty) Ltd	198,721		437,501	
City Power Johannesburg (Pty) Ltd	3,232,473		807,640	
City of Johannesburg Property Company (Pty) Ltd	16,496		23,918	
Johannesburg Water (Pty) Ltd	2,298,520		821,146	
The Johannesburg Zoo	7,009		23,749	
Metropolitan Trading Company (Pty) Ltd	98,324		77,997	
Johannesburg Tourism Company	12,372		279	
The Johannesburg Civic Theatre (Pty) Ltd	71		122	
Johannesburg City Parks	43,560		293,249	
Johannesburg Development Agency (Pty) Ltd	84,825		586,963	
Johannesburg Roads Agency (Pty) Ltd	72,355		521,956	
The Johannesburg Fresh Produce Market (Pty) Ltd	226,584		22,308	
City Housing Company (Pty) Ltd	2,039		10,000	
	9,372,016		17,457,935	
Amounts included in Loans,				
Trade and other payables regarding related parties				
City of Johannesburg Metropolitan Municipality	6,438,885		10,556,682	
Roodepoort City Theatre	24		1,982	
Johannesburg Social Housing Company (Pty) Ltd	53,067		73,123	
Johannesburg Metropolitan Bus Services (Pty) Ltd	35,943		180,970	
Pikitup Johannesburg (Pty) Ltd	250,830		347,809	
City Power Johannesburg (Pty) Ltd	802,350		3,227,525	
City of Johannesburg Property Company (Pty) Ltd	33,400		30,041	
Johannesburg Water (Pty) Ltd	416,362		2,190,912	
The Johannesburg Zoo	11,217		21,436	
Metropolitan Trading Company (Pty) Ltd	41,311		164,951	
Johannesburg Tourism Company	-		4,166	
The Johannesburg Civic Theatre (Pty) Ltd	451		18,438	
Johannesburg City Parks	296,152		38,861	
Johannesburg Development Agency (Pty) Ltd	543,061		268,896	
Johannesburg Roads Agency (Pty) Ltd	430,149		68,722	
The Johannesburg Fresh Produce Market (Pty) Ltd	18,814		258,371	
City Housing Company (Pty) Ltd	-		5,050	
Kelvin Power (Pty) Ltd	83,945		110,312	
	-		-	
	-		-	
Ekurhuleni	18,694		41,125	
	9,474,655		17,609,372	

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

50. RELATED PARTIES (continued)

Related party transactions

Sales to related parties

City of Johannesburg Metropolitan Municipality	1,061,283	743,619
Rodepoort City Theatre	7,769	6,728
Johannesburg Social Housing Company (Pty) Ltd	31,880	11,436
Johannesburg Metropolitan Bus Services (Pty) Ltd	276,633	262,111
Pikitup Johannesburg (Pty) Ltd	942,280	702,998
City Power Johannesburg (Pty) Ltd	226,211	164,455
City of Johannesburg Property Company (Pty) Ltd	21,717	17,021
Johannesburg Water (Pty) Ltd	289,143	323,879
Johannesburg Zoo	35,038	36,152
Metropolitan Trading Company (Pty) Ltd	47,313	40,250
Johannesburg Tourism Company	23,032	18,231
Johannesburg Civic Theatre (Pty) Ltd	17,259	15,823
Johannesburg City Parks	441,359	385,295
Johannesburg Development Agency (Pty) Ltd	29,924	28,400
Johannesburg Roads Agency (Pty) Ltd	404,003	392,518
The Johannesburg Fresh Produce Market (Pty) Ltd	35,990	3,740
	3,890,834	3,152,656

Purchases from related parties

City of Johannesburg Metropolitan Municipality	2,777,450	2,291,609
Johannesburg Social Housing Company (Pty) Ltd	16,463	991
Johannesburg Metropolitan Bus Services (Pty) Ltd	2,436	5,004
Pikitup Johannesburg (Pty) Ltd	155,374	28,250
City Power Johannesburg (Pty) Ltd	509,938	416,558
City of Johannesburg Property Company (Pty) Ltd	1,566	771
Johannesburg Water (Pty) Ltd	314,650	304,197
Johannesburg Zoo	4,872	7,228
Metropolitan Trading Company (Pty) Ltd	3,285	16,268
Johannesburg Tourism Company	310	2,705
Johannesburg Civic Theatre (Pty) Ltd	3,888	2,563
Johannesburg City Parks	35,534	26,141
Johannesburg Development Agency (Pty) Ltd	2,321	463
Johannesburg Roads Agency (Pty) Ltd	14,295	7,731
The Johannesburg Fresh Produce Market (Pty) Ltd	48,452	42,177
Ekurhuleni interest	2,967	2,926
	3,893,801	3,155,582

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008
51. PRIOR YEAR ERRORS				
Statement of financial position				
CJMM - Accumulated depreciation adjustment on Investment property	-	(1,457)	-	(1,457)
CJMM - Consumer debtors	-	(19,506)	-	(19,506)
CJMM - Correction reserves	-	6,518	-	6,518
CJMM - Creditors	3,741	(961)	3,741	(961)
CJMM - Finance lease obligation	(23,183)	(4,147)	(23,183)	(4,147)
CJMM - Non-current provisions	-	(15,090)	-	(15,090)
CJMM - Other debtors	(34,876)	94	(34,876)	94
CJMM - Property, plant and equipment	(41,148)	(13,210)	(41,148)	(13,210)
CJMM - Related party creditor	-	(10,313)	-	(10,313)
CJMM - Held to maturity investments	(470,382)	17,507	(470,382)	17,507
CJMM - VAT	7,433	5,880	7,433	5,880
CJMM - WIP : Soccer city 2010	1,238,060	417,306	1,238,060	417,306
CJMM - Structured loans	94,549	-	94,549	-
CJMM - Structured loans	470,382	-	470,382	-
JFPM - Property, plant and equipment	-	(1,889)	-	-
JFPM - Trade and other receivables	257	-	-	-
JFPM - Trade and other payables	271	(448)	-	-
JOSHCO - Accumulated surplus	(21)	-	-	-
JOSHCO - Property, plant and equipment	24	28	-	-
JOSHCO - Accumulated depreciation	(28)	-	-	-
JOSHCO - Finance lease obligation	(10)	(21)	-	-
JOSHCO - Deferred tax	5	-	-	-
JOSHCO - Trade and other payables	7	-	-	-
JOSHCO - VAT	-	14	-	-
JOSHCO - Investment property	61,220	17,300	-	-
JOSHCO - Deferred income	(434)	(220)	-	-
JRA - Taxation	-	14,458	-	-
JRA - Accumulated depreciation	523	31,754	-	-
JRA - Deferred tax	452	-	-	-
PIKITUP - Accumulated surplus	(32,995)	-	-	-
PIKITUP - Property, plant and equipment	-	5,095	-	-
PIKITUP - Accumulated depreciation	-	(8,637)	-	-
PIKITUP - Accumulated amortisation	-	(5)	-	-
PIKITUP - Deferred tax	-	(6,743)	-	-
PIKITUP - Provision for the rehabilitation of landfill sites	-	96,922	-	-
PIKITUP - Trade and other receivables	2,358	-	-	-
PIKITUP - Trade and other payables	(2,262)	-	-	-
PIKITUP - Vat accrued	(96)	-	-	-
JPC - Property, plant and equipment - IFRS	-	501	-	-
JPC - Intangible assets	-	772	-	-
JPC - Property, plant and equipment - Fair value	-	14	-	-
JPC - Deferred tax asset	-	(216)	-	-
JPC - Deferred tax adjustment	(437)	-	-	-
TOURISM - Accumulated depreciation	-	(102)	-	-
WATER - Trade and other receivables	(51,916)	-	-	-
WATER - Deferred income	(63,096)	233,954	-	-
WATER - Post retirement Medical Aid	4,015	-	-	-
WATER - Trade and other payables	4,417	-	-	-
ZOO - Property, plant and equipment	-	(49)	-	-
	1,166,830	765,103	1,244,576	382,621

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008
51. PRIOR YEAR ERRORS (continued)				
Statement of financial performance				
CJMM - Joshco subsidy	-	-	61,220	17,300
CJMM - JPC portfolio	918	(112)	918	(112)
CJMM - Trade payables	-	497	-	497
CJMM - Correction of assets	-	303	-	303
CJMM - Correction of debtors	33,955	18	33,955	18
CJMM - Correction of reserves	-	(6,518)	-	(6,518)
CJMM - Correction of leases	3,746	359	3,746	359
CJMM - Depreciation	(635)	852	(635)	852
CJMM - Housing debtors	-	19,506	-	19,506
CJMM - Other	30	464	30	464
CJMM - Pension fund adjustment	-	15,090	-	15,090
CJMM - Interest paid	(94,549)	-	(94,549)	-
CJMM - Related party corrections	-	10,313	-	10,313
CJMM - Interest earned - investments	-	(17,507)	-	(17,507)
CJMM - Contracted services	(3,768)	-	(3,768)	-
CJMM - VAT adjustments	(7,433)	(5,880)	(7,433)	(5,880)
CJMM - WIP : Soccer city 2010	(1,238,060)	(417,306)	(1,238,060)	(417,306)
JFPM - Rental facilities and equipment	(185)	(608)	-	-
JFPM - Bad debts	(72)	-	-	-
JFPM - Fair value adjustment	-	68	-	-
JFPM - Deficit on disposal of assets	-	1,036	-	-
JFPM - Depreciation	-	1,078	-	-
JFPM - Interest received	-	(225)	-	-
JFPM - Finance costs	-	381	-	-
JFPM - Other operating costs	(271)	(13)	-	-
JFPM - Tax expense	-	620	-	-
JOSHCO - Depreciation	32	(3)	-	-
JOSHCO - Finance costs	(3)	(18)	-	-
JOSHCO - Tax expense	(6)	-	-	-
JOSHCO - Deferred income released	434	220	-	-
JRA - Taxation	(452)	(2,015)	-	-
JRA - Depreciation	(523)	(44,197)	-	-
PIKITUP - Revenue	16,155	-	-	-
PIKITUP - Expenditure	16,840	-	-	-
PIKITUP - Depreciation	-	3,542	-	-
PIKITUP - Amortisation	-	5	-	-
PIKITUP - Deferred taxation	-	6,743	-	-
PIKITUP - Discounting of landfill site provision	-	(96,922)	-	-
JPC - Depreciation	-	(1,273)	-	-
JPC - Taxation	-	216	-	-
JPC - Other income	-	(14)	-	-
JPC - Taxation 07/08	437	-	-	-
TOURISM - Depreciation	-	102	-	-
WATER - Service charges	48,141	-	-	-
WATER - Deferred income	63,096	(233,954)	-	-
WATER - Post retirement benefit plans	(4,015)	-	-	-
WATER - Revenue	(5,097)	-	-	-
WATER - Cost of sales.	(2,054)	-	-	-
WATER - Other income	28	-	-	-
WATER - Other expenses	9,302	-	-	-
WATER - Fair value adjustment	(2,821)	-	-	-
ZOO - Depreciation	-	49	-	-
	(1,166,830)	(765,103)	(1,244,576)	(382,621)

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

51. PRIOR YEAR ERRORS (continued)

The correction of the error(s) results in the restatement of comparative figures as follows:

GROUP

2009 ERRORS

The Johannesburg Fresh Produce Market (Proprietary) Limited

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

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

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

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

Johannesburg Social Housing Company (Proprietary) Limited

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

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

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

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

Johannesburg Roads Agency (Proprietary) Limited

Property, plant and equipment:

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

Pikitup Johannesburg (Proprietary) Limited

During the prior year, retained earnings was incorrectly stated due to expenditures that were not accounted for and the reversal of revenue billed.

City of Joburg Property Company (Proprietary) Limited

This is as a result of deferred tax being incorrectly reflected as a liability of R218,581 instead of an asset.

Johannesburg Water (Proprietary) Limited

Revenue:

During the current financial year, adjustments amounting to R48,141 million were performed. The adjustment relates to the reversal of water and sewer charges billed during the previous financial year. These adjustments have now been reflected as prior year adjustments, resulting in the comparatives being restated.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

51. PRIOR YEAR ERRORS (continued)

Deferred income:

There was a release from deferred income of R63,096 million relating to Developer funded networks. The release was previously based on the depreciation charged over the useful life of the asset. IFRIC 18 however requires that assets acquired under these circumstances be recognised as revenue in full on transfer of the assets from the developer. Accordingly, the current year transfers from the developer are recognised as required by IFRIC 18 and the accumulation treated as a prior year adjustment. The financial impact of the revised treatment in the current year is a credit of R74,000 million to other income.

Fair value adjustments:

The fair value adjustments on debtors and creditors that was previously performed was based on a model that contained inaccurate assumptions. The model has been revised as part of the recommendation and the adjustments subsequently effected resulting in the prior period adjustment listed below for debtors and creditors.

Retirement benefit obligation:

During the current financial year, adjustments amounting to R5,559 million (2008: R -) were performed. The adjustment relates to additional pensioner members allocated by the City of Johannesburg to the company. This is in respect of post retirement medical aid amounting to R4,015 million, as well as additional allocations of benefits paid against the notional accounts held in the prior year amounting to R1,544 million. These adjustments have now been reflected as prior year adjustments, resulting in the comparatives being restated.

2008 ERRORS

The Johannesburg Fresh Produce Market (Proprietary) Limited

The loans from shareholders were discounted in terms of IAS 39 at the prime interest rate as at the inception date of the loan in the prior financial year. It has since been confirmed that the interest rate applicable to the loans are in fact market related and the discounting effect was thus reversed.

Depreciation was incorrectly charged on buildings in the prior year and was therefore corrected in the financial year in which the error occurred.

During the asset verification exercise done in the current financial year, it was found that certain assets were duplicated in the fixed asset register and thus in the accounting records. These assets were written off in order to correct the prior year error.

Land and buildings previously classified as property plant and equipment has now been reclassified as investment property.

Improvements to leasehold buildings relating to the Soweto market was incorrectly recorded in the fixed assets of the company. These improvements have now been transferred to the City of Johannesburg Metropolitan Municipality. The balance on the loans from shareholders has also been adjusted accordingly.

Changes were made to the straight-lining effect on rental income for the prior years due to new information that came to light during the current financial year.

The invoices for rental income are prepared during the month prior to the month it relates to however, these invoices were recognised as rental income in the month in which it was generated. The error of recognising the income in the incorrect period were therefore corrected.

The interest raised on tax assessments received from SARS were not raised in the prior financial years. The error was corrected by recognising the interest payable or receivable in the financial year in which the assessments were completed.

Changes were made to the finance lease obligation and related accounts for the prior year due to new information that came to light during the current financial year in terms of escalation clauses applicable.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

51. PRIOR YEAR ERRORS (continued)

Johannesburg Social Housing Company (Proprietary) Limited

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

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

Johannesburg Metropolitan Bus Services (Proprietary) Limited

The City of Johannesburg Metropolitan Municipality paid some Post Retirement Benefits to ex employees of the Company and allocated them incorrectly to their expenses in the past. These errors were detected and corrected this year which resulted in prior year adjustments to the Notional Loan Accounts in the books of the Company (Asset) and the City of Johannesburg Metropolitan Municipality (Liability).

Johannesburg Roads Agency (Proprietary) Limited

Property, plant and equipment:

These corrections relate to the useful life adjustments that were not correctly calculated.

Pikitup Johannesburg (Proprietary) Limited

Property, plant and equipment:

During the prior year, the cost of property, plant and equipment was incorrectly stated due to timing differences in the financial system. The useful lives of some assets were also not estimated correctly as some assets were still in use although they were fully depreciated at the end of the 06/07 financial year. This caused an over statement of the accumulated depreciation amount disclosed for 2005/6 and 2006/7 years.

Deferred taxation:

During the prior year, deferred tax was incorrectly stated in the Statement of Financial Performance and the Statement of Financial Position. The effect of the error was as follows: The deferred taxation asset was misstated due to incorrect calculations of tax values.

City of Joburg Property Company (Proprietary) Limited

Property, plant and equipment - IFRS

This is the result of an IFRS adjustment which was provided for on the prior year property, plant and equipment as disclosed in the prior year error note.

Intangible assets

During the prior year the carrying value of intangible assets was incorrectly stated due to amortisation being raised to the statement of financial performance whilst the Pims system is still in the development stage. A prior year adjustment has been provided for.

Property, plant and equipment - Fair Value

The fair value of furniture and fittings was adjusted to increase the value of these assets that were acquired at a value of R 1.00 on inception of the company as disclosed in the prior year error note.

Deferred tax asset

Deferred tax raised on the carrying value of intangible assets incorrectly stated, due to amortisation being raised whilst the PIMS system is still in the development stage.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

51. PRIOR YEAR ERRORS (continued)

Johannesburg Tourism Company (Association Incorporated under section 21)

Finance leases depreciated over 10 years instead of 5 years corrected.

Johannesburg Water (Proprietary) Limited

Deferred income:

There was a release from deferred income of R233,954 million relating to Developer funded networks. The release was previously based on the depreciation charged over the useful life of the asset. IFRIC 18 however requires that assets acquired under these circumstances be recognised as revenue in full on transfer of the assets from the developer. Accordingly, the current year transfers from the developer are recognised as required by IFRIC 18 and the accumulation treated as a prior year adjustment.

The Johannesburg Zoo (Association incorporated under section 21 of the companies act)

The Zoo depreciated leased office equipment over the lease term of the assets. Because ownership does not transfer to the Zoo, these assets are now depreciated over the shorter of the lease term and the useful life. This has resulted in a depreciation adjustment in the prior periods.

CJMM

2009 ERRORS

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

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

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

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

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

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

Adjustment of PPE - R 61,220 million
Transfer of leasehold improvements to JOSHCO as a result of the transfer of buildings to JOSHCO.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

51. PRIOR YEAR ERRORS (continued)

2008 ERRORS

Adjustment of the portfolio account - (R 0,112 million)

This adjustment relates to the portfolio take-on debtors in prior years.

Adjustment of trade payables - Masana - R 0,497 million

Correction of assets under construction - R 0,303 million

Adjustment of the debtors account - R 0,018 million

This adjustment relates to the salary advance account.

Correction of reserves - (R 6,518 million)

Correction of leases - R 0,359 million

Housing debtors - R 19,506 million

Adjustment of the provision for bad debts relating to housing debtors for the 2006/07 financial year.

Adjustment of the pension fund account - R 15,090 million

This adjustment relates to the actuarial gains and losses during the 2006/07 financial year.

Related party corrections - R 10,313 million

Adjustment of PPE - R 17,300 million

Transfer of leasehold improvements to JOSHCO as a result of the transfer of buildings to JOSHCO.

VAT adjustments - (R 5,880 million)

52. COMPARATIVE FIGURES

Certain comparative figures have been reclassified.

53. RISK MANAGEMENT

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

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

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

53.1. Liquidity risk

The Group's risk to liquidity arises mainly due to funding liquidity risk, i.e the risk that the municipality will not be able to meet payment obligations due to insufficient funds being available.

The CJMM Treasury manages both the short term and long term cash requirements. Most of the municipality's funds are invested short term using various money market instruments from the financial institutions. Long-term liquidity risk is managed through borrowings, mainly using a domestic medium term note (DMTN) programme.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

53. RISK MANAGEMENT (continued)

The Group also enjoys short term borrowing facilities of R400 million as well as an additional headroom of R100 million granted by its primary bankers, ABSA Bank. The headroom can only be utilised after the R400 million has been exhausted and are subject to prior credit approval. The borrowing facility has been utilised during the financial year 2008-2009.

53.2. Credit risk

This is the risk of losses due to counterparties being unable or unwilling to fulfil their contractual obligations.

The City Treasury manages credit risk through an approved counterparty limits and credit ratings policy.

Floating rate sensitivity analysis

Financial instrument	Amount	1	0.5	0	-0.5	-1
Jozi Bond @ 12.38%	8,843	1,183	1,138	1,094	1,050	1,006
Jozi Bond @ 12.58%	20,722	2,814	2,710	2,606	2,503	2,399
Jozi Bond @ 12.78%	127,300	17,541	16,905	16,268	15,632	14,995
Calyon French Loan @9.379%	326,520	33,892	32,260	30,627	28,994	27,362
DBSA @ 10.63%	6,129	712	682	651	620	590
DBSA @ 10.63%	18,220	2,119	2,027	1,936	1,845	1,754
DBSA @ 11.37%	600,000	76,380	73,380	70,380	67,380	64,380
DBSA @ 9.39%	113,743	11,817	11,249	10,680	10,111	9,543
Total	1,221,477	146,458	140,351	134,242	128,135	122,029

53.3. Market Risk

53.3.1. Interest rate risk

The City Treasury manages "interest rates" risk within the ambit of the Treasury Risk Management Policy. The City's Risk Management Objective is to contain the negative impact of adverse interest rate movements on the City's net borrowing position. The composition of the debt portfolio is 94%- fixed interest rates and 6%- linked to floating interest rates.

A long term investment portfolio has been established and managed by external fund managers with an objective to match the long term liability profile.

The City utilises swap instruments to hedge its interest rate risk on the debt portfolio.

The City invests surplus cash into call and short term deposit instruments with approved financial institutions.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

53. RISK MANAGEMENT (continued)

Fair value interest rate risk

	Current interest rate	Due in less than a year	Due in one to two years	Due in two to three years	Due in three to four years	Due after five years
SCMB R300M	10.57 %	13,333,333	13,333,333	13,333,333	13,333,333	70,000,000
L121	14.70 %	-	-	-	-	30,000,000
ABSA R150m	12.27 %	-	-	-	-	150,000,000
INVESTEC R100m	11.77 %	10,630,616	11,938,155	13,396,488	15,054,252	8,206,532
RMB R95m	16.50 %	-	-	-	-	95,000,000
RMB R100m	15.56 %	-	-	-	-	100,000,000
RMB R248m	16.50 %	-	-	-	-	248,000,000
EKURHULENI	16.21 %	-	-	18,693,500	-	-
ABSA SPRINGFIELD	8.90 %	130,000	-	-	-	130,000
CALYON	7.23 %	36,280,000	36,280,000	36,280,000	36,280,000	181,400,000
DBSA	13.00 %	106,098,333	64,013,750	4,468,094	-	831,049,653
JOZIBOND	7.63 %	8,843,000	20,722,000	127,300,000	-	-
COJ01	11.95 %	1,000,000,000	-	-	-	-
COJ02	11.90 %	-	-	-	-	1,000,000,000
COJ03	9.70 %	-	-	-	-	700,000,000
COJ04	9.00 %	-	-	-	-	1,733,000,000
COJ05	12.21 %	-	-	-	-	2,268,000,000
COJ06	10.90 %	-	-	-	-	900,000,000

53.3.2. Price risk

Although the municipality is not directly exposed to foreign currency risk from its 2010 World Cup construction project, there is an indirect exposure to foreign exchange risk in that the rand equivalent of the euro cost associated with the procurement of various components from overseas, is passed to the City at the exchange rate equivalent to the ruling spot rate on the day of invoicing.

54. HEDGING ACTIVITIES

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the municipality is the current bid offer price.

2009

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

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

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

54. HEDGING ACTIVITIES (continued)

2008

Instruments	Total	2008	2009	2010	2011
SWAP R200M RMB	(13,451)	(6,840)	(3,602)	(2,776)	(233)
SWAP R300M SCMB	10,815	6,388	2,758	1,579	90
SWAP R319M RMB	11,968	6,988	3,065	1,806	109
SWAP R400M RMB	(13,523)	(8,147)	(3,425)	(1,856)	(95)
Total	(4,191)	(1,611)	(1,204)	(1,247)	(129)

Summary	Total	2008	2009	2010	2011
Derivative trading asset	22,783	13,376	5,823	3,385	199
Derivative trading liability	(26,974)	(14,987)	(7,027)	(4,632)	(328)
Total	(4,191)	(1,611)	(1,204)	(1,247)	(129)

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

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

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

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

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

54. HEDGING ACTIVITIES (continued)

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

SWAP market-to-market as at 30 June 2009

Opening Balance	(4,191)	(8,587)	(4,191)	(8,587)
Ineffective (loss) / gain	(796)	4,396	(796)	4,396
	(4,987)	(4,191)	(4,987)	(4,191)

The group does not engage in speculative trading in derivative instruments.

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

55. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure

Opening balance	3,691	3,686	-	-
Fruitless and wasteful expenditure current year	16,585	15,960	16,173	1,591
Condoned or written off by Council	(79)	(14,359)	-	-
Transfer to other debtors for verification	(19,325)	(3,157)	(19,325)	(3,152)
Fruitless and wasteful expenditure under investigation	3,152	1,561	3,152	1,561
Fruitless and wasteful expenditure awaiting condonement	4,024	3,691	-	-

GROUP

2009

Incident

1. The Johannesburg Fresh Produce Market (Proprietary) Limited

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

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

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

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

2. City of Johannesburg Property Company (Proprietary) Limited

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

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

3. Johannesburg Zoo

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

Disciplinary steps/criminal proceedings : None.

4. Johannesburg Metropolitan Bus Services (Proprietary) Limited

Various traffic fines was paid - R266,820.

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

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

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

5. Metropolitan Trading Company (Proprietary) Limited

SARS VAT penalties and interest - R 15,614.

6. Johannesburg City Parks

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

7. Pikitup (Proprietary) Limited

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

8. Roodepoort City Theatre

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

Disciplinary steps/criminal proceedings : None.

2008

Incident

1. Metropolitan Trading Company (Proprietary) Limited

A credit voucher was issued by Game for computers that did not meet the company's IT specifications - R4,699.

This amount was utilised to purchase items that were utilised in the company's operations.

2. Roodepoort City Theatre

Still waiting for information from entity.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

CJMM

2009

Incident

1. Corporate and Shared Services

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

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

2. Corporate and Shared Services

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

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

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

Interest raised on late payments - R6,112 million.

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

2008

Incident

Interest raised on late payments - R1,591 million.

Irregular expenditure

Reconciliation of irregular expenditure

Opening balance	16,328	6,565	-	-
Irregular expenditure current year	15,487	44,801	-	-
Approved by Council or condoned	(19,309)	(35,038)	-	-
Transfer to receivables for recovery - not condoned	1,718	-	-	-
Irregular expenditure awaiting condonement	14,224	16,328	-	-

GROUP

2009

Incident

1. Johannesburg Social Housing Company (Proprietary) Limited

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

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

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

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

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

2. Johannesburg Zoo

Procurement without three quotations - R456,333.

Disciplinary steps/criminal proceedings : None.

3. Johannesburg Development Agency (Proprietary) Limited

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

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

4. City of Johannesburg Property Company (Proprietary) Limited

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

5. Pikitup (Proprietary) Limited

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

2008

Incident

1. Johannesburg Development Agency (Proprietary) Limited

The payment of R8,412,281 was made in breach of the Johannesburg Development Agency (Pty) Ltd's financial policies and procedures. The payment was an 'advanced payment' made in the 2007/2008 financial year for services that would only be undertaken and completed in the 2008/2009 financial year.

Disciplinary steps/criminal proceedings : The Johannesburg Development Agency (Pty) Ltd Board undertook an investigation and found that there was no unlawful intent by the contractor and/or employees to defraud the company and all the monies could be properly accounted for as legitimate expenditure on the various Nasrec projects. To ensure that there is no recurrence of similar events, internal controls have been improved in relation to the payment of creditors.

The expenditure of R1,351,184 relates to expenditure which contravenes the Supply Chain Management Regulations of the MFMA and has been condoned.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

56. ADDITIONAL DISCLOSURE IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

Contributions to organised local government

Council subscriptions	8,500	7,500	8,500	7,500
Amount paid - current year	(26,304)	(7,500)	(26,304)	(7,500)
Council subscriptions under dispute	-	(19,679)	-	(19,679)
Balance unpaid (included in creditors)	(17,804)	(19,679)	(17,804)	(19,679)

Audit fees

Opening balance	3,670	3,764	766	1,143
Current year audit fee	27,494	23,601	10,479	11,148
Amount paid - current year	(21,306)	(19,428)	(10,597)	(11,525)
Amount paid - previous years	(3,755)	(4,267)	-	-
Balance unpaid (included in creditors)	6,103	3,670	648	766

VAT

VAT	(202,274)	(140,648)	171,856	188,364
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VAT input and VAT output are shown in note 9. All VAT returns have been submitted by the due date throughout the year.

PAYE and UIF

Opening balance	45,025	36,652	30,141	25,393
Current year payroll deductions	749,473	601,275	447,410	355,104
Amount paid - current year	(707,556)	(552,171)	(417,060)	(324,963)
Amount paid - previous years	(42,921)	(40,731)	(30,141)	(25,393)
Balance unpaid (included in creditors)	44,021	45,025	30,350	30,141

The balance represents PAYE and UIF deducted from the June 2009 payroll. These amounts were paid during July 2009.

Pension and Medical Aid Deductions

Opening balance	54,781	34,898	49,568	30,137
Current year payroll deductions	972,710	802,844	694,647	559,007
Amount paid - current year	(904,968)	(746,252)	(634,875)	(509,439)
Amount paid - previous years	(54,850)	(36,709)	(49,568)	(30,137)
Balance unpaid (included in creditors)	67,673	54,781	59,772	49,568

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008
Councillors' Arrears				
The following Councillors had arrear accounts outstanding for more than 90 days as at 30 June 2009. All amounts are disclosed in rands and not rounded to the nearest thousand.				
30 June 2009	<u>Outstanding less than 90 days (rands)</u>	<u>Outstanding more than 90 Days (rands)</u>	<u>Total</u>	
Bapela CB	6,089	1,519	7,608	
Botes C	9,167	-	9,167	
Bovu BD	168	-	168	
Dhlomo AN	1,752	15	1,767	
Dlamini TJ	16,025	3,372	19,397	
Dlamini TJ	1,539	523	2,062	
Dlamini IN	193	15	208	
Khanyi CJ	211	323	534	
Lichaba DL	2,347	867	3,214	
Lutya RN	723	232	955	
Madungandaba BE	15,465	3,511	18,976	
Mahlanga JP	1,799	799	2,598	
Makhubo MM	47	15	62	
Mkhize DS	17,663	919	18,582	
Moepi NR	31	15	46	
Mokoena A	1,253	-	1,253	
Mthalane P	47	15	62	
Mtshali EV	11	223	234	
Ndlela NM	113	306	419	
Putsoa A	4,067	846	4,913	
Rakitla JB	8	-	8	
Ramadikela G	2,353	937	3,290	
Ramakhula MS	630	20	650	
Sabbagh ST	662	6,131	6,793	
Sabbagh ST	82	6,093	6,175	
Seefort CM	916	4,079	4,995	
Van Der Merwe MT	3,802	-	3,802	
Total Councilors' Arrear Consumer Accounts	87,163	30,775	117,938	

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

30 June 2009	<u>Highest amount outstanding > than 90 days (rands)</u>	<u>Total (rands)</u>	<u>Comments</u>
Ancer SLS	102	1,056	Arrears 90+days
Bailey LR	5,267	5,871	Arrears 90+days
Bapela CB	6,089	7,608	Arrears 90+days
Barnes AE	2,444	15,469	Arrears 90+days
Bittkau R	1,221	7,006	Arrears 90+days
Botes C	12,667	12,667	Arrears 90+days
Bovu BD	1,099	1,099	Arrears 90+days
Clarke SNM	161	4,830	Arrears 90+days
Corrigan IM	76	3,788	Arrears 90+days
Da Gama VM	199	199	Arrears 90+days
Dewes DS	2,445	3,547	Arrears 90+days
Dewes DS	6,623	9,298	Arrears 90+days

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008
Dhlomo AN	1,752	1,768	Arrears 90+days	
Dlamini TJ	16,278	17,171	Arrears 90+days	
Dlamini TJ	1,539	2,062	Arrears 90+days	
Dlamini IN	1,183	1,198	Arrears 90+days	
Gololo MJ	133	294	Arrears 90+days	
Greeff RJ	4,944	13,005	Arrears 90+days	
Griffin S	2,984	5,405	Arrears 90+days	
Hlomendlini IN	16	36	Arrears 90+days	
Khanyi CJ	837	1,171	Arrears 90+days	
Kubayi MT	243	642	Arrears 90+days	
Lichaba DL	2,347	3,214	Arrears 90+days	
Louw MA	1,651	2,386	Arrears 90+days	
Lutya RN	723	955	Arrears 90+days	
Madungandaba BE	15,465	18,976	Arrears 90+days	
Mahlanga JP	1,799	2,599	Arrears 90+days	
Makhubo MM	117	136	Arrears 90+days	
Manganyi MM	352	3,294	Arrears 90+days	
Mayathula-Khoza NP	360	9,789	Arrears 90+days	
Mendelsohn JJ	7	1,139	Arrears 90+days	
Mkhize DS	30,660	31,592	Arrears 90+days	
Moepi NR	1,167	1,220	Arrears 90+days	
Mogasi S	2,813	4,166	Arrears 90+days	
Mohlala NP	165	4,060	Arrears 90+days	
Mokoena A	1,648	4,945	Arrears 90+days	
Molope MP	7	346	Arrears 90+days	
Mtembu NG	3	10	Arrears 90+days	
Mthlane P	47	63	Arrears 90+days	
Mtshali EV	280	510	Arrears 90+days	
Ndhlovu EM	18,399	20,959	Arrears 90+days	
Ndhlovu EM	-	4,677	Arrears 90+days	
Ndlela NM	500	913	Arrears 90+days	
Nkomo E	529	757	Arrears 90+days	
Nyambe AT	23	79	Arrears 90+days	
Ollis IM	3,097	5,401	Arrears 90+days	
Phakathi TZ	402	1,623	Arrears 90+days	
Phakathi TZ	596	4,915	Arrears 90+days	
Pretorius L	1,249	1,805	Arrears 90+days	
Putsoa A	9,565	10,418	Arrears 90+days	
Putsoa A	66	83	Arrears 90+days	
Rakitla JB	8	8	Arrears 90+days	
Ramadikela G	2,353	3,290	Arrears 90+days	
Ramakhula MS	630	650	Arrears 90+days	
Ramulifho N	128	2,329	Arrears 90+days	
Sabbagh ST	3,635	9,850	Arrears 90+days	
Sabbagh ST	1,349	7,633	Arrears 90+days	
Seboyane MA	123	1,768	Arrears 90+days	
Seefort CM	916	4,995	Arrears 90+days	
Shange BV	6,818	8,399	Arrears 90+days	
Sithole B	6,153	11,011	Arrears 90+days	
Strydom D	1,514	10,039	Arrears 90+days	
Sun YH	19	3,572	Arrears 90+days	
Sun YH	131	6,724	Arrears 90+days	
Sun YH	7	3,049	Arrears 90+days	
Tamela ZZ	1,785	24,638	Arrears 90+days	
Van Der Merwe MT	3,802	3,802	Arrears 90+days	
Van Staden JH	66	2,515	Arrears 90+days	
Van Zijl LA	-	3,722	Arrears 90+days	
Zitha P	814	1,505	Arrears 90+days	
Zondi BD	4,122	11,563	Arrears 90+days	

All amounts are disclosed in rands and are not rounded to the nearest thousand.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008
Councillors' Arrears				
The following Councillors had arrear accounts outstanding for more than 90 days as at 30 June 2008. All amounts are disclosed in rands and are not rounded to the nearest thousand.				
30 June 2008		<u>Outstanding less than 90 days (rands)</u>	<u>Outstanding more than 90 Days (rands)</u>	<u>Total (rands)</u>
Bailey LR		580	3,401	3,981
Barnes AE		3,086	2,011	5,097
Bittkau R		4,860	22	4,882
Botes C		-	12,667	12,667
Dewes DS		941	1,503	2,444
Dhlomo AN		160	1,518	1,678
Dlamini TJ		1,256	11,204	12,460
Hlomendlini IN		22	9	31
Khanyi CJ		192	316	508
Makhubo MM		112	5	117
Mendelsohn JJ		1,138	1	1,139
Moepie NR		623	5,370	5,993
Mokoena A		110	84	194
Mulauzi MS		860	336	1,196
Ndlovu EM		1,707	17,261	18,968
Nkomo E		118	339	457
Putsoa A		621	5,883	6,504
Seboyane MA		497	330	827
Shange BV		2,721	13,165	15,886
Strydom D		3,091	134	3,225
Tamela ZZ		3,496	100	3,596
Van Der Merwe MT		1,248	3,044	4,292
Total Councillors' Arrear Consumer Accounts		27,439	78,703	106,142

During the 2008 year the following Councillors had arrear accounts outstanding for more than 90 days.

30 June 2008	<u>Highest amount outstanding > than 90 days (rands)</u>	<u>Total (rands)</u>	<u>Comments</u>
Abrahams BL	1,025	3,006	Arrears 90+days Arrange on salary
Bailey LR	4,881	5,460	Arrears 90+days
Barnes AE	2,011	5,097	Arrears 90+days
Bittkau R	22	4,882	Arrears 90+days
Blaymire CEB	769	6,355	Arrears 90+days Arrange on salary
Botes C	1,198	9,294	Arrears 90+days Arrange on salary
Botes C	12,667	12,667	Arrears 90+days
Cachalia MS	7	1,149	Arrears 90+days
Da Gama VM	185	311	Arrears 90+days Arrange on salary
Dewes DS	1,503	2,445	Arrears 90+days
Dewes DS	3,457	6,840	Arrears 90+days
Dhlomo AN	1,518	1,679	Arrears 90+days
Dladla N J	1,040	1,895	Arrears 90+days Arrange on salary
Dlamini TJ	12,579	13,850	Arrears 90+days
Gololo MJ	1,370	1,538	Arrears 90+days
Griffin S	814	1,482	Arrears 90+days Arrange on salary
Griffin S	1,326	2,479	Arrears 90+days
Hlatshwayo TL	7,472	8,044	Arrears 90+days Arrange on salary
Hlomendlini IN	56	79	Arrears 90+days

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008
Khanyi CJ	7,092	7,285	Arrears 90+days	
Kotze SD	20	4,397	Arrears 90+days	
Lekgetho JK	1,917	2,534	Arrears 90+days	Arrange on salary
Lichaba DL	3,776	4,488	Arrears 90+days	Arrange on salary
Mabotja TM	7,871	16,316	Arrears 90+days	
Madiba DZY	13,760	14,343	Arrears 90+days	Arrange on salary
Makhubo MM	54	167	Arrears 90+days	
Masina P	929	1,542	Arrears 90+days	Arrange on salary
Matladi JM	589	611	Arrears 90+days	Arrange on salary
Mayathula-Khoza NP	3,379	9,565	Arrears 90+days	
Mbasela JV	501	2,505	Arrears 90+days	
Mendelsohn JJ	7	1,603	Arrears 90+days	
Mfaba WB	311	617	Arrears 90+days	Arrange on salary
Mlambo PE	13,930	14,515	Arrears 90+days	
Moepi NR	6,132	6,754	Arrears 90+days	
Mokoena A	1,647	1,766	Arrears 90+days	
Mokoena H	779	1,386	Arrears 90+days	
Mtembu NG	71	186	Arrears 90+days	
Mulauzi MS	2,814	5,149	Arrears 90+days	Arrange on salary
Mulauzi MS	868	1,468	Arrears 90+days	
Ndhlovu EM	17,261	18,968	Arrears 90+days	
Ndhlovu EM	510	10,214	Arrears 90+days	
Ndlela NM	5,126	5,245	Arrears 90+days	
Nemaungani MJ	43	120	Arrears 90+days	
Ngwedzeni N	779	1,359	Arrears 90+days	Arrange on salary
Nkoane MM	249	438	Arrears 90+days	Arrange on salary
Nkomo E	339	457	Arrears 90+days	
Ntombela P	977	1,091	Arrears 90+days	Arrange on salary
Nyambe AT	76	98	Arrears 90+days	
Putsoa A	6,758	7,380	Arrears 90+days	
Putsoa A	452	570	Arrears 90+days	
Rakitla JB	176	198	Arrears 90+days	
Ramafola SM	611	874	Arrears 90+days	
Sabbagh ST	1,902	7,647	Arrears 90+days	
Seboyane MA	476	977	Arrears 90+days	
Shange BV	13,165	15,885	Arrears 90+days	
Sithole B	1,248	7,503	Arrears 90+days	
Sotshantsha FN	4	25	Arrears 90+days	
Strydom D	134	3,224	Arrears 90+days	
Sun YH	7	5,822	Arrears 90+days	
Sun YH	1,155	4,659	Arrears 90+days	
Sun YH	7	3,007	Arrears 90+days	
Tamela ZZ	100	3,596	Arrears 90+days	
Van Der Merwe MT	3,044	4,292	Arrears 90+days	
Van Der Schyf WN	1,024	4,218	Arrears 90+days	
Van Zijl LA	87	3,727	Arrears 90+days	

All amounts are disclosed in rands and are not rounded to the nearest thousand.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

57. IN-KIND DONATIONS AND ASSISTANCE

The Municipality received the following in-kind donations and assistance :

Community Development received the following:

- A new crèche to the value of R4 million on stand 4309 Vlakfontein from Al-Imdaad Foundation.

Health received the following:

- 1200 Tins Nan 2 Baby Formula 400gm valued at R18,984.00 from Gauteng Shared Services Centre.
- Gowns to be used in Clinics valued at R10,000.00 from PK Outfitters.
- Zero Fridges for Region A to G Clinics valued at R792,984.00 from Gauteng Provincial Health.
- CCTV Cameras, Access Control and Alarm Systems valued at R48,905.43 from Provicom Risk Solutions.
- CPU, Monitor and Keyboard. DVD 2 Times: 74 cm TV Set, Decoder and Remote Control valued at R55,000.00 from Mindset Network Solutions.

JMPD received the following:

- 9 x De Lux golf sets Sponsored goods valued at R15,000.00 from Khayalami Security Company.
- Sponsored Advanced Training Course on road traffic safety valued at R45 374 from Swedish International Development Co-operation Agency (Sida).

2010 Office received the following :

- Banner put on Metro Centre to mark 500 days to the 2010 FIFA World Cup from CPM (Consolidated Media Platforms).
- Drinks for celebration dinner for 500 days before the World Cup valued at R10,279.95 from Ballyhoo Trading Co.
- Placing of advertising banners on street poles from MTN.
- 2010 Countdown clock at Sandton Library from MTN.

A register of all donations below R10,000.00 is available for inspection.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008
58. DEFERRED INCOME				
Bond Tap	13,470	-	13,470	-
Other	50	1,658	-	-
	13,520	1,658	13,470	-

59. CHANGE IN ESTIMATE

Property, plant and equipment

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

This resulted in an extension of useful life of property, plant and equipment and a reduction in the accumulated depreciation in the current financial year. The useful life adjustment amounted to R119 million and depreciation also reduced by R23 million. The average remaining useful life of property, plant and equipments increased by 14 months from 53 months to 67 months.

Intangible assets

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

This resulted in an extension of useful life of intangible assets and a reduction in the accumulated amortisation in the current financial year. The net impact amounted to a R4 million reduction in amortisation. The average remaining useful life of intangible assets increased by 7 months from 22 months to 29 months.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended 30 June 2009

Notes to the Group Annual Financial Statements

Figures in Rand thousand	GROUP		CJMM	
	2009	2008	2009	2008

60. DEVIATIONS FROM SUPPLY CHAIN MANAGEMENT REGULATIONS

In terms of Section 36 (2) of the supply chain management regulation, the total deviations for the year totals to R381,856,870.15

The material deviations were as follows:

The timeframe within which the City must provide transport services for the Confederations Cup and British Lions Tour does not allow for the completion of the normal open bid process as required by the City Supply Chain Management Policy. R10,000,000.00

Condoned the actions of officials from the Legal and Compliance department in appointing service providers and approval of the appointment of service providers for a period of 3 years. R11,016,399.18

Due to the urgency imposed by the judgement handed down by the Constitutional Court, whereby the City is obliged to provide temporary accommodation before evicting people from unsafe buildings, it was resolved to acquire the said buildings to provide such temporary accommodation in the Inner City. It should also be noted that it is impractical to follow the normal open bid process as a direct offer had to be made to the owner of the buildings through an external auction process. R39,423,177.00

Ratifications of the actions of the officials from Development Planning and Urban Management Bid Evaluation Committee for relaxing the rule in so far as it relates to the provision of an accompanying letter from the bidders which indicate that all the alterations made and acknowledged accordingly by the authorized signatories. R30,000,000.00

Request authorisation for the extension of the land availability agreement with a service provider to include the Itsoseng and Village Farm land portion. R140,700,000.00

Johannesburg Roads Agency (Proprietary) Limited

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 board of directors and includes a note to the annual financial statements.

In terms of procurement policy framework 5 of 2000 all expenditure that exceeds R200, 000 should be subject to competitive bidding process. No tender procedures and competitive bidding was followed in the following suppliers since the expenditure that was incurred on them exceeded R200, 000.00: Mothopo Communications cc R561,688.27.

These goods and services were procured during the financial year under review and the process followed in procuring those goods deviated from the provisions of paragraph 12(1)(d)(i) as stated above. The reasons for these deviations were documented and reported to the board of directors who considered the deviation from the normal supply chain management regulations.

Johannesburg Tourism Company

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 board of directors and includes a note to the annual financial statements.

During the financial year 2008/9 the accounting officer revoked section 36 (a)(i)(ii) of the MFMA SCM regulations. The reasons for these deviations were documented and reported to the board of directors who considered them and subsequently approved the deviation from the normal supply chain management regulations at the board meeting held on 24 February 2009. the total procurement approved by the Board amounted to R 9 860 763.

City of Johannesburg

Group Annual Financial Statements for the year ended 30 June 2009

Appendix A - External Loans

EXTERNAL LOANS	Loan number	Redeemable	Balance at 30/06/08 R000	Received during the period R000	Redeemed R000	Balance at 30/06/09 R000	Carrying value of Property, Plant & Equip R000	Other Costs in accordance with the MFMA R000
LONG-TERM LOANS								
Loan stock @ 14.70%	121	31-Aug-13	30,000	-	-	30,000	22,648	2,537
Total loan stock			30,000	-	-	30,000	22,648	2,537
STRUCTURED LOANS								
ABSA 16.22%	ABSA Midrand	30-Nov-11	52,646	-	1,576	51,070	48,513	4,712
ABSA 12.27%	ABSA R150m	20-Dec-12	150,000	-	-	150,000	139,999	52,789
Investec 11.77%	Investec R100m	24-Dec-13	68,880	-	9,632	59,248	87,268	36
RMB 14.53%	RMB R95m	30-Nov-14	110,904	5,614	-	116,519	86,012	8,232
RMB 15.56%	RMB R210m	31-Dec-12	327,321	54,731	50,754	331,298	228,555	38,408
RMB 16.50%	RMB R100m	30-Nov-14	116,891	-	4,523	112,367	91,027	46,051
SCMB 12.16%	SCMB R200m	30-Sep-18	136,669	-	13,335	123,333	184,879	-
Ekurhuleni 16.21%	Ekurhuleni	30-Jun-11	41,125	-	22,432	18,694	173	17,081
Total structured loans			1,004,437	60,345	102,253	962,529	866,426	167,309
FUNDING FACILITY								
RMB 11.65%	RMB L123	30-Apr-09	-	-	-	-	-	-
			17,900	-	17,900	-	-	-
TOTAL CARRIED FORWARD			1,052,337	60,345	120,153	992,529	889,074	169,846

Appendix A - External Loans (Continued)

EXTERNAL LOANS	Loan Number	Redeemable	Balance at 30/06/08 R000	Received during the period R000	Redeemed R000	Balance at 30/06/09 R000	Carrying value of Property, Plant & Equip R000	Other Costs in accordance with the MFMA R000
TOTAL BROUGHT FORWARD			1,052,337	60,345	120,153	992,529	889,074	169,846
DEVELOPMENT BANK OF SOUTH AFRICA			-	-	-	-	-	-
DBSA @ 13.22%	11984 - 11993	30-Jun-14	52,268	-	6,180	46,088	69,256	-
DBSA @ 10.00%	2513/103	31-Mar-09	6,929	-	6,929	-	21,654	-
DBSA @ 10.00%	8056/103	30-Sep-11	25,587	-	6,442	19,145	48,125	-
DBSA @ 10.00%	8250/102	31-Mar-14	4,864	-	627	4,237	16	-
DBSA @ 10.00%	9005/103	31-Mar-13	171,186	-	27,909	143,277	264,187	-
DBSA @ 10.00%	9337/101	30-Sep-14	19,838	-	2,297	17,541	38	-
DBSA @ 10.00%	9637/102	31-Mar-14	2,377	-	306	2,071	1,752	-
DBSA @ 10.00%	10295	30-Jun-16	1,260	-	109	1,151	-	-
DBSA @ 9.39%	13541/1	30-Sep-20	123,854	-	10,111	113,744	149,723	-
DBSA @ 16.55%	12716	31-Dec-12	185	-	30	154	22	-
DBSA @ 16.55%	12717	31-Dec-12	343	-	57	286	269	-
DBSA @ 16.15%	12032	31-Dec-10	276	-	98	178	496	-
DBSA @ 16.67%	12033	31-Dec-11	554	-	128	426	-	-
DBSA @ 16.67%	12034	31-Dec-11	298	-	69	229	495	-
DBSA @ 15.26%	12035	31-Dec-11	89	-	21	68	149	-
DBSA @ 15.26%	12036	31-Dec-11	415	-	98	317	738	-
DBSA @ 15.26%	12037	31-Dec-12	1,084	-	183	901	-	-
DBSA @ 15.26%	12038	31-Dec-12	253	-	43	211	372	-
DBSA @ 15.26%	12388	31-Dec-12	1,290	-	218	1,072	718	-
DBSA @ 15.74%	12208	31-Dec-09	1,699	-	1,089	610	-	-
DBSA @ 12.00%	9726/104	30-Sep-14	2,096	-	63	2,033	118	-
DBSA @ 16.50%	11064/102	31-Mar-20	1,990	-	217	1,773	-	-
DBSA @ 10.63%	11073/101	30-Sep-13	7,492	-	1,362	6,129	14,891	-
DBSA @ 10.63%	11073/2	30-Sep-13	22,269	-	4,049	18,220	40,895	-
DBSA @ 11.37%	103345/1	30-Jun-29	-	600,000	-	600,000	600,000,000	-
DBSA @ 6.75%	103345/2	30-Jun-29	-	200,000	-	200,000	200,000,000	-
DBSA @ 8.50%	101963/1	31-Dec-09	-	7,822	-	7,822	7,821	-
DBSA @ 8.50%	101963/2	31-Dec-09	-	11,732	-	11,732	11,732	-
Total Development Bank of South Africa			448,494	819,554	68,634	1,199,414	800,633,467	-
MUNICIPAL BONDS			-	-	-	-	-	-
Bond @ 11.95%	COJ01	13-Apr-10	1,000,000	-	-	1,000,000	912,368	7,268
Bond @ 11.90%	COJ02	30-Jun-16	1,000,000	-	-	1,000,000	918,056	9,007
Bond @ 9.70%	COJ03	26-Apr-13	700,000	-	-	700,000	638,025	3,586
Bond @ 9.0%	COJ04	5-Jun-18	1,200,000	533,000	-	1,733,000	1,001,852	1,956
Bond @ 12.105%	COJ05	5-Jun-23	1,800,000	468,000	-	2,268,000	487,005	3,241
Bond @ 10.815%	COJ06	5-Dec-15	-	900,000	-	900,000	900,000,000	-
Total municipal bonds			5,700,000	1,901,000	-	7,601,000	903,957,306	25,058
JOZI BONDS			-	-	-	-	-	-
Jozi Bond @ 12.38%	JOZI 01	21-Jun-09	8,843	-	-	8,843	6,905	1,409
Jozi Bond @ 12.58%	JOZI 02	21-Jun-10	20,722	-	-	20,722	16,001	3,302
Jozi Bond @ 12.78%	JOZI 03	21-Jun-12	127,300	-	57,048	70,252	101,982	20,288
Total jozi bonds			156,865	-	57,048	99,817	124,888	24,999
OTHER LOANS			-	-	-	-	-	-
ABSA 8.90%	ABSA Springfield	29-Aug-15	1,040	-	130	910	1,628	-
Calyon French Loan @9.379%	Calyon	2-Jul-18	362,800	-	36,280	326,520	318,059	-
INCA loan @ 14.59%	JMBS-00-0001	31-Dec-11	153,826	-	33,363	120,463	120,462	-
RMB @ 12.0748%	Pikitup	30-Jun-09	27,776	-	18,096	9,681	9,410	-
RMB @ 11.5951%	Pikitup	30-Dec-09	5,904	-	1,231	4,673	2,597	-
			551,346	-	89,101	462,246	452,156	-
TOTAL EXTERNAL LOANS			7,909,042	2,780,899	334,936	10,355,006	1,706,056,891	219,903

City of Johannesburg

Group Annual Financial Statements for the year ended 30 June 2009

Appendix B ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT

	Cost						Accumulated Depreciation						
	Opening Balance	Additions	Founds	Disposals	Transfers	Closing Balance	Opening Balance	Disposals	Transfers	Depreciation	Impairment	Closing Balance	Carrying Value
	R000	R000	R000	R000	R000	R000	R000	R000	R000	R000	R000	R000	R000
Land and Buildings													
Land	5,364,552	53,148	437,619	(22,809)	55,127	5,887,637	-	-	-	-	-	-	5,887,637
Buildings	5,009,920	171,563	357	(1,347)	618,824	5,799,316	(1,525,273)	(5,260)	(51,390)	(147,109)	(21,832)	(1,750,863)	4,048,453
	10,374,472	224,711	437,976	(24,156)	673,951	11,686,953	(1,525,273)	(5,260)	(51,390)	(147,109)	(21,832)	(1,750,863)	9,936,090
Infrastructure													
Roads, bridges & storm water	1,972,982	49,093	-	-	251,348	2,273,423	(601,569)	-	(43,879)	(117,298)	(4,174)	(766,920)	1,506,503
Pavements and kerbs	84,148	5,747	-	-	5,605	95,500	(22,192)	-	(902)	(3,338)	(57)	(26,489)	69,011
Gas	-	-	-	-	5,312	5,312	-	-	(3,683)	(47)	-	(3,730)	1,582
Water network	1,520,626	89,320	-	-	228,569	1,838,515	(129,543)	-	-	(39,654)	-	(169,197)	1,669,318
Electricity mains	2,838,599	18,224	-	(22,420)	2,106,725	4,941,128	(402,728)	-	(263)	(86,720)	(18)	(489,729)	4,451,399
Electricity peak-load equipment	4,855	-	-	-	(4,855)	0	(3,226)	-	3,226	-	-	-	0
Sewerage purification & reticulation	1,336,441	70,138	-	-	54,706	1,461,285	(144,998)	-	(78)	(26,874)	-	(171,950)	1,289,336
	7,757,651	232,522	-	(22,420)	2,647,410	10,615,163	(1,304,255)	-	(45,580)	(273,931)	(4,249)	(1,628,014)	8,987,149
Community assets													
Parks, gardens, sport fields & recreation	193,648	7,613	-	(8)	4,531	205,784	(45,043)	8	(4,314)	(8,142)	(35)	(57,527)	148,257
Other	277,382	27,575	-	(22)	29,690	334,625	(109,310)	22	3,956	(15,675)	(107)	(121,113)	213,511
	471,030	35,188	-	(30)	34,220	540,408	(154,353)	30	(358)	(23,817)	(142)	(178,640)	361,768
Heritage assets													
Historic buildings	85,444	-	-	(36)	0	85,408	-	-	(7,720)	-	-	(7,720)	77,688
Artwork	14,657	17	-	-	1,201	15,875	(20,180)	-	6,519	-	-	(13,661)	2,214
	100,101	17	-	(36)	1,201	101,283	(20,180)	-	(1,201)	-	-	(21,381)	79,902
Specialised vehicles													
Buses	507,225	9,890	-	(21,368)	15	495,762	(259,418)	16,147	(2)	(40,399)	-	(283,672)	212,090
	507,225	9,890	-	(21,368)	15	495,762	(259,418)	16,147	(2)	(40,399)	-	(283,672)	212,090
Other assets													
Other motor vehicles	12,749	1,634	-	(443)	1,073	15,013	(7,051)	1,114	(573)	(835)	(2)	(7,347)	7,666
Furniture and fittings	387,304	27,172	321	(5,901)	14,980	423,876	(215,535)	3,865	1,964	(9,314)	(3,201)	(222,221)	201,655
Bins & containers	142,765	572	-	-	147	143,484	(66,253)	-	(143)	(21,994)	(96)	(88,486)	54,998
Emergency equipment	20,156	2,588	-	(519)	989	23,213	(8,703)	367	(149)	(1)	(589)	(9,075)	14,138
Other plant & equipment	964,509	101,861	-	(5,376)	246,713	1,307,707	(361,615)	4,552	(787)	(71,849)	(184)	(429,883)	877,824
Computer equipment	442,947	33,762	30	(12,102)	19,312	483,949	(209,873)	5,225	30	(40,873)	(1,131)	(246,622)	237,327
Other office equipment	133,849	51,870	17	(4,125)	7,942	189,553	(73,858)	3,350	(7,548)	(32,641)	(43)	(110,740)	78,813
Other land and buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Landfill sites	119,361	49,374	-	-	-	168,735	(81,473)	(1,714)	-	(5,387)	-	(88,574)	80,161
Work in progress	7,446,687	5,599,594	-	-	(3,672,304)	9,373,977	-	-	-	-	-	-	9,373,978
Other	11,715	2,752	-	(1,902)	(28)	12,537	(6,765)	(2)	13	(1,112)	-	(7,866)	4,671
	9,682,042	5,871,179	368	(30,368)	(3,381,176)	12,142,045	(1,031,126)	16,756	(7,193)	(184,006)	(5,246)	(1,210,814)	10,931,232
Total Property, Plant and Equipment	28,892,521	6,373,507	438,344	(98,378)	(24,378)	35,581,615	(4,294,606)	27,673	(105,723)	(669,262)	(31,469)	(5,073,384)	30,508,231
Total Intangible Assets	519,870	96,456	-	(237)	70,092	686,181	(284,006)	232	(36)	(58,015)	-	(341,825)	344,356
Total Investment Properties	1,278,099	-	143	(248)	59,925	1,337,919	(80,161)	24	120	(6,332)	-	(86,349)	1,251,570
Total	30,690,490	6,469,963	438,487	(98,863)	105,639	37,605,716	(4,658,773)	27,929	(105,639)	(733,609)	(31,469)	(5,501,561)	32,104,155

City of Johannesburg

Group Annual Financial Statements for the year ended 30 June 2009

Appendix C SEGMENTAL ANALYSIS PROPERTY PLANT AND EQUIPMENT

	Cost						Accumulated Depreciation						
	Opening Balance R000	Additions R000	Founds R000	Disposals R000	Transfers R000	Closing Balance R000	Opening Balance R000	Disposals R000	Transfers R000	Depreciation R000	Impairment deficit R000	Closing Balance R000	Carrying Value R000
CITY OF JOHANNESBURG													
METROPOLITAN MUNICIPALITY	19,275,265	4,314,022	438,346	(35,461)	103,508	24,095,681	(2,689,350)	8,217	(103,507)	(322,070)	(31,173)	(3,137,883)	20,957,798
Environmental Protection	9,073	3,756	1	(181)	(7)	12,643	(3,222)	6	-	(474)	(21)	(3,711)	8,932
Infrastructure and Services	6,546	260	-	(26)	26	6,804	(4,989)	9	-	(142)	(14)	(5,135)	1,669
Transportation	638,967	1,256,021	-	(76)	-	1,894,912	(1,354)	48	-	(72)	(5)	(1,383)	1,893,529
Executive Mayor and City Manager	2,060,345	1,769,487	-	(284)	10,489	3,840,037	(11,919)	178	(103,507)	(26,932)	(4,678)	(146,858)	3,693,179
Finance, Revenue and Economic Development	76,129	35,589	-	(664)	100,013	211,067	(116,053)	407	-	(26,075)	(100)	(141,821)	69,245
Development Planning & Urban Management	1,270,433	342,246	-	(960)	(607)	1,611,111	(259,069)	688	-	(30,210)	(261)	(288,852)	1,322,259
Health	140,938	7,125	-	(2,202)	10	145,871	(66,888)	1,546	-	(561)	(485)	(66,388)	79,483
Community Development	1,419,560	211,943	-	(2,452)	(4)	1,629,047	(400,104)	1,875	-	(24,880)	(3,076)	(426,185)	1,202,862
Housing	1,603,457	289,616	-	(279)	679	1,893,473	(603,823)	182	-	(38,103)	(978)	(642,722)	1,250,750
Corporate Support and Shared Services	147,228	22,429	-	(323)	(51)	169,283	(99,808)	269	-	(748)	(1,027)	(101,313)	67,969
Johannesburg Metropolitan Police Department	196,336	2,360	225	(1,272)	-	197,650	(115,861)	972	-	(9,770)	(8,895)	(133,554)	64,096
Emergency Management Services	138,777	3,058	-	(1,166)	-	140,670	(72,271)	922	-	(1,293)	(1,196)	(73,838)	66,832
Agencies	10,799,659	360,393	438,120	(24,384)	-	11,573,788	(723,596)	275	-	(152,362)	(4,049)	(879,733)	10,694,055
Speaker: Legislative Arm of Council	236,733	859	-	(80)	-	237,513	(82,433)	49	-	(7,270)	(778)	(90,431)	147,081
Economic Development	15,524	3,900	-	(47)	3	19,381	(2,409)	15	-	(145)	(190)	(2,729)	16,651
Revenue and Customer Relations	515,560	4,980	-	(1,065)	(7,043)	512,432	(125,553)	777	-	(3,033)	(5,420)	(133,229)	379,204
MUNICIPAL ENTITIES	11,415,225	2,155,941	141	(63,402)	2,131	13,510,036	(1,969,423)	19,712	(2,132)	(411,536)	(296)	(2,363,675)	11,146,361
City of Johannesburg Property Company (Pty) Ltd	13,385	4,639	-	(1,168)	-	16,857	(3,425)	754	-	(1,247)	-	(3,918)	12,939
City Power Johannesburg (Pty) Ltd	4,977,207	1,096,742	-	(27,070)	-	6,046,879	(566,036)	(1)	-	(116,223)	-	(682,260)	5,364,619
Johannesburg City Housing Company	10,395	-	-	-	-	10,395	(232)	-	-	-	-	(232)	10,163
Johannesburg City Parks	67,462	11,885	-	(3,998)	-	75,349	(19,747)	2,952	-	(9,427)	-	(26,222)	49,127
Johannesburg Development Agency (Pty) Ltd	5,035	4,966	-	(165)	-	9,835	(1,286)	65	-	(920)	-	(2,140)	7,695
Johannesburg Housing Company (Pty) Ltd	163,907	145,533	-	(103)	-	309,337	(5,176)	94	-	(5,665)	-	(10,747)	298,590
Johannesburg Metropolitan Bus Services (Pty) Ltd	582,532	15,407	-	(26,000)	-	571,939	(294,106)	19,772	-	(46,071)	-	(320,405)	251,534
Johannesburg Roads Agency (Pty) Ltd	149,002	11,156	-	-	2,132	162,290	(21,216)	-	(2,132)	(31,046)	-	(54,394)	107,896
Johannesburg Tourism Company	5,331	5,747	-	(131)	-	10,947	(2,102)	-	-	(1,731)	-	(3,833)	7,114
Johannesburg Water (Pty) Ltd	4,559,755	727,213	-	(508)	(1)	5,286,459	(694,191)	233	-	(146,511)	-	(840,469)	4,445,990
Metropolitan Trading Company (Pty) Ltd	124,735	1,272	141	-	-	126,148	(75,352)	-	-	(1,243)	(296)	(76,891)	49,257
Pikitup Johannesburg (Pty) Ltd	435,060	95,791	-	(543)	-	530,308	(235,735)	(7,232)	-	(35,821)	-	(278,788)	251,520
Rooodepoort City Theatre (Pty) Ltd	3,000	280	-	-	-	3,280	(952)	-	-	(297)	-	(1,248)	2,032
The Johannesburg Civic Theatre (Pty) Ltd	9,766	608	-	(103)	-	10,271	(4,384)	-	-	(2,301)	-	(6,685)	3,586
The Johannesburg Fresh Produce Market (Pty) Ltd	298,444	33,730	-	(3,572)	-	328,602	(41,956)	3,048	-	(11,734)	-	(50,643)	277,960
The Johannesburg Zoo	10,209	972	-	(41)	-	11,140	(3,528)	27	-	(1,299)	-	(4,800)	6,340
Total	30,690,490	6,469,963	438,487	(98,863)	105,639	37,605,717	(4,658,773)	27,929	(105,639)	(733,606)	(31,469)	(5,501,561)	32,104,154

City of Johannesburg

Group Annual Financial Statements for the year ended 30 June 2009

**Appendix E1
STATEMENT OF FINANCIAL PERFORMANCE - ACTUAL VERSUS BUDGET (GROUP)**

	2009 Actual R000	2009 Budget	Original R000	2009 Revised Estimate R000	2009 Variance R000	2009 Variance %	Explanation of significant variances
Revenue	22 430 491	20 894 355	20 894 355	22 802 930	(372 439)	-1.6%	
Property rates	3 330 999		3 890 315	3 946 315	(615 316)	-15.6%	Property Rates are over budget by R19 million (1%) and revenue foregone amounts to R440, 6 million with a nett negative variance of R421, 6 million. With the implementation of the new valuation roll and after taking into account the valuation objections the City has experienced a drop in the revenue baseline. • Penalties Imposed have exceeded budget by R42, 9 million (83%) as a result of an increase in penalties being charged to the accounts of defaulting debtors.
Service charges	9 852 446		9 554 475	10 106 234	(253 788)	-2.5%	
Rental of facilities and equipment	113 543		115 053	123 199	(9 656)	-7.8%	
Interest earned - external investments	645 217		323 090	288 574	356 643	123.6%	
Interest earned - outstanding debtors	160 924		34 600	39 403	121 521	308.4%	Interest earned is over budget by R303, 3 million (105%) mainly as a result of interest earned on the sinking fund for the redemption of bonds that was not provided in the budget as well as premium earnings on COJ05 bond.
Fines, licences and permits	390 508		461 396	461 576	(71 068)	-15.4%	Revenue derived from this category is over budget by R6, 4 million (16%), as a result of interest being charged to the accounts of defaulting debtors.
Income from agency services	155 463		351 896	380 131	(224 668)	-59.1%	This category of revenue mostly relates to the income derived from traffic fines and is under budget as a result of fines that were declared invalid following the implementation of the Administrative Adjudication of the Road Traffic Ordinance system. The City of Johannesburg was utilised as a pilot site for the implementation by the Department of Transport and the E-Natis system was not ready for the implementation. Further matters that influenced the decline in traffic fine income is a change of behaviour by road users and the current economic climate.
Government grants & subsidies	6 740 016		5 531 620	6 684 633	55 383	0.8%	This category of revenue mostly relates to the income derived from commission earned by collecting vehicle licence renewal fees on behalf of the Provincial Government and is over budget by R45, 2 million (12%) as a result of an increase in the turnover.
Other income	1 041 375		631 910	772 865	268 510	34.7%	Grants and Subsidies Received Operating :This category of revenue reflects an under performance compared to budget of R63 million (2%) mainly as a result of outstanding subsidies to be received from the Gauteng Provincial Government for the construction of top structures by the Housing Department. Grants and Subsidies Received Capital: This category of revenue reflects an under performance compared to budget of R1, 8 billion (63%) due to the implementation of the accounting policy on recognition of revenue.
Non-exchange revenue							Interests Expense is over budget due to interests paid on short term facilities and a DBSA loan was issued at a higher interest rate than anticipated together with the COJ 04 bond that was issued at a discount.
Expenditure	20 460 877	18 703 214	18 703 214	19 612 661	(808 948)	-4.1%	
Employee related costs	5 269 672		5 181 944	5 056 295	(213 377)	-4.2%	
Remuneration of Councillors	68 657		60 241	67 078	(1 579)	-2.4%	
Bad debts	1 478 271		940 675	1 038 376	(439 895)	-42.4%	The over expenditure resulted from a recalculation in terms of the policy of the Council based on the corrected outstanding debtors balance relating to housing department and also as a result of a decrease in the collection levels over the last six months in respect of property rates.
Depreciation, amortisation and impairments	733 607		1 258 154	1 112 986	379 379	34.1%	Depreciation is over budget due to the capitilisation of completed projects previously categorized as works in progress.
Repairs and maintenance	422 947		332 711	462 683	39 736	8.6%	
Interest Paid : External Borrowings	1 249 801		1 043 060	1 130 830	(118 971)	-10.5%	Interests Expense is over budget due to interests paid on short term facilities and a DBSA loan was issued at a higher interest rate than anticipated together with the COJ 04 bond that was issued at a discount.
Bulk purchases	5 428 750		4 808 134	5 443 423	14 673	0.3%	
Contracted services	1 931 110		2 160 721	2 429 808	498 698	20.5%	
Grants and subsidies paid - external	838 838		406 045	415 255	(423 583)	-102.0%	
General expenses	2 976 243		2 643 406	2 585 445	(390 798)	-15.1%	
Contribution to/(from)Provisions							
Impairment losses/(reversal of impairment losses)	31 469		(95 064)	(92 888)	(124 357)	133.9%	
Deficit on disposal of property, plant and equipment	31 512		(36 813)	(36 630)	(28 874)	78.8%	
Surplus before taxation	1 969 614	2 191 141	2 191 141	3 190 269	(1 181 387)	-37.0%	
Taxation	14,747		49,131	47,736	(32,989)	-69.1%	
Surplus for the year	1 954 867	2 142 010	2 142 010	3 142 533	(1 148 398)	-36.5%	

*The Actual figures excludes internal transfers

City of Johannesburg

Group Annual Financial Statements for the year ended 30 June 2009

Appendix E2

FIXED ASSET ADDITIONS - ACTUAL VERSUS BUDGET

	2009 Original Budget R000	2009 Revised Budget R000	2009 Variance R000	2009 Variance %	Explanation of significant variances from budget	
CITY OF JOHANNESBURG METROPOLITAN MUNICIPALITY	3,314,021	3,079,089	4,490,912	176,891	4%	
Environmental Management	3,756	4,812	5,512	1,756	32%	The under spending was experienced on the rehabilitation of Upper Juskei River Catchments project which was delayed by the EIA process.
Infrastructure and Services	260	345	345	85	25%	The capital budget mainly consisted of operational capital and was spent according to requirement.
Transportation	1,256,021	980,628	1,645,979	389,958	24%	The under spending was caused mainly by the following projects: • The Intelligent Transport System project was under spent as a result of delays experienced with the awarding of the contract as well as queries with regards to certain invoices in respect of work done. • The Nasrec SPTN and Precinct 2010 project was under spent as a result of delays experienced with the commencement of the Golden Highway Link to the Soccer City interchange on the Soweto Highway.
Executive Mayor and City Manager	1,769,487	516,279	1,398,334	(371,153)	-27%	Due to the 99 year lease for Soccer city, soccer city leasehold improvements, computer equipment.
Finance	35,589	64,249	4,249	(31,340)	-738%	The capital budget mainly consisted of operational capital and was spent according to requirement. A saving of R917 000 was incurred on furniture that was not required.
Revenue	4,980	7,274	5,712	732	13%	The capital budget mainly consisted of operational capital and was spent according to requirement. A saving of R756 000 was incurred on computer equipment that was not delivered.
Economic Development	3,900	17,212	6,604	2,704	41%	The capital budget was intended for bulk infrastructure at phase two of Soweto Empowerment Zone (SEZ) Offices. As a result of the delayed Township establishment and proclamation processes the funds could not be spent and resulted in a saving. The operational capital has been fully spent.
Development Planning & Urban Management	342,246	446,318	395,724	53,478	14%	The New Canada Station project and Deeploot South Project was placed on hold as the budget provision was insufficient to cover the total cost of the projects. The projects will be considered for implementation on future budgets when total financing can be secured. • The Bara Central Precinct Project was under spent as a result of a delay experienced in the appointment of the consultants and contractors.
Health	7,125	6,946	7,959	834	10%	The budget could not be fully utilised due to failure by the supplier (Masana) to deliver stock in time.
Community Development	211,943	194,476	220,300	8,357	4%	
Housing	289,616	350,235	325,235	35,619	11%	The IBC Accommodation Facility project was under spent as a result of delays caused by legal matters that had to be resolved before commencement of the project. This delayed the project, which resulted in under spending. • The Land Purchases project was under spent as a result of delays experienced in finalising the purchasing negotiations in respect of land.
Corporate Support and Shared Services	22,429	7,221	25,865	3,436	13%	Savings were experienced on the provision for furniture, computers and office machines for new employees that could not be utilised because of late advertisements of vacancies.
Johannesburg Metropolitan Police Department	2,360	3,399	3,399	1,039	31%	The under expenditure was caused by under spending on IT equipment. The scheduled completion date was 30 June 2009 but no expenditure was incurred on this project as the supplier (Masana) failed to deliver the equipment Radios, Furniture, Plant and Equipment are also unspent due to re-prioritising of expenditure to that considered to be essential. Full details of the projects can be viewed in annexure A26.
Emergency Management Services	3,058	7,572	3,572	514	14%	The under spending was caused by unspent funds relating to fire equipment ordered from overseas that were not delivered before the end of the financial year.
Agencies	360,393	471,000	441,000	80,607	18%	JDA - Deviations were incurred on the Greater Newtown project as a result of a delay in the signing of the development agreement as all occupants of the priority block had to be verified which delayed the process. JRA - The under expenditure was caused by under spending on the 2010 project as well as the Footways Project due to delays in the appointment of contractors.
Speaker, Legislative Arm of Council	859	1,123	1,123	264	24%	The under spending was caused by late delivery of goods and the commitments were subsequently cancelled.
MUNICIPAL ENTITIES	2,155,942	2,193,363	2,063,011	(92,931)	-5%	
City of Johannesburg Property Company	4,639	5,000	4,000	(639)	-16%	Over expenditure have mainly been incurred on the Computer Software projects (PIMS) system, which is a multi year project, and have progressed ahead of schedule.
City Power Johannesburg	1,096,743	1,043,545	1,001,545	(95,198)	-10%	Over expenditure was mainly incurred on Bulk Supply and Distribution, which required urgent upgrading to sustain a reliable electricity supply service.
Johannesburg City Parks	11,885	12,126	12,590	705	6%	
Johannesburg Development Agency	4,966	6,000	5,000	34	1%	
Johannesburg Metropolitan Bus Services	15,407	12,771	12,771	(2,636)	INF	
Johannesburg Roads Agency	11,156	12,564	12,200	1,044	9%	
Johannesburg Social Housing Company	145,533	159,874	160,652	15,119	9%	
Johannesburg Tourism Company	5,747	2,000	2,000	(3,747)	INF	The budget has been overspent on the exhibitions project, which included the construction of a stage for the hosting of the Miss World Beauty Pageant.
Johannesburg Water	727,213	871,793	729,063	1,850	0%	
Pikitup Johannesburg	95,791	29,690	85,190	(10,601)	-12%	The under spending relates mostly to the Bins Replacement project that was placed on hold to generate deliberate savings as part of the budget revision process.
Roopepoort City Theatre	280	1,000	1,000	720	72%	No capital expenditure was incurred, as the provision was not adequate to provide for the total cost of the project.
The Johannesburg Civic Theatre	608	6,000	6,000	5,392	90%	Over expenditure had been incurred in respect of the following projects: • Washbasin and Portable Water Project: A provision of only R1 million was made for this project in the current financial year. The original starting date of this project was in 2006. The increased expenditure relates to a settlement that was reached with the contractor who left the construction site as a result of non-payment and disputes. The project manager was the cause of various anomalies on the project that resulted in the disputes with the contractor. The project manager has since left employment with the JFPM. A settlement was negotiated with the contractor who completed the project inclusive of the variations in scope that resulted in increased construction costs. • Fleet Trucks: The over expenditure was as a result of a settlement of two trucks at the end of the lease term. These trucks are used on the BEE programmes that JFPM has embarked on in Limpopo with the District Municipality of Vhembe. Produce is delivered from the emerging farmers to the BEE agents on the JFPM trading floor. The trucks are also utilised to deliver food parcels to various NGO's and beneficiaries identified by the Council on the food security and poverty alleviation programmes. •
The Johannesburg Fresh Produce Market	33,730	20,000	20,000	(13,730)	-69%	
The Johannesburg Zoo	972	5,500	5,500	4,528	82%	
The Metropolitan Trading Company	1,272	5,500	5,500	4,228	77%	
	6,469,963	5,272,452	6,553,923	83,960	1%	

CITY OF JOHANNESBURG METROPOLITAN MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

APPENDIX F

GRANTS AND SUBSIDIES RECEIVED

Name of Grant	Name of organ of state or municipal entity	Quarterly Receipts				Quarterly Expenditure					Grants and Subsidies delayed / withheld					Reason for delay or withholding of Funds	Compliance with Division of Revenue Act Yes / No	
		March 2008 R000	June 2008 R000	Sept 2008 R000	Dec 2008 R000	March 2009 R000	March 2008 R000	June 2008 R000	Sept 2008 R000	Dec 2008 R000	March 2009 R000	March 2008 R000	June 2008 R000	Sept 2008 R000	Dec 2008 R000			March 2009 R000
CMPI/MIG FUNDING-PLANNING	GAUTENG PROVINCE	8,984	-	-	8,994	-	-	-	-	-	-	-	-	-	17,978	-	NO EXP	Yes
ALEXANDRA RENEWAL PROJECT	GAUTENG PROVINCE	270	-	-	-	-	-	-	-	-	-	-	-	-	270	-	NO EXP	Yes
COSMO CITY-ELECTRICAL RETIC	PUBLIC CONTRIBUTION	10,000	-	-	-	-	-	-	-	-	-	-	-	-	10,000	-	NO EXP	Yes
PIEDMONT REGIONAL PROJECT	PUBLIC CONTRIBUTION	100	-	-	-	-	-	-	-	-	-	-	-	-	100	-	NO EXP	Yes
STRETFORD STATION PRECINCT	NATIONAL TREASURY	-	-	-	6,700	-	-	-	6,700	-	-	-	-	-	-	-	-	Yes
VILAKAZI STREET PRECINCT	NATIONAL TREASURY	6,600	-	-	-	-	-	-	6,600	-	-	-	-	-	-	-	-	Yes
DIEPSLOOT SOUTH	NATIONAL TREASURY	8,600	-	-	-	-	-	-	-	-	-	-	-	-	8,600	-	NO EXP	Yes
KLIPTOWN CBD REGENERATION	NATIONAL TREASURY	35,070	-	-	-	-	-	-	34,003	-	-	-	-	-	1,067	-	NO EXP	Yes
ORLANDO EKHAYA PROJECT	NATIONAL TREASURY	7,500	-	-	-	-	-	-	7,465	-	-	-	-	-	35	-	NO EXP	Yes
GRANT KYALAMI CORRIDOR	GDACE	213	-	-	-	-	-	-	-	-	-	-	-	-	-	213	TO BE SPENT	Yes
URBAN ENVIRON MANAGEMENT	DANISH GOVERNMENT	3,426	-	-	8,850	-	-	-	-	-	-	-	-	-	-	7,256	TO BE SPENT	Yes
CLINTON FOUNDATION	W J CLINTON	100	-	-	-	-	-	-	-	-	-	-	-	-	-	100	TO BE SPENT	Yes
WASTE MINIMISATION	DBSA	439	-	-	200	-	-	-	-	-	-	-	-	-	-	114	TO BE SPENT	Yes
JUSKEI RIVER CLEAN- UP	GDACE	-	1,050	-	-	-	-	-	-	-	-	-	-	-	-	-	SPENT	Yes
Public Transport Infrastructure & Systems	Central Government	-	335,300	163,000	-	788,674	197,031	-	261,992	-	811,032	-	-	-	-	-	-	Yes
Ambulance Subsidy	Gauteng Province	17,934	17,934	17,934	17,934	71,737	35,993	41,609	39,401	44,645	235,309	-	-	-	-	-	-	Yes
CARNEGIE CORP GRANT	PUBLIC CONTRIBUTIONS	-	-	540	-	-	-	-	-	2,144	-	-	-	-	-	-	-	Yes
MULTI PURPOSE TSHEPISONG	PROVINCIAL GRANT	-	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	Yes
ARTHER ASHE TENNIS FAC	PROVINCIAL GRANT	-	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	Yes
DLG CIVIL BURIAL	PROVINCIAL GRANT	-	-	-	-	-	-	-	-	1,028	-	-	-	-	-	-	-	Yes
08/09 LIBRARY PROV GRANT	PROVINCIAL GRANT	-	-	2,226	-	-	-	-	-	2,226	-	-	-	-	-	-	-	Yes
08/09 LIBRARY PROV GRANT	PROVINCIAL GRANT	-	-	4,914	-	-	-	-	-	4,314	-	-	-	-	-	-	-	Yes
SASTA LIBRARY	PROVINCIAL GRANT	-	-	4,328	-	-	-	-	-	4,392	-	-	-	-	-	-	-	Yes
ICT EQUIPMENT	PROVINCIAL GRANT	-	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	Yes
09/10 LIBRARY PROVINCIAL	PROVINCIAL GRANT	-	-	-	4,000	-	-	-	-	-	-	-	-	-	-	-	-	Yes
SOCIAL FACILITIES	PROVINCIAL GRANT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Yes
COSMO CITY	MIG FUNDING	-	3,969	3,472	4,357	-	-	-	-	11,798	-	-	-	-	-	-	-	Yes
RAND STADIUM	MIG FUNDING	-	5,160	4,478	2,159	-	-	-	-	11,797	-	-	-	-	-	-	-	Yes
DOBSONVILLE STADIUM	MIG FUNDING	-	2,791	10,967	39	-	-	-	-	13,797	-	-	-	-	-	-	-	Yes
ORLANDO STADIUM	MIG FUNDING	-	-	41,082	1,062	-	-	-	-	42,144	-	-	-	-	-	-	-	Yes
WESTBURY GYM	PROVINCIAL GRANT	-	-	-	500	-	-	-	-	500	-	-	-	-	-	-	-	Yes
ELLISPARK SWIMMING POOL	PROVINCIAL GRANT	-	-	-	1,000	-	-	-	-	1,000	-	-	-	-	-	-	-	Yes
DAC GRANT	PROVINCIAL GRANT	-	-	-	2,024	-	-	-	-	2,024	-	-	-	-	-	-	-	Yes
AFRICA DAY GRANT	PROVINCIAL GRANT	-	-	-	1,448	-	-	-	-	1,448	-	-	-	-	-	-	-	Yes
NATIONAL LOTTERY	LOTTO	-	-	-	800	-	-	-	-	-	-	-	-	-	-	-	-	Yes
GREENING SOCCERFIELDS	PROVINCIAL GRANT	-	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	Yes
ROYAL NETHERLANDS	PUBLIC CONTRIBUTIONS	-	-	-	-	-	-	-	-	1,187	-	-	-	-	-	-	-	Yes
KELOGG FOUNDATION	PUBLIC CONTRIBUTIONS	-	-	-	-	-	-	-	-	1,172	-	-	-	-	-	-	-	Yes
GEOLOGICAL MUSEUM	PROVINCIAL GRANT	-	-	-	-	-	-	-	-	2,079	-	-	-	-	-	-	-	Yes
UNCLE TOMS	PROVINCIAL GRANT	-	-	-	-	-	-	-	-	8	-	-	-	-	-	-	-	Yes
BILL JARDINE	PROVINCIAL GRANT	-	-	-	-	-	-	-	-	1,643	-	-	-	-	-	-	-	Yes
ARTHER ASHE TENNIS FAC	PROVINCIAL GRANT	-	-	-	-	-	-	-	-	5,953	-	-	-	-	-	-	-	Yes
KIPPIEZ JAZZ	PROVINCIAL GRANT	-	-	-	-	-	-	-	-	526	-	-	-	-	-	-	-	Yes
SANDTON GALLERY	PROVINCIAL GRANT	-	-	-	-	-	-	-	-	1,926	-	-	-	-	-	-	-	Yes
Provincial Grant-Diepsloot west	GAUTENG DEPARTMENT C	-	-	-	-	929	627	1,213	3,263	-	929	627	1,213	3,263	-	No Reason Provided	Yes	
Provincial Grant-Drieziek Ext 5	GAUTENG DEPARTMENT C	-	-	-	-	-	5,872	8,648	7,142	-	-	5,872	8,648	7,142	-	No Reason Provided	Yes	
Provincial Grant-Drieziek Ext 3	GAUTENG DEPARTMENT C	-	-	-	-	6,083	13,241	8,944	11,027	-	6,083	13,241	8,944	11,027	-	No Reason Provided	Yes	
Provincial Grant-Zandspruit	GAUTENG DEPARTMENT C	-	-	-	-	1,144	1,014	871	3,447	-	1,144	1,014	871	3,447	-	No Reason Provided	Yes	
Provincial Grant-Finetown East	GAUTENG DEPARTMENT C	-	-	-	-	-	1,634	4,597	2,317	-	-	1,634	4,597	2,317	-	No Reason Provided	Yes	
Provincial Grant-Finetown Proper	GAUTENG DEPARTMENT C	-	-	-	-	3,487	1,357	2,276	532	-	3,487	1,357	2,276	532	-	No Reason Provided	Yes	
Provincial Grant-Golden Triangle	GAUTENG DEPARTMENT C	-	-	-	-	11,383	11,819	10,695	3,486	-	11,383	11,819	10,695	3,486	-	No Reason Provided	Yes	
Provincial Grant-Ivory Park	GAUTENG DEPARTMENT C	-	-	-	-	-	6,315	1,847	4,271	-	-	6,315	1,847	4,271	-	No Reason Provided	Yes	

CITY OF JOHANNESBURG METROPOLITAN MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

APPENDIX F

GRANTS AND SUBSIDIES RECEIVED

Name of Grant	Name of organ of state or municipal entity	Quarterly Receipts					Quarterly Expenditure					Grants and Subsidies delayed / withheld					Reason for delay or withholding of Funds	Compliance with Division of Revenue Act Yes / No
		March 2008 R000	June 2008 R000	Sept 2008 R000	Dec 2008 R000	March 2009 R000	March 2008 R000	June 2008 R000	Sept 2008 R000	Dec 2008 R000	March 2009 R000	March 2008 R000	June 2008 R000	Sept 2008 R000	Dec 2008 R000	March 2009 R000		
Provincial Grant-Kliptown	GAUTENG DEPARTMENT C	-	-	-	-	-	46	3,103	3,103	3,905	-	46	3,103	3,103	3,905	-	No Reason Provided	Yes
Provincial Grant-Mathollesville	GAUTENG DEPARTMENT C	-	-	-	-	-	1,227	1,883	1,581	1,069	-	1,227	1,883	1,581	1,069	-	No Reason Provided	Yes
Provincial Grant-Pooritje	GAUTENG DEPARTMENT C	-	-	-	-	-	5,052	3,526	2,504	3,734	-	5,052	3,526	2,504	3,734	-	No Reason Provided	Yes
Provincial Grant-Protea South	GAUTENG DEPARTMENT C	-	-	-	-	-	-	243	522	-	-	-	243	522	-	No Reason Provided	Yes	
Provincial Grant-Sol Plaatjie	GAUTENG DEPARTMENT C	-	-	-	-	-	9,077	1,959	9,719	21,633	-	9,077	1,959	9,719	21,633	-	No Reason Provided	Yes
Provincial Grant-Vlakfontein Ext	GAUTENG DEPARTMENT C	-	-	-	-	-	-	2,552	4,870	8,854	-	-	2,552	4,870	8,854	-	No Reason Provided	Yes
Provincial Grant-Lehae	GAUTENG DEPARTMENT C	-	-	-	-	-	-	370	367	817	-	-	370	367	817	-	No Reason Provided	Yes
Provincial Grant-Vlakfontein Prop	GAUTENG DEPARTMENT C	-	-	-	-	-	-	-	7,825	11,369	-	-	-	7,825	11,369	-	No Reason Provided	Yes
Provincial Grant- Relocation	GAUTENG DEPARTMENT C	-	-	-	-	-	143	545	22	859	-	143	545	22	859	-	No Reason Provided	Yes
Provincial Grant-Pennyville	GAUTENG DEPARTMENT C	-	-	-	-	-	-	6,491	-	21,897	-	-	6,491	-	21,897	-	No Reason Provided	Yes
Provincial Grant-Rabie Ridge	GAUTENG DEPARTMENT C	-	-	-	-	-	-	2,722	-	2,115	-	-	2,722	-	2,115	-	No Reason Provided	Yes
Provincial Grant-Kliptown	GAUTENG DEPARTMENT C	-	-	-	-	-	-	325	-	1,217	-	-	325	-	1,217	-	No Reason Provided	Yes
Provincial Grant-Willers Farm	GAUTENG DEPARTMENT C	-	-	-	-	-	-	-	2,069	10,162	-	-	-	2,069	10,162	-	No Reason Provided	Yes
Provincial Grant-Land	GAUTENG DEPARTMENT C	-	-	-	15,402	-	-	-	-	-	-	-	-	-	-	-	No Reason Provided	Yes
Provincial Grant-Diepkloof Hostel	GAUTENG DEPARTMENT C	-	-	-	-	-	-	940	-	7,755	-	-	-	7,755	-	-	No Reason Provided	Yes
Provincial Grant-Pennyville	GAUTENG DEPARTMENT C	-	7,236	-	-	-	6,046	227	1,036	393	-	6,046	940	1,036	393	-	No Reason Provided	Yes
Provincial Grant-Sol Plaatjie	GAUTENG DEPARTMENT C	-	-	-	-	-	-	173	-	15,229	-	-	227	-	8,166	-	No Reason Provided	Yes
Lawley Ext 3 Roads & Stormwater	Gauteng Department of Loca	-	-	-	673	-	-	-	6,293	-	-	-	-	6,293	38,143	-	No Reason Provided	Yes
Doornkop Greenvillage	Gauteng Department of Loca	-	-	-	4,405	-	-	-	-	-	-	-	-	-	-	-	No Reason Provided	Yes
Sol Plaatjie	Gauteng Department of Loca	-	-	-	2,313	-	-	-	198	520	-	-	-	-	-	-	No Reason Provided	Yes
Pennyville	Gauteng Department of Loca	-	-	-	7,967	-	-	5,164	4,785	-	-	-	7,051	-	-	-	No Reason Provided	Yes
Kanana Park	Gauteng Department of Loca	-	-	-	5,748	-	1,062	2,976	115	-	-	-	374	-	-	-	No Reason Provided	Yes
Doornkop Greenfield	Gauteng Department of Loca	-	-	-	27,794	-	-	1,063	17,507	6,487	-	-	5,143	-	-	-	No Reason Provided	Yes
Stretford Ext 2 link	Gauteng Department of Loca	-	-	-	804	-	494	192	88	-	-	-	51	-	-	-	No Reason Provided	Yes
Vlakfontein Proper	Gauteng Department of Loca	-	-	-	17,874	-	9,293	552	266	-	-	-	4,375	-	-	-	No Reason Provided	Yes
Meriting Kaalfontein	Gauteng Department of Loca	-	-	-	1,524	-	-	1,342	-	-	-	-	-	-	-	-	No Reason Provided	Yes
Orange Farm Ext 9	Gauteng Department of Loca	-	-	-	2,824	-	-	634	195	2,919	-	-	924	-	-	-	No Reason Provided	Yes
Lehae Ext 1 Bulk Attenuation	Gauteng Department of Loca	-	-	-	7,364	-	-	5,797	1,946	-	-	-	380	-	-	-	No Reason Provided	Yes
Finetown East	Gauteng Department of Loca	-	-	-	2,976	-	-	2,976	-	-	-	-	-	-	-	-	No Reason Provided	Yes
Braamfischerville	Gauteng Department of Loca	-	-	-	140	-	140	-	-	-	-	-	-	-	-	-	No Reason Provided	Yes
DLG HIV and AIDS Grant	Gauteng Department of Loca	-	2,083	-	-	2,700	-	-	5,130	-	3,695	-	-	-	-	-	-	Yes
Cash Subsidy	Provincial Department of Hea	-	33,900	-	16,950	72,262	910	1,644	1,037	2,858	7,337	-	-	-	-	-	-	Yes
Municipal Infrastructure Grant	National Government	44,378	131,845	-	150,824	327,047	36,064	111,365	77,575	144,399	369,404	-	-	-	69,964	69,964	Project delays	Yes
2010 FIFA World Cup Stadiums Development Grant - Soccer City	National Department of Sports and Recreation	174,600	58,200	246,726	127,000	606,526	174,600	58,200	246,726	127,000	606,526	-	-	-	-	-	N/A	Yes
2010 FIFA World Cup Stadiums Development Grant - Ellis Park	National Department of Sports and Recreation	20,800	-	41,532	-	62,332	48,868	35,068	8,282	21,144	113,361	-	-	-	-	-	N/A	Yes
2010 World Cup Host City Operating Grant	National Department of Sports and Recreation	-	-	-	31,000	31,000	-	-	-	17,582	17,582	-	-	-	-	-	N/A	Yes
Municipal Infrastructure Grant	Central Government	-	-	-	-	-	-	2,049	3,475	4,319	-	-	-	-	-	-	Funds redistributed	
Municipal Infrastructure Grant	MIG FUNDING	117,703	53,795	-	9,498	-	20,928	32,867	5,370	4,128	93,187	-	-	-	-	-	No Reason Provided	Yes
Social Housing Fund	National Department of Hous	12,259	-	-	-	80,149	-	12,259	-	-	80,149	-	-	-	-	-	N/A	Yes

CITY OF JOHANNESBURG METROPOLITAN MUNICIPALITY

APPENDIX G

BANK BALANCES AND CASH AS AT 30 JUNE 2009

Description	Account	Bank Statement Balance			Cash Book Balance		
		30/06/2007 R000	30/06/2008 R000	30/06/2009 R000	30/06/2007 R000	30/06/2008 R000	30/06/2009 R000
Bank Accounts:							
ABSA : Primary Bank Account	4054394859	1,560	443,309	94,780	1,560	443,309	94,780
ABSA : Ordinary Bank Account	4054398227	-	-	-	-	(33,807)	(31,046)
ABSA : Stores Bank Accounts	4054398308	-	-	-	-	-	-
ABSA : Licensing Bank Account	4054398405	-	-	-	2,444	2,338	38,093
ABSA : Traffic Bank Account	4054398332	-	-	-	359	238	565
ABSA : Traffic Aarto Bank Account	40773152034	-	-	48,734	-	-	48,734
ABSA : Civil Contracts Bank Account	4054398455	-	-	-	-	-	-
ABSA : RSC Billing Bank Account	4054398439	-	-	-	-	-	-
ABSA : Internal Collection Bank Account	4054398421	-	-	-	-	-	-
ABSA : R/D Ordinary Bank Account	4054398578	-	-	-	-	-	-
ABSA : Elec Payments Costs Bank Acc	4054398497	-	-	-	-	-	-
ABSA : 3rd Party Banking Bank Account	4054398489	-	-	-	7,043	125	17
ABSA : Elec Payments Bank Account	4054398463	16,727	12,544	18,683	16,727	12,544	18,683
ABSA : Elec Payment R/D Bank Account	405442511	-	-	-	-	43	-
ABSA : Collections Bank Account	4054423561	-	-	-	15,329	15,939	31,645
ABSA : R/D Bank Account	4054398502	-	-	-	-	264	-
ABSA : RSC Contractors 1 Bank Account	4054486339	-	-	-	-	-	-
ABSA : RSC Contractors 2 Bank Account	4054486355	-	-	-	-	-	-
ABSA : RSC Contractors 4 Bank Account	4055463920	-	-	-	-	-	-
ABSA : RSC Contractors 3 Bank Account	4055463881	-	-	-	-	-	-
ABSA : RSC R/D Bank Account	4055464023	-	-	-	-	-	-
ABSA : RSC Bank Charges Bank Account	4055464049	-	-	-	-	-	-
ABSA : Traffic R/D Bank Account	4057154521	-	-	-	-	-	-
ABSA : Licensing R/D Bank Account	4057154652	-	-	-	-	-	-
ABSA : Bank Charges Ordinary Bank Account	4057154791	-	-	-	-	-	-
ABSA : Licensing Bank Charges Bank Account	4058779813	-	-	-	-	-	-
ABSA : Traffic Bank Charges Bank Account	4058779994	-	-	-	-	-	-
ABSA : Addis Ababa Bank Account	4060525145	92	102	112	92	102	112
ABSA : Arts Alive Bank Account	4057855929	-	-	-	-	-	-
ABSA : Danida Bank Account	4059870765	242	97	-	242	218	-
FNB : Treasury Bank Account	62012152386	-	-	-	-	-	-
FNB : Ordinary Bank Account	50611838621	-	-	-	-	-	-
FNB : Licensing Bank Account	62016397178	-	-	-	-	-	-
FNB : Traffic Bank Account	62016397326	-	-	-	-	-	-
ABSA	40 5853 6762	6	6	6	6	6	6
ABSA	40 5853 6005	4	4	4	4	4	4
ABSA	91 1288 7111	16	16	17	17	17	17
NEDBANK	15 1106 3270	90	90	99	99	99	99
NEDBANK	14 6909 5971	252	252	363	363	363	363
ABSA : Deposit Bank Account	405-439-4655	19,599	13,364	21,364	18,442	13,357	21,898
ABSA : Business Bank Account	405-439-4663	-	-	-	(2)	-	(221)
ABSA : Trust Bank Account	405-442-3252	-	-	-	-	-	-
ABSA : Salary Bank Account	405-439-4671	24	-	-	24	-	-
ABSA : Unpaid Bank Account	405-439-4689	366	145	162	366	145	162
FNB: Business Bank Account	620-1247-1257	78	275	1,275	78	275	1,275
ABSA	4,057,945,928	2,198	5,586	-	2,198	5,586	-
ABSA	4054394710	-	-	-	-	-	-
ABSA	4054394702	-	-	-	-	-	-
ABSA	4055177284	-	-	-	-	-	-
ABSA CURRENT ACCOUNT	4054428422	-	-	-	-	-	-
NEDBANK CURRENT ACCOUNT	1284025993	1,729	203	590	1,729	211	590
NEDBANK CURRENT ACCOUNT	1284111555	15	5,618	735	15	16	-
CALL DEPOSIT	84513195/00001	-	-	-	-	5,618	735
CALL DEPOSIT	84513195/00004	-	-	-	-	-	-
CALL DEPOSIT	50000834990	-	-	-	-	-	-
ABSA	4059050233	-	-	-	-	-	-
ABSA	40719172149	-	-	1,943	-	-	1,943
ABSA	4059925738	-	-	-	-	-	-
ABSA Trust	4054398803	-	-	-	-	1	-
ABSA Operating	4054398772	-	-	-	-	(48,101)	(49,875)
ABSA Salaries	4054398811	-	-	-	-	(1,710)	(1,982)
ABSA - Current account	4054394825	-	-	-	-	-	-
ABSA - Ring-fenced Accounts	4066072619	836	1,793	1,084	836	1,793	1,080
ABSA BANK LIMITED	4050839158	-	-	-	-	-	-
Direct Debit Bank serv Account	4054394728	-	-	-	-	-	-
Main Account (Payment Account)	4054394736	-	-	-	-	-	-
Bank Charges Account	4054394744	-	-	-	-	-	-
Salaries Account	4054394752	-	-	-	-	-	-
Unpaid Cheques Account	4054394760	-	-	-	-	-	-
Sundry Account	4054636689	-	-	-	-	-	-
On-Site Collections Account	4054799051	-	-	-	-	-	-
On-Site Collections Unpaid Account	4054799564	-	-	-	-	-	-
Third Party Vendors Payment Account	4055151157	-	-	-	-	-	-
New Electronic Collections Account	4055151238	-	-	-	-	-	-
Pre-Paid Account	4055418357	-	-	-	-	-	-
ABSA Primary Bank Account	4054394778	-	-	-	-	-	-
ABSA Trust Bank Account	4054852450	-	-	2	-	-	-
FNB Call Account	6202064153	557	601	-	557	601	-
ABSA Special Savings	9097335459	2	2	2	2	2	-
ABSA Special Savings Salaries	9099384175	1,155	137	1,161	1,155	137	1,161
Nedbank 32 day Notice	48554837	38	41	45	38	41	45
ABSA Current	570142348	418	18	96	418	18	104
ABSA Computicket Account	570147854	5	6	11	5	6	-
Nedbank Current Account	1905092075	19	19	-	19	19	-
ABSA	4054394786	-	-	-	-	-	-
ABSA	4054394809	-	-	-	-	-	-
ABSA	4054394817	-	-	-	-	-	-
ABSA Deposit Account	4054400460	-	160	54	1	160	54
MAX TRUST FUND	4068745070	-	-	-	-	-	-
ABSA - Main Account	4054394833	-	-	-	(2,217)	(2,077)	66
ABSA - Salaries Account	4054394841	-	-	-	-	-	-
ABSA - Sports Club Account	4067062497	51	-	-	51	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
Petty Cash and Float Accounts					343	399	397
TOTAL		46,079	484,388	191,322	68,650	417,992	179,504

City of Johannesburg
Group Annual Financial Statements for the year ended 30 June 200

APPENDIX H
DIRECTOR'S REMUNERATION AS AT 30 JUNE 2009

	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16
	Johannesburg Fresh Produce Market (Pty) Ltd	Johannesburg Civic Theatre (Pty) Ltd	Johannesburg Zoo	Johannesburg Property Company (Pty) Ltd	Johannesburg Development Agency (Pty) Ltd	Metropolitan Trading Company (Pty) Ltd	City Power Johannesburg (Pty) Ltd	Johannesburg Water (Pty) Ltd	Pikitup Johannesburg (Pty) Ltd	Johannesburg Roads Agency (Pty) Ltd	Johannesburg City Parks	Johannesburg Social Housing Company (Pty) Ltd	Johannesburg Tourism Company	Johannesburg Metropolitan Bus Services (Pty) Ltd	Roodepoort City Theatre	City Housing Company (Pty) Ltd
	R 000s	R 000s	R 000s	R 000s	R 000s	R 000s	R 000s	R 000s	R 000s	R 000s	R 000s	R 000s	R 000s	R 000s	R 000s	R 000s
Non-Executive Directors	646	181	609	639	631	1,039	1,420	1,100	762	863	871	795	395	965	452	-
Directors' fees	646	181	609	639	631	1,039	1,381	1,100	762	863	871	795	395	965	452	-
Travel	-	-	-	-	-	-	39	-	-	-	-	-	-	-	-	-
Chief Executive Officer	1,257	438	999	85	1,206	912	2,436	2,430	1,554	1,106	1,579	1,234	1,053	1,062	887	-
Annual remuneration	958	111	850	63	1,059	727	2,093	1,204	1,350	691	1,353	982	860	720	719	-
Performance bonus	134	212	87	-	87	-	214	727	182	60	194	177	-	-	102	-
Car allowance	-	72	-	22	60	111	129	330	-	94	32	63	156	324	66	-
Contributions to UIF, medical and pension funds	165	43	62	-	-	74	-	169	22	261	-	12	37	18	-	-
Chief Finance Officer	1,381	656	553	-	772	671	511	1,313	948	643	1,168	1,041	666	905	414	-
Annual remuneration	1,072	504	482	-	677	501	450	877	631	480	834	671	497	647	333	-
Performance bonus	125	80	36	-	72	-	157	-	-	259	181	-	-	78	49	-
Car allowance	-	38	-	-	23	144	61	144	188	65	75	79	72	12	32	-
Contributions to UIF, medical and pension funds	184	34	35	-	-	26	-	135	129	98	-	110	97	168	-	-
Other Executive Directors	-	-	-	-	-	409	-	-	-	-	-	-	-	-	-	-
Annual remuneration	-	-	-	-	-	329	-	-	-	-	-	-	-	-	-	-
Performance bonus	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Car allowance	-	-	-	-	-	75	-	-	-	-	-	-	-	-	-	-
Contributions to UIF, medical and pension funds	-	-	-	-	-	5	-	-	-	-	-	-	-	-	-	-
Senior Management	2,942	2,449	3,095	3,916	4,865	3,491	8,329	3,584	7,963	1,846	5,635	4,216	2,046	2,583	1,137	-
Annual remuneration	2,326	1,591	2,519	3,103	3,836	1,559	6,905	2,428	6,423	1,541	4,449	3,251	1,343	1,978	957	-
Performance bonus	289	229	313	349	329	-	540	284	546	-	760	266	-	169	48	-
Car allowance	-	447	-	464	700	130	884	608	878	234	426	574	280	298	132	-
Contributions to UIF, medical and pension funds	327	182	263	-	-	1,802	-	264	116	71	-	125	422	138	-	-

APPENDIX H
DIRECTOR'S REMUNERATION AS AT 30 JUNE 2008

Non-Executive Directors	657	274	456	-	467	802	1,361	1,666	709	1,092	-	674	659	1,568	452	-
Directors' fees	657	274	456	-	467	802	1,319	1,666	709	1,092	-	674	659	1,568	439	-
Travel	-	-	-	-	-	-	42	-	-	-	-	-	-	-	13	-
Chief Executive Officer	1,152	1,255	1,043	1,204	1,033	459	1,985	2,198	2,494	960	1,580	2,520	933	1,463	725	-
Annual remuneration	1,044	990	698	970	1,023	351	1,654	1,160	2,452	960	1,386	838	712	1,441	725	-
Performance bonus	81	193	238	183	-	-	203	550	-	-	194	112	75	20	-	-
Car allowance	-	72	-	48	-	74	128	330	29	-	-	73	88	-	-	-
Contributions to UIF, medical and pension funds	27	-	106	2	10	34	-	158	13	-	-	1,497	58	2	-	-
Chief Finance Officer	918	542	282	677	856	246	1,339	1,208	651	350	1,241	886	554	846	449	-
Annual remuneration	770	433	244	460	847	177	1,030	794	542	350	1,034	613	409	624	449	-
Performance bonus	-	70	-	149	-	37	181	138	26	-	207	98	-	76	-	-
Car allowance	-	38	-	68	-	24	128	155	65	-	-	174	48	12	-	-
Contributions to UIF, medical and pension funds	148	-	38	-	9	8	-	121	17	-	-	1	97	134	-	-
Other Executive Directors	-	-	-	576	-	-	-	-	5,233	-	5,185	-	-	-	565	-
Annual remuneration	-	-	-	576	-	-	-	-	4,248	-	4,346	-	-	-	565	-
Performance bonus	-	-	-	-	-	-	-	-	301	-	839	-	-	-	-	-
Car allowance	-	-	-	-	-	-	-	-	527	-	-	-	-	-	-	-
Contributions to UIF, medical and pension funds	-	-	-	-	-	-	-	-	157	-	-	-	-	-	-	-
Senior Management	2,198	1,611	3,372	2,266	4,616	1,493	7,413	5,858	7,515	2,983	3,561	2,163	2,356	2,140	251	-
Annual remuneration	1,792	1,306	2,480	1,682	4,570	1,257	5,510	3,913	5,784	2,983	3,237	1,535	1,559	1,650	251	-
Performance bonus	179	166	382	343	-	38	913	373	515	-	324	201	-	136	-	-
Car allowance	-	138	-	237	-	105	990	899	979	-	-	422	328	227	-	-
Contributions to UIF, medical and pension funds	227	-	510	4	46	93	672	239	-	-	-	6	469	127	-	-