Figures in Rand

31. Related Parties (continued)

Remuneration of management

Executive management

2017	Basic Salary	Bonuses and 13th cheques	Travel Allowance	Company contribution	Other payments received	Total
Ms HM Botes	1 982 360	294 840	250 000	20 655	-	2 547 855
Mr IM Bhamjee	1 510 605	192 600	96 000	241 388	-	2 040 593
Mr F Sardianos	1 577 583	252 000	-	264 367	-	2 093 950
Mr SZ Mntungwa	1 557 583	192 600	-	260 099	-	2 010 282
Mr MM Makhunga	1 062 487	182 000	96 000	176 190	34 026	1 550 703
Mr M Tisani	981 069	-	-	146 800	-	1 127 869
	8 671 687	**1 114 040**	**442 000**	**1 109 499**	**34 026**	**11 371 252**
2016						
Ms HM Botes	1 484 534	280 000	250 000	29 126	769 566	2 813 226
Mr IM Bhamjee	1 373 269	193 462	96 000	290 681	-	1 953 412
Mr F Sardianos	1 499 571	183 299	-	318 652	37 669	2 039 191
Mr SZ Mntungwa	1 499 570	191 678	-	318 753	38 336	2 048 337
Mr MM Makhunga	998 851	50 886	96 000	218 462	-	1 364 199
Mr M Tisani	1 245 334	-	-	268 285	-	1 513 619
	8 101 129	**899 325**	**442 000**	**1 443 959**	**845 571**	**11 731 984**

32. Risk Management

Financial risk management

Liquidity risk

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities. The companies cash is swept on a daily basis to The City of Johannesburg Metropolitan Municipality (COJ) main account. The City releases money for use by The City of Joburg Property Company (SOC) Ltd as and when it is needed. Any over expenditure in which current cash swept cannot cover is covered by the COJ.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

At 30 June 2017	Less than 1 year	1-2 years	2-5 years	Over 5 years
Finance lease obligations	3 811 911	3 181 419	-	-
Trade and other payables	356 517 840	-	-	-
At 30 June 2016				
Finance lease obligations	3 036 553	1 407 334	-	-
Trade and other payables	89 219 299	-	-	-

Interest rate risk

As the company has no significant interest-bearing assets, the company's income and operating cash flows are substantially independent of changes in market interest rates.

The company policy is to manage interest rate risk so that fluctuations in variable rates do not have a material impact on surplus/(deficit). Fixed rate borrowings expose the company to fair value interest rate risk.

The company has not performed a sensitivity analysis as the company is exposed to fixed rate borrowings only.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party. Trade debtors are comprised of development fees on contracts awarded to a developer who has been awarded the tender and related party debtors generated from the internal recoveries of office accommodation for FMMU. The company manages development fee risk by inserting suspensive conditions in the signed contracts. If the developer cannot pay in the specified time, payment terms are arranged and failing which the contract will be cancelled and awarded to another developer.

Figures in Rand	2017	2016
Financial assets exposed to credit risk at year end were as follows:		
Financial instrument		
Financial assets measured at fair value:		
-Trade and other receivables	602 932 186	66 520 590
-Cash and cash equivalents	2 000	2 000
	602 934 186	**66 522 590**

Debtors Age Analysis	30 Days	60-90 Days	90-120 Days	120-180 Days	180+ Days	Total
Trade and other trade receivables	388 730 015	75 606 134	11 238 170	41 951 659	90 742 769	608 268 747
Discounting effect	(3 435 113)	(665 303)	(466 039)	(208 808)	(561 298)	(5 336 561)
	385 294 902	**74 940 831**	**10 772 131**	**41 742 851**	**90 181 471**	**602 932 186**

33. Going Concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The existence of the company is dependent on the continued support of its sole shareholder being the City of Johannesburg Metropolitan Municipality by way of management fees paid each year in terms of a service delivery agreement entered into. Development fees received from external parties further support the going concern of the company. To support the continuous collection of management fees, JPC has a 30 year agreement with the Shareholder, of which 14 years are remaining. The deficit of the company before taxation was R 33 155 082 (2016: surplus R 8 466 572), after taxation it was a deficit of R (58 125 574) (2016: surplus R 5 570 984). In lieu of the current financial position, the City of Johannesburg Metropolitan Municipality has issued a subordination agreement for the debt and loans of the entity.