

Figures in Rand	2017	2016
29. Cash Generated from Operations		
(Deficit) surplus	(58 125 574)	5 570 984
Adjustments for:		
Depreciation and amortisation	6 536 094	4 674 292
Loss on sale of assets and liabilities	455 044	219 617
Finance costs - Finance leases	557 001	642 744
Debt impairment	-	2 423 893
Movements in operating lease assets and accruals	(2 972 688)	2 709 734
Movements in retirement benefit assets and liabilities	177 088	(553 771)
Movements in provisions	630 688	1 502 080
Annual charge for deferred tax	24 970 492	2 895 588
Non-cash flow Interest received - debtors discounting	(13 829 499)	-
Scrapped finance lease asset	-	(152 644)
Movement in discounting of receivables	19 166 060	-
Changes in working capital:		
Receivables from exchange transactions	(541 748 157)	173 033 060
Consumer debtors	-	(2 423 893)
Other receivables from non-exchange transactions	10 259	2 546 884
Prepayments	205 949	(29 948)
Payables from exchange transactions	267 298 541	48 020 588
Deferred income	-	(4 701 750)
	(296 668 702)	236 377 458
30. Commitments		
Commitments in respect of capital expenditure:		
Authorised		
• Property, plant and equipment	1 700 000	4 000 000
Total capital commitments		
Not yet contracted for and authorised by directors	1 700 000	4 000 000
Authorised operational expenditure		
Already contracted for but not provided for		
Audit fees	-	627 923
Cleaning	29 704 507	-
Consulting fees	76 825	19 567 505
Fleet	2 332 260	4 784 377
Licenses	-	396 096
Repairs and maintenance	1 530 486	3 866 999
Staff wellness	25 468	107 294
Temporary staff	-	511 077
	33 669 546	29 861 271

Figures in Rand	2017	2016
Total operational commitments		
Already contracted for	33 669 546	29 861 271
Total commitments		
Authorised capital expenditure	1 700 000	4 000 000
Authorised operational expenditure	33 669 546	29 861 271
	35 369 546	33 861 271
This committed capital expenditure relates to plant and equipment and will be financed by available bank facilities, retained surpluses, existing cash resources, funds internally generated, etc. The entity has been allocated a capital expenditure budget of R1 700 000 for the 2017/18 financial year (2016: R4 000 000).		
Operating leases – as lessee (Buildings)		
Minimum lease payments due		
• Not later than one year	81 946 911	63 939 108
• Later than one year and not later than five years	65 521 474	114 609 316
• Later than five years	-	1 525 307
	147 468 385	180 073 731

Operating lease payments represent rentals payable by the entity for the JPC head office and office accommodation for 10 buildings for various City departments. Leases are negotiated for a term of 2 to 5 years for City department occupied buildings and 9 years and 11 months for the JPC head office, all leases are subject to yearly escalations. No contingent rent is payable.

31. Related Parties

Relationships

The company adheres to Section 45 of The Municipal Supply Chain Management Regulation:

Contracts are entered into in terms of Services Delivery Agreements

As all related parties are current no provision has been made in respect of bad debts.

Controlling entity: The City of Johannesburg Metropolitan Municipality

Fellow subsidiaries:

- City Power Johannesburg (SOC) Ltd
- Johannesburg City Parks (NPC)
- Johannesburg Development Agency (SOC) Ltd
- Johannesburg Social Housing Company (SOC) Ltd
- Johannesburg Roads Agency (SOC) Ltd
- Johannesburg Fresh Produce Market (SOC) Ltd
- Johannesburg Water (SOC) Ltd
- Johannesburg Theatre (SOC) Ltd
- Pikitup (SOC) Ltd